

ALTIUS INSURANCE LIMITED

MANAGEMENT REPORT AND CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of Altius Insurance Ltd (the “Company”) presents the Management report and consolidated Management report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) and the separate financial statements of the Company for the year ended 31 December 2025 to its members.

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS OF THE COMPANY

The principal activity of the Group and the Company, which is unchanged from last year, is the conduct of insurance business in the life and non-life sectors. The activities of the subsidiaries are presented in the notes of financial statements.

INSTITUTIONAL FRAMEWORK

On April 11, 2016, the «Insurance and Reinsurance Services and Other Related Matters Law of 2016» [L./38(I)/2016] and the «Insurance and Reinsurance Business and Other Related Issues Regulations of 2016» (K.P.D. 116/2016) were put into effect. The new insurance law, enacted on April 11, 2016, along with subsequent amendments has aligned Cypriot legislation with the Solvency II Directive.

FINANCIAL RESULTS

The Group’s and the Company’s financial results for the year ended 31 December 2025 are set out in pages 5 to 8 of the financial statements. The Group’s and the Company’s profit for the year attributable to the owners amounted to €9.671.486 (2024: €8.428.402) and €9.463.796 (2024: €8.419.117) respectively.

REVIEW OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE COMPANY’S BUSINESS

The Group’s and Company’s current results and financial position, as presented in the financial statements, are considered satisfactory by the Board of Directors.

Capital Management

The new regime for the capital supervision of the European insurance companies, Solvency II (Directive 2009/138/EC adopted in November 2009, and amended by Directive 2014/51/EU of the European Parliament and of the Council of April 16, 2014 (« Directive Omnibus II»)) came into effect on January 1, 2016. The Company meets the capital requirements of Solvency II and has a Solvency Capital Requirement (“SCR”) ratio of 278% (2024: 259%) which is considered satisfactory.

DIVIDENDS

On April 28, 2025, the Board of Directors approved the distribution of a final dividend for the fiscal year 2023 in the amount of €0.81623178 per share, amounting to €5.000.000.

On December 29, 2025, the Board of Directors approved the distribution of a final dividend for the fiscal year 2023 in the amount of €0.48973907 per share, amounting to €3.000.000. The amount remains payable as at year end.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company and the steps taken to mitigate these risks, are presented in the notes of financial statements.

The Company is exposed to the below risks:

Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. Financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future investment prices. The Company manages the market price risk through diversification of the investment portfolio.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer, or counterparty to a financial transaction or a reinsurance contract fails to meet its contractual obligations, and arises primarily from insurance and other receivables, investments in financial assets, and the balances with banks (deposits and cash) of the Company. The Company implements processes to ensure that its representatives and clients have suitable reliability records and continuously monitors the chronological status of receivables. Bank balances are held with financial institutions with satisfactory creditworthiness. Additionally, the Company’s insurers are organizations with a high credit rating index. The Company applies procedures to mitigate its exposure to credit risk concerning each financial institution.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Company implements procedures such as maintaining satisfactory amounts in cash and other highly liquid assets and maintaining an adequate amount in secured credit facilities to minimize the likelihood of such losses.

Operational risk

Operational risk mainly arises from conducting insurance operations. Insurance operations include life and non-life insurance and mainly take place in Cyprus. Operational risk is assessed using the "self-assessment" method, which is based on the management's responsibility at all levels for managing its own operational risks. Additionally, the Company operates an Investment Committee that determines and monitors the Company's investment strategy at regular intervals.

Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, resulting from non-compliance with state laws and regulations. The risk of compliance is limited through insurance safeguards applied by the Company, but also to a large extent through the supervision exercised by the Board of Directors.

SHARE CAPITAL

There were no changes in the share capital of the Company during the year.

BRANCHES

The Company operates through branches in Nicosia, Limassol, Larnaca and Paphos.

BOARD OF DIRECTORS

The members of the Board of Directors as at 31 December 2025 and as at the date of this report are shown on page 1. All of them were members of the Board of Directors for the full year 2025, except for Mr. Michael Athanasiou Athanasoglou and Mr. Gerasimos Gazis who resigned as members of the Board of Directors on 28 April 2025.

There have been no significant changes in the allocation of responsibilities or compensation of the members of the Board of Directors.

OPERATING ENVIRONMENT

Any significant events related to the Company's operating environment are described in the notes of financial statements.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in the notes of financial statements.

RELATED PARTY TRANSACTIONS

Disclosed in notes of the financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,
Polycarpos Gregoriou
Secretary

Nicosia, 6 April 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTIUS INSURANCE LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of Altius Insurance Limited and its subsidiaries (the "Group"), and the separate financial statements of Altius Insurance Limited (the "Company"), which are presented on pages 12 to 193 and comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 (the "Companies Law, Cap.113").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report. We are independent of the Group and the Company in accordance with the *International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants' ("IESBA Code")* together with the ethical requirements in Cyprus that are relevant to our audit of the consolidated and separate financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

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

Measurement of liability for remaining coverage (LRC) not measured under the premium allocation approach (BEL, RA and CSM)	
Key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Company's liability for remaining coverage for contracts not measured under the premium allocation approach amounted to €80,148,976.</p> <p>The following principles were applied by the Group and the Company in estimating these liabilities:</p> <ul style="list-style-type: none">•Determination of the best estimate liability (BEL) of the present value of future cash flows required to meet contractual obligations to policyholders. The projection of future cash flows takes into consideration a number of key assumptions and management decisions, which are then discounted to reflect the time value of money using a risk-free yield curve plus a liquidity premium;•Definition of the risk adjustment (RA) (for non-financial risks) intended to cover the uncertainty over the amount and timing of future cash flows generated by these risks, which involves management judgment;•Determination of the contractual service margin (CSM), corresponding to the present value of deferred future profits attributable to shareholders over the coverage period of profitable insurance contracts, which is subsequently released to profit or loss.	<p>Our audit procedures in response to the key audit matter, with the support of our internal actuarial specialists, comprised, amongst others, of the below:</p> <ul style="list-style-type: none">•Updated our understanding of the processes and methods defined by the Company's management, including the measurement approaches;•Assessed the compliance of the accounting policies applied by the Company to IFRS 17;•Tested, on a sample basis and based on our risk assessment, the methods/models, key assumptions and data used to determine estimated discounted future cash flows, the risk adjustment, and the contractual service margin. We further assessed and evaluated the reasonableness of these estimates, including the changes of the insurance liabilities and amounts released to profit or loss for the period from the risk adjustment and the contractual service margin;•Developed an independent expectation to assess the components relevant to discounting and risk adjustment.

<p>Key assumptions used by management in the measurement of insurance liabilities for its long-term life contracts, and more specifically in estimating future cash flows, include amongst others, expected future mortality and morbidity rates, expenses, lapse and surrender rates, discount rates, risk adjustment for non-financial risk and CSM amortization.</p> <p>The measurement and reporting of insurance contract liabilities under IFRS 17, as described above, involves significant management judgment in selecting the most appropriate and relevant underlying methods/models, assumptions, data and other parameters to be applied in the estimate, including complex modelling techniques and actuarial expertise. Based on these factors and materiality considerations, we determined the measurement of these insurance contract liabilities to be a key audit matter.</p>	<ul style="list-style-type: none"> •Tested, on a sample basis, the reliability of the underlying data used in the projection models and the calculations of the best estimate of discounted future cash flows; •Reperformed and recalculated the LRC disclosures using an internally developed challenger tool. •Assessed the appropriateness of the information presented and disclosed in the financial statements with regard to the liability for remaining coverage not measured using the premium allocation approach considering the requirements of IFRS 17.
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Measurement of the Liability for Incurred Claims (LIC) for insurance contracts using the Premium Allocation Approach (PAA)	
Key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Group and the Company had liabilities for incurred claims ("LIC") included in insurance contract liabilities amounting to €27.768.889.</p> <p>LIC comprises fulfilment cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR), amounting to €26.086.466 and the risk adjustment amounting to €1.682.423.</p> <p>We considered the valuation of LIC to be a key audit matter due to the complexity and subjectivity required in estimating future cash flows. The valuation of IBNR requires specialized actuarial knowledge and expertise and is highly dependent on the appropriateness of methods/models and assumptions used. These relate to the uncertainty in the timing and amount of claim payments, the frequency at which the claims emerge and their severity. The risk adjustment is also a key area of judgement given it is intended to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows associated with insurance contracts that arise from non-financial risks.</p> <p>Taking into consideration the above, as well as the emphasis placed by the regulators on the reserving adequacy of insurers, we have determined the valuation of LIC as a key audit matter.</p>	<p>Our audit procedures in response to the key audit matter, with the support of our internal actuarial specialists, comprised, amongst others, of the below:</p> <ul style="list-style-type: none"> •Updated our understanding of the processes and methods defined by the Company's management, including the measurement approach; •Assessed the methodologies applied in calculating the relevant components of liability. A reprojection of discounting was performed using the Company's methodology, with an independent selection of assumptions. •Assessed the assumptions used in calculating the components of the liability. •In relation to IBNR and risk adjustment, we developed an independent estimation to challenge management's assumptions and methodology used. •Evaluated the completeness, accuracy and relevance of data used in determining actuarial reserves. •Performed substantive procedures on outstanding case claims reserves, on a sample basis, by assessing their valuation at the reporting date including inspection of claim files. •Assessed the appropriateness of the information presented and disclosed in the financial statements with regard to the liability for incurred claims for insurance contracts measured under the premium allocation approach considering the requirements of IFRS 17.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management report but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

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

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the consolidated Management Report, our report is presented in the "Report on Other Legal Requirements" section.

Responsibilities of the Board of Directors for the Consolidated and Separate Financial Statements

The Board of Directors is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal Requirements

Requirements of Article 10(2) of the EU Regulation 537/2014:

1. Date of appointment and period of engagement

We were first appointed auditors on 13th May 2019 by the General Meeting of the Company's members to audit the consolidated and the separate financial statements of the Group and Company for the year ended 31 December 2019. Our total uninterrupted period of engagement is 7 years covering the periods ending 31 December 2019 to 31 December 2025.

2. Consistency of auditors' report to the additional report to the Audit Committee

We confirm that our audit opinion on the consolidated and the separate financial statements expressed in this report is consistent with the additional report presented to the Audit Committee of the Company, which is dated 3th April 2026.

3. Provision of Non-audit Services ('NAS')

We have not provided any prohibited NAS referred to in Article 5 of EU Regulation 537/2014 as applied by Section 72 of the Auditors Law of 2017, L.53(I)2017.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017 ("Law L.53(I)/2017"), we report the following:

- In our opinion, the Consolidated and Separate Management Report, the preparation of which is the responsibility of the Board of Directors, have been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated and separate financial statements.
- In light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we are required to report if we have not identified material misstatements in the Consolidated and Separate Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017¹² and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Petros M. Mavrommatis.

Petros M. Mavrommatis
Certified Public Accountant and Registered Auditor
For and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

April 6th, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	€	€
Insurance revenue	43.613.341	39.557.484
Insurance service expense	<u>(31.285.119)</u>	<u>(24.282.351)</u>
Insurance service result before reinsurance contracts held	12.328.222	15.275.133
Allocation of reinsurance premiums	(8.602.515)	(9.923.286)
Amounts recoverable from reinsurers for incurred claims	<u>5.504.665</u>	<u>3.715.208</u>
Net expense from reinsurance contracts held	<u>(3.097.850)</u>	<u>(6.208.078)</u>
Insurance service result	<u>9.230.372</u>	<u>9.067.055</u>
Net fair value gains on financial assets at fair value through profit or loss	1.591.312	3.624.856
Net fair value (losses)/gains on derecognition of financial assets measured at fair value through other comprehensive income	(70.956)	25.084
Reversal of impairment loss/ (Impairment loss) on debt instruments at FVOCI	13.893	(2.766)
Other investment income	<u>4.795.363</u>	<u>2.236.917</u>
Investment return	<u>6.329.612</u>	<u>5.884.091</u>
Net insurance finance expense for insurance contracts issued	(1.219.966)	(3.233.867)
Net reinsurance finance income from reinsurance contracts held	<u>251.294</u>	<u>380.285</u>
Net financial result	<u>5.360.940</u>	<u>3.030.509</u>
Other operating expenses	(3.616.561)	(3.132.081)
Share of profit of equity-accounted investees, net of tax	<u>230.426</u>	<u>590.945</u>
Profit before income tax	11.205.177	9.556.428
Income tax expense	(1.533.691)	(1.128.026)
Profit for the year	<u>9.671.486</u>	<u>8.428.402</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	€	€
Profit attributable to the owners	9.671.486	8.428.402
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gains on revaluation of land and buildings	120.384	21.796
Deferred tax	(50.021)	-
Items that are or may be reclassified subsequently to profit or loss		
Fair value (losses)/gains on financial assets measured at FVOCI	<u>(462.208)</u>	<u>321.711</u>
Other comprehensive income for the year net of taxation	<u>(391.845)</u>	<u>343.507</u>
Total comprehensive income for the year	<u>9.279.641</u>	<u>8.771.909</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 31 December 2025</i>	<i>As at 31 December 2024</i>
	€	€
ASSETS		
Property, plant and equipment	7.033.428	6.929.255
Right-of-use assets	330.959	272.485
Intangible assets	94.412	127.623
Investment Properties	2.351.500	2.261.500
Investment in associates	-	1.119.121
Financial assets at fair value through profit or loss	101.457.973	87.301.705
Financial assets at fair value through other comprehensive income	22.936.081	19.959.267
Tax receivable	234.750	523.658
Reinsurance contracts assets	20.580.991	17.301.480
Insurance contract assets	1.534.613	1.319.913
Loans granted	611.371	606.265
Receivable from agents	570.421	800.048
Prepayments and other receivables	3.126.731	2.914.671
Fixed deposits	-	4.417.501
Cash and cash equivalents	7.407.746	3.992.649
TOTAL ASSETS	<u>168.270.976</u>	<u>149.847.141</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	10.474.966	10.474.966
Reserves	32.516.890	31.203.611
TOTAL EQUITY	<u>42.991.856</u>	<u>41.678.577</u>
LIABILITIES		
Reinsurance contract liabilities	156.024	194.222
Insurance contract liabilities	118.547.560	104.196.506
Deferred tax liabilities	329.096	303.138
Lease liabilities	258.282	215.570
Current tax liabilities	-	-
Other payables	5.988.158	3.259.128
TOTAL LIABILITIES	<u>125.279.120</u>	<u>108.168.564</u>
TOTAL EQUITY AND LIABILITIES	<u>168.270.976</u>	<u>149.847.141</u>

On 6 April 2026 the Board of Directors of Altius Insurance Ltd authorized these financial statements for issue.

Evangelos Anastasiades
Chief Executive Officer

Polycarpos Gregoriou
Executive Director

This publication comprises the management report, extracts from the consolidated financial statements of Altius Insurance Limited for the year ended 31 December 2025, and the related independent auditor's report for the purposes of compliance with the provisions of applicable law. The management report and the independent auditor's report should be read in conjunction with the full financial statements for a complete understanding. It should be noted that, where reference is made in the notes to the financial statements, the number of the relevant note referred to has been deleted.