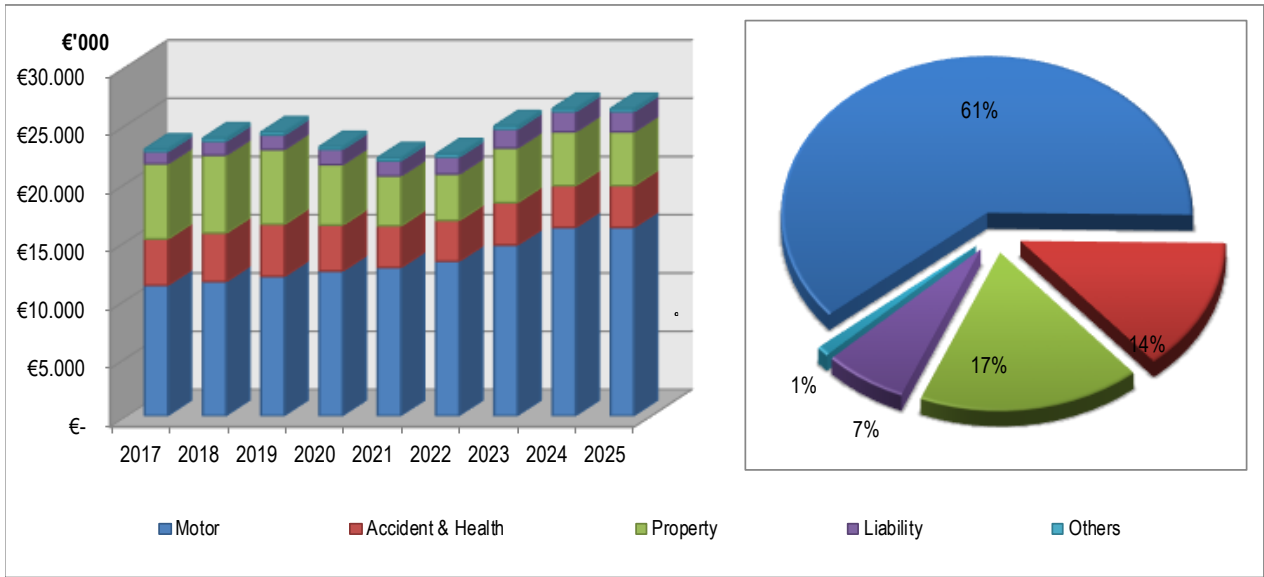


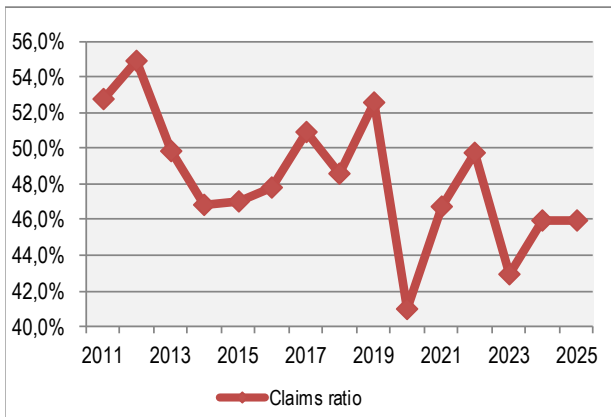


## HISTORICAL FINANCIAL INFORMATION

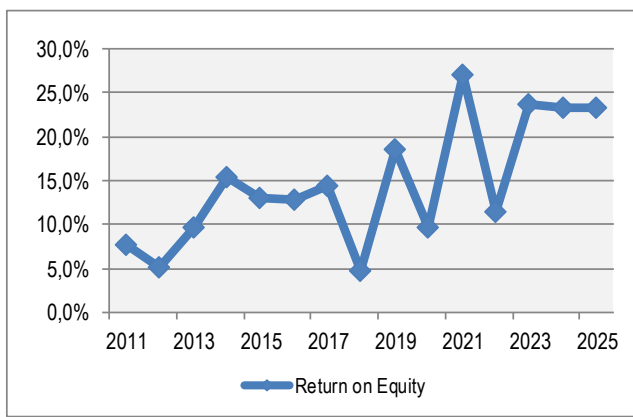
### Gross Written Premiums by Insurance class



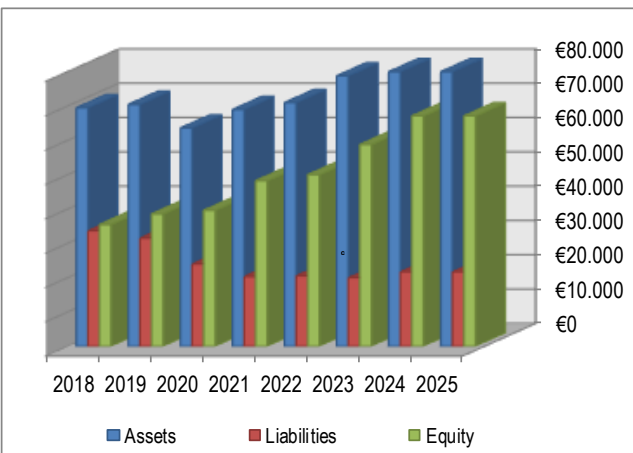
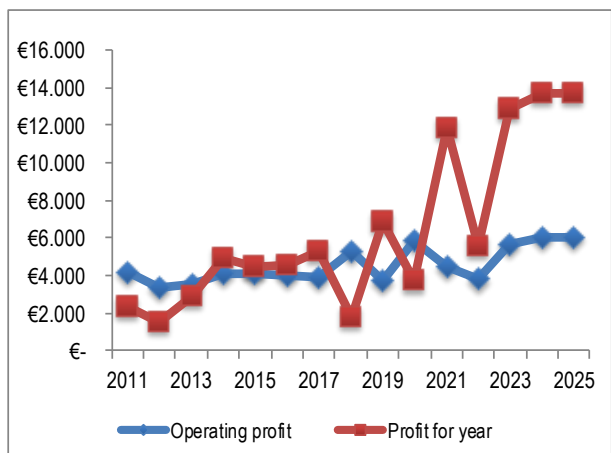
### Claims Ratio



### Return on Equity



### Profits, Assets, Liabilities and Shareholders' Interest



## CHAIRMAN'S STATEMENT

It is with great pleasure that I address you to present the Group's performance and results for the year ended December 31, 2025.

I am pleased to inform you that ATLANTIC achieved exceptional levels of profitability in 2025. In particular, the Group's total profits attributable to shareholders recorded a significant increase, reaching €20,18 million compared to €13,52 million in 2024. The improvement in profitability is attributed to a significant 32,9% increase in profits from operations and the €10.77 million gains from the investment portfolio compared to €6.66 million the previous year.

Profit from operations increased significantly by 32,9% to €8,00 million, compared to €6,02 million in 2024. The increase was driven by higher insurance service revenue.

Insurance revenue amounted to €27,50 million compared to €26,12 million, recording a 5,3% increase. The increase is mainly attributable to the rise in gross premiums of the motor sector and the property sector by 6,1% and 6,0% respectively.

Insurance service expenses amounted to €13,93 million compared to €14,66 million in 2024, recording a decrease of 5,0%. The decrease is mainly due to a 7,7% reduction in claims and other direct expenses to €9,95 million from €10,78 million in 2024 and relates primarily to the decrease in claims in the motor sector.

Investment gains were also particularly satisfactory, amounting to €10,77 million compared to a gain of €6,66 million in 2024. The total return on the investment portfolio amounted to 19,0% compared to 16,2% in the previous year.

The subsidiary Atlantic Securities reported profits from operations of €400 thousand, compared to €516 thousand in 2024. Revenue from brokerage commissions decreased by 11,2% and amounted to €1,00 million compared to €1,13 million in 2024. Net income for the year amounted to €488 thousand, compared to €522 thousand in 2024.

At its meeting on April 3, 2026, the Company's Board of Directors decided to propose for approval at the Company's next Annual General Meeting, to be held on June 3, 2026, the payment of a dividend of 17,0 cents per share.

Despite the payment of a dividend of €5,65 million on November 3, 2025, the Group's own funds increased by 22,1% and stood at €81,12 million as of December 31, 2025, compared to €66,46 million as of December 31, 2024.

Indicative of the Company's strong capital base is the high solvency ratio, which as of December 31, 2025, stood at 284,3% compared to the minimum regulatory level of 100%.

Despite the positive outlook of the local insurance sector for 2026, the business environment is expected to remain challenging due to intense competition and the increased uncertainty resulting from the recent crisis in the Middle East. The Management closely monitors and assesses the challenges and risks in the wider economic environment so as to take all actions deemed necessary to limit as much as possible any adverse effects that may arise.

The Board of Directors and the Management remain committed to the careful development of the Group's operations so that it remains competitive, while at the same time ensuring high profitability and a sound financial position.

Finally, I would like to express my sincere gratitude to our shareholders, customers and associates for the trust they have placed in the Company over the years and I would like to assure them that we will continue our progress with the same prudence and diligence. I also thank and congratulate the management and staff of ATLANTIC for their dedication and contribution to the Company.

Emilios Pyrishis  
Chairman

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**

**EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS 2024**

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**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****OFFICERS AND PROFESSIONAL ADVISERS****Board of Directors**

Emilios Pyrishis                      Chairman and Managing Director  
Andreas Pirishis                      Vice Chairman  
Andreas Frangoullis  
Nina Pyrishis (Died on July 25, 2025)  
George Pyrishis  
Charalambos Alexandrou  
Menikos Messios  
Loukis Ioannou  
Marios Savvides  
George Koutsos

Christos Frangoullis (Alternate director of Mr. A. Frangoullis)

**Secretary**

Andreas Pirishis

**Registered office**

15 Esperidon Street  
Atlantic Building  
CY-2001 Strovolos

**Legal advisers**

L. Papaphilippou & Co.

**Auditors**

Ernst & Young Cyprus  
Certified Public Accountants and Registered Auditors  
10 Esperidon,  
1087 Nicosia

**Internal Auditors**

KPMG Ltd

**Bankers**

Bank of Cyprus Public Limited  
Eurobank Cyprus Ltd  
Alpha Bank (Cyprus) Ltd  
EFG Bank AG  
Credit Suisse AG, part of UBS  
Revolut Bank UAB

**Company registration number:** HE20008

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### MANAGEMENT REPORT

The Board of Directors of Atlantic Insurance Company Public Limited (the "Company") submits its Annual Report, the audited financial statements of the Company and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

#### Principal activities

The principal activities of the Group are the undertaking of insurance business of the classes of Accident and Medical, Motor, Aviation, Marine and Goods Transportation, Fire and other Property Damage, General Liability, Credit and Guarantees and miscellaneous general business, the possession of land with the intention of its division into plots and their disposal and the provision of financial, consultancy and brokerage services. During the year there were no changes in the Group's activities.

#### Branches

The Company provides insurance services through its headquarters that are located in Nicosia and its branches which are located in the cities of Larnaka, Limassol and Paphos and through its agency network.

#### Review of the developments, position and results of activities

The Group's profits attributable to the shareholders for the year ended 31 December 2025 amounted to €20,18 million against €13,52 million in 2024. The increase in profitability is mainly due to the significant increase in profits from operations by 32,9% and the gains from investments which were €10,77 million compared to €6,66 million in the previous year.

##### *Profit from operations*

Profit from operations increased significantly by 32,9% and amounted to €8,00 mln against €6,02 mln in 2024. The increase resulted mainly from the increase in the net insurance result.

##### *Net Insurance result*

The net insurance result increased by 24,4% to €9,56 mln from €7,69 mln in 2024. The increase resulted mainly from the increase in insurance revenue by 5,3% and a 5,0% decrease in insurance service expenses as a result of lower insurance claims.

##### *Insurance revenue*

Insurance revenue amounted to €26,12 mln compared to €23,60 mln in 2023 with an increase of 10,7%. The increase is mainly attributable to the increase in gross written premiums of the motor sector by 12,4%. The property and liability insurance classes also recorded significant increases of 14.0% and 14.2% respectively.

##### *Insurance Revenue*

Insurance revenue amounted to €27,50 mln, compared to €26.12 mln, representing an increase of 5.3%. The increase is mainly attributable to a 6,1% rise in gross premiums of the motor sector and a 6,0% rise in the property sector. Premiums in the health and liability sectors also recorded increases of 2,0% and 1,3%, respectively.

##### *Insurance service expenses*

Insurance service expenses amounted to €13,93 mln compared to €14,66 mln in 2024, recording a decrease of 5,0%. The decrease is mainly due to the reduction in incurred claims and other directly related expenses (including changes in liabilities for incurred claims) by 7,7% to €9,95 mln from €10,78 mln in 2024 and it mainly relates to the decrease in claims of the motor sector. The above amounts include direct claims handling expenses of €1,06 mln against €0,98 mln in 2024.

Insurance acquisition costs recorded an increase of 2,6% and amounted to €3,99 mln compared to €3,89 mln in 2024. The costs included commissions payable to agents of €1,59 mln (2024: €1,56 mln) and operating costs for insurance acquisition of €2,40 mln (2024: €2,33 mln).

##### *Expense from reinsurance contracts held*

The net expense from reinsurance contracts held amounted to €3,74 mln against €3,35 mln in 2024. Reinsurance premiums after the deduction of reinsurance commission earned increased to €4,43 mln from €3,95 mln in 2024 as a result of the increase of the insured amounts of the property sector. The amounts recoverable from reinsurers for incurred claims increased to €0,69 mln compared to €0,60 mln in 2024.

##### *Other income*

Other income from insurance operations increased to €319 thousand from €258 thousand in 2024. The increase mainly relates to the increase in the share of profits from pool participations from €238 thousand in 2024 to €268 thousand.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### MANAGEMENT REPORT (continued)

#### *Administrative expenses*

The administrative expenses rose by 3,2% to €6,18m from €5,98m in 2024. Staff costs, which represent 65% of administrative expenses, increased by 5,0%. There was also an increase in depreciation, professional services and investment expenses. In contrast, provisions for doubtful debts decreased by €189,000 due to the repayment of certain old debts, as did discounts, telephone expenses and office expenses.

#### *Financial services*

The subsidiary Atlantic Securities posted operating profits of €400 thousand, compared to €516 thousand in 2024. Revenue from brokerage commissions decreased by 11,2% to €1,00 mln compared to €1,131 mln in 2024. Operating expenses decreased by 2,7% to €628 thousand. Profit after tax amounted to €488 thousand compared to €522 thousand in 2024.

#### *Net finance income*

Net finance income amounted to €0,85m against €1,01m in 2024. Interest on bonds and short-term government bills decreased to €0,90m (2024: €1,04m), while interest on bank deposits amounted to €11 thousand compared to €62 thousand in 2024. Bank charges and interest payable, mainly relating to credit card expenses, increased slightly to €97 thousand from €96 thousand in 2023.

#### *Income and gains from investments*

Income from investments amounting to €1,18 mln (2024: €819 thousand) includes rents of €122 thousand compared to €112 thousand in 2024 and dividends of €1,69 mln compared to €0,71 mln in 2024. The Group's investment gains amounted to €10,77 mln compared to €6,66 mln in 2024, despite the fair value adjustment of the Fincap Ventures AIF V.C.I.C. Plc / Crevalon amounting to €4,14 mln (note 20). The total return on the investment portfolio was 19.0% compared to 16.2% in the previous year.

#### *Revaluation of investment properties*

During 2025 the Company recorded a gain on the revaluation of investment properties of €127 thousand (2024: Gain €117 thousand). There was also a gain on the revaluation of property used for own purposes of €138 thousand (2024: Gain €137 thousand) which was recognised directly in the consolidated statement of changes in equity.

#### *Earnings per share*

The earnings per share of the Group which is attributable to the shareholders increased to 51,82 cents per share from 34,71 cents in 2024. The earnings per share of the Company increased to 51,56 cents per share from 34,02 cents in 2024.

#### *Own funds*

Despite the payment of dividends of €5,65 mln (14,5 cents per share), the Group's own funds increased by 22,1% to €81,12 mln from €66,46 mln in 2024.

#### *Solvency II*

Based on the Solvency II calculations of the minimum solvency capital requirements, which were submitted to the superintendent of Insurance, the Solvency Ratio of the Company as at 31 December 2025 was 284,3% (2024: 248,3%) versus the minimum regulatory level of 100%. The Pillar 3 disclosures required under Solvency II are disclosed in the company's website at [www.atlantic.com](http://www.atlantic.com) ('Solvency II-SFCR: Solvency and Financial Condition Report').

### **Financial results**

As shown in the consolidated profit and loss account, the profit attributable to shareholders for 2025 reached €20,18 mln compared to €13,52 mln in 2024. Profit for the year is transferred to reserves.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****MANAGEMENT REPORT (continued)****Definitions and use of Alternative Performance Indicators**

*Profit from operations:* The profit arising from the insurance and financial activities of the companies of the Group excluding net finance income, investment income and gain on sale and revaluation of investments and property.

*Equity:* Share capital and reserves attributable to shareholders.

*Administration Expenses:* All administrative and operating expenses of the companies of the Group excluding commissions payable, insurance claims and financing expenses.

*Other income from insurance operations:* All income from insurance operations excluding premiums, policy fees and reinsurance commissions.

The use of the above alternative performance indicators is made with the aim of providing an adequate explanation in the Management Report for the development of results during the period and the movements compared to the corresponding previous period.

**Dividend**

At its meeting on April 3, 2026, the Company's Board of Directors decided to propose for approval at the Company's next Annual General Meeting, which will be held on June 3, 2026, the payment of a dividend of 17.0 cents per share.

On September 24, 2025, the Annual General Meeting of the Company approved the proposal of the Board of Directors for the payment of a dividend of 14.5 cents per share. The total dividend of €5.65 million was paid to shareholders on November 3, 2025.

**Significant risks and uncertainties**

The most significant risks that the Group is exposed to are described in note 32 of the consolidated and separate financial statements of the Company.

**Outlook**

The Board of Directors considered the results for the year to be satisfactory, taking into account the difficulties in the operating environment due to intense competition. The results of the investment portfolio are also considered highly satisfactory.

With regard to the outlook for the current year, there are no significant developments or cooperations that could affect the assessment of the results for the current period.

Despite global uncertainties and regional challenges arising from the recent crisis in the Middle East, the Cypriot economy has demonstrated remarkable resilience and high growth rates in recent years. However, the management closely monitors and assesses the challenges and risks in the broader economic environment so that it can take any necessary action in a timely manner to mitigate as much as possible any negative impacts that may arise.

For the full year 2025, the growth rate is expected to remain around 3,2% according to the latest forecasts by the Ministry of Finance. The main driver of economic growth remains private consumption, supported by the increase in real disposable household income, the continued resilience of the labor market and the decline in inflation. Net exports are also expected to contribute positively to growth in 2025.

The continued positive trend in GDP, at a relatively high rate, demonstrates the flexibility and resilience of the Cypriot economy to external shocks such as the ongoing war between Russia and Ukraine, hostilities in the Middle East and the imposition of tariffs by the US.

The upgrades of the country's credit rating to A- by the major rating agencies reflect recognition of strong economic performance, the reduction of public debt and the improvement in the stability of the financial system.

The Board of Directors and Management remain committed to the careful development of the Group's operations so that it remains competitive while ensuring high profitability and a healthy financial position.

**Key intangible resources**

The Company and the Group do not hold any significant intangible resources and, therefore, the business model of the Company and the Group does not fundamentally depend on these resources or on the manner in which these resources serve as a source of value creation for the Company and the Group.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### MANAGEMENT REPORT (continued)

#### Tangible Fixed Assets

Capital expenditure for tangible fixed assets during 2025 amounted to €219 thousand (2024: €269 thousand) as shown in note 17 of the financial statements.

#### Research and technological advancement

The management examines on a continuous basis modern tools for the upgrading and improvement of its systems and internal operating procedures. Technological advancements fall in the following 3 basic categories according to their objective:

- Productivity improvement and cost reduction
- Improvement of customer service and of the quality of services
- Strengthening of security and monitoring systems

#### Environmental responsibility

The Group takes into account the energy challenges facing the country due to climate change, and recognises its responsibility to undertake defined actions that contribute to minimising its ecological footprint and conserving natural resources. It also recognises the importance of reducing the environmental impact of its activities.

The Group continued to implement the following environmental protection and energy saving measures:

- Reduction of the use of materials that are not recyclable or biodegradable.
- Use of collective waste collection, recovery and recycling systems and systematic recycling of specific materials such as batteries, light bulbs, pallets, packaging materials, paper, toner, electrical equipment, etc.
- Raising staff awareness on energy saving through educational events and other activities.
- Installation of photovoltaic systems at the Company's branches.
- Replacement of conventional lighting with LED technology and maintenance of intelligent lighting control systems.

#### Share Capital

The authorised share capital of the Holding Company amounts to €85 mln divided into 250 mln ordinary shares of a nominal value of €0,34 each. The issued share capital of the Company which amounts to €13.240.848 divided into 38.943.671 ordinary shares of a nominal value of €0,34 each. There was no change in the capital structure of the Company during the year.

All the titles of the Company are listed in the Cyprus Stock Exchange and there are neither any restrictions in the transferability of the titles of the Company nor any known agreements between shareholders that may imply restrictions in the transferability of the titles and/or the voting rights.

The Extraordinary General Meeting of the Company which took place on September 24, 2025 approved the following Special Resolution:

“That the Board of Directors be authorized and is hereby authorized to implement a buy- back programme, in accordance with the provisos of Article 57A of the Companies Act 113 (Amended). The minimum and maximum price at which own shares may be bought, cannot exceed by more than 5%, the average market price of the Company's shares during the last 5 trading sessions before the acquisition. The Company may acquire, within the period of 12 months from the date of AGM resolution, the maximum number of shares which is permitted by the Act. The shares may be acquired either in the market or through a private agreement.”

The above resolution was proposed for the renewal of the Company's buy-back program for the period from September 24, 2025 to September 23, 2026.

During the year the Company did not acquire any own shares. As at 31 December 2025 the Company did not hold any own sharers.

#### Investment in subsidiary companies

Investments in subsidiaries are disclosed in note 16 of the financial statements. On November 7, 2025, the subsidiary Lyssi Investments Limited entered into voluntary liquidation. There were no other changes in investments in subsidiaries during the year.

The Company periodically assesses the recoverability of the investment in subsidiaries whenever there are indications of impairment. During the year the Company did not make any provision for impairment of the value of the investment in subsidiaries.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### MANAGEMENT REPORT (continued)

#### Contracts with Directors' and related parties

There were no significant contracts in force by the year end or by the date of approval of the financial statements to which shareholders owning directly or indirectly more than 5% of the share capital of the Company and members of the Board and the management of the Company, their spouses or minor children have or had direct or indirect material interest, with the exception of the contracts of employment of executive directors as mentioned in note 31 of the financial statements.

The transactions of the Company with related parties are shown in note 28 of the financial statements.

#### Events after the reporting date

Events occurring after the reporting period which are affecting the understanding of the financial statements are presented in note 35 of the financial statements.

#### Corporate Governance

At present the Board of Directors has partly adopted the Code of Corporate Governance ('Code') issued by the Cyprus Stock Exchange since the Company is listed in the Alternative Market of the Cyprus Stock Exchange where the adoption of the Code is voluntary and not compulsory. The Code of Corporate Governance is published on the website [www.cse.com.cy](http://www.cse.com.cy).

The report of the Board on the Code ('Report on Corporate Governance') is shown on pages 9 to 21 of the consolidated financial statements and is available on the Company's website [www.atlantic.com.cy](http://www.atlantic.com.cy).

The degree of the Company's compliance and explanation of areas of non-conformity with the principles and articles of the Code at the date of the report are described in the Report on Corporate Governance.

The Group adopts effective procedures in relation to the preparation of the financial statements to safeguard that transactions and events recorded in the accounting books and records are accurately presented in the financial statements, the relevant announcements and the financial reports of the Group.

The risk management process of the Group which covers the presentation of financial information aims at the recognition, analysis and management of the risks related to the preparation of the financial statements, the relevant announcements and other financial reporting so that they are in conformity with the relevant financial reporting standards, the laws and regulations, including the periodical reporting which is required by the Transparency Requirements (Securities Trading in Regulated Markets) Cyprus Laws of 2007 and 2024. This is accomplished by the identification of risks of material inaccuracy in the reports and the adoption and implementation of internal controls for the prevention or detection of items that may lead to a material misstatement.

The company through its internal control system has implemented effective processes for the preparation of its financial statements, as well as for the preparation of periodic reporting required by listed companies. The main characteristics of these procedures are:

- The financial statements of the subsidiaries of the Group are prepared under the responsibility of the Financial Director of each company and under the supervision of the Financial Director of the Company.
- The financial statements of the Company and the Group are prepared under the responsibility of the Financial Director of the Group.
- The announcements of the results of the Group as well as the related explanatory statements are compiled by the Group's Financial Director and are reviewed by the Audit Committee. The relevant announcements are approved by the Board of Directors prior to their publication.

The share capital of the Company is divided into ordinary shares having the same and equal rights. There are no issued shares with special controlling or voting rights. Detailed information on the Company's share capital is presented in note 24 of the consolidated financial statements.

The shareholders owning directly or indirectly more than 5% of the share capital of the Company on 31 December 2024 and 5 days before the date of approval of the financial statements are shown in note 30 of the financial statements.

The percentage holdings on the Company's share capital that is owned by each member of the Board, their spouses, minor children and companies in which they own directly or indirectly more than 20% of the voting rights, on 31 December 2024 and 5 days before the date of the approval of the financial statements are mentioned in note 31 of the consolidated financial statements.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****MANAGEMENT REPORT (continued)**

Each member of the Board is elected by the General Meeting of the shareholders or is appointed by the Board of Directors. A member who is appointed by the Board of Directors retires by law at the first annual general meeting following their appointment, which then decides on his appointment. At every annual general meeting one third of the board of directors retires and their appointment is determined by the annual general meeting. A director may be removed from office before the end of his term with an ordinary resolution at a General Meeting.

The Company's Memorandum may be amended with a special resolution at a General Meeting.

The power of the directors is general and is limited only by the powers granted in a general meeting of the shareholders of the Company either by law or by the articles of the Company. The decision on the issue of new shares, unless it relates to a rights issue which is offered to the shareholders in proportion to their existing holding, is taken by the general meeting in accordance with the prevailing legislation. The right to purchase the company's own shares, unless the legislation allows otherwise, is provided to the Board of Directors for a specified period by a special resolution of the general meeting.

The composition, terms of reference and details about the functioning of the management, administrative and supervisory bodies and positions designated in accordance with the Code are mentioned in the Report of Corporate Governance which is presented immediately after the Management Report.

**Board of Directors**

The Board of Directors consists of the members shown on page 1. All the directors served on the board for the whole year and until the date of this report with the exception of Ms. Nina Pyrisi, who passed away on July 25, 2025. According to the Articles of the Company's Association Messrs Emilios Pyrissis, Loukis Ioannou, and Andreas Fragkoulis retire from the Board, but being eligible offer themselves for re-election.

**Auditors**

The Auditors of the Company Ernst & Young Cyprus Ltd have expressed their willingness to continue to provide their services. A resolution authorizing the Board of Directors to determine their remuneration will be submitted at the next Annual General Meeting.

By order of the Board of Directors,

Emilios Pyrishis  
Chairman

Nicosia  
3 April 2026

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2025

	Notes	2025 €'000	2024 €'000
Insurance revenue	6	27.497	26.122
Insurance service expense	7	(13.935)	(14.664)
<b>Insurance service result</b>		<b>13.562</b>	<b>11.458</b>
Allocation of reinsurance premiums	8	(4.431)	(3.950)
Amounts recoverable from reinsurers for incurred claims	8	687	601
<b>Net expense from reinsurance contracts held</b>		<b>(3.744)</b>	<b>(3.349)</b>
Insurance finance expenses for insurance contracts issued		(293)	(475)
Reinsurance finance income for reinsurance contracts held		37	53
<b>Net insurance result</b>		<b>9.562</b>	<b>7.687</b>
Other income from operations	9	319	258
Income from brokerage and financial services		1.007	1.134
Commission payable for brokerage and financial services		(169)	(377)
Other operating expenses	10	(2.711)	(2.678)
<b>Profit from operations</b>		<b>8.008</b>	<b>6.024</b>
Gain on sale and revaluation of investments	11	10.771	6.657
Gains on revaluation of investment properties	19	127	117
Other investment income	12	1.808	819
Net finance income	13	851	1.013
<b>Profit before taxation</b>		<b>21.565</b>	<b>14.630</b>
Taxation	14	(1.226)	(942)
<b>Profit after taxation</b>		<b>20.339</b>	<b>13.688</b>
Minority interest		(158)	(169)
<b>Profit attributable to the shareholders</b>		<b>20.181</b>	<b>13.519</b>
<b>Earnings per share (cent)</b>	15	<b>51,82</b>	<b>34,71</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	2025 €'000	2024 €'000
Profit for the year	20.339	13.688
<b>Other recognised gains:</b>		
<b>Other comprehensive income which will be reclassified to the profit and loss account in subsequent periods</b>		
<b>Financial assets available for sale</b>		
Fair value gain on financial assets available for sale	-	-
<b>Net other comprehensive income that will be reclassified to the profit and loss account in subsequent periods</b>	-	-
<b>Other comprehensive income which will not be reclassified to the profit and loss account in subsequent periods</b>		
Gain on revaluation of immovable property	138	138
Deferred tax on revaluation of immovable property	(17)	(11)
Tax on deemed distribution of subsidiary	-	17
<b>Net other recognised gains which will not be reclassified to the profit and loss account in subsequent periods</b>	121	144
<b>Other recognised gains after taxation</b>	121	144
<b>Total comprehensive income for the year</b>	20.460	13.832
Comprehensive income attributable to the shareholders	20.302	13.663
Minority interest	158	169
<b>Total comprehensive income for the year</b>	20.460	13.832

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Σημ.	2025 €'000	2024 €'000
<b>Assets</b>			
Tangible fixed assets	17	<b>6.926</b>	6.829
Intangible assets	18	<b>187</b>	196
Pool participation		<b>634</b>	493
Investment properties	19	<b>4.979</b>	4.852
Debtors and other receivables	21	<b>3.254</b>	3.535
Assets from reinsurance contracts	27	<b>3.090</b>	2.770
Financial assets at fair value through profit or loss	20	<b>81.529</b>	64.665
Fixed term bank deposits	23	<b>330</b>	1.731
Cash and bank balances	23	<b>1.988</b>	3.780
<b>Total assets</b>		<b>102.917</b>	88.849
<b>Equity</b>			
Share capital	24	<b>13.241</b>	13.241
Distributable profits	24	<b>62.237</b>	47.699
Reserves	24	<b>5.640</b>	5.523
<b>Equity attributable to the shareholders</b>		<b>81.118</b>	66.463
Minority interest		<b>717</b>	667
<b>Total equity</b>		<b>81.835</b>	67.130
<b>Liabilities</b>			
Deferred tax	25	<b>91</b>	46
Liabilities from insurance contracts	27	<b>18.131</b>	18.736
Bank overdrafts	23	<b>10</b>	15
Other Liabilities	26	<b>2.850</b>	2.921
		<b>21.082</b>	21.719
<b>Total equity and liabilities</b>		<b>102.917</b>	88.849

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 for the year ended 31 December 2025

	Share Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Profit and Loss account €'000	Total €'000	Minority Interest €'000	Total Equity €'000
Balance 1 January 2024	13.241	1.943	3.456	39.612	<b>58.252</b>	534	<b>58.786</b>
Profit for the year	-	-	-	13.519	<b>13.519</b>	169	<b>13.688</b>
Other recognised income / (expenses)	-	-	124	20	<b>144</b>	-	<b>144</b>
	-	-	124	13.539	<b>13.663</b>	169	<b>13.832</b>
Dividends	-	-	-	(5.452)	<b>(5.452)</b>	(36)	<b>(5.488)</b>
Balance 31 December 2024	<b>13.241</b>	<b>1.943</b>	<b>3.580</b>	<b>47.699</b>	<b>66.463</b>	<b>667</b>	<b>67.130</b>
Balance 1 January 2025	13.241	1.943	3.580	47.699	<b>66.463</b>	667	<b>67.130</b>
Profit for the year	-	-	-	20.181	<b>20.181</b>	158	<b>20.339</b>
Other recognised income / (expenses)	-	-	117	4	<b>121</b>	-	<b>121</b>
	-	-	117	20.185	<b>20.302</b>	158	<b>20.460</b>
Dividends	-	-	-	(5.647)	<b>(5.647)</b>	(108)	<b>(5.755)</b>
Balance 31 December 2025	13.241	1.943	3.697	62.237	<b>81.118</b>	717	<b>81.835</b>

Gains or losses on the revaluation of financial assets available for sale are recognised in equity.

The share premium, the revaluation reserve and the fair value reserve are not available for distribution.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2025

	Σημ.	2025 €'000	2024 €'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Profit for the year before taxation</b>		<b>21.565</b>	14.630
<i>Adjustments for:</i>			
Gain on sale and revaluation of investments	11	(10.771)	(6.657)
Gain on revaluation of investment properties		(127)	(117)
Depreciation of tangible and intangible fixed assets	17	397	392
Profit on sale of assets	9	(24)	(3)
Interest income	13	(942)	(1.109)
Dividend income	9	(1.686)	(707)
Interest expense and bank charges	13	97	96
Decrease /(increase) in debtors and other receivables		280	(346)
Increase in assets from reinsurance contracts		(320)	(389)
(Decrease) / increase in other liabilities		(773)	1.559
<b>Cash flow from operations</b>		<b>7.695</b>	7.349
Interest paid		(97)	(96)
Taxation paid		(1.019)	(986)
<b>Net cash flow from operating activities</b>		<b>6.579</b>	6.267
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for investments		(21.966)	(21.219)
Proceeds from sale of investments		14.368	15.070
Payments for investment property		-	(3)
Payments for tangible fixed assets	17	(219)	(269)
Payments for intangible fixed assets	18	(129)	(196)
Receipts on disposal of tangible fixed assets		24	4
Decrease in short-term government treasury bills		1.173	3.449
Decrease in fixed term bank deposits		1.401	1.524
Interest received		942	1.109
Dividends received		1.686	707
<b>Net cash flow (for) / from investing activities</b>		<b>(2.719)</b>	176
<b>CASH FLOW FOR FINANCING ACTIVITIES</b>			
Dividend paid		(5.647)	(5.452)
<b>Net cash flow for financing activities</b>		<b>(5.647)</b>	(5.452)
Net (decrease) / increase in cash and cash equivalents		(1.787)	992
Cash and cash equivalents at the beginning of the year	23	3.765	2.773
Cash and cash equivalents at the end of the year	23	1.978	3.765
<b>Cash and cash equivalents consist of:</b>			
Cash and bank balances	23	1.988	3.780
Bank overdrafts	23	(10)	(15)
		<b>1.978</b>	3.765

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 1: Incorporation and main activity**

The Company was incorporated in Cyprus on 19 July 1983 as a private limited liability company, under the Companies Law, Cap. 113. The Company became a public company on 14 January 2000 and listed its securities on the Cyprus Stock Exchange on 23 October 2000. On 21 January 2003, the Company's securities were registered with the Central Registry and Central Depository maintained by the Cyprus Stock Exchange.

Following a resolution proposed by the Board of Directors at the Extraordinary General Meeting on 25 May 2005, it was decided to change the name from Atlantic Insurance Company Limited to Atlantic Insurance Company Public Limited.

The registered office of the Company is at 15 Esperidon Street, Atlantic Building, 2001 Strovolos.

The principal activity of the Company is the conduct of general insurance business.

The Company is 100% owner of Lyssi Investments Limited and holder of 67,73% of Atlantic Securities Limited.

Lyssi Investments Limited entered into voluntary liquidation on 7 November 2025. The principal activity of Lyssi Investments Limited was car rental, an activity which commenced in February 1998 and continued until its liquidation.

Atlantic Securities Limited (CIF, member of the Cyprus Stock Exchange) is engaged in the provision of financial, advisory and brokerage services.

All of the Group's activities are conducted in Cyprus and remained the same as in the previous year.

**Note 2: Basis of preparation****(a) Basis of calculation**

The consolidated and separate financial statements have been prepared under the historical cost convention, except for property for own use and investment property, available-for-sale investments, derivative financial instruments and financial assets at fair value through profit or loss, which are measured at fair value. The methods used to determine fair values are explained in detail in note 3.

**(b) Presentation of the consolidated and separate financial statements**

The consolidated and separate financial statements of the Company are expressed in Euro (the reporting currency) which is the currency that best reflects the economic substance of the underlying events and circumstances of the Company (the main currency used).

All amounts are rounded to the nearest thousand unless otherwise stated. A full stop is used to separate thousands and a comma is used to separate decimals.

The consolidated and separate statements of financial position are generally presented in order of liquidity. An analysis of the expected collection or settlement of financial assets and liabilities in less than twelve months from the date of the financial position is presented in Note 32.

**(c) Statement of compliance**

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU). The financial statements have also been prepared in accordance with the requirements of the Companies Law, Cap. 113 of Cyprus, the Insurance and Reinsurance Business and Other Related Matters Laws and Regulations of 2017 and 2018, (the "Laws"), the Cyprus Securities and Stock Exchange Laws and Regulatory Decisions and the Transparency Requirements (Transferable Securities Admitted to Trading on a Regulated Market) Law.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 2: Basis of preparation (continued)**

The consolidated and separate financial statements of the Company were approved by the Board of Directors of the Company on 3 April 2026. The consolidated financial statements are available free of charge at the Company's Head Office at 15 Esperidon Street, 2001 Strovolos, as well as on the Company's website [www.atlantic.com.cy](http://www.atlantic.com.cy).

**(d) Going concern principle**

The consolidated financial statements have been prepared on a going concern basis. The Board of Directors has assessed the financial developments, prospects and the Company's ability to meet its liquidity requirements in order to continue as a going concern. Taking into account the current business and economic environment, the Board of Directors of the Group considers that both the Group and the Company have the ability to continue their operations as a going concern.

**(e) Operating environment**

On February 28, 2026, the geopolitical situation in the Middle East escalated due to armed conflict. The situation has created increased uncertainty in international relations and financial markets, with potential implications for global trade, energy supply and overall economic stability.

Although the conflict is taking place outside Cyprus, it may have indirect effects on the Cypriot economy, given its open nature and its dependence on international trade, tourism, shipping, and financial services. Potential consequences include volatility in energy and commodity prices, disruptions in global supply chains, fluctuations in foreign exchange and capital markets, as well as increased uncertainty in sectors such as tourism and transportation. The extent and duration of these impacts remain uncertain and cannot be estimated with reasonable certainty at this stage.

Management is closely monitoring and assessing the challenges and risks in the broader economic environment so that it can take timely action deemed necessary to mitigate as much as possible any negative effects that may arise.

For the full year 2025, the growth rate is expected to remain around 3,2% according to the latest forecasts by the Ministry of Finance. The main driver of economic growth remains private consumption, supported by the increase in real disposable household income, the continued resilience of the labor market and the decline in inflation. Net exports are also expected to contribute positively to growth in 2025.

The continued positive trend in GDP, at a relatively high rate, demonstrates the flexibility and resilience of the Cypriot economy to external shocks such as the ongoing war between Russia and Ukraine, hostilities in the Middle East and the imposition of tariffs by the US.

Inflation rose by 0.5% during the period January-August 2025. For the full year 2025, inflation is estimated to be around 0% compared to 1.8% in 2024.

The unemployment rate in the first half of 2025 stood at 4,7% compared to 5,2% in the first half of 2024. For the full year 2025, the estimate is that unemployment will decline and remain at around 4.6%, down from 4.9% in 2024.

Public debt as a percentage of GDP is projected to decline to 57,3% by the end of 2025, compared to 65,1% in 2024, which is below the threshold set under the Maastricht Criteria.

**Note 2.1: New standards, amendments and interpretations****Standards, amendments that are applicable and have been adopted by the European Union**

The accounting policies adopted are consistent with those adopted in the previous fiscal year, except for the following standards, which the Group and the Company adopted as of January 1, 2025.

The Group has not adopted earlier any other standard, interpretation, or amendment that has been issued but has not yet come into effect.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*****IFRS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Convertibility (Amendments).***

The amendments are effective for annual periods beginning on or after January 1, 2025. The amendments specify how an entity should assess whether a currency is convertible and how it should determine a current exchange rate when convertibility does not exist. A currency is considered convertible into another currency when the entity can obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism, where an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable for another currency, the entity is required to estimate the current exchange rate as of the measurement date. The entity's objective in estimating the current exchange rate is to reflect, as of the measurement date, the rate at which an arm's-length exchange would take place between market participants under prevailing economic conditions. The amendments note that an entity may use an observable exchange rate without adjustment or other estimation technique. These amendments did not have a material effect on the results and financial position of the Group and the Company.

**Note 2.2 Standards/amendments not yet effective, but adopted by the European Union****IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted either of all amendments simultaneously or of the amendments relating solely to the classification of financial assets with a related disclosure requirement. The amendments clarify that a financial liability is derecognized on the "settlement date," that is, when the liability is discharged, canceled, expires, or meets the conditions for derecognition. They also introduce an accounting policy option for derecognizing liabilities settled through electronic payment systems prior to the settlement date, provided certain conditions are met. Furthermore, the amendments clarify how to assess the characteristics (environmental, social, and governance (ESG) or similar characteristics) of the contractual cash flows of financial assets. Finally, they clarify the treatment of non-recourse financial assets and contractually linked instruments and require additional disclosures in accordance with IFRS 7 for financial assets and liabilities with references to contingent events (including ESG) and equity instruments classified at fair value through other comprehensive income. The Group expects that these amendments will not have a significant impact on its results and financial position.

**IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Natural Variation Contracts (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The amendments, (a) clarify the application of the requirements regarding contracts to buy or sell non-financial items that were entered into and continue to be held for the receipt or delivery of a non-financial item in accordance with the entity's expected needs for purchase, sale, or own use, (b) permit hedge accounting if contracts within the scope of the amendments are used as hedging instruments, and (c) introduce new disclosure requirements to enable investors to understand the impact of these contracts on the entity's performance and cash flows of an entity. The clarifications regarding "own use" requirements are applied retrospectively, while the guidance permitting hedge accounting is applied prospectively for new hedging relationships designated on or after the date of initial application. The Group expects that these amendments will have no impact on its results and financial position.

***Annual Improvements to International Financial Reporting Standards (IFRS) – Volume 11***

The IASB's annual improvements process addresses non-urgent but necessary clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to International Financial Reporting Standards (IFRS) – Volume 11. An entity must apply these amendments for annual reporting periods beginning on or after January 1, 2026. Annual Improvements to International Financial Reporting Standards (IFRS) — Volume 11 includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments are intended to clarify the wording, correct minor unintended consequences, omissions, or inconsistencies between the requirements in the standards. The Group expects that these amendments will not have a significant impact on its results and financial position.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 2.3 Standards/amendments not yet effective and not yet adopted by the European Union*****IFRS 18 Presentation and Disclosure in Financial Statements (new standard)***

IFRS 18 introduces new presentation requirements for the income statement. It requires an entity to classify all revenue and expenses in the income statement into one of five categories: operating, investing, financing, income taxes, and discontinued operations. These categories are supplemented by requirements to present specified aggregates and sub-aggregates, such as “operating profit or loss,” “profit or loss before financing results and income taxes,” and “profit or loss.” It also requires the disclosure of performance measures determined by management and includes new requirements for the grouping and further analysis of financial information based on the identified “roles” of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required for both annual and interim financial statements. In subsequent reporting periods, the Group will analyze the requirements of this new standard and assess its impact on the consolidated and separate financial statements.

***IFRS 19 – Subsidiaries that are not Publicly Listed Entities – Disclosures (including amendments)***

IFRS 19 allows subsidiaries that are not public-interest entities to apply IFRS with reduced disclosure requirements if their parent company (whether ultimate or intermediate) issues consolidated financial statements for public use that comply with IFRS. These subsidiaries must apply the recognition, measurement, and presentation requirements of the other IFRSs. Unless otherwise specified, subsidiaries that choose to apply IFRS 19 will not be required to apply the disclosure requirements in other IFRSs. The amendments issued in August 2025 reduce the new IFRS disclosure requirements, which were originally included in their entirety in the first edition of IFRS 19. IFRS 19 (including the amendments) is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Group expects that these amendments will not have a significant impact on its results and financial position.

***IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation into the Presentation Currency of a Hyperinflationary Economy (Amendments)***

The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments require conversion from the functional currency of a non-hyperinflationary economy to the presentation currency of a hyperinflationary economy using the closing exchange rate. When an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by converting all amounts (i.e., assets, liabilities, equity, revenue, and expenses), as well as the comparative amounts, using the closing exchange rate as of the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are both the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is the currency of a non-hyperinflationary economy, by applying the general price index to the comparative figures of the foreign operation. The amendments also introduce certain additional disclosure requirements. The Group expects that these amendments will not have a significant impact on its results and financial position.

***IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Amendment: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture***

The amendments address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 regarding the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when the transaction involves a business (whether or not it is housed in a subsidiary). A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even if those assets are held in a subsidiary. In December 2015, the IASB indefinitely postponed the effective date of this amendment, pending the outcome of its project on the equity method. The Group expects that these amendments will not have a significant impact on its results and financial position.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies

The following summary of significant accounting policies has been consistently applied to all periods presented in the Company's consolidated and separate financial statements and has been consistently applied by all companies within the Group.

##### ***Basis of consolidation***

###### *Subsidiaries*

The consolidated financial statements include the Company and the subsidiaries that the Group controls. Control is deemed to exist when the Group has the right to direct the financial and operating policies of an entity so as to obtain benefits from its activities. Specifically, the Group considers that it controls the subsidiary if, and only if, the Group has:

- power over the subsidiary (e.g. existing rights that give it the current ability to direct the relevant activities of the company)
- positions or rights with variable returns from its participation in the company
- the ability to use its power over the company to influence the amount of its returns.

Generally, there is a perception that control derives from the majority of voting rights. Based on this perception and in cases where the Group does not hold the majority of voting rights in the company, the Group considers all relevant facts and circumstances, including contractual agreements with other shareholders and rights arising from contractual arrangements, to assess whether it can exercise power over the company.

The Group reassesses whether it controls a company when events indicate that there are changes in one or more of the three control elements.

The consolidation of companies acquired during the year is carried out from the date control begins until the date control ceases to exist. A change in the percentage of ownership of subsidiaries, without loss of control, is accounted for as an equity transaction between owners.

If the Group loses control of a subsidiary, it derecognises the related assets (including goodwill), liabilities, the minority interest and other equity items, while any resulting gain or loss is recognised in the income statement. The retained investment is recognised at fair value.

##### ***Transactions between Group companies***

All balances, transactions and any unrealised income and expenses arising from transactions between Group companies have been eliminated in preparing the consolidated financial statements.

##### **Insurance Contracts**

The Company issues insurance policies in the ordinary course of business under which it accepts significant insurance risk from its policyholders.

The Company presents detailed information about the insurance policies it issues by its main product lines as follows:

- Motor Vehicles,
- Property,
- Liability,
- Accident and health,
- Marine
- Other.

###### *i. Determination and classification of insurance and reinsurance contracts*

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

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

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 3: Summary of Significant Accounting Policies**

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

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

*ii. Separation of the components of insurance and reinsurance contracts*

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts needs to be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and accounted for under another standard. For insurance and reinsurance contracts, the Group does not expect significant changes arising from the application of these requirements.

*iii. Degree of concentration of insurance policies*

Under IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by first identifying portfolios of contracts, each comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different Group entities are expected to be in different portfolios. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort into three groups:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

An annual cohort will include contracts issued within 12 months.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts may be added.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred, against losses on groups of onerous contracts, which are recognised immediately. Compared with the level at which the liability adequacy test is performed under IFRS 4, the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognised sooner.

Reinsurance contracts held will be assessed separately from the insurance contracts issued. The Company will divide the portfolios of reinsurance contracts held by applying the above principles, except for references to onerous contracts which will correspond to contracts with a net profit on initial recognition.

*iv. Recognition*

Groups of insurance contracts issued will be recognized from the earliest of the following dates:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- when the Company determines that a group of contracts becomes onerous.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies

Groups of reinsurance contracts held will be recognized:

- If the reinsurance contracts provide proportionate coverage, the date the Company initially recognizes any underlying insurance contracts (onerous or not);
- In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts will be recognised on that earlier date.
- The Company does not expect any significant changes arising from the application of these requirements.

#### v. *Contract boundaries*

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Compared with the current accounting, the Group expects that for certain contracts the IFRS 17 contract boundary requirements will change the scope of cash flows to be included in the measurement of existing recognised contracts, as opposed to future unrecognised contracts. The period covered by the premiums within the contract boundary is the 'coverage period', which is relevant when applying a number of requirements in IFRS 17.

#### *Insurance contracts*

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and investment services).

A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The Company's non-life insurance contracts are short-term and are renewable each year. The Company does not expect any significant changes arising from the application of these requirements.

#### *Reinsurance contracts*

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks, or
- has a substantive right to terminate coverage.

Some of the Company's proportional reinsurance contracts on risk attaching basis provide coverage for a two-year term and currently the measurement of these reinsurance contracts is generally aligned with that of the underlying contracts.

The Company does not expect any significant changes arising from the application of these requirements.

#### vi. *Measurement – (overview)*

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

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

The Group expects that it will apply the Premium Allocation Approach to all contracts in the non-life segment because the following criteria are expected to be met at inception:

- The coverage period of each contract in the group is one year or less.
- The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies

##### *vii. Measurement – Non-life contracts*

##### *Insurance contracts*

On initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition, less any insurance acquisition cash flows on that date. The amount is adjusted according to any contracts that expire during the period.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

The measurement of the liability of incurred claims is not expected to be significantly affected by the application of the requirements of IFRS 17. In accordance with IFRS 17, the liability for incurred claims will be calculated based on the future cash flows of settlement for the realized claims. Estimates of future cash flows are based on information that is readily available without undue cost or effort regarding the amount, timing and degree of uncertainty of such future cash flows. The Company will discount future cash flows in order to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognise a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows will be discounted (at current rates) if the liability for incurred claims is also discounted.

##### *Reinsurance contracts*

The Company will apply the PAA to measure a group of reinsurance contracts using the same accounting policies to the insurance contracts, as adapted where necessary to reflect the features of reinsurance contracts. The Company will apply the PAA to reinsurance contracts that it holds, as follows:

- To proportional and excess of loss reinsurance contracts on loss occurring basis that provide coverage on the insurance contracts originated for claims incurred during an accident year.
- To proportional reinsurance contracts on risk attaching basis, that provide coverage for short-term underlying insurance contracts over an effective period of two years, and the Company will elect to apply the PAA since at inception it expects it will provide an asset for remaining coverage that would not differ materially from the general model.

Under the PAA, the initial measurement of the asset for remaining coverage would equal the reinsurance premium paid. On initial recognition of each group of reinsurance contracts held, the Company expects that the time between receiving each part of the services and the related reinsurance premium due date is no more than a year. Accordingly, the Company will not adjust the asset for remaining coverage to reflect the time value of money and the effect of financial risk. Subsequently, the Company will measure the amount associated with the remaining coverage by allocating the amount of expected reinsurance premium payments over the coverage period of service receipt.

The measurement of the asset for incurred claims is expected to be significantly affected by the application of the requirements of IFRS 17. The Company will measure the present value estimates of future cash flows using assumptions consistent with those used to measure the present value estimates of future cash flows for the underlying insurance policies, adjusted for any risk of non-performance by the reinsurer.

The presentation of the non-financial risk adjustment as an amount of risk that is transferred from the Company to the reinsurer.

##### *Insurance acquisition cash flows*

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belong. Insurance acquisition cash flows directly attributable to a group of contracts are allocated to the relevant group.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies (Continued)

According to IFRS 17, insurance acquisition cash flows arising before the recognition of the related group of contracts will be recognised as an asset.

IFRS 17 requires the Group to assess at each reporting date, if facts and circumstances indicate that an asset for the acquisition of insurance cash flows may be impaired. If impaired, then the Group will recognize the loss in the income statement so that the present value of the assets does not exceed the expected net cash inflow of the particular group of contracts. The Group will reverse any impairment losses in the income statement and increase the present value of the asset to the extent that the impairment conditions have improved.

#### *Impact assessment*

Although the PAA is similar to the Group's current accounting treatment when measuring liabilities for remaining coverage, the following changes are expected in the accounting for Non-life contracts:

- Under IFRS 17, the Group will discount future cash flows when measuring liabilities for incurred claims, unless they are expected to occur in one year or less from the date on which the claims are incurred. This is expected to contribute to a small increase in equity during the transition to IFRS 17.
- IFRS 17 requires the fulfilment cash flows to include a risk adjustment for non-financial risk. This is expected to reduce equity during the transition to IFRS 17.

#### *viii. Measurement – significant judgments and estimates*

The significant judgments and estimates that the Company is expected to apply as a result of IFRS 17 are the following:

#### *Estimation of future cash flows*

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The measurement of a group of insurance policies will include all future cash flows arising within the limits of a policy. In determining the cash flows that fall within the limits of a contract, the Group will consider the material rights and obligations arising from the terms of the contract, as well as applicable laws and regulations. Cash flows will be considered to be outside the contract limits if the Group has the practical ability to reprice existing contracts to reflect their reassessed risks and if the pricing of the contract for coverage up to the date of the reassessment takes into account only risks up to on the next revaluation date.

- Expenses

#### *Assessment of directly attributable cash flows*

The Company will apply judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to either the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Company will also consider as attributable cash flows fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

#### *Expense basis for cashflow projections*

The Company will perform a detailed expense investigation, at least on an annual basis, to determine the expense assumptions used in the cashflow projections. The expense basis will be set in accordance with the budgeted attributable expenses and the projected volumes of business. The Company will also determine an assumption for the future expense inflation.

- Discount rates

Insurance contract liabilities will be calculated by discounting the expected future cash flows. The Group will use the bottom-up approach in determining the discount rates and hence will use a volatility adjusted risk-free rate, plus an illiquidity premium. Risk-free rates will be determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields and the illiquidity premium will be determined based on the Company's portfolio data, which makes the approach entity specific by reflecting the characteristics of the Company's portfolio.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies (continued)

- Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks such as lapse risk and expense risk. It measures the degree of variability of expected future cash flows and the Group specific price for bearing that risk and reflects the degree of the Group's risk aversion.

The IFRS 17 does not specify the estimation techniques used to determine the non-financial risk adjustment. The Company shall determine the risk adjustment for non-financial risk at the entity level and then shall allocate it to all the groups of insurance contracts. The Company will estimate the risk adjustment using a value at risk (VaR) approach which is closely linked to the Solvency II standard formula.

The risk adjustment is determined subject to 75% confidence level.

#### ix. *Modification and de-recognition of insurance contracts*

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in the contract being outside the scope of IFRS 17, a different insurance contract due to separating components from the host contract, a substantially different contract boundary or the contract being included in a different group.

If any of the modification criteria described above are met, the Company will derecognise the initial contract and recognise the modified contract as a new contract.

If the contract modification does not meet the above conditions the Company shall treat the effect of the modification as changes in the estimates of fulfilment cash flows.

#### x. *Presentation and notes*

IFRS 17 will significantly change how insurance contracts and reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. All rights and obligations arising from a portfolio of contracts will be presented on a net basis; therefore, balances such as insurance receivables and payables and policyholder loans will no longer be presented separately. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Under IFRS 17, amounts recognised in the statement of profit or loss are disaggregated into:

- an insurance service result, comprising insurance revenue and insurance service expenses, and
- insurance finance income or expenses.

Amounts from reinsurance contracts will be presented separately.

#### *Insurance service result*

For contracts measured using the PAA, insurance revenue is recognised based on an allocation of expected premium receipts to each period of coverage, which is based on the expected timing of incurred insurance service expenses for certain property contracts and the passage of time for other contracts. The requirements in IFRS 17 to recognise insurance revenue over the coverage period will result in slower revenue recognition compared with the Group's current practice of recognising revenue when the related premiums are written.

Expenses that relate directly to the fulfilment of contracts will be recognised in the statement of financial position. Expenses that do not relate directly to the fulfilment of contracts will be presented outside the insurance service result.

Amounts recovered from reinsurers and reinsurance expenses will no longer be presented separately in profit or loss, because the Group will present them on a net basis as 'net expenses from reinsurance contracts' in the insurance service result, but information about these will be included in the disclosures.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies (continued)

The Company will present separately in the statement of profit and loss and other comprehensive income, the amounts expected to be recovered from the reinsurers and the distribution of reinsurance premiums paid.

The Group will choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognised in profit or loss will be included in the insurance service result.

#### *Income and expenses of insurance financing*

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

The Group has the choice to separate the insurance financing income and expenses for the period between profit or loss and other comprehensive income. This choice is given at the portfolio level of insurance contracts and reinsurance contracts held. The Group will not allocate the financial income or expenses between profit or loss and the other comprehensive income and thus they will be recognized in their entirety in profit or loss.

#### **Financial Instruments**

##### *Classification*

The classification of financial assets depends on the business model in which a financial asset is held and the characteristics of the contractual cash flows.

Upon initial recognition, a financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income
- or fair value through profit or loss

Financial assets are not reclassified after initial recognition unless the Company changes the business model it applies to the holding of financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period after the change in business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- its contractual terms create cash flows at specified dates that are solely payments of principal and interest on the outstanding principal amount.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- its contractual terms create cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

All financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income, as described above, are measured at fair value through profit or loss. This includes all derivative financial assets. Upon initial recognition, a financial asset that meets the requirements to be measured at amortised cost or at fair value through other comprehensive income may be irrevocably designated to be measured at fair value through profit or loss if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Upon initial recognition of an investment in equity securities not held for trading, the presentation of subsequent changes in the fair value of the investment in other comprehensive income may be irrevocably selected. This option is exercised separately for each instrument.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies (continued)

##### *Impairment of financial assets*

The Company measures the loss allowance for a financial instrument at an amount equal to the expected credit losses over the life of the financial instrument, except in the following cases where they are calculated at an amount equal to the expected credit losses over a twelve-month period:

The loss allowance for assets from contracts is always measured at an amount equal to the expected credit losses over the lifetime of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and reliable information that is relevant and available without excessive cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and updated creditworthiness assessment, as well as future information.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due from the date it is considered payable.

##### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are valued as the present value of all cash shortfalls (e.g. the difference between the cash flows due to the entity under the contract and the expected cash inflows). Expected credit losses will be calculated using the following parameters:

- exposure at default (EAD),
- probability of default (PD) and
- loss given default (LGD)

##### *Exposure at default (EAD)*

Exposure at default (EAD) represents the expected exposure in the event of default during the lifetime of the financial instrument, taking into account principal and interest repayments and accrued interest.

##### *Probability of default (PD)*

Probability of default (PD) represents the probability that the counterparty will be unable to repay within a relatively short period of time.

##### *Loss given default (LGD)*

Loss given default (LGD) represents the estimated loss in the event of default at a specific point in time. It is usually expressed as a percentage of the exposure at default.

#### **Financial assets**

The fair value of financial assets traded on an active market is based on the average market value at the balance sheet date. If the market for a financial asset is not active and for unlisted securities, the Group and the Company calculate the fair value using valuation methods.

Interest from bonds is recognised in 'Net financial income' in the consolidated and separate income statement using the effective interest method. Dividends from shares are recognised in the consolidated and separate income statement under "Income from financial operations" when the right to receive them is finalised. Gains or losses from the disposal or revaluation of financial assets at fair value through profit or loss are recognised in the income statement in the year in which they arise as 'Gains/(losses) from the sale and revaluation of investments'.

Financial assets at fair value include investments in private real estate development projects under construction within the European Union for future commercial use, which are initially recognised at fair value. After initial recognition, investments are measured at fair value through profit or loss. To determine fair value, investment managers' valuation models are taken into account, which sometimes include data based on observable market data and sometimes on unobservable data. To calculate the percentage of completion, the Company uses quarterly reports from project managers describing the progress of work and estimating the percentage of completion of the project.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 3: Summary of Significant Accounting Policies (continued)***Short-term government bills*

These investments relate to bills issued by the Republic of Cyprus and other developed countries with a maturity date of less than 12 months from the date of issue. The accounting valuation of these items is the same as that mentioned above for financial assets at fair value.

*Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that do not have a quoted market price in an active market. These financial assets have not been acquired for the purpose of immediate or short-term sale. After initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provisions for impairment.

*Recognition of other income*

Gains or losses from the sale or revaluation of investments held at fair value through profit or loss are recognised in the year in which they arise. Unrealised gains or losses from the revaluation of available-for-sale investments are recognised in equity.

Dividend income is recognised in the income statement when the Group's and the Company's right to receive payment is established. All other income is recognised on an accrual basis.

*Cyprus Hire Risks Pool*

The Company's share of the profit or loss from Cyprus Hire Risks Pool is included in other income from insurance operations in the income statement and is recognised on an accrual basis. The Company's share is determined based on the amount of the Company's premiums in the motor vehicle sector as a percentage of the total premiums for the entire market in this sector.

The Company's share in the assets of the Cyprus Hire Risks Pool is recognised in the consolidated and separate statement of financial position under "Pool Participation".

*Employee benefits*

The Company operates a defined contribution plan, the assets of which are held in a separate fund managed by trustees. The plan is funded by contributions from employees and the Group amounting to 5.75% of the employees' gross salary. The contributions of the Group and the Company are recognised in the period to which they relate and are included in staff costs. The Group has no legal or constructive obligation to pay additional contributions if the plan does not hold sufficient assets to pay all employees the benefits attributable to their service during the current and prior periods.

*Financing income/expenses*

Financing income includes interest income on invested funds and gains arising from foreign exchange differences. Interest income is recognized in the income statement using the effective interest rate method.

Financing expenses include interest expense on loans calculated using the effective interest rate method, bank charges, credit card expenses, losses arising from foreign exchange differences, and losses arising from the use of financial instruments. Interest expenses are recognized in the income statement using the effective interest rate method.

*Foreign currency*

Balances in foreign currencies are converted into euros based on the exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted into euros based on the exchange rates prevailing on the date of the transaction. The resulting exchange differences are recognised in the income statement.

*Expenses*

Commissions and other expenses are recognised as incurred and charged directly to the income statement.

*Operating segments*

Operating segments are segments of the Group that generate income and expenses, including income and expenses related to transactions between segments of the Group itself. The results of the operating segments are monitored regularly by the Board of Directors for the purpose of allocating resources and evaluating their performance.

*Investments in subsidiaries*

Investments in subsidiaries are recorded in the books of the parent company at acquisition cost less adjustments for any permanent reduction in the value of the investments. Any adjustments arising are recorded in the income statement.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 3: Summary of Significant Accounting Policies (continued)***Derivative financial assets*

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risk. Derivatives are recognised on the trade date. Derivatives are measured at fair value and changes are recognised in the income statement. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

*Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and in banks, as well as bank overdrafts.

*Financial liabilities*

All financial liabilities are recognised on the trade date. All financial liabilities are initially measured at their fair value plus, in the case of a financial liability not measured at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue.

Fair value is the price that would be received to transfer the liability in an orderly transaction between market participants at the measurement date.

*Derecognition of financial assets and liabilities**Financial assets*

A financial asset is derecognised when: (a) the contractual rights to the cash flows of the asset expire, or (b) the Group has transferred the contractual rights to the cash flows of the asset, and (c) it has assumed a contractual obligation to pay all cash flows to a third party, and: either (i) it has transferred substantially all the risks and rewards of ownership of the asset, or (ii) it has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

*Renegotiated loans*

A loan that has been renegotiated is derecognised if the existing agreement is cancelled and a new agreement is entered into with substantially different terms, or if the terms of the existing agreement have been modified so that the renegotiated loan is substantially a different financial instrument.

*Financial liabilities*

A financial liability is derecognised when the liability is settled, cancelled or expires.

*Offsetting financial instruments*

A financial asset and a financial liability are offset and the net amount is presented in the statement of financial position when the Company has a legally enforceable right to offset the amounts recognised and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Investment property**

Investment property comprises property that the Company and the Group hold for the purpose of earning long-term rental income or capital appreciation and which is not used by them. Investment property is initially recognised at cost, including transaction costs, and is measured at the balance sheet date at its estimated fair value. Gains or losses arising from changes in the estimated fair value of investment property are recognised in "Gain/loss from revaluation of property" in the income statement. Valuations are performed by independent qualified valuers. Transfers to (or from) investment property are made only when there is a change in use.

**Taxation**

Taxation consists of current and deferred taxation. Taxation is recognised in profit or loss except when it relates to a business combination or to amounts directly related to equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates that have been enacted or substantively enacted by the end of the year and any adjustments to tax payable for previous years.

Deferred taxation is recognised in relation to temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for taxation purposes. The amount of deferred taxation is calculated using the tax rates that are expected to apply to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the end of the year.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 3: Summary of Significant Accounting Policies (continued)

The effect on deferred tax of any changes in tax rates is taken to the income statement to the extent that it relates to items for which deferred tax has previously been charged or credited to reserves. Deferred tax for the year arising from the revaluation of fixed assets is transferred to the revaluation reserve.

Deferred tax assets and deferred tax liabilities may be offset only when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority, either on the same taxable entity, or to different taxable entities, which intend to offset current liabilities and assets or to collect the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed annually and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **Intangible assets**

##### *Software*

Software is initially measured at cost. After initial recognition, it is measured at cost less accumulated amortisation and any accumulated impairment losses. Depreciation is calculated at cost using the straight-line method over the expected useful economic life. The annual depreciation rate is 33 1/3%.

##### *Insurance Portfolio Acquisition Fees*

When acquiring a portfolio of insurance contracts, the consideration paid represents the fair value of the portfolio acquired and is accounted for as cost.

After initial recognition, the acquired insurance portfolio is presented at acquisition cost after deducting accumulated depreciation and impairment losses. Depreciation of acquired insurance portfolios is calculated at cost, using the straight-line method over the period that is considered to represent their estimated useful life, which ranges from 2 to 4 years.

Changes in the expected useful life or expected pattern of use of the future economic benefits embodied in the asset are accounted for by changing the amortisation period and treated as a change in accounting estimate.

Amortisation of intangible assets is recognised in 'Administrative expenses' in the consolidated and separate income statement.

#### **Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. The market value for the current use of the valued assets is determined on the basis of an appraisal by independent certified appraisers, which is carried out annually. Surpluses or deficits arising from the revaluation of property are recognised in the revaluation reserve. Depreciation is calculated so as to write off the acquisition price or the appraised value of the property in accordance with the straight-line method, taking into account the expected useful life and residual value of the property and equipment.

The depreciation arising during the reporting year on equipment is recognised in the consolidated and separate income statement for the year, under the line "Management expenses".

The additional annual depreciation arising from the revaluation of buildings is transferred from the revaluation reserve to the income statement.

The annual rates used are as follows:

	%
Buildings	3
Vehicles	20
Furniture, fixtures and equipment	10
Computers	20

Land is not depreciated.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 3: Summary of Significant Accounting Policies (continued)***Expenditure and repairs of property and equipment*

Expenditure on repairs and maintenance is charged to the income statement in the year in which it is incurred. Expenses for significant improvements and renovations of property and equipment are capitalised when they are deemed to increase the Company's future economic benefits beyond those originally estimated.

*Property revaluation reserve*

Surpluses arising from the revaluation of land and buildings are credited to the property revaluation reserve. If, after revaluation, the depreciation charge increases, then an amount equal to this increase, after deduction for deferred taxation, is transferred each year from this reserve to the income statement. In the event of the disposal of a revalued property, any balance from the revaluation surplus in the property revaluation reserve corresponding to this item is transferred to the income statement.

*Leases - The Group as Lessor*

Leases in which the Group does not transfer substantially all the economic benefits and risks associated with ownership of the leased asset are classified as operating leases. Rental income is recognized in accordance with the terms of the lease using the straight-line method. Initial direct costs incurred by the Group in negotiating and entering into an operating lease are added to the carrying amount of the leased asset and recognized over the lease term using the straight-line method as rental income. Contingent rents are recognized as revenue in the period in which they are earned. Rental income is recognized under "Other investment income" in the consolidated and separate statements of income.

**Note 4: Significant accounting estimates and assumptions**

The preparation of financial statements in accordance with IFRS requires the use of certain significant accounting estimates and the exercise of judgment by management in the process of applying the Group's accounting policies. The areas that require the most judgment or are the most complex, or areas where assumptions and estimates have a significant effect on the financial statements, are discussed below.

Uncertainty about these assumptions and estimates may result in results that require a significant adjustment to the carrying amount of the assets or liabilities affected in future periods. Accounting calculations and estimates are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company based their assumptions and estimates on parameters that were available at the time of preparing the Consolidated Financial Statements. However, current conditions and assumptions regarding future developments may change due to changes in the market or conditions beyond the Group's control.

These changes are reflected in the assumptions when they occur. The key assumptions about the future and other main sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below:

- *Insurance and reinsurance contracts*

The significant judgments and estimates that the Company expects to apply as a result of IFRS 17 are as follows:

*Estimation of future cash flows*

When estimating future cash flows, the company incorporates in an unbiased manner all reasonable and supporting information available without undue cost or effort at the reporting date. This information includes both internal and external historical data on claims and other experience, so as to reflect current expectations about future events.

The measurement of a group of insurance contracts includes all future cash flows arising within the boundaries of a contract. In determining the cash flows that fall within the boundaries of a contract, the Company takes into account the substantive rights and obligations arising from the terms of the contract, as well as applicable laws and regulations. Cash flows are considered to be outside the contract boundaries if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks and if the contract pricing for coverage up to the next reassessment date only takes into account the risks up to the next revaluation date.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

### EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### Note 4: Significant accounting estimates and assumptions (continued)

##### *Estimation of directly attributable cash flows*

The Company must estimate whether cash flows can be directly attributed to a specific portfolio of insurance contracts. Cash flows from the acquisition of insurance contracts are included in the measurement of a group of insurance contracts only if they are directly attributable either to the individual contracts or to the portfolio of insurance contracts to which the group of contracts belongs. The Company will also consider as attributable cash flows fixed and variable general expenses directly related to the fulfillment of insurance contracts.

##### *Expense basis for cash flow projections*

The Company must conduct a detailed expense survey annually to determine the expense assumptions used in cash flow projections. The expense basis is determined in accordance with budgeted expenses and projected turnover.

##### *Discount rates*

The Company has used the following yield curves to discount cash flows for insurance contracts issued and reinsurance contracts held.

	1 year		2 years		3 years	
	2025	2024	2025	2024	2025	2024
Insurance contract liabilities and reinsurance contract assets	<b>2,22%</b>	2,47%	<b>2,30%</b>	2,32%	<b>2,42%</b>	2,32%

##### *Risk adjustment for non-financial risk*

The risk adjustment for non-financial risk represents the compensation required by the Company for assuming the uncertainty regarding the amount and timing of cash flows arising from insurance risk and other non-financial risks, such as lapse risk and expenses risk. risks, such as lapse risk and expense risk. The non-financial risk adjustment reflects the amount the Company would pay to eliminate the uncertainty that future cash flows will exceed the expected value.

IFRS 17 does not specify the valuation technique(s) used to determine the adjustment for non-financial risk. The Company determines the risk adjustment for non-financial risk at the entity level and then allocates it to all insurance contract groups. The Company has chosen to estimate the non-financial risk adjustment using the value at risk (VaR) approach, which is calibrated based on the standard formula of the Solvency II framework.

The risk adjustment is determined with a confidence level of 75%.

- *Impairment of receivables*

The Group assesses receivables on an individual basis to determine whether there is objective evidence of impairment of debtors and other receivables at each balance sheet date. Receivables are classified as doubtful and an allowance for impairment is made when there is objective evidence of impairment. Such objective evidence includes:

- delays in payment,
- indications of significant weakness in the debtor's ability to repay the debt,
- legal action taken,
- bankruptcy,
- other objective evidence leading to the conclusion that the Group will not collect the full amount due.

In addition to individual impairment provisions, the Group also makes collective impairment provisions. The Group adopts a standardised approach for collective provisions, which involves determining probabilities and loss rates based on the time that the receivables are outstanding. In addition, the use of historical information to determine the probability of default and loss rates is supplemented by significant estimates by management to assess whether current economic and credit conditions are such so as to assess whether the actual level of losses is greater or less than that indicated by historical experience.

- *Impairment of investments*

Financial instruments are impaired when there is objective evidence of impairment due to one or more events that occurred after the initial recognition of the investment and the damaging event (or events) affect the expected future cash flows of the investment. The assessment for impairment involves a series of findings and assumptions and takes into account a number of factors such as the issuer's financial situation, breach of contract terms, the likelihood of the issuer declaring bankruptcy or undergoing financial restructuring.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 4: Significant accounting estimates and assumptions (continued)**

- *Impairment of receivables from Atlantic Securities Limited ('subsidiary')*

The Company periodically assesses the recoverability of the amount receivable from the subsidiary. The assessment for impairment includes a series of findings and assumptions and takes into account a number of factors such as declines in revenue, profits or cash flows, or significant adverse changes in the economic or political stability of the country, which may indicate that the carrying amount of an asset is not recoverable. If events and circumstances indicate that the amount receivable from the subsidiary may be impaired, the estimated future undiscounted cash flows related to these assets are compared with their carrying amounts to determine whether an impairment to fair value is necessary.

- *Claims for insurance policy compensation*

Liabilities for outstanding claims arising from insurance policies issued by the Group are calculated based on estimates made by the claims management department after review by the legal department and/or external experts and based on the facts existing at the balance sheet date. Over time, these estimates are reviewed and any adjustments are recognized in the financial statements of the period in which they arise.

The main assumptions made in determining the amount of each receivable are based on past experience and market trends and include the amount of expenses incurred in handling the receivables. External factors that may affect the estimation of receivables, such as recent court decisions and the introduction of new legislation, are also taken into account. An estimate is made for liabilities from insurance policy claims. The Company assesses each claim individually and the estimated liability is based on the actual facts of each claim, experience, and other reasonable factors under the circumstances.

Provisions are also made for claims relating to risks that have occurred but have not been reported (IBNR) up to the balance sheet date. To calculate this provision, past experience is taken into account with regard to the number and amounts of claims reported after the reporting date. Insurance contract liabilities are sensitive to changes in the above basic assumptions. The effect of changes in certain assumptions, such as the introduction of new legislation and the outcome of court cases, is very difficult to quantify. In addition, the delay that usually occurs between the time the claim arises and the time it is reported and finally settled increases the uncertainty that exists at the balance sheet date.

- *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group exercises judgment in selecting various valuation methods and makes assumptions that are based primarily on market conditions at each balance sheet date.

The Group regularly evaluates the valuation methods used to ensure their validity and appropriateness. Changes in the calculations and assumptions used may affect the fair value of the relevant financial instruments. Further information on the determination of the fair value of financial instruments is presented in note 33.

- *Fair value of property for own use and investment property*

The Group's accounting policy in relation to both property held by the Group for own use and property held for investment requires them to be measured at fair value. In the case of both property held for own use and investment property, fair value is determined at the end of each financial year so that the carrying amount does not differ materially from fair value. Valuations are performed by qualified valuers using valuation models as recommended by the Royal Institution of Chartered Surveyors and the International Valuation Standards Council. For their valuations, the valuers have used their knowledge of the market and their professional judgment and have not relied solely on historical transaction data, taking into account that the degree of uncertainty is increased in relation to the existence of a more active market for determining the market value of real estate. Depending on the nature of the property in question and the information available in the market, determining the fair value of the property may require the use of estimates such as future cash flows from the property and the appropriate discount rate for those cash flows. All these estimates are based on the conditions prevailing in the local market at the reporting date.

- *Taxation*

Estimates are required to determine the provision for corporate tax. For certain transactions and calculations, the determination of the final tax is uncertain. The Company recognizes liabilities for anticipated tax matters based on estimates of whether additional tax will arise. Where the final tax outcome of these issues differs from the amount initially recognized, the differences affect the provision for corporate tax and deferred tax in the period in which the final tax liability is determined.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 5: Segmental Reporting**

The Group has two main segments of business activity, general insurance business and financial services, both of which are carried out in Cyprus.

	Insurance	Financial Services	Transactions/ balances between segments	Total
	€'000	€'000	€'000	€'000
<b>Year ended 31 December 2025</b>				
Premiums and other income	27.497	1.038	(30)	28.505
Profit from operations	7.608	410	(10)	8.008
Purchase of tangible fixed assets	219	-	-	219
Purchase of intangible fixed assets	129	-	-	129
Disposal of tangible fixed assets	79	-	-	79
Depreciation of tangible fixed assets	259	-	-	259
Depreciation of intangible fixed assets	137	-	-	137
<b>On 31 December 2025</b>				
Total Assets	100.237	2.986	(305)	102.918
Total Liabilities	20.622	763	(302)	21.082
<b>Year ended 31 December 2024</b>				
Premiums and other income	26.122	1.162	(28)	27.256
Profit from operations	5.536	516	(28)	6.025
Purchase of tangible fixed assets	269	-	-	269
Purchase of intangible fixed assets	196	-	-	196
Disposal of tangible fixed assets	3	-	-	3
Depreciation of tangible fixed assets	233	-	-	233
Depreciation of intangible fixed assets	159	-	-	159
<b>On 31 December 2024</b>				
Total Assets	86.586	2.668	(404)	88.849
Total Liabilities	21.519	602	(401)	21.720

**Note 6: Insurance revenue**

The table below shows insurance revenues by line of business:

**Insurance revenues by line of business**

<b>Line of business</b>	<b>2025</b>	<b>2024</b>
	€'000	€'000
Accident and health	2.789	2.735
Motor Vehicles	16.641	15.679
Marine & hull	226	233
Property	5.205	4.912
Liability	1.746	1.723
Other	891	840
	<b>27.498</b>	<b>26.122</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 7: Insurance service expense

	2025	2024
	€'000	€'000
Incurring claims and other insurance service expenses	11.846	11.937
Changes in liabilities for incurred claims	(1.900)	(1.163)
Insurance acquisition cash flows	3.989	3.890
	<b>13.935</b>	<b>14.664</b>

The table below shows insurance service expenses by class of insurance.

2025

	Motor vehicles	Property	Liability	Accident & health	Marine & hull	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Incurring claims and other insurance service expenses	8.757	1.767	295	1.015	6	6	11.846
Changes in liabilities for incurred claims	(1.464)	28	(222)	(236)	(5)	(1)	(1.900)
Insurance acquisition cash flows	2.044	1.151	408	316	52	18	3.989
	<b>9.337</b>	<b>2.946</b>	<b>481</b>	<b>1.095</b>	<b>53</b>	<b>23</b>	<b>13.935</b>

2024

	Motor vehicles	Property	Liability	Accident & health	Marine & hull	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Incurring claims and other insurance service expenses	9.704	792	280	1.116	40	5	11.937
Changes in liabilities for incurred claims	(784)	(75)	27	(253)	(75)	(1)	(1.163)
Insurance acquisition cash flows	1.989	1.163	407	260	53	17	3.890
	<b>10.908</b>	<b>1.880</b>	<b>714</b>	<b>1.123</b>	<b>18</b>	<b>21</b>	<b>14.664</b>

*Insurance acquisition cash flows*

	2025	2024
	€'000	€'000
Amounts incurred during the period	2.721	2.044
Amortisation of Insurance acquisition cash flows	1.268	1.846
	<b>3.989</b>	<b>3.890</b>
<b>Represented by:</b>		
Insurance service expense	1.587	1.562
Other operating costs	2.402	2.328
	<b>3.989</b>	<b>3.890</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 8: Net expense from reinsurance contracts held

Allocation of reinsurance premiums		2025	2024
		€'000	€'000
Reinsurance premiums		5.860	4.942
Changes in assets from reinsurance contracts held		(260)	236
Income from reinsurers		(1.169)	(1.228)
		<b>4.431</b>	<b>3.950</b>

Amounts recoverable from reinsurers for incurred claims		2025	2024
		€'000	€'000
Recoveries of incurred claims and other insurance service expenses		924	583
Changes relating to past service: changes in recoveries of liabilities for recoverable amounts		(237)	18
		<b>687</b>	<b>601</b>

The table below shows net expense from reinsurance contracts held by class of insurance.

## 2025

	Motor vehicles €'000	Property €'000	Liability €'000	Accident & health €'000	Marine & hull €'000	Other €'000	Total €'000
<b>Allocation of reinsurance premiums</b>	<b>803</b>	<b>2.608</b>	<b>332</b>	<b>34</b>	<b>98</b>	<b>556</b>	<b>4.431</b>
Recoveries of incurred claims	-	922	-	-	2	-	924
Changes relating to past service	(287)	68	(4)	1	(14)	(1)	(237)
<b>Amounts recoverable from reinsurers</b>	<b>(287)</b>	<b>990</b>	<b>(4)</b>	<b>1</b>	<b>(12)</b>	<b>(1)</b>	<b>687</b>
<b>Net expense from reinsurance contracts held</b>	<b>1.090</b>	<b>1.618</b>	<b>336</b>	<b>33</b>	<b>110</b>	<b>557</b>	<b>3.744</b>

## 2024

	Motor vehicles €'000	Property €'000	Liability €'000	Accident & health €'000	Marine & hull €'000	Other €'000	Total €'000
<b>Allocation of reinsurance premiums</b>	<b>833</b>	<b>2.168</b>	<b>277</b>	<b>79</b>	<b>102</b>	<b>491</b>	<b>3.950</b>
Recoveries of incurred claims	79	445	11	26	22	-	583
Changes relating to past service	78	(35)	(4)	1	(21)	(1)	18
<b>Amounts recoverable from reinsurers</b>	<b>157</b>	<b>410</b>	<b>7</b>	<b>27</b>	<b>0</b>	<b>(1)</b>	<b>601</b>
<b>Net expense from reinsurance contracts held</b>	<b>676</b>	<b>1.758</b>	<b>270</b>	<b>52</b>	<b>102</b>	<b>492</b>	<b>3.349</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 9: Other income from insurance operations

	2025	2024
	€'000	€'000
Share of pool participation profits	268	237
Profit on sale of assets	24	3
Other income	27	18
	<b>319</b>	<b>258</b>

The Company's participation in Cyprus Hire Risks Pool is mandatory for insurance companies with operations in the motor vehicle sector. The Company's share of the profits and losses of the pool is calculated on the basis of the percentage of the Company's motor insurance premiums.

## Note 10: Other operating expenses

	2025	2024
	€000	€000
Staff costs	4.015	3.825
Discounts allowed	549	573
Depreciation	259	233
Motor expenses and traveling	161	167
Printing and stationery	151	153
Amortisation of intangibles	137	159
Audit fees	124	123
Advertising and promotion	126	128
Computer expenses	139	133
Professional services	78	82
Investment expenses	80	28
Stock exchange fees	81	63
Electricity	64	56
Telephone	47	54
Postages and transport	38	36
Insurance	33	32
Reversal of provision for bad debts	(189)	(116)
Other expenses	286	256
	<b>6.179</b>	<b>5.985</b>

## The above operating costs are analysed as follows:

	2025	2024
	€'000	€'000
Direct claims expenses (note 7)	1.059	979
Insurance acquisition cash flows (note 7)	2.409	2.328
Other expenses	2.711	2.678
	<b>6.179</b>	<b>5.985</b>

## Audit fees include the following:

	2025	2024
	€'000	€'000
Audit fees	124	123
Fees for other verification services	28	21
Fees for non-audit services	2	2

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 10: Other operating expenses (continued)

Staff costs	2025	2024
	€'000	€'000
Salaries	3.390	3.223
Social insurance contributions	258	251
Provident fund contributions	147	142
Other contributions	220	209
	<b>4.015</b>	<b>3.825</b>

The directors' emoluments which are included in the above amounts are analysed in note 31.

**Average number of employees**

The average number of employees was as follows:

	2025	2024
Full-time employees	120	120

The Company and its subsidiary Atlantic Securities Ltd operate defined contribution provident fund schemes. The funds are separately financed and prepare their own financial statements. In accordance with the Funds' memorandum the members are entitled to the payment of certain benefits on their retirement or early termination of their employment.

## Note 11: Gain on sale and revaluation of investments

	2025	2024
	€'000	€'000
Gain on Cyprus and Greek equities	6.399	4.020
Gain on bonds	283	1.052
Gain on foreign investments	4.089	1.585
	<b>10.771</b>	<b>6.657</b>

## Note 12: Other income from investments

	2025	2024
	€'000	€'000
Dividend income	1.686	707
Rents receivable	122	112
	<b>1.808</b>	<b>819</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 13: Net finance income**

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Interest from bank deposits	11	62
Interest from bonds	900	1.038
Bank charges and interest paid	(97)	(96)
Other interest	16	5
Exchange differences	15	4
	<b>6</b>	-
	<b>850</b>	1.013

**Note 14: Taxation**

The tax charge is based on the profit for the year as adjusted for tax purposes and consists of the following:

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Corporation tax	1.163	909
Defence tax contribution	3	2
Foreign taxes deducted at source	34	23
Deferred taxation	27	8
Prior year taxes	(2)	-
	<b>1.226</b>	942

The reconciliation between the tax charge and the tax which is calculated on the accounting profit of the year using the current applicable tax rates is as follows:

	<b>2025</b>	2024
	<b>€'000</b>	€'000
<b>Accounting profit</b>	<b>21.565</b>	14.631
Tax based on current tax rates	2.696	1.829
Defense tax contribution	3	2
Foreign taxes deducted at source	34	23
Prior year taxes	(2)	-
Deferred taxation	27	8
<i>Adjustments for:</i>		
Disallowed expenses	75	67
Income not taxed	(217)	(112)
Gain on sale and revaluation of investments	(1.343)	(830)
Gain on revaluation of property	(16)	(15)
Capital allowances	(31)	(30)
	<b>1.226</b>	942

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 15: Earnings per share

	2025	2024
	€'000	€'000
Net profit attributable to shareholders	<b>20.181</b>	13.519
Weighted average number of issued shares	<b>38.944</b>	38.944
Basic earnings per share (cents)	<b>51,82</b>	34,71

Earnings per share is calculated based on the weighted average number of shares which were issued during the year.

The fully diluted earnings per share is equal to the basic earnings per share since the Group has not issued any dilutive instruments.

## Note 16: Group companies

The subsidiary companies of the group are the following private limited liability companies registered in Cyprus:

Company	Principal activities	Share %	2025 €'000	2024 €'000
Lyssi Investments Ltd	Car hire	100,0	-	86
Lion Insurance Agency Ltd	Voluntary liquidation.	100,0	674	674
Atlantic Securities Limited <sup>(1)</sup>	Brokerage and investment services	67,7		
			<b>674</b>	<b>760</b>

The subsidiary Lyssi Investments Ltd entered into voluntary liquidation on 7 November 2025.

The Company periodically assesses the recoverability of the investment in subsidiaries whenever there are indications of impairment. Indications of impairment include factors such as the reduction in revenues, earnings or cash flows or other unfavourable changes that may indicate that the carrying amount of the assets may no longer be recoverable. During the year the Company did not make any provision for permanent diminution in the value of the investment in its subsidiary companies.

There are no material restrictions on the ability to transfer funds from subsidiaries to the holding company beyond the regulatory limitations to which Atlantic Securities Limited is subject.

The contribution of the parent company to the consolidated financial statements, after taking into account transactions and balances between Group companies which were eliminated at consolidation, is as follows:

	2025	2024
	€'000	€'000
Premiums and other income	<b>27.497</b>	26.122
Profit from operations	<b>7.608</b>	5.540
Total assets	<b>100.911</b>	87.249
Total liabilities	<b>20.622</b>	21.512

The contribution of subsidiary undertakings to the consolidated financial statements is as follows:

	Atlantic Securities Limited	Lyssi Investments Ltd	2025	2024
	€'000	€'000	€'000	€'000
Premiums and other income	1.007	-	<b>1.007</b>	1.134
Profit / (loss) from operations	400	-	<b>400</b>	484
Total assets	2.986	-	<b>2.986</b>	2.764
Total liabilities	461	-	<b>461</b>	208

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 17: Tangible fixed assets

	Land and buildings	Furniture and fittings	Computer hardware and software	Motor vehicles	Total
Cost or revaluation	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2024	6.202	896	452	830	8.380
Additions	-	165	22	82	269
Revaluation	35	-	-	-	35
Disposals	-	-	-	(3)	(3)
Balance at 1 January 2025	6.237	1.062	474	912	8.681
Additions	30	32	34	123	219
Revaluation	33	-	-	-	33
Disposals	-	-	-	(78)	(78)
<b>Balance at 31 December 2025</b>	<b>6.300</b>	<b>1.094</b>	<b>508</b>	<b>953</b>	<b>8.855</b>
<b>Depreciation</b>					
Balance at 1 January 2024	-	664	379	682	1.725
Depreciation for the year	102	48	30	53	233
On revaluation	(102)	-	-	-	(102)
On disposals	-	-	-	(3)	(3)
Balance at 1 January 2025	-	712	409	732	1.853
Depreciation for the year	105	54	30	70	259
On revaluation	(105)	-	-	-	(105)
On disposals	-	-	-	(78)	(78)
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>766</b>	<b>439</b>	<b>724</b>	<b>1.929</b>
<b>Net book value at</b>					
<b>31 December 2025</b>	<b>6.300</b>	<b>328</b>	<b>69</b>	<b>229</b>	<b>6.926</b>
31 December 2024	6.237	349	65	180	6.829

*Revaluation of tangible fixed assets and investment properties*

The policy of the Group is to carry out revaluations of its property at the end of each year. Hence the immovable property of the Company was revalued at 31 December 2025 by the independent professional property valuers Roussos, Angelides & Finticlis using the open market value method. The valuers have the required professional qualifications as well as recent experience in the valuation of this type of properties and geographical areas. The market value was calculated based on current comparative data and after taking into account the physical and legal characteristics, prospects and advantages of the relevant properties as well as the general trends in the property market and the economy.

The market value was calculated based on the relative market value method which is based on a comparison with properties having similar physical and legal characteristics both in the area under consideration and in other areas. This comparative data has been collected from the Land Registry's records and has been assessed taking into account factors such as the specific characteristics of the property, its location, urban planning data and any restrictions on the use and the characteristics of the surrounding and wider area.

Property Category	Method of valuation	Non-observable data	Range of data variation	2025	2024
				€'000	€'000
Land & buildings	Relative market value	Fair value per sq. m	€1400-€1450 / τ.μ.	430	430
Land & buildings	Relative market value	Fair value per sq. m	€2850-€2950 / τ.μ.	3.770	3.770
Land & buildings	Relative market value	Fair value per sq. m	€2550-€2700 / τ.μ.	685	660
Land & buildings	Relative market value	Fair value per sq. m	€1150-€1250 / τ.μ.	850	850
Land & buildings	Relative market value	Fair value per sq. m	€1450-€1500 / τ.μ.	564	526

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 17: Tangible fixed assets (continued)**

The value of the land and buildings that would appear in the consolidated and the parent financial statements based on historical cost minus depreciation is as follows:

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Land	<b>1.149</b>	1.149
Buildings	<b>1.218</b>	1.289
	<b>2.367</b>	2.438
<hr/>		
Revalued amount of land on which no depreciation is charged	<b>2.778</b>	2.757

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 18: Intangible assets

	Goodwill on acquisition of agents' portfolios €'000	Computer software €'000	Total €'000
<b>Cost or revaluation</b>			
Balance at 1 January 2024	685	631	1.316
Additions	131	65	196
Balance at 1 January 2025	<b>816</b>	<b>696</b>	<b>1.512</b>
Additions	61	67	128
<b>Balance 31 December 2025</b>	<b>877</b>	<b>763</b>	<b>1.640</b>
<b>Amortisation</b>			
Balance at 1 January 2024	578	578	1.156
Amortisation for the year	124	35	159
Balance at 1 January 2025	702	613	1.315
Amortisation for the year	93	45	138
<b>Balance 31 December 2025</b>	<b>795</b>	<b>658</b>	<b>1.453</b>
<b>Net book value at</b>			
<b>31 December 2025</b>	<b>82</b>	<b>105</b>	<b>187</b>
31 December 2024	114	82	196

## Note 19: Investment properties

*Revaluation*

The Group's policy regarding the revaluation of investment properties is the same as that presented in note 17 for the revaluation of fixed assets.

	2025 €'000	2024 €'000
<b>Land and buildings</b>		
Balance at 1 January	4.852	4.732
Additions	-	3
Fair value loss on revaluation	127	117
<b>Balance at 31 December</b>	<b>4.979</b>	4.852

Information on the valuation of the main properties of the Group is provided below:

Property Category	Method of valuation	Non-observable data	Range of data variation	2025 €000	2024 €000
Land & buildings	Relative market value	Fair value per sq. m	€1200-€1250 / τ.μ.	235	235
Land & buildings	Relative market value	Fair value per sq. m	€2950-€3050 / τ.μ.	1.195	1.195
Land & buildings	Relative market value	Fair value per sq. m	€1500-€1900 / τ.μ.	450	435
Land	Relative market value	Fair value per sq. m	€110-€120 / τ.μ.	1.965	1.885
Land & buildings	Relative market value	Fair value per sq. m	€1400-€1450 / τ.μ.	1.106	1.074

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 19: Investment properties (Continued)

The value of investment properties that would appear in the consolidated and the parent financial statements based on historical cost is as follows:

	2025	2024
	€'000	€'000
Land	4.358	4.358
Buildings	2.326	2.326
	<b>6.684</b>	<b>6.684</b>

## Note 20 Financial assets at fair value through profit or loss

	2025	2024
	€'000	€'000
Equity investment listed in CSE and ASE	17.713	15.164
Foreign equities and investments funds	16.098	14.538
Private equity investment funds	561	699
Hedge funds	2.830	3.275
International real estate funds	1.665	2.067
Cyprus bonds	4.743	7.604
Foreign bonds	28.791	12.740
Gold and commodities	3.287	1.564
Short term government treasury bills (Note 22)	5.841	7.014
	<b>81.529</b>	<b>64.665</b>

International shares and equity funds include the Company's participation in the Fincap Ventures AIF V.C.I.C. Plc / Crevalon investment fund of a total value of €6.27 million (2024: €5.71 million). The administrator of the fund has informed us that approximately 50.0% of the value of the fund's investments as at 31 December 2025 are held at Euroclear Bank S.A, at a sub-custodian account of VTB Bank, which acted as sub-custodian to the Fund's previous depository, MeritKapital Ltd. Euroclear Bank S.A currently refuses to release the securities and cash due to the sanctions imposed by the EU on Russia. The management has made a provision for impairment of the fair value of the fund due to the resulting limited liquidity of the investments. The impairment amounted to €5,65 million and represents 95% of the value of the affected investments in the fund.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 21: Debtors and other receivables

	2025	2024
	€'000	€'000
Debtors and other receivables	184	196
Receivables from financial services operations	358	478
Other receivables	528	1.076
Other receivables from financial services operations	2.184	1.785
	<b>3.254</b>	<b>3.535</b>
	2025	2024
	€'000	€'000
<b>Customer and intermediaries' balances</b>		
Receivables	8.638	9.019
Less provision for bad and doubtful debtors	(2.837)	(2.898)
	<b>5.801</b>	<b>6.121</b>
Minus balances included in liabilities from insurance contracts	(5.256)	(5.444)
	<b>545</b>	<b>677</b>
<b>Provision for bad and doubtful debtors</b>		
Balance at 1 January	2.898	3.253
Write offs	(49)	(109)
Reversal of provision for bad and doubtful debtors (including interest suspended and amounts recovered)	(12)	(246)
Balance at 31 December	<b>2.837</b>	<b>2.898</b>

The Group and the Company apply the general approach of IFRS 9 for the calculation of expected credit losses. Expected credit loss rates are based on the past experience of the companies of the Group with the customer, the customer's reliability against his obligations, information in relation to his financial condition, the timing of the agreed payments and generally the prevailing wider economic environment. Management believes that there is no additional credit risk beyond the amounts provided for bad and doubtful debts.

Receivables of the subsidiary undertaking Atlantic Securities Ltd include specific customer balances amounting to €21 thousand (2024: €48 thousand) net of provisions, whose credit facility agreements for trading in financial assets were terminated. With the specific customers, written and oral agreements have been made for the repayment of their obligations to the company on a long-term basis or satisfactory collaterals are held in equity titles which can be liquidated by the Company at its absolute discretion.

Part of the customer balances of Atlantic Securities Ltd are secured by collaterals held by the company against financial assets of the customers, the value of which at 31 December 2025 was €340 thousand (2024: €432 thousand)

Other receivables include, in the comparative figures for 2024, an amount of €405 thousand that was held in a clients' account at FBME Bank Ltd. In 2025, the Company received €583 thousand from FBME in full settlement of the amount owed. Consequently, a reversal of the allowance for doubtful debts in the amount of €178 thousand was recognized (Note 10).

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 22: Short-term Government Treasury Bills

	2025	2024
	€'000	€'000
European Union	5.841	6.283
Cyprus	-	731
	<b>5.841</b>	<b>7.014</b>

## Note 23: Cash and bank balances

	2025	2024
	€'000	€'000
Cash and bank balances	1.988	3.780
	<b>1.988</b>	<b>3.780</b>
Bank Overdraft and short-term loans	(10)	(15)
	<b>1.978</b>	<b>3.765</b>

	Interest (Annual)		2025	2024
	2025	2024	€'000	€'000
Fixed term deposits between 4 and 12 months	0,0%-3,0%	0,0%-4,2%	330	1.731
			<b>330</b>	<b>1.731</b>

The bank overdrafts of the Company are secured by a mortgage of €215 thousand on the immovable property of the Company and by personal guarantees of the members of the Board of Directors. Bank deposits of the Company amounting to €0,23 mln are pledged towards letters of guarantee and other bank facilities.

## Note 24: Share Capital

	2025		2024	
	Number of shares (thousand)	€'000	Number of shares (thousand)	€'000
<b>Authorised</b>				
Ordinary shares €0,34 per share	250.000	85.000	250.000	85.000
<b>Issued and fully paid</b>				
Ordinary shares €0,34 per share	38.944	13.241	38.944	13.241

The authorized share capital of the Company is €85mln and consists of 250.000.000 ordinary shares with a nominal value of €0,34 each. The issued share capital of the Company is €13.240.848 consisting of 38.943.671 ordinary shares with a nominal value of €0,34 each. There was no change in the capital structure of the Company during the year.

The Extraordinary General Meeting of the Company which took place on September 25, 2025 approved the following resolution:

**Special resolution**

"That the Board of Directors be authorized and is hereby authorized to implement a buy- back programme, in accordance with the provisos of Article 57A of the Companies Act 113 (Amended). The minimum and maximum price at which own shares may be bought, cannot exceed by more than 5%, the average market price of the Company's shares during the last 5 trading sessions before the acquisition. The Company may acquire, within the period of 12 months from the date of AGM resolution, the maximum number of shares which is permitted by the Act. The shares may be acquired either in the market or through a private agreement."

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 24: Share Capital (Continued)

The above resolution was proposed for the renewal of the Company's Repurchase Program of own shares for the period from September 25 2025 to September 24, 2027. During the year the Company did not acquire any own shares. At 31 December 2025 the company did not hold any own shares.

**Nature and scope of reserves:***Share premium reserve*

The share premium reserve consists of the difference between the issue price of the share capital and the nominal value.

*Revaluation reserve*

The revaluation reserve consists of the surplus or deficit resulting from the revaluation of land and buildings included in tangible fixed assets and are measured at fair value.

*Fair value reserve*

The fair value reserve includes changes in the fair value of financial assets available for sale. When these financial assets are disposed of or impaired, the accumulated fair value adjustments recognised in equity are transferred to the income statement for the year.

## Accumulated retained earnings

The retained earnings comprise total comprehensive income that has not been distributed to the shareholders.

## Note 25: Deferred Taxation

	<b>2025</b>	2024
	<b>€'000</b>	€'000
<b><i>Provision for property revaluation</i></b>		
Balance 1 January	(57)	(72)
Deferred tax on revaluation of immovable property	42	15
Deferred tax on excess depreciation	1	-
Balance 31 December	(14)	(57)
	<b>2025</b>	2024
	<b>€'000</b>	€'000
<b><i>Provision for temporary differences between depreciation and capital allowances</i></b>		
Balance 1 January	103	99
Deferred tax for the year	3	4
Deferred tax on excess depreciation	(1)	-
Balance 31 December	105	103
	<b>2025</b>	2024
	<b>€'000</b>	€'000
<b>Total Balance 31 December</b>	<b>91</b>	<b>46</b>

## Note 26: Other Liabilities

	<b>2025</b>	2024
	<b>€'000</b>	€'000
Taxation	525	325
Creditors of parent company	817	894
Other liabilities of parent company	498	689
Dividends payable	524	449
Derivative financial liabilities	39	371
Other liabilities from financial services operations	448	193
	<b>2.851</b>	<b>2.921</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 27: Liabilities / (assets) from insurance contracts

On 31 December	LIABILITIES OF INSURANCE CONTRACTS 2025				2024			
	Liabilities for remaining coverage	Liabilities for incurred claims		Total	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding loss component €'000	Estimate of present value of futured cash flows €'000	Risk adjustments €'000	€'000	Excluding loss component €'000	Estimate of present value of futured cash flows €'000	Risk adjustments €'000	€'000
Method of valuation: PAA								
Liabilities from insurance contracts on 1 January	5.429	12.638	669	18.736	5.111	11.581	606	17.298
<b>Net liabilities from insurance contracts on 1 January</b>	<b>5.429</b>	<b>12.638</b>	<b>669</b>	<b>18.736</b>	<b>5.111</b>	<b>11.581</b>	<b>606</b>	<b>17.298</b>
Premiums	(27.498)	-	-	(27.498)	(26.122)	-	-	(26.122)
<b>Insurance revenue</b>	<b>(27.498)</b>	<b>-</b>	<b>-</b>	<b>(27.498)</b>	<b>(26.122)</b>	<b>-</b>	<b>-</b>	<b>(26.122)</b>
Incurred claims and other direct expenses	-	11.647	199	11.846	-	11.685	252	11.937
Changes in liabilities for incurred claims	-	(1.622)	(278)	(1.900)	-	(974)	(189)	(1.163)
Insurance acquisition costs	3.989	-	-	3.989	3.890	-	-	3.890
<b>Insurance service expenses</b>	<b>3.989</b>	<b>10.025</b>	<b>(79)</b>	<b>13.935</b>	<b>3.890</b>	<b>10.711</b>	<b>63</b>	<b>14.664</b>
<b>Insurance service result</b>	<b>(23.509)</b>	<b>10.025</b>	<b>(79)</b>	<b>(13.563)</b>	<b>(22.232)</b>	<b>10.711</b>	<b>63</b>	<b>(11.458)</b>
<b>Finance income / (expenses) from insurance contracts</b>		294	-	294		475	-	475
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(23.509)</b>	<b>10.319</b>	<b>(79)</b>	<b>(13.269)</b>	<b>(22.232)</b>	<b>11.186</b>	<b>63</b>	<b>(10.983)</b>
Premiums received	28.314	0	0	28.314	26.478	-	-	26.478
Claims and other service expenses paid	0	(11.678)	-	(11.678)	-	(10.129)	-	(10.129)
Cash flows for insurance acquisition	(3.972)	0	0	(3.972)	(3.927)	-	-	(3.927)
<b>Total cash flows</b>	<b>24.342</b>	<b>(11.678)</b>	<b>0</b>	<b>12.664</b>	<b>22.551</b>	<b>(10.129)</b>	<b>-</b>	<b>12.422</b>
<b>Net liabilities from insurance contracts on 31 December</b>	<b>6.262</b>	<b>11.279</b>	<b>590</b>	<b>18.131</b>	<b>5.429</b>	<b>12.638</b>	<b>669</b>	<b>18.736</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 27: Liabilities / (assets) from insurance contracts (continued)

On 31 December	ASSETS FROM REINSURANCE CONTRACTS HELD							
	Liabilities for remaining coverage	2025		Total	Liabilities for remaining coverage	2024		Total
		Liabilities for incurred claims				Liabilities for incurred claims		
Method of valuation: PAA	Excluding loss component	Estimate of present value of futured cash flows	Risk adjustments		Excluding loss component	Estimate of present value of futured cash flows	Risk adjustments	
Reinsurance contract held	€	€	€		€	€	€	
Assets from reinsurance contracts on 1 January	1.130	1.559	80	2.770	1.070	1.246	66	2.382
<b>Net assets from reinsurance contracts on 1 January</b>	<b>1.130</b>	<b>1.559</b>	<b>80</b>	<b>2.770</b>	<b>1.069</b>	<b>1.246</b>	<b>66</b>	<b>2.382</b>
Allocation of reinsurance premiums paid	(4.431)			(4.431)	(3.950)	-	-	(3.950)
Recoverable amounts from reinsurers		920	4	924	-	566	16	582
Recoverable amounts of prior years		(210)	(27)	(237)	-	21	(2)	19
<b>Net (expenses) / income from reinsurance contracts</b>	<b>(4.431)</b>	<b>709</b>	<b>(23)</b>	<b>(3.744)</b>	<b>(3.950)</b>	<b>587</b>	<b>14</b>	<b>(3.349)</b>
<b>Finance income / (expenses) from reinsurance contracts</b>	<b>0</b>	<b>37</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>53</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(4.431)</b>	<b>746</b>	<b>(23)</b>	<b>(3.707)</b>	<b>(3.950)</b>	<b>640</b>	<b>14</b>	<b>(3.296)</b>
Reinsurance premiums and related expenses	5.080			5.080	4.011	-	-	4.011
Amounts received		(1.053)	-	(1.053)	-	(326)	-	(326)
<b>Total cash flows</b>	<b>5.080</b>	<b>(1.053)</b>	<b>-</b>	<b>4.027</b>	<b>4.011</b>	<b>(326)</b>	<b>-</b>	<b>3.684</b>
<b>Net assets from reinsurance contracts on 31 December</b>	<b>1.780</b>	<b>1.253</b>	<b>58</b>	<b>3.090</b>	<b>1.130</b>	<b>1.560</b>	<b>80</b>	<b>2.770</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 27: Liabilities / (assets) from insurance contracts (continued)**

The table below show the carrying amounts of liabilities from insurance contracts and of assets from reinsurance contracts held by line of business.

*Liabilities from insurance contracts*

	31 December 2025			31 December 2024		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims	Total
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Insurance contracts issued</b>						
Motor Vehicles	4.128	8.801	12.929	3.582	10.205	13.787
Property	922	717	1.639	775	402	1.177
Liability	281	1.868	2.149	215	2.134	2.349
Accident and health	1.079	300	1.379	989	381	1.370
Marine & hull	21	183	204	13	185	198
Other	(169)	-	(169)	(145)	1	(144)
	<b>6.262</b>	<b>11.869</b>	<b>18.131</b>	<b>5.429</b>	<b>13.308</b>	<b>18.736</b>

*Assets from reinsurance contracts*

	31 December 2025			31 December 2024		
	Liabilities for remaining coverage	Liabilities for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims	Total
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Reinsurance contracts held</b>						
Motor Vehicles	201	602	803	167	1.088	1.255
Property	1.200	459	1.659	632	262	894
Liability	91	161	252	50	163	213
Accident and health	267	-	267	225	26	251
Marine & hull	34	89	123	36	101	137
Other	(14)	-	(14)	20	-	20
	<b>1.779</b>	<b>1.311</b>	<b>3.090</b>	<b>1.130</b>	<b>1.640</b>	<b>2.770</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 28: Transactions with related persons***Transactions and balances with subsidiary undertakings*

Nature of transaction	Transaction value		Debit / (Credit) balance	
	2025	2024	2025	2024
	€'000	€'000	€'000	€'000
<b>Lyssi Investments Limited</b>				
Other income	-	3		
Dividends received	-	-		
Balance			-	1
<b>Atlantic Securities Limited</b>				
Brokerage commissions	30	28		
Rents receivable	20	-		
Interest receivable	4	5		
Balance			302	400
Clients' brokerage account balance			641	1.377

The amount receivable from Atlantic Securities Ltd carries interest of 1,00% per annum (2024: 1,00% per annum) and is not secured.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 28: Transactions with related persons (continued)

*Transactions with related parties*

## a) AstroBank Ltd

As of October 16, 2025, AstroBank Ltd held more than 5% of the Company's issued share capital. The transactions which are mentioned below arose from normal banking and financial services offered by the bank to the Company and its subsidiaries as well as insurance agent services offered by its subsidiary company Astrobank Insurance Agency Ltd. The Agency Agreement between Atlantic Insurance and Astrobank Insurance Agency Ltd was terminated on December 31, 2024.

	2025	2024
	€'000	€'000
Interest income from bonds	4	8
Premiums	-	72
Commissions payable for insurance operations	-	(223)
Investment management and custody fees	(2)	(3)
Bank balances and bank deposits	378	458
Clients' bank accounts of subsidiary undertaking	4.312	652
Financial assets held for trading	-	100

## b) Eurautoparts Ltd

The Company's directors Andreas Frangoullis and Nina Pyrishi are directors and shareholders of Eurautoparts Ltd. Eurautoparts Ltd has entered into voluntary liquidation in October 2024. The transactions with the company during the year and the balances as at 31 December were:

Nature of transaction	Transactions value		Debit /(Credit) balance	
	2025	2024	2025	2024
	€000	€000	€000	€000
Insurance premiums	-	-	-	-

## c) BetonAlpha Ltd

The Company's directors Emilios Pyrishis and George Pyrishis are shareholders of BetonAlpha Ltd. The transactions with the company during the year and the balances as at 31 December were:

Nature of transaction	Transactions value		Debit /(Credit) balance	
	2025	2024	2025	2024
	€000	€000	€000	€000
Insurance premiums	20	25	14	-

## d) Lyssi Insurance Agents Ltd

The Company's directors Emilios Pyrishis, George Pyrishis and Andreas Frangoullis are directors and shareholders of Lyssi Insurance Agents Ltd. There were no transactions with the company during the year. The balances as at 31 December were:

Nature of transaction	Transaction value		Debit /(Credit) balance	
	2025	2024	2025	2024
	€000	€000	€000	€000
Lyssi Insurance Agents Limited	-	-	(4)	(4)

All transactions with related parties were made at arm's length with standard business terms and conditions.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 28: Transactions with related persons (continued)

*Transactions with directors*

There was no other material contract in force at the end of the financial year or at the date of approval of the financial statements in which shareholders holding directly or indirectly more than 5% of the Company's share capital and members of the Board of Directors, their spouse or minor children have or had directly or indirectly a material interest, except for the agreements listed below.

The total remuneration of the Directors of the Company for the year 2025 is shown in the table below:

	Salaries, expenses and contributions	Fees	Social Insurance and other contributions	Provident fund contributions	2025 Total	2024 Total
	€000	€000	€000	€000	€000	€000
Executive directors						
Emilios Pyrishis	110	1	12	5	128	124
Andreas Frangoullis	109	1	7	-	117	113
Loukis Ioannou	91	1	11	4	107	103
Non-executive directors						
George Pyrishis	-	1	-	-	1	1
Andreas Pirishis	-	1	-	-	1	1
Charalambos Alexandrou	-	1	-	-	1	1
Menicos Messios	-	11	-	-	11	8
Marios Savvides	-	18	-	-	18	15
George Koutsos	-	1	-	-	1	1
Nina Pyrish	-	-	-	-	-	1
	<b>306</b>	<b>38</b>	<b>30</b>	<b>9</b>	<b>385</b>	<b>368</b>

The directors' remuneration is analysed as follows:

	Group		Company	
	2025	2024	2025	2024
	€000	€000	€000	€000
Executive capacity	393	357	346	337
As directors	39	31	39	31
	<b>432</b>	<b>388</b>	<b>385</b>	<b>368</b>

The remuneration of executive directors includes fixed income such as salaries and other short-term benefits, contributions (social insurance, provident fund) and entertainment expenses. These amounts do not include variable income such as bonuses, shares, warrants, etc.

Part of the total remuneration of the Directors relates to the payment of the 14th salary which, as for all other staff of the Company, is calculated at fixed rates which vary in accordance with the net profit of the previous financial year.

The Executive Directors, like all permanent staff, are members of the Company's Employees Provident Fund. The Company's monthly contributions amount to 5.75%. Executive director Andreas Frangoullis is provided with a company vehicle with all operating and maintenance costs covered. Executive director Emilios Pyrishis's has the operating and maintenance costs of his own vehicle covered.

The remuneration of the directors for their service on the Board of Directors is determined by the Annual General Meeting. For 2025, the Annual General Meeting approved the remuneration of Board members for their services as members of the Board, which was decided to be increased from €1,000 to €1,500 per year. In addition, it was decided that the remuneration of the Chairman of the Risk Management Committee be increased from €14,000 to €16,000 per year and the remuneration of the Chairman of the Audit Committee be increased from €7,000 to €9,000 per year.

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED**
**EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**Note 29: Shareholders holding more than 5% of the issued share capital**

In accordance with article 60 (4) of the Cyprus Stock Exchange Law and Regulations the shareholders owning directly or indirectly more than 5% of the issued share capital of the Company at 31 December 2025 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2025	30 March 2026
	%	%
Emilios Pyrishis <sup>1</sup>	34,64	34,64
Andreas Frangoullis <sup>2</sup>	21,22	21,22
Piraeus Bank SA	9,99	9,99
Maro Marathovouniotou <sup>3</sup>	5,98	5,98
Frou Frou Investments Ltd <sup>4</sup>	5,11	5,19

- (1) The holding of Emilios Pyrishis includes his direct share of 24,17% and his indirect holding arising from the shares owned by his brother George Pyrishis (10,47%).
- (2) The holding of Andreas Frangoullis includes his direct share (20,12%) and his indirect holding arising from the shares owned by his wife Elli Frangoulli (0,19%), his children Christos, Orthodoxos and Vasilis (0,83%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (3) The holding of Maro Marathovounioti includes her direct share (1,43%) and her indirect holding arising from the shares owned by her daughter Athena Nicolaidou (1,61%), her son Alexis Marathovouniotis (1,43%) and her son Andreas Marathovouniotis (1,49%).
- (4) The holding of Frou Frou Investments Ltd includes the direct holding of the company (3,50%) and the indirect holding arising from the shares owned by Hadjikyriakos Michalis (1,63%), Hadjikyriakos Christos (0,06%), Hadjikyriakos Haris (0,01%) and Hadjikyriakou Rolandi Ariana (0,01%).

**Note 30: Directors' holding in the share capital of the Company**

The number of shares and the percentage holding in the share capital of the Company owned directly or indirectly by the members of the Board, their spouses or minor children and companies in which they hold directly or indirectly more than 20% of the voting shares, in accordance with Article 60 (4) of the Cyprus Stock Exchange Law and Regulations, on 31 December 2025 and 5 days before the date of approval of the financial statements by the Board of Directors, were:

	31 December 2025		30 March 2026	
	Number of Shares	%	Number of Shares	%
Emilios Pyrishis	9.411.320	24,17	9.411.320	24,17
Andreas Pirishis	20.000	0,05	20.000	0,05
Andreas Frangoullis <sup>1</sup>	8.265.755	21,22	8.265.755	21,22
George Pyrishis	4.079.592	10,47	4.079.592	10,47
Nina Pyrishi	-	0,00	-	0,00
Menicos Messios	-	0,00	-	0,00
Charalambos Alexandrou <sup>2</sup>	86.224	0,22	86.224	0,22
Loukis Ioannou <sup>3</sup>	5.390	0,02	5.390	0,02
Marios Savvides <sup>4</sup>	165.135	0,42	165.135	0,42
George Koutsos	-	0,00	-	0,00

- (1) The holding of Andreas Frangoullis includes his direct share (20,12%) and his indirect holding arising from the shares owned by his wife Elli Frangoulli (0,19%), his children Christos, Orthodoxos and Vasilis (0,83%), his mother Vasilou Frangoulli (0,03%) and his brother Filippos Frangoullis (0,05%).
- (2) The holding of Charalambos Alexandrou includes his direct share (0,21%) and his indirect holding arising from the shares owned by his brother Emilios Alexandrou (0,01%).
- (3) The holding of Loukis Ioannou includes his direct share (0,008%) and his indirect holding arising from the shares owned by his father Christakis Ioannou (0,006%).
- (4) The holding of Marios Savvides includes his direct share (0,06%) and his indirect holding arising from the shares owned by his wife Jane Savvides (0,36%).



## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

The table below shows the 10-year development of total incurred claims for all insurance classes for accident years between 2009 and 2025. The table also shows cumulative claim payments for each accident year, so as to distinguish clearly the part of incurred claims which has been settled and the part which remains outstanding at the reporting date.

The percentage difference represents the percentage of the difference between the initial claim reserve at the year of accident and the cumulative claim reserve at the reporting date.

Accident Year	0	1	2	3	4	5	6	7	8	9	10	Cumulative claim reserves	Cumulative claim payments	Outstanding claims	% Difference	Cumulative claim reserves
2009	8.850	776	-182	-143	18	-1	72	-11	-45	5	-69	9.271	9.235	148	4,5%	421
2010	8.842	1.023	660	100	-348	-250	-65	-14	2	9	39	9.986	9.911	75	11,4%	1.143
2011	309.326	-167.027	28	52	123	-58	-11	-132	14	162	108	142.585	142.134	451	0,5%*	759*
2012	9.389	117	-57	-212	750	-65	-178	-5	-3	62	29	9.827	9.821	6	4,5%	439
2013	7.893	185	-73	29	-7	-55	-120	-17	35	22	-46	7.847	7.846	1	-0,6%	-47
2014	7.704	1.101	5	50	-22	490	-52	-16	-13	447	-25	9.669	9.652	17	20,3%	1.965
2015	8.048	928	177	7	-9	54	106	-10	32	63	-86	9.309	9.303	7	13,5%	1.261
2016	27.287	783	-3.972	-3.506	-7	27	-18	3	-72	15	0	20.540	20.419	121	3,7%**	768**
2017	7.364	852	63	97	-19	-214	-71	-18	6	0	0	8.059	7.627	432	8,6%	695
2018	8.655	419	237	535	126	14	-113	-30	0	0	0	9.843	8.896	947	12,1%	1.188
2019	9.324	-219	-10	-59	-114	-61	-4	0	0	0	0	8.857	8.554	303	-5,3%	-468
2020	7.706	412	-278	125	-7	0	0	0	0	0	0	7.958	7.290	668	3,2%	252
2021	7.888	413	-184	-267	-46	0	0	0	0	0	0	7.804	7.286	518	-1,1%	-84
2022	9.090	95	-32	-90	0	0	0	0	0	0	0	9.063	8.551	512	-0,3%	-27
2023	8.547	736	-426	0	0	0	0	0	0	0	0	8.857	8.095	762	3,5%	310
2024	9.626	490	0	0	0	0	0	0	0	0	0	10.116	8.702	1.414	4,8%	489
2025	9.591	0	0	0	0	0	0	0	0	0	0	9.591	6.707	2.880	0,0%	-
												299.180	290.029	9.181	5,4%	9.064
Liabilities for claims not reported and settlement costs														2.470		
Effect of discounting														(372)		
Effect of non-financial risk adjustment														590		
<b>Gross liabilities for incurred claims</b>														<b>11.869</b>		

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

## Currency risk

Currency risk is the risk that the value of financial instruments and financial assets and liabilities will fluctuate as a result of changes in exchange rates. The Group and the Company are subject to foreign exchange risk on bank deposits and financial assets held for trading in foreign currencies.

The Management uses methods of calculation of foreign exchange risk exposures and appropriate limit structures to control and reduce foreign exchange risk and also considers hedging alternatives. In managing foreign exchange risk, the Risk Management Committee has approved maximum acceptable limits for the aggregate open foreign exchange position as well as maximum exposure limits for each currency.

The Company's current exposure to foreign exchange risk against specified tolerance limits is monitored by the Risk Management Function which submits a quarterly monitoring report to the Risk Management Committee of the Board.

The Group's exposure to currency risk at 31 December 2025 is shown below:

	Euro €'000	US Dollar €'000	Total €'000
<b>Assets</b>			
Debtors and other receivables	3.255	-	3.255
Financial assets at fair value through profit or loss	70.744	10.785	81.529
Fixed term bank deposits	330	-	330
Cash and bank balances	1.944	44	1.988
Other assets	15.816	-	15.816
<b>Total assets</b>	<b>92.089</b>	<b>10.829</b>	<b>102.918</b>
<b>Liabilities</b>			
Liabilities	21.082	-	21.082
<b>Net assets</b>	<b>71.007</b>	<b>10.829</b>	<b>81.836</b>
	86,8%	13,2%	100,0%
Hedging derivatives	5.000	(5.000)	-
	<b>76.007</b>	<b>5.829</b>	<b>81.836</b>

A potential strengthening of the euro by 5% against the other main currencies in which the Group had exposure as at 31 December 2025 would result in a reduction in the fair value of the total assets and the recognition of exchange losses of €291 thousand which amounts to 0,4% of the Group's own funds and 1,4% of the profit attributable to the shareholders. Correspondingly, any weakening of the Euro against the above currencies by 5% would have an equal but opposite effect, provided that all other parameters remain constant.

The table below presents a sensitivity analysis to currency risk arising from the financial instruments held by the group.

	Exchange rate movement	Impact in profits after tax
	%	€'000
USA dollar	-5%	-291

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

**Credit risk**

Credit risk is the risk arising from the non-fulfilment of the obligations of the respective parties to the transactions and arises mainly from the customer and intermediaries' balances of the Group and the Company.

The Group and the Company adopt appropriate credit control principles and ensure the adherence of the relevant procedures for monitoring and controlling of credit risk exposures. Additionally, the Group and the Company reduce the concentration of credit risk by undertaking their operations with a large number of clients and insurance agents. The Company has set maximum tolerance credit risk limits and quarterly risk monitoring procedures against these limits. The risk monitoring report is prepared by the Risk Management Function and is submitted for approval to the Risk Management Committee of the Board of Directors.

The tables below show the maximum credit risk exposure of various assets according to their long-term credit ratings as determined by Moody's:

<b>31 December 2025</b>	<b>Aa1-A3</b>	<b>Baa1-B3</b>	<b>Caa1-Caa3</b>	<b>Unrated</b>	<b>Total</b>
	€'000	€'000	€'000	€'000	€'000
Debtors and other receivables	-	-	-	3,255	<b>3,255</b>
Assets from reinsurance contracts	2,992	-	-	98	<b>3,090</b>
Fixed term bank deposits	-	196	-	134	<b>330</b>
Cash and bank balances	478	831	-	679	<b>1,988</b>
<b>Total</b>	<b>3,470</b>	<b>1,027</b>	<b>-</b>	<b>4,166</b>	<b>8,663</b>

<b>31 December 2024</b>	<b>Aa1-A3</b>	<b>Baa1-B3</b>	<b>Caa1-Caa3</b>	<b>Unrated</b>	<b>Total</b>
	€'000	€'000	€'000	€'000	€'000
Debtors and other receivables	-	-	-	3,534	<b>3,534</b>
Assets from reinsurance contracts	2,758	-	-	12	<b>2,770</b>
Fixed term bank deposits	1,200	298	-	233	<b>1,731</b>
Cash and bank balances	610	631	-	2,539	<b>3,780</b>
<b>Total</b>	<b>4,568</b>	<b>929</b>	<b>-</b>	<b>6,318</b>	<b>11,815</b>

The Company carries out transactions with a large number of clients, agents and brokers and hence a satisfactory level of credit risk diversification is achieved. Credit risk is also reduced because debtors are systematically monitored and, where appropriate, provision is made for doubtful debts. During 2025 there was a net reversal of provision for doubtful debts of €189 thousand compared to a reversal of provision of €116 thousand in 2024.

The Group estimates that the fair value of trade and other receivables does not differ significantly from the carrying amounts in the consolidated financial statements.

The current carrying amounts of the Group's assets are analysed in the following table by credit rating:

<b>Financial assets</b>	<b>Total</b>	<b>Credit rating</b>			
		<b>Aa1-A3</b>	<b>Baa1-B3</b>	<b>Caa1-Caa3</b>	<b>Unrated</b>
	€'000	€'000	€'000	€'000	€'000
Cash and bank deposits	2,318	478	1,027	-	813
Short-term government bills	5,840	5,840	-	-	-
Accounts receivable and other receivables	3,255	-	-	-	3,255
Bonds	33,535	24,082	9,453	-	-
Stocks	21,115	1,364	14,173	-	5,578
International equity funds	18,209	7,452	-	-	10,757
Alternative investments (Hedge Funds)	2,830	-	-	-	2,830
	<b>87,102</b>	<b>39,216</b>	<b>24,653</b>	<b>-</b>	<b>23,233</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

## Interest rate risk

The interest rate risk arises from the fluctuation in the value of financial instruments and of net financing income of the Group and the Company due to changes in market interest rates. The Group is exposed to interest rate risk with respect to the bonds and capital securities it holds, bank deposits and bank overdrafts and short-term loans. Income and cash flows from operations are affected by changes in market interest rates since the Group has significant interest-bearing assets. The management monitors interest rate fluctuations on a continuous basis and acts accordingly.

The financial instruments held by the Group which are closely related to market interest rates are analyzed below:

	€'000
<b>Financial instruments bearing fixed interest rates</b>	
Bonds and capital securities	39.375
	<b>39.375</b>
<b>Financial instruments bearing variable interest rates</b>	
Fixed term deposits and notice accounts	330
Current and trading accounts and cash	1.988
	<b>2.318</b>
	<b>41.693</b>

A possible reduction of interest rates by one percentage point (1,0%) compared to the average interest rates of the year would result in a decrease in net finance income of about €2 thousand. For the purposes of this analysis, we assume that all other variables remain constant.

A possible increase in interest rates by the same percentage would have an equal but opposite effect on the profit before tax.

**Liquidity risk**

Liquidity risk is the risk of insufficient available cash to meet the Group's liabilities as and when they fall due. Liquidity risk arises when the maturity of assets and liabilities does not coincide. When maturities do not coincide, profitability may increase but at the same time the risk of suffering losses may also increase.

The above risk is monitored and controlled through a well-developed liquidity management structure, consisting of various types of procedures and risk limits to ensure adherence with defined internal tolerance levels as well as with the minimum requirement of the competent supervisory authorities. The Management monitors the rolling cash flow forecasts of the Group (including unutilized cash and cash equivalents bank facilities) on the basis of expected cash flows.

The Risk Management Committee has established a minimum liquidity level to cover the Company's short-term liquidity needs (up to 90 days) plus a buffer to cover unexpected needs.

The Minimum Liquidity comprises only of the following assets:

- Cash, current and other instant access bank accounts
- Money Market funds
- Fixed term bank deposits that expire within 90 days and provide the right of termination
- Bonds maturing within 90 days

The Risk Management Committee has also set minimum acceptable limits for liquidity ratios. Additionally, the Risk Management Committee has approved a contingency liquidity plan which includes specific funding options to cover emergency liquidity requirements. The contingency plan is triggered if the Company's liquidity levels fall below the specified tolerance limits.

Compliance with the liquidity ratios is monitored on an ongoing basis by the Group's Chief Financial Officer. In addition, the Risk Management Function prepares a quarterly monitoring report of liquidity ratios against the minimum tolerance risk limits which is submitted for approval to the Risk Management Committee of the Board of Directors. Any limit violations are assessed and appropriate measures are taken to reduce current exposures within the approved risk limits.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

Analysis of financial assets and liabilities based on their remaining maturity:

Financial assets	2025			2024		
	Within 1 year €'000	Over 1 year €'000	Total €'000	Within 1 year	Over 1 year €'000	Total €'000
Financial assets at fair value through profit or loss	67.212	8.477	75.689	66.981	8.473	75.454
Assets from reinsurance contracts	3.090	-	3.090	3.090	-	3.090
Pool participation assets	122	512	634	122	512	634
Debtors and other receivables	3.162	93	3.255	1.017	-	1.017
Fixed term deposits	330	-	330	330	-	330
Cash and bank balances	1.988	-	1.988	1.780	-	1.780
<b>Total financial assets</b>	<b>75.904</b>	<b>9.082</b>	<b>84.986</b>	<b>73.320</b>	<b>8.985</b>	<b>82.305</b>
<b>Financial liabilities</b>						
Liabilities of insurance contracts	18.131	-	18.131	18.131	-	18.131
Bank overdrafts	10	-	10	10	-	10
Taxation	525	91	616	512	91	603
Other liabilities	2.326	-	2.326	1.878	-	1.878
<b>Total financial liabilities</b>	<b>20.992</b>	<b>91</b>	<b>21.083</b>	<b>20.531</b>	<b>91</b>	<b>20.622</b>

**Market risk**

The risk arises in relation to the Group's investments in equities, bonds and other investment securities and results from any adverse changes in the market prices of these securities.

This risk is managed by limiting the investment exposure of the Group based on defined limits, the assignment of investment management to professional managers, the wide diversification of the investment portfolio, the proper selection of investments and their timely liquidation whenever deemed necessary. The Executive Management and the Investment Committee set the investment strategy which is reviewed frequently taking into account the economic environment and the macroeconomic conditions as well as the Company's solvency situation and the underlying risks to which the Company is exposed. In addition, they monitor the developments in the financial markets and in co-operation with the professional investment advisors they change accordingly the investment positions of the Company.

The framework for the approval, control, management, monitoring and reporting of investment activities and related risks is set out in the Investment Risk Management Manual. The Board of Directors through the Risk Management Committee has set maximum risk exposure limits for each main class of investments as well as for each subcategory and issuer, ineligible investments, minimum issuer credit ratings for bonds, geographical risk limits and maximum exposure limits in foreign currency. The main objective of the above limits and restrictions is to ensure the wide diversification of the portfolio and to limit investment risk exposures to acceptable levels which are in line with the Company's overall risk appetite as determined by the Board.

The Risk Management Function prepares a quarterly monitoring report of the current investment risk exposures against the maximum risk tolerance limits which is submitted for approval to the Risk Management Committee of the Board of Directors. Any risk limit violations are assessed and appropriate measures are taken to limit the current exposure within the acceptable risk limits.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 31: Financial instruments and management of financial and insurance risks (continued)

The table below shows the Group's exposure to market risk as at 31 December 2024 and the impact on the fair value reserve and the profit for the year of a possible reduction in market values by 5% compared to the corresponding values as at 31 December 2024:

<i>Financial assets at fair value through profit or loss</i>	Fair value as at 31.12.2025	Impact on profits for the year
	€'000	€'000
Equities listed in CSE and ASE	17.713	886
Foreign equities, equity funds and hedge funds	19.489	974
Bonds	33.535	1.677
International real estate funds	1.665	83
Investments in gold and commodities	3.287	164
	<b>75.689</b>	<b>3.784</b>

The below table shows the impact on the profits for the year and on the Group's own funds from changes in the market values of the investments held by the Group as a result of logical negative changes in the relevant stock market indices, bond prices and commodity prices.

	Index / price change	Impact on profits for the year
	%	€'000
Cyprus stock exchange	15%	2.274
Athens stock exchange	15%	383
International equity markets	15%	2.415
International real estate funds	10%	166
Alternative investments	5%	141
International private equity funds	10%	56
Cyprus bonds	10%	475
International bonds	10%	2.879
Gold and commodities	10%	329
		<b>9.118</b>

## Note 32: Capital management

The management of the Group pursues prudent capital management aimed at achieving the following objectives:

- a) Ensure the Group's ability to continue as a going concern to safeguard the interests of shareholders and others.
- (b) Compliance with regulatory capital requirements.
- c) Maintain a strong capital base for the further development of the Group's activities.

The Company submits to the Superintendent of Insurance on a quarterly basis a Solvency Statement which is prepared in accordance with the provisions of the Insurance and Reinsurance Operations and Other Related Matters Laws and Regulations.

The Solvency II Directive introduced a uniform system for the calculation of capital requirements in all EU Member States by adopting risk management, corporate governance and transparency procedures, which are now considered necessary for the proper functioning of the market.

Solvency II is based on three pillars. The first pillar, which relates to the quantitative solvency requirements, aims at the adoption of a Minimum Solvency Capital requirement under which an insurance undertaking is subject to supervisory intervention and possible withdrawal of its licence and the desired Solvency Capital which it must hold depending on its size, the risks it undertakes and the quality of its balance sheet.

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 32: Capital management (continued)

The second pillar defines the quality standards of solvency, i.e. the corporate governance and internal control principles on which the risk assessment should be based. The third pillar sets out the requirements for publication and transparency of supervisory and financial information. Within the framework of the required transparency, the Company publishes its Solvency and Financial Condition Report on an annual basis.

<b>Solvency II Ratio II-€000</b>	<b>2025</b>	<b>2024</b>	<b>%</b>
Available eligible capital	<b>75.615</b>	61.112	<b>25,36%</b>
Solvency II capital required	<b>26.601</b>	24.521	<b>10,14%</b>
Minimum capital required	<b>6.650</b>	6.130	<b>10,15%</b>
<b>Solvency II ratio (SCR Ratio)</b>	<b>284,25%</b>	249,22%	
<b>Minimum capital required ratio (MCR Ratio)</b>	<b>1137,01%</b>	996,93%	

Within the framework of efficient capital management, the Company prepares its financial projections and a projected statement of equity and of eligible available capital for the next 3 years. The Company also performs a calculation of expected solvency capital requirements and of its solvency ratio for the next 3 years based on the Solvency II standard formula.

## Note 33: Fair Values

Fair value represents the amount at which an asset may be exchanged or an obligation may be repaid in the course of an ordinary business transaction. The Group uses the following hierarchy to determine and disclose fair value:

- Level 1: investments quoted based on stock market prices in active markets.
- Level 2: investments measured using valuation models in which all items that significantly affect fair value are based on observable market data.
- Level 3: Investments measured using valuation models in which items that significantly affect fair value are not based on observable market data.

For assets and liabilities recognized in the Consolidated Financial Statements at fair value, the Group determines whether transfers have been made between the levels in the hierarchy by reassessing the classification at the end of each period. The fair value level hierarchy analysis of financial instruments and of non-financial instruments which are measured on a fair value basis is presented below:

<b>2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Financial instruments</b>				
Financial assets at fair value through profit or loss	67.797	564	7.328	<b>75.689</b>
Short-term government treasury bills	5.841	-	-	<b>5.841</b>
Fixed term deposits	330	-	-	<b>330</b>
Cash and bank balances	1.988	-	-	<b>1.988</b>
	<b>75.956</b>	<b>564</b>	<b>7.328</b>	<b>83.848</b>
<b>Non-financial instruments which are measured on a fair value basis</b>				
Investment properties	-	-	4.979	<b>4.979</b>
Immovable property for own use	-	-	6.299	<b>6.299</b>
	-	-	<b>11.278</b>	<b>11.278</b>
<b>Total</b>	<b>75.956</b>	<b>564</b>	<b>18.606</b>	<b>95.126</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 33: Fair Values (continued)

2024	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>	€'000	€'000	€'000	€'000
Financial assets at fair value through profit or loss	50.066	703	6.881	<b>57.651</b>
Short-term government treasury bills	7.014	-	-	<b>7.014</b>
Fixed term deposits	1.731	-	-	<b>1.731</b>
Cash and bank balances	3.780	-	-	<b>3.780</b>
<b>Total</b>	<b>62.591</b>	<b>703</b>	<b>6.881</b>	<b>70.175</b>
<b>Non-financial instruments which are measured on a fair value basis</b>				
Investment properties	-	-	4.852	<b>4.852</b>
Immovable property for own use	-	-	6.236	<b>6.236</b>
	-	-	<b>11.088</b>	<b>11.088</b>
<b>Total</b>	<b>62.591</b>	<b>703</b>	<b>17.969</b>	<b>81.263</b>

The movement of the Group's financial instruments which are categorized at Level 3 is presented below:

	2025	2024
	€'000	€'000
1 January	<b>6.882</b>	1.133
Transfer from level 1	-	5.709
Disposals	<b>(100)</b>	-
Unrealised gains in the profit and loss account	<b>546</b>	40
<b>31 December</b>	<b>7.328</b>	6.882

The movement of non-financial instruments which are measured on a fair value basis is shown on notes 17 and 19.

In 2024 the investment in the Fincap Ventures AIF V.C.I.C. Plc / Crevalon investment fund was transferred from Level 1 to Level 3 for the reasons explained in note 20. There were no other significant transfers between Level 1 and Levels 2 and 3.

The following table presents the fair value of financial assets as at 31 December 2025:

Financial assets	Fair value	Change in fair value
	€'000	€'000
Cash, bank balances and bank deposits	2.318	-
Short-term government treasury bills	5.841	-
Debtors and other receivables	3.255	-
Bonds	33.535	283
Equities	21.115	1.756
International equity funds	18.209	2.631
Hedge Funds	2.830	(298)
	<b>87.103</b>	<b>4.372</b>

## ATLANTIC INSURANCE COMPANY PUBLIC LIMITED

## EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 33: Fair Values (continued)**

The following table provides information about the fair value and the carrying amount for the financial assets that the Group has determined that they do not have low credit risk.

<b>Financial assets</b>	<i>Fair value</i>	Book value
	€'000	€'000
Cash, bank balances and bank deposits	2.318	2.318
Short-term government treasury bills	5.840	5.840
Debtors and other receivables	3.255	3.255
Bonds	33.535	33.535
Equities	21.115	21.115
International equity funds	18.209	18.209
Hedge Funds	2.830	2.830
	<b>87.102</b>	<b>87.102</b>

**Note 34: Future capital commitments**

On 31 December 2025 the Company had the following future capital commitments in respect of foreign investments:

	€'000
North Haven Real Estate Fund VII Offshore Investors Global	-
North Haven Private Equity Asia III	53
	<b>53</b>

**Note 35: Events after the reporting date*****Geopolitical Situation in the Middle East***

The geopolitical situation in the Middle East escalated on February 28, 2026, due to the armed conflict. As of the date of approval of the financial statements, the conflict in the Middle East continues to unfold, as military action persists.

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

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

The effects on the Company and the Group depend to a large extent on the nature and duration of uncertain and unpredictable events, such as further military action and the reaction of global financial markets to ongoing developments.

The financial impact of the current crisis on the global economy and overall business activity cannot be estimated with reasonable certainty at this stage, due to the pace at which the crisis is unfolding and the high degree of uncertainty arising from the inability to reliably predict its outcome.

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

**ATLANTIC INSURANCE COMPANY PUBLIC LIMITED****EXTRACT FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Note 35: Events after the reporting date (Continued)**

The Company and the Group have no direct exposure to the Middle East, and therefore Management does not anticipate any impact. Although the Company and the Group have no direct exposure, the conflict may have negative repercussions on the Cypriot economy. Rising energy prices, exchange rate fluctuations, increased volatility in financial markets, disruptions in the supply chain, and rising inflationary pressures may indirectly affect the Company's and the Group's operations. Furthermore, potential negative impacts on the tourism sector, which is a key pillar of the Cypriot economy, may further affect economic activity and business conditions. The indirect consequences will depend on the extent and duration of the impact and remain unknown.

Management has reviewed the specific circumstances and risks to which the Company and the Group are exposed and has concluded that there is no material impact on the financial position, the financial performance, and the liquidity of the Company and the Group. The event is not expected to have an immediate material impact on business operations. Management will continue to closely monitor the situation in the event that the crisis persists.

***Tax Reform***

On December 31, 2025, Cyprus enacted significant tax reform measures aimed at boosting economic growth and improving tax compliance, with the majority of the changes taking effect on January 1, 2026. The tax reform includes amendments to six tax laws, specifically the Income Tax Law, the Special Contribution for Defence Law, the Capital Gains Tax Law, the Law on the Assessment and Collection of Taxes, the Law on the Collection of Taxes, and the Law on Stamp Duties. Among the changes is an increase in the corporate tax rate from 12.5% to 15%.

There were no other events subsequent to the reporting date that have materially affected the financial statements as at 31 December 2025.