FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

ILLYRIA LIFE SH.A.

31 DECEMBER 2024

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Board of Directors of ILLYRIA LIFE SH.A

Opinion

We have audited the financial statements of **Illyria Life Sh.a (**the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year the ended in accordance with Rules and Regulations of the Central Bank of Kosova.

Basis for Opinion

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

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2A Basis of Preparation, which explains that these financial statements have been prepared in accordance with Rules and Regulations of the Central Bank of Kosova.

Other Information

Management is responsible for the other information disclosed in the Annex 1of the notes to the financial statements. The other information comprises supplementary schedules as prescribed by the rules and regulations of the Central Bank of the Republic of Kosova that include the "Solvency Margin", "Capital calculation" and "Adequacy of investments of assets covering mathematical reserves".

Our opinion on the financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- other information is, in all material respects, consistent with the audited financial statements;
- and based on our knowledge and understanding of the Company and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Rules and Regulation of Central Bank of the Republic of Kosovo, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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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 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 those charged with governance 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.

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ILLYRIA LIFE Sh.a
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

(All amounts expressed in EUR, unless otherwise stated)

	Note	2024	2023
Assets			
Cash and cash equivalents	8	670,639	586,982
Term deposits	9	4,320,923	2,590,008
Available for sale financial assets	9	13,775,288	14,140,716
Reinsurance share of insurance liabilities	10	89,822	53,993
Property and equipment, and intangible assets	11	819,324	787,512
Premium receivables and other assets	12	369,444	352,444
Deferred tax asset	25	750	750
Total Assets		**20,046,190**	**18,512,405**
Liabilities			
Insurance liabilities for losses and loss adjustment expenses	13	13,812,605	12,683,714
Unearned premium insurance liabilities	14	393,353	282,409
Deferred revenue	15	10,736	37,091
Leases liabilities	16	46,250	72,921
Income tax payable	17	54,359	21,919
Other liabilities	17	250,487	264,834
Total Liabilities		**14,567,790**	**13,362,888**
Equity			
Share capital	18	3,285,893	3,285,893
Fair value reserves		210,173	91,770
Retained earnings		1,271,854	1,136,650
Current year profit		710,480	635,204
Total Equity		**5,478,400**	**5,149,517**
Total Liabilities and Equity		**20,046,190**	**18,512,405**

The financial statement were authorized for issue on March 13, 2025.

Albin Podvorica

General Director

Zamira Ibrahimi

Head of Accounting and Finance

The notes on pages 5 to 38 are an integral part of these financial statements.

ILLYRIA LIFE Sh.a
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024
(All amounts expressed in EUR, unless otherwise stated)

	Note	2024	2023
Gross written premium	19	4,448,629	4,263,381
Change in the gross provision for unearned premium	14	(110,944)	16,502
Net Written Premium		**4,337,685**	**4,279,883**
Premiums ceded to reinsurer	20	(176,233)	(112,281)
Change in reinsurer share of provision for unearned premium	10	35,829	31,929
Net Insurance Premium Revenue		**4,197,281**	**4,199,531**
Interest income	9	631,309	516,553
Interest expenses		(5,374)	(2,584)
Reinsurance commission	21	15,186	9,790
Total Revenues		**4,838,402**	**4,723,290**
Change in Losses and loss adjustment liabilities	13	(1,128,891)	(1,651,654)
Policy acquisition costs	22	(670,227)	(617,665)
Claims expenses paid	13	(1,172,080)	(884,749)
Administrative expenses	23	(1,055,674)	(848,936)
Total Losses and Expenses		**(4,026,872)**	**(4,003,004)**
Profit before income tax		**811,530**	**720,286**
Income tax expense	25	(101,050)	(85,082)
Profit for the year		**710,480**	**635,204**
Other comprehensive income			
Net fair value gain/(loss) on available-for-sale financial assets during the year		118,403	537,243
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year		-	-
Total comprehensive income for the year		**828,883**	**1,172,447**

The notes on pages 5 to 38 are an integral part of these financial statements.

(All amounts expressed in EUR, unless otherwise stated)

	Share Capital	**Retained Earnings**	**Fair Value Reserve of AFS**	**Total**
Balance on 01 January 2023	**3,285,893**	**1,636,650**	**(445,473)**	**4,477,070**
Comprehensive Income for the Period				
Net profit for the year	-	635,204	-	**635,204**
Gain on revaluation of available for sale financial assets	-		537,243	**537,243**
Total Comprehensive Income	**-**	**635,204**	**537,243**	**1,172,447**
Dividend paid	-	(500,000)	-	(500,000)
Total Transactions with Owners Reported Directly in Equity	**-**	**(500,000)**	**-**	**(500,000)**
Balance on 31 December 2023	**3,285,893**	**1,771,854**	**91,770**	**5,149,517**
Balance on 1 January 2024	**3,285,893**	**1,771,854**	**91,770**	**5,149,517**
Comprehensive Income for the Period				
Net profit for the year	-	710,480		**710,480**
Loss on revaluation of available for sale securities	-		118,403	**118,403**
Total Comprehensive Income	**-**	**710,480**	**118,403**	**828,883**
Dividend paid	-	(500,000)	-	(500,000)
Total Transactions with Owners Reported Directly in Equity	**-**	**(500,000)**	**-**	**(500,000)**
Balance on 31 December 2024	**3,285,893**	**1,982,334**	**210,173**	**5,478,400**

The notes on pages 5 to 38 are an integral part of these financial statements.

(All amounts expressed in EUR, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities			
Profit for the period		**811,530**	**720,286**
Adjustments for:			
Depreciation and amortization	11	114,987	96,384
Increase in losses and loss adjustment insurance liabilities	13	1,128,891	1,651,654
Decreases in unearned premium insurance liabilities	14	110,944	(16,503)
Impairment of trade receivables	23	57,507	11,741
Interest expenses		5,374	2,584
Investment income	9	(631,309)	(516,553)
Cash flows from operating activities before changes in operating		**1,597,924**	**1,949,593**
Changes in operating assets and liabilities			
(Decrease)/Increase in reinsurance share of insurance liabilities	10	(35,829)	(31,929)
(Increase) in other assets, excluding accrued interest	12	(17,000)	(78,624)
Increase/(Decrease) in deferred revenue	15	(26,355)	31,602
Increases in other liabilities, excluding income tax payable	17	(14,347)	11,485
Cash flows generated from operations		**1,504,393**	**1,882,127**
Income tax paid		(58,191)	(92,753)
Net cash generated from operating activities		**1,446,202**	**1,789,380**
Cash flows from investing activities			
Purchase of property and equipment	11	(161,013)	(82,004)
(Increases) in term deposits	9	(1,730,915)	(1,310,700)
(Decrease) in Debt and other Fixed Income Securities	9	483,831	(1,021,443)
Interest received		577,597	513,969
Net cash from investing activities		**(830,500)**	**(1,900,178)**
Cash Flows from Financing Activities			
Dividend Paid	7	(500,000)	(500,000)
Repayment of borrowings and leasing liabilities	7	(26,671)	(31,744)
Interest paid		(5,374)	(2,584)
Net Cash from Financing Activities		**(532,045)**	**(534,328)**
Net (decrease)/increase in cash and cash equivalents		**83,657**	**(645,126)**
Cash and cash equivalents at the beginning of the year	8	586,982	1,232,108
Cash and cash equivalents at 31 December	8	**670,639**	**586,982**

The notes on pages 5 to 38 are an integral part of these financial statements.

1. REPORTING ENTITY

Illyria Life Sh.a. (formerly "Dukagjini Life", hereafter "Illyria Life" or "the Company") is a joint-stock company registered by the Kosovo Business Registration Agency on 28 August 2008. Illyria Life was the first licensed life insurance company in Kosovo and was established under UNMIK regulation 2001/25 and Rule 31 of Central Company of Kosovo on licensing of life insurance companies in Kosovo.

The Company is a wholly owned subsidiary of Pozavarovalnica Sava d.d." Save Re Group", a Slovenian company which is present in Kosovo through K.S. Illyria, Sh.a. and K.S.J. Illyria Life, Sh.a.

The Company operates from one building located at Mother Theresa Boulevard, no. 33, Prishtina, Kosovo. At 31 December 2024, the Company employed 66 staff and senior management (2023: 66).

2. BASIS OF PREPARATION

a. Statement of compliance

These financial statements have been prepared in accordance with Article 71 of the Law No. 05/L -045 on Insurances, dated 30 November 2015 and Central Bank of Kosova decision dated December 12, 2023 to postpone adoption of IFRS 17 Insurance Contracts until January 1, 2026. These financial statements are prepared for statutory purposes and reflect the accounting rules and regulations adopted by the Central Bank of the Republic of Kosova ("CBK Rules") as of reporting date. The principal accounting policies applied in the preparation of these financial statements are set out below and are based on the International Financial Reporting Standards, with exception of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments that will be adopted for the reporting period starting January 1, 2026. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The financial statements are prepared as of and for the years ended 31 December 2024 and 2023. Current and comparative data stated in these financial statements are expressed in Euro's, unless otherwise stated.

b. Basis of measurement

Financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

c. Functional and presentation currency

The financial statements are presented in Euro ("EUR"), which is the Company's presentation and functional currency.

d. Critical judgments in applying the accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. BASIS OF PREPARATION (CONTINUED)

d. Critical judgments in applying the accounting policies and key sources of estimation uncertainty (continued)

Recognition and measurement of insurance liabilities, technical reserves

Note 14 and 15 and note 6 *(Reserves and actuarial assumptions adequacy test)* and the respective accounting policy note 3.c (i) contain information about the assumptions and uncertainties related to insurance liabilities.

The most significant estimates in the financial statements of the Company relate to technical provisions. The Company has a reasonably cautious approach to provisioning. Management believes that the current level of technical reserves is sufficient.

Impairment losses on receivables

The Company reviews its insurance to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in the profit or loss, the management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows.

Estimation of fair values of Investment Securities

The fair value of investment securities is determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 6.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Adoption of new and revised international financial reporting standards

I. New standards and interpretations adopted in the current period

The following new amendments to the existing standards issued by the International Accounting Standards Board (IASB) are effective for the current reporting period:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The adoption of these amendments to the existing standards and interpretations has not led to any material changes in the Organization's financial statements.

II. Standards and interpretations in issue not yet effective

At the date of authorization of these financial statements the following standards, amendments to existing standards and new interpretation were in issue, but not yet effective or were not adopted by the Company as of their effective date:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Amendments to IFRS 9 and IFRS 7 regarding classification and measurement of financial instruments

b. Foreign currency

Foreign currency transactions, if any, are transactions undertaken by the Company other than in its functional currency. Foreign currency transactions are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Euro at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognized in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions.

c. Classification of insurance and investment contracts (liabilities)

Contracts under which the Company accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder against a specified uncertain future event (the insured event) which adversely affects the policyholder are classified as insurance contracts. Insurance risk is the risk other

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Classification of insurance and investment contracts (liabilities) (continued)

than financial risk. Financial risk is the risk of a possible future change in one or more of specified interest rate, security price, commodity price, foreign exchange rate, indexes of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable when the variable is not specific to a party to the contract. Contracts under which the transfer of insurance risk to the Company from the policy holder is not significant are classified as investment contracts. All contracts currently written by the Company involve the transfer of significant insurance risk.

d. Insurance contracts (liabilities)

i. Recognition and measurement

General insurance contracts

Insurance liabilities are calculated separately for all insurance products and are composed of premium contingency (unearned), risk contingency (unexpired) and loss contingency (not paid as at the closing date of the financial year). Insurance liabilities (provisions) represent estimates of future payments for reported and unreported claims. The Company does not discount its insurance liabilities. Any changes in estimates are reflected in results of operations in the period in which estimates are changed. Insurance liabilities estimation is a complex process dealing with uncertainty, requiring the use of informed estimates and judgments.

Mathematical reserves

Mathematical provisions for life insurance contracts represent the actuarial value of obligations arising from policyholders' guaranteed entitlements. In most cases, they are calculated using the net Zillmer method with the same parameters as those used for premium calculation, except for the discount rate applied, which was a technical interest rate not exceeding 2.75%. Other parameters are the same as those used in the premium calculation. Calculated negative liabilities arising out of mathematical provisions are set to nil. The Zillmer method was used for amortising acquisition costs. The calculation of mathematical provisions is based on the assumption that the full agent commission was paid at conclusion of the contract, while agents actually receive the commission within two to five years depending on the policy term. The mathematical provision includes all deferred commission. The Company sets aside deferred acquisition costs, showing them under assets in the event of commission prepayments, or shows the difference between the positive Zillmerised mathematical provision and the Zillmerised mathematical provision.

Revenue

Gross premiums on insurance contracts are recorded on written premium basis and are accreted to earnings on a pro-rata basis over the term of the related policy coverage. Gross written premium reflect business written during the year, and include applicable taxes or duties based on premiums. Premiums are earned from the date of attachment of risk, over the indemnity period, based on the pattern of the risks underwritten.

Unearned premiums

The provision for unearned premium comprises the proportion of gross premiums written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using pro-rata basis.

Claims (loss adjustments)

Claims incurred comprise the settlement and handling costs of paid and outstanding claims arising from events occurring during the financial year together with adjustments to prior year claims provisions.

Claims outstanding are assessed by reviewing individual claims and making allowance for claims incurred but not yet reported, the effect of both internal and external foreseeable events, such as the changes in claims handling procedures, inflation, judicial trends, legislative changes and past experience and trends. Provisions for claims outstanding are not discounted. Adjustments to claims provisions established in prior years are

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Insurance contracts (liabilities) (continued)

reflected in the financial statements of the period in which the adjustments are made and disclosed separately if material.

Whilst the Board of Directors considers that the insurance liabilities for claims and the related reinsurance recoveries are fairly stated, the ultimate liability may differ as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of the insurance liabilities are reflected in the financial statements for the period in which the adjustments are made. The life insurance provision has been computed by the Company's actuary, having due regard to principles laid down in the regulation for the calculation of the mathematical provision for life assurers, issued by the Insurance Regulator.

ii. Reinsurance assets

The Company cedes insurance premiums and risk in the normal course of business with net loss potential through the diversification of its risk. Assets and liabilities arising from ceded reinsurance contracts are presented separately as assets and liabilities from related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligation to its policy holders. The Company's reinsurance policy is established in order to limit its potential losses arising from longer exposures to Life insurance policies. Such reinsurance includes all insurance policies above certain limits of insured amounts.

Reinsurance premiums for ceded reinsurance are recognized as an expense on a basis that is consistent with the recognition basis for the premiums on the related insurance contracts. For general insurance business, reinsurance premiums are expensed over the period that the reinsurance coverage is provided based on the pattern of the reinsured risk. The unexpended portion of the ceded reinsurance premiums is included in the reinsurance assets. The amounts recognized as reinsurance assets are measured on a basis that is consistent with the measurement of the provision held in respect of the related insurance contracts.

Reinsurance receivables include reinsurance commission in respect of premiums ceded to the reinsurer. These are classified as receivables and are disclosed separately, if any.

Reinsurance assets are assessed for impairment at each reporting date. An asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due, and that the event has a reliable measurable impact on the amounts that the Company will receive.

iii. Insurance receivables and payables

Amounts due to and from policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables, and not in insurance contract provisions or reinsurance assets.

e. Financial instruments

Recognition

The Company initially recognizes loans, advances and deposits on the date that they originate. All other financial assets and liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Classification

See accounting policy 3. (e), (f) and (g).

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all risk or rewards of the transferred assets or a portion of them.

If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

Offsetting

Financial assets and liabilities are set off and the net amount presented when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

Fair Value measurement. Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. As at 31 December 2023 the Company used level 2 information to measure the value of Investment Securities" (see note 6).

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

Identification and measurement of impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For debt financial assets classified as available for sale, objective evidence of impairment includes observation of indications for default from debt instrument holders or any delay on payment of related interest income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reserved in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of the AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of the AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

f. Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with Banks and short-term highly liquid investments with maturities of three months or less when purchased.

g. Term deposits

Term deposits are stated at the amount of principal outstanding and are classified according to their maturities. Term deposits with maturities less than three months are classified as cash equivalents, those with maturities greater than three months are classified as term deposits. Interest is calculated on an accrual basis and interest receivable is reflected in other assets.

h. Other receivables

Other receivables are stated at their costs less impairment losses (see accounting policy 3.d.vii).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Property, plant and equipment

Property, plant and equipment are initially recognised at cost, including cost directly attributable to acquisition of the asset. Subsequently, the cost model is applied: assets are carried at cost, less any accumulated depreciation and any impairment losses.

Property and equipment assets are first depreciated upon their availability for use. Depreciation is calculated for each item separately, on a straight-line basis. Depreciation rates are determined so as to allow writing off the cost of property and equipment assets over their estimated useful life.

Depreciation and amortization

Depreciation and amortization on all categories of fixed assets is calculated on a straight-line basis over the estimated useful lives of the assets. The annual depreciation rates are:

Buildings and premises	1.30%
Computer equipment	33.33%
Office and other furniture	10%
Other equipment	20%
Software	20%

The Company assesses annually whether there is any indication of impairment. If there is, it starts the process of estimating the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell.

If the recoverable amount exceeds or is equal to the carrying amount, the asset is not impaired.

Gains and losses on the disposal of items of property and equipment, calculated as the difference between sales proceeds and carrying amounts, are included in profit or loss. The costs of property and equipment maintenance and repairs are recognised in profit or loss as incurred. Investments in property and equipment assets that increase future economic benefits are recognised in their carrying amount.

j. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

k. Provision

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.
Provisions are determined by discounting the expected future cash flows at pre tax rate. Provisions reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l. Revenue recognition

Earned Premiums from insurance contracts

The accounting policies for the recognition of revenue from insurance contracts are disclosed in note 3.c.(i).

Interest income

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Revenue recognition (continued)

Interest income represents income from financial assets and is recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

m. Employee benefits

Compulsory social security contributions

The Company makes only compulsory social security contributions that provide pension benefits for employees upon retirement. The Company's contributions to the pension plan are charged to profit or loss as incurred.

n. Policy acquisition costs

Acquisition costs are defined as the costs arising on the acquisition of new insurance contracts, including direct costs, such as acquisition commissions and the cost of drawing up the insurance document, and apportioned administrative expenses connected with processing of proposals and issuing of policies. Policy acquisition costs are expensed as incurred.

o. Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

p. Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Income tax

Corporate income tax

Effective 5 August 2019 in accordance with Law no. 06/L-105 "On Corporate Income Tax" insurance companies are required to pay a corporate income tax at 10 % at their taxable profits. The tax rate on taxable corporate income is fixed at 10%.

Current tax is calculated on the basis of the expected taxable profit for the financial year. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

The tax expense for the period comprises current and deferred tax if any. Tax is recognized in profit or loss, except if it arises from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination. Taxes other than income taxes are recorded within operating expenses.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax base used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. INSURANCE RISK MANAGEMENT

a. Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organizations that are directly subject to the risk. Such risks may relate to life or other perils that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Company also has exposure to market risk through its insurance and investment activities.

Insurance risk relates to the uncertainty in the insurance business. The significant components of insurance risk are premium risk and reserve risk. These risks affect the adequacy of insurance premium rates, insurance liability provisions and the capital base.

Premium risk is present when the policy is issued before any insured event has occurred. The risk is that expenses and incurred losses will be higher than the premium received. Reserve risk represents the risk that the absolute level of the technical provisions is incorrectly estimated.

Underwriting risk components of the life assurance business include biometric risk (comprising mortality and disability) and lapse risk. Lapse risk relates to unanticipated higher or lower rate of policy lapses, terminations, changes to paid-up status (cessation of premium payments) and surrenders. Mortality rates and guaranteed interest rates have the largest impact on the risk that the premium will not be sufficient to cover the expenses and incurred losses.

Guaranteed interest rates are capped, while the Company utilizes the most recent mortality rate tables available in Kosovo, which were produced by UNMIK in 2003 and adjusted in 2018 to reflect regional & group experience. They include separate statistics for both the male and female population.

Life assurance provisions are computed by the Company’s actuary for all long-term active insurance policies and those capitalized, pursuant to the Company’s internal policies and regulatory requirements. Provisions are computed utilizing the gross Zillmer method and are separately calculated for each policy. In applying the gross Zillmer method to calculate life assurance provisions, the Company includes acquisition costs, including alpha expenses within the limits prescribed by the Insurance regulator. Policy acquisition costs are not included in calculating life assurance provisions for insurances policies in which the insuring party is no longer required to pay premiums, such as capitalized insurance or single-premium insurance policies. Use of the gross method does not affect the disbursement of the agreed sum insured. The assumptions used for calculation of premiums are the same ones that are used for calculation of provisions.

b. Underwriting strategy

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing, product design and management of reinsurance.

The Company’s underwriting strategy seeks diversity to ensure a balanced portfolio and is based on a large portfolio of similar risks over a number of years, which reduces the variability of the outcome.

c. Reinsurance Strategy

The Company reinsures a portion of the risks it underwrites in order to control its exposure to losses and protect capital resources. The Company buys proportionate reinsurance treaties to reduce the net exposure for an individual risk to less than EUR 15,000 for all traditional life products & two riders, pertaining to accidental death and disability for policies written until 31 December 2020. The aforementioned retention is EUR 20,000 for policies written from 31 January 2021.

Ceded reinsurance contains credit risk and such reinsurance recoverable is reported after deductions for known uncollectible items. The Company monitors the financial condition of its reinsurer on an ongoing basis and reviews its reinsurance arrangements periodically.

4. INSURANCE RISK MANAGEMENT (CONTINUED)

d. Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below.

Products

The products offered by the Company are:

Mix Life, which is an endowment policy that pays the sum insured on the earlier of death of the insured or at the maturity date of the policy, which event occurs first.

Scholarship, which is an endowment policy that pays a fixed term annuity starting on the maturity date of the policy.

Term Life, which is a term policy that pays the sum insured on the earlier of death of the insured person.

Additional Death Coverage, a death benefit which is paid at the occurrence of death of the insured person. Not contracted separately, but only as a rider to the above noted Scholarship product.

Group Term Life, which provides coverage for death only during the term of the policy; and

Personal accidents (accidental death, invalidity, medical expenses, daily allowances), the benefit for which is payable upon the occurrence of any of the above listed events. Personal accident products are not sold separately, but are sold as riders to the main covers.

Credit Life, which provides coverage for death benefit if death happens during the term of the policy, which decreases with term according to policy stipulations.

The Company does not offer unit linked products.

Mix Life with Critical Illness, which is an endowment policy that pays the sum insured on the earlier of death of the insured or in case of the insured person being diagnosed with one of the critical illnesses covered by the product, or at the maturity date of the policy which event occurs first.

Term Life with Critical Illness, which is a term policy that pays the sum insured on the earlier of death of the insured person or in case of the insured person being diagnosed with one of the critical illnesses covered by the product.

Premiums

The premiums are paid in regular installments (monthly, quarterly, semi-annual and yearly premiums), but also as a lump sum. Premiums are denominated in EUR, and the Company is not exposed to currency risk.

Indexation is the increase of the sum insured during the term of insurance validity. Indexation is optional and can be purchased for an additional premium. For contracts that include the indexation option, indexation is performed every five years, unless the retail price index increased cumulatively by at least 10%. Indexation can only be performed up to five years before the expiry of the insurance contract. No indexation is performed during the last five years of the insurance contract.

Profit sharing

Policyholders of classical Mix Life (endowment policies) are entitled to a share of up to 85% of the profits generated by the Company while managing assurance funds. The remaining 15% of profits generated remain with the Company. The policyholder profit result is calculated based on the current year experience after deduction of investment income from capital fund and income tax. Due to positive policyholder profit result, an amount of EUR 91,727 net profit will be allocated to policies for year- ended 31 December 2024 (2023: 51,801 EUR).

Profit is calculated for each and every life insurance policy, which in accordance with the general conditions is eligible for participation in profit. Profit for policies which do not participate in profit sharing, remain with the Company. Profit allocated to policy holders are not paid out, instead it is included in the insured sum.

4. INSURANCE RISK MANAGEMENT (CONTINUED)

e. Concentration of insurance risks

An aspect of the insurance risk faced by the Company is the extent of concentration of insurance risk, which determines the extent to which a particular event or series of events could impact significantly upon the Company's liabilities. Concentrations of risk can arise in situations where the Company is exposed to unexpected changes in trends, for example, unexpected changes in human mortality or in policyholder behavior. The risks underwritten by the Company are located in the Republic of Kosovo. The Company is exposed to concentration risk through its Group Term Life policies. Management does not consider that there is a significant insurance risk concentration as of 31 December 2024.

Exposure relating to catastrophic events

The Company considers that in its major insurance activity it has not accumulated exposures related to catastrophic events.

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT

Transactions in financial instruments may result in the Company undertaking more financial risks. These include credit risk, market risk, currency risk and liquidity risk. Each of these financial risks is described below.

Determination of fair values

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments, if any, valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data;

Level 3: Valuation techniques using significant unobservable inputs. In addition, in this level are included investments in subsidiaries, associates and other equity shares stated at cost, that do not have reliable market value, if any.
Below is an analysis of financial instruments measured at or given disclosure of fair value according to valuation methods used in 2024 and 2023:

As of 31 December 2024:	**Level 1:**	**Level 2:**	**Level 3:**	**Total**
Investment securities	-	13,775,288	-	13,775,288
Total	**-**	**13,775,288**	**-**	**13,775,288**

As of 31 December 2023:	**Level 1:**	**Level 2:**	**Level 3:**	**Total**
Investment securities	-	14,140,716	-	14,140,716
Total	**-**	**14,140,716**	**-**	**14,140,716**

Financial assets not measured at fair value

The difference between carrying value and fair value of those financial assets and liabilities which are not presented in the Statement of financial position at their fair value are as follows:

As of 31 December 2024	**Carrying Value**	**Fair value**
Cash Equivalents	670,639	670,639
Term Deposits	4,320,923	4,320,923
Premium Receivables	331,886	331,886
TOTAL	**5,323,448**	**5,323,448**
As of 31 December 2023		
Cash Equivalents	586,982	586,982
Term Deposits	2,590,008	2,590,008
Premium Receivables	200,425	200,425
TOTAL	**3,377,415**	**3,377,415**

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

In the normal course of its business, as premiums are received, they are invested to pay for future policy holder obligations. The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of financial position.

	2024	2023
Cash Equivalents in Banks	670,521	586,299
Term Deposits	4,320,923	2,590,008
Available for sale financial assets	13,775,288	14,140,716
Premium receivables and other assets	370,194	353,194
As of 31 December	**19,136,926**	**17,670,217**

	2024	2023
Premium Ceded in Reinsurance	45,254	112,281
Reinsurance Commission	4,372	13,250
Receivables due from reinsurers for shares in reinsurance claims	-	-
Reinsurance share in unearned premium	89,822	53,993
Unearned commission	8,739	6,089

Terms Deposits and Cash and cash equivalents. All term deposits and cash held in current account are with Republic of Kosovo licensed banks. However, exposure to single bank should not exceed 30% of terms deposits according to Company policy and CBK regulations.

Investment in Government Bonds. The Company has significant concentration in investment securities, since all investments represent government bonds issued from Republic of Kosovo.

Premium receivable. The Company actively manages its product mix to ensure that there is no significant concentration of credit risk. The aging structure is presented under note 13.

Market risk

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices or foreign currency exchange rates.

Interest rate risk

Interest rate risk is comprised of the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and the risk that the maturities of interest-bearing assets differ from the maturities of the interest bearing liabilities used to fund those assets.

The length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk. The financial assets and liabilities of the Company carry market interest rates.

Risk Arising from Changes in Interest Rates

The Company's exposure to risks arising from changes in interest rates is relatively limited. The Company is not a borrower, and its investments are primarily focused on fixed interest rate instruments. The Company's exposure to risks from changes in interest rates is greater when considering future cash flows from interest bearing instruments if the returns from those investments fall below the guaranteed technical interest rate over a prolonged period of time.

Investments in available for sale financial assets and term deposits are at fixed interest rates.

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2024 Type of Financial Instrument	Non-Interest bearing	Fixed interest up to 1 year	Fixed interest 1 up to 5 years	Fixed interest over 5 years	Total
Cash Equivalents	670,521	-	-	-	**670,521**
Term Deposits	320,000	4,000,923	-	-	**4,320,923**
Available for sale financial assets	-	2,174,410	7,298,848	4,302,029	**13,775,288**
Premium receivables and other assets	370,194	-	-	-	**370,194**
Total	**1,360,715**	**6,175,333**	**7,298,848**	**4,302,029**	**19,136,926**

31 December 2024 Type of Financial Instrument	Non-Interest bearing	Fixed interest up to 1 year	Fixed interest 1 up to 5 years	Fixed interest over 1 year	Total
Insurance liabilities for Losses and loss adjustment expenses	13,812,605	-	-	-	**13,812,605**
Lease Liability	-	25,461	20,789	-	**46,250**
Other liabilities	250,487	-	-	-	**250,487**
Total	**14,063,092**	**25,461**	**20,789**	-	**14,109,342**

31 December 2023 Type of Financial Instrument	Non-Interest bearing	Fixed interest up to 1 year	Fixed interest 1 up to 5 years	Fixed interest over 5 years	Total
Cash Equivalents	586,299	-	-	-	**586,299**
Term Deposits	320,000	931,368	1,338,640	-	**2,590,008**
Available for sale financial assets	-	3,553,037	4,801,423	5,786,256	**14,140,716**
Premium receivables and other assets	353,194	-	-	-	**353,194**
Total	**1,259,493**	**4,484,405**	**6,140,063**	**5,786,256**	**17,670,217**

31 December 2023 Type of Financial Instrument	Non-Interest bearing	Fixed interest up to 1 year	Fixed interest 1 up to 5 years	Fixed interest over 1 year	Total
Insurance liabilities for Losses and loss adjustment expenses	12,683,714	-	-	-	**12,683,714**
Lease Liability	-	28,024	44,897	-	**72,921**
Other liabilities	264,834	-	-	-	**264,834**
Total	**12,948,548**	**28,024**	**44,897**	-	**13,021,469**

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

The Company undertakes transactions mainly in Euro to satisfy regulatory and self-imposed capital requirements. Currency risk in the investment portfolio is managed using assets/liabilities matching principles.

Liquidity risk

Liquidity risk is moderately inherent to the Company’s business as certain assets purchased and liabilities sold could have liquidity characteristics that are specific. If the Company requires significant amounts at short notice, in excess of normal cash requirements, it may face difficulties to obtain attractive prices. The Company monitors its liquidity on a daily basis in order to manage its obligations when they fall due.

Maturity Structure

The Company has to meet potential daily calls on its cash resources, notably from claims arising on its insurance contracts. This gives rise to the risk that cash will not be available to settle liabilities when due at a reasonable cost. The Company manages this risk by setting minimum limits on the proportion of maturing assets that will be available to settle these liabilities. The maturity structure of the financial assets of the Company presented below is based on the remaining term to maturity.

31 December 2024 **Type of Financial Instrument**	**No Maturity**	**Up to 1 Year**	**Over 1 to 5 Years**	**Over 5 Years**	**Total**
Cash Equivalents	-	670,521	-	-	**670,521**
Term Deposits	320,000	4,000,923	-	-	**4,320,923**
Investment securities	-	2,174,410	7,298,848	4,302,029	**13,775,288**
Premium receivables and other assets	-	370,194	-	-	**370,194**
Total	**320,000**	**7,216,048**	**7,298,848**	**4,302,029**	**19,136,926**

Financial items under no maturity are items deposited in the Central Bank of Kosovo in accordance with the regulation.

31 December 2024 **Type of Financial Instrument**	**No Maturity**	**Up to 1 Year**	**Over 1 Year**	**Over 5 Years**	**Total**
Insurance liabilities for Losses and loss adjustment expenses	-	481,879	1,804,516	11,526,165	**13,812,560**
Lease Liability	-	25,461	20,789	-	**46,250**
Other liabilities	-	250,487	-	-	**250,487**
Total		**757,827**	**1,825,305**	**11,526,165**	**14,109,297**

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2023 Type of Financial Instrument	No Maturity	Up to 1 Year	Over 1 to 5 Years	Over 5 Years	Total
Cash Equivalents	-	586,299	-	-	**586,299**
Term Deposits	320,000	931,368	1,338,640	-	**2,590,008**
Investment securities	-	3,553,037	8,379,562	2,208,117	**14,140,716**
Premium receivables and other assets	-	353,194	-	-	**353,194**
Total	**320,000**	**5,423,898**	**9,718,202**	**2,208,117**	**17,670,217**

Financial items under no maturity are items deposited in the Central Bank of Kosovo in accordance with the regulation.

31 December 2023 Type of Financial Instrument	No Maturity	Up to 1 Year	Over 1 Year	Over 5 Years	Total
Insurance liabilities for Losses and loss adjustment expenses	-	613,240	1,570,192	10,500,282	**12,683,714**
Lease Liability	-	28,024	44,897	-	**72,921**
Other liabilities	-	264,834	-	-	**264,834**
Total	-	**906,098**	**1,615,089**	**10,500,282**	**13,021,469**

Liquidity risk

31 December 2024 Type of Financial Instrument	Up to six months	6 months to one year	Over 1 Year	Non-interest bearing	Total
Cash Equivalents	670,521	-	-	-	670,521
Term Deposits	829,792	437,132	3,053,999	-	4,320,923
Debt And Other Fixed Income Securities	-	-	13,775,288	-	13,775,288
Premium receivables and other assets	370,194	-	-	-	370,194
Total	**1,870,507**	**437,132**	**16,829,287**	-	**19,136,926**

31 December 2024 Type of Financial Instrument	Up to six months	6 months to one year	Over 1 Year	Non-interest bearing	Total
Insurance liabilities for Losses and loss adjustment expenses	235,131	246,748	13,330,726	-	**13,812,605**
Lease Liability	12,731	16,195	17,324	-	**46,250**
Other liabilities	250,487	-	-	-	**250,487**
Total	**498,349**	**262,943**	**13,348,050**	-	**14,109,342**
Liquidity gap	**1,372,159**	**174,188**	**3,481,237**	-	**5,027,584**

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2023 Type of Financial Instrument	Up to six months	6 months to one year	Over 1 Year	Non-interest bearing	Total
Cash Equivalents	586,299	-	-	-	586,299
Term Deposits	1,233,652	17,716	1,338,640	-	2,590,008
Debt And Other Fixed Income Securities	-	-	14,140,716	-	14,140,716
Premium receivables and other assets	353,194	-	-	-	353,194
Total	**2,173,145**	**17,716**	**15,479,356**	-	**17,670,217**

31 December 2023 Type of Financial Instrument	Up to six months	6 months to one year	Over 1 Year	Non-interest bearing	Total
Insurance liabilities for Losses and loss adjustment expenses	365,730	247,510	12,070,474	-	**12,683,714**
Lease Liability	28,024	44,897	-	-	**72,921**
Other liabilities	264,834	-	-	-	**264,834**
Total	**658,588**	**292,407**	**12,070,474**	-	**13,021,469**
Liquidity gap	**1,514,557**	**(274,691)**	**3,408,882**	-	**4,648,748**

Reserves and actuarial assumptions adequacy test

The Company calculates and charges a life insurance reserve (mathematical reserve) to provide for future payments under long term insurance policies. Many factors affect the calculation of these reserves including, mortality, cancellations and technical interest. Life insurance reserve is calculated based on current assumptions for the basic parameters. The liability adequacy test is limited to analysis of the main parameters that have the most significant impact on the reserve calculation.

"Mortality" is the risk covered by all insurance products, underwritten by the Company.
"Mortality" risk occurrence data for 2024 including estimations used are as follows:

Number of people currently insured susceptible to the risk of death	18,752 people
Average age of people susceptible to the risk of death	48 years
Number of payments following deaths of insured in 2024	21 cases
Estimated number of deaths per 1000 people	5.63 cases
Actual number of deaths per 1000 people	0.021 deaths

Therefore, the actual "Mortality" risk occurrence shown on this table is below the expectation levels during 2024.

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Surrender

Surrenders can take place for the Mix and Scholarship Life Product. When the premium is calculated, the probability of surrender is taken into account. The estimated probability for surrender is highest in the third year at 5%, while leveling off in year twenty at 1%.

The Company’s product allows for surrender costs after the second year, if the policy term is shorter or equal to 15 years, and after the third year, if the policy term is greater than 15 years. In the year 2024, 433 (2023: 287) insured persons surrendered their policies, with the corresponding surrender value of EUR 808,714 (2023: EUR 542,902).

Technical Interest

The technical interest rate of 2.75% p.a is used for older policies written until 30 June 2018; 1.75% p.a for policies written from 1 July 2018 until 31 December 2020; and 1% p.a. for new policies written from 1 January 2021, which are also used when calculating the reserve. The technical interest rate is the minimum guaranteed return for every life insurance contract. There is a risk that income from investments will not cover the minimum guaranteed return. In 2024, the generated book return on investments (including mathematical reserves) covers the average guaranteed return, resulting in a positive policyholder profit.

The analysis of the actuarial parameters used in the calculation of the tariffs and life insurance reserves shows that the assumptions made are reliable and prudent. The favorable development of the risks compared to the expected values, guarantees that the reserves are adequately charged.

Reinsurance Risk

The Company cedes insurance risk to limit exposure to underwriting losses under separate agreements for each type of insurance. These reinsurance agreements spread the risk and minimize the effect of losses. The amount of each risk retained depends on the Company’s evaluation of the specific risk, subject in certain circumstances to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

When selecting a reinsurer, the Company considers their credit quality The credit quality of the reinsurer is assessed from public rating information and from internal investigations. The current reinsurer has a Standard and Poor’s rating of A with a positive outlook, and an AM Best rating of A with a stable outlook.

Sensitivity Analysis

The main factors affecting the profit of the company are the level of claims ratio and expenses.

Simulation as at 31 December 2024	Profit / (Loss)	Net Equity	Required Guarantee Fund
Current	710,480	5,478,400	3,200,000
Claims Increase by (+32%)	669,385	5,437,305	3,200,000
Expenses Increase by (+24%)	457,118	5,225,038	3,200,000

Simulation as at 31 December 2023	Profit / (Loss)	Net Equity	Required Guarantee Fund
Current	635,204	4,612,273	3,200,000
Claims Increase by (+40%)	578,104	4,555,173	3,200,000
Expenses Increase by (+10%)	550,310	4,527,379	3,200,000

(All amounts expressed in EUR, unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity Analysis (continued)

The table above presents a simulation, taking into account changes to certain claims incurred or increases in expenses, and its effect on the Net Equity of the Company and the available solvency margin.

Operational Risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. Operational risk may arise with inadequate information system, technological errors, breach in the internal control, frauds, unforeseen circumstances and other problems having operational character in result of which there is a possibility of unexpected losses.

Operational risks arise from all operations of the Company. The purpose of the Company is to manage the operational risk in a way to achieve a balance between avoiding financial losses and reputation risk and the Company's effective cost management.

Other risks

Changes in governmental regulations in the business segments in which the Company operates may affect profitability. The insurance business is subject to comprehensive and developing supervision in Kosovo. The primary purpose of such regulations is to protect policyholders.

Changes in existing insurance laws and regulations may affect the way in which the Company conducts its business and the products offered. Additionally, the insurance laws or regulations adopted and amended from time to time may be more restrictive or may result in higher costs than current requirements.

Disclosures and estimation of fair values

Fair value estimates, if any, are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities not considered financial instruments.

6. FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

	Loans and receivables	Held to maturity	Available for sale	Fair value through profit or loss
Financial assets				
Cash and cash equivalents	670,639	-	-	-
Term deposits	4,320,923	-	-	-
Investment in government bonds	-	-	13,775,288	-
Premium receivable and other assets	370,194	-	-	-
As at December 31, 2024	**5,361,756**	**-**	**13,775,288**	**-**

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss
Financial liabilities		
Borrowings	-	-
Lease liabilities	46,250	-
Other liabilities	250,487	-
As at December 31, 2024	**296,737**	**-**

(All amounts expressed in EUR, unless otherwise stated)

6. FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES (CONTINUED)

	Loans and receivables	Held to maturity	Available for sale	Fair value through profit or loss
Financial assets				
Cash and cash equivalents	586,982	-	-	-
Term deposits	2,590,008	-	-	-
Investment in government bonds	-	-	14,140,716	-
Premium receivable and other assets	353,194	-	-	-
As at December 31, 2023	**3,530,184**	**-**	**14,140,716**	**-**

	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss
Financial liabilities		
Borrowings	-	-
Lease liabilities	72,921	-
Other liabilities	264,834	-
As at December 31, 2023	**337,755**	**-**

7. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 January 2024	Additions to IFRS 16	Cash flows	Declaration of Dividends	31 December 2024
Lease Liabilities	72,921	-	(26,671)		46,250
Dividends payable			(500,000)	500,000	-
Total liabilities from financing activities	**72,921**	**-**	**(526,671)**	**500,000**	**46,250**

	1 January 2023	Additions to IFRS 16	Cash flows	Declaration of Dividends	31 December 2023
Lease Liabilities	102,229	2,436	(31,744)	-	72,921
Dividends payable	-	-	(500,000)	500,000	-
Total liabilities from financing activities	**102,229**	**2,436**	**(531,744)**	**500,000**	**72,921**

8. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand	118	683
Cash equivalent at Banks	670,521	586,299
Total	**670,639**	**586,982**

Cash equivalent at Banks include current accounts of EUR 670,521 (2023: EUR 586,299) at Raiffeisen Bank, ProCredit Bank, TEB, NLB Prishtina, Banka për Biznes, Banka Kombëtare Tregtare, Banka Ekonomike, Ziraat Bank, IS Bank, Paysera, Credins Bank.

(All amounts expressed in EUR, unless otherwise stated)

9. TERM DEPOSITS, DEBT AND AVAILABLE FOR SALE FINANCIAL ASSETS

The breakdown of term deposits with maturities exceeding three months is as follows:

	31-Dec-24	31-Dec-23
NLB Prishtina	1,527,771	1,045,466
Banka Për Biznes	500,000	400,000
Banka Credins Kosove sh.a.	500,000	400,000
Banka Ekonomike sh.a., Prishtine	400,000	400,000
ProCredit Bank Kosova	500,000	-
Raiffeisen Bank Kosovo J.S.C.	500,000	-
Accrued interest	73,152	24,542
Cash Restricted in CBK	320,000	320,000
Total	**4,320,923**	**2,590,008**

The annual deposit interest rates with respect to 2024 term deposits ranged from 1.50% to 3.50% (2023: 1.50% to 3.48%).

Interest income from term deposits of EUR 83,728 (2023: EUR 34,197) was earned from term deposits. Withholding tax of 10% (2023: 10%) is applied to interest income and is withheld by the banks upon payment of interest to the Company. Interest income from term deposits is included in investment income.

The Company has assessed whether there are any impairment indications on the term deposits held as of December 31, 2024. No such indications were noted, considering that these investments are held at reputable commercial banks with a long history of stable credit standing in the market. At 31 December 2024 the company has a vast majority of its assets in Sovereign Debt Securities, held in custody with NLB Prishtina, as follows:

	31 December 2024	31 December 2023
KS Government Bonds – Available for Sale	13,775,288	14,140,716
Total	**13,775,288**	**14,140,716**

The Sovereign Debt Securities classified as Available for Sale have a stated Yield to Maturity of 2.11% - 6.39%. The Debt Securities have remaining maturities from 15 months up to 120 months.

The Company has assessed whether there is any impairment indication noted on the held debt securities. Since these are all government bonds issued from Kosova Government which has a good credit standing, no impairment indications has resulted and consequently recorded on the financial statements. The Sovereign Debt Securities have been designated as managed on fair value basis; Level 2 (please see Note 6.) and the increase in the fair value for the year ended 31 December 2024 amounted to EUR 118,403. The fair value of debt securities for the year ended 31 December 2023 increased for EUR 537,243.

Interest income of EUR 547,620 (2023: EUR 482,366) was earned from Sovereign Debt Securities.

(All amounts expressed in EUR, unless otherwise stated)

10. REINSURER SHARE OF INSURANCE LIABILITIES

At year end, the reinsurer's share of insurance liabilities is as follows:

	31 December 2024	Change for the period	31 December 2023
Reinsurer's share on insurance liability on unearned premium			
Capital life	81,195	35,332	45,864
Riders	8,627	497	8,129
	89,822	**35,829**	**53,993**
Reinsurance share on insurance liability on claims reserves	**-**	**-**	**-**
Total	**89,822**	**35,829**	**53,993**

(All amounts expressed in EUR, unless otherwise stated)

11. PROPERTY, PLANT, EQUIPMENT AND INTANGIBILE ASSETS

	Buildings and Premises	Computer Equipment	Office and other Furniture	Other Equipment	Vehicles	Software	Right-of-use-assets Buildings	Right-of-use-assets Vehicles	Total
Cost									
Balance at 1 January 2023	**660,951**	**36,852**	**43,259**	**8,749**	**144,483**	**142,454**	**132,158**	**-**	**1,168,906**
Additions to the Right of use assets	-	-	-	-	-	-	-	-	-
Additions	-	1,290	3,953	1,700	62,700	12,362	-	-	82,005
Balance at 31 December 2023	**660,951**	**38,142**	**47,212**	**10,449**	**207,183**	**154,816**	**132,158**		**1,250,911**
Balance at 1 January 2024	**660,951**	**38,142**	**47,212**	**10,449**	**207,183**	**154,816**	**132,158**		**1,250,911**
Derecognition	-	-	-	-	(17,000)	-	-	-	(17,000)
Additions	-	3,790	-	3,741	88,890	63,128	-	-	159,549
Balance at 31 December 2024	**660,951**	**41,932**	**47,212**	**14,190**	**279,073**	**217,944**	**132,158**	**-**	**1,393,460**
Accumulated depreciation and amortization									
Balance at 1 January 2023	**(109,013)**	**(26,202)**	**(17,996)**	**(3,876)**	**(55,669)**	**(119,018)**	**(35,241)**	**-**	**(367,015)**
Charge for the year	(8,592)	(4,091)	(3,316)	(2,518)	(34,235)	(17,200)	(26,432)	-	(96,384)
Balance at 31 December 2023	**(117,605)**	**(30,293)**	**(21,312)**	**(6,394)**	**(89,904)**	**(136,218)**	**(61,673)**	**-**	**(463,399)**
Balance at 1 January 2024	**(117,605)**	**(30,293)**	**(21,312)**	**(6,394)**	**(89,904)**	**(136,218)**	**(61,673)**	**-**	**(463,399)**
Charge for the year	(8,593)	(2,098)	(3,364)	(2,836)	(51,346)	(20,318)	(26,432)	-	(114,987)
Disposal	-	-	-	-	4,250	-	-	-	4,250
Balance at 31 December 2024	**(126,198)**	**(32,391)**	**(24,676)**	**(9,230)**	**(137,000)**	**(156,536)**	**(88,105)**	**-**	**(574,136)**
Carrying amounts									
Balance at 31 December 2023	**543,346**	**7,849**	**25,900**	**4,055**	**117,279**	**18,598**	**70,485**	**-**	**787,512**
Balance at 31 December 2024	**534,753**	**9,541**	**22,536**	**4,960**	**142,073**	**61,408**	**44,053**	**-**	**819,324**

(All amounts expressed in EUR, unless otherwise stated)

12. PREMIUM RECEIVABLES AND OTHER ASSETS

	31-Dec-24	31-Dec-23
Premium receivables	580,900	391,930
Provision for Impairment	(249,013)	(191,505)
	331,887	**200,425**
Other		
Other assets	31,025	136,626
Due from Sava Re	4,372	13,250
Receivables from Employees	283	82
Deferred Acquisition Cost	2,627	2,811
	38,307	**152,769**
Total	**370,194**	**353,194**

Deferred Acquisition Cost ("DAC") is created only for rider products. DAC is calculated consistent with the unearned premium reserve using the pro-rata temporis method, for agents' commissions and CBK fees.

The age structure of insurance receivables as of 31 December 2024 and 2023 and related impairment is as follows:

	31-Dec-24		31-Dec-23	
	Gross amount	Impairment provision	Gross amount	Impairment provision
Up to 30 days	153,095	22,938	81,306	25,847
31 to 60 days	76,992	12,238	56,281	15,787
61 to 90 days	60,016	21,885	45,959	21,916
91 to 180 days	101,710	44,697	85,521	36,783
181 to 270 days	63,187	29,538	55,112	27,826
More than 270	125,900	117,717	67,751	63,347
	580,900	**249,013**	**391,930**	**191,505**

Movement of the impairment provision account for the periods considered is as follows:

	2024	2023
As at 01 January,	**191,505**	**179,764**
Impairment charge/(release) for the year (Note 23)	57,508	11,741
As at 31 December,	**249,013**	**191,505**

Impairment allowance for premium receivable is calculated as follow:

- Number of days past due, for every individual policy, whereas the days past due shall be calculated as the number of days the policy is in arrears.
- Historical observation of payment default for each grouping for the last two year

(All amounts expressed in EUR, unless otherwise stated)

12. PREMIUM RECEIVABLES AND OTHER ASSETS (CONTINUED)

Based on the analyses above, the % of unpaid premium receivable per each aging group is used to determine impairment per each group as summarized below:

Days in arrears	Provision rate
0-30 days	32%
31-60 days	28%
61-90 days	48%
91-180 days	43%
181-270 days	50%
Over 270 days	94%

13. INSURANCE LIABILITIES FOR LOSSES AND LOSS ADJUSTMENT EXPENSES

	2024	**2023**
Insurance liabilities for losses and loss adjustment expenses as of 1 January	12,683,714	11,032,060
Losses and loss adjustment expenses incurred	2,299,082	2,533,472
Reserves related to acquired insurance portfolios	1,889	2,931
Losses and loss adjustment expenses paid	(1,172,080)	(884,749)
Insurance liabilities for losses and loss adjustment expenses as at December 31	**13,812,605**	**12,683,714**

The insurance liabilities for losses and loss adjustment expenses consist of following:

	31 December 2024	**31 December 2023**
Life assurance provision	13,660,210	12,542,073
IBNR Reserves	131,448	121,560
RBNS Reserve	20,947	20,081
Total	**13,812,605**	**12,683,714**

The life insurance provision is recorded on a per policy basis using standard computation factors based on actuarial formulae, pricing assumptions on mortality and interest rates used.

A significant measure of experience and judgment is involved in assessing outstanding insurance liabilities; the ultimate costs cannot be assessed with certainty as at the reporting date. The insurance liabilities for losses and loss adjustment expenses are determined on the basis of information currently available; however, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent developments.

(All amounts expressed in EUR, unless otherwise stated)

14. UNEARNED PREMIUM INSURANCE LIABILITIES

Unearned premium reserve by product is comprised as follows:

Product	31 December 2024	Change for the period	31 December 2023
Capital life:			
Mix life assurance	126,341	(1,306)	127,647
Credit life assurance	241,481	115,809	125,672
Term life assurance	6,786	(747)	7,533
Scholarship	1,331	(726)	2,057
Group life assurance	4,995	(812)	5,807
Riders:			
Accidental death	5,397	(542)	5,939
Disability from accident	4,844	(528)	5,373
Daily compensation	28	(70)	99
Medical expense	2,150	(134)	2,282
Total	**393,353**	**110,944**	**282,409**

Product	31 December 2023	Change for the period	31 December 2022
Capital life:			
Mix life assurance	127,647	(26,390)	154,037
Credit life assurance	125,672	28,139	97,533
Term life assurance	7,533	(464)	7,997
Scholarship	2,057	109	1,948
Group life assurance	5,807	(15,943)	21,750
Riders:			
Accidental death	5,939	(1,333)	7,272
Disability from accident	5,373	(395)	5,768
Daily compensation	99	21	78
Medical expense	2,282	(247)	2,529
Total	**282,409**	**(16,502)**	**298,912**

15. DEFERRED REVENUE

	31 December 2024	31 December 2023
Premiums collected in advance	1,997	31,001
Unearned reinsurance commission	8,739	6,089
Total	**10,736**	**37,091**

Premiums collected in advance, represents payments by clients which are not due until after 31 of December 2024. Unearned reinsurance commission relates to commissions for unearned premiums at the reporting date.

(All amounts expressed in EUR, unless otherwise stated)

16. LEASE LIABILITIES

	31 December 2024	31 December 2023
Current	28,024	28,024
Non-current	18,226	44,897
Total	**46,250**	**72,921**

	31-Dec-23	Cash flow	Non-cash changes	31-Dec-24
Lease Liability	72,921	(26,671)	-	46,250
TOTAL	**72,921**	**(26,671)**	-	**46,250**

The Company has one building for office space. The lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The depreciation charged to profit and loss the year ended 31 December 2024 amount to EUR 26,432 whereas interest expenses charged in profit and loss amount to EUR 1,804.

As at 31 December 2024 and 2023, there are no restrictions or covenants imposed by leases. The extension option is included in the initial measurement of the lease liabilities. Leases have no specific extension options that are not already included in lease maturity determination.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of use of asses	No of Right of Use of assets leased	Range of remaining term	Average remaining lease term
Building	1	1.5 years	1.5 years

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2024 were as follows:

	Minimum lease payments due			
31 December 2024	**Within 1 Year**	**1-2 Years**	**Over 3 Years**	**Total**
Lease payments	28,024	22,592	-	50,616
Finance charges	(2,563)	(1,803)	-	(4,366)
Net present values	**25,461**	**20,789**	-	**46,250**

	Minimum lease payments due			
31 December 2023	**Within 1 Year**	**1-2 Years**	**Over 3 Years**	**Total**
Lease payments	31,441	28,475	21,569	**81,484**
Finance charges	(3,417)	(2,584)	(2,563)	**(8,563)**
Net present values	**28,024**	**25,891**	**19,006**	**72,921**

(All amounts expressed in EUR, unless otherwise stated)

17. OTHER LIABILITIES

Other liabilities comprise of:

	31 December 2024	31 December 2023
Due to Tax Authorities (see below)	8,959	5,017
Due to employees and pension contributions	58,700	51,188
Due to SAVA Re	45,254	112,281
Due to Illyria	-	1,178
Due to CBK	15,474	13,472
Other payables	122,100	81,698
Total	**250,487**	**264,834**

Due to Tax Authorities relates to the following:

	2024	2023
VAT Payable	4,422	773
Income Tax payable	54,359	21,919
Personnel income tax	4,537	4,244
Total	**63,318**	**26,936**

Other payables relate to certain administrative expenses, and payments made which at the 31st of December 2024, have been recognized, but have yet to be paid.

18. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company is EUR 3,285,000, comprised of 6,570 ordinary shares with a nominal value of EUR 500 each of which EUR 500 was paid by the reporting date. Share capital as at 31 December 2024 and 2023 consists of:

Shareholder	Number of shares	Nominal value per share	Paid capital per share	Nominal amount (EUR)	Paid amount (EUR)	Percentage
Sava RE	6,570	500	500	3,285,000	3,285,893	100.00%
Total	**6,570**	**500**	**500**	**3,285,000**	**3,285,893**	**100.00%**

During 2024 the Company has declared and paid dividend in amount of 500,000 EUR (2023:EUR 500,000)

(All amounts expressed in EUR, unless otherwise stated)

19. GROSS WRITTEN PREMIUMS

Gross written premiums (GWP) and premium tax by product at year end are comprised as follows:

	31 December 2024	**31 December 2023**
Product	**GWP**	**GWP**
Capital life:		
Mix life assurance	2,498,518	2,488,214
Credit life assurance	1,458,290	1,291,447
Term life assurance	48,137	55,140
Scholarship	52,044	73,464
Group life assurance	202,312	143,176
Critical illness assurance	267	-
Riders:		
Accidental death	82,385	89,974
Disability from accident	66,974	73,913
Daily compensation	350	871
Medical expense	37,815	40,300
Additions on term life	1,537	6,882
Total	**4,448,629**	**4,263,381**

20. PREMIUMS CEDED TO REINSURERS

Premiums as per products ceded to reinsurer at year end are comprised as follows:

Product	**31 December 2024**	**31 December 2023**
Capital life:		
Mix life assurance	19,539	19,870
Scholarship	17	**-**
Credit life assurance	120,884	65,235
Group life assurance	11,563	5,937
Riders:		
Accidental death	12,042	11,012
Disability from accident	8,478	7,314
Term Life	3,710	2,913
Total	**176,233**	**112,281**

(All amounts expressed in EUR, unless otherwise stated)

21. REINSURANCE COMMISSION

Reinsurance commission by product at year end is comprised as follows:

	31 December 2024	31 December 2023
Capital life:		
Mix life assurance	1,465	1,035
Credit Life	9,590	3,564
Group life assurance	345	1,139
Term Life	278	169
Riders:		
Accidental death	3,613	2,616
Disability from accident	2,543	1,642
Total reinsurance commission calculated	**17,834**	**10,165**
Unearned part of reinsurance commission	(2,648)	(375)
Total reinsurance commission	**15,186**	**9,790**

22. POLICY ACQUISITION COSTS

Policy acquisition costs at year end are comprised as follows:

	31 December 2024	31 December 2023
Agent commission, including tax and social expense	136,371	173,502
Agent- commissions Credit life product	471,289	383,854
Broker commission	-	706
CBK fees	62,384	59,583
Net movement of DAC	183	20
Total	**670,227**	**617,665**

During 2021 the Company introduced a new product "Credit Life" and signed an agreement with NLB Banka to sell insurance policies on the Company's behalf. By 2024, the Company further expanded its distribution network, for the aforementioned product, by signing an agreement with Raiffeisen Insurance Broker, who now also sells company products to Raiffeisen Bank clients on the Company's behalf.

23. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Administrative expenses at year end are comprised as follows:

	31 December 2024	31 December 2023
Payroll and related expenses (See note 24)	604,112	519,239
Professional service fees	29,313	26,843
Core System Maintenance	49,563	36,358
Depreciation and amortization	114,987	96,384
Travel and accommodation	45,951	23,668
Office supplies	12,117	9,173
Phone and postage expenses	4,213	4,119
Representation expenses	16,366	18,899
Bad debt release/expense	57,507	11,741
Other	121,545	102,512
Total	**1,055,674**	**848,936**

(All amounts expressed in EUR, unless otherwise stated)

23. ADMINISTRATIVE AND OTHER OPERATING EXPENSES(CONTINUED)

Audit fees

For the year ended December 31, 2024, contracted fees for the audit services were as follows:

	2024	2023
Audit fees for statutory reporting	9,100	9,100
Other audit related fees for group purposes	9,100	9,100
Review report for regulatory purposes	-	-
Other fees related to permissible NAS	-	-
Total	**18,200**	**18,200**

24. PAYROLL AND RELATED EXPENSES

	31 December 2024	31 December 2023
Net salaries	459,082	389,604
Withholding income tax	52,719	45,119
Social insurance	41,735	39,007
Accrued Expenses for Bonuses	50,576	45,509
Total	**604,112**	**519,239**

25. INCOME TAX

	31 December 2024	31 December 2023
Income tax expense	101,050	85,082
Deferred tax (credit)/expense	(750)	(750)
Total	**101,300**	**84,332**

Corporate income tax

Insurance Companies are liable to tax on profit with the new Law no. 06/L-105 “On Corporate Income Tax” which is effective from 5 August 2019. In accordance with the Law insurance companies are required to pay the corporate income tax at 10 % at their taxable profits. The tax rate on taxable corporate income is fixed at 10%.

The Company is required to pay income tax on the taxable profit, as calculated in the annual Income Tax Return Statement. The charge for the year can be reconciled to the profit and loss as follows:

	31 December 2024	31 December 2023
Profit for the year	**811,530**	**720,286**
Tax rate at 10%	**81,153**	**72,029**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	83,032	64,710
Tax effect of amounts which are exempt in calculating taxable income	(63,135)	(51,657)
Income tax expenses for the period	**101,050**	**85,082**

Differences between the IFRS financial statements and the Kosovo taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for reporting purposes and for tax purposes. The tax effect of these temporary differences is calculated at the income tax rate of 10%.

(All amounts expressed in EUR, unless otherwise stated)

	1 January 2024	Charged/(Credited) to profit or loss	31 December 2024
Tax effect of deductible/(taxable) temporary difference			
Property plant and equipment	-	-	-
Lease liabilities	-	-	-
Right-of-use assets	-	-	-
Net deferred tax asset/(liability)	**750**	**-**	**750**

26. COMMITMENT AND CONTINGENCIES

Legal

The Company is involved in routine legal procedures in the ordinary course of business. There are no outstanding lawsuits as at 31 December 2024 and 2023.

There are no additional known commitments or contingencies as at 31 December 2024.

27. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its shareholders, sister company, board of directors and management. The following are the Company’s related parties and the respective relationships:

- Sava RE. – Parent Company (100%);
- Rok Moljk, Chairman of the Board of Diectors (BoD);
- Milan Viršek, member of the BoD;
- Ilirijana Dzeladini, member of the BoD;
- Maja Jerič, member of the BoD;
- Albert Lumezi, member of the BoD;
- Albin Podvorica, member of the BoD and General Director of the Company.

Transactions with related parties

A summary of related party transactions, conducted on an arm’s length basis, for the years ended 31 December 2024 and 2023 are as follows:

	31 December 2024	31 December 2023
Key management personnel remuneration	164,515	160,171
Due to Sava RE	45,254	112,281
Due from Sava RE	4,372	13,250
Due to Illyria	-	1,178
Due from Illyria	196	478

Transactions with parent company

The Company has a reinsurance contract with Sava Re which is also the Company’s 100% shareholder.

During 2024 the Company ceded EUR 176,234 (2023: EUR 112,281) to Sava Re related to gross written premiums contracted during 2024. The amount for the last quarter remains outstanding to be paid to SAVA RE as at 31 December 2024. See note 20 for details of premiums ceded to SAVA RE by life assurance products.

28. SUBSEQUENT EVENTS

There were no events after the reporting date that would require adjustment or disclosure in these financial statements.

ANNEX 1 Supplementary Schedules

(All amounts expressed in EUR, unless otherwise stated)

Table 1: Solvency Calculation

Description	2024	2023
Available Solvency Margin (Table 2)	5,416,990	5,130,918
Guarantee Fund	3,200,000	3,200,000
I. Insurance Products Prescribed by Section 12(2)		
First Result	543,102	496,062
Second Result	519,983	425,005
Required Solvency Margin	**1,063,085**	**921,067**
II. Insurance Products Prescribed by Section 12(3)		
Premium Result	34,267	38,501
Claims Result	6,486	6,601
Required Solvency Margin	**34,267**	**38,501**
Total Required Solvency Margin	**1,097,352**	**959,568**
Excess/Deficit of Solvency	4,319,639	4,173,350
Guarantee Fund	**3,200,000**	**3,200,000**
Excess/Deficit Of Guarantee Fund	**2,216,990**	**971,350**

(All amounts expressed in EUR, unless otherwise stated)

Table 2: Available Solvency Margin

Description	2024	2023
Section 11.2		
Paid-Up Share Capital	3,285,893	3,285,893
Treasury Shares (-)	-	-
Reserves	210,173	91,770
Revaluation Reserves	210,173	91,770
Reserves For Deferred Tax Assets	-	-
Other Reserves	-	-
Retained Earnings	1,271,854	1,136,650
Net Profit To Be Paid:	710,480	635,204
Total Section 11.2	**5,478,400**	**5,149,517**
Section 11.3		
Preferential Share Capital And Subordinated Loan Capital:	-	-
Preferred Share Capital With Fixed Maturity	-	-
Preferred Share Capital Without Fixed Maturity	-	-
Subordinated Loan Capital With Fixed Maturity	-	-
Subordinated Loan Capital Without Fixed Maturity	-	-
Securities With No Specified Maturity Date And Other Instruments	-	-
Total Section 11.3	-	-
Deductions		
Intangible Assets	61,409	18,598
Total Deductions	**61,409**	**18,598**
Available Solvency Margin	**5,416,990**	**5,130,918**
Guarantee Fund	**3,200,000**	**3,200,000**

(All amounts expressed in EUR, unless otherwise stated)

Table 3: Required Solvency Margin

Description	**2024**	**2023**
I. Insurance Products Prescribed by Section 12(2)		
Gross Mathematical Provisions	13,577,536	12,401,557
Gross Mathematical Provisions (Ceded Reinsurance)	-	-
First Result	**543,101**	**496,062**
Capital At Risk		
Temporary Insurance of Death with Term: < 3Yrs	30,293,075	23,036,415
Temporary Insurance of Death with Term: 3-5 Yrs	63,334,539	57,482,988
All Other Except Temporary Insurance of Death with Term < 5 Yrs	162,150,012	130,248,278
Capital At Risk (Reinsurance Recoverable)		
Temporary Insurance of Death with Term: < 3Yrs	4,543,961	3,455,462
Temporary Insurance of Death with Term: 3-5 Yrs	9,500,181	8,622,448
All Other Except Temporary Insurance of Death with Term < 5 Yrs	24,322,502	19,537,242
Second Result	**519,983**	**425,005**
II. Insurance Products Prescribed By Section 12(3)		
Incurred Claims		
Current Year N	14,190	20,135
Current Year N-1	20,135	40,515
Current Year N-2	40,515	15,512
Reinsurance Recoveries		
Current Year N	-	-
Current Year N-1	-	-
Current Year N-2	-	-
Retention Ratio	**100%**	**100%**
Premium Basis		
Gross Premiums Written	189,061	211,940
(Change) Reserves For Unearned Premiums	1,313	1,954
Taxes and Levies	-	-
Total Premium Basis	**190,374**	**213,894**
Premium Result	**34,267**	**38,501**
Claims Result	**6,486**	**6,601**

(All amounts expressed in EUR, unless otherwise stated)

Table 4: Assets Covering Technical Provisions

Description	Actual Investment	% allowed	Regulatory Allowance
Bank Deposits, with a maturity of > than 3 months	**4,320,923**	**Unlimited**	**4,320,923**
Government Securities (Excluding the charter capital)	**10,575,288**		**10,575,288**
Government of Kosovo	**10,575,288**	**Unlimited**	**10,575,288**
Treasury Bills	10,575,288		10,575,288
Bonds	-		-
Other	-		-
EU Member States, with a rating of >= BBB	**-**	**30% in total 5% in each investment**	**-**
Treasury Bills	-		-
Bonds	-		-
Other	-		-
Land and Buildings	**534,752**	**30% in total, 10% from each investments**	**534,752**
For Own Use	534,752		534,752
For Investment Purposes	-		-
Cash and Cash Equivalents	**670,639**	**3%**	**426,179**
Deposits with a maturity of <= 3 months	-		-
Current Accounts	670,521		670,521
Cash on Hand	118		118
Receivable from Reinsurers	**2,627**		**2,627**
Credit Rating >= BBB	2,627	Unlimited	2,627
Credit Rating < BBB	-	25%	-
Reinsurers Share in Technical Provisions	**89,822**		**89,822**
Credit Rating >= BBB	89,822	Unlimited	89,822
Credit Rating < BBB	-	25%	-
Interest Accrued from Investments	**231,538**	5%	**231,538**
Insurance Receivable, up to 90 days	**182,165**	**Limited till 20% of UPR**	**78,671**
From Policyholders	182,165		182,165
Other Fixed Assets, not included in point 3.	**144,909**	**5%**	**144,909**
Total Assets Covering Technical Provisions	**16,752,662**		**16,404,708**

Table 4.1: Coverage of Technical Provisions

Technical Provisions on 31 December 2024	Amount
Provisions for Unearned Premiums and Unexpired Risk	393,353
Provisions for Claims and Mathematical Reserves	13,660,210
Other Technical Provisions (RBNS and IBNR)	152,395
Total Amount Required to Cover Technical Provisions	**14,205,958**
Assets Covering Technical Provisions	16,404,708
Total Technical Provisions	14,205,958
Difference	**2,198,750**
Coverage Level	**115%**