Solvency and Financial Condition Report 2024

FRIDAY Insurance S.A.

April 8, 2025

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Legal Disclaimer

This report has been prepared solely to fulfil the obligations arising from the supervisory reporting (Solvency and Financial Condition Report under Articles 51 et seq. of the Solvency II Directive 2009/138 / EC in conjunction with Articles 290 et seq. of Delegated Regulation (EU) 2015 / 35 of the Commission of 10 October 2014 and Articles 82 et seq. of the local Law of 7 December 2015 on the insurance sector). Unless otherwise indicated in this report, all statements and information contained herein are based on facts and knowledge as at the reference date of the report. The same applies to all forward-looking statements and information contained in this report, such as i. forecasts, expectations, developments, plans, intentions, assumptions, beliefs or outlooks. Forward-looking statements are subject to many factors, and no assurance, warranty or guarantee is given that the forward-looking statements will take place or be fulfilled as expected. Furthermore, new factors with a significant impact on forward-looking statements may arise at any time. It cannot be predicted what these factors are and what influence they have individually or in combination with other circumstances. It is not intended to update any of these forward-looking statements and information due to changed circumstances or new knowledge unless expressly required by applicable laws or regulations.

List of Abbreviation

AOF	Ancillary Own Funds
ALCO-RICO	Asset Liability and Risk Committee
BOF	Basic Own Funds
CAA	Commissariat aux Assurances
CEO	Chief Executive Officer
Company	FRIDAY Insurance S.A.
COVID-19	Corona Virus Disease 2019
EIOPA	European Insurance and Occupational Pensions Authority
EPIFP	Expected profits included in future premiums
FATCA	Foreign Account Tax Compliance Act
GAAP	Generally Accepted Accounting Standards
IIA	Institute of Internal Auditors
LOB	Line of business
MCR	Minimum Capital Requirement
MRH	Multi Risque Habitation
ORSA	Own Risk and Solvency Assessment
SCR	Solvency Capital Requirement
SST	Swiss Solvency Test

Glossary

Ancillary Own Funds

Ancillary Own Funds shall consist of items other than Basic Own Funds which can be called up to absorb losses. They require supervisory approval and cannot be used to cover the MCR.

(Solvency II Directive 2009/138/EC, Article 89)

Basic Own Funds

Basic Own Funds are composed of the excess of assets over liabilities, valued according to market-consistent principles, and subordinated liabilities.

Best Estimate

The Best Estimate is part of the Technical Provisions. It corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the relevant Risk-free Interest Rate Term Structure. The calculation of the Best Estimate is based upon up-to-date and credible information and realistic assumptions and is performed using adequate, applicable and relevant actuarial and statistical methods. The cash-flow projection used in the calculation of the Best Estimate takes account of all the cash in- and out-flows required to settle the insurance and reinsurance obligations over the lifetime thereof. It is calculated gross of reinsurance.

Minimum Capital Requirement

The Minimum Capital Requirement corresponds to an amount of eligible Basic Own Funds. Below this amount policy holders and beneficiaries are exposed to an unacceptable level of risk so that insurance and reinsurance undertakings are not allowed to continue their operations.

(Solvency II Directive 2009/138/EC, Article 129)

Own Risk and Solvency Assessment (ORSA)

Own Risk and Solvency Assessment is a risk management process which connects business strategy and capital planning and is an integral part of the business strategy. ORSA needs to be performed annually or whenever the risk profile changes significantly. The process is owned by the Board and must be documented and reported internally and to the supervisor.

Own Funds

Own Funds are defined as the sum of Basic Own Funds and Ancillary Own Funds.

(Solvency II Directive 2009/138/EC, Article 77)

Reconciliation Reserve

The Reconciliation Reserve (revaluation reserve) is part of the Own Funds of the Solvency II balance sheet. It results from the surplus of assets over liabilities less items such as share capital, capital reserve or foundation funds, preference shares and Surplus Funds. In addition, adjustments must be made, such as for foreseeable dividend payments.

Risk Margin

The Risk Margin is part of the Technical Provisions and shall be such as to ensure that the value of the Technical Provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations. The Risk Margin is determined by the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over the lifetime thereof. (Solvency II Directive 2009/138/EC, Article 77)

Risk-free Interest Rate

The Risk-free Interest Rate term structure is relevant for the calculation of liabilities by insurance and reinsurance undertakings. EIOPA is required to publish the Risk-free Interest Rate for Solvency II.

As a default approach, the Risk-free Interest Rate is primarily derived from the rates at which two parties are prepared to swap fixed and floating interest rate obligations. (EIOPA-BoS-15/035)

Solvency Capital Requirement (SCR)

The Solvency Capital Requirement should reflect a level of eligible Own Funds that enables insurance and reinsurance undertakings to absorb significant losses and that gives reasonable assurance to policy holders and beneficiaries that payments will be made as they fall due. This amount is determined with reference to the risks assumed by the company. (Solvency II Directive 2009/138/EC, Paragraph 62)

Solvency II Ratio

The Solvency II Ratio represents the company's Own Funds against its SCR. Insurance and reinsurance undertakings are required to maintain their Solvency II Ratio above 100%. If the ratios are lower, measures are initiated by the national supervisory authority, such as the need for an action plan to restore the ratios to required levels.

Surplus Funds

Surplus Funds shall be deemed to be accumulated profits which have not been made available for distribution to policy holders and beneficiaries. In so far as authorized under national law, Surplus Funds shall not be considered as insurance and reinsurance liabilities to the extent that they fulfil the criteria set out in Article 94(1). (Solvency II Directive 2009/138/EC, Article 91)

Technical Provisions

The value of the Technical Provisions under Solvency II corresponds to the amount which another insurance or reinsurance undertaking would be expected to require to take over and fulfil the underlying insurance and reinsurance obligations. They are calculated as the sum of the Best Estimate liabilities and the Risk Margin.

Volatility Adjustment

The Volatility Adjustment is a measure to ensure the appropriate treatment of insurance products with long-term guarantees under Solvency II. (Re) insurers are allowed to adjust the risk-free-rate to mitigate the effect of short-term volatility of bond spreads on their solvency position. In that way, the Volatility Adjustment prevents pro-cyclical investment behavior of (re)insurers.

Executive Summary

FRIDAY Insurance S.A. (the "Company" or FRIDAY) is a non-life insurance company. It operates under the legal form of a stock corporation (Société anonyme). FRIDAY is part of the Baloise Group (owned by Baloise Holding Ltd, Switzerland). Located at the heart of Europe, with its head office in Basel, the Baloise Group is a provider of prevention, pension, assistance and insurance solutions.

The purpose of this report is to satisfy the public disclosure requirements under the Luxembourg "Loi du 7 Décembre 2015 sur le secteur des Assurances" (Luxembourg Law on the Insurance Sector) including the Solvency II Directive 2009/138/EC, the Commission Delegated Regulation (EU) 2015/35 and the EIOPA Guidelines on Reporting and Disclosure. The elements of the disclosure relate to business and performance, system of governance, risk profile, solvency valuation and capital management.

The European Solvency II Directive serves to improve and harmonize EU insurance regulation to unify the European insurance market and strengthen consumer protection. This risk-based system is covering both quantitative and qualitative aspects to define the capital requirements of each company subject to the regulation. Solvency II is divided into three pillars representing financial requirements, governance and supervisory requirements and finally reporting and disclosure requirements.

Highlights

FRIDAY is an insurance company incorporated in 2017 offering motor insurance policies, home content insurance policies and private liability insurance policies in the German market and Multi Risque Habitation (MRH) policies in the French market. As a digital insurer the company focuses primarily on the development of a simple, digital and sustainable insurance experience for customers.

FRIDAY has successfully developed its operations and business over the past years. The partnership with Seven Ventures GmbH enabled FRIDAY to advertise its insurance products in the advertising outlets of the ProSiebenSat.1 Group, which have a wide reach in Germany among FRIDAY's relevant target groups.

The continuation of the advertisement campaign increased brand awareness in Germany and built trust with customers. The focus was put on the brand promise to create an insurance experience that customers love. The FRIDAY brand achieves top values for modernity, simplicity and innovation and stands for reliability and flexibility among customers in Germany. The brand aligns with the characteristics of its products. High ratings on customer portals such as Trustpilot and Google Review with an average rating of 4.4 out of 5.0 underline the broad satisfaction of its customers. This is an outstanding result among new insurance market participants in Germany and France.

FRIDAY's business model is based on building digital solutions for the insurance industry. FRIDAY Insurance S.A. has been transforming from a pure-play car insurance firm to a digital provider of property and casualty insurance, started in 2019 with the introduction of home contents insurance and legal insurance for motorists followed by the private liability product and accident insurance, offered to customers via intermediation, in 2022 in Germany. FRIDAY entered mid of 2021 the French Insurance market with its MRH product, which was enhanced with the introduction of the school insurance add-on in June 2023.

FRIDAY’s focus on innovation has been on the automation of insurance relevant processes and their optimization from the customer's perspective. FRIDAY directs its attention on developing solutions for mass market business that are highly scalable. This is particularly reflected in the technical infrastructure. The company provides all its insurance services entirely paperless and fully digital.

On this basis, different innovations were introduced to the German insurance market in the first operating years since 2017. These developments took place in a competitive and dynamic environment.

FRIDAY has a sound capital base. The company's capital strength in accordance with Solvency II was reported at a level of 302.6% at the end of 2024.

On 28th October 2024 the Board of Directors signed an agreement with Allianz Direct Versicherungs-AG (Allianz Direct) covering the transfer of the whole insurance portfolio. This portfolio transfer agreement is subject to the approval of the Commissariat Aux Assurances. The transfer is planned to be completed by mid of 2025, FRIDAY is supporting to ensure a smooth transition for its customers and stakeholders during this process.

FRIDAY Insurance S.A. remains committed to actively support environmental protection and focuses on sustainable and responsible actions. Sustainability is integrated into all areas of our business activities and processes, ensuring responsible engagement with employees, customers, partners, investors, the environment, and society. Since 2018, FRIDAY has offered customers an ECO tariff to offset their car’s CO_2 emissions generated by driving to contribute to climate protection. FRIDAY’s German branch was able to offset 4,277 tons of CO_2 and other harmful greenhouse gases such as methane and nitrous oxide between April 2023 and March 2024 thanks to the "FRIDAY+ECO" product. In 2020, FRIDAY itself became fully CO_2 neutral. This remains an integral part of our strategy and, therefore, we as an insurance company will strive to fulfil this responsibility also in the future.

Macroeconomic situation

The macroeconomic situation in 2024 continues to be shaped by significant global challenges. The ongoing war in Ukraine and the conflict in the Gaza Strip contributed to heightened geopolitical tensions and uncertainty across international market. While FRIDAY's insurance operations are not directly exposed to these conflicts, the indirect effects particularly through energy prices, supply chain disruptions, and investor sentiment are closely monitored to assess any potential implications on the broader market environment.

In 2024, inflation rates declined reaching 2.7% in the European Union and 2.4% in the Euro area by year-end approaching the European Central Bank target of 2%. Nonetheless, the macroeconomic landscape remained volatile, influenced by elevated interest rate even if slightly decreasing compared to 2023, cautious monetary policy, and growing shifts in the political landscape — including increased polarization and uncertainty ahead of key national and EU elections. These factors contributed to fluctuations in financial markets and influenced investment dynamics across the insurance sectors. Despite these challenges, FRIDAY remains well positioned, supported by a robust capital base, disciplined risk management, and decided to transfer the whole portfolio to Allianz Direct, which is expected to further strengthen operational and financial resilience going into 2025.

Business and Performance

FRIDAY's business is still growing

In 2024, FRIDAY attracted around 145 thousand new customers in Germany and France with its straightforward digital processes and products. This led to peak of 300 thousand policies in portfolio during the year. FRIDAY continued to automate and digitize processes and customer interaction to enhance user experience and improve cost efficiency. The "TechHub", FRIDAY Technology sp. zo.o., which was founded in 2019 in Warsaw, Poland, plays a key role in this. At the end of 2024, the TechHub team counts 43 developers and engineers who, together with the product and engineering team in Berlin, continue to drive our platform and provide customers with an insurance experience they love. Due to the decision of portfolio transfer announced at the end of the reporting year, FRIDAY's TechHub shifted its focus to maintenance of its platform mainly.

The total amount of gross written premiums in the 2024 financial year was EUR 53,324.0 thousand (2023: EUR 51,695.3 thousand). In comparison with the previous period, the volume of premiums has slightly increased driven by the development of strong customer growth in the non-car business. These gross premiums were earned in an economically competitive environment on the German and French insurance market.

System of Governance

FRIDAY practices a sound, responsible corporate governance

FRIDAY places high importance on practicing a sound, responsible corporate governance.

The system of governance in place at FRIDAY is considered as adequate to the nature, scale and complexity of the risks inherent in the Company's business. Adequacy is confirmed through the governance principles in line with regulatory requirements. Furthermore, the fit and proper process applied, together with the Company's code of conduct ensures the adequacy of key personnel such as the key functions implemented according to Solvency II regulation. In end of 2024, FRIDAY undertook key leadership changes to align its governance with the strategic decision to transfer its portfolio to Allianz Direct. As part of this transition, the Executive Committee was streamlined from four to two members, following three departures including the retirement of the Dirigeant Agréé on October 31, 2024. A new leadership structure was introduced at year-end, combining the roles of CEO and Dirigeant Agréé, with the aim of enhancing agility and operational alignment with the company's evolving priorities. In addition, three members of the Board have changed including the Chairman of the Board, as the previous one resigned effective December 31, 2024.

Risk Profile

All material risks are identified, assessed and managed

All risks as defined under a proven Risk Map and the Solvency II regulatory framework are assessed on a regular basis by considering risk mitigating measures. Management of the different risks is organized at two levels. In a first step risks are assessed in a bottom-up process by the functional department responsible (risk owner and risk controller). In a second step, the assessments are aggregated at company level.

FRIDAY regularly assesses whether the resulting risk profile is compliant with its risk strategy.

The key drivers of the Solvency Capital Requirement are the non-life underwriting risk and the market risk. The non-life underwriting risk is driven by the premium and reserve risk directly related to the volume of premiums and reserves. The largest share of the non-life underwriting risk stems from the premium risk. The market risk is largely determined by investments in fixed income assets.

During the reporting period the non-life underwriting risk increased by 10.0% compared to last year. The strong increase is mainly driven by the significant growth of the French MRH portfolio increasing catastrophic risk. The market risk decreased mainly explained by the decrease of bond exposition and the decrease of the EIOPA interest rate curves associated to the reduction of the gap of duration.

Valuation for Solvency purposes

Material differences between Solvency II and Local GAAP have been analyzed and explained

Valuation principles and results are presented under both the Solvency II and local accounting guidelines (Local GAAP). Significant differences between these frameworks are documented. This not only comprises differences in valuation principles but also differences in recognition and/or in classification of certain assets and liabilities.

No material changes were made to the valuation methods used for Solvency II purposes during the reporting period. However, adjustments were applied to the statutory accounts, which contributed to a reduction in the valuation gap between statutory and Solvency II figures. In particular on the financial assets, as of 31 December 2024, the valuation of bonds in the statutory accounts was aligned with their market value, reflecting the fact that, following the transfer of the Company's insurance portfolio, a significant portion of bonds will no longer be held to maturity. This adjustment eliminates the previous difference with Solvency II, where assets are already valued at market value.

On the intangible assets side, formation expenses and license costs remain recognized at amortized cost in the statutory accounts but are assigned a nil value under Solvency II, in accordance with regulatory guidelines.

On the liabilities side, the technical provisions continue to be determined in line with Solvency II requirements, based on up-to-date, reliable data and realistic assumptions. These are reflected in the Best Estimate liabilities component of the Solvency II valuation.

Capital Management

Solvency II quota confirms solid capitalization

The company's Solvency II ratio was reported at a level of 302.6% at the end of 2024. The volatility adjustment is not used to calculate the technical provisions and does not impact the company's Solvency II quota. Transitional arrangements are not applied. The legal requirement to hold sufficient own funds to cover the Solvency Capital Requirement has therefore been fulfilled. The own funds of FRIDAY entirely consist of unrestricted Tier 1 funds.

Own funds: Eligible Own Funds and capital requirements

	2023	2024				
	Total	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
In '000 EUR						
Available and eligible own funds						
Total available own funds to meet the SCR	23,160.0	19,181.3	19,181.3	-	-	-
Total available own funds to meet the MCR	23,160.0	19,181.3	19,181.3	-	-	-
Total eligible own funds to meet the SCR	23,160.0	19,181.3	19,181.3	-	-	-
Total eligible own funds to meet the MCR	23,160.0	19,181.3	19,181.3	-	-	-
SCR	6,259.3	6,338.7	-	-	-	-
MCR	4,000.0	4,000.0	-	-	-	-
Ratio of Eligible own funds to SCR	370.0%	302.6%	-	-	-	-
Ratio of Eligible own funds to MCR	579.0%	479.5%	-	-	-	-

The available own funds decreased by EUR 3,978.7 thousand during the reporting period mainly driven by the result of the year partly offset by capital increase executed in August 2024. The company’s Solvency II ratio decreased from 370.0% to 302.6% during the reporting period.

Post closing events

At the 2nd of January 2025 Urs Bienz has been appointed Chairman of the Board of Directors following on Andreas Burki, who has resigned from this position on 31st December 2024.

On 16 January 2025, pursuant to a share purchase agreement, Baloise (Luxembourg) Holding S.A. has acquired the 1,710,376 shares previously held by SevenVentures GmbH in FRIDAY.

This transaction has resulted in Baloise (Luxembourg) Holding S.A. becoming the sole shareholder of FRIDAY, holding a total of 17,295,116 shares.

A. Business and Performance

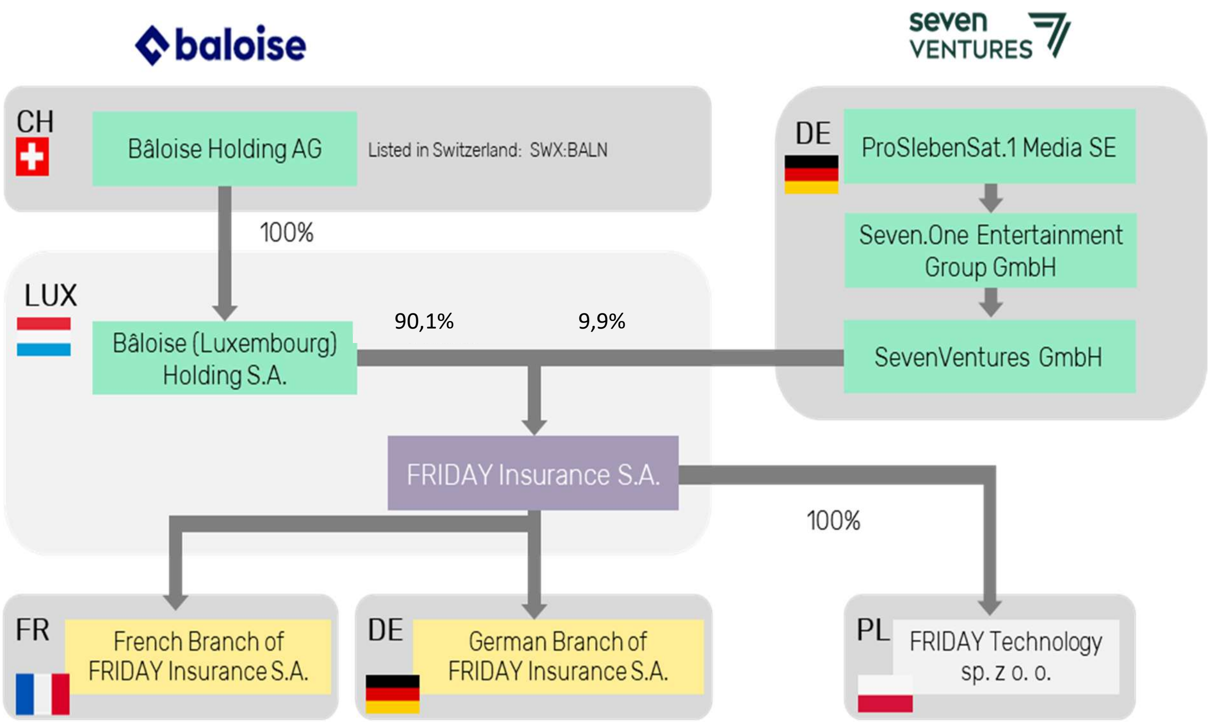
A.1. Business

General Information

FRIDAY is an insurance company incorporated in the Grand Duchy of Luxembourg on 1 December 2017 as a stock corporation (Société anonyme) and published in the Memorial, special publication for companies and associations, under number B220195. The Company is supervised by the Commissariat aux Assurances ("CAA", the Luxembourgish supervisory authority) situated at L-2557 Luxembourg, 11, rue Robert Stumper.

The external auditor of FRIDAY is Ernst & Young S.A., whose registered office is at L-1855 Luxembourg, 35E, avenue John F. Kennedy.

Baloise (Luxembourg) Holding S.A., a 100% subsidiary of the ultimate parent company Bâloise Holding Ltd, is the main shareholder of the company holding 90.1% of shares. The other shareholder SevenVentures GmbH holding 9.9% of shares. The following simplified chart shows further details of FRIDAY's position within the legal structure of the Baloise Group as of the reporting date of 31 December 2024.



On 16th May 2018, the German branch "Deutsche Niederlassung der FRIDAY Insurance S.A." was established as FRIDAY's branch in Berlin, Germany, and started its operative business as of 1st July 2018.

In November 2019, FRIDAY incorporated FRIDAY Technology Sp. z o.o. in Warsaw, Poland, a wholly owned subsidiary.

On 10th February 2021, the French branch “FRIDAY Insurance S.A. succursale francaise” was established as FRIDAY´s branch in Paris, France, and started its operative business as of 1st July 2021.

FRIDAY is included in the consolidated accounts of the Baloise Holding Ltd headquartered in Basel, Switzerland, whose registered office is at CH-4001 Basel, Aeschengraben 21 (Switzerland).

Main business lines and geographical areas

The Company is currently active on the German and French market.

The net written premiums of the non-life insurance business are broken down as follows among the business lines below:

Non-Life Net Written Premiums

	2024	**%**
In '000 EUR		
Income protection insurance	56.0	0.3%
Motor vehicle liability insurance	4,458.2	27.7%
Other motor insurance	3,394.9	21.1%
Fire and other damage to property insurance	3,321.4	20.7%
General liability insurance	4,209.2	26.2%
Legal expenses insurance	14.0	0.1%
Assistance	68.1	0.4%
Miscellaneous financial loss	16.1	0.1%
Total	**15,537.9**	**100.0%**

The net written amount has risen by 27.3% compared to 2023 (from EUR 12,193.9 thousand to EUR 15,537.9 thousand), primarily driven by the growth of French MRH product as well as German home contents and private liability products, which are not subject to quota share reinsurance. In the reporting period, the premium volume saw a notable shift, with the largest contribution (51% in YE24, down from 71% in YE23) stemming from "motor vehicle liability insurance" (29%) and "Other motor insurance" (22%), reflecting alignment with strategy of diversification of the portfolio through further development of non-car business. There was an increase in the share of "Fire and other damage to property insurance" (21% compared to 13% in YE23), driven by the expanding German home-contents business and the growing MRH business in the French market. Furthermore, the share of general liability insurance increased significantly from 14% in YE23 to 26% in YE24, attributable to the expansion of the existing MRH portfolio in France and the scaling growth of private liability insurance in the German market. Additionally, assistance services provided supplementary coverage for road assistance benefits bundled with motor vehicle liability insurance.

All products in Germany and France were sold via several price comparison platforms as well as via direct sales and selected brokers. Due to the concluded portfolio transfer agreement with Allianz Direct new business for private liability and home content insurance in Germany has been stopped at year-end 2024.

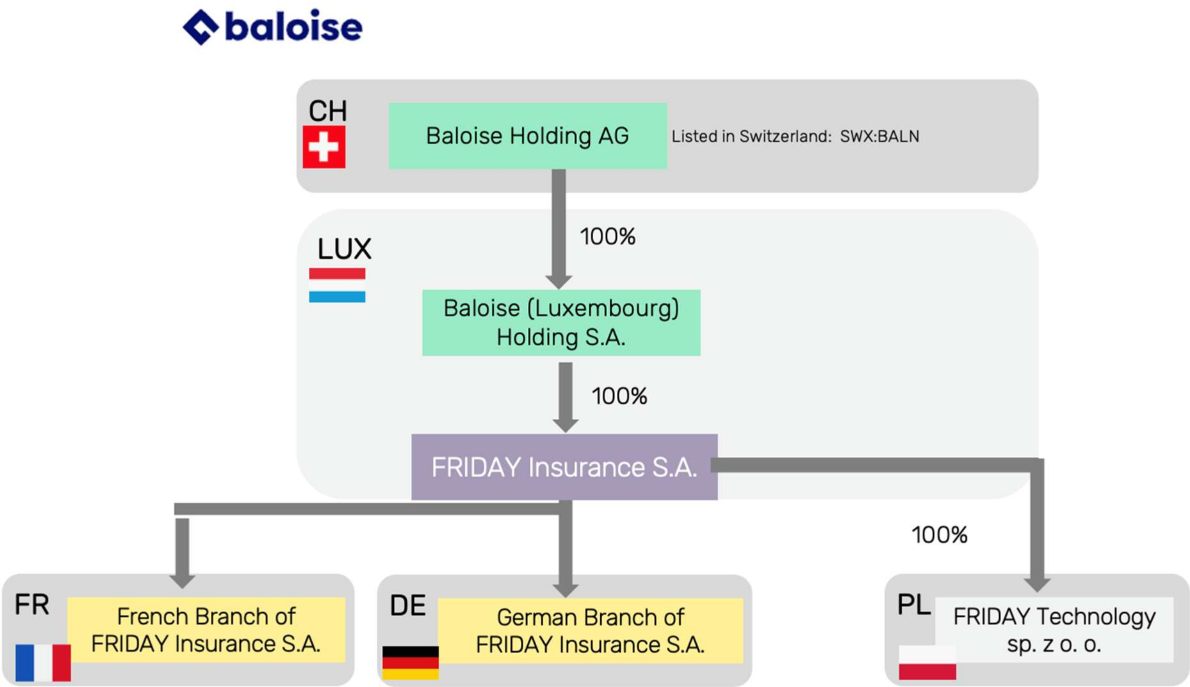
Significant business or other events

On 28 October 2024, FRIDAY and Allianz Direct Versicherungs-AG entered into a portfolio transfer agreement, under which FRIDAY intends to sell and transfer its entire portfolio of insurance contracts, including German motor and non-motor policies as well as French non-motor policies. This transaction was non-objected by German merger control authority and is at reporting date subject to the approval of the CAA.

Post Closing event

On 16 January 2025, pursuant to a share purchase agreement, Baloise (Luxembourg) Holding S.A. has acquired the 1,710,376 shares previously held by SevenVentures GmbH in FRIDAY.

This transaction has resulted in Baloise (Luxembourg) Holding S.A. becoming the sole shareholder of FRIDAY, holding a total of 17,295,116 shares. Since then, the new legal structure is as shown below:



A.2. Performance of Underwriting Activities

In this section, information on the Company's underwriting performance over the reporting period in terms of premiums, claims and expenses is provided. The investment income is not considered as it is presented in a separate section.

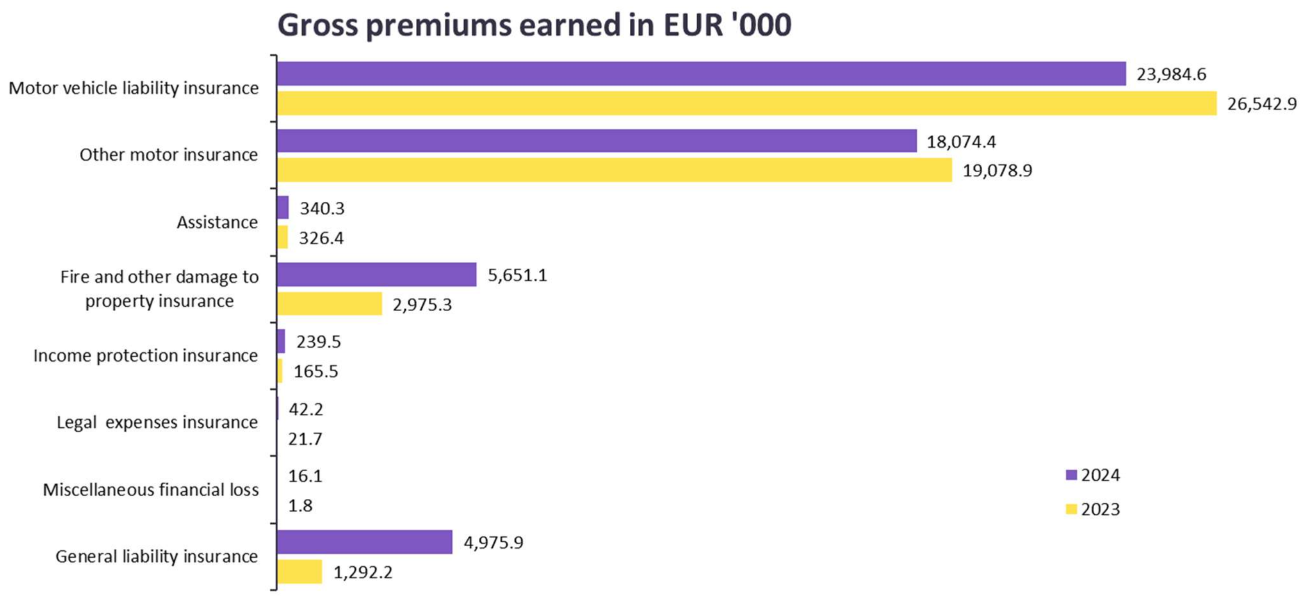
Underwriting performance against prior reporting period

The Company's principal results can be broken down in the following manner:

Principal results	2023	2024
in '000 EUR		
Gross written premiums	51,695.3	53,324.0
Gross earned premiums	49,241.5	50,065.9
Gross claims expenses	-54,902.2	-47,075.1
Gross operating expenses	-22,262.0	-23,949.9
Reinsurance balance	418.5	-599.6

During 2024, FRIDAY experienced significant growth in non-motor products, particularly through the expansion of the MRH Product in France and private liability product in Germany. While its German motor insurance segment decreased by 10.2%, there was a shift in the portfolio mix between motor vehicle liability to other motor insurance products. The total gross written premiums for the YE2024 amounted to EUR 53,324.0 thousand, a slight increase from EUR 51,695.3 thousand in YE23. These premiums were earned within a highly competitive landscape in both the German and French online insurance markets. The gross earned premiums calculation incorporates variation of unexpired risk reserves for some line of business amounting EUR 1,762.1 thousand. Gross claims expenses decreased significantly from EUR 54,902.2 thousand at year-end 2023 to EUR 47,075.1 thousand at year-end 2024. This improvement reflects a better overall performance of the portfolio in 2024 compared to 2023, including a notably lower occurrence of large claims. Additionally, the positive trend was supported by a continued shift in the portfolio mix, with a greater share of non-car business, which typically carries lower claims severity. Further efficiency gains from the automation of claims handling processes also contributed to the cost reduction. As a result, the gross claims expenses have returned to a level comparable to 2022, despite the higher revenue volumes generated by the expanded non-car segment. During this phase of portfolio development, net loss ratios still reflect a significant portion of claims costs related to IBNR (Incurred But Not Reported) provisioning and claims handling expenses relative to premiums earned. The reinsurance balance amounts to EUR -599.6 thousand. FRIDAY delivered an overall business loss of EUR -29,903.1 thousand including its branches with the technical result being included by EUR -21,393.8 thousand. The overall business loss mainly stems from technical results, implementation and build-up costs such as development of FRIDAY’s insurance platform and brand, and provision for restructuring costs.

The development of the gross earned premiums during the reporting period is presented in the following illustration.



In 2024, FRIDAY Insurance S.A. continued growing despite the competitive environment and broadening its portfolio-mix continuously targeting a lower car insurance share. These gross premiums were earned in a very competitive environment on the German and French online insurance market. Following the decision to transfer the portfolio, adjustments were made to the distribution channels in preparation for the migration, which resulted in cost savings through the reduction in sales dynamic of MRH product in France during November and December.

A.3. Performance from Investment Activities

Review of current and prior period investment income and expenses

Overview of the investment performance as per financial statements

The table below shows an overview of the investment performance as per financial statements of the current period.

Investment performance

	2023	2024			
	Total	Bonds	Loans and mortgages	Cash and cash equivalents	Total
in '000 EUR					
Recurring income	400.7	456.9	12.2	200.5	669.6
Realized gains	0.2	0.0	0.0	0.0	0.0
Realized losses	-1,048.3	0.0	0.0	0.0	0.0
Value adjustment	0.0	-2,172.1	0.0	0.0	-2,172.1
Value readjustment	0.0	0.0	0.0	0.0	0.0
Cost of investment management	-65.2	-49.1	0.0	0.0	-49.1
Investment result	-712.5	-1,764.3	12.2	200.5	-1,551.6
Average investment portfolio	43,086.1	32,801.0	218.5	7,002.9	40,022.4
Investment performance [1)]	-1.7%	-5.4%	5.6%	2.9%	-3.9%

[1)] Calculation of investment performance: Operational profit/average investment portfolio

The investment portfolio mainly contains bonds. The decrease in interest rates compared to last year has not compensated for the high increase that occurred over the past years from 2022 resulting from Central Banks' monetary policies. Therefore, this increase still effects the market value of our bonds. Throughout the reporting period, the Company incurred losses from value adjustments of bonds (EUR -2,172.1 thousands) and a negative investment result (EUR -1,551.6 thousands). Additionally, the limited exposure in loans and mortgages pertains to a granted loan to FRIDAY Technology Sp. zo.o. that was reimbursed at 30th November 2024.

Current income (compared to previous period)

The split of the current income by asset class is presented in the previous paragraph.

The higher income compared to 2023 is mainly driven the increase of the recurring income related to short term investments and cash accounts remunerated with higher rates and held in a bigger proportion.

Unrealized gains and losses recognized directly in equity

The following table shows the gains or losses recognized directly in equity.

Gains and losses recognized directly in equity

	2023	2024	Variation
in '000 EUR			
Unrealized gains and losses from bonds available for sale	-2,642.0	-2,172.1	-17.8%
Total	-2,642.0	-2,172.1	-17.8%

The lower value of unrealized losses is mainly explained by the development of the long-term interest rates in 2024 decreasing compared to YE 2023. While in YE 2023 losses were realized by selling bonds before maturity, in 2024 there is no realized loss.

Investments in financial instruments based on securitization

At year-end 2024 the Company has no investments in financial instruments based on securitization.

A.4. Performance of Other Activities

Review of current period and prior period other income and expenses

For year end 2024 the other technical income and expenses amounting to EUR 2,017.5 thousand and to EUR 920.0 thousand respectively can be split as follows:

Other technical income:

- **Other technical income** consists of rejection fees, dunning fees and reimbursements of charges incurred for FRIDAY Technology sp. z o.o. and subrogation and salvages (variation from the prior year and amounts received) for an amount of EUR 1,424.2 thousand (2023: EUR 907.8 thousand)

Other technical charges:

- **Other technical charges** mainly consist of value adjustments and losses on agent and customer balances for EUR 47.1 thousand (2023: EUR 26.4 thousand); and subrogation and salvages (variation from the prior year and amounts paid) for an amount of EUR 821.1 thousand (2023: EUR 619.2 thousand).

Comparative numbers for the year 2023 were reclassified for the amounts relating to the subrogation and salvages, gross amount and reinsurer’s share, in the profit and loss account. This year, the amounts were disclosed under “Other technical income, net of reinsurance” and “Other technical charges, net of reinsurance” instead of separate presentation under “Claims paid” in the financial statements as at December 31, 2023.

A.5. Other relevant Information

No supplementary information or risks in addition to the information previously disclosed is considered material.

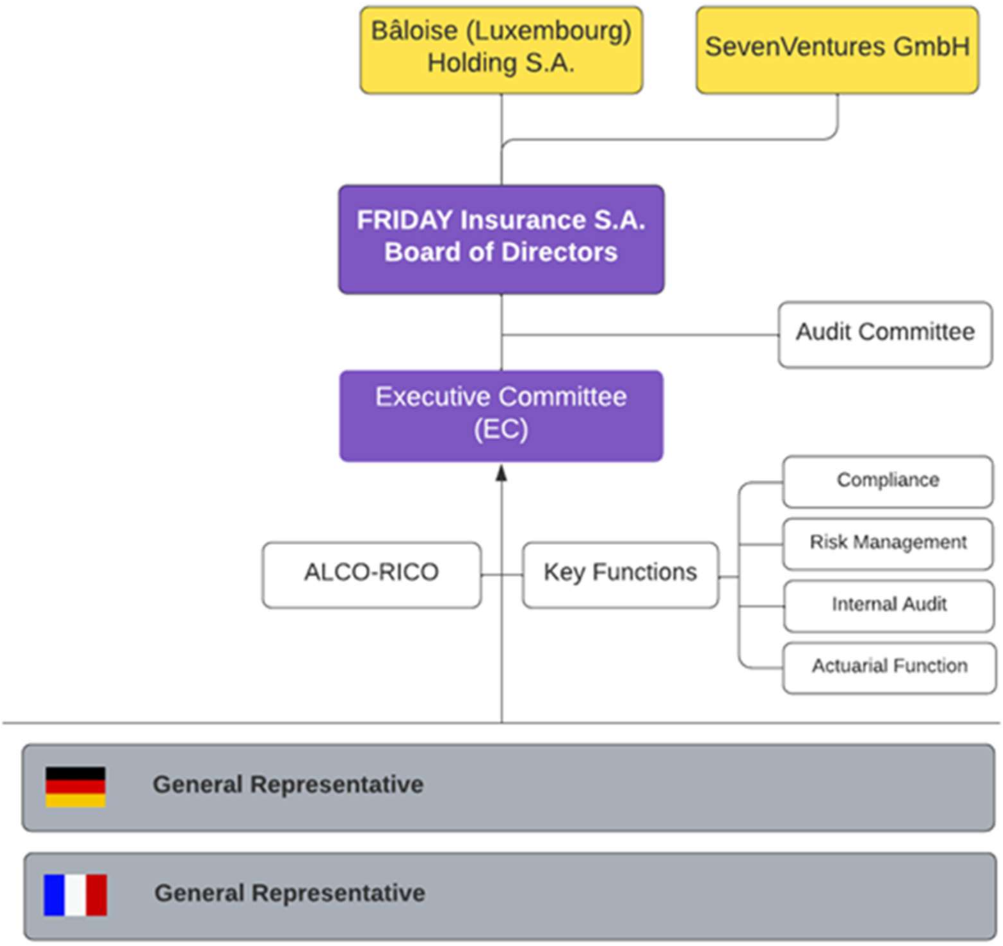
B. System of Governance

B.1. General information on the system of governance

Governance structure: overview and main changes

Effective management is of high importance to FRIDAY and the Company continuously monitors the appropriateness of its system of governance.

The Company's governance structure as of the end of the reporting year 2024 is illustrated in the chart below.



FRIDAY's governance structure consists of a clear division of responsibilities between the Board of Directors and the Executive Committee. As key functions, the Risk Management Function, Actuarial Function, Compliance Function, and Internal Audit Function carry out the oversight responsibilities.

- The Board of Directors is vested with the broadest powers to act in the name of the Company. It delegates the daily management of the Company as well as the representation of the Company to the Dirigeant Agréé (Authorised Manager). It creates specialised committees such as the Audit Committee, along with other committees such as the Executive Committee, and determines, among other things, their composition and powers, as well as the terms governing the appointment, removal, and mandate duration of their members.

- The main role and responsibility of the Executive Committee is to discuss and determine FRIDAY's insurance activities. The Executive Committee proposes the general strategy of the Company to the Board of Directors and ensures the effective application and implementation of the strategy throughout the Company.

- The Dirigeant Agréé is the chairman of the Executive Committee. He is vested with an overall responsibility on the Company by virtue of their function. He is the representative of the Company before the Commissariat Aux Assurances (CAA).

- Amongst the members of the Executive Committee, a CEO is designated by the Board of Directors. The CEO is in regular contact with the Board of Directors and ensures that communication of all relevant information is done in due time. He is also the main contact of the Company's Shareholders. It is possible for the roles of CEO and Dirigeant Agréé to be held by the same individual which is the case since 5th November 2024. The General Representatives are the local country heads of the respective branches. They are in charge of the daily management of the branch's activities and represent the branch towards third parties.

- All key functions (Risk Management Function, Actuarial Function, Compliance Function, and Internal Audit Function) shall report to the Dirigeant Agréé, assuring independence from the operational business. The independence is further guaranteed through direct access to the Audit Committee and the Board of Directors.

Board of Directors

Composition of the Board of Directors

FRIDAY's Board of Directors as of the end of the reporting year 2024 is composed of five members who have been appointed by the general meeting of shareholders. Four members are non-executive directors, whilst one member is the Dirigeant Agréé, who is an executive director. Members of the Board of Directors are appointed for the duration of one year.

All Board members must have equivalent access to information and resources to perform their duties. The members of the Board of Directors have an excellent understanding of all important Company's activities. They have adequate qualifications individually and as a group they possess the necessary knowledge to perform their supervisory responsibilities.

Functioning of the Board of Directors

The Board of Directors meets regularly (at least three times a year) and as often as necessary to ensure effective accomplishment of its obligations. The majority of the meetings of the Board of Directors is held in Luxembourg, at the premises of the head-office.

Main roles and responsibilities of the Board of Directors

The Board of Directors is responsible for the Company's management. It is vested with the broadest powers to act in the name of the Company and delegates the daily management as well as the representation of the Company in relation to such daily management to the Dirigeant Agréé. The Board of Directors may create specialised committees such as an Audit and Executive Committee and determines, among other things, their composition and powers, as well as the terms governing the appointment, removal, and mandate duration of their members. The Board of Directors is also responsible for the supervision of such committees' activities. It validates the Company's general strategy, as proposed by the Executive Committee, to ensure its long-term success.

Each member of the Board is committed by a duty of loyalty towards FRIDAY and its shareholders, and exercises their mandate with integrity and commitment, and independently of any conflict of interest.

In case a member of the Board of Directors finds themselves in an unavoidable conflict-of-interest situation, they shall inform the Board of Directors of such conflict and refrain from deliberating or voting on the matter in question (except for ordinary transactions conducted under normal conditions). Any abstention due to a conflict of interest shall be recorded in the minutes of the Board of Directors' meeting and disclosed at the next General Meeting of Shareholders, according to legal provisions.

The Board of Directors appoints the Company's key functions (Risk Management, Actuarial, Compliance, and Internal Audit), taking into account fit and proper principles.

Board level Committees

The Company's Board of Directors has established an Audit Committee, an Executive Committee and an ALCO-RICO (Asset Liability and Risk Committee).

Audit Committee

Composition of the Audit Committee

The Board of Directors appoints the members and the chairman of the Audit Committee. The Chairman of the Audit Committee shall not be the Chairman of the Board of Directors. Members of the Audit Committee are non-executive Directors.

The Audit Committee is collectively expert in finance, financial management and financial reporting, accounting, and controlling. The members of the Audit Committee must have experience in the field of insurance and/or finance and accounting.

In exercising their assignment, the members have the required objectivity and independence in respect of the Executive Committee.

According to Luxembourg law of 23 July 2016 on audit profession, when all the members of the Audit Committee are also members of the Board of Directors, independence status of a majority of Audit Committee members towards the Company is not required.

The Audit Committee meets at least twice a year.

Roles and responsibilities of the Audit Committee

The Audit Committee has the following responsibilities (according to Luxembourg law of 23 July 2016 on audit profession, Article 52 § 6):

- communication of the audit results on annual accounts to the Board of Directors;
- monitoring of the annual accounts elaboration process;
- checking of the efficiency of internal controls related to the annual accounts;
- monitoring of the implementation of any finding expressed by the auditor or regulator;
- checking of the external auditor independence (i.e. supply of non-audit services);
- responsibility of the external auditor selection process (rotation rule).

In addition, as part of the good governance practices of overseeing the organisation and operation of internal and external control systems, the Audit Committee is also responsible for:

- ensuring that the Company has effective internal control systems, risk management and independent control functions; and
- monitoring the activities of the internal audit, which includes the approval of the audit plan, resource allocation, activity reports, audit reports and implementation of corrective measures for identified deficiencies.

Executive Committee

Role of the Executive Committee

The main role and responsibility of the Executive Committee is to discuss and determine FRIDAY’s insurance activities, within the scope of the powers delegated by the Board of Directors and in accordance with the Luxembourg law of 10 August 1915 on commercial companies.

Composition of the Executive Committee

The Executive Committee is a collegial body composed of at least two members. Each member of the Executive Committee has the necessary competences, knowledge, and experience in all important activities of the Company, especially in respect of the topics under their direct responsibilities.

Each member of the Executive Committee meets fit and proper requirements as defined by the Luxembourg law of 7 December 2015 on the insurance sector.

The Executive Committee is supervised by the Board of Directors.

Specific tasks and responsibilities are delegated by the Board of Directors to the Executive Committee in accordance with the articles of association and the rules of procedure of the Executive Committee.

Within the limits of Article 441-11 of the Luxembourg law of 10 August 1915 on commercial companies, the tasks of the Executive Committee include, but are not limited to, the following:

- proposition of the general strategy of the Company to the Board of Directors for its approval;
- implementation of the strategic and operational objectives, including adequate allocation of resources to ensure the effective application of the Company's strategy;
- coordination of the Company at operational level and communication with the management units of the Company (including the review of monthly financial and operative performance of the Company’s branches and hubs);
- approval of the policies of the Company which are not required to be approved by the Board of Directors;
- regular reporting to the Board of Directors, including the business plan, the financial closings and any material events affecting the Company.

ALCO-RICO (Asset Liability and Risk Committee)

Roles and responsibilities of the ALCO-RICO

The main role and responsibility of the ALCO-RICO is to identify and monitor risks to which the Company is exposed. It is responsible for taking measures to mitigate risks, overseeing the Company’s assets and liability management, and making material investment decisions for the Company. The ALCO-RICO reports to the Executive Committee.

Composition of the ALCO-RICO

The composition of the ALCO-RICO at year end 2024 is as follows:

- Dirigeant Agréé;
- Risk Management Function (Chair);
- Compliance Function;
- Actuarial Function;
- General Representatives of the local branches;
- Chief Technical Officer (CTO); and
- Head of Accounting and Tax

The ALCO-RICO meets at least quarterly or upon call by a member of the ALCO-RICO.

Specific tasks and responsibilities delegated to the Dirigeant Agréé

Among the members of the Executive Committee, the Dirigeant Agréé is appointed by the Board of Directors. This role is regulated under the Luxembourg law of 7 December 2015 on the insurance sector.

The Dirigeant Agréé is vested with overall responsibility in relation to the daily management powers according to the limitations set forth in the Company's articles of association and is the representative of the Company before all public administrations in Luxembourg. The roles are aligned with applicable legislation, particularly tax and regulatory provisions. To be able to achieve their responsibilities, the Dirigeant Agréé shall have rights of information and objection on the matters in relation with the said responsibilities.

The following tasks, competencies and responsibilities (it being understood that such a list is not exhaustive) are assigned to the Dirigeant Agréé:

- right of information towards the key functions, considering applicable laws and regulations;
- representation of the Company towards the Commissariat Aux Assurances (CAA) and other public administrations in Luxembourg, including material communication towards the CAA, supervision and filing of regulatory reporting (including Solvency II) vis-à-vis the competent authorities in Luxembourg;
- Executive Committee's chairmanship;
- supervision of the effectiveness of the three lines of defence model.

Main changes during the year

- Board of Directors: Alain Nicolai and Andreas Frick resigned from their positions as member of the Board of Directors, effective at the close of business on 31 October 2024. At year-end, the Board of Directors had the following composition:

- o Andreas Burki (Chairman);
  - o Urs Bienz;
  - o Matthias Hilgert
  - o Philipp Jermann; and
  - o Jens Liedtke (Dirigeant Agréé).

  Andreas Burki resigned from his position as chairman and member of the Board of Directors, effective at the close of business on 31 December 2024.

- Executive Committee: During Q4 of the reporting period, the composition of the Executive Committee has changed with three members leaving and a new member joining. Therefore, the number of members of FRIDAY's Executive Committee decreased from four to two members.

- Dirigeant Agréé: Alain Nicolai resigned from his position as Dirigeant Agréé, effective at the close of business on 31 October 2024. The Board of Directors appointed Jens Liedtke as new Dirigeant Agréé of the Company. The appointment was validated by the CAA on 5th November 2024. With the new set-up, there is a merging of the CEO role and Dirigeant agréé both under the same individual.

Material changes after the reporting period

At the 2nd of January 2025 Urs Bienz has been appointed Chairman of the Board of Directors with the new composition as follows:

- Urs Bienz (Chairman) ;
- Matthias Hilgert ;
- Philipp Jermann; and
- Jens Liedtke (Dirigeant Agréé).

Key Functions

The Company has appropriate key functions.

- They have the necessary privileges, resources, expertise and access within the organisation.
- They are independent of the operational activity that they control.
- Their regulatory reports are submitted to the Dirigeant Agréé and Board of Directors for their approval.
- Performance-based remuneration for their role is not material.

The following key functions are in place at FRIDAY:

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

Composition of key functions

Internal Audit

Internal audit functioning, main roles and responsibilities

The Internal Audit area covers the systematic assessment of the adequacy and effectiveness of the quality of the internal control system. On the one hand, the Internal Audit ensures that the processes take place as intended and supports the achievement of the Company's objectives. On the other hand, recommendations are made to improve the efficacy, efficiency and profitability of these processes.

Internal audit possesses extensive, unlimited rights to information, inspection and control, which are necessary for it to fulfil its assignments.

Internal Audit applies the standards of the Institute of Internal Auditors (IIA) and of the Baloise Group Internal Audit. It is under the prudential supervision of the Commissariat aux Assurances (CAA).

Compliance

The Compliance Function is responsible for determining whether the organisation and internal procedures are adequate to prevent the risk of legal or administrative sanctions, loss of assets or damage to reputation resulting from a violation of laws and regulations, as well as directives established by the supervisory authorities. It places emphasis, in particular, on ethics and group rules, on provisions relating to its core business such as customer protection, data protection, conflicts of interest, money laundering. and the financing of terrorism. The Compliance Function holder provides ongoing advice to the Board of Directors.

The Compliance Function holder is responsible for implementing the Compliance Policy and to examine, assess and promote the Company's adherence to this policy.

The Compliance Function holder's tasks stem from their role as an expert advisor. They report to the Dirigeant Agréé and have access to the Audit Committee. As part of Baloise Group, the Compliance Function holder can also leverage the expertise of the Group for specific matters.

Risk Management

The Risk Management Function supervises and monitors the different risks of the Company and reports regularly to the ALCO-RICO (Asset Liability and Risk Committee), the Dirigeant Agréé and the Board of Directors. The Risk Management Function holder should also report on other specific areas of risks both at their own discretion and following requests from the Audit Committee.

The Risk Management Function holder is responsible for the operational execution of the Risk Management Policy and framework.

Actuarial Function

The Actuarial Function assists the management by:

- advising on the actuarial methods used for pricing, the set-up of the technical reserves and reinsurance for the launch of a new product or repricing that can influence the profitability of these products;
- giving annual advice on the profitability of the products, the Technical Provisions, reinsurance;
- informing the Dirigeant Agréé and the Board of Directors of the reliability and adequacy of the calculation of Solvency II Technical Provisions;
- producing a written report to be submitted to the Board of Directors on an annual basis which documents all tasks that have been undertaken by the actuarial function and their results and identifies any deficiencies and gives recommendations as to how such deficiencies should be remedied.

The Actuarial Function requires good qualification and necessary knowledge and experience of the applicable standards.

The Actuarial Function also fulfils prudential tasks, for example it certifies the model and methods used in the Company that are communicated to the CAA.

Main changes related to key functions

No changes happened over the reporting period.

Sustainability Network of Baloise Group

FRIDAY Insurance S.A. actively support environmental protection and focuses on sustainable and responsible actions. The Company integrates sustainability into all areas of our business activities and processes and deals responsibly with employees, customers, partners, investors, the environment, and society. Already in 2018, the Company offered an ECO tariff by which customers could offset their car's CO2 emissions.

Since October 2018, FRIDAY customers have been able to contribute to climate protection by offsetting their CO2 emissions generated by driving. FRIDAY's German branch was able to offset 4,277 tons of CO2 and other harmful greenhouse gases such as methane and nitrous oxide between April 2023 and March 2024 thanks to the "FRIDAY+ECO" product developed with the renowned climate protection organization “myclimate”.

The selected climate protection projects for compensation meet the highest standards.

Remuneration policy

Remuneration principles and objectives

Principles:

The Company's success is largely dependent on the skills, capabilities and performance of its workforce. It is therefore essential to recruit, develop and retain suitably qualified, highly capable and motivated professionals and executives. The level of remuneration offered by the Company is in line with market rates. A Remuneration Policy has been implemented, which also applies to the Company's key personnel. The policy was approved by the Board of Directors. Additionally, the Baloise Group has established a remuneration policy applicable to members of FRIDAY's Board of Directors.

Objectives:

The objectives of the remuneration system are to further increase the emphasis on performance at the Company and to strengthen employees' and executives' loyalty and commitment to the organisation.

In addition to paying its staff in line with market rates and according to individual achievement, the Company encourages its executives to focus on the longer term and on its shareholder's interests.

Remuneration components

The Company views its compensation packages in its entirety and, therefore, factors in not only the basic salary plus short- and long-term variable remuneration but also other material and non-material benefits such as pension contributions, additional benefits, and staff development.

Except the Dirigeant Agréé, members of the Company's Board of Directors do not receive remuneration from FRIDAY, but from other Baloise Group companies. Accordingly, both remuneration systems are explained.

Sustainable remuneration and short-term variable remuneration

Considerable importance is attached to managing the business sustainably and retaining high performers. It also matters to FRIDAY that its remuneration is not only competitive and achievement-oriented, but that it also encourages managerial staff to align their long-term focus with the interests of stakeholders, particularly the shareholders. To this end, the remuneration system provides also a variable remuneration to be awarded in share options or shares. These distributed share options or shares promote risk awareness and encourage an economical and sustainable work-ethic. The key factors determining the amount of short-term variable remuneration paid are the Company's profitability and economic value added, team-performance and the employee's individual contribution to it. Short-term variable remuneration is only applicable to the members of the Board of Directors except the Dirigeant Agréé.

Basic salary

The basic salary constitutes the level of remuneration in line with the functions and responsibilities of the position concerned as well as the skills and expertise required in order to achieve the relevant business targets and objectives. When determining the level of basic salaries, FRIDAY aims to position itself around the market median. In compliance with its code of conduct, FRIDAY applies the internal fair-pay principle that people who do the same job and have the same qualifications should be paid the same amount.

Employee stock option plan

In 2021, FRIDAY introduced an Employee Stock Option Plan (ESOP) as long-term variable remuneration instrument for key personnel. The ESOP allows certain beneficiaries to participate in the long-term development of the Company's value via stock options and, hence, aligns the interests of employees with the interests of FRIDAY and its shareholders.

Employees participating in the ESOP are awarded stock options that are subject to certain vesting criteria. Stock options will generally be settled by delivery of shares, provided that the options are in-the-money and all required vesting criteria are met.

Retention bonus

Due to the decision to transfer the portfolio to Allianz Direct Versicherungs-AG the organisation has implemented a retention bonus for key employees. These employees are needed to ensure regulatory compliance and proper execution of certain operational relevant tasks. The retention bonus is dependent of the retention period.

Long-term variable remuneration

In addition, the Baloise Group grants performance share units (PSUs) to the most senior managers of Baloise Group as a form of long-term variable remuneration. The PSU program enables the top management level to benefit even more from the company's performance and helps the Baloise Group to retain high performers in the long run.

Long-term variable remuneration is only applicable to the members of the Board of Directors, except the Dirigeant Agréé.

Short-term variable remuneration - Performance pool

The short-term variable remuneration is allocated via the performance pool. The performance pool takes account of the entire Baloise Group's performance. The amount is determined by the Remuneration Committee of Baloise Group after the end of the financial year concerned, using a systematic analytical process taking into account different indicators.

The individual allocation for the members participating in the performance pool is set by the Remuneration Committee. In principle, the most senior management level of the whole Group, as well as the respective functions abroad are considered for the performance pool. Performance pool remuneration is only applicable to members of the Board of Directors, except the Dirigeant Agréé.

Pension schemes

The Company offers a pension solution in Luxembourg in form of defined contributions as part of the 2nd pillar, which fulfils the following objectives:

- it meets the requirements of the insured should the following risk events occur: old age, death or invalidity;
- it permits an appropriate maintenance of a lifestyle enjoyed to date with a sufficiently high substitution rate (1st and 2nd pillar benefits combined) to replace discontinued earnings;
- the employer makes an average contribution to financing of occupational pensions;
- it is forward-looking, sound, can be calculated and is reasonably priced;
- defined contributions depending on age of insured as well as function within the organisation.

One of the key functions is insured in the pension scheme because of he is also an employee of Baloise Luxembourg.

Material Transactions

Over the reporting period the following material transactions with shareholders took place:

In an extraordinary general meeting held on 28 August 2024, Baloise (Luxembourg) Holding S.A. contributed EUR 20,000 thousand to finance a capital increase and to acquire 1,140,251 shares of FRIDAY – each having a nominal value of EUR 1 -. As a result, EUR 18,859.8 thousand were added to other reserves. The number of overall shares increased accordingly from 16,154,865 to 17,295,116. The participation ratio of Baloise raised to 90.11%. Seven Ventures proportion of shares decreased to 9.89% while not participating by par in capital increase.

On 28 October 2024, FRIDAY and Allianz Direct Versicherungs-AG entered into a portfolio transfer agreement, under which FRIDAY intends to sell and transfer its entire portfolio of insurance contracts subject to approval of the CAA.

Over the reporting period, there were no material transactions with persons exercising a significant influence on the Company or with members of the Board of Directors, the Dirigeant Agréé, the members of the Executive Committee and the General Representatives of the German and French branches.

B.2. Fit and proper requirements

Fit and proper: Policy and process

Fit and proper principles and objectives

The Company has a Fit and Proper Policy in place which defines the procedure for assessing the fitness and propriety of persons who are effectively running the Company or hold a key function.

The critical function holders which are in scope of the policy include the members of the Board of Directors, the Executive Committee (including the Dirigeant Agréé) and the General Representatives of the German and French branches, as well as the key function holders for Risk Management, Compliance, Internal Audit and Actuarial Functions.

Assessment process of key personnel

Fitness Check

Recruitment processes include application and assessment methodologies, designed to evaluate previous experience, qualifications, knowledge and skills, with a specific focus on the competences defined in the job description or role profile.

It is ensured that the management body collectively possess the breadth of expertise and experience required to understand and continually challenge the Company's business operations, strategic initiatives and major transactions.

The collective knowledge, competence and experience of the management body include awareness and understanding of:

- the wider business, economic and market environment in which the Company operates;
- the Company's business strategy and business model;
- the system of governance (risk management, oversight & controls);
- the financial and actuarial analysis;
- the regulatory framework, requirements and expectations.

For external recruits and internal employees promoted to a position in scope of the Fit and Proper Policy, superiors and human resources assess their fitness according to the specific requirements set out in the job description. The superior makes the final decision on a person's required fitness.

Propriety Check

The Company requires that a range of specific checks are undertaken for critical function or key function holders, designed to verify that the candidate is honest, of integrity, financially sound and of good reputation.

The Company imposes a range of requirements at the recruitment stage for new employees for critical functions or key functions or in case of internal promotions. Documentation related to the above verifications should to the extent possible be requested and reviewed by human resources prior to an employment agreement being executed. Formal notes of face-to-face interviews, during which characteristics of propriety are also verified, are prepared by the personnel conducting the interview.

The principles applicable at original appointment, to ensure the key function and critical function holders are honest, financially sound and of good reputation, apply on an ongoing basis as well.

All critical and key function holders are required to undertake a code of conduct training on subjects such as regulatory awareness, insider trading, anti-money laundering, and others.

The Fit and Proper Policy requires an initial and yearly assessment. They include a self-declaration, a sample of the criminal record, a copy of the identity card and a curriculum vitae.

Adequacy of Administrative and Supervisory Body

The appointment of Board of Directors members and the Executive Committee members (including the Dirigeant Agréé) is guided by key requirements ensuring a sufficient mix of qualifications, competencies and relevant expertise needed to fulfil their responsibilities.

An annual assessment of the Board of Directors is conducted to ensure the adequacy of the competencies within the board of Directors in covering all the assigned responsibilities.

B.3. Risk management system including the ORSA

Risk management system overview

The Company has established suitable processes, models and structures to continuously develop the risk management capabilities as needed, aiming to achieve optimal results for FRIDAY. Integrated risk management effectively leverages synergies across the group.

The Risk Management Function holder reports to the Dirigeant Agréé and has direct access to the local Board of Directors through the Audit Committee which further guarantees their independence. The responsibilities of the Risk Management are described in chapter B.1.

The decision-making body for all questions relating to risk management is the local Asset Liability and Risk Committee (ALCO-RICO).

Risk Strategy

The risk strategy is considered the cornerstone of the risk management organisation. The objective of the risk strategy is to consciously steer the risks taken within defined ranges. Particularly, it aims to harmonise market-based considerations on the one hand and strategic risk concerns on the other hand. Central to the risk strategy is the term "Risk Appetite" which defines the extent to which the Company is willing to take on risk in order to achieve strategic goals. Its main components are:

- compliance with regulatory requirements and capital protection; and
- protection of the Profit and Loss Statement of Income.

Risks considered as relevant for the Company are classified along the so-called "Risk Map" of the Baloise Group. The categorisation is performed on three levels:

- risk category (Business Risk, Investment Risks, Financial Structure Risks, Business Environment Risks, Operational Risks, Leadership and Information Risks);
- risk subcategory;
- risk type.

In order to monitor and steer the risks listed in the Risk Map, Baloise has implemented an extensive group-wide risk management that is used by FRIDAY. This system adopts a holistic approach to integrated risk management, aiming to identify, manage and assess risks across the areas of internal control, compliance and risk management, as well as risk steering. In addition to pure financial risks, operational, strategic and reputational risks are also identified and quantified. In this manner, risk management is consistently embedded in the decision-making process. The effectiveness of the risk management becomes visible through, amongst others, the occurred risks and the effectiveness of the measures implemented. The risk management and the respective systems and processes are further developed and revised on a continuous basis in order to guarantee long-term efficiency and continuous improvement.

ORSA Process

ORSA Compliance

The purpose of the Company's Own Risk and Solvency Assessment (ORSA) is to provide a comprehensive overview of all risks the Company may be exposed to, both currently and in the future. It demonstrates how these risks are managed and assesses the consequent overall capital requirements.

ORSA Governance

The Dirigeant Agréé holds the overall responsibility for executing the ORSA and must ensure that results are taken into account in the management of the Company. In addition, the Board of Directors is responsible to ensure and verify that the ORSA process is appropriately designed and implemented. After the validation of the ORSA report by the ALCO-RICO, the Board of Directors reviews and approves it before submission to the regulator.

ORSA Process

The full ORSA reporting process is performed once a year resulting in the review and approval by the Board of Directors. Despite the scheduled reporting process, the ORSA as such is a continuous process in which risk management evaluates the impact of strategic decisions on the overall solvency needs. The process is tailored to fit into the FRIDAY’s organisational structure and risk management system. In addition to the annual ORSA report, an ad-hoc reassessment is performed whenever the risk profile changes significantly.

FRIDAY’s risk assessment is developed by risk controllers who determine in collaboration with risk owners the risk’s probability of occurrence and the potential loss caused by a specific risk. Any risk is then classified according to established limits. A risk grid (“Heat map”) maps the standalone risks in connection with the limit system. Should a corresponding threat result, adequate measures are defined. The risks and measures are continuously monitored and regularly reported to the ALCO-RICO.

Documentation

The ORSA is documented in the ORSA report, which contains integral management information that is essential for the review and approval by management.

Review and approval

The results of the ORSA are discussed in the ALCO-RICO and could result in decisions and actions, for which the Risk Management Function ensures the corresponding follow-up.

If the ORSA identifies that the risk profile is not appropriate for the Company, or the risk profile significantly deviates from the basic assumptions of the Solvency Capital Requirements calculation, or the governance arrangements are inadequate, the ALCO-RICO has to set up appropriate action plans for remediation.

The submission of the ORSA report to the regulator is required within two weeks after the approval by the Board of Directors.

Interaction Capital Management and Risk Management System

On an annual basis a business plan is set up. The projection of the related Solvency Capital Requirements ("Forward Looking Solvency Position" or “FLSP”) is integrated in the business plan process. Risk increasing initiatives defined in the business plan process are reflected in the forward-looking considerations. The Company is in the position to judge if the risks can be accepted without endangering its solvency position. A set of stress tests scenario are also defined and performed to assess their impact on the FLSP. They are part of the ORSA process and also discussed as part of the conclusions of the report.

B.4. Internal control system

Internal control system overview

The Company's internal control system is established as a key component of the integrated risk management framework. Effectiveness, traceability and efficiency of the implemented measures as well as concentration on the relevant risks are considered as important principles for the design and application of internal control. The Company's internal control system covers the financial reporting as well as compliance and operational risks.

The Company's internal control system pursues the objectives of compliance with laws and regulations, reliability of financial reporting and guaranteeing effective business processes in order to support obtaining company goals. With the implementation of the internal control system, the Company aims to raise risk awareness on all company levels and to focus on the identification and steering of essential risks that could threaten proper operational processes and therefore the company's success.

Depending on the risk type to be considered, the Company applies entity-wide controls, general IT controls and process controls in its internal control system. Measures are integrated in business processes and are performed on all relevant levels of the company. The effectiveness is measured on a regular basis and appropriate measures are initiated in case of shortcomings.

For its implementation of the internal control system, FRIDAY follows the Baloise Group's approach for an effective internal control system. It defines the objectives, the scope as well as the expansion level of the internal control system. Furthermore, it has to ensure an appropriate monitoring regarding the efficiency of the internal control system by the Dirigeant Agréé and receives a regular reporting.

Compliance Function

The Company's essential compliance principles are based on the Compliance Standards outlined in the Compliance Policy. The Compliance Standards include specifications and control objectives for different key topics. Relevant key topics for the Company are data protection and data security, insider trading, embargo/sanctions, anti-trust law/competition law, fraud (including code of conduct), advisory services, corruption/bribery, anti-money laundering, countering the financing of terrorism and supervisory law. These topics constitute the basis for controlling and regular compliance reporting.

Objectives:

The Compliance Function is dedicated to ensuring the Company's compliance with laws and regulations concerning the integrity of the company as an insurance undertaking, including the Company's code of conduct. It is the responsibility of the Compliance Function holder to examine, assess and promote this compliance.

Moreover, particular emphasis is placed on prevention and proactive measures, which involve providing advice and raising awareness.

Roles and responsibilities:

The Board of Directors fosters honourable conduct. As part of its supervisory duty, the Board of Directors regularly ensures that the Company has an appropriate compliance policy, adheres to corporate values, and maintains an appropriate independent Compliance Function.

At least once a year, the Board of Directors verifies whether the compliance risks are identified and controlled adequately, and that the compliance policy is suitable for the Company's activities.

The Compliance Function holder, with the support of the Dirigeant Agréé, develops a compliance policy and updates it regularly. This policy defines the Company's objectives and the risks

Key objectives of the Compliance Function include:

- drawing up an annual action plan;
- assessing internal guidelines and procedures;
- raising awareness among all employees about the compliance policy and providing training in this area;
- supervising and testing observance of the compliance rules;

- formulating compliance recommendations;
- investigating and following up infringements of laws, regulations and deontological codes;
- fulfilling the duties to report to third parties on compliance topics;
- reporting to the Dirigeant Agréé, Board of Directors and Baloise Group's Compliance Officer (at least once a year).

Functioning:

In order to guarantee the function's independence, the Compliance Function holder has direct access to the Dirigeant Agréé, the Chairman of the Board of Directors, the members of the Audit Committee and the statutory auditor, without the need for justification and at their own discretion.

The Compliance Function holder reports to the Dirigeant Agréé, the Board of Directors and Baloise Group's Compliance Officer at least once a year on compliance risk assessment, compliance achievements, key focus areas and planned activities for the upcoming period.

B.5. Internal Audit Function

Internal Audit: organisation and governance

Internal Audit objectives and policy:

The Internal Audit contributes to the good practice of corporate governance and helps the organisation to achieve its goals by using a systematic, target-oriented approach to analyse, assess and report on the suitability and efficacy of the three processes of risk management, control and governance.

The internal audit policy describes the governance of the Internal Audit Function (intervention scope, governance, roles and responsibilities) as well as its organisation (objectives, assignment, powers, activity, competence of internal auditors, reporting, collaboration with Baloise Group Internal Audit, collaboration with other control functions and quality control). All internal employees can consult the policy on the intranet.

Internal Audit organisational structure:

Internal Audit is an integral element of corporate governance, serving as a pivotal instrument of the Board of Directors. It supports the Board of Directors in performing its top-level management function. In this capacity, the Internal Audit performs its tasks on behalf of the Chairman of the Board of Directors and of the Audit Committee (an organ of the Board of Directors). Regular exchanges are held between internal auditors and Audit Committee.

Internal Audit functioning rules:

Internal Audit works following the standards of the IIA (Institute of Internal Auditors) and the Baloise Group Internal Audit Manual. For the execution of specific tasks, cooperation with external and specialized auditors is required.

The Internal Audit area covers the systematic assessment of the adequacy and effectiveness of the quality of the internal control system. On the one hand, the Internal Audit ensures that the processes take place as intended and supports the achievement of the company's objectives. On the other hand, recommendations are made to improve the efficacy, efficiency and profitability of these processes.

The domain of Internal Audit is the whole organization and its outsourced functions. Internal Audit sets up a risk analysis over an annual basis, focused on global risks per domain.

Independence of Internal Audit

Independence principles/criteria:

Primarily, the concept of "independence" in control functions entails that:

- they possess the necessary powers, resources, expertise and access within the organization;
- they maintain hierarchical and organisational independency from the operational activities they oversee;
- they report both to executive and non-executive boards in accordance with the established procedures;
- the remuneration of the persons entrusted with these functions is not connected with the profitability of the activities involved.

Internal Audit Function position within the organisation

Internal Audit is organisationally independent of any operating activities. The person carrying out the Internal Audit Function does not assume any responsibility for any other function and is an independent assessor of the quality of the internal control system.

Reporting arrangements

Internal Audit has unrestricted access to the Dirigeant Agréé and to the Audit Committee.

The Internal Audit Function can escalate any conclusions to the Board of Directors via the Audit Committee.

B.6. Actuarial Function

Organization and key responsibilities

Actuarial policy and objectives

Detailed regulatory guidance defines the role and responsibility of the Actuarial Function. FRIDAY has implemented this model.

Key objectives of the Actuarial Function include:

- ensuring the accuracy of data, models and processes to calculate the Technical Provisions in accordance with Solvency II;
- assessing the appropriateness of the underwriting and pricing policy;
- evaluating the adequacy of the reinsurance programme; and
- contributing to enhance risk management practices.

Organizational structure

The Actuarial Function reports directly to the Dirigeant Agréé. The Actuarial Function holder fulfils all fit and proper criteria including the internal criteria regarding necessary knowledge and experience of the applicable standards.

Roles and responsibilities

The Actuarial Function is required to report in writing to management at least once per year on the function's key objectives as outlined previously. Such a report shall document all tasks that have been undertaken by the Actuarial Function as well as their results, and shall clearly identify any deficiencies, together with recommendations for their remediations.

B.7. Outsourcing

Outsourcing policy and key aspects

Overview of the outsourcing policy

The outsourcing policy defines principles and procedures prior, during and after an outsourcing. It ensures that the interests of all relevant stakeholders are considered by prohibiting outsourcing in case one of the following occurs:

- endangerment of the continuous and satisfactory provision of services to customers;
- significant impairment of the quality of the company's processes;

- unduly increase in operational risk;
- endangerment of the functioning of the governance system;
- impairment of the ability to monitor compliance with the company's obligations.

The principles cover topics such as responsibility, requirements on the skills and resources of the provider and its continuous monitoring, compliance with laws and regulations and minimum contractual contents.

The outsourcing policy further demands that several pre-defined stages have to be completed for any service or function to be outsourced. First, the current state shall be analysed on whether the function or process is legally and economically viable to be provided by a third party. After the decision has been made in favour of outsourcing, a formal tender begins. After the most suitable bidder is chosen and the contract signed, the outsourcing shall be integrated in the governance framework of the Company. The business relationship shall be actively managed in line with its nature and scope. Active management of the business relationship ensues, encompassing monitoring and controlling services, ensuring data security, assessing risk situations, and evaluating the implementation of adequate emergency plans by external service provider (Business Continuity Plan).

Critical and important outsourced services

The Company does not outsource key functions. The following critical and important services are (partially) outsourced.

Outsourced Activity	Location of Service Provider	Internal / External
Investment advice	Switzerland	Internal
Claim handling and customer service	France	External
Claim handling	Germany	External
Computation resources and data storage	Luxembourg	External

"Investment advice" concerns intragroup outsourcing.

B.8. Any other information

Adequacy of the system of governance

The system of governance in place at FRIDAY is considered as adequate to the nature, scale and complexity of the risks inherent in the Company's business. Adequacy is confirmed through the governance principles in line with regulatory requirements. Furthermore, the fit and proper process applied, together with the Company's code of conduct ensures the adequacy of key personnel.

No further supplementary information or risks in addition to the information previously disclosed is considered as material.

C. Risk Profile

C.1. Underwriting Risk

For FRIDAY non-life underwriting risk is the risk arising from non-life insurance obligations including health underwriting risk similar to non-life. Hereafter, underwriting risk is referred to in relation to the perils covered and the processes used in the conduct of business. The non-life underwriting risk is related to the core business of the Company, namely the premium and reserve risk and the catastrophe risk.

This risk refers to uncertainty as to the occurrence, amount and timing of insurance liabilities. In particular underwriting risk arises from the possibility that premiums are not sufficient to cover future claims, contract expenses and extremely volatile events.

As of year-end 2024 FRIDAY's capital requirements for non-life underwriting risk amount to EUR 3,958.4 thousand as measured by the Solvency II standard formula. The non-life underwriting risk is composed of premium and reserve risk as well as catastrophe risk which are described below in more detail. The largest share of the underwriting risk stems the premium risk.

As of year-end 2023, the capital requirement for non-life underwriting risk was reported at EUR 3,598.1 thousand. The increase of YE 2024 is mainly driven by the significant growth of the French MRH portfolio and German private liability portfolio combined with a change in the reinsurance structure.

Risk Exposure

The non-life business of the Company consists of the following lines of business (LOB) according to the definitions applied by Solvency II:

Income protection insurance (LOB2): Income protection insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance;

Motor vehicle liability insurance (LOB4): Insurance obligations which cover all liabilities arising out of the use of motor vehicles operating on land;

Other motor insurance (LOB5): Insurance obligations which cover all damage to or loss of land vehicles;

Fire and other damage to property insurance (LOB7): Insurance obligations which cover all damage to or loss of property other than those included in the lines of business 5 and 6 due to fire, explosion, natural forces including storm, hail or frost, nuclear energy, land subsidence and any event such as theft;

General liability insurance (LOB8): Insurance obligations which cover all liabilities other than those in the lines of business 4 and 6;

Legal Expense Insurance (LOB 10): Legal insurance obligations which cover legal expenses and cost of litigation

Assistance (LOB11): Insurance obligations which cover assistance for persons who get into difficulties while travelling, while away from home or while away from their habitual residence.

Assistance is not offered as standalone product but only as product integrated into the motor insurance in Germany (LOB4 and LOB5).

Miscellaneous financial loss (LOB 12): Insurance obligations which cover employment risk, insufficiency of income, bad weather, loss of benefit, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses other than those mentioned above, other financial loss (non-trading) as well as any other risk of non-life insurance not covered by the lines of business 1 to 11.

The non-life underwriting risk is primarily dominated by premium and reserve risk. Premium risk only relates to future claims and reserve risk only relates to already incurred claims. Both risk categories originate from claim sizes being greater than expected, differences in timing of claims payments from expected, and differences in claims frequency from those expected.

Premium and reserve risk

Premium risk is the risk that calculated insurance premiums are based upon wrong assumptions resulting in insufficient premiums to cover the related small risks (frequency uncertainty). This risk is covered by the standard formula and the calculation is mainly based on the level of premiums by line of business.

The following table contains the net earned premiums by line of business during the year 2024.

Non-Life Net Earned Premiums

	2024
In '000 EUR	
Income protection insurance	47.0
Motor vehicle liability insurance	4,579.0
Other motor insurance	3,455.6
Fire and other damage to property insurance	2,390.9
General liability insurance	3,114.6
Assistance	68.2
Miscellaneous financial loss	11.2
Total	**13,666.4**

The reserve risk results from fluctuations in timing and amount of claim settlements. This risk is covered by the Solvency II standard formula and the exposure is mainly driven by the volume of reserves by line of business.

The following table contains the net Best Estimate reserves by line of business as of year-end 2024.

Non-Life Net Best Estimate

	2024
In '000 EUR	
Income protection insurance	60.1
Motor vehicle liability insurance	2,026.6
Other motor insurance	704.1
Marine, aviation and transport insurance	-
Fire and other damage to property insurance	4,842.5
General liability insurance	3,258.5
Legal expenses insurance	64.3
Assistance	7.1
Miscellaneous financial loss	-2.6
Total	**10,960.7**

The main exposure of premium and reserve risk stems due to its growth in 2024 from the lines of business with non-proportional reinsurance structure namely Fire and General liability in Germany.

Catastrophe risk

The non-life catastrophe risk is the risk that a single event, or series of events, of major magnitude, usually over a short period, leads to a significant deviation in actual claims from the total expected claims. The Company is exposed to the following risks:

- Natural catastrophe risk;
- Man-made catastrophe risk;
- Other non-life catastrophe risk.

Risk Concentration

The concentration risk in non-life business may arise due to a concentration of business written within a geographical area, of a policy type, or of underlying risks covered.

The underwriting activity of the Company is limited to the German and to the French market, with a concentration on the German market during the reporting period. Therefore, only a limited geographical diversification exists at the level of the Company.

Risk Mitigation

The insurance risk (and particularly the catastrophe risk) is mitigated by reinsurance. Treaties subscribed by the Company are treaties by excess of loss and by quota share, i.e. non-proportional as well as proportional reinsurance is applied. The reinsurance program aims to optimize the reinsurance strategy and to protect the Company from a peak of exposure. A new reinsurance structure has been implemented for 2025 in the context of the insurance portfolio transfer to Allianz Direct.

The sufficiency of premiums (premium risk) is mitigated by an effective product development process and a regular profitability analysis on a product-by-product basis. Mitigation measures are derived in case the portfolio differs from the tariff basis in order to prevent lasting damage to the Company.

In order to avoid attracting or retaining high risk profiles (anti-selection risk), several actions are taken:

- Tariff segmentation: Tariffs are calculated so that the premium offered to the customer is adapted to the actual risk.
- Bonus Malus: A bonus malus system is in place for the car products to adjust the premium in case of deviation of the risk.
- Exclusion of risks: Homes located in flooding or drought areas are not accepted for the MRH and Home Content business, no comprehensive coverage for cars exposed to high risk of theft.
- Term of contract of one year: The term of contract is at most one year for all products which enables a timely reaction to introduce mitigating measures in relation with the portfolio management in case needed.

Risk Sensitivity

FRIDAY applies sensitivity to the parameters that influence the underwriting risk. The analysis comprises the differing stress levels to each parameter according to Solvency II.

The principal driver of the underwriting risk is the premium and reserve risk which is directly related to the volume of premiums and reserves.

The stress tests considered for premium risk, reserve risk and catastrophe risk did not result in a Solvency II Ratio below 100% on a standalone basis.

C.2. Market Risk

Market Risk is the risk associated with the balance sheet positions where the value or cash flow depends on financial markets. It is reflected by losses that arise from changes or fluctuations in market prices. The degree of risk depends on the extent to which market prices fluctuate and on the level of exposure.

Risk factors include:

- Equity market prices;
- Property market prices;
- Interest rate risk;
- Credit spread changes;
- Currency exchange rates;
- Concentration risk.

As of year-end 2024, the global market risk for the Company amounts to EUR 860.6 thousand. It is mainly driven by the interest rate risk, currency risk and the spread risk as stated below:

Gross SCR for Market Risks

	2024
In '000 EUR	
Interest rate risk	718.1
Equity risk	41.9
Property risk	-
Spread risk	203.1
Market risk concentrations	156.7
Currency risk	209.4
Diversification within market risk module	-468.6
Risk-Module level values	**860.6**

The following sections specifically address the interest rate risk, foreign currency risk, equity risk, spread risk and concentration risk that are relevant for the Company.

The Market Risk is decreasing during the reporting period mainly explained by the decrease of bond exposition and the decrease of the EIOPA interest rates associated to the reduction of the gap of duration. At year-end 2023, the capital requirement for market risk was EUR 1,448.6 thousand.

Risk Exposure

Interest rate risk

Interest rate risk is the risk that the Company's interest margin, and therefore its income, may be reduced by fluctuations in money-market and capital-market interest rates (income effect), or that the fair value of a portfolio of interest- rate sensitive products may decline (asset-price effect). The liabilities do not significantly influence the variation from one period to the other.

As of year-end 2024 the interest rate sensitive exposure of our own assets amounts to EUR 718.1 thousand compared to EUR 1,397.6 thousand in the previous year. The drop is influenced by reduction of the interest rate curve combined by decrease of the portfolio size.

Foreign currency risk

The foreign currency risk describes the potential financial loss generated by changes in the exchange rates between currencies. The extent of the effective currency risk depends on:

- Net foreign currency exposure, i.e. the balance between currency assets and liabilities.
- The volatility of the respective currencies.
- The correlations of currencies with other risk parameters in the portfolio context.

As of year-end 2024 the exposure to this risk is mainly driven by reinsurance arrangement with Baloise Group in CHF and an IT service contract in USD. This exposure is increasing compared to YE2023 where the amount was EUR 16.4 thousand.

Equity risk

The Company is exposed to risks from price fluctuations on equity securities. Equity risk exposure includes common stocks, linked to equity unit trusts.

As of year-end 2024 the Company has a very limited equity exposure stemming from the investment into FRIDAY Technology Sp. z o.o. , which is unchanged to last year.

Spread risk

Spread risk arises from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the Risk-free Interest Rate term structure.

As of year-end 2024 the spread sensitive exposure of our own assets amounts to EUR 203.1 thousand. This exposure is decreasing compared to the previous year due to the reduction of the corporate bonds.

Property risk

The property risk arises from investments in real estate due to negative developments with respect to the level or the volatility of market prices.

The Company's own assets are not exposed to property risk as of year-end 2024.

Risk Concentration

Market risk concentration risks can stem either from lack of diversification in the asset portfolio or from large exposures to default risk by a single issuer of securities or a group of related issuers.

As of year-end 2024 the concentration risk of the Company is limited to EUR 156.7 thousand due to investments guidelines in place.

Risk Mitigation

In order to limit and monitor the Company's exposure to market risk, several mitigating measures are in place.

A conservative policy on asset allocation is applied. Regular reporting on the evolution of the Company's assets, the market development and of the gap of duration between assets and liabilities allow for a close monitoring of the risk exposure.

In order to limit the spread risk, the investment in a single issuer or debtor is restricted sufficiently. Rules are explicitly defined in the according Group Directive.

Risk Sensitivity

Very similar to the processes for analyzing underwriting risk, FRIDAY applies sensitivity to the parameters that influence the market risk.

Based on the analysis of the sensitivities on a standalone basis, i.e. when ignoring any diversification effects between the individual risks, the Company's market risk exposure is driven by interest rate and spread risk. The sensitivities considered do not result in a Solvency II ratio below 100%.

C.3. Counterparty Default Risk

Risk Exposure

Counterparty default risk relating to assets held by insurance companies refers to the total potential downside risk arising from deterioration in the credit quality of a borrower or issuer. Counterparty default risk is managed by monitoring the credit quality of each individual counterparty and relying heavily on credit ratings.

The risk increases when counterparties become concentrated in a single sector or geographic region. Economic trends that affect whole sectors or regions can jeopardize an entire group of otherwise unrelated counterparties.

The counterparty default risk takes into account the following components:

Type 1: Counterparty default risk exposures where diversification is low, and the counterparty is likely to be rated. For the Company the exposure is mainly driven by its reinsurance receivables of the proportional treaties and cash account balances with banks.

Type 2: All remaining counterparty default risk exposures, such as insurance receivables arising from policyholders and intermediaries.

As of year-end 2024, the gross Solvency Capital Requirements for counterparty default risk amount to EUR 1,038.7 thousand, mainly driven by type 1 exposures (EUR 837.6 thousand).

While type 1 decreased due to better rating of reinsurer offsetting the increase of the reinsurance recoverable amount, type 2 exposure increased during the reporting period due to higher receivables in line with the premium growth. As of year-end 2023, the Solvency Capital Requirement for counterparty default risk was EUR 1,195.7 thousand. So, the risk exposure was reduced slightly in 2024.

Risk Concentration

No significant risk concentration with regards to counterparty default risk is observed. Although a concentration in bank deposits and in receivables of proportional reinsurer exists when considering the single name exposures, the deposits are distributed across different counterparties.

Risk Mitigation

In order to account for the significance of counterparty default risk stemming from spread and counterparty default risk, the Company tracks counterparty exposure at all times and monitors counterparty default risk from a global point of view.

To restrict the counterparty default or accumulation risk in the Company, the proportion that may be invested in a single issuer or borrower is strictly limited in the Group-wide Risk Management Standards. In addition, reinsurance contracts can only be concluded if they have been approved by Baloise Group Finance. In general, transactions may only be made with reinsurers that have a minimum rating by Standard & Poor's of "A". This rule excludes captives and pools as reinsurers which are usually not rated.

The relevant rules are explicitly defined in the Group investment and reinsurance policy.

To limit the counterparty default risk exposure stemming from policyholders, an adequate procedure of credit check score of the customer before offering a contract and for the recovery of receivables is in place.

Risk Sensitivity

Overall, in terms of the capital position of FRIDAY per year-end 2024, measured according to the standard formula applicable according to Solvency II, the gross Solvency Capital Requirement by type of counterparty risk before diversification effects amounts to EUR 837.6 thousand for Type 1 exposure and EUR 245.7 thousand for Type 2 exposure. The sensitivities considered do not result in a Solvency II Ratio below 100%.

C.4. Liquidity Risk

Typically, liquidity risk is referred to as the risk that directly transferable funds, such as cash or bank account amounts, are not available or not available at acceptable cost to an entity when needed to make due payments.

Risk Exposure

The Company is exposed to liquidity risk in the sense that a liquidity strain might not be sufficiently offset by the sale of assets or an alternative refinancing might not be in place sufficiently fast.

The Company's assets are generally invested in liquid instruments such as government bonds or corporate bonds taking into consideration their suitability to match these liabilities.

The most important liquidity risk may be caused by a catastrophic event which could trigger exceptionally large claims or a large number of claims to be received in a short period. Risk mitigating measures such as reinsurance cover limit the liquidity risk arising from such events as full claim amounts are not paid immediately after the event allowing for additional time to liquidate assets. In addition, restrictions on investments are in place in order to further reduce the risk as described in the previous section on counterparty default risk.

It should be noted that catastrophic events are rare and adequate Solvency Capital Requirements for such an event are considered in the Company's underwriting risk exposure.

Due to the nature of the business including mostly short-term contracts, no expected profit is considered in the future premium amounts (EPIFP) as of year-end 2024.

Risk Concentration

The Company is not exposed to significant liquidity risk concentration.

Risk Mitigation

In addition to local regulation requirements, a cash planning is implemented and updated on a monthly basis. There is buffer of cash to cover any deviation of the expenses in the upcoming period. Adequate investment planning and appropriate asset and liability management ensure that the exposure is monitored and managed on a regular basis. Liquidity constraints are considered in the Company's business plan and a regular discussion point in the ALCO-RICO. Limits for acceptable liquidity risk are defined in the Company's liquidity policy and followed-up on a regular basis via the Company's key risk indicator reporting.

Risk Sensitivity

Because liquidity risk is already captured in its material parts by counterparty default risk and operational risk, no additional sensitivities for liquidity risk are calculated.

C.5. Operational Risk

Risk Exposure

For FRIDAY, operational risk covers the risk of financial losses arising from inadequate or failed internal processes, personnel or systems, or from external events. Operational risk also includes legal and compliance risks. Management and information risks (including strategic risks) as well as business and environment risks are considered as separate categories of risk.

The risks are regularly identified, assessed, controlled and steered via the "Own Risk and Solvency Assessment" process. Internal processes deal with a variety of tasks including drafting new insurance contracts, administering existing contracts, compiling necessary documentation for regulatory and tax compliance, and preparing financial reports for FRIDAY. Usually, business processes rely on IT systems for support, and there may be instances where these systems fail to operate or operate inadequately, leading to process interruptions or inaccuracies such as incorrect data or documents. Moreover, human errors can also impact the accurate execution of business processes.

The operational risk exposure quantified in the SCR is driven by the premium development, which explains the slight increase compared to the previous year.

Risk Concentration

FRIDAY has not identified any risk concentration with respect to operational risk during the reporting period. Nonetheless, the current business underwritten is still concentrated on the German market, although the business in France was growing.

Risk Mitigation

FRIDAY mitigates its operational risks by various techniques to make processes and systems as robust as possible. These include information security procedures, business continuity planning, ongoing training for employees, clear process descriptions and responsibilities, back-up solutions and double signatures for all key decisions. These process related measures are accompanied by state-of-the-art IT systems.

In addition, process risks resulting from lack of application of procedures or application of inadequate procedures are mitigated by the Company's effective internal control system. It is implemented to identify and evaluate key controls, providing a reasonable assurance regarding the quality of the processes. Controls are assessed on a yearly basis. Detected control weaknesses will be mitigated by action plans.

In the reporting period, the effectiveness of the Business Continuing Management (BCM) has been tested, aiming to ensure of a continuous improvement.

For the business operation of FRIDAY the situation translated into a strongly increased fraction of employees working from home. FRIDAY was fully operational on a remote basis from day one. The BCM has defined appropriate measures and reacted quickly to developments. The continuity of business operation was and is successfully ensured without interruption.

As part of our commitment to digital resilience, the Company is implementing the Digital Operational Resilience Act (DORA) to strengthen ICT risk management, incident reporting, and third-party oversight. This initiative enhances our ability to prevent, detect, and respond to ICT disruptions, ensuring compliance with Regulation (EU) 2022/2554. Key measures include necessary adjustments of the incident classification, improvement of the resilience testing and of the third-party risk management.

The Board of Director of the Company is regularly updated on the progress of the project.

Risk Sensitivity

The Company bases its quantification of operational risk on the standard formula according to Solvency II. This approach assumes some flat-rate losses on premium volume and size of business portfolio.

As of year-end 2024 the capital requirements for operational risk amount to EUR 1,462.0 thousand as measured by the Solvency II standard formula which represents the impact for the Company if all of the negative impacts described would happen at the same time. The considered sensitivity does not result in a Solvency II Ratio below 100%.

C.6. Other relevant information (including other material risks)

Major other material risks include business and environment risks, management and information risks as well as emerging risks.

Business environment risks and management and information risks arise directly or indirectly through the business environment or the strategic activities of a company.

Due to the strategic decision to transfer the whole portfolio to Allianz Direct, there are no material emerging risks for the company. For the same reason also the sustainability risks are very limited.

D. Valuation for Solvency Purposes

D.1. Assets

Basis, methods and assumptions for the valuation of each material class of assets

Solvency II incorporates the measurement approach for assets according to International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). FRIDAY applies these principles already for its contribution to the group financial statements of its ultimate holding company, Baloise Holding AG.

Assets under Local GAAP and Solvency II Valuation

	Local GAAP	Solvency II	Difference
In '000 EUR			
Intangible assets	27.4	-	-27.4
Property, plant & equipment held for own use	379.8	379.8	-
Property (other than for own use)	-	-	-
Shares in affiliated undertakings	190.5	190.5	-
Equity	-	-	-
Government Bonds	15,823.3	15,823.3	-
Corporate Bonds	8,522.4	8,522.4	-
Assets held for index-linked and unit-linked contracts	-	-	-
Loans & mortgages	-	-	-
Reinsurance recoverables from:	27,310.6	24,651.3	-2,659.4
Insurance and intermediaries receivables	327.1	327.1	-
Cash and cash equivalents	10,948.4	10,948.4	-
Other	7,767.6	7,143.2	-624.4
Total assets	**71,297.1**	**67,986.0**	**-3,311.2**

Intangible assets

The statutory value of intangible assets consists of the acquisition values deducted by the accumulated regular amortizations. The amortization rate is set at 20% except for the concessions, patents, licenses, and trademarks where the amortization rate is between 20% and 25%.

The position is composed of formation expenses, licenses and trademarks.

In the Solvency II balance sheet, the intangible assets are presented with a value of EUR 0.

Property, plant and equipment held for own use

In the statutory value reflected under this caption consists of acquisition value minus depreciation. The depreciation rate of plant, machinery and furniture amounts to 10% and the depreciation rate of IT equipment amounts to 33%.

Property (other than for own use)

No investment in property can be found in the balance sheet.

Shares in affiliated undertakings

In the Solvency II balance sheet, the shares in affiliated undertakings are valued using the equity method, using a Solvency II consistent recognition and measurement for the holding's balance sheet, amounting to EUR 190.5 thousand. The company is holding 100% participation in FRIDAY Technology Sp. z o.o in Warsaw, Poland.

	% of holding	Own funds	Result of the year	Leagal Seat	SII value of participation
in '000 EUR					
FRIDAY Technology Sp. z o.o.	100.00%	556.8	267.1	Warsaw, Poland	190.5

Financial assets

The statutory accounts bonds have always been valued at their acquisition costs with depreciations. On December 31, 2024, all debt securities and other fixed-income securities have a book value equal to the market value. The book value was adjusted to the market value, recognizing a value adjustment of EUR 2.172,1 thousand. The values were adjusted because in the context of the Company's client portfolio transfer, a significant part of the debt securities won't be held until maturity. As consequence, there is no difference with the Solvency II value which is determined on the market value. The bond's market values are obtained from an external source. The whole bond portfolio is only composed of EUR denominated bonds.

Additionally, it can be stated that no derivatives can be found in the portfolio.

Reinsurance recoverable and receivables

In the Solvency II balance sheet insurance receivables, reinsurance receivables as well as other receivables are recorded at the lower of their nominal and their probable realizable value. Value adjustments shall be made when recoverability is questionable, either in part or entirely. These value adjustments shall no longer be considered when the reasons for which they were made cease to apply.

The reinsurance recoverable under Solvency II is valued using the Best Estimate method so as for the corresponding liabilities. It is determined as the difference between the gross and net cash flows coming from the reinsurance contracts.

Deferred tax assets

No deferred tax asset can be found on the balance sheet.

Any other assets

The other assets, amounting to EUR 7,958.1 thousand under Local GAAP, concern deferred charges, trade receivables and other accrued income amounts. The accrued interests are presented under this caption under Local GAAP only and are not subject to revaluation.

The other accruals on the assets side generally concern charges which have been paid in advance. The positions are determined for local closing and are not subject to revaluation. There is no difference with the Solvency valuation.

Reconciliation to Financial Reporting

The differences between the statutory balance sheet and the Solvency II values as well as their financial impacts are already explained in the previous section.

D.2. Technical Provisions

Technical Provisions are the Company's allocation of capital to meet the obligations directly related to the insurance business. Following Solvency II principles, they are composed of the Best Estimate and the Risk Margin.

Best Estimate

The Best Estimate is the average of the outcomes stemming from insurance obligations of all possible scenarios, weighted according to their respective probabilities. It can be decomposed in premium provisions and claims provisions. The Best Estimate for premium provisions represents the expected present value of future in- and out-going cash-flows originated from future claims, while the Best Estimate for claims provisions represents the expected present value of future in- and out-going cash-flows originated from outstanding claims.

Risk Margin

A Risk Margin increases the overall value of the Technical Provisions from the discounted Best Estimate to an amount equivalent to a theoretical level needed to transfer the obligations to another insurance company.

Technical Provisions Valuation

Technical Provisions by line of business: overview

Technical Provisions are the largest item on an insurance company’s balance sheet, meaning a company’s financial strength is sensitive to movements in their value.

The tables below provide an overview of the composition of the technical provisions per line of business, separately for the lines business of the segment non-life:

Non-Life Technical Provisions

Technical Provisions by Line of Business

2024.12

	Premium provision	Claims provision	Risk Margin	Recoverables from reinsurance	Total Solvency II	Local GAAP
Income protection insurance	-60.2	12.7	3.2	-107.6	-44.3	52.8
Motor vehicle liability insurance	1,765.4	14,927.3	78.6	14,666.0	16,771.3	19,340.5
Other motor insurance	4,294.0	4,582.2	145.0	8,172.1	9,021.1	10,407.4
Fire and other damage to property insurance	2,892.5	3,672.6	114.1	1,722.5	6,679.2	7,495.7
General liability insurance	2,061.2	1,264.8	199.1	67.5	3,525.1	4,615.2
Legal expenses insurance	35.2	2.8	0.9	-26.3	38.9	89.1
Assistance	152.9	10.9	2.6	156.7	166.4	190.1
Miscellaneous financial loss	-2.3	0.0	0.5	0.3	-1.9	6.9
Total	11,138.6	24,473.4	543.9	24,651.3	36,155.8	42,197.7

The amount of the technical provision of local GAAP is net of subrogation and salvage amounting EUR 624.38 thousand.

Valuation of the Best Estimate and Risk Margin: methods and key assumptions

Best Estimate

The Best Estimate is calculated using a deterministic approach. It is calculated gross using a cash flow basis with a separate explicit calculation for reinsurance, also using a cash flow basis. Further to the minimum segmentation noted above, the Best Estimate is also split between claims and premium provisions for non-life business.

The cash flows include future cash inflows. Premium provisions are therefore net of future premium receipts which can make them negative.

The Best Estimates must not include margins for optimism or conservatism. Reserves held in excess of the Best Estimate must be excluded from the Best Estimate calculation but may still be included for financial reporting purposes.

Cash flows must be discounted for the time value of money. The yield curves for major currencies to apply by currency are supplied by the supervisor and are fixed for each valuation date.

Reinsurance

The Technical Provisions are calculated gross, with reinsurance calculated separately under the same principles. Reinsurance recoveries will continue to allow for expected non-payment whether caused by default or dispute.

Expenses

Expense provisions under Solvency II include items such as administrative expenses, investment manager's costs, claims expenses, acquisition expenses and overhead expenses.

Risk Margin

A Risk Margin increases the overall value of the Technical Provisions from the discounted Best Estimate to an amount equivalent to a theoretical level needed to transfer the obligations to another insurance company.

Where the Best Estimate and Risk Margins are calculated separately, which is the case for the vast majority of non-life business, Risk Margins are calculated using a cost of capital approach.

The cost of capital approach requires the Risk Margin to be calculated by determining the cost of providing an amount of eligible Own Funds equal to the Solvency Capital Requirement (SCR) necessary to support the current obligations over their lifetime.

Assumptions

Assumptions used within the calculation of Solvency II Technical Provisions are consistent both with financial market information and "generally available" insurance risk data.

No transitional measures are used.

Uncertainty

The Best Estimate corresponds to the probability-weighted average of future cash flows and will therefore allow for uncertainty in these future cash flows. In this context, allowance for uncertainty refers to the consideration of the variability of the cash flows necessary to ensure that the Best Estimate represents the mean of the full distribution of those cash flows.

Gross and reinsurance cash flows adequately recognize the uncertainty inherent within them, though not through the use of implicit or explicit prudence.

The Best Estimate and the application of the valuation technique, where relevant, may include the following:

- Fluctuations in the timing, frequency and severity of claim events.
- Fluctuations in the period needed to settle claims.
- Fluctuations in the amount of expenses.
- Changes in the value of an index/market value used to determine claim amounts.
- Changes in both entity and portfolio specific factors such as legal, social, or economic factors, where relevant.

- Uncertainty in policyholder behavior.
- The exercise of discretionary future management actions.
- Path dependency, where the cash flows depend not only on circumstances such as economic conditions on the cash flow date, but also on those circumstances at previous dates.
- Interdependency between two or more causes of uncertainty.
- For the standards claims, uncertainty mostly comes from the evaluation methodology. This is considered in the reserve risk. Another uncertainty can come from the choice of the methodology. Different methodologies are compared, and the more adequate one based on expert judgement is used.

For non-life reserves the amount of Technical Provisions is sensitive to changes in claims development.

Allowance for uncertainty does not suggest that additional margins should be included within the Best Estimate.

Changes since last reporting period

There were no material changes in the relevant assumptions made in the calculation of technical provisions during the reporting period.

Reconciliation to Financial Reporting

Statutory lines of business are classified in line with Solvency II lines of business.

Below the difference between the Technical Provisions of the statutory balance sheet is compared to the Solvency II evaluation. Statutory figures are the sum of the claims provision (provision for unallocated expenses included) and the unearned premiums provisions. Solvency II figures are the technical provisions described above.

Technical Provisions by Line of Business

		2024.12
	Local GAAP	**Solvency II**
Income protection insurance	52.8	-44.3
Motor vehicle liability insurance	19,340.5	16,771.0
Other motor insurance	10,407.4	9,021.1
Fire and other damage to property insurance	7,495.7	6,679.2
General liability insurance	4,615.2	3,525.2
Legal expenses insurance	89.1	38.9
Assistance	190.1	166.4
Miscellaneous financial loss	6.9	-1.9
Total	42,197.7	36,155.5

The Solvency II calculations are based on statistics of historic data according to line of business. Resulting cash flows are then discounted using the risk-free curve provided by the supervisor.

The statutory evaluation is done on a case-by-case basis.

Regarding the premiums and claims reserves, the statutory approach is more prudent than Best Estimate calculations and does not take into account discounting. The Risk Margin calculated under Solvency II is not part of the statutory figures and increases Solvency II provision compared to Local GAAP.

D.3. Other Liabilities

Basis, methods and assumptions used for valuing other liabilities

Other Liabilities

	LocalGAAP	Solvency II	Difference
In '000 EUR			
Provisions other than technical provisions	8,255.7	8,255.7	-
Pension benefit obligations	-	-	-
Deposits from reinsurers	-	-	-
Deferred tax liabilities	-	-	-
Insurance & intermediaries payables	285.0	285.0	-
Reinsurance payables	769.8	769.8	-
Payables (trade, not insurance)	3,338.4	3,338.4	-
Any other liabilities, not elsewhere shown	416.6	-	-416.6
Total other liabilities	**13,065.4**	**12,648.8**	**-416.6**

They are composed of all quantified risks, which are already known, and charges known but not yet invoiced. The measurement of provisions requires assumptions to be made about the probability, timing and amount of any outflows of resources embodying economic benefits. A provision is recognized if such an outflow of resources is probable and can be reliably estimated.

The creditors arising out of insurance and reinsurance operations as well as the other creditors are not subject to revaluation, as they have no duration. However, we have one difference linked to the presentation of the subrogation and salvages, netted in the technical reserves under Solvency II.

Reconciliation to Financial Reporting

There is no difference in methodology as well as the quantitative impacts between the statutory balance sheet and the Solvency II values.

D.4. Alternative methods for valuations

Alternative methods for valuations are not used.

D.5. Other relevant information

No further relevant information is reported.

E. Capital Management

E.1. Own Funds

Capital management: objectives, policy and processes

Capital is a scarce and strategic resource, which requires a clearly defined, rigorous and disciplined management approach in order to ensure efficient and effective deployment. This approach must balance the needs and requirements of stakeholders including shareholders, regulators, employees and customers.

Objectives

FRIDAY's main objectives in capital management are the following:

- to fulfil the solvency requirements defined by the regulatory frameworks.
- to ensure business continuity and the capacity to run its activity.
- to pursue the optimal ratio between equity and debt, by ensuring adequate remuneration of all capital and debt sources.
- to determine impact on pricing policies which are consistent with risk levels of each activity sector and.
- to create value to shareholders.

The Company has to comply with local laws and regulations and/or local supervisory authorities' requirements regarding a minimum capital. This minimum capital should be maintained as per local legislative framework in order to fulfill its insurance obligations. This minimum level of capital has been continuously maintained during the reporting period.

Moreover, according to internal risk management guidelines, the solvency needs are quantified based on the Solvency II standard formula and additionally by the "Swiss Solvency Test", which is a modern, risk-based and market-consistent solvency regime in Switzerland.

Policy

The Company has a Capital Management policy in place that sets forth the principles and guidelines applied within the own funds management context. It sets forth the overall definition of capital and capital adequacy ratios. The guidelines aim for an effective and optimized capital management. Moreover, the policy highlights the different activities within the capital management framework: capital planning, capital contingency and capital allocation.

In addition, the document displays the governance structure that supports capital management. This policy covers the roles and responsibilities and reporting requirements needed to support the previously mentioned objectives.

Processes

The primary objective of the capital management process is to enhance the Company`s capital structure, composition and allocation, facilitating profitable growth and safeguarding the insurer`s viability and profitability. The process also ensures continued eligibility of own fund items through close monitoring of the eligibility criteria.

Capital management planning takes into account the following

- The required capital linked to expected level of risk and risk appetite, as well as risk assessments.
- Own funds projected over a time horizon of at least three years.
- The capital level the Company wants to hold, considering:
  - Legal requirements, and anticipated changes;
  - Growth ambitions, and future capital commitments;
  - Security buffers to ensure that obligations are met.
- Dividend policy (and future capital raising).

Capital allocation is performed based on the following principles:

- Capital (re)allocation based on funding business plans which meet strategic and performance objectives.

Allocation takes into account optimizing expected value creation, risk and capital use.

Own Funds Analysis

Own Funds overview

Under Solvency II, own funds represent those funds of the entity that are available to compensate the financial impact of adverse scenarios for the insurer. An insurer needs to hold certain amounts of own funds covering specific capital requirements (SCR and MCR).

Own funds are categorized into three different “Tiers”: Tier 1 is the highest class, typically characterized by unconditional availability of the funds in case of losses by the insurer. Funds in Tier 2 and Tier 3 respectively generally have limitations as to the amount of funds available, the conditions for availability or the period during which they are available. Accordingly, an insurer may only use Tier 1 own funds to cover capital requirements without restrictions, subject to certain limitations for specific instruments. The own funds of FRIDAY entirely consist of unrestricted Tier 1 funds per year-end 2024.

Own Funds structure and composition

Solvency II guidance further distinguishes own funds by the way they are funded: Generally speaking, “Basic Own Funds” are fully paid in, whilst “Ancillary Own Funds” are only available by an insurer on demand. All own funds of the Company are Basic Own Funds.

As of year-end 2024, no Ancillary Own Funds are present and in this way a breakdown is obsolete. The eligible Basic Own Funds exclusively belong to the Tier 1 category.

Analysis of change for all tiers

As the eligible Basic Own Funds of the Company only consist of Tier 1 capital, no further remarks are made in addition to the explanations provided previously.

Deductions and restrictions

No deductions and restrictions are observed. No ring-fenced funds are present.

Basic Own Funds (BOF)

The Basic Own Funds are exclusively composed of reconciliation reserve and ordinary share capital.

Ordinary share capital

The ordinary share capital of the Company amounts to EUR 17,295.1 thousand divided into 17,295,116 shares with a designated nominal value of EUR 1 per share.

In December 2020 shareholders have also resolved on conditional capital of up to 3,05 million shares with a designated value of EUR 1 that may be issued in connection with an employee stock option plan.

Subordinated liabilities

Per year-end 2024 the Company has not issued subordinated liabilities.

Reconciliation reserve

The table below reconciles this amount with the own funds reporting for the figures year-end 2024.

Own funds: reconciliation reserve

	2024
In '000 EUR	
Reconciliation reserve	
Excess of assets over liabilities	19,181.3
Own shares (held directly and indirectly)	-
Foreseeable dividends, distributions and charges	-
Other basic own fund items	224,315.9
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	-
Reconciliation reserve	-205,134.5
Expected profits	
Expected profits included in future premiums (EPIFP)	-
Expected profits included in future premiums (EPIFP) – Non-life business	-
Total Expected profits included in future premiums (EPIFP)	**-**

Ancillary Own Funds (AOF)

Structure Ancillary Own Funds

No Ancillary Own Funds are present.

Methods of valuation AOF

Not relevant.

Transitional arrangements

No own fund items are subject to transitional arrangements.

Eligible amount of Own Funds to cover the SCR and MCR

Eligible Own Funds

The capital structure of the Company is explained in the chapter Own Funds Analysis. The table and graph below confirm that the Company meets its Solvency Capital requirements.

Own funds: Eligible Own Funds and capital requirements

	2023 Total	2024 Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
In '000 EUR						
Available and eligible own funds						
Total available own funds to meet the SCR	23,160.0	19,181.3	19,181.3	-	-	-
Total available own funds to meet the MCR	23,160.0	19,181.3	19,181.3	-	-	-
Total eligible own funds to meet the SCR	23,160.0	19,181.3	19,181.3	-	-	-
Total eligible own funds to meet the MCR	23,160.0	19,181.3	19,181.3	-	-	-
SCR	6,259.3	6,338.7	-	-	-	-
MCR	4,000.0	4,000.0	-	-	-	-
Ratio of Eligible own funds to SCR	370.0%	302.6%	-	-	-	-
Ratio of Eligible own funds to MCR	579.0%	479.5%	-	-	-	-

The available own funds decreased by EUR 3,978.7 thousand during the reporting period mainly driven by the result of the year and partially offset by a capital increase. The Company's Solvency II ratio decreased from 370.0% to 302.6% during the reporting period.

Reconciliation with Financial Statement equity

The delta between the local own funds and the Solvency II available capital amounts to EUR -3,771.7 thousand split as follows:

	2023	2024
in '000 EUR		
Excess over liability Local Gaap	**25,312.7**	**15,409.6**
Adjustments for Solvency	***-936.8***	***3,771.7***
Adjustment reinsurance	-3,614.4	-2,659.4
Adjustment other assets	-2,836.3	-651.8
Adjustment technical provisions	5,361.2	6,666.4
Adjustment other liabilities	152.7	416.6
Excess over liability Solvency	***24,375.9***	***19,181.3***
Non Eligible Own Funds	-1,215.9	0.0
Eligible Own Funds	**23,160.0**	**19,181.3**

The main adjustments are explained in chapter D. The evolution of differences in figures resulting from differences in measurement under the Solvency II regime and local accounts are explained in the following:

- The adjustment of other assets is reducing compared to YE2023 because the bonds value is the same in the local and Solvency II. Therefore, the remaining gap concerns the correction of the deferred charges;

- A better integration of the reinsurance structure in the local accounts this year compared to YE2023, with a higher proportion of ceded reserves, leading to lower differences in reserve calculations between the two frameworks.

The Non Eligible Own Funds decreased to zero because the media-for-equity contribution has been completely activated used in the reporting year.

Deferred Tax Assets

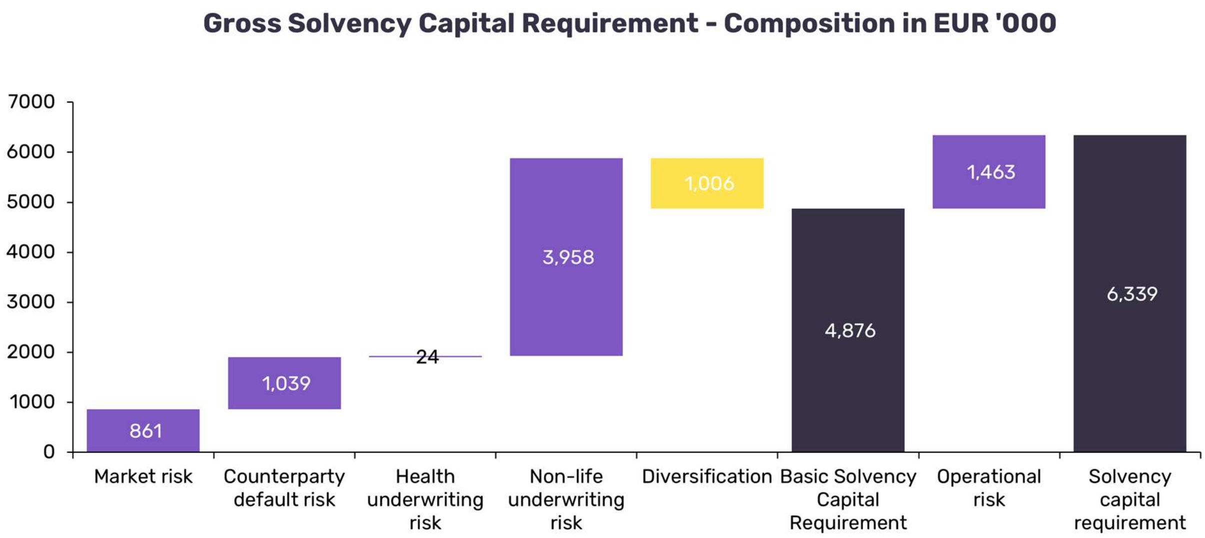
No Deferred Tax Asset has been recognized in the Company's own funds, thus this section is not applicable.

E.2. SCR and MCR

SCR and MCR: overview and key changes

Solvency position

As of year-end 2024 the Solvency capital requirement of the Company amounts to EUR 6,338.7 thousand. This amount is split over the different risk modules of the Solvency II standard formula as illustrated in the waterfall diagram.



During the reporting period the Company's Solvency Capital Requirement evolved as illustrated in the table below:

Gross Solvency Capital Requirement for companies on Standard Formula

	2023	2024
In '000 EUR		
Market risk	1,448.7	860.6
Total counterparty default risk	1,029.9	1,038.7
Life underwriting risk	-	-
Health underwriting risk	9.1	24.2
Non-life underwriting risk	3,599.0	3,958.4
Diversification	-1,271.8	-1,006.1
Intangible asset risk	-	-
Basic Solvency Capital Requirement	4,814.8	4,875.9
Calculation of Solvency Capital Requirement		
Operational risk	1,444.4	1,462.8
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	-	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-	-
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	6,259.3	6,338.7
Capital add-ons already set	-	-
Solvency Capital Requirement	6,259.3	6,338.7
Minimum Capital Requirement	4,000.0	4,000.0

The risk module contributing the most to the Basic Solvency Capital Requirement before diversification is the non-life underwriting risk followed by the counterparty risk.

Material changes in SCR and MCR

The SCR increased by 1.3% during the reporting period mainly driven a higher non-life underwriting risk due to higher exposure to non-life catastrophic risk stemming from the change of the reinsurance structure and a lower diversification effect. These changes are partially offset by the reduction of the market risk (-40.6% compared to year-end 2023).

Information on the inputs used by the Company to calculate the MCR

The Minimum Capital Requirement (MCR) as of year-end 2024 is EUR 4,000.0 thousand. The information used to calculate the MCR based on the standard formula are the following:

- Technical Provisions without a Risk Margin by line of business after deduction of the amounts recoverable from reinsurance contracts with a floor equal to zero;
- Premiums written for insurance obligations by line of business during the last 12 months, after deduction of premiums for reinsurance contracts, with a floor equal to zero.

Simplified calculations and entity specific parameters

No simplified calculations or specific parameters have been used by the Company for the MCR and SCR calculations.

Use of the duration-based equity risk sub-module for SCR calculation

Use and Supervisor approval (Art. 304)

The duration-based equity risk approach is subject to prior supervisory approval. The current application of the approach does not pre-empt any future decision by national supervisory authorities to approve or not to approve such approach.

The Company does not apply the duration-based equity risk sub-module for the calculation of its Solvency Capital Requirements.

E.3. Difference between the standard formula and any internal model used

FRIDAY makes full use of the standard formula. This section is therefore currently not applicable.

E.4. Non-compliance with the MCR and the SCR

Amount of non-compliance

FRIDAY has been compliant with the Solvency II Minimum Capital Requirements and the Solvency Capital requirements during the entire reporting period.

Explanations of causes, effects and remedial actions

Not relevant.

E.5. Other relevant information

No supplementary information in addition to the information previously disclosed is considered material.

Annex

S.02.01.02 - Balance Sheet: Assets

EUR '000		Solvency II value
Assets		
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Property, plant & equipment held for own use	R0060	379.8
Pension benefit surplus	R0050	-
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	25,303.8
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	190.5
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	24,345.7
Government Bonds	R0140	15,823.3
Corporate Bonds	R0150	8,522.4
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	767.6
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	24,651.3
Non-life and health similar to non-life	R0280	24,651.3
Non-life excluding health	R0290	24,758.8
Health similar to non-life	R0300	-107.6
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	327.1
Reinsurance receivables	R0370	4,158.5
Receivables (trade, not insurance)	R0380	1,057.0
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	10,948.4
Any other assets, not elsewhere shown	R0420	1,160.1
Total assets	**R0500**	**67,986.0**

S.02.01.02 - Balance sheet: liabilities

		Solvency II value
EUR '000		
Liabilities		
Technical provisions - non-life	R0510	36,155.8
Technical provisions - non-life (excluding health)	R0520	36,200.1
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	35,659.4
Risk margin	R0550	540.7
Technical provisions - health (similar to non-life)	R0560	-44.3
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	-47.5
Risk margin	R0590	3.2
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions - index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	8,255.7
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	-
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	285.0
Reinsurance payables	R0830	769.8
Payables (trade, not insurance)	R0840	3,338.4
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	-
Total liabilities	**R0900**	**48,804.7**

Excess of assets over liabilities	**R1000**	**19,181.3**

FRI:DAY

S.04.05 - Premiums claims and expenses by country - Non-Life

		Home country	Top 5 countries: non-life	
		Luxembourg (LU)	Germany (DE)	France (FR)
	'000 EUR			
'000 EUR		C0020	C0020	C0020
R0010				
Gross Written Premium (direct), Gross Written Premium (proportional reinsurance), Gross Written Premium (non-proportional reinsurance)	R0020, R0021, R0022		49,063.2	4,260.9
Gross Written Premium (direct)	R0020		49,063.2	4,260.9
Gross Written Premium (proportional reinsurance)	R0021			
Gross Written Premium (non-proportional reinsurance)	**R0022**			
Premiums earned (gross)				
Gross Earned Premium (direct)	R0030		48,002.4	3,825.7
Gross Earned Premium (proportional reinsurance)	R0031			
Gross Earned Premium (non-proportional reinsurance)	**R0032**			
Claims incurred (gross)				
Claims incurred (direct)	R0040		34,983.3	1,609.6
Claims incurred (proportional reinsurance)	R0041			
Claims incurred (non-proportional reinsurance)	**R0042**			
Expenses incurred (gross)				
Gross Expenses Incurred (direct)	R0050		15,216.9	2,682.2
Gross Expenses Incurred (proportional reinsurance)	R0051			
Gross Expenses Incurred (non-proportional reinsurance)	R0052			

S.05.01.02 - Premiums, claims and expenses by line of business: non-life & accepted non-proportional reinsurance (part 1 of 3)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)					
		Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**
		C0010	C0020	C0030	C0040	C0050	C0060
EUR '000							
Premiums written							
Gross - Direct Business	R0110	-	239.5	-	23,984.6	18,074.4	-
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0130	-	-	-	-	-	-
Reinsurers' share	R0140	-	183.4	-	19,526.3	14,679.6	-
Net	R0200	-	56.0	-	4,458.2	3,394.9	-
Premiums earned							
Gross - Direct Business	R0210	-	233.7	-	24,080.4	18,122.1	-
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0230	-	-	-	-	-	-
Reinsurers' share	R0240	-	186.7	-	19,501.4	14,666.6	-
Net	R0300	-	47.0	-	4,579.0	3,455.6	-
Claims incurred							
Gross - Direct Business	R0310	-	-17.3	-	13,987.7	17,286.5	-
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0330	-	-	-	-	-	-
Reinsurers' share	R0340	-	-10.6	-	15,282.9	14,912.0	-
Net	R0400	-	-6.8	-	-1,295.2	2,374.6	-
Expenses incurred	**R0550**	**-**	**107.7**	**-**	**7,426.8**	**4,042.2**	**-**
Balance - other technical expenses/income	**R1210**	**-**	**-**	**-**	**-**	**-**	**-**
Total technical expenses	**R1300**	**-**	**-**	**-**	**-**	**-**	**-**

S.05.01.02 - Premiums, claims and expenses by line of business: non-life & accepted non-proportional reinsurance (part 2 of 3)

		Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0070	C0080	C0090	C0100	C0110	C0120
EUR '000							
Premiums written							
Gross - Direct Business	R0110	5,651.1	4,975.9	-	42.2	340.3	16.1
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0130	-	-	-	-	-	-
Reinsurers' share	R0140	2,329.8	766.7	-	28.2	272.2	-
Net	R0200	3,321.4	4,209.2	-	14.0	68.1	16.1
Premiums earned							
Gross - Direct Business	R0210	5,041.8	3,959.4	-	39.0	340.3	11.2
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0230	-	-	-	-	-	-
Reinsurers' share	R0240	2,650.9	844.8	-	32.3	272.2	-
Net	R0300	2,390.9	3,114.6	-	6.7	68.2	11.2
Claims incurred							
Gross - Direct Business	R0310	2,785.4	2,319.3	-	5.5	227.7	-1.8
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-
Gross - Non-proportional reinsurance	R0330	-	-	-	-	-	-
Reinsurers' share	R0340	1,786.2	199.5	-	6.2	177.2	-
Net	R0400	999.2	2,119.8	-	-0.7	50.5	-1.8
Expenses incurred	**R0550**	**3,779.0**	**2,295.7**	**-**	**43.2**	**203.7**	**0.7**
Balance - other technical expenses/income	**R1210**	**-**	**-**	**-**	**-**	**-**	**-**
Total technical expenses	**R1300**	**-**	**-**	**-**	**-**	**-**	**-**

S.05.01.02 - Premiums, claims and expenses by line of business: non-life & accepted non-proportional reinsurance (part 3 of 3)

		Line of Business for: accepted non-proportional reinsurance				Total
		Health	Casualty	Marine, aviation, transport	Property	Total
		C0130	C0140	C0150	C0160	C0200
EUR '000						
Premiums written						
Gross - Direct Business	R0110	-	-	-	-	53,324.0
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0130	-	-	-	-	-
Reinsurers' share	R0140	-	-	-	-	37,786.2
Net	R0200	-	-	-	-	15,537.9
Premiums earned						
Gross - Direct Business	R0210	-	-	-	-	51,828.0
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0230	-	-	-	-	-
Reinsurers' share	R0240	-	-	-	-	38,154.9
Net	R0300	-	-	-	-	13,673.1
Claims incurred						
Gross - Direct Business	R0310	-	-	-	-	36,592.9
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0330	-	-	-	-	-
Reinsurers' share	R0340	-	-	-	-	32,353.4
Net	R0400	-	-	-	-	4,239.6
Expenses incurred	**R0550**	**-**	**-**	**-**	**-**	**17,899.1**
Balance - other technical expenses/income	**R1210**	**-**	**-**	**-**	**-**	**695.0**
Total technical expenses	**R1300**	**-**	**-**	**-**	**-**	**18,594.0**

S.12.01.02.01 Life and Health SLT Technical Provisions

The Quantitative Reporting Template is not relevant for the company and therefore omitted from the report.

S.17.01.02 - Non - life Technical Provisions (part 1 of 3)

		Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
		C0020	C0030	C0040	C0050	C0060	C0070
EUR '000							
Technical provisions calculated as a whole	**R0010**	**-**	**-**	**-**	**-**	**-**	**-**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-
Technical Provisions calculated as a sum of BE and RM							
Best estimate							
Premium provisions							
Gross	R0060	-	-60.2	-	1,765.4	4,294.0	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-116.2	-	1,740.0	4,276.8	-
Net Best Estimate of Premium Provisions	R0150	-	56.1	-	25.4	17.1	-
Claims provisions							
Gross	R0160	-	12.7	-	14,927.3	4,582.2	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	8.7	-	12,926.1	3,895.3	-
Net Best Estimate of Claims Provisions	R0250	-	4.0	-	2,001.2	686.9	-
Total Best estimate – gross	**R0260**	**-**	**-47.5**	**-**	**16,692.6**	**8,876.2**	**-**
Total Best estimate – net	**R0270**	**-**	**60.1**	**-**	**2,026.6**	**704.1**	**-**
Risk margin	**R0280**	**-**	**3.2**	**-**	**78.6**	**145.0**	**-**
Technical provisions – total							
Technical provisions – total	R0320	-	-44.3	-	16,771.3	9,021.1	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	-	-107.6	-	14,666.0	8,172.1	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	63.3	-	2,105.2	849.1	-

S.17.01.02 - Non-Life Technical Provisions (part 2 of 3)

		Direct business and accepted proportional reinsurance					
		Fire and other damage to property	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0080	C0090	C0100	C0110	C0120	C0130
EUR '000							
Technical provisions calculated as a whole	**R0010**	**-**	**-**	**-**	**-**	**-**	**-**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-
Technical Provisions calculated as a sum of BE and RM							
Best estimate							
Premium provisions							
Gross	R0060	2,892.5	2,061.2	-	35.2	152.9	-2.3
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-446.5	-260.9	-	-27.5	152.9	0.3
Net Best Estimate of Premium Provisions	R0150	3,339.0	2,322.0	-	62.7	0.0	-2.6
Claims provisions							
Gross	R0160	3,672.6	1,264.8	-	2.8	10.9	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	2,169.1	328.4	-	1.2	3.8	-
Net Best Estimate of Claims Provisions	R0250	1,503.5	936.4	-	1.7	7.1	-
Total Best estimate – gross	**R0260**	**6,565.1**	**3,326.0**	**-**	**38.0**	**163.8**	**-2.3**
Total Best estimate – net	**R0270**	**4,842.5**	**3,258.5**	**-**	**64.3**	**7.1**	**-2.6**
Risk margin	**R0280**	**114.1**	**199.1**	**-**	**0.9**	**2.6**	**0.5**
Technical provisions – total							
Technical provisions – total	R0320	6,679.2	3,525.1	-	38.9	166.4	-1.9
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	1,722.5	67.5	-	-26.3	156.7	0.3
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	4,956.6	3,457.6	-	65.2	9.7	-2.2

S.17.01.02 - Non-Life Technical Provisions (part 3 of 3)

		Accepted non-proportional reinsurance:				
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligations
		C0140	C0150	C0160	C0170	C0180
EUR '000						
Technical provisions calculated as a whole	**R0010**	**-**	**-**	**-**	**-**	**-**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-
Technical Provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060	-	-	-	-	11,138.6
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-	-	-	-	5,318.8
Net Best Estimate of Premium Provisions	R0150	-	-	-	-	5,819.8
Claims provisions						
Gross	R0160	-	-	-	-	24,473.4
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	-	-	-	-	19,332.5
Net Best Estimate of Claims Provisions	R0250	-	-	-	-	5,140.9
Total Best estimate – gross	**R0260**	**-**	**-**	**-**	**-**	**35,612.0**
Total Best estimate – net	**R0270**	**-**	**-**	**-**	**-**	**10,960.7**
Risk margin	**R0280**	**-**	**-**	**-**	**-**	**543.9**
Technical provisions – total						
Technical provisions – total	R0320	-	-	-	-	36,155.8
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	R0330	-	-	-	-	24,651.3
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	-	-	-	-	11,504.6

S.19.01.21 - Non-life insurance claims (part 1 of 2)

Gross Claims Paid (non-cumulative)

		Development year												In Current year	Sum of years (cumulative)
		0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**			
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100	-	-	-	-	-	-	-	-	-	-		R0100	-	-
2015	R0160	-	-	-	-	-	-	-	-	-	-		R0160	-	-
2016	R0170	-	-	-	-	-	-	-	-	-	-		R0170	-	-
2017	R0180	36.8	178.4	9.1	1.4	-	-	0.8	-	-	-		R0180	-	226.5
2018	R0190	5,057.2	1,646.4	285.9	48.4	120.5	101.3	17.7	-	-	-		R0190	17.7	7,277.3
2019	R0200	8,682.0	3,568.4	178.4	152.6	18.4	3.4	-	-	-	-		R0200	3.4	12,603.3
2020	R0210	14,346.0	4,455.2	474.5	1,215.3	343.6	-	-	-	-	-		R0210	343.6	20,834.4
2021	R0220	25,182.9	9,869.1	861.8	361.7	-	-	-	-	-	-		R0220	361.7	36,275.5
2022	R0230	26,875.0	12,177.1	758.4	-	-	-	-	-	-	-		R0230	758.4	39,810.6
2023	R0240	29,926.7	11,982.7	-	-	-	-	-	-	-	-		R0240	11,982.7	41,909.4
2024	R0250	25,397.1	-	-	-	-	-	-	-	-	-		R0250	25,397.1	25,397.1
Total	**R0260**												**R0260**	**38,864.7**	**184,334.2**

S.22.01.21.01 Impact of long-term guarantees measures and transitionals

The Quantitative Reporting Template is not relevant for the company and therefore omitted from the report.

S.23.01.01 - Own funds: basic own funds

		Total	Tier 1 -	Tier 1 -	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
EUR '000						
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	17,295.1	17,295.1		-	
Share premium account related to ordinary share capital	R0030	207,020.7	207,020.7		-	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-	-			
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	-205,134.5	-205,134.5			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	**R0290**	**19,181.3**	**19,181.3**	**-**	**-**	**-**

S.23.01.01. Own funds: ancillary own funds

The Quantitative Reporting Template is not relevant for the company and therefore omitted from the report.

S.23.01.01 - Own funds: eligible own funds and capital requirements

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
EUR '000						
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	19,181.3	19,181.3	-	-	-
Total available own funds to meet the MCR	R0510	19,181.3	19,181.3	-	-	
Total eligible own funds to meet the SCR	R0540	19,181.3	19,181.3	-	-	-
Total eligible own funds to meet the MCR	R0550	19,181.3	19,181.3	-	-	
SCR	**R0580**	**6,338.7**				
MCR	**R0600**	**4,000.0**				
Ratio of Eligible own funds to SCR	**R0620**	**302.6%**				
Ratio of Eligible own funds to MCR	**R0640**	**479.5%**				

S.23.01.01 - Own funds: Reconciliation reserve

		C0060
EUR '000		
Reconciliation reserve		
Excess of assets over liabilities	R1000	19,181.3
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	224,315.9
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	R0740	-
Reconciliation reserve	**R0130**	**-205,134.5**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life Business	R0770/R0780	-
Expected profits included in future premiums (EPIFP) - Non-life business	R0770/R0780	-
Total Expected profits included in future premiums (EPIFP)	**R0790**	**-**

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

		Gross solvency capital	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	860.6		
Counterparty default risk	R0020	1,038.7		
Life underwriting risk	R0030			
Health underwriting risk	R0040	24.2		
Non-life underwriting risk	R0050	3,958.4		
Diversification	R0060	-1,006.1		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	**R0100**	**4,875.9**		

Calculation of Solvency Capital Requirement		
		C0100
Operational risk	R0130	1,462.8
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**	**6,338.7**
Capital add-ons 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	-
Consolidated Group SCR	**R0220**	**6,338.7**
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	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	-

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

Calculation of loss absorbing capacity of deferred taxes		LAC DT
		C0130
'000 EUR		
LAC DT	R0640	-1.0
LAC DT justified by reversion of deferred tax liabilities	R0650	1.0
LAC DT justified by reference to probable future taxable economic profit	R0660	1.0
LAC DT justified by carry back, current year	R0670	1.0
LAC DT justified by carry back, future years	R0680	1.0
Maximum LAC DT	R0690	1.0

S.28.01.01 - Minimum capital requirement: MCRNL Result

		Non-life activities
		C0010
MCRNL Result	R0010	2,520.0

S.28.01.01 - Minimum Capital Requirement: Background Information

		Net (of reinsurance/SPV)	Net (of reinsurance) written
		C0020	C0030
EUR '000			
Medical expense insurance and proportional reinsurance	R0020	-	-
Income protection insurance and proportional reinsurance	R0030	60.1	56.0
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	2,026.6	4,458.2
Other motor insurance and proportional reinsurance	R0060	704.1	3,394.9
Marine, aviation and transport insurance and proportional reinsurance	R0070	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	4,842.5	3,321.4
General liability insurance and proportional reinsurance	R0090	3,258.5	4,209.2
Credit and suretyship insurance and proportional reinsurance	R0100	-	-
Legal expenses insurance and proportional reinsurance	R0110	64.3	14.0
Assistance and proportional reinsurance	R0120	7.1	68.1
Miscellaneous financial loss insurance and proportional reinsurance	R0130	-	16.1
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

S.28.01.01 - Minimum capital requirement: Overall MCR Calculation

Overall MCR calculation		**C0070**
Linear MCR	R0300	2,520.0
SCR	R0310	6,338.7
MCR cap	R0320	2,852.4
MCR floor	R0330	1,584.7
Combined MCR	R0340	2,520.0
Absolute floor of the MCR	R0350	4,000.0
		C0070
Minimum Capital Requirement	**R0400**	**4,000.0**

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

The Quantitative Reporting Template is not relevant for the company and therefore omitted from the report.