

wefox Insurance AG

Annual Report 2023

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Management Report

2023 has been an important year for wefox Insurance AG having achieved several key milestones on its path to becoming a mature and profitable insurer:

- Gross Written Premiums strongly increased in 2023 vs. 2022 (+21%).
- Our Short-Term Absence product in Switzerland remains the major contributor of gross written premiums for wefox Insurance AG.
- wefox Insurance AG stopped the sale of Motor, Household and Private Liability products in Switzerland and Germany.
- In Germany, the e-Bike product proved to be successful with an increase of EUR 41 million in gross written premiums in 2023 compared to 2022.
- wefox Insurance AG stopped the sale of Motor policies in Italy.
- The Polish market developed strongly with a premium growth of 227%, the main driver being Motor MTPL insurance with a gross written premium increase of EUR 31 million.
- In parallel, wefox Insurance AG has continued to invest in capabilities and processes. Throughout 2023, wefox Insurance AG reviewed its underwriting and distribution strategy and started to implement targeted improvement initiatives to strengthen its claims capabilities. For 2024, we expect to see a material improvement in new business profitability as a result of these actions, which is a prerequisite to continue our successful growth trajectory and to accelerate the break even.
- Overall loss ratio improvements from 94% to 79%.

wefox Insurance AG is a subsidiary of wefox Group and benefits directly from the overall growth of wefox Group.

In 2023, wefox Insurance AG recorded gross written premiums of EUR 237 million, an increase of 21% vs. 2022.

Short-Term Absence gross written premiums slightly reduced in 2023 in Switzerland with EUR 113 million vs. 133 million, however still being the strongest product. wefox Insurance AG launched the Short-Term Absence group daily sickness insurance at the end of 2021 in cooperation with an external partner. Short-Term Absence is a well-established B2B insurance product exclusively sold in Switzerland which allows companies to cover the cost of employee salaries during sick leaves.

wefox Poland has delivered strong growth and more than tripled its gross written premiums to EUR 48 million from EUR 15 million in 2022.

Germany saw an increase in gross written premiums of 99% vs. 2022 to EUR 66 million, of which EUR 41 million was attributed to the e-Bike product.

wefox Insurance recorded operating expenses of EUR 32 million in 2023, an increase of 9% vs. 2022. Commission expenses grew by 63% to EUR 17 million, while personnel expenses decreased by 9% to EUR 5 million and expenses for shared services decreased by 40% to EUR 7 million. Previous years personnel expenses included material one-off items related to attrition.

The costs for insurance claims amounted to EUR 130 million in 2023 vs. EUR 79 million, which is reflective of the substantial increase in business volume also in the past years and the shift in business mix. In 2023, wefox Insurance AG did not experience material natural catastrophes.

As a result, wefox Insurance AG recorded a loss of EUR 36 million for the financial year 2023.

wefox Insurance AG's management sees 2023 as a pivotal year for the company and the strategy has changed from ambitious growth towards profitability and sustainability. Detailed action plans per country and line of business to reduce loss ratios are in place and will be systematically reviewed and adapted if needed. For markets and products where we expected the required profitability thresholds not to be achieved within reasonable time, the decision was made to stop new business, leaving the company primarily offering products for STA in Switzerland, E-Bike insurance Germany and Motor business in Poland, which still represent sizable addressable markets for wefox Insurance AG. As a consequence, the cost structure will be further optimized, and the company continues to implement targeted improvement initiatives to strengthen its claims capabilities. In the context of the measures adopted, wefox Insurance is on path to breaking even, with improvements becoming visible in 2024 already.

Vaduz, 28.03.2024

wefox Insurance AG



Chairman of the Board of Directors

Dr. Alexander Ospelt



Chief Executive Officer

Peter Huber

Balance sheet

In EUR thousand	Notes	31.12.2023	31.12.2022
Assets			
A.	Intangible assets		
IV.	Other intangible assets	1) 1.521	2.239
Total intangible assets		<u>1.521</u>	<u>2.239</u>
B.	Investments		
III.	Other investments	2) 272	371
Total investments		<u>272</u>	<u>371</u>
D.	Other accounts receivable		
I.	Accounts receivable from direct insurance business		
	1. from policyholders		
	a) from affiliated companies	42.666	6.158
	c) from other policyholders	92.853	101.436
	Total amount	3) <u>135.519</u>	<u>107.593</u>
II.	Accounts receivable on reinsurance business	13.226	5.963
III.	Other accounts receivable		
	a) from affiliated companies	1.047	831
	c) from other debtors	66	386
	Total amount	4) <u>1.112</u>	<u>1.217</u>
E.	Other assets		
I.	Tangible assets (excluding land and buildings) and inventories	1) 4	6
II.	Cash at bank and in hand	5) 35.044	64.538
IV.	Other assets	6) 1	1
Total other assets		<u>35.049</u>	<u>64.544</u>
F.	Prepayments and accrued income		
III.	Other prepayments and accrued income	7) 10.782	8.493
Total prepayments and accrued income		<u>10.782</u>	<u>8.493</u>
Total assets		197.481	190.421

In EUR thousand		Notes	31.12.2023	31.12.2022
Capital, reserves and liabilities				
A.	Capital and reserves			
I.	Called-up capital		5.550	5.550
II.	Organisation fund		12.850	12.850
III.	Capital reserves		95.169	74.769
V.	Profit or loss brought forward		-63.356	-31.231
VI.	Profit or loss for the financial year		-35.822	-32.114
	Total capital and reserves	8)	14.390	29.824
D.	Technical provisions	9)		
I.	Premiums brought forward			
	1. Gross amount		54.757	77.918
	2. Thereof: Share of reinsurers		-50.495	-24.459
	Net amount		4.262	53.459
III.	Provisions for unsettled insurance claims			
	1. Gross amount		121.022	63.275
	2. Thereof: Share of reinsurers		-25.641	-18.654
	Net amount		95.381	44.621
IV.	Provision for bonuses and rebates			
	1. Gross amount		27.571	13.160
	Net amount		27.571	13.160
V.	Equalisation provision		2.027	2.500
VI.	Other technical provisions			
	1. Gross amount		386	6.246
	2. Thereof: Share of reinsurers		-308	-1.714
	Net amount		77	4.532
	Total technical provisions	9)	129.317	118.272
F.	Other provisions			
II.	Tax provisions		7.451	1.735
III.	Other provisions		0	300
	Total other provisions	10)	7.451	2.035
H.	Other liabilities			
I.	Liabilities from direct insurance business	11)	1.116	1.883
II.	Accounts payable on reinsurance business		42.320	35.642
V.	Other liabilities			
	1. Tax liabilities		137	162
	2. Social security liabilities		221	275
	3. Amounts owed to affiliated undertakings		0	0
	5. Other liabilities to other creditors		50	39
	Total amount		409	476
	Total other liabilities		43.845	38.001
I.	Accruals and deferred income	12)	2.477	2.290
	Total capital, reserves and liabilities		197.481	190.421

It is hereby confirmed that the sum of EUR 129.317 thousand (previous year: EUR 118.272 thousand) shown in the balance sheet under the item for actuarial provisions has been calculated in accordance with the provisions of the Liechtenstein Insurance Supervision Ordinance ("VersAV").

Dario Santoro, Responsible Actuary

Income statement

In EUR thousand	Notes	2023	2022
I. Underwriting result for non-life insurance			
1. Premiums earned for own account			
a) Gross premiums written		236.896	195.911
b) Ceded reinsurance premiums		-97.739	-54.538
c) Change in gross premiums carried forward		12.851	-68.839
d) Change in reinsurers, share of gross premiums carried forward		24.511	17.998
Net amount	13)	176.518	90.531
4. Charges for insurance claims for own account			
aa) Gross amount		-143.751	-73.785
bb) Share of reinsurers		60.370	31.354
Net amount		-83.381	-42.431
b) Change in provisions for unsettled insurance claims			
aa) Gross amount		-53.090	-45.319
bb) Share of reinsurers		6.451	8.469
Net amount		-46.639	-36.850
Total amount	13)	-130.020	-79.280
5. Changes in other net technical provisions			
		9.159	0
6. Expenses for bonuses and rebates			
		-57.807	-14.144
7. Expenses for insurance operations for own account			
a) Acquisition costs		-17.284	-10.619
b) Administrative expenses		-18.070	-19.842
c) Commission received and profit-sharing on retroceded business		3.588	1.290
Total amount	14)	-31.766	-29.171
8. Other technical expenses			
		-4.701	-3.869
9. Change in equalisation provisions			
		488	191
Total underwriting result for non-life insurance		-38.128	-35.742
III. Ordinary activities			
1. Result of the technical account for non-life insurance			
		-38.128	-35.742
3. Investment income			
	15)	1.256	30
5. Investment expenses			
	16)	-1.020	-371
7. Other income from ordinary business activities			
	17)	0	208
8. Other expenses from ordinary business activities			
	18)	-13	-317
Result from ordinary activities		-37.905	-36.192
13. Tax on profit or loss			
		2.083	4.078
15. Profit or loss for the financial year		-35.822	-32.114

Notes

General accounting principles

Accounting and financial reporting

The annual financial statements are prepared in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR) of 20 January 1926, as amended on 1 July 2019, as well as the Insurance Supervision Act (ISA) of 12 June 2015, as amended on 1 August 2019, and the Insurance Supervision Ordinance (ISA) of 25 August 2015.

There are no deviations from the general valuation principles, accounting methods and accounting regulations according to PGR and VersAV.

The accounts are kept in EUR.

The balance sheet date for annual financial statements is 31 December.

Going concern

The annual report was prepared on a going concern basis. The management has considered all risks and carries out continuous monitoring. Normal management of the company takes place.

Conversion of foreign currencies

The foreign exchange rates below were used to translate foreign currencies into euros on the balance sheet date.

Exchange rates foreign currencies as of balance sheet date:

per 31.12.2022	CHF	1.0000000	EUR	1,0127095
per 31.12.2022	PLN	1.0000000	EUR	0,2136179
per 31.12.2023	CHF	1.0000000	EUR	1,0756157
per 31.12.2023	PLN	1.0000000	EUR	0,2302151

Valuation methods

Accruals are booked for claims that have occurred up to the reporting date, which represent an estimate of all future payments and claims handling costs to be made for these claims. The methods used to calculate the technical provisions are based on recognized actuarial methods and the knowledge of the specialists responsible for settling claims. Among other aspects, the experiences of the past years as well as the expectations for the future are taken into account. As a rule, chain-ladder-procedures are used. If these are not suitable in exceptional cases, other recognized procedures can also be used. The provisions are shown gross and net, i.e. before and after share of the reinsurer.

Intangible assets include development services which correspond to the services invoiced at the time of capitalization. The balance sheet item is amortised on a straight-line basis over five years.

Receivables from direct insurance business are carried at nominal value.

Prepaid expenses and deferred charges are carried at nominal value.

Notes to the financial statement

1) Intangible and tangible fixed assets

Intangible assets correspond to capitalized external services for software development.

EUR thousand	Assets				Depreciation			Balance
	31.12.2022	Purchases	Disposals	31.12.2023	31.12.2022	2023	31.12.2023	31.12.2023
Intangible assets								
Development expenses	4.705	139	0	4.844	-2.466	-857	-3.323	1.521
Total intangible assets	4.705	139	0	4.844	-2.466	-857	-3.323	1.521
Tangible assets								
Furniture	9	0	0	9	-4	-1	-5	4
Equipment and IT	8	0	0	8	-7	0	-8	0
Total tangible assets	17	0	0	17	-11	-1	-12	4

2) Investments

In the reporting period no loans have been granted to brokers or other counterparts. A value adjustment of 12% of the outstanding nominal value compared to the previous year's allowance has been booked as a default reserve.

A derivative in the form of an FX forward has been concluded at year end 2023 to minimize the risk of exchange rate losses on foreign currency holdings. The open balance is EUR 13 thousand (previous year: EUR 0)

3) Accounts receivable from direct insurance business

The receivables of EUR 135.519 thousand (previous year: EUR 107.593 thousand) correspond to the outstanding premium payments of the policyholders. Of this amount, EUR 86.184 thousand (previous year: EUR 95.048 thousand) was not yet due for payment as of the reporting date.

4) Other accounts receivable

This item includes prepayments for payable claims and receivables from other debtors related to premiums already collected which have not yet been transferred to wefox Insurance AG by the payment service providers as of the reporting date.

5) Cash at bank and in hand

wefox Insurance AG maintains various relationships with commercial banks in Liechtenstein, Germany, Poland and Switzerland to conduct its business.

6) Other assets

This position includes a rental deposit for the opened office in Warsaw.

7) Prepayments and accrued income

Prepayments and accrued income consist of prepaid consulting expenses as well as a discounted tax credit resulting from the losses of the financial years 2018 until 2023.

8) Capital and reserves

Capital and reserves changed as follows in the year under review:

EUR thousand	Called-up capital	Organisation fund	Capital reserves	Profit or loss brought forward	Total
Opening balance 01.01.2022	5.550	12.850	41.269	-31.231	28.438
Inflows / outflows			33.500		33.500
Annual results 2022				-32.114	-32.114
Balance as of 31.12.2022	5.550	12.850	74.769	-63.345	29.824
Balance per 01.01.2023	5.550	12.850	74.769	-63.345	29.824
Inflows / outflows			20.400		20.400
Currency adj. 2022				-11	-11
Annual results 2023				-35.822	-35.822
Balance as of 31.12.2023	5.550	12.850	95.169	-99.178	14.390

The share capital consists of EUR 5.550 thousand ordinary shares with a nominal value of EUR 1 each. The subscribed capital is fully paid up.

A total of EUR 20.400 thousand was contributed to the capital reserves of wefox Insurance AG in the year under review. These break down as follows:

02.02.2023: EUR 7.000 thousand

16.02.2023: EUR 5.000 thousand

07.06.2023: EUR 3.900 thousand

28.12.2023: EUR 4.500 thousand

9) Technical provisions

The technical provisions consist of accruals for unearned premiums from policies sold and provisions for reported and outstanding claims, considering contractual reinsurance.

EUR thousand	31.12.2022	+ / -	31.12.2023
Premiums brought forward			
Gross amount	77.918	-23.161	54.757
Thereof: Share of reinsurers	-24.459	-26.035	-50.495
Premiums brought forward, net	53.459	-49.197	4.262
Provisions for unsettled insurance claims			
Gross amount	63.275	57.747	121.022
Thereof: Share of reinsurers	-18.654	-6.988	-25.641
Provisions for unsettled insurance claims, net	44.621	50.759	95.381
Provision for bonuses and rebates			
Gross amount	13.160	14.410	27.571
Thereof: Share of reinsurers	0	0	0
Provision for bonuses and rebates, net	13.160	14.410	27.571
Equalisation provision	2.500	-473	2.027
Other technical provisions			
Gross amount	6.246	-5.860	386
Thereof: Share of reinsurers	-1.714	1.406	-308
Other technical provisions, net	4.532	-4.455	77
Total technical provisions	118.272	11.046	129.317

10) Other provisions - tax provisions and other provisions

This item includes insurance and fire protection taxes payable to Germany and Switzerland in the amount of EUR 7.451 thousand (previous year: EUR 1.735 thousand). The bonus program for policyholders as well as an ongoing legal dispute and other expenses resulted in the amount of EUR 0 thousand (previous year: EUR 300 thousand).

11) Liabilities from direct insurance business

This item includes brokerage commissions.

12) Accruals and deferred income

This item includes prepaid insurance premiums that have not yet been invoiced.

13) Earnings per insurance class

EUR thousand	Property & financial loss		Liability		Car		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Gross written premiums	156.239	130.230	1.319	1.762	79.339	63.919	236.896	195.911
Gross earned premiums	156.239	84.874	1.319	1.719	79.339	40.478	236.896	127.071
Gross claims incurred	- 162.577	- 81.204	- 1.748	- 1.266	- 83.958	- 55.178	- 248.283	- 137.648
Operating expenses for own account	- 8.170	- 3.046	- 481	- 1.911	- 23.116	- 24.214	- 31.766	- 29.171
Reinsurance balance	- 4.361	- 256	- 124	- 276	- 3.341	- 4.538	- 7.826	- 4.006

Operating expenses for own account consist of acquisition costs as well as administration expenses and commissions and profit shares received from ceded reinsurance business.

The reinsurance balance consists of ceded gross written premiums, ceded change in unearned premiums and ceded claims incurred.

Premium income broken down according to regional origin:

EUR thousand	2023	2022
Other EEA treaty states	123.571	63.309
Other states	113.326	132.601
Gross premiums written	236.896	195.911

14) Expenses for insurance operations for own account

EUR thousand	2023	2022
Personnel expenses		
Salaries	-4.185	-4.056
Pension fund contributions and other social benefits	-676	-657
Other personnel expenses	-29	-654
Total personnel expenses	-4.890	-5.367
Other Administrative expenses		
Services from affiliated companies	-6.508	-10.840
Consulting and audit	-1.986	-1.493
Rent expenses	-101	-84
Other operating expenses	-4.585	-2.058
Total administrative expenses	-13.180	-14.475
Acquisition expenses / brokerage commissions	-17.284	-10.619
Commissions received under the reinsurance program	3.588	1.290
Total operating expenses for own account	-31.766	-29.171

This item consists of the amounts of personnel expenses, administrative expenses, acquisition costs / brokerage commissions and the commission of the reinsurance program and amounts to EUR thousand (previous year: EUR thousand).

The auditing fees amounted to EUR 192 thousand for the year 2023.

15) Investment income

Interest payments on loans granted, fixed-term deposits and income from the derivative are carried under this item.

16) Investment expenses

This item includes bank interest and allowances on granted loans.

17) Other income from ordinary business activities

This item contains intercompany income.

18) Other expenses from ordinary business activities

This item contains expenses for restructuring activities.

Supplementary information about the financial statements

Number of employees

At the end of the reporting period, 25 employees (previous year: 36 employees) were employed by wefox Insurance AG.

Miscellaneous statements

In the reporting year, a sponsorship of CHF 84 thousand was granted to Liechtensteiner Skiverband (LSV). Dr. Alexander Ospelt, Chairman of the Board of Directors, was involved as president of the LSV and now as honorary member.

In the reporting year, Ospelt & Partner and Legacon rendered services for CHF 274 thousand. Dr. Alexander Ospelt, Chairman of the Board of Directors, is a Partner in this law firm and trust.

On the date of this financial statement, wefox Insurance AG secured credit letters from the following related parties. These bank guarantees are deemed eligible as Tier 2 capital for solvency purposes:

Date	Financial Institute	Amount - '000	Currency	Related Party
27.06.2023	LGT Bank AG	900	CHF	Alexander Ospelt (Chairman of BoD)
20.12.2023	LGT Bank AG	1.000	EUR	Alexander Ospelt (Chairman of BoD)
21.12.2023	Basler Kantonalbank	1.000	EUR	Jeton Topalli (form. wefox Schweiz Country Head)

On 27th of March 2024, wefox Insurance AG received a capital injection of EUR 5'750 thousand to strengthen the Capital reserves. There are no other matters requiring disclosure (PGR, Art. 1091ff & VersAV Note 1).

Proposed appropriation of available earnings

1. At the disposal of the general assembly

EUR thousand	2023	2022
Profit/loss carried forward from the previous year	-63.345	-31.231
Result from the financial year	-35.822	-32.114
Balance sheet profit/loss as of 31.12	-99.167	-63.345

2. Appropriation of the balance sheet result

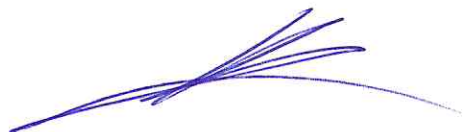
EUR thousand	2023	2022
Allocation to the statutory reserve		
Profit/loss carried forward	-99.167	-63.345
Balance sheet profit/loss as of 31.12	-99.167	-63.345

Vaduz, 28.03.2024

wefox Insurance AG



Chairman of the Board of Directors
Dr. Alexander Ospelt



Chief Insurance Officer
Peter Huber

wefox Insurance AG

Vaduz

Statutory auditor's report to the
General Meeting
on the financial statements 2023



Statutory auditor's report

to the General Meeting of wefox Insurance AG

Vaduz

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of wefox Insurance AG (the "Company"), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and the notes to the financial statements (excluding the footnote below the balance sheet).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for opinion

We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall materiality: EUR 1'900'000



We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As a key audit matter, the following area of focus has been identified:

- Provisions for unsettled insurance claims

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1'900'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, balance sheet metrics are more relevant for the involved stakeholders.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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

Provisions for unsettled insurance claims

Key audit matter	How our audit addressed the key audit matter
<p>In the financial statements, the Company reports EUR 121 million gross under the "Provisions for unsettled insurance claims" balance sheet item (so called claims provisions).</p> <p>Insurance companies are required to recognise claims provisions to the extent necessary in accordance with reasonable business judgment to ensure that they can meet their obligations from insurance contracts on a continuous basis. Defining assumptions for the purpose of measuring claims provisions requires the Board of Directors and Management, in addition to complying with the requirements of commercial and regulatory law, to make estimates of future events and to apply appropriate measurement methods.</p> <p>The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and assumptions made by the Board of Directors and Management. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of the claims provisions.</p> <p>Due to the material significance of the amounts of these provisions for the assets, liabilities and financial performance of the Company as well as the scope for judgment on the part of the Board of Directors and Management and the associated uncertainties in the estimations made, the measurement of the claims provisions is of particular significance in the context of our audit.</p> <p>The measurement model of the claims provisions are detailed in the notes to the financial statements on page 8 and further details on the position are provided on page 10.</p>	<p>As part of our audit we have worked with our internal actuarial specialists to assess the assumptions made by the Board of Directors and Management and used by the Company. In doing so, we based our assessment on our industry expertise and experience, among other things, and considered recognised methods.</p> <p>Depending on the risk profile and materiality considerations, we have performed the following types of audit procedures over the actuarially determined reserves of the Company:</p> <ul style="list-style-type: none">• Independent re-projections: A detailed calculation of best estimate reserves by our actuarial specialists based on data provided by the Company.• Assessment of methods and assumptions: A detailed assessment of the appropriateness of the methods and assumptions applied by the Company to determine the level of reserving. This includes inquiry of management and may include sensitivity analysis.• Diagnostics: These procedures include inquiry of management and analytical procedures (e.g. analysis and testing of key indicators, development of reserves and claims patterns). <p>For case reserves, we have selected samples of claims files and performed test of details over them. This includes testing the existence of the claim, review of the documentation in the claims file, adherence to reserving guidelines as well as the correct transfer of data and amounts to the accounting systems.</p> <p>Based on these audit procedures, we consider the models and assumptions used in the valuation of claims provisions as reasonable.</p>

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the financial statements, the management report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information in the annual report, and we do not express any form of assurance conclusion thereon.

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

If, on the basis of our work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further information pursuant to article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 27 March 2023. We have been the statutory auditor of the Company without interruption since the financial year ending 31 December 2018.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the financial statements or in the management report, in addition to the statutory audit for the audited company:

- Regulatory audit according to the Liechtenstein insurance regulation

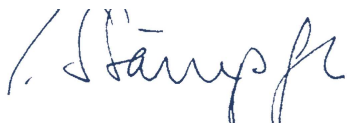
Further, we declare that no prohibited non-audit services pursuant to article 5 in accordance with article 10 para. 2 lit. f Regulation (EU) No. 537/2014 were provided.

Further confirmations according to article 196 PGR and article 54 para. 3 VerAV

The accompanying management report has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of available earnings comply with Liechtenstein law, the articles of incorporation and the regulatory requirements. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Michael Stämpfli

Liechtenstein Certified Public Accountant
Auditor in charge



Christian Konopka

Zurich, 28 March 2024

Enclosures:

- Management report
- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings