



ANNUAL REPORT

On the Operations of EUROLINK Insurance Inc. Skopje, 2025

Skopje, February 2026

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INCORPORATION and SHARE CAPITAL

Eurolink Insurance Inc. Skopje was incorporated on 21 November 2002, when registered in the Trade Register under the registration number 4805/2002. The Company's head office is in Skopje, at Pirinska 23.

The Company's main activity is property insurance - 66.01/2. The Company is registered under the following group and class:

- Group 65.01 Insurance
- Class 65.12 Non-life Insurance

The Company was incorporated by a foreign investment of 4 legal entities with a capital to the amount of 3,200,000 EUR, divided into 3.200 ordinary shares, at a nominal value of 1,000 EUR per stock. In February 2009, a change in the Company's ownership structure was made, the shareholder, Gofi-Group of finance and investment from Switzerland, becoming the owner of 100 percent of the Company's shares. As a result of the change in the ownership structure, the Company was transformed into a Joint Stock Company of a Sole Shareholder. No changes were made in the share capital and the number of issued shares.

In March 2020, a change of the ownership structure was made. Namely, Grazer Wechselseitige Versicherung Aktiengesellschaft AG with a head office at Herrengasse 18-20, 8010, Graz, Republic of Austria became the owner of 100% of the Company's shares and became the new sole shareholder, and, accordingly, Eurolink Insurance became a part of a big international insurance family.

Grazer Wechselseitige Versicherung Aktiengesellschaft was established in 1828. The Group with its nearly 200-year tradition has now become an international company encompassing insurance companies, banks and real estates under its umbrella, all of which being developed from the initial fire insurance company. Subsidiaries in thirteen countries from Central, East and Southeast Europe reflect the international orientation of the company. The Group, having over 12 billion euros of total assets and 1,7 billions of euros of total equity has now been employing more than 5.000 people and servicing more 2,6 million clients in 13 countries from Central, East and Southeast Europe.

CORPORATE MANAGEMENT

In 2025 the Company kept on following its already established good practices of corporate management as an inseparable part of the business strategy for the Company's operations.

One of the key elements of the corporate management is a clearly defined organizational structure founding its operations on the principles of transparency and accessibility for all parties concerned, which contributes to increasing confidence in the Company's operation principles and commitment to a fair approach towards the employees, the market and the general public. In the course of 2025, the Company kept on maintaining its established corporate culture, hence, in the spirit of a good corporate governance, in the course of 2025 the Company passed new internal documents with a view to legally complying with regulations governing the insurance (insurance and reinsurance), as well as in other segments (such as professional communication) and amendments to its internal acts in the various segment of its operations, resulting from business processes carried out in the Company.

In the course of year 2025, the Company's managing bodies carried out activities within their terms of office as specified by laws and by the Company's Statute, providing exercise of rights of the sole shareholder, division of authority, regular and effective monitoring and audit, independence, objectivity and transparency of operations of bodies and officers, abidance by law and ethical standards, as principles of a good corporate governance.

The Shareholders' Assembly held one regular meeting during 2025. The meeting of the Assembly held on 26 March 2025 represented the regular Annual Meeting, at which the Shareholder reviewed and adopted the audited Financial Statements and the Annual Accounts of the Company for 2024, reviewed and adopted all annual reports and proposed materials, approved the work of the Supervisory Board and the Management Board for 2024, adopted a decision on the allocation of profit according to the Annual Accounts for the 2024 financial year, adopted a decision on dividend distribution from the profit realized in 2024, adopted a decision on the reallocation of reinvested profit from 2018 to retained earnings from 2018, adopted a decision on the reallocation of unused reinvested profit from 2022 to retained earnings from 2022, reviewed and adopted the Internal Audit Annual Report for the 2024 financial year, appointed an audit firm to conduct the external audit of the Company's financial statements and Annual Accounts for 2024, and approved the work of the members of the Management Board and Supervisory Board for the 2024 financial year.

In addition, at the same meeting, the Shareholders' Assembly elected Mag. Klaus Scheitgel and Mag. Dr. Otmar Ederer as members of the Company's Supervisory Board, with a mandate of five (5) years starting from 12.06.2025.

The Supervisory Board held eight meetings during 2025. At these meetings, the members of the Supervisory Board discussed significant matters within the scope of the Company's operations and adopted a number of decisions within their authority. One of the more significant activities of the Supervisory Board was the adoption of a decision to appoint the President of the Supervisory Board. This decision was adopted at the 77th meeting of the Supervisory Board, held on 26 March 2025.

The Supervisory Board consists of 3 (three) members as follows:

- Mag. Klaus Scheitegel – President of the Supervisory Board
- Mag. Dr. Othmar Ederer - Independent Member of the Supervisory Board
- Mag. Georg Schneider - Member of the Supervisory Board

The Management Board continuously carried out its activities during 2025 in accordance with the Law on Insurance Supervision, the Company's Statute, and other general and specific acts of the Company. The Management Board exercised oversight over the operational risks of the Company, implemented appropriate measures for managing those risks, and ensured that the Company operated in compliance with internal policies and applicable legal and regulatory requirements. During the reporting period, the Management Board held 24 meetings, at which a number of decisions were adopted regarding the Company's operations, the monitoring of its performance, and market developments.

Decisions were adopted across multiple segments of the Company's operations, including various strategies, policies, rulebooks, work instructions, rules, procedures, and programs related to business planning, risk management, reinsurance planning, audit implementation, business continuity, capital investments, insurance terms and tariffs, claims management, and other day-to-day operational matters.

In this context, at its 185th meeting held on 22 July 2025, the Management Board adopted Special Terms and Conditions for Insurance related to Electricity Supply, together with a Premium Tariff for Insurance related to Electricity Supply, representing an innovation in the Macedonian insurance market. This activity marked the beginning of a joint market approach and cooperation between the Company and one of the electricity suppliers in the Republic of North Macedonia in the insurance and electricity markets, with the objective of achieving mutual cooperation and facilitating the placement of the contracting parties' products and services in the market.

The Management Board has 5 members, with special authorizations. The President of the Management Board oversees and manages all areas of operations while the other four members are employed as heads of departments. The composition of the Management Board is as follows:

- Marija Tomeska, MSc, MBA, President of the Management Board
- Herman Zip, Deputy President of the Management Board
- Irena Velkoska Spirovska, Member of the Management Board
- Maja Bogdanovska Stojanovska, PhD - Member of the Management Board
- Cvetko Delev, MSc - Member of the Management Board

ORGANIZATIONAL AND BUSINESS NETWORK STRUCTURE

The Company is organized in Departments, as follows:

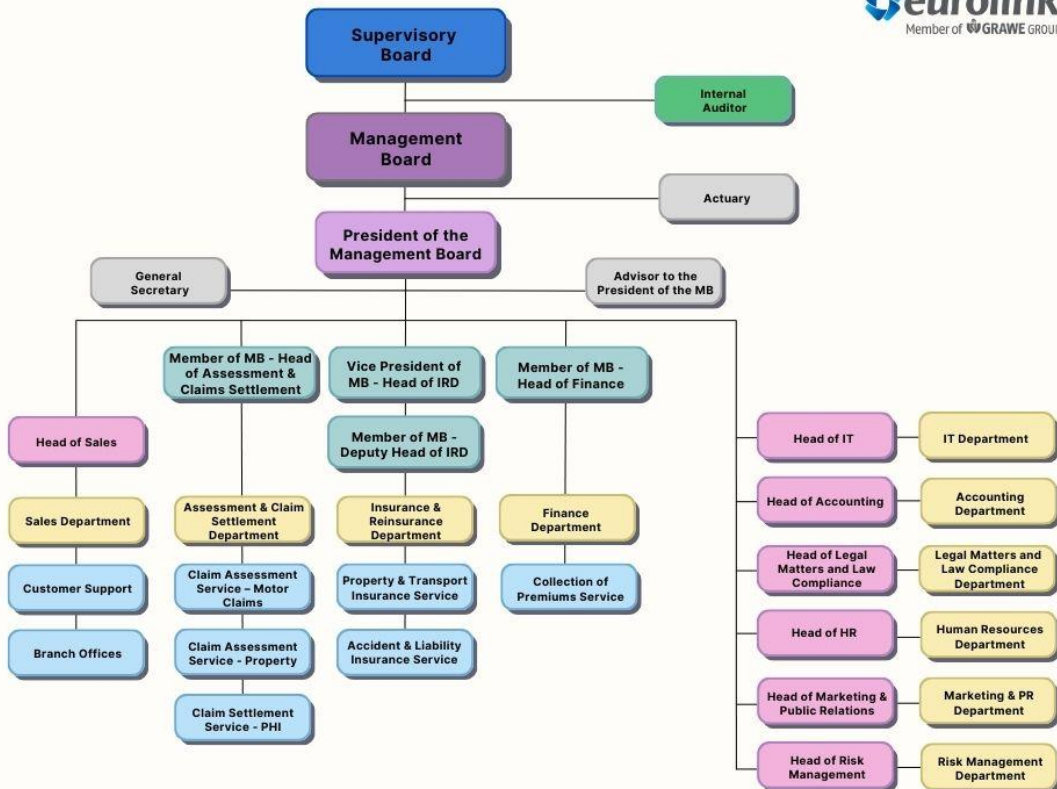
- Financial Department
- Accounting Department
- Department of Legal Matters & Law Compliance
- HR Department
- Marketing and PR Department
- IT Department
- Insurance & Reinsurance Department
- Sales Department
- Claims Assessment & Settlement Department
- Certified Actuary
- Certified Internal Auditor
- Claims Supervisor and
- Risk Management Sector

There is Collection Service operating under the Financial Department.

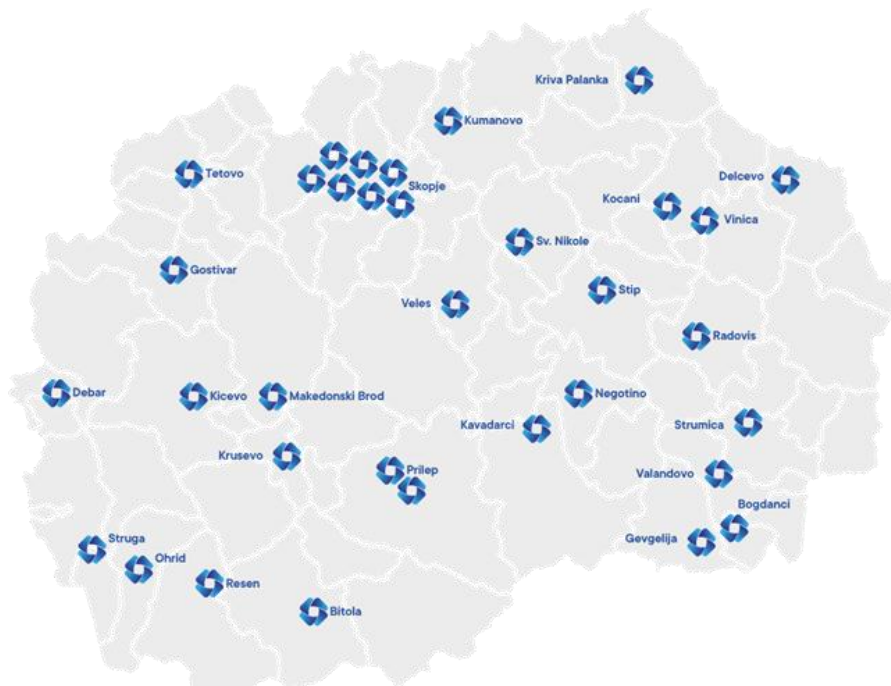
There is a Client Support Service operating under the Sales Department.

Insurance & Reinsurance Department includes Property and Transportation Insurance Sector and Accident and Liability Insurance Sector.

Claim Assessment Department has three Sectors - Assessment of Motor Claims, Assessment of Property Claims and Sector for Settlement of Private Health Insurance Claims.



As at 31 December 2025, the Company was registered with 41 branches.



EMPLOYEES AND HUMAN RESOURCES DEVELOPMENT

In the course of 2025, the Company carried out recruitment in the business units in accordance with the Operations Plan and as needed.

The number of employees as at 31 December 2025 amounted to 206 full-time employees. With respect to qualifications, 111 employees have a higher education degree, 1 employee holds PhD, 10 hold MSc degree, 80 with secondary school degree and 4 with primary school.

RECRUITMENT AND SELECTION

Human resources recruitment in the Company kept on making a combination of internal resources and usage of outsourcing platforms for recruitment of candidates. Selection is being made in cooperation with managers in charge and the HR Department.

Job vacancies are being distribute to the employees, too, so that they can suggest the most adequate candidates and be rewarded if offering a good recommendation provided such candidate would work for Eurolink at least 6 months.

HR Department reviews applications received, creates an initial list of candidates to be interviewed and starts the selection process together with the director in charge of each respective department.

Selection process is being made internally including stages as follows:

- Employment interviews and short list creating
- Testing through real work tasks and situations
- Personality test for higher job positions
- Second interview with candidates in the shortlist
- Candidate selection and employing

The recruitment process in sales was strengthened with new activities and cooperation with higher education institutions in the country, with the objective of employing students for insurance sales. For this purpose, memorandums of cooperation were signed with faculties, info sessions were organized for students, an open career day was held at the Company, and the selection process of the first team was completed: Student Hub. The selected candidates started working in February 2026.

DEVELOPMENT ACIVITIES FOR NEWLY EMPLOYED

SALES DEPARTMENT – CONSULTANT TRAINEES

In the course of 2025, a total of 20 new consultants started working and received on-the-job training and mentorship from managers in accordance with the Plan for Working with New Consultants. 6 of the new employees in the Sales Department were recruited by the multidisciplinary recruitment

team within the Sales Department. These consultants completed product trainings and acquired basic knowledge of home package insurance, MTPL and Green Card insurance, travel insurance, and private health insurance, as well as client communication skills.

With the new consultants, daily control phone calls, field activities, and trainings were conducted by branch managers, along with support from regional coordinators and the Assistant Director in the Sales Department.

ADMINISTRATIVE DEPARTMENTS

In 2025, Eurolink was strengthened with new staff in the administrative sectors, including 1 employee in the Insurance and Reinsurance Department, 2 employees in the Claims Assessment and Settlement Department, 1 in the Finance Department, 1 in the Accounting Department, 2 employees in the Legal and Compliance Department, 1 in the Human Resources Department, and 1 in the Customer Support Center "Eurolink 24".

CAREER ON-LINE CENTRE

The Career On-Line Centre page is active and all job vacancies in 2025 have been posted there. In addition, announcement have been posted on social media connected to this page. Accordingly, there is a transparent process of communicating the selection, corporate values, benefits and atmosphere in the company, which enables interested candidates to be better informed about employment opportunities.

The following contents are offered:

- Presentation of the Company and the team
- Welcome video message
- Employment prospects and active job advertisements
- Employees testimonials and video statements
- Possible contacts and fixing an informative meeting,
- Tips for making a good CV, preparing the interview etc.

PERSONALIZED MANUAL FOR NEWLY EMPLOYED

The manual for new employees is a part of an onboarding process and initial step for the new colleagues to get acquainted with the rules, benefits and organizational culture in Eurolink. The manual is posted on the Intranet page and distributed to each new employee in Eurolink on the very first day of the employment.

EVALUATION – A KEY TOOL FOR ADVANCEMENT OF EMPLOYEES

EVALUATION OF BRANCH MANAGERS

In 2025, the semi-annual evaluation of branch managers continued. The evaluation form was revised and assesses 5 key components of their performance: work plan, property plan, renewals, sales from CRM opportunities, and profitability. New key performance indicators include the property plan, emphasizing the importance of managers' role in successfully implementing the Property Strategy in practice; sales from CRM opportunities, through which their contribution in motivating teams to realize sales from assigned and personal opportunities is evaluated; and profitability, to develop awareness of activities that contribute to improved profitability of their sales teams.

In addition to the KPIs, the following competencies are evaluated:

- Development of team members
- Sales team management
- Organizational skills
- Building client relationships
- Sales techniques

Two semi-annual evaluations were conducted.

EVALUATION OF CONSULTANTS/EXPERTS

In 2025, 4 evaluations were conducted for experts and consultants.

Branch managers evaluate their employees on a quarterly basis for: achievement of plan and renewals, new insurance policies and sales campaigns, CRM, field activity, and provide guidance in the development plan.

QUARTERLY MONITORING OF THE OPERATIONS OF CONSULTANTS/EXPERTS

Written notifications are sent quarterly to junior consultants and sales consultants in order to inform them of the consequences of underachievement of the work plan.

This activity has a motivational component for both the manager and the employee, while also serving as a reminder of the consequences of underachievement of the work plan.

ADVANCEMENT AND DEVELOPMENT PROGRAMMES

SALES NETWORK CONTINUOUS REWARDING PROGRAMME

This Programme specifies activities aimed at pointing out and rewarding the best and motivating the sales network for even better results.

Selection includes:

- Consultant and Expert of the Month
- Branch Manager of the Half-Year
- Consultants and Experts of the Year
- Branch Manager of the Year
- Branch of the Year in Property Insurance Sales

As every year, a survey was conducted among all employees to vote for colleagues from the administration in 6 categories:

- Technology Master
- Office Optimist
- Collaboration Champion
- Client Guru
- Problem Solver
- Creativity Master

6 colleagues from the administrative sectors were selected through voting.

Sales and administration awards for 2025 were presented at the Sales Conference in January 2026.

COMPETE AND TRAVEL PROGRAMME

The program “Learning from the Best” focuses on new insurance policies and schedules two semi-annual competitions. The competition includes sales of all products within a 6-month period, except for MTPL and Green Card insurance, travel insurance, and individual student accident insurance.

In each competition, the top 9 sales employees and 2 employees from the administrative sectors are selected.

In 2025, one team-building trip to Belgrade was organized, where 11 colleagues enjoyed the city's attractions and had the opportunity to share their sales practices with each other.

ACTIVITIES IN THE PROCESS OF SALES NETWORK MANAGEMENT

SALES CONFERENCE

The first conference of the year is dedicated to the Sales Department, as it is essential for every employee in this sector to be informed about the updates for the new year:

- Expectations and strategy
- Insurance market analysis
- Sales plans
- Strategy in practice – updates in the product offering
- Plan and benefits from sales campaigns
- Support through CRM opportunities
- Competitions and continuous incentive programs

The conference held on 14.01.2025 was attended by all employees from the Sales Department, the management team, and a large number of employees from the administrative sectors.

KEY DOCUMENTS

In order to ensure greater structure and discipline in the work activities of employees in the Sales Department, the existing tools are upgraded every year to improve organization, productivity, and open dialogue within teams. The Sales Department operates in accordance with the guidelines provided in:

- Handbook for Successful Branch Managers
- Handbook for Successful Consultants/Experts
- Action Plan for Property Insurance Sales to Legal Entities
- Action Plan for Life Insurance Sales
- Action Plan for Working with Legal Entities
- Agenda for Morning Meetings and Daily Activities for Branch Managers
- Agenda for Visits by the Control Team
- Agenda and Report from Control Visits for the Control Team
- Evaluation Forms
- Plan for Control Visits
- Communication Plan – campaigns, competitions, property insurance.

EMPLOYEES TRAINING

OUTSOURCING TRAININGS

TRAINING FOR PREPARATION OF A NEW SELLING APPROACH

In June and September, two days of training were conducted for all employees in the Sales Department on the topic:

Day 1: Accepting change and personal motivation, with focus on identifying personal motivators and demotivators

Day 2: Building effective teams and team collaboration

The training content from Day 1 was the same for managers, consultants, and experts. The following topics were covered:

- Individual and organizational change
- Understanding resistance to change
- Strategies for coping with stress and uncertainty
- Setting personal goals in alignment with personal motivators and demotivators

The training content from Day 2 was the same for managers, consultants, and experts. The following topics were covered:

- Individual and organizational change
- Understanding resistance to change
- Strategies for coping with stress and uncertainty
- Setting personal goals in alignment with personal motivators and demotivators

ACADEMY FOR BRANCH MANAGERS “Lead & Succeed”

A series of trainings was initiated within the Academy for Branch Managers. In 2025, three trainings were conducted:

- Change management and the role of middle management
- Leadership and employee motivation
- Effective meetings and providing feedback to employees

Some colleagues from the administration attended the SORS Insurance Academy in Belgrade and conferences organized by the Association of Lawyers and the Human Resources Association.

INTERNAL TRAININGS

WEBEX TRAININGS

In 2025, Webex trainings were conducted for the sales network on the following topics:

- Webex sessions on changes in key products in 2025
- Webex sessions on property insurance training
- Webex sessions on effective communication on social media
- Webex sessions on successful sales team management

- Webex sessions on property insurance
- Webex session on presenting corporate materials to clients
- Webex sessions on the new Eurolink360 platform
- Webex sessions on the claims handling process
- Webex sessions on claims handling process in case of natural disasters
- Webex sessions on announcing weekly sales activities
- Webex session on the new branch manager evaluation form
- Webex session on sales – communication of updates

WORKSHOPS FOR BRANCH MANAGERS

During March and April, a multi-day workshop was conducted for new employees in the Sales Department, organized by regional coordinators from the Sales Department and employees from the Insurance and Reinsurance Department.

During the training, employees were introduced in detail to the products, the sales approach, and how to create a client base in the CRM, as well as how to schedule client meetings by phone.

IT SYSTEM SECURITY TRAINING

In 2025, all employees participated in and successfully completed training on IT systems security, which, according to the Rulebook on Minimum Standards for Information Systems for Insurance Companies issued by the Insurance Supervision Agency, is mandatory for all employees in insurance companies.

This year, they also attended and successfully passed knowledge assessment tests in three areas: Personal Data Protection, Digital Threats, and Cyber Violence.

ANNUAL SEMINAR

In April 2025, the annual seminar for all Eurolink employees was organized in the Republic of Greece.

Colleagues attended the following topics:

- Current topics, plans, and results
- Strategy – Property is worth more with Eurolink – results and plans
- Key objectives of the departments
- Eurolink360 – strategy and performance
- Results of the recruitment team
- New multidisciplinary team

Team-building activities and social events were also organized.

INTERNAL AND EXTERNAL COMMUNICATION

MONTHLY BRIEF

In 2025, the practice of holding monthly hybrid meetings for all employees, called Eurolink Brief, continued. The headquarters and Skopje branches attend in person, while branches outside Skopje join via Webex connection.

During these meetings, the Company's results and plans are communicated, updates in the industry and the Company are shared, recognition is given to awarded sales colleagues, and each meeting concludes with an after-work event.

Two outdoor meetings were held in 2025, one at Vodno and the other at the City Park in Skopje.

INTERNAL COMMUNICATION FOR PROPERTY INSURANCE

In 2025, a communication plan was implemented with emphasis on property insurance and B2B sales.

Within the plan, articles, interviews, testimonials, Webex addresses, Webex trainings, and similar materials were published.

All produced materials were published on the Intranet page.

INTERNAL COMMUNICATION FOR EUROLINK 360 PLATFORM

With the launch of the new unique insurance platform EUROLINK360, an internal communication plan was established to inform employees about its usage, functionalities, and benefits for our clients.

Through Webex sessions and published texts, awareness was raised about the importance of this platform for clients, and employees were enabled to act as promoters and provide support to clients in using it. Webex sessions, published texts, and an employee survey were conducted. All materials were published on the Intranet page.

INTRANET PAGE

The Intranet page continues to be updated with current activities relevant to employees, news, interviews, materials, and similar content.

EUROLINK BULLETIN

12 electronic editions of the Eurolink Informator were distributed, a monthly publication used to inform all employees of the Company about updates, achievements, and all current developments during the respective month.

COMMUNICATION WITH SOCIAL MEDIA

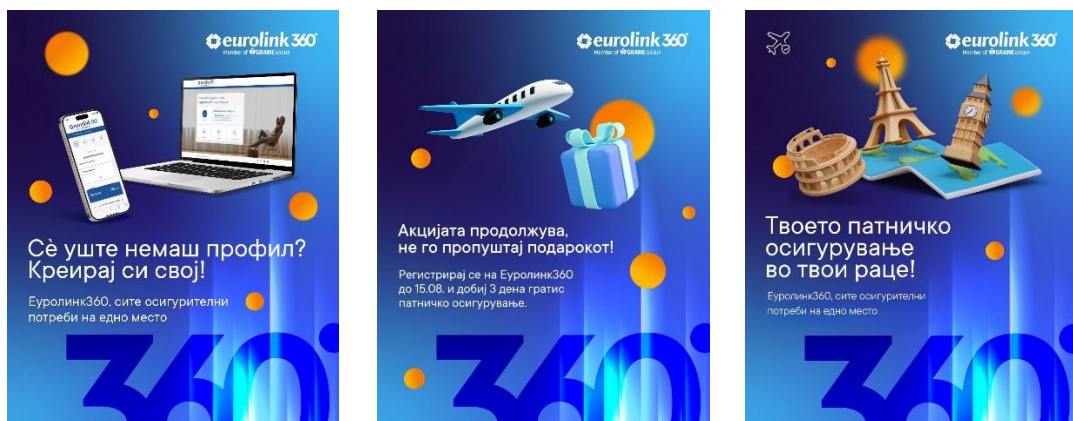
In 2025, publications were made featuring testimonials about the experiences of our jubilee employees, those with 10 or 20 years of service in the Company.

Additionally, all job vacancy announcements were published, and information about employee events, seminars, team-building activities, sales conferences, and similar events was shared. These were published in the form of posts on Eurolink's LinkedIn, Facebook, and Instagram profiles.

MARKETING, PUBLIC RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Our marketing activities during 2025 were focused on continuing the campaign for the new digital platform Eurolink360, promoting key products to support sales and launching new activities on social media.

The first quarter was dedicated to updating all promotional materials (flyers, posters, brochures, corporate presentation) and intensifying the promotion of the Eurolink360 platform.



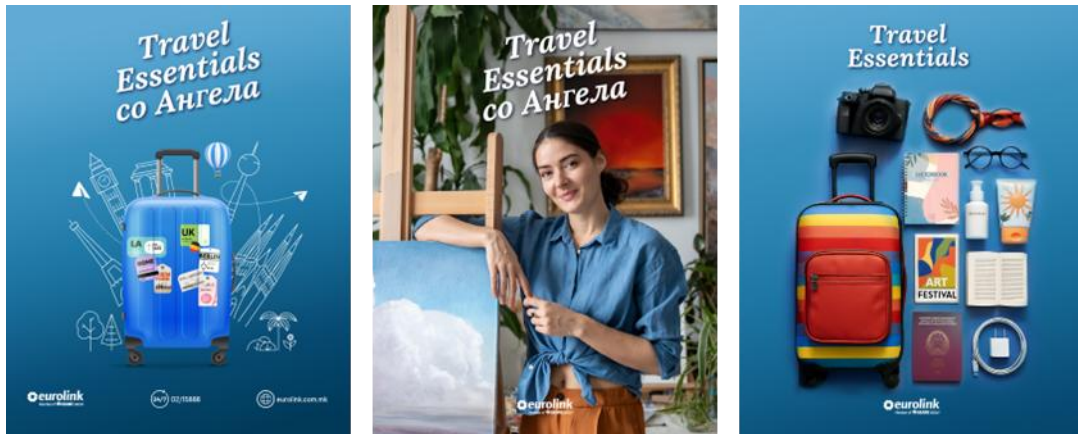
The platform was communicated through a new image TV commercial, radio advertising, ad for digital communication channels and refreshed creative materials for social media. The campaign aimed to communicate the main functionalities and benefits offered by Eurolink360 as well as to encourage customer registration.

In the second quarter the focus was on communicating ongoing sponsorships, promoting travel insurance and running a registration campaign for Eurolink360:

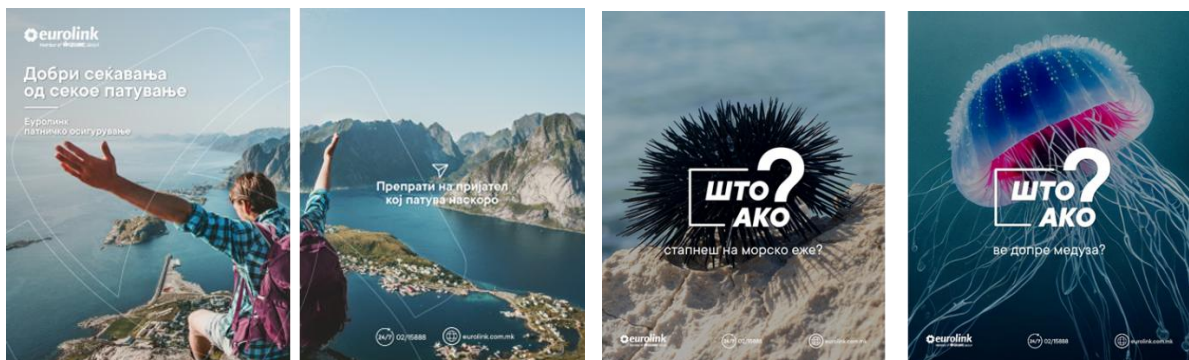
- The cooperation with SOS Children's Village was extended and Eurolink Insurance was recognized as one of the most significant institutional donors of the organization.



- A new section for Travel Insurance promotion was launched under the slogan Travel Essentials, within which different individuals and professions revealed their packing lists and several essential items they never travel without. Travel insurance was presented as a mandatory item on each of these lists.



- The digital campaign for Travel Insurance under the slogan “Good memories from every journey” continued in the form of carousel posts, complemented with a CTA “Share with a friend.” The campaign, intended for social media and digital communication channels, ran throughout the entire year. It was complemented with educational posts related to risks and travel insurance within the section “What if?”.

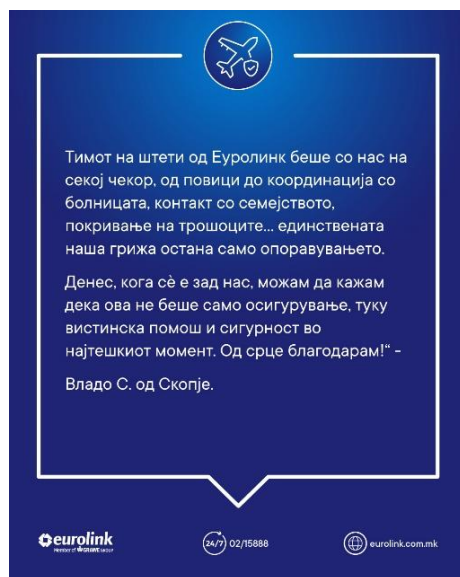


- The Eurolink360 registration campaign aimed to encourage new platform users and was linked to a sales promotion for Travel Insurance as the most popular product during that period.

In the third and fourth quarters, we continued with:

- A second flight of the Eurolink360 image campaign through TV and radio advertising, an intensified registration campaign and social media promotion.

- Travel Insurance promotions through testimonials and other educational content, as well as a mini digital sales promotion campaign marking the sale of 1 million Travel Insurance policies.



- A new activity during this period was Employee Generated Content, where a team of employees from different departments created social media content. The content under #LifeAtEurolink communicates part of our team's daily life, as well as employees' habits, hobbies and rituals at Eurolink.



Throughout 2025, we implemented numerous PR activities, sponsorships and participated in significant business events in the country. Some of the most notable activities include:

- Participation at the Consumer Trends Conference organized by Bloomberg Adria, with Marija Tomeska, President of the Management Board of Eurolink Insurance, as a speaker on the panel discussion on digital transformation.

- Participation of Maja Bogdanoska–Stojanoska, Member of the Management Board of Eurolink Insurance, in a panel discussion on educating young adults about the benefits of responsible personal finance and insurance, organized by the Gender Equality Alliance (GEA).
- An interview for GEA with Marija Tomeska, President of the Management Board of Eurolink Insurance, on the topic of leadership.
- An interview for Bloomberg Adria with Borche Poprizov, Sales Director at Eurolink Insurance.
- Marija Tomeska, President of the Management Board of Eurolink Insurance, as keynote speaker at the Regional E-commerce Conference. Topic: “What kind of leadership is required in the new digital and artificial intelligence era – Case Study: Eurolink360.”
- An interview with Marija Tomeska, President of the Management Board of Eurolink Insurance for the FinSight program, published on the bankarstvo.mk channel.



During the year, Eurolink Insurance and its team also participated in several local and national sports events, supported multiple local educational initiatives and carried out other activities within the Corporate Social Responsibility strategy.

CERTIFIED INDEPENDENT AUDITOR DATA

The Company's sole shareholder, Grazer Wechselseitige Versicherung Aktiengesellschaft, at the General Assembly of the Shareholder appointed Grant Thornton DOO Skopje to conduct an independent audit of the Company's Annual Account and Financial Statements for the business year 2025.

The fees for the audit of the statutory financial statements for the year ended 31 December 2025 amount to MKD 922 thousand. The Company did not use non-audit services provided by Grant Thornton or the member firms of the Grant Thornton network.

CLASSES OF INSURANCE

In accordance with the Decision No. 18-16582/6 dated 11 November 2002 and 18-2491/6 dated 30 March 2004, issued by the Ministry of Finance, the Company performs its operations in the following classes of insurance:

1. Accident Insurance (including industrial injuries and occupational diseases) in the event of death or deteriorated health resulting from injury
2. Health Insurance
3. Motor Insurance (Casco)
4. Rail Vehicle Insurance of Rail (Casco)
5. Aircraft Insurance (Casco)
6. Vessel Insurance of (Casco)
7. Goods-in-Transit Insurance (cargo)
8. Insurance of property against fire and natural perils
9. Other Property Insurance
10. Motor Third Party Liability Insurance;
11. Aircraft Liability Insurance
12. Vessel Liability Insurance
13. General Liability Insurance
14. Credit Insurance
15. Warranty Insurance
16. Financial Loss Insurance

17. Legal Protection Insurance
18. Travel Assistance

ECONOMIC ENVIRONMENT

Global inflation is expected to decline to 4.2% in 2025 and to 3.7% in 2026, with inflation in advanced economies projected to decrease from 2.5% in 2025 to 2.2% in 2026, and in developing countries from 5.3% in 2025 to 4.7% in 2026. Progress in reducing inflation varies across countries, while inflation projections remained largely unchanged, with inflation increasing in the United States and declining in many other countries. According to the latest IMF's World Economic Outlook (October 2025), global growth is expected to slow from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. This represents an improvement in growth expectations compared to the July and April 2025 Outlooks, but overall remains 0.2 percentage points lower than the projections published in the October 2024 report.

Advanced economies are expected to record growth of 1.6% in both 2025 and 2026, with growth in the United States projected to slow to 2% in 2025 (compared to 2.8% achieved in 2024). Developing countries are projected to grow by 4.2% in 2025 and 4% in 2026.

In the euro area, moderate recovery in growth is expected, reaching 1.2% in 2025 and 1.1% in 2026. Although this represents an improvement compared to April and July, it constitutes a cumulative downward revision of 0.4 percentage points compared to the October 2024 report. Increased uncertainty on multiple fronts and higher tariffs are the main reasons for the downward revision. The recovery of private consumption due to higher real wages and fiscal easing in Germany in 2026 provides only partial compensation. Germany is projected to record growth of 0.2% in 2025 and 0.9% in 2026.

In the second quarter of 2025, the economy accelerated, recording real annual growth of 3.4%, following growth of 3.0% in the previous quarter. Thus, cumulative economic growth in the first half of the year amounted to 3.2%. By the end of 2025, annual growth of 3.4% is expected. Growth is driven by increased demand, supported by rising gross investments (11.7% real growth in the first half of the year) and consumption, while net exports had a negative contribution to growth. The main drivers of growth in the first half of the year were increased lending to the corporate sector and growth in the construction sector.

According to the Cost of Living Index based on data from the State Statistical Office, in October 2025 compared to October 2024, the SSO recorded an increase of 4.5%, while the Retail Price Index increased by 2.8%.

In September 2025, the inflation rate amounted to 4.0% on an annual basis, resulting in an average inflation rate of 4.0% in the period January–September 2025. During the period January–September

2025, food and energy prices increased by 4.1% and 1.0%, respectively, while petroleum product prices decreased by 5.8%. Core inflation remained at an elevated level of 5.2%, indicating more persistent inflationary pressures.

In the labor market, the trend of declining unemployment and increasing employment continued. According to SSO data, the unemployment rate in the second quarter of 2025 amounted to 11.5%, while youth unemployment (ages 15–29) amounted to 21.6%, representing decreases of 1.0 percentage point and 1.2 percentage points, respectively, compared to the same quarter of the previous year. The total number of unemployed persons amounted to 91,377, which is lower by 7.2% (7,039 persons).

The employment rate amounted to 46.2%, representing an increase of 0.6 percentage points compared to the same quarter of the previous year. The total number of employed persons amounted to 701,369, which is higher by 1.4% (9,633 persons).

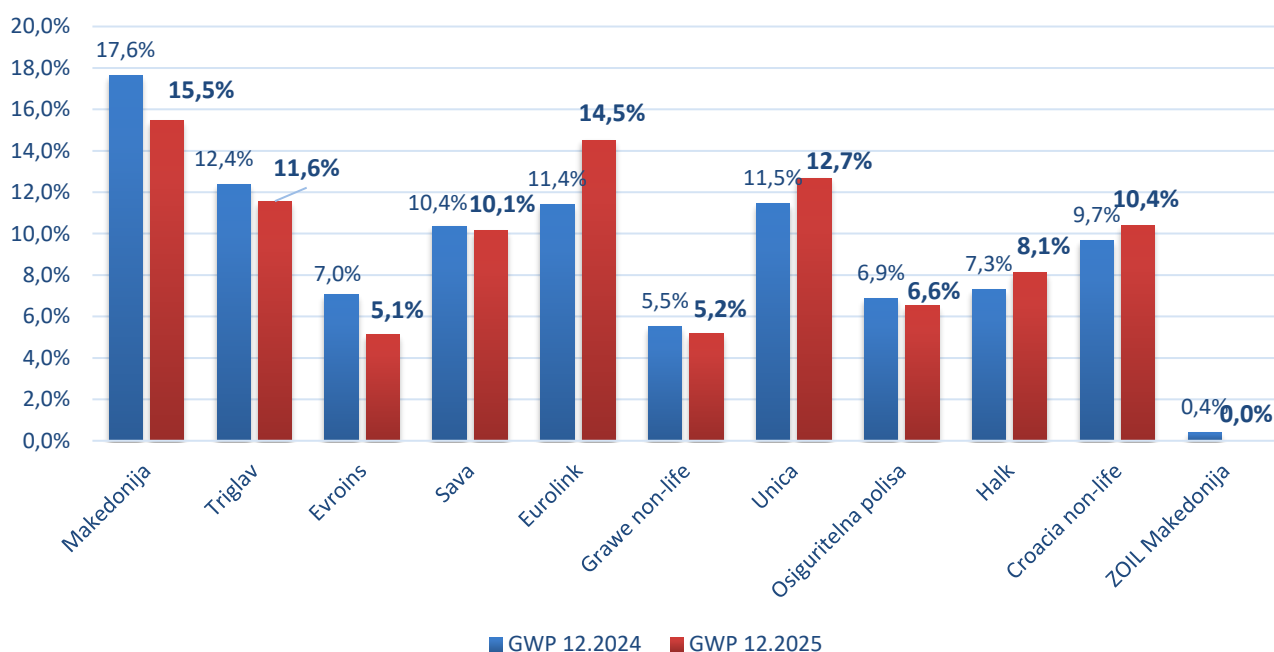
The average net wage in the first eight months of 2025 increased by 10.0% compared to the same period of the previous year, or by 5.8% on a real basis. Net wage growth was recorded across all sectors, with the highest increases observed in education, healthcare and social protection, and administrative and support service activities.

NON-LIFE INSURANCE MARKET

According to the initially consolidated data for 2025 from the Insurance Supervision Agency, the total non-life insurance market in the country realized gross written premium in the amount of approx. MKD 14.75 billion, representing an increase of 13% compared to 2024 (2024: MKD 13.1 billion), or an absolute increase of MKD 1.64 billion.

In 2025, 11 non-life insurance companies were present in the market, of which 5 exceeded the threshold of 10% market share in gross written premium (Makedonija, Triglav, Uniqa, Eurolink, and Sava). The largest increase in market share compared to 2024 was recorded by Eurolink, with growth of 3.1 percentage points, from 11.4% last year to 14.5%, placing it in second position in the insurance market in the country, compared to fourth position in the previous year. The market leader this year remained Makedonija Insurance - VIG Group. However, in terms of combined market share of Eurolink and Grawe, as members of the Grawe Group, the clear market leader with almost 20% market share was Grawe Group. Meanwhile, the largest decline was recorded by Euroins, with a decrease of 1.9 percentage points, from 7.04% last year to 5.14%.

GWP- The non-life Insurance Market in 2025 and 2024



From the overview of the overall non-life insurance market compared to 2024, it can be highlighted that eight companies recorded growth in gross written premium (GWP), with the most significant increase of 43% recorded by Eurolink (resulting in a shift in market position and finishing the year in second place), while two companies recorded a decline, with the highest decrease observed at Euroins and ZOIL Macedonia. Meanwhile, Makedonija Insurance finished almost at the same level, with only MKD 29 million lower premium compared to the previous year.

In absolute terms, within the overall insurance market, the largest contribution to GWP growth came from the motor third-party liability (MTPL) class, where GWP increased by approx. MKD 491 million (or 8% growth). Relatively, the highest growth was recorded in the Credit insurance class, with 108% growth, and in the Guarantees class, with over 300% growth (although with insignificant absolute amounts). In addition, notable positive developments were also recorded in the following insurance classes: health insurance (MKD 140 million or 11% growth), motor casco insurance (MKD 154 million or 11% growth), other property insurance (MKD 176 million or 12% growth), and property insurance against fire and other perils (MKD 364 million or 35% growth).

Negative developments were recorded only in the Cargo class, with an absolute decrease of MKD 5 million, or a decline of 4%.

Comparatively, in 2025, the Company recorded the highest absolute increase compared to 2024 in the property insurance against fire and other perils class, amounting to approx. MKD 299 million or 124% growth (compared to 35% growth in the overall market), followed by other property insurance with approx. MKD 206 million or 199% growth (compared to 12% growth in the overall market), and

general liability insurance with approx. MKD 76 million or 83% growth (compared to 29% growth in the overall market).

Growth was also recorded in the following classes: accident insurance by 7% (7% growth in the overall market), motor casco insurance by 17% (11% growth in the overall market), vessel liability insurance by 32% (21% growth in the overall market), as well as travel insurance by 15% (13% growth in the overall market).

Gross Written Premiums* in 2025 and 2024 and Percentage of Increase at the Total Market Level and at the level of Eurolink

(In 000 MKD)

No.	Class of Insurance	Eurolink				Total Market			
		2025	2024	% of change	absolute change	2025	2024	% of change	absolute change
1	Accident	103.878	97.531	7%	6.347	903.574	846.064	7%	57.510
2	Health Insurance	222.869	233.860	-5%	-10.991	1.474.844	1.334.359	11%	140.484
3	Motor Vehicles - Hull	159.676	136.791	17%	22.885	1.512.462	1.359.030	11%	153.432
4	Rail Vehicles- Hull	0	0		0	0	175		-175
5	Aircrafts - Hull	76.232	76.327	0%	-95	98.465	98.553	0%	-88
6	Vessel - Hull	31	48	-35%	-17	2.208	1.840	20%	368
7	Goods-in-Transit -Cargo	5.995	5.705	5%	290	116.237	121.579	-4%	-5.343
8	Property from Fire and Allied Perils	540.034	240.776	124%	299.258	1.387.453	1.023.980	35%	363.473
9	Other Property Insurances	309.830	103.675	199%	206.155	1.695.997	1.520.523	12%	175.473
10	MTPL (total)	487.397	446.611	9%	40.786	6.403.357	5.912.458	8%	490.899
11	Aircraft Liability	8.843	8.720		123	14.713	15.089	-2%	-377
12	Vessel Liability	947	715	32%	232	5.826	4.803	21%	1.023
13	General Liability	168.752	92.407	83%	76.345	473.802	366.291	29%	107.511
14	Credit Insurance	0	0		0	211.546	101.678	108%	109.868
15	Warranty Insurance	278	31	797%	247	890	195	357%	695
16	Financial Loss Insurance	503	945	-47%	-442	111.810	96.770	16%	15.040
17	Legal Protection Insurance	0	0		0	1	3	-67%	-2
18	Travel Insurance	55.050	47.995	15%	7.055	331.478	292.610	13%	38.867
	Total	2.140.315	1.492.137	43%	648.178	14.744.663	13.096.002	13%	1.648.660

* Includes insurance and coinsurance

In terms of market share within the different insurance classes, the Company continues to maintain its leading position (for the 16th consecutive year), holding the highest market share by volume of written premium in general liability insurance, with a share of 36% (ahead of Makedonija Insurance with 14%) in the total written premium in this class in the country.

The Company also retained the first market position in the following classes: aircraft casco insurance, with a market share of 77% (ahead of Croatia Insurance with 17%); aircraft liability insurance, with a market share of 60% (ahead of Osiguritelna Polisa with 19%); as well as property insurance against fire and other perils, with a market share of 39% (ahead of Makedonija Insurance with 18%).

The Company also achieved significant market presence in other property insurance (18%) and health insurance (15%), holding second market positions in these classes.

The insurance market was largely affected by the increase of the premium in the property classes of business due to the insurance of the country's largest infrastructure project for road construction/reconstruction.

Gross Written Premiums 1 January 2025 31 December 2025

In 000 mkd

Class of Insurance	Non-Life											Total
	Makedonija	Triglav	Evroins	Sava	Eurolink	Grawe Non-life	Uniqua	Os. Polisa	Halk	Croatia	ZOIL Makedonija	
Accident	144.256	126.537	47.381	86.520	103.878	33.914	68.077	48.014	84.682	159.205	1.111	903.574
Health Insurance	255.724	248.844	17.108	145.901	222.869	0	166.081	0	152.565	265.752	0	1.474.844
Motor Vehicles - Hull	197.679	197.872	89.796	273.746	159.676	25.943	133.620	142.471	148.222	139.316	4.121	1.512.462
Rail Vehicles- Hull	0	0	0	0	0	0	0	0	0	0	0	0
Aircrafts - Hull	0	0	0	0	76.232	0	4.698	857	0	16.678	0	98.465
Vessel - Hull	302	185	39	1.088	31	0	66	330	167	0	0	2.208
Goods-in-Transit -Cargo	30.459	26.714	18.644	5.366	5.995	0	14.488	3.271	6.290	5.009	0	116.237
Property from Fire and Allied Perils	242.982	123.781	59.530	110.380	540.034	4.272	63.265	72.896	91.422	78.756	136	1.387.453
Other Property Insurances	416.954	241.534	71.086	191.343	309.830	2.257	206.762	36.555	110.032	109.554	90	1.695.997
MTPL (total)	875.224	493.424	428.070	575.893	487.397	688.972	1.119.900	603.400	400.791	691.160	39.127	6.403.357
Aircraft Liability	58	475	0	0	8.843	0	420	2.784	0	2.133	0	14.713
Vessel Liability	839	344	95	1.311	947	0	758	795	491	247	0	5.826
General Liability	64.013	50.838	12.692	21.308	168.752	846	51.388	27.993	53.298	22.624	50	473.802
Credit Insurance	15.901	63.284	1.110	13.038	0	0	0	0	110.955	7.257	0	211.546
Warranty Insurance	0	0	431	0	278	0	0	0	181	0	0	890
Financial Loss Insurance	10.853	61.180	176	8.791	503	0	12.757	0	16.668	883	0	111.810
Legal Protection Insurance	0	0	0	0	0	0	0	0	0	1	0	1
Travel Insurance	25.245	70.741	12.113	58.892	55.050	6.379	26.742	26.762	18.600	30.739	215	331.478
Total	2.280.486	1.705.753	758.271	1.493.577	2.140.315	762.583	1.869.022	966.129	1.194.364	1.529.314	44.850	14.744.663

% per Non-life Insurance Company	15,47%	11,57%	5,14%	10,13%	14,52%	5,17%	12,68%	6,55%	8,10%	10,37%	0,30%	100.00%
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Source: National Insurance Bureau of the Republic of North Macedonia

Structure (market share) of Gross Written Premiums in 2025 per Classes and per Insurance Companies

	Class of Insurance	Non-Life										
		Makedonija	Triglav	Evroins	Sava	Eurolink	Grawe Non-life	Uniqua	Os. Polisa	Halk	Croatia	ZOIL Makedonija
1	Accident	16%	14%	5%	10%	11%	4%	8%	5%	9%	18%	0%
2	Health Insurance	17%	17%	1%	10%	15%	0%	11%	0%	10%	18%	0%
3	Motor Vehicles - Hull	13%	13%	6%	18%	11%	2%	9%	9%	10%	9%	0%
4	Rail Vehicles- Hull	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
5	Aircrafts - Hull	0%	0%	0%	0%	77%	0%	5%	1%	0%	17%	0%
6	Vessel - Hull	14%	8%	2%	49%	1%	0%	3%	15%	8%	0%	0%
7	Goods-in-Transit -Cargo	26%	23%	16%	5%	5%	0%	12%	3%	5%	4%	0%
8	Property from Fire and Allied Perils	18%	9%	4%	8%	39%	0%	5%	5%	7%	6%	0%
9	Other Property Insurances	25%	14%	4%	11%	18%	0%	12%	2%	6%	6%	0%
10	MTPL (total)	14%	8%	7%	9%	8%	11%	17%	9%	6%	11%	1%
11	Aircraft Liability	0%	3%	0%	0%	60%	0%	3%	19%	0%	14%	0%
12	Vessel Liability	14%	6%	2%	22%	16%	0%	13%	14%	8%	4%	0%
13	General Liability	14%	11%	3%	4%	36%	0%	11%	6%	11%	5%	0%
14	Credit Insurance	8%	30%	1%	6%	0%	0%	0%	0%	52%	3%	0%
15	Warranty Insurance	0%	0%	48%	0%	31%	0%	0%	0%	20%	0%	0%
16	Financial Loss Insurance	10%	55%	0%	8%	0%	0%	11%	0%	15%	1%	0%
17	Legal Protection Insurance	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%
18	Travel Insurance	8%	21%	4%	18%	17%	2%	8%	8%	6%	9%	0%
	Total	15%	12%	5%	10%	15%	5%	13%	7%	8%	10%	0%

In 2025, the Company faced the following concrete challenges:

- Inability to increase the MTPL premium despite the rapidly increasing claims costs and huge inflation on spare parts and cars
- Growing power of brokers based at technical check-ups, who demand commissions above the company's threshold (35% and above offered by competition)
- Introduction of different level of doctors and pricing with increased expenses for medical services rendered by private healthcare facilities up to 25%, thus causing a rise of the expenses for handling claims arising from health insurance policies
- Increasing activities from competitors trying to recruit from our sales force by offering unreasonable terms
- Increasing frequency of severe weather conditions
- Increasing new regulation with short period for adoption
- Lack of human resources and reduction in the available workforce for new recruitment
- Lack of growth of purchasing power of the physical persons and serious liquidity disruption of the legal entities, resulting in a considerably decreasing collection of receivables

BUSINESS POLICY

Business policy in 2025 was defined pursuant to the Company's strategy and business acts, Insurance Supervision Law and other domestic legal regulations and by-laws regulating the insurance issues.

The business policy, supported by its qualified human resources, is based on the Company's commitment to applying a business philosophy and professionalism in performing its activities, and to creating a distinctive image of a true partner in the insurance domain in the Republic of North Macedonia.

The Company's business policy is aimed at a further strengthening of its goodwill, building confidence and arousing interest of the citizens and legal entities in the insurance industry.

The business policy for 2025 incorporated the following values the Company's operations were based on:

- Professional relations and communications with all stakeholders;
- Expert assessment of risks and corresponding cover;
- Timely and effective claim settlement;
- Prudential risk management;
- Transparency in working and reporting to managing bodies, shareholders and legally authorized organs;
- Actuarial technical reserve assessment and setting aside in accordance with statutory provisions and by-laws and the Company's Acts;
- Company promoting and educating the public in respect of the benefit to be insured and the products we offer;
- Development of the underdeveloped classes and reducing the protection gap
- Teamwork and support;
- Human resource development; operations improvement and
- Cost efficiency
- Building business relations with domestic and foreign professional affiliations;

COMPANY'S OPERATIONS ANALYSIS

Company's Activities

The Company's activities in 2025 were focused on improving the company results, employee satisfaction and strengthening the market position. All this was done with the main purpose of protecting the interest of the clients and all other stakeholders in the long-term.

The company strived to acquire all the biggest infrastructure project insurance clients, expanding its communication and cooperation with international companies and brokers. Additionally, the company aimed at expanding its sales network channels, entering less explored market territories, where its requirement for market standards were met. Simultaneously, the company put extensive efforts in maintaining and expanding the insurance portfolio, collection of receivables and maintaining the stability of the investment portfolio, as well as timely settlement and payment of claims.

In the reporting period, in addition to maintaining the current portfolio, the Company was focused on expanding the property portfolio, mainly through acquisition of new property and liability insurances. The market segmentation and targeting of specific customer groups provided clear focus and organizational excellence.

The key clients approach was also maintained, by means of an active on-site sales initiative conducted by the management and regarding all classes of insurance. Another key area the company continued to pursue is the insurance of the fast growing renewable capacities. The Company kept its primacy in this area and got profiled as the first and the only insurance company to provide and efficient insurance protection for wind parks. All coordinated efforts also had in consideration and managed to keep the company's well distributed/diversified portfolio structure- which is set as a company strategy. Additionally, the company continued the activities for maintaining long-term profitability per insurance class and insurance branch. These implied additional increases of the Company's price policy with a view to adjusting to the new trends in expenses for handling indemnity claims. Adaptations of the tariffs were needed and conducted for health, casco, property and travel insurance, all driven by rapidly growing claims costs. In 2025, the Company established itself as the market leader, until the last quarter when it ended as the second largest market player. This was mainly due to two factors: a single very large multiyear property and liability account from the infrastructure sphere and successful addition of a few additional sales channels in new areas.

In 2025, the Company moved up by two market positions, from fourth to second place, measured by its share in gross written premium at the level of the overall non-life insurance market (with a market share of 14.5%, 2024: 11.44%), achieving a significant increase of 43% in total gross written premium, while the overall market recorded growth of 13%.

In particular, the Company recorded a significant contribution at the market level in the aircraft casco insurance class, where it maintained the leading position acquired in 2022, with a market share of 77% (2024: 77%) within this class. Additionally, for the seventeenth consecutive year, the Company holds absolute leadership in the general liability insurance class, with a market share of 36% (2024: 25%), achieving growth of 83%.

Furthermore, in 2025, the Company retained the first market position in the aircraft liability insurance class, with a market share of 60% (2024: 58%), as well as in property insurance against fire and other perils, with a market share of 39% (2024: 24%). The Company's share in other property insurance amounted to 18% (2024: 7%), and in health insurance to 15% (2024: 18%), placing the Company in second market position in these classes.

Sales

In 2025, the Company achieved gross written premium in the amount of 2.137.547.000 MKD, which is higher by the amount of 645.422.000 MKD compared to the volume achieved in 2024 (2024: amount of 1.492.125.000 MKD), representing an increase of 43%. According to the initially consolidated data for 2025 from the Insurance Supervision Agency, the Company ranked second in the non-life insurance market with a market share of approx. 14.51%, recording an increase of 3.7 percentage points compared to the previous year, when its share was 11.44% and the Company ranked fourth in the market.

In the structure of gross written premium, property insurance against fire has the highest share, accounting for 25% (16% in 2024). It should be noted that, at the market level, the percentage share of this insurance class in the Company's portfolio structure is significantly higher compared to the market average (which in 2025 amounted to 9.4%, 2024: 7.8%).

This is followed by motor third-party liability insurance with 22% (30% in 2024); other property insurance with 14% (7% in 2024); health insurance with 10% (16% in 2024); general liability insurance with 8% (6% in 2024); motor casco insurance with 7% (9% in 2024); accident insurance with 5% (7% in 2024); and aircraft liability insurance with 4% (5% in 2024).

Gross Written Premiums per classes, realisation in 2025 and 2024

	Realization 2025	Realization 2024	Change in % 2025/2024	Structure 2025	Structure 2024
1 Accident	103.878	97.531	7%	5%	7%
2 Health Insurance	222.869	233.861	-5%	10%	16%
3 Hull – Motor Vehicle	159.676	136.792	17%	7%	9%
5 Hull - Aircrafts	76.232	76.326	0%	4%	5%
6 Hull - Vessels	30,576	48	-36%	0%	0%
7 Cargo	5.995	5.704	5%	0%	0%

8	Fire	538.180	240.774	124%	25%	16%
9	Other Property	308.915	103.678	198%	14%	7%
10	MTPL	478.208	446.750	7%	22%	30%
11	Aircraft Liability	8.843	8.720	1%	0%	1%
12	Vessel Liability	947,1	715	32%	0%	0%
13	General Liability	177.941	92.268	93%	8%	6%
15	Warranty	278,252	29	859%	0%	0%
16	Financial Losses	502,616	944	-47%	0%	0%
18	Travel Assistance	55.050	47.985	15%	3%	3%
Total Written Premiums		2.137.547	1.492.125	43%	100%	100%

Out of the total sales, the Insurance&Reinsurance Department accounted for 63% of the gross written premium realized in the reporting period (2024: 52%), representing an increase of 73% compared to the previous year.

Meanwhile, sales through the Sales Department accounted for 37% of the gross written premium in the period (2024: 48%) and were 11% higher compared to the same period last year.

Within the Sales Department, the main focus was placed on restoring casco insurance sales (with total class growth of 22%), as well as motor third-party liability insurance, which recorded growth of 12%. In addition, significant growth was also recorded in property insurance – classes 8 and 9, with total growth of 10%, travel assistance insurance (14%), and accident insurance (11%).

During 2025, the Insurance&Reinsurance Department remained focused on maintaining communication with key clients responsible for the most significant projects being implemented in the country. Particular focus was placed on infrastructure projects for highway construction, as well as projects related to renewable energy sources.

Through the Insurance&Reinsurance Department, the Company concluded insurance coverage for the largest construction project and will continue to do so in the coming years. This refers to the construction of highways along several corridors in the territory of North Macedonia, with the main contractor being the Bechtel and Enka consortium.

The continued pressure from rising medical inflation and the increasingly intensive use of private health insurance products led the Company to maintain its policy of increasing prices for private health insurance in 2025. These measures remain moderate, aimed at ensuring long-term sustainability of these products. Additionally, during 2025, the Company aligned its terms and policies with changes introduced by the largest medical service providers, whereby service reimbursement is structured according to the category of service and type of doctor providing the treatment.

Major insured clients and projects include:

- ✓ Construction projects – Bechtel and Enka

- ✓ Construction projects – Sinohydro Corporation
- ✓ Property insurance – Macedonian Telecom
- ✓ Property, health, and accident insurance – Cementarnica USJE
- ✓ Property, accident, and motor insurance – Van Hool Macedonia and others
- ✓ Insurance of helicopters of the Ministry of Interior
- ✓ Health insurance of employees at Seavus
- ✓ Wind Park – Kaltun Energy
- ✓ Wind Park THOR

Gross Written Premiums per Quarters 2025/2024 per Departments

(in 000 MKD)

Quarter	2024	2024 cumulative	2025	2025 cumulative	2025 plan	2025 plan cumulative	% 2025/2024	2025 cumulative 2024 cumulative
Q1	448.552	448.552	1.028.464	1.028.464	1.062.429	1.062.429	129%	129%
Q2	369.212	817.764	494.933	1.523.398	366.433	1.428.862	34%	86%
Q3	369.810	1.187.574	323.699	1.847.096	285.451	1.714.314	-12%	56%
Q4	304.551	1.492.125	293.234	2.140.330	275.800	1.990.113	-4%	43%
	1.492.125		2.140.330		1.990.113		43%	

100%

Insurance & Reinsurance Department

Quarter	2024	2024 cumulative	2025	2025 cumulative	2025 plan	2025 plan cumulative	% 2025/2024	2025 cumulative 2024 cumulative
Q1	268.114	268.114	820.267	820.267	872.550	872.550	206%	206%
Q2	184.298	452.411	294.492	1.114.759	172.285	1.044.834	60%	146%
Q3	185.673	638.084	116.358	1.231.117	91.850	1.136.684	-37%	93%
Q4	145.037	783.121	122.542	1.353.659	115.884	1.252.568	-16%	73%
	783.121		1.353.659		1.252.568		73%	

63%

Sales Department

Quarter	2024	2024 cumulative	2025	2025 cumulative	2025 plan	2025 plan cumulative	% 2025/2024	2025 cumulative 2024 cumulative
Q1	180.439	180.439	208.198	208.198	189.880	189.880	15%	15%
Q2	184.914	365.353	200.441	408.638	194.149	384.028	8%	12%
Q3	184.138	549.490	207.341	615.979	193.601	577.630	13%	12%
Q4	159.514	709.004	170.692	786.671	159.916	737.545	7%	11%
	709.004		786.671		737.545		11%	

37%

Viewed by different distribution channels, in 2025, out of the total premium, 80.9% was realized through direct sales, which is 4 percentage points higher than the previous year (2024: 76.9%), 15% was realized through brokers, which is 4 percentage points lower than the previous year (2024: 19%), while the remaining structure from other distribution channels (travel agencies, agents, and others) accounted for 3.9%, remaining at the same level as the previous year (2024: 3.9%).

Written Premiums per Distribution Channels

<i>in 000 MKD</i>			% of change	Structure of Premiums	
Distribution Channels	2025	2024		2025	2024
	1	2	3=1/2	4	5
Direct Sales	1.731.610	1.147.024	51%	80,90%	76,87%
Insurance Brokers	324.680	286.180	13%	15,17%	19,18%
Travel Agencies	12.205	13.104	-7%	0,57%	0,88%
Banks	0	0	0%	0,00%	0,00%
Insurance Representatives	71.186	45.150	58%	3,33%	3,03%
Other Distribution Channels (Telekom etc.)	634,7	667	-5%	0,03%	0,04%
Total	2.140.315	1.492.125	43%	100,00%	100,00%

Collection of Receivables

The receivables collection monitoring process is fully implemented in the CRM software, covering both voluntary collection activities and enforced collection procedures. The software enables the collection units, on a regular basis, to use all available collection tools, including automated sending of SMS and email notifications for early-stage receivables, as well as formal written reminders (debt notifications for early-stage receivables and final reminders for older receivables prior to enforced collection). Within the enforced collection process, the software provides notifications for tracking procedural deadlines, as well as monitoring the recovery of litigated receivables.

Part of this process for individual clients includes the following:

- Automated sending of “personalized” SMS messages to inform clients about their current outstanding balance (INFO SMS, equivalent to a monthly statement), on a monthly basis, sent on the 7th day of each month, reflecting the client’s outstanding balance as of the end of the previous month.
- If the receivable remains outstanding for more than 15 days, each client receives an “escalation” SMS message on the 20th day of the month, containing a “REMINDER/REPEATED REMINDER” or “FINAL REMINDER,” depending on the age of the receivable (over 15 days, over 31 days, or over 61 days, respectively), with a request for payment within the specified deadline.

- Additionally, if the receivable remains unpaid within 15 days after the FINAL REMINDER, an automated SMS notification is sent informing the client that legal proceedings will be initiated, i.e., enforced collection procedures will commence.

Accordingly, the collection units operate within this process framework: the Collection Unit initiates the procedure for legal action related to outstanding receivables, while the Legal and Compliance Department is responsible for initiating and managing the enforced collection procedure.

Enhancements introduced in 2024 included shortening the escalation period for individual clients from over 120 days to over 90 days. Specifically, FINAL REMINDERS are now sent for receivables older than 61 days, and enforced collection procedures are initiated 30 days after the final reminder. This means that enforced collection procedures begin for receivables older than 91 days.

Additionally, during 2024, this process was automated in the OSIS system through the introduction of a dedicated panel – List of Clients Subject to Legal Action (i.e., eligible for enforced collection procedures), which is automatically populated after SMS notifications for enforced collection are sent to clients. The Legal and Compliance Department acts based on this panel.

The same panel is also used and automatically populated with proposals for initiating enforced collection procedures for legal entities, initiated by the Finance Department – Collection Unit, as a proposal to the Legal and Compliance Department.

The improvements introduced in 2024, particularly the shortened timelines for initiating enforced collection, delivered measurable results during 2025, reflected in improved payment discipline among individual clients, especially in the second half of the year. This is evidenced by the reduction or stabilization of outstanding receivables despite increased sales volume, as well as a significant decrease in the number of enforced collection cases.

Receivables from Insurance Premiums

Total due, uncollected premiums as at 31 December 2025 are to the amount of 916.693.000 MKD and are 87% higher than the amount as at 31 December 2024 (2023: 491.168.000 MKD).

Their current value, (corrected by the state of the adjusted value of the receivable) amounts to 795.999.000 MKD, which is 116% increase compared to the current value of the receivables at the end of 2024 (2023: 368.165.000 MKD). Compared to 2024, the biggest changes refer to the current value of undue receivables and they show 161% increase, while the current value of due receivables shows 11% decrease. As to age category, there is movement in the receivables under category “up to 30 days” and “from 31 to 60 days”, (11% decrease and 11% increase, respectively), while other

categories are negative, category “from 61 to 120” showing 23% decrease and the category “from 121 to 270 day” (14% decrease).

In the framework of all receivables from premiums, receivables amounting to 709.644.000 MKD or 77% are undue (2024: 272.224.000 MKD or 55%), while 207.047.000 MKD or 23% are due receivables (2023: 218.943.000 MKD or 45%).

The amount of due receivables from premiums is by 11.9 million MKD lower than the one realized as at 31 December 2024, which is 5.4% decrease, while undue receivables are by 437.4 million MKD higher, which is 160.6% increase.

Adjusted value as at 31 December 2025 (following the write offs of the part of receivables totalling 2.522.000 MKD (2024: 1.554.000 MKD) of the receivables based on premiums amounted to 120.694.000 MKD, which is 2% lower than the adjusted value stated as at 31 December 2024 (123.002.000 MKD).

Adjustment of undue receivables (to 100% of the amount of the receivables in all currencies i.e., stipulated payment dates after expiration date of the insurance contract) in 2025 amounted to 763.000 MKD and is lower than the adjusted value stated for such receivables in 2024 (713.000 MKD).

Receivables from premiums

2025				2024			% Change in the Current Value of Receivables 2024/2022
Age structure	Receivables	Adjusted Value	Current Value of the Receivable	Receivables	Adjusted Value	Current Value of the Receivable	
to 30 days	28.339.321	-	28.339.321	31.937.650	-	31.937.650	-11%
31-60 days	23.785.620	(2.378.562)	21.407.058	21.402.010	(2.140.201)	19.261.809	11%
61-120 days	25.676.326	(7.959.661)	17.716.665	33.511.473	(10.388.556)	23.122.917	-23%
121-270 days	31.751.775	(16.193.405)	15.558.370	36.924.676	(18.831.584)	18.093.092	-14%
271-365 days	11.491.473	(7.394.975)	4.096.498	12.156.421	(7.917.752)	4.238.669	-3%
More than 365	86.003.836	(86.003.836)	-	83.010.864	(83.010.864)	-	-
Due receivables	207.048.351	(119.930.439)	87.117.912	218.943.094	(122.288.957)	96.654.137	-10%
Undue receivables	709.644.329	(763.099)	708.881.230	272.224.492	(713.307)	271.511.185	161%
	916.692.680	(120.693.538)	795.999.142	491.167.586	(123.002.264)	368.165.322	116%

In 2025, a total of 1.589 enforced collection cases were registered in OSIS, which is 502 cases fewer compared to 2024, when 2.091 cases were initiated.

The registered 1.589 enforced collection cases have a total value of amount of 27.209.115 MKD.

Out of the above cases, enforced collection procedures were completed for 1.001 cases with a total value of amount of 12.309.219 MKD, while 585 cases remain active, subject to legal proceedings, with a total value of amount of 14.899.896 MKD.

Among the active cases, some have been partially collected; however, until the full amount is recovered (principal, costs, and interest), the case remains classified as active.

	Total		Active		Archived	
	No.	MKD	No.	MKD	No.	MKD
2024	2.091	25.740.752	772	13.011.731	1.237	12.124.365
2025	1.589	27.209.115	1.001	12.309.219	585	14.899.896

Statistically, in 2025 fewer enforced collection cases were initiated compared to 2024; however, the total value subject to enforced collection is higher by the amount of 1.468.363 MKD compared to the value initiated through lawsuits and enforcement requests in 2024.

As of the end of 2025, the Company has initiated enforced collection procedures for a total of 18.265 premium receivable cases, with a total value of amount of 328.978.684 MKD, of which 3.835 are active cases with a total value of amount of 60.273.261 MKD, while 14.431 cases are archived, with a total value of amount of 268.705.423 MKD.

year	Total		Active		Archived	
	No.	MKD	No.	MKD	No.	MKD
2004-2025	18.265	328.978.684	14.431	268.705.423	3.835	60.273.261

It should be noted that the value of receivables related to the “active” cases, for which formal proceedings are ongoing before a notary, court, or enforcement agent, is objectively lower than the amount presented in the table, as partial collections have already been made.

In the table, receivable amounts are recorded based on the premium amount for which the enforcement procedure was initiated.

Additionally, from the cases initiated in 2025, two active cases were registered – premium receivables for which a “Request for Receivables from Bankruptcy Estate” was submitted, with a total value of amount of 225.182 MKD.

Receivables from Subrogated Claims

Total receivables from subrogated claims as at 31 December 2025 amount to 25.842.000 MKD or 1% lower than the ones realized at the end of 2024 (26.111.000 MKD).

A decrease in receivables was recorded in subrogated claims related to motor third-party liability insurance (-1%), subrogated claims related to MTPL from unknown perpetrator/vehicle (-4%), and most significantly in subrogated claims related to credit insurance (-6%)

As to structure, the most present still are MTPL claims (69%), which are at the same level as in 2024.

Receivables from subrogation (000 MKD)

				Structure %	
	2025	2024	% of change	2025	2024
Subrogation - Accident	0	0	-	0%	0%
Subrogation – Hull	6.721	6.721	0%	26%	26%
Subrogation - MTPL	17.837	18.034	-1%	69%	69%
Subrogation - Credits	894	948	-6%	3%	4%
Subrogation Unknown/uninsured vehicles	390	408	-4%	2%	2%
Total	25.842	26.111	-1%	100%	100%

Pursuant to regulations, the Company made adjustment to the value/set aside a provision to the total amount of 25.445.000 MKD, out of which 25.436.000 MKD were adjusted values of the uncollected receivables from subrogation due as at 31 December 2024, or arrears of more than 365 days with 100% adjusted value.

Age structure	Total due non-collected premiums		Adjusted value (reservation)	
	In 000 MKD	%	In 000 MKD	%
Undue subrogation	0	0%	0	0%
To 30 days	0	0%	0	0%
31 -60	0	0%	0	0%
61 - 120	3	0%	1	0%
121 -270	6	0%	3	0%
271 -365	7	0%	5	0%
More than 365 days	25.436	100%	25.436	100%
Total	25.452	100%	25.445	100%

Pursuant to regulations the Company also had to make adjustment of values/ set aside provision for receivables arising from reinsurance commissions, cessions etc., in the reporting year.

On this basis, at the end of 2025, uncollected receivables are to the amount of amount to 12.790.000 MKD, which is 4% lower than the amount realized in 2024. The Company set aside provision for due receivables amounting to 9.584.000 MKD, or 457.000 MKD more than the previous year.

Other Receivables (in 000 MKD)	2025		2024		% of change	Structure of receivables in %	
	Total receivables	Adjusted value/	Total receivables	Adjusted value		2025	2024
Reinsurance Commissions	0	0	0	0	0%	0%	0%
- Fire	0	0	0	0	0%	0%	0%
- Aircraft Hull	0	0	0	0	0%	0%	0%
- General Liability	0	0	0	0	0%	0%	0%
Handling Claims	3.596	2.100	3.897	1.397	-8%	28%	22%
Cessions	4.074	3.869	4.216	4.083	-3%	32%	40%
Other	5.120	3.615	5.261	3.647	-3%	40%	38%
Total	12.790	9.584	13.374	9.127	-4%	100%	100%

In the Q3 of 2020, a bankruptcy proceeding was opened over Eurostandard Bank, as a result of which Eurolink entered receivables amounting to 12.390.000 MKD. At the same time, the Company recorded 100% adjustment of those receivables in accordance with legal regulations.

As at 31.12.2021, the balance of these receivables remained unchanged. During 2022, receivables in the amount of 4.319.000 MKD were collected; in 2023, receivables in the amount of 2.926.000 MKD were collected; in 2024, additional receivables in the amount of 1.550.000 MKD were collected; while in 2025, additional receivables in the amount of 597.000 MKD were collected.

	2025		2024	
	Total receivables	Adjusted value	Total receivables	Adjusted value
Deposit	2.985	2.985	3.582	3.582
Cash and cash equivalents	0	0	0	0
Receivables from interest on deposit	0	0	0	0
Total	2.985	2.985	3.582	3.582

As at 31.12.2025, the balance of these receivables has been reduced to amount of 2.985.000 MKD, meaning that 59% of the Company's receivables reported in the bankruptcy estate of the bank have been collected.

Reinsurance

In 2025, the Company continued its policy of securing high-quality reinsurance protection. In accordance with its reinsurance policy and the adopted reinsurance program, the Company renewed its key reinsurance treaties during the year for the main classes: property insurance, motor third-party liability and Green Card insurance, casco insurance, accident insurance, and travel insurance with reputable leading reinsurers. During 2025, the Company increased the reinsurance limits for the accident insurance class, in order to align reinsurance coverage with the risks being underwritten.

Furthermore, in order to assume risks exceeding the maximum retention and maximum coverage limits and to ensure the stability of the insurance portfolio, the Company continued to conclude facultative reinsurance agreements for specific individual risks.

During 2025, the Company also adopted the required documents arising from the Rulebook on the Adequacy of Reinsurance Coverage, the methodology for calculating the maximum coverage amount of an insurance company in the maximum coverage table, and the methodology for calculating the maximum probable loss.

Specifically, in order to comply with the adopted Rulebook, the Company approved the following new documents:

- ✓ Reinsurance Strategy
- ✓ Procedure for establishing a system of internal controls in reinsurance

These documents define the reinsurance strategy and program in alignment with the overall risk profile of the Company, risk management rules, and the Company's financial position.

Reinsurance markets in 2025 remained stable; however, the need to cover the cost of capital resulted in increased reinsurance premiums across all reinsurance classes.

Despite the increase in reinsurance costs, the Company continued to reinsure the excess risk, i.e., the portion of underwritten risks exceeding the Company's maximum retention, through appropriate reinsurance agreements.

Claims

In 2025, the number of settled claims decreased by 4% compared to the previous year (757 fewer settled claims), while the number of reported claims remained almost unchanged (with only 24 more reported claims).

The decrease in settled claims in absolute terms was most significant in Class 02 – health insurance, with a decrease of 4% in settled claims (or 557 fewer settlements), and in Class 18 – travel insurance, with a decrease of 25% (or 206 fewer settlements).

On the other hand, an increase of 35% in the number of settled claims was recorded in Class 13 – general liability insurance (or 16 more settled claims).

The share of rejected claims in 2025 amounted to 10% (2024: 9%).

- Digital claims management has increased the pace of claims resolution and requires maximum vigilance, strong controlling, and an effective notification system.
- The digital execution of claims processes has enabled greater capacity to monitor new trends within the claim's ecosystem. This has particularly contributed to improving the company's reputation, as well as retaining and increasing the number of clients.
- Digital advancement also impacts and reduces operational costs. Technical improvements have enabled increased use of data analytics to identify and analyse inflationary trends in claims compensation requests.

The dynamics of reported and settled claims by individual insurance classes during 2025 are as follows:

1 January – 31 December 2025	Settled Claims	Refused Claims	Reserved as at 31 December 2024	Reported Claims	Dynamics of Claim Settlement in %	
	1	2	3	4	$5 = \frac{(1+2)}{(3+4)} * 100$	
Accident	1	1.331	186	231	1.507	87%
Health	2	13.411	1.310	758	14.961	94%
Motor hull	3	735	90	367	802	71%
Rail hull	4	0	0	0	0	
Aircraft hull	5	0	0	0	0	
Vessel hull	6	0	0	0	0	
Cargo	7	0	1	0	2	50%
Property – Fire and allied perils	8	399	84	88	446	90%
Property - other	9	126	60	52	178	81%
MTPL (total)	10	2.455	256	1.506	2.810	63%
Aircraft liability	11	0	0	0	0	
Vessel liability	12	0	0	0	0	
General liability	13	62	13	29	75	72%
Credits	14	0	0	0	0	
Warranties	15	0	0	0	0	
Financial losses	16	0	0	0	0	
Legal protection	17	0	0	0	0	
Travel Insurance	18	619	147	151	868	75%
Total		19.138	2.147	3.182	21.649	86%

* Table figures show data on movement of claims in classes of insurance where claims were reported, reserved and settled

Based on the presented figures, it can be concluded that the Company has adequate procedures for processing reported claims and excellent results in their implementation, as confirmed by the claims settlement ratio of 86% achieved during 2025, which is lower by 1 percentage point compared to 2024 (87%).

Compared to 2024, the number of settled claims in the reporting year is lower by 4%, mainly due to the decrease in the health insurance class, which is also reflected in the structure of total settled claims, where this class accounts for 70% (identical to the previous year, 2024: 70%).

An overview by insurance classes is presented in the table below:

	2025	2024	% of change	Structure in %	
				2025	2024
Accident	1.331	1.224	9%	7%	6%
Health	13.411	13.968	-4%	70%	70%
Casco Motor Hull	735	766	-4%	4%	4%
Cargo	0	1	-100%	0%	0%
Fire and Allied Perils	399	463	-14%	2%	2%
Property other	126	182	-31%	1%	1%
MTPL	2.455	2.419	1%	13%	12%
GL	62	46	35%	0%	0%
Financial losses	0	1	0%	0%	0%
Travel Insurance	619	825	-25%	3%	4%
Total Number of settled Claims	19.138	19.895	-4%	100%	100%

Furthermore, the efficiency in claims handling is accompanied by their timely payment, enabled by the Company's strong liquidity position, as well as internal payment deadlines, which are set at a maximum of 7 days (compared to the legally permitted 14 days from claim settlement).

For claims in the health and property insurance classes, the internal payment deadline ranges from 1 to 3 days from settlement, making the Company recognized in the market by its clients for the speed and efficiency in claims resolution and payment.

INFORMATION TECHNOLOGY UPGRADE

Online Services for Clients

In the course of reporting year, enhancements were made to the digital platform Eurolink360 in the areas of policy payment processing and client registration by Company employees. The policy

payment functionality enables external distribution channels to issue MTPL and Green Card policies prepared through the NBO platform, collect payment via Eurolink360, and issue an invoice to the end customer.

In addition to enabling self-registration for external clients, the Eurolink360 platform now allows the registration process to be initiated by the sales agent. with the client only required to confirm their personal and contact details.

Harmonization with Group Standards and Integration

During the past year. several activities were carried out within the project for integration of the Company's information system with the information system of the GRAWE Group and alignment with group standards. including the migration of all user computers and their connection to the Group network. All user computers in the branches and headquarters are now operating within the Group network and use multi-factor authentication for network access.

The migration of the central database began after the completion of user migration as of 31.10.2025 and is still ongoing.

With regard to compliance with the DORA regulation. during the past year. processes for code review and static application security testing (SAST) were introduced as part of the software development lifecycle, as well as dynamic application security testing (DAST), aimed at identifying vulnerabilities in real time, simulating conditions similar to those of an external attacker.

Plan and status of the Company's compliance with the requirements of IFRS 17 and IFRS 9 (standards that have been issued but are not yet effective)

International Financial Reporting Standard 17 - Insurance Contracts and International Financial Reporting Standard 9 Financial Instruments have been issued but will become effective from 1 January 2028.

In order to ensure compliance with the new standards and their successful implementation, the Company adopted an Action Plan for the implementation of IFRS 17 (approved at the Management Board meeting No. 188 held on 15 September 2025), presented in Appendix No. 6, in accordance with regulatory requirements and the Group's global implementation program, in coordination with the parent company and the consultant KPMG.

As of 30 January 2026, the Company has completed all activities envisaged in the Action Plan and does not anticipate any delays in its implementation.

FINANCIAL RESULT ANALYSIS

Net Income from Premiums

In 2025, the Company achieved a gross written premium of 2.137.547 MKD, which is 645.422.000 MKD higher than the volume achieved in 2024 (2024 1.492.125 MKD), thus realizing an increase of 43%.

Under circumstances of ceded premiums to an approximate amount of 1.001.622.000 MKD (increased by 572.100.000 MKD compared to 2024, which is 133% rise) and increased earnings from changes in the unearned premiums reserve in the net amount of 1.586.552.000 MKD (change in reserve based on unearned premiums amounting to 584.930.000 MKD and in the portion of reinsurance amounting to 1.110.582.000 MKD), the net earned premiums amount to 1.110.582.000 MKD, which is 9% higher than the one realized in 2024 (1.020.938.000 MKD).

In 000 MKD	2025	2024	% of growth
Gross Written Premiums	2.137.547	1.489.752	43%
Gross Written Premiums co-insurance	2.769	2.373	17%
Change in unearned insurance premium reserve	584.930	90.296	548%
Premiums ceded to reinsurers	1.001.622	429.522	133%
Change in unearned reinsurance premium reserve	556.818	48.631	1045%
Net Revenues from Premiums	1.110.582	1.020.938	9%

Investment Income

In the reporting year, the Company generated investment income amounting to MKD 86.624 thousand, which is 6% higher than the amount realised in 2024 (2024: MKD 82.093 thousand). During the same period, total investment expenses amounted to MKD 14.377 thousand (2024: MKD 10.897 thousand). Accordingly, net investment income amounted to MKD 72.247 thousand, representing a 1% increase compared to the previous year when it amounted to MKD 71.196 thousand.

Within the investment portfolio, higher revenues compared to the previous year were realised in the segment of interest income from treasury bills and government bonds, amounting to MKD 37.804 thousand or 22% higher than in 2024 (2024: MKD 31.042 thousand), while income from interest on time deposits in banks amounted to MKD 14.204 thousand in 2025, representing a 43% increase compared to 2024 (2024: MKD 9.911 thousand).

This is primarily attributable to the change in the structure of the investment portfolio towards increased investments in government bonds and treasury bills, as a result of the need to achieve

higher investment yields, taking into account the more favourable returns compared to bank deposits.

The weighted average interest rate on MKD deposits without foreign exchange clause (which is also used for determining the National Reference Interest Rate), from the level of 1.96% recorded in December 2018 (end of 2022: 1.06%), amounted to 2.71% as at December 2025.

At the same time, the interest rate on central bank bills, from the level of 2.5% on an annual basis recorded in December 2018, was set by the National Bank at the level of 1.25% by the end of 2021, or 1.25 percentage points lower, following three successive downward adjustments.

Subsequently, from April 2022, taking into account strong inflationary pressures, the National Bank of the Republic of North Macedonia began increasing the interest rate on central bank bills in several steps, reaching 6.3% at the end of 2023, after which it decreased again to 5.55%. Fiscal authorities followed this impulse, and in the second half of 2023 a trend of increasing interest rates on government securities began, while in the banking sector upward adjustments were, as usual, significantly slower. During 2024, fiscal authorities initiated a mild and gradual reduction in interest rates on government securities.

As in December 2025, the interest rate on treasury bills without foreign exchange clause amounted to 4%.

In line with these movements, the average weighted interest rate at which the Company's assets were placed in bank deposits, which amounted to 4.85% at the end of 2014, gradually declined (3.34% at the end of 2015; 3.15% at the end of 2016; 2.77% at the end of 2017; 2.74% at the end of 2018; 2.68% at the end of 2019; 2.56% at the end of 2020; 1.76% at the end of 2021) and began a slight and gradual upward trend towards the end of 2022, in line with macroeconomic movements.

At the end of 2022 it amounted to 1.97%, at the end of 2023 it amounted to 1.89%, increased to 3.15% at the end of 2024, and further increased to 3.44% at the end of 2025.

The increase in the weighted average interest rate is attributable to the upward movements in interest rates on bank deposits. Accordingly, the Company decided to reinvest all funds from deposits maturing during 2025 into new government bonds, taking into account the expected period of declining interest rates on bank deposits.

Investment Income	% of change		
(in 000 MKD)	2025	2024	2025/2024
Revenues from interest on treasury notes and government bonds	37.804	31.042	22%
Revenues from interest on fixed term deposits in banks	14.204	9.911	43%
Revenues from interest on guarantee fund	1.512	616	145%
Revenues from dividends	1.262	1.006	25%
Revenues from amortization of government bond discounts	2.825	2.829	0%
Foreign exchange net effect	(3.884)	1.523	-355%
<i>Revenues from exchange rate differences of held-to-maturity securities</i>	1.635	3.678	-56%
<i>Expenditure from exchange rate differences of held-to-maturity securities</i>	(5.519)	(2.155)	156%
Net effect of decreasing securities at fair value (held-for-trading securities)	9.232	6.410	44%
<i>Unrealized gains from decreasing securities at fair value</i>	18.090	15.152	19%
<i>Unrealized losses from decreasing securities at fair value</i>	(8.858)	(8.742)	1%
Net effect of realized gains from sold securities	9.290	17.859	-48%
<i>Realized gains from sold investment (investment funds) and other revenues</i>	9.290	17.859	-48%
<i>Realized losses from selling a financial property – capital loss</i>	-	-	-
Other investment expenditure (interest expenses etc.)	-	-	-
Total Investment Income	86.624	82.093	6%
Total Investment Expenditure	(14.377)	(10.897)	32%
Total Investment Net Income	72.247	71.196	1%

In the reporting period, net revenues realized as a result of reducing held-for trading securities at fair value, shown through the income statement, amounted to 9.232.000 MKD or 44% higher than the previous year (2024: 6.410.000 MKD). Namely, starting as of 2020, as a result of the health crisis this portfolio manifested the greatest volatility of yields due to global stock markets oscillations and crash in the peak of the crisis, starting by the end of March until the beginning of June, when a gradual stabilization of the stock markets began, until repeated shock caused by the war in Ukraine and the energy crisis, when financial markets once more suffered significant losses in the course of 2022. In By stabilization of markets and upward prices movement of stock exchange indexes in 2024, the portfolio realized a net profit, which remained net unrealized gain, due to the fact that the Company did not trade with this portfolio. The Company decided to “keep its positions”, until returning of the investments close to their purchase value (as in 2019).

At the same time, the investment portfolio classified as available for sale generated net gains from the sale of securities amounting to MKD 9.290 thousand, which is 48% lower than the amount realised during 2024 (2024: MKD 17.859 thousand), mainly as a result of the sale of units in domestic investment funds.

Other insurance technical income

In 2024, the volume of commissions and fees amounted to 79.711.000 MKD, which is 16% higher than the amount realized in 2024 (68.802.000 MKD).

Increase in the volume of other insurance technical income is mostly due to increasing reinsurance commissions (21% increase or by 10.909.000 MKD). Revenues realized through subrogated claims from Guarantee Fund were 8% lower than the previous year (decreased by 283.000 MKD). Reimbursement from Guarantee Fund for claim handling services is decreased by 102.000 MKD.

in 000 MKD

	2025	2024	% change
Commissions from reinsurance	74.096	61.022	21%
Fees from GF for handling claims	258	360	-28%
Income from GF for realized subrogation	3.055	3.338	-8%
Fees from companies for handling claims	1.078	1.659	-35%
Other	1.224	2.423	-49%
Net income from fees and commissions	79.711	68.802	16%

Other revenues

In 2025 other revenues amount to 13.406.000 MKD, which is 26% higher than the one in 2024. In this framework, revenues from interest and court expenses show increase (2% or change by 94.000 MKD), mostly due to increased number of sued receivables in the course of 2024 and 2025. Revenues from positive exchange rate differences, revenues from previous years and similar items are 40% higher than the previous year.

In 000 MKD

Other income	2025	2024	% of change
Income from interest and legal expenses arising from collected receivable by legal actions	4.088	3.994	2%
Other income – positive exchange rate differences, etc.	9.319	6.634	40%
Total other income	13.406	10.628	26%

Claims

In 2025 settled claims amounted to 563.582.000 MKD, which is 7% more than the ones realized in the previous year (2024: 524.600.000 MKD). At the same time, they participate in gross written premiums with approximate 26%, which is 9 percentage points lower compared to 2024 (35%).

The Company had increased expenses regarding gross provision for claims to the amount of 68.336.000 MKD (2024: 40.569.000 MKD). In respect of IBNR claims, the Company increased the provision by the amount of 52.782.000 MKD, while the provision for RBNS claims was increased by the amount of 15.554.000 MKD.

As regards revenues from subrogation claims. they amounted to 6.656.000 MKD which is 99% higher than in 2024 (2024: 3.347.000 MKD).

Having in mind reinsurers' participation in settled and reserved claims, net incurred claims amount to 573.779.000 MKD or 3% higher than the ones realized in 2024 (555.034.000 MKD).

In total. net incurred claims in 2025 participate with 26% in the gross written premiums (2024: 37%), while 52% in earned premiums (2024: 54%).

Incurred Claims and Benefits

- In 000 MKD

	Gross			Reinsurer's Share			Net		
	2025	2024	% of change	2025	2024	% of change	2025	2024	% of change
Incurred claims paid in the current year	563.582	524.600	7%	43.429	15.284	184%	520.153	509.317	2%
Changes in reserves RBNS	15.554	1.374	1032%	504	-8.709	-106%	15.050	10.082	49%
Changes in reserves IBNR	52.782	39.196	35%	7.550	214	3428%	45.232	38.982	16%
Income from subrogation	-6.656	-3.347	99%				-6.656	-3.347	99%
Total	625.262	561.823	11%	51.483	6.789	658%	573.779	555.034	3%

Bonuses and Discounts Expenses

Total expenses for bonuses and discounts in the reporting period amounted to 26.458.000 MKD and they are 2.159.000 MKD or 9% higher than the ones realized in 2024.

At the same time. discount expenses decreased by 23% compared to the previous year.

In 000 MKD	2025	2024	% of change
<i>Expenses for bonuses</i>	-	509	-100%
<i>Expenses for discounts</i>	26.458	23.790	11%
- accident	1.432	973	47%
- health insurance	306	6.486	-95%
- Casco	16.016	8.850	81%
- property insurances	8.433	3.676	129%
- general liability	0	3.618	-100%
- other	271	187	45%
Expenses for bonuses and discounts	26.458	24.299	9%

Insurance Management Expenses

Total insurance management expenses in 2025 amounted to MKD 467.286 thousand, representing a 7% increase compared to the previous year (2024: MKD 438.448 thousand).

In 000 MKD	2025	% structure	2024	% of change
Acquisition Expenses	231.395	50%	217.784	6%
Overheads	235.891	50%	220.664	7%
Net Insurance Management Expenses	467.286		438.448	7%

Approximate 50% or 235.891.000 MKD of the net insurance management expenses relate to administrative expenses of the Company (2024: 220.664.000 MKD or 50% of the net insurance management expenses). At the same time, they are 7% higher than the previous year.

(in 000 MKD)	2025	2024	% of change
Employees expenses	79.478	72.828	9%
- salaries - administration and claims	68.475	63.450	8%
- other expenses for employees	11.003	9.378	17%
Rent*	490	18.862	-97%
Rented assets	1.816	1.911	-5%
Sponsoring and entertainment costs	26.608	23.696	12%
Depreciation of right-of-use assets	17.399	-	-
Depreciation of tangible assets*	5.303	4.617	15%

Depreciation of intangible assets	2.119	1.051	102%
Expenses for services from natural persons	27.013	21.151	28%
Reimbursement for using private cars	9.792	9.333	5%
Utility fees	4.403	3.506	26%
Banking services	5.123	5.745	-11%
Office supplies	1.333	1.346	-1%
Insurance premium expenses (management insurance, health insurance, etc.)	9.664	9.041	7%
Maintenance expenses	17.748	13.085	36%
Expenses for lawyers, notary services and enforcement officers	3.275	2.603	26%
Transport and business travel expenses	2.866	2.981	-4%
Expenses for reserving severance pays and jubilee awards	1.383	1.698	-19%
Provision for minimal global Tax**	-	7.801	-
Other administrative expenses	13.136	11.867	11%
Administrative expenses	235.891	220.664	7%

**From 1 January 2025, the Company applies the requirements of IFRS 16 – Leases to lease contracts. In accordance with the standard, the Company recognizes right-of-use assets and corresponding lease liabilities for lease contracts that meet the criteria of IFRS 16. Right-of-use assets and lease liabilities are presented as separate line items in the statement of financial position. The application of IFRS 16 resulted in a change in the cost structure, whereby lease expenses are replaced by: depreciation of right-of-use assets; and finance expenses arising from lease liabilities.*

As at 31 December 2024, the Company recognized a Provision for Minimum Global Corporate Income Tax in the amount of MKD 7,801 thousand, relating to additional corporate income tax determined through the application of a 15% tax rate. This tax has been calculated in accordance with the Law on Minimum Global Corporate Income Tax, published in the Official Gazette of the Republic of North Macedonia No. 3 dated 03.01.2025, which establishes a global minimum level of taxation for multinational enterprise groups and large domestic groups.

The Law on MGCT introduces a Qualified Domestic Top-up Tax (QD TT), which affects multinational groups operating in the territory of North Macedonia whose effective tax rate is 10% or lower. These entities are subject to additional taxation up to an effective tax rate of 15%. The law also contains certain exemptions, as well as provisions related to mergers, demergers and acquisitions, and additional transitional measures regarding the treatment of deferred tax assets and liabilities and the application of Safe Harbour rules.

Acquisition costs in 2025 amounted to 231.395.000 MKD (2024: 217.784.000 MKD) and are 6% higher than the ones realized in 2024.

In this context. external distribution channel commission amount to 41% of the total acquisition costs (2024: 42%). or 41% of the net insurance management expenses. They amount to 94.932.000 MKD (2024: 90.443.000 MKD), representing a 5% increase compared to 2024.

In 000 MKD	2025	2024	% of change	structure 2024	structure 2023
Commission	94.932	90.443	5%	41%	42%
Gross salaries of the inner sales network	142.885	130.766	9%	62%	60%
Other acquisition costs	2.656	3.188	-17%	1%	1%
Changes in acquisition costs	(9.078)	(6.615)	37%	-4%	-3%
Net acquisition costs	231.395	217.782	6%	100%	100%

Other acquisition costs (sales network salaries. insurance policies printing expenses. publicity etc.) amount to 142.885.000 MKD on a net basis (2024: 130.766.000 MKD). which is 9% increase compared to the previous year.

As to the change in the deferred acquisition costs, the Company in 2025 recorded an income to the amount of 9.078.000 MKD (2024: 6.615.000 MKD).

Management Bodies Expenses

In the framework of administrative expenses, the Company in 2025 recorded expenses for the management bodies totalling 28.949.000 MKD (2024: 27.767.000 MKD). In these terms. the Company did not report expenses for the Supervisory Board, i.e., the expenses for the Management Board are recorded only. They are presented in the table per types of expense.

	(In MKD)	
	2025	2024
Supervisory Board Members	0	0
- Reimbursement for SB meetings	0	0
- Other reimbursements	0	0
Health insurance	0	0
Life insurance	0	0
Managerial insurance	0	0
- Other expenses (including entertainment allowance)	0	0
Management Board Members	28.949.069	27.767.255
- Salaries and reimbursements	21.276.556	20.687.640
- Other reimbursements	6.340.328	6.112.270
Health insurance	392.402	463.174
Life insurance	274.222	273.555

<i>Manager insurance</i>	5.673.704	5.375.541
<i>- Other expenses (entertainment allowance included)</i>	1.332.185	967.345
Total	28.949.069	27.767.255

Other Insurance Technical Expenses

In 2025, the Company allocated an amount of 31.602.000 MKD for other insurance technical costs, which represents an increase of 3.058.000 MKD, or 11% compared to last year. The increase is largely due to the costs of compensation to the Insurance Supervision Agency in the amount of 10.713.000 MKD, or a 19% increase compared to the amounts realized in the previous year.

(In MKD)	2025	2024	% of change
GF claims – payment (unknown vehicles)	5.457	6.298	-13%
Fire protection contribution	5.419	4.951	9%
Health care fee	4.864	4.376	11%
Insurance Supervision Agency	10.713	9.003	19%
National Insurance Bureau	3.570	3.150	13%
Subrogation to NIB – court expenses	723	586	23%
Other expenses	857	181	373%
Total	31.602	28.544	11%

Value Adjustment of Receivables from Insurance Premiums

Total adjustment of the value of uncollected receivables from premiums in 2025 is an income amounting to 205.000 MKD, or 102% lower than the previous year (2024: expense of 12.643.000 MKD).

Value Adjustment of Receivables from Insurance Premiums	2025	2024	% of change
Adjusted value of receivables from insured persons	(2.309)	11.187	-121%
Collected, written-off receivable	(43)	(43)	0%
Permanent write-off of receivables	2.147	1.499	43%
Total	(205)	12.643	-102%

At the end of the business year, the write-off of all receivables was made to the amount of 2.147.000 MKD (2024: 1.554.000 MKD). Most of the write-offs resulted from uncollected insurance premiums from legal entities with closed bankruptcy proceedings, as well as deleted and inactive legal entities in the Central Register of Macedonia.

Other Expenditure including Value Adjustment

In terms of category of other expenditure including adjusted values, the amount of -595.000 MKD refers to release of adjusted value of other receivables from direct operations (2024: -656.000 MKD), while for other financial expenditures, expenses are reported to the amount of 5.462.000 MKD (2024: 3.061.000 MKD). Permanent write-off of these receivables for 2025 amounts to 375.000 MKD (2024: 54.000 MKD).

Other expenditures. including value adjustments

<i>In 000 MKD</i>	2025	2024	% of change
Adjusted valued of other receivables from direct operations	(595)	(656)	-9%
- out of which adjusted value of deposits and cash and cash equivalents *	(597)	(1.550)	-61%
Permanent write-off of receivables from direct operations	375	54	594%
Other financial expenditures	5.462	3.061	78%
	5.242	2.459	113%

* Collected receivables from the Eurostandard's bankruptcy mass

Profit

The Company's clearly defined strategic goals, continuous monitoring and analysis of the situation in the market, and corresponding reaction to changes through updating the offer and established procedures. as well as competent management of operational and investment risks, resulted in profit before taxation to the amount of 168.902.000 MKD for 2025 (2024: 113.404.000 MKD), i.e., 143.567.000 MKD after taxation (2024: 97.801.000 MKD).

Total comprehensive profit resulting from adding/reducing the profit from the re-measurement of financial assets available for sale in the amount of 1.417.000 MKD (2024: -2.180.000 MKD) is to the amount of 144.983.000 MKD for 2025 (2024: 95.621.000)

FINANCIAL STATEMENT ANALYSIS

Company's total assets as at 31 December 2025 amounted to 3.572.033.000 MKD, showing approximate increase of 56% compared to the previous year (2024: 2.297.196.000 MKD) (Annex 2).

Investments

Company's total investments as at 31 December 2025 amount to 1.768.797.000 MKD and are 12% higher than the previous year (2024: 1.575.975.000 MKD). Investments included 14.342.000 MKD (2024: 14.283.000 MKD) in the National Insurance Bureau's Guarantee Fund, while other financial investments are to the amount of 1.754.455.000 MKD (2024: 1.561.692.000 MKD).

Of the total investments of the Company, funds in the amount of 1.717.529.000 MKD are investments of funds to cover net technical reserves, which as of 31.12.2025 amount to 1.210.253.000 MKD, whereby the Company has realized a surplus of investments above the level of net technical reserves in the amount of 507.276.000 MKD (Appendix 5).

In 2025, the Company increased its investment portfolio by 14% (or by 210.542.000 MKD in absolute amount), mostly due to the Company's commitment to increasing collection of insurance premiums, decreasing the amount of due uncollected receivables, as well as efficient investment policies.

In terms of investment portfolio, the amount of 360.932.000 MKD was placed in bank deposits (17% lower compared to 2024: 435.366.000 MKD), 1.051.371.000 MKD in debtor's long-term securities held to maturity (36% increase compared to 2024: 773.319.000 MKD), 39.382.000 MKD in debtor's securities held to one year (2024: 79.168.000 MKD), and 226.680.000 MKD in financial investments available for sale (12% higher compared to 2024: 203.106.000 MKD), as well as 76.090.000 MKD in financial investments held for trading (8% higher compared to 2024: 70.733.000 MKD).

			% of change	In 000 MKD Structure in %	
	2025	2024		2025	2024
Financial investment kept at maturity	1.090.753	852.487	28%	70%	55%
- Debtors securities with 1-year maturity	39.382	79.168	-50%	3%	5%
- Debtors securities over 1-year maturity	1.051.371	773.319	36%	67%	50%
Financial investment available for sale	226.680	203.106	12%	15%	13%
- Stocks, shares and other instruments	-	-	0%	0%	0%
- Stocks and shares in investment funds	226.680	203.106	12%	15%	13%
Financial Investments for Trading	76.090	70.733	8%	5%	5%
Deposits, loans and other placements	360.932	435.366	-17%	23%	28%
Total Financial Investment	1.754.455	1.561.692	12%	100%	100%

At the end of 2025, 95% of the investment portfolio structure included investments in instruments in the Republic of North Macedonia, while 5% were investments abroad (in EU and OECD member states), thus maintaining the structure of investments compared to 2024.

Foreign portfolio structure mainly included units bought in index funds (7 different ETFs). which together with the units in one open-end fund amounted to 43.943.000 MKD representing 2.5% of the total investment portfolio. while 1% amounting to 15.027.000 MKD was invested in shares of business entities coming from those countries. Although the whole foreign portfolio was categorized as available for trading. neither selling nor new buying was realized in the course of 2025. This is mainly due to the fact that since the onset of the pandemic, global stock markets experienced a significant decline followed by a slow and gradual recovery, whereby the Company decided already in 2021 and until the end of 2024 to retain part of the acquired positions with a view to returning values close to purchase prices. In 2025, the foreign portfolio is solidly above the purchase price.

As regards domestic investment portfolio, the Company's investment policy was focused on increasing investments in government securities (28% realized increase. i.e. 8 percentage points in the structure). At the same time, the maturity structure of government securities changed in favour of long-term instruments due to more favourable interest rates compared to short-term instruments, as well as due to availability of sufficient liquid assets, maintaining an adequately balanced domestic portfolio with respect to yield. risk and liquidity.

Bank deposits were largely not reinvested due to less favourable interest rates compared to short-term interest rates of government securities.

As for the investment portfolio of stakes in domestic open investment funds. the Company increased its share in cash investment funds (by 100%), while the position in non-monetary investment funds (mostly equity and/or bond funds) remained unchanged.

The state of the Company's investment portfolio as at 31 December 2025 compared to 31 December 2024 is as follows:

<i>In 000 MKD</i>	% of allowed investment	at 31.12.2024	% structure	at 31.12.2025	% structure	ab.diff.	%2025/2024
Total Investment Portfolio (RNM)		1.490.959	95%	1.678.365	96%	187.406	13%
Deposits in banks that have a licence issued by NBRM	60%	435.366	29%	360.932	22%	-74.434	-17%
Bonds and other securities issued or guaranteed by the RNM on the domestic market	80%	852.487	57%	1.090.753	65%	238.266	28%
Shares traded on a regulated securities market in the RNM	25%	-	0%	-	0%	-	-
Stakes and shares of investment funds registered in the RNM	20%	203.106	14%	226.680	14%	23.574	12%
<i>Stakes in non-monetary IF</i>		<i>183.084</i>	<i>12%</i>	<i>186.680</i>	<i>11%</i>	<i>3.596</i>	<i>2%</i>
<i>Stakes in Cash IF</i>		<i>20.022</i>	<i>1%</i>	<i>40.000</i>	<i>2%</i>	<i>19.978</i>	<i>100%</i>

Types of Investment Portfolio (EU+OECD)		70.733	5%	76.090	4%	5.357	8%
Long-term bonds and other long-term debt securities issued by a member state of the EU or a member state of the OECD		-	0%	-	0%	-	-
Shares issued by a foreign joint stock company, traded on a regulated securities market in the member states of the EU or in the member states of the OECD	20%	15.418	22%	17.120	22%	1.702	11%
Shares (stakes) in investment funds traded on regulated securities market in a member state of the EU or a member state of the OECD		55.315	78%	58.970	78%	3.655	7%
TOTAL INVESTMENT PORTFOLIO (RNM + abroad (EU+OECD))		1.561.692	100%	1.754.455	100%	192.763	12%

Investment policy, in this framework a selection of placements per types and volume, is fully complied with legal provisions on types of investment of technical provisions covering assets and related restrictions. At the same time, investment portfolio provides protection from exposure to currency and interest risk, while allocation by maturity enables the maximum possible protection against liquidity risk.

Gross Technical Provisions Based on Reinsurance

As at 31 December 2025, the reinsurance portion in gross technical provisions is in the amount of 723.910.000 MKD or 355% above the level in the previous year. Out of that amount, 669.965.000 MKD is for gross provision for unearned reinsurance premium (2024: 113.147.000 MKD), while 53.946.000 MKD is reinsurer's portion in gross provision for claims (2024: 45.892.000 MKD).

Reinsurance portion in gross technical provision

In 000 MKD	2025	2024	% of change
Gross provision for unearned premiums			
As at 1 January	113.147	64.516	75%
Unearned premium movement	556.818	48.631	1045%
As at 31 December	669.965	113.147	492%
Gross provision for claims			
As at 1 January	45.892	54.386	-16%
Movement in the gross provision for claims	8.054	-8.498	-195%
As at 31 December	53.946	45.892	18%
Reinsurance portion in gross technical provisions	723.910	159.038	355%

Receivables

Company's total receivables as at 31 December 2025 amount to 828.779.000 MKD and are 432.669.000 MKD higher than those realized in 2024, representing an increase of 209%. Out of that amount, 87% are receivables from insured persons amounting to 795.999.000 MKD, which are 116% higher than the amount realized in 2024. Receivables from direct insurance operations are lower by 2.320.000 MKD or 35%, while receivables from financial investments increased by 7.127.000 MKD or 33% compared to the previous year.

(in 000 MKD)	2025	2024	% of change	% structure	
				2025	2024
Receivables from the Insured	916.693	491.168	87%	111%	124%
Adjusted value of receivables from the Insured	(120.694)	(123.003)	-2%	-15%	-31%
	795.999	368.165	116%	96%	93%
Other receivables from direct insurance operations	37.686	39.755	-5%	5%	10%
Adjusted value of receivables from direct insurance operations	(33.443)	(33.220)	1%	-4%	-8%
	4.243	6.535	-35%	1%	2%
Receivables from financial investments	26.920	19.346	39%	3%	5%
Other receivables	3.114	3.782	-18%	0%	1%
Adjusted value of other receivables	(1.497)	(1.718)	-13%	0%	0%
	28.537	21.410	33%	3%	5%
Total Receivables	828.779	396.110	109%	100%	100%

Other Assets

On 31 December 2025, the Company had other assets available in the amount of 87.591.000 MKD, or 194% higher than in 2024. Out of this amount, 52.923.000 MKD are tangible assets, while 34.668.000 MKD are cash and cash equivalents.

Tangible assets included equipment in the amount of 16.074.000 MKD (or 30%), while the amount of 36.849.000 MKD (70%) included other tangible assets.

Cash and cash equivalents at the year's end amounted to 34.482.000 MKD or they are 20.585.000 MKD lower than the situation as at 31 December 2024.

(In 000 MKD)

Cash and cash equivalents

	2025	2024
Cash with banks	34.482	13.897
Cash on hand	186	190
Other cash	-	-
As at 31 December	34.668	14.088

Prepayments and accrued income

As at 31 December 2025. prepayments and accrued incomes amount to 156.937.000 MKD. which is 22% higher than the previous year.

In total prepayments and accrued incomes, the biggest portion (65%) refers to deferred acquisition costs in the amount of 101.310.000 MKD. They are 10% higher than the level in 2024 or higher by the amount of 9.078.000 MKD.

Deferred Acquisition Costs

(In 000 MKD)	2025	2024	change	% of change
Deferred acquisition costs	58.127	49.225	8.902	18%
Deferred costs - brokers	43.183	43.008	175	0%
As at 31 December	101.310	92.232	9.078	10%

Other estimated revenues and deferred costs amount to 55.663.000 MKD (55% of the total prepayments and accrued income) and have 51% increase compared to 2024, mostly due to the increase in the other calculated earnings (102%).

(In 000 MKD)	2025	2024	% of change
Estimated income from reinsurance commissions	10.783	10.009	8%
Other estimated income	44.880	26.895	67%
Other estimated income and expenses	55.663	36.904	51%

Capital and Reserves

In 2025, the Company maintained the value of subscribed capital amounting to 195.326.000 MKD and showed legally prescribed reserves amounting to 315.708.000 MKD. Undistributed net profit as at 31 December 2025 amounted to 254.393.000 MKD or is 16% higher than the one realized in 2024 (2024: 219.192.000 MKD).

Adjustment of the value of financial assets available for sale (shares and stakes in investment funds) was also made, including the net effect of the changes in their fair value on the basis of which a revaluation reserve amounted to 612.000 MKD, or 1.417.000 MKD higher than the one realized in 2024 (2024: -805.000 MKD), which is mostly due to realization of gains from domestic non-monetary investment funds and their reinvestment in 2025.

The Company recorded a net profit after taxation amounting to 143.567.000 MKD (2024: 97.801.000 MKD).

As at 31 December 2025, total capital standing of the Company is at the level of 909.607.000 MKD and is by 114.983.000 MKD, or 14% higher than the one realized in 2024 when it amounted to 794.623.000 MKD.

Gross Technical Provisions

As at 31 December 2025, the Company set aside gross technical provisions to the gross amount of 1.934.163.000 MKD, which is 51 % higher than the level in 2024 (2024: 1.278.030.000 MKD).

In the framework of total gross technical provisions, gross provision for unearned premiums amounts to 1.230.115.000 MKD (2024: 645.186.000 MKD) or 91% higher than the amount in 2024.

Gross provision for claims, including direct and indirect claims, amounts to 692.116.000 MKD or 11% higher than in 2024 (2024: 623.780.000 MKD).

Provision for bonuses and discounts amounts to 11.932.000 MKD or 32% higher than amount realized in 2024 (2024: 9.065.000 MKD).

(In 000 MKD)	2025	2024	% of change
Gross reserves for unearned premiums	1.230.115	645.186	91%
Gross reserve for claims	692.116	623.780	11%
Gross reserve for bonuses/discounts	11.932	9.065	32%
Gross Technical Reserve	1.934.163	1.278.030	51%

Including the participation of the reinsurers in the Company's gross technical provision amounting to 723.911.000 MKD (669.965.000 MKD based on unearned premiums and 53.946.000 MKD based

on total provision for claims) the net technical provision as at 31 December 2025 amounts to 1.210.252.000 MKD (2024: 1.118.992.000 MKD). Reported but not paid claims are calculated as a part of the technical provision (RBNS) and not as expenses, effective as of 1 January 2024 in accordance with the amended Rulebook issued by the ISA, and they amount to 485.000 MKD in 2025.

	2025			2024		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Gross Technical Provision (In 000 MKD)						
RBNS – Gross provision for reported but not settled claims	636.142	(46.396)	589.746	352.758	(38.289)	314.469
Provision for direct expenses	-	-	-	-	-	-
Provision for indirect expenses	3.192	-	3.192	6.005	-	6.005
IBNR – Gross provision for incurred but not reported claims	52.782	(7.550)	45.232	265.016	(7.603)	257.414
Provision for bonuses and discounts	11.932	-	11.932	9.065	-	9.065
Provision for unearned premiums	-	-	-	-	-	-
As at 31 December	1.230.115	(669.965)	560.150	645.186	(113.147)	532.039
	1.934.163	(723.911)	1.210.252	1.278.30	(159.039)	1.118.992

Deferred and current tax liabilities

As at 31 December 2025, the Company has total tax liability to the amount of 1.665.000 MKD (2024: 3.739.000 MKD) out of which deferred tax obligations amounting to 1.097.000 MKD and current tax obligations amounting to 574.900.000 MKD.

(in 000 MKD)	2025	2024
Deferred tax liabilities	1.097	556
Current tax liabilities	574.900	3.183
Total	1.665	3.739

Liabilities

The Company's total liabilities amount to 81.516.000 MKD, or 175% higher than the level of those realized in the previous year.

(In 000 MKD)	2025	2024	% of change
Other liabilities from direct insurance operations	-	-	-
Liabilities arising from reinsurance	9.031	4.978	81%
Other liabilities	72.485	24.618	194%
Total Liabilities	81.516	29.596	175%

Total liabilities from direct insurance operations in 2025 were settled.

Liabilities from co-insurance and reinsurance amount to 9.031.000 MKD or 81% higher than the previous year, most of which undue, according to reinsurance treaties having in mind their fixed maturity.

Liabilities from direct insurance operations In 000 MKD	2025	2024	% change
Liabilities to Insured persons	-	-	0%
Other liabilities	-	-	0%
As at 31 December	-	-	0%

Other liabilities are to the amount of 72.485.000 MKD showing 194% increase compared to 2024.

Other Liabilities In 000 MKD	2025	2024	% of change
Liabilities to suppliers	3.395	7.060	-52%
Liabilities to employees	10.332	6.323	63%
Other	58.758	11.236	423%
As at 31 December	72.485	24.618	194%

Accruals and deferred Income

As at 31 December 2025, the Company has preestimated expenses amounting to 631.271.000 MKD falling under the period, mostly with respect to estimated reinsurance expenses (or 92% of the total accruals and deferred income 2024: 78%; which is increase of 257%) and in respect of which no debit note has been received until the closure of the financial report for the business year.

In 000 MKD	2025	2024	% of change
Pre-estimated reinsurance expenses	581.470	138.543	320%
Pre-estimated brokerage expenses	37.761	32.477	16%
Other pre-estimated expenses per invoices	12.040	5.915	104%
	631.271	176.935	257%

RISK MANAGEMENT

The Company permanently carried out activities in order to consistently manage and control insurance risks providing at the same time an adequate capital for covering technical reserves arising from the Company's insurance portfolio and solvency margin.

Capital Management and Solvency Margin

Insurance Supervision Agency is the main regulator monitoring the adequacy of the Company's capital on the whole.

The Company's management policy is to maintain stability of the Company's capital with a view to preserving confidence of the investors and the market, thus supporting future development of the business. The Company's management monitors the return on equity through the profit from daily operations. In addition, the Company also takes into consideration the influence of the level of capital on the shareholder's return as well as the advantage and safety secured by the strong position of the capital.

The calculation made in accordance with Article 75 of the Law on Insurance Supervision, shows the solvency margin required level in 2025 amounting to 327.096.166 MKD as per premium rate method or 131.473.168 MKD as per damage rate method. (Annex 3).

Considering the provision of the Law stipulating the higher result (amount) be defined as the solvency margin required level, the solvency margin in 2025 amounts to 327.096.166 MKD. Such defined solvency margin level at the same time enables compliance with the Law provision stipulating that "the capital of the insurance undertaking must be at any time at least equal to the required level of margin of solvency".

At the end of the reporting period, the Company's capital is in excess of 433.390.038 MKD in respect of the required solvency margin level. (Annex 4).

Company's Reserves

In view of providing for a permanent and unfailing fulfilment of obligations arising from the insurance contracts, the Company has set aside technical and other provisions by applying insurance and technical principles and accounting standards. These provisions have been set aside in a manner and to the amount ensuring safety of operations, liquidity and profitability.

Pursuant to the Law, and Company's business acts as well as insurance contracts and insurance risks underwritten thereof, the following types of technical provisions have been set aside:

1. Provisions for unearned premiums;
2. Provisions for unexpired risks;
3. Provisions for RBNS claims;
4. Provisions for IBNR claims;
5. Provisions for indirect claim costs and
6. Provisions for bonuses and discounts.

Technical provisions as at 31 December 2025 are estimated to the amount of 1.210.253.154 MKD (Annex 5)

Investment of Technical Provision Covering Assets

The Company set aside technical provision covering assets to the amount 1.717.528.889 MKD as at 31 December 2025, thus showing an excess of investment above the required amount of technical provision covering assets totalling 507.275.735 MKD (Annex 5).

When investing funds covering the technical reserves the Company took into consideration its classes of insurance offered, based on the principles of safety, profitability, and solvency.

Technical provision covering assets in 2025 were diversified so as to ensure not relying on a single category of assets, market or investment.

The Company adjusted investment of technical provision assets, which are exposed to probable losses arising from changes in interest rates, foreign exchange fluctuations, credit risks and from other market risks, to its obligations arising from insurance contracts affected by such changes.

When investing technical reserve assets, the Company considered maturity of its obligations under insurance contracts. When investing such assets, the Company had in mind limitations to Individual Investments defined under the Law on Insurance Supervision and the Rulebook on Types and Nature of Technical Reserve and Mathematical Reserve Covering Assets as well as on Detailed Placement and Limitation of these Investments and their Evaluation (Annex 5).

Insurance and Financial Risk Management

Risk management objectives and policies for mitigating insurance risk

The Company's management of insurance and financial risk is a critical aspect of the business. For general insurance contracts, the objective is to select assets with a duration and maturity value which match the expected cash flows from the claims on those portfolios.

The primary insurance activity carried out by the Company assumes the risk of loss from persons or legal entities that are directly subject to the risk. Such risks may relate to property, liability, accident, health, or other perils that may arise from an insurable event.

The Company manages its insurance risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, pricing guidelines, strict procedures for notification, assessment and settlement of claims and centralized management of reinsurance.

Underwriting Strategy

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

The underwriting policy is set out in the annual plan of operations that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. All general insurance contracts are annual in nature and the underwriters have the right to refuse renewal or to change the terms and conditions of the contract at renewal.

Reinsurance strategy

The Company reinsures a portion of the risks it underwrites in order to control its exposures to losses and protect capital resources.

The Company buys a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. The majority of the reinsurance business ceded is placed on a quota share basis with retention limits varying by product line. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances. All purchases of facultative reinsurance are subject to pre-approval and the total expenditure on facultative reinsurance is regularly monitored.

The Company monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Company's management sets the minimum-security criteria for acceptable reinsurance and monitors the purchase of reinsurance against those criteria. The Company's management also monitors erosion of the reinsurance programme and its ongoing adequacy. Reinsurance treaties are signed with unrelated entities with a view to controlling exposure to loss resulting from one occurrence.

Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities, its reinsurance assets, insurance liabilities and reinsurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are interest rate risk, currency risk, liquidity risk and credit risk.

The Company's objective is to match insurance contract liabilities with assets subject to identical or similar risks. This policy ensures that the Company is able to meet its obligations under its contractual liabilities as they fall due.

Interest Rate Risk

The Company's exposure in interest rates is concentrated in the investment portfolio.

In management's view the insurance contracts concluded by the Company are mainly short-term insurance contracts and the interest risk is mitigated by matching the insurance liabilities with a portfolio of debt securities. The non-equity portion of the financial assets in this portfolio is characterized by interest rate risk, though most of them are fixed interest-bearing instruments (government bonds and government bills).

Short-term insurance and reinsurance liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest-bearing.

Liquidity Risk

The biggest liquidity risk the Company faces are daily needs for assets available regarding obligations arising from insurance contracts and from claims.

The Company constantly maintains cash at bank and other highly liquid assets in order to prevent undue risk concentrations and to be able to meet payment obligations and potential payment obligations as and when they fall due.

Foreign Exchange Risk

The Company is exposed to currency risk through transactions in foreign currencies and through its assets and liabilities denominated in foreign currencies.

For avoiding the losses from movements with negative impact from the exchange rate, the Company applies a policy of predominant EUR exposure. The MKD currency is pegged to the Euro and the monetary projections envisage stability of the exchange rate of the MKD currency against Euro.

Credit Risk

Credit risk represents the accounting loss that would be recognized if counterparties failed to perform as contracted. To control exposure to credit risk, the Company performs ongoing credit evaluations of the financial condition of these counterparties.

- Insurance receivables

The Company is exposed to credit risk in the event where its customers from the provision of insurance services fail to meet their payment obligations. The Company's exposure to credit risk is limited to the carrying value of premium and other receivables. The premium receivables are owed by a large number of customers on normal credit terms and therefore there is minimal concentration of credit risk. The Company monitors premium receivables on an ongoing basis with the result that the Company's exposure to bad debts is controlled.

- Reinsurance assets

The Company has exposure to credit risk in relation to its reinsurance assets. Reinsurance is placed with high rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. The management performs assessment of the creditworthiness of reinsurers to update reinsurance purchase strategy.

- Financial instruments

The Company is exposed to credit risk from financial instruments with respect to the possible default of counterparties.

However, considering the fact that the Company invests in government bills and bonds and term deposits with domestic banks, no counterparty default is expected.

Operational Risk

The Company is exposed to operational risk connected with all relevant products, activities, processes and systems of work. Sources of the operational risk are present at all levels of decision making and business process performing, at each performer and at each segment of the business operations. Operational risks cannot be completely avoided, yet regular internal controls may prevent their expansion. Accordingly, the Company gives a special importance to the internal control system as well as to an adequate education of the employees. Good business continuity management decreases the level of operational risks and holds their influence at the lowest levels possible.

IT System Risk Management

Assessment of the risk arising from the IT system security includes identification of the IT system assets and their classification, analysis of probability of occurrence of threats and weaknesses of the IT system and monitoring new weaknesses in the system.

Legal Risk Management

The Company is exposed to a legal risk related to a risk of loss caused by any incompliance and/or non-observance of legislation, regulations, prescribed practices or ethical standards or by misinterpretation of legal documents.

Strategic and Reputation Risk

The Company identifies any possible sources of strategic risks. The Company decreases exposure to strategic risks by setting adequate long-term goals, selection of employees with adequate qualifications and knowledge and their permanent training, efficient risk management system, adequate access to information, proper application of ethical principles and good governance principles. In addition, the Company is exposed to a risk of tarnished reputation. The Company has established strict and clear procedures for good governance and has been constantly measuring the satisfaction of its clients and making analyses of the insurance market and its trends.

Capital Management

Insurance Supervision Agency is the Company's main regulator that monitors capital requirements for the Company as a whole. The Company is directly supervised by the regulator.

The policy of the Company's Management is to strengthen the Company's capital from its own sources, certainly with undoubted support by the shareholders who continually decide the greatest portion of the Company's yearly Profit to be allocated for increase in the Company's reserves, i.e., to remain in the balances as retained earnings for strengthening of the capital. This is for the purpose of keeping the investors' confidence and of the market, with a view to supporting the future development of the business.

In 2025, the Company continued to monitor the return on equity through the profit from regular operation. The Company also takes into account the influence of the level of capital has on the shareholders' return, as well as advantages and security afforded by a sound capital position.

In the course of the year the Company did not have any material changes in its approach to managing the capital.

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ANNEXES

Annex 1–INCOME STATEMENT

As at 31 December 2025

In MKD

Item	No.	Amount	
		Current Business Year	Previous Business Year
1	2	4	5
A. OPERATIONS REVENUES (201+210+224+225)	200	1.290.324.154	1.182.461.394
I. EARNED PREMIUMS NET REVENUES FROM PREMIUMS (202+203+204-205-206-207+208+209)	201	1.110.582.922	1.020.937.817
1. Gross Written Insurance Premiums	202	2.137.547.261	1.489.752.423
2. Gross Written Co-insurance Premiums	203	2.769.027	2.372.697
3. Gross Written Re-insurance Premiums/retrocession	204	-	-
4. Gross Written Premiums ceded to Co-insurance	205	-	-
5. Gross Written Premiums ceded to Re-insurance/retrocession	206	1.001.621.657	429.522.241
6. Change in gross reserve for unearned premiums	207	584.929.574	90.296.459
7. Change in gross reserve for unearned premiums – ceded for co-insurance	208	-	-
8. Change in gross reserve for unearned premiums – ceded for re-insurance	209	556.817.865	48.631.397
II. INVESTMENT INCOME (211+212+216+217+218+219+223)	210	86.623.511	82.093.321
1. Revenues from branches, affiliations and jointly controlled entities	211	-	-
2. Investment Revenues from land and buildings (213+214+215)	212	-	-
2.1 Rental revenues	213	-	-
2.2 Revenues from increased value of land and buildings	214	-	-
2.3 Income form sold land and buildings	215	-	-
3. Interests	216	53.521.119	41.569.607
4. Positive exchange rate differences	217	1.634.917	3.677.993
5. Adjustment of value of receivables from premiums (unrealized profits, reduction to objective value)	218	18.090.498	15.152.035
6. Realized profits from selling financial property – capital profit (220+221+222)	219	9.289.897	17.859.072
6.1 Financial investment available for sale	220	9.289.897	17.859.072
6.2 Financial investment for trading (at objective value)	221	-	-
6.3 Other financial investment	222	-	-
7. Other investment Revenues	223	4.087.080	3.834.614
III. REINSURANCE COMMISSION	223a	74.095.720	61.022.050
IV. OTHER INSURANCE TECHNICAL REVENUES, DEDUCED FOR CEDED PREMIUMS	224	5.615.668	7.780.375

V. OTHER REVENUES	225	13.406.333	10.627.831
B. OPERATIONS EXPENSES (227+235+245+248+251+261+271+274+275)	226	1.121.422.122	1.069.057.767
I. INCURRED CLAIMS (NET EXPENSES FOR CLAIMS) (228-229-230-231+232-233-234)	227	573.779.757	555.033.697
1. Gross paid claims	228	563.581.914	524.600.375
2. Reduction in income for gross realized subrogation claims	229	6.655.993	3.347.014
3. Gross paid claims – portion for co-insurance	230	-	-
4. Gross paid claims – portion for re-insurance	231	43.428.569	15.283.533
5. Changes in gross provision for claims	232	68.336.452	40.569.339
6. Changes in gross provision for claims - portion for co-insurance	233	-	-
7. portion for co-insurance - portion for re-insurance	234	8.054.047	(8.494.530)
II. CHANGES IN OTHER TECHNICAL RESERVES, NET FROM REINSURANCE (236+239+242)	235	2.866.980	(3.270.344)
1. Changes in mathematical reserve, net from reinsurance (237-238)	236	-	-
1.1 Changes in gross mathematical reserve	237	-	-
1.2 Changes in gross mathematical reserve – co-insurance/re-insurance portion	238	-	-
2. Changes in equalization reserve, net from reinsurance (240-241)	239	-	-
2.1. Changes in gross equalization reserve	240	-	-
2.2 Changes in gross equalization reserve - co-insurance/re-insurance portion	241	-	-
3. Changes in other technical provisions, net from reinsurance (243-244)	242	2.866.980	(3.270.344)
3.1 Changes in other technical provisions	243	2.866.980	(3.270.344)
3.2 Changes in other technical provisions- co-insurance/re-insurance portion	244	-	-
III. CHANGES IN GROSS MATHEMATICAL RESERVE FOR LIFE INSURANCE WHERE INVESTMENT RISK IS DEBITED TO THE INSURED, NET FROM REINSURANCE (246-247)	245	-	-
1. Changes in gross mathematical reserve for life insurance where investment risk is debited to the insured	246	-	-
2. Changes in gross mathematical reserve for life insurance where investment risk is debited to the insured– co-insurance/re-insurance portion	247	-	-
IV. Expenses for bonuses and discounts, net from reinsurance (249+250)	248	26.457.925	24.298.785
1. Bonus expenses (depending on the reinsurance technical result)	249	-	508.722
2. Discount expenses (not depending on the reinsurance technical result)	250	26.457.925	23.790.063
V. NET INSURANCE MANAGEMENT EXPENSES (252+256)	251	467.286.547	438.447.715

1. Acquisition Costs (253+254+255)	252	231.395.077	217.783.705
1.1 Commission	253	94.932.405	90.443.487
1.2 Gross salary for sales network	253a	142.884.750	130.766.361
1.3 Other acquisition costs	254	2.655.611	3.188.452
1.4 Change in differed acquisition costs (+/-)	255	(9.077.689)	(6.614.595)
2. Overheads (257+258+259+260)	256	235.891.470	220.664.010
2.1 Depreciation of tangible assets serving for carrying out activities	257	24.820.834	5.668.471
2.2 Employees expenses	258	79.478.369	72.827.717
2.2.1 Salaries and reimbursements	258a	45.074.231	41.776.282
2.2.2 Taxes on salaries	258b	4.228.086	3.907.559
2.2.3 Obligatory social insurance	258c	19.173.075	17.766.005
2.2.4 Additional pension insurance for employees	258d	-	-
2.2.5 Other expenses for employees	258e	11.002.977	9.377.871
2.3 Expenses resulting from services rendered by physical persons (car repair shops, etc.) with all taxes	259	27.013.089	21.150.948
2.4 Other overheads (260a+260b+260c)	260	104.579.178	121.016.874
2.4.1 Expenses for services	260a	80.112.713	90.216.828
2.4.2 Material expenses	260b	6.872.101	5.909.591
2.4.3 Reservation expenses and other operational expenses	260c	17.594.364	24.890.455
VI. INVESTMENT EXPENSES (262+263+264+265+266+270)	261	14.391.592	10.901.410
1. Depreciation and adjustment of tangible assets not serving for carrying out activities	262	-	-
2. Interests expenses	263	15.527	4.290
3. Negative exchange rates differences	264	5.518.563	2.154.691
4. Adjustment of values (unrealized losses, reduction to objective value)	265	8.857.502	8.742.429
5. Realized losses from selling financial property – capital loss (267+268+269)	266	-	-
5.1 Financial investment available for sale	267	-	-
5.2 Financial investment for trading (at objective value)	268	-	-
5.3 Other financial investment	269	-	-
6. Other investment expenses	270	-	-
VII. OTHER INSURANCE TECHNICAL EXPENSES, REDUCED FOR REINSURANCE (272+273)	271	31.601.648	28.544.165
1. Prevention expenses	272	-	-
2. Other insurance technical expenses, reduced for reinsurance	273	31.601.648	28.544.165
VIII. ADJUSTED VALUE OF RECIEVABLES FROM PREMIUMS	274	(204.612)	12.643.028

IX. OTHER EXPENDITURES, INCLUDING ADJUSTED VALUES	275	5.242.285	2.459.311
X. BUSINESS YEAR PROFIT BEFORE TAX (200-226)	276	168.902.032	113.403.627
XI. BUSINESS YEAR LOSS BEFORE TAX (226-200)	277	-	-
XII. PROFIT/LOSS TAX	278	25.335.305	15.602.337
XIII. DEFFERED TAX	279	-	-
XIV. BUSINESS YEAR PROFIT AFTER TAXATION (276-278-279)	280	143.566.727	97.801.290
XV. BUSINESS YEAR LOSS AFTER TAXATION (277-278-279)	281	-	-
XVI. OTHER COMPREHENSIVE PROFIT/(LOSS)		143.566.727	97.801.290
Profit/loss from repeated measurement of funds available for sale		1.416.711	(2.180.508)
Profit tax on components of comprehensive profit			-
PROFIT/(LOSS) BELONGING TO SHAREHOLDERS		144.983.438	95.620.782

Annex 2 – BALANCE SHEET

As at 31 December 2025

In MKD

Item	No.	Current	Previous
		Business Year	Business Year
1	2	4	5
ASSETS			
A. INTANGIBLE ASSETS	001	5.519.092	6.739.480
1. Goodwill	002	-	-
2. Other intangible assets	003	5.519.092	6.739.480
B. INVESTMENT	004	1.768.797.586	1.575.975.344
I. LAND, BUILDINGS AND OTHER TANGIBLE ASSETS	005	-	-
1. Land and building for carrying out activities	006	-	-
1.1 Land	007	-	-
1.2 Buildings	008	-	-
2. Land and building not serving for carrying out activities	009	-	-
2.1 Land	010	-	-
2.2 Buildings	011	-	-
2.3 Other tangible assets	012	-	-
II. FINANCIAL INVESTMENT IN A GROUP – BRANCHES, AFFILIATIONS AND JOINTLY CONTROLLED ENTITIES	013	14.342.455	14.283.117
1. Shares, shares and other ownership securities in group companies - branches	014	-	-
2. Debtors securities issued by group companies	015	-	-
3. Shares, shares and other ownership securities in affiliations	016	-	-
4. Debtors securities issued by affiliations	017	-	-
5. Other financial investment in group companies - branches	018	-	-
6. Other financial investment in affiliations	019	-	-
7. Investment in jointly controlled entities	020	14.342.455	14.283.117
III. OTHER FINANCIAL INVESTMENT	021	1.754.455.131	1.561.692.227
1. Financial investment kept to maturity	022	1.090.752.767	852.487.292
1.1 Debtors securities – one year maturity	023	39.382.113	79.168.199
1.2 Debtors securities – over one year maturity	024	1.051.370.654	773.319.093
2. Financial investment available for sale	025	226.680.224	203.106.101
2.1 Debtors securities – one year maturity	026	-	-

2.2 Debtors securities – over one year maturity	027	-	-
2.3 Shares, shares and other securities	028	-	-
2.4 Shares and shares in investment fund	029	226.680.224	203.106.101
3. Financial investment for trading	030	76.090.101	70.732.698
3.1 Debtors securities – one year maturity	031	-	-
3.2 Debtors securities – over one year maturity	032	-	-
3.3 Shares, shares and other securities	033	61.063.090	56.364.756
3.4 Shares and shares in investment fund	034	15.027.011	14.367.942
4. Deposits, loans and other placements	035	360.932.039	435.366.136
4.1 Give deposits	036	360.932.039	435.366.136
4.2 Mortgage secured loans	037	-	-
4.3 Other loans	038	-	-
4.4 Other placements	039	-	-
5. Derivative financial instruments	040	-	-
IV. DEPOSITIS OF REINSURANCE COMPANIES WITH CESSORS, BASED ON REINSURANCE TREATIES	041	-	-
C. PORTION FOR COINSURANCE, REINSURANCE IN GROSS TECHNICAL RESERVES	042	723.910.331	159.038.419
1. Portion for coinsurance/reinsurance in unearned premium gross reserve	043	669.964.760	113.146.895
2. Portion for coinsurance/reinsurance in gross mathematical reserve	044	-	-
3. Portion for coinsurance/reinsurance in gross claim reserve	045	53.945.571	45.891.524
4. Portion for coinsurance/reinsurance in bonus/discounts gross reserve	046	-	-
5. Portion for coinsurance/reinsurance in gross equalization reserve	047	-	-
6. Co-insurance and reinsurance portion in gross other technical reserve	048	-	-
7. Portion for coinsurance/reinsurance in gross technical reserves for life insurance where investment risk is debited to the insured,	049	-	-
D. FINANCIAL INVESTMENT WHERE THE INSURED UNDERTAKES THE INVESTMENT RISK (INSURANCE CONTRACTS)	050	-	-
E. DEFERRED AND CURRENT TAX ASSETS	051	462.370	432.010
1. Deferred tax assets	052	455.316	428.107
2. Current tax assets	053	7.054	3.903
F. RECEIVABLES	054	828.779.144	396.109.694
I. RECEIVABLES FROM DIRECT INSURANCE OPERATIONS	055	795.999.142	368.165.323
1. Receivables from insured	056	795.999.142	368.165.323
2. Receivables from intermediaries	057	-	-
3. Other receivables from direct insurance operations	058	-	-
II. RECEIVABLES FROM COINSURANCE/REINSURANCE	059	-	-

1. Receivables from coinsurance/reinsurance premiums	060	-	-
2. Receivables from participation in claim payments arising from coinsurance/reinsurance	061	-	-
3. Other receivables from coinsurance/reinsurance	062	-	-
III. OTHER RECEIVABLES	063	32.780.002	27.944.371
1. Other receivables from direct insurance operations	064	4.243.263	6.534.557
2. Receivables from financial investment	065	26.920.202	19.346.335
3. Other receivables	066	1.616.537	2.063.479
IV. RECEIVABLES FROM SUBSCRIBED YET NOT PAID-UP CAPITAL	067	-	-
G. OTHER ASSETS	068	87.591.245	29.764.763
I. TANGIBLE ASSETS FOR CARRYING OUT ACTIVITIES (EXCEPT LAND AND BUILDINGS (070+071))	069	52.923.361	15.677.116
1. Equipment	070	16.074.240	14.840.753
2. Other tangible assets	071	36.849.121	836.363
II. CASH AND CASH EQUIVALENTS	072	34.667.884	14.087.647
1. Cash in bank	073	34.481.750	13.897.202
2. Cash at cashier	074	186.134	190.445
3. Funds set aside for covering mathematical reserve	075	-	-
4. Other cash and cash equivalents	076	-	-
III. STOCK AND PETTY INVENTORY	077	-	-
H. ACTIVE TIME APPORTIONMENTS	078	156.973.307	129.136.741
1. Previously estimated revenues from interest and rents	079	-	-
2. Deferred acquisition costs	080	101.310.019	92.232.330
3. Other estimated revenues and deferred costs	081	55.663.288	36.904.411
3. NON-CURRENT ASSETS KEPT FOR SALE AND INTERRUPTED OPERATIONS	082	-	-
I. TOTAL ASSETS	083	3.572.033.075	2.297.196.451
J. OUT-OF-BALANCE RECORDS - ASSETS	084	445.580.990	411.575.339
LIABILITIES			
A. CAPITAL AND RESERVES	085	909.606.636	794.623.198
I. SUBSCRIBED CAPITAL	086	195.326.080	195.326.080
1. Subscribed capital from ordinary shares	087	195.326.080	195.326.080
2. Subscribed capital from preferred shares	088	-	-
3. Subscribed not paid-up capital	089	-	-
II. PREMIUMS FOR ISSUED SHARES	090	-	-
III. REVALUATION RESERVE	091	612.202	(804.509)
1. Tangible assets	092	-	-
2. Financial investment	093	612.202	(804.509)

3. Other revaluation reserves	094	-	-
IV. RESERVES	095	315.708.431	283.108.001
1. Legal reserves	096	315.708.431	283.108.001
2. Statutory reserves	097	-	-
3. Own shares reserves	098	-	-
4. Owen shares redeemed	099	-	-
5 Other reserves	100	-	-
V. UNDISTRIBUTED NET PROFIT	101	254.393.196	219.192.336
VI. LOSS CARRIED FORWARD	102	-	-
VII. PROFIT IN THE CURRENT ACCOUNTING PERIOD	103	143.566.727	97.801.290
VIII. LOSS IN THE CURRENT ACCOUNTING PERIOD	104	-	-
B. SUBORDINATED RESERVES	105	-	-
C. GROS TECHNICAL PROVISIONS	106	1.934.163.485	1.278.030.491
I. Unearned premiums gross provision	107	1.230.115.258	645.185.684
II. Gross mathematical reserve	108	-	-
III. Claims gross provisions	109	692.116.146	623.779.707
IV. Bonus/discount gross provision	110	11.932.081	9.065.101
V. Equalization gross provision	111	-	-
VI. Other technical gross provisions	112	-	-
D. GROSS TECHNICAL PROVISIONS AS TO INSURANCE CONTRACTS WHERE THE INSURED UNDERTAKES THE INVESTMENT RISK	113	-	-
E. OTHER RESERVES	114	7.855.302	14.273.194
1. Employees reserve	115	7.855.302	6.472.025
2. Other reserves	116	-	7.801.169
F. DEFERRED AND CURRENT TAX LIABILITIES	117	7.620.675	3.738.893
1. Deferred tax liabilities	118	1.090.594	555.793
2. Current tax liabilities	119	6.530.081	3.183.100
G. LIABILITIES ARISING FROM DEPOSITS OF THE REINSURANCE COMPANIES WITH CESSORS, BASED ON REINSURANCE TREATIES	120	-	-
H. LIABILITIES	121	81.516.132	29.595.903
I. LIABILITIES ARISING FROM DIRECT INSURANCE OPERATIONS	122	-	-
1. Liabilities to the insured	123	-	-
2. Liabilities to agents and intermediaries	124	-	-
3. Other liabilities arising from direct insurance operations	125	-	-
II. LIABILITIES FROM COINSURANCE/REINSURANCE	126	9.031.285	4.977.660
1. Liabilities from coinsurance/reinsurance premiums	127	9.031.285	4.977.660
2. Liabilities from participation in claim indemnity	128	-	-
3. Other liabilities from coinsurance/reinsurance	129	-	-

III. OTHER LIABILITIES	130	72.484.847	24.618.243
<i>1. Other liabilities from direct insurance operations</i>	131	3.394.647	7.059.530
<i>2. Liabilities from financial investment</i>	132	-	-
<i>3. Other liabilities</i>	133	69.090.200	17.558.713
3. PASSIVE TIME APPORTIONMENTS	134	631.270.846	176.934.772
I. NON-CURRENT LIABILITIES RELATED TO NON-CURRENT ASSETS KEPT FOR SALE AND INTERRUPTED OPERATIONS	135	-	-
J. TOTAL LIABILITIES	136	3.572.033.075	2.297.196.451
K. OUT-OF-BALANCE RECORDS - LIABILITIES	137	445.580.990	411.575.339

Annex 3- Required level of solvency margin

in MKD

Description	Item	Non-life insurance except health		Health insurance to		Non-life insurance except	
		Current year	Previous year	Current	Previous	Current year	Previous year
Gross written premium	1	2.138.168.952	1.490.669.100				
Gross written premium < 10 mil Eur x 0.18	2	110.691.000	110.691.000				
Gross written premium > 10 mil Eur x 0.16	3	243.715.032	140.115.056				
Gross written premium < 10 mil Eur x 18/300	4			0	0		
Gross written premium > 10 mil Eur x 16/300	5			0	0		
Total amount of Gross written premium (([6]=[2] + [3] or [6]=[4] + [5]))	6	354.406.032	250.806.056	0	0		
Gross paid claims	7	563.581.914	524.600.375			563.581.914	524.600.375
Net paid claims	8	520.153.345	509.316.842			520.153.345	509.316.842
Coefficient (([9]=[8]/[7] or 0.50, if smaller)	9	0,92	0,97	0,00	0,00	0,92	0,97
Solvency margin - Premium rate method (([10]=[6]*[9]))	10	327.096.166	243.499.156	0	0		
Reference period (in years)	11	3	3			7	7
Gross paid claims in the reference period	12	1.530.117.314	1.339.801.460			0	0
Gross claim reserves at the end of the reference period	13	704.048.227	632.844.808			0	0
Gross claim reserves at the beginning of the reference period	14	544.563.497	595.545.814				0
Gross incurred claims (([15]=[12] + [13] - [14])/[11])	15	563.200.681	459.033.485	0	0	0	0
Gross incurred claims < 7 mil Eur x 0,26	16	111.920.900	111.920.900			0	0
Gross incurred claims > 7 mil Eur x 0,23	17	30.529.207	6.570.751			0	0
Gross incurred claims < 7 mil Eur x 26/300	18			0	0		
Gross incurred claims > 7 mil Eur x 23/300	19			0	0		
Total amount of Gross incurred claims (([20]=[16] + [17] or [20]=[18] + [19]))	20	142.450.107	118.491.651	0	0	0	0
Solvency margin - Claim rate method (([21]=[20]*[9]))	21	131.473.168	115.039.555	0	0	0	0
Required level of solvency margin (([22]=max([10],[21]))	22	327.096.166	243.499.156	0	0		

Description	Item	Current year	Previous year
Final calculation of required level of solvency margin	1	327.096.166	243.499.156

Annex 4- Calculation of equity

		<i>in</i>	<i>MKD</i>
Description	No of position	Amount	
Basic capital, article 69 (I1+I2+I3+I4+I5-I6-I7-I8-I9-I10-I11-I12-I13)	I	759.838.695	
Paid in share capital excluding the share capital of the cumulative priority stocks	I1	195.326.080	
Premiums from issuance of ordinary shares	I2	-	
Legal and statutory reserves	I3	315.708.431	
Accumulated undistributed profit	I4	254.393.196	
Undistributed profit from current year	I5	-	
Personal stocks owned by the insurance company (treasury shares)	I6	-	
Long term intangible assets	I7	5.459.850	
Accumulated uncovered losses and loss from current year	I8	-	
Unrealized losses from AFS equity investments measured at fair value	I9	129.162	
Unrealized losses from valuation of AFS financial instruments	I10	-	
Net negative revaluation reserves and other differences from valuation arising from investments in associated companies or joint ventures valued at equity valuation method	I11	-	
Other deductible items arising from incompliance with limits for investments of capital funds, as prescribed in article 73 from Law on insurance supervision	I12	-	
Additional capital, article 71 (II1+II2+II3+II4+II5+II6), if not greater than 50% of basic capital	II	647.509	
Paid in share capital from cumulative priority stocks	II1	-	
Premium from issues cumulative priority shares	II2	-	
Subordinated debt instruments	II3	-	
Securities with undefined maturity	II4	-	
Unrealized gains from revaluation of AFS equity instruments measured at fair value	II5	647.509	
Unrealized gains from revaluation of AFS debt instruments measured at fair value	II6	-	
Total basic and additional capital I.+II.	III	760.486.204	
Deductible items , article 72 (IV1+IV2)	IV	-	
Investments in shares in legal entities from article 72 of the Law	IV1	-	
Investments in subordinated debts and other investments in legal entities from article 72 of the Law for Insurance Supervision	IV2	-	
EQUITY I + II - IV	V	760.486.204	

Required level of solvency margin (non-life insurance companies)	VI1	327.096.166	
Required level of solvency margin (life insurance companies)	VI2	-	
Equity	VI3	760.486.204	
Guarantee fund*	VI4	184.485.000	
Surplus/deficit of Equity compared to Guarantee Fund (VI5 = VI3 - VI4)	VI5	576.001.204	
Surplus/deficit of Equity (for non-life) compared to required level of solvency margin (for non-life insurance companies)(VI6 = VI3 - VI1)	VI6	433.390.038	
Surplus/deficit of Equity (for life) compared to required level of solvency margin (for life insurance companies)(VI6 = VI3 - VI1)	VI7	-	

*Guarantee Fund is defined in article 77 of the Law and represents 1/3 of required level of solvency margin, and can not be lower than the amount prescribed in article 77, paragraph (3) of the Law

Annex 5 – Investments in funds that cover technical reserves

in MKD

Description	Position	Allowed % (or amount)	Amount realized	Realized %
		1	2	3
Types of allowed investments	I			
Cash on hand and cash in banks	I1	3%	34.667.884	2,0%
Deposits with banks holding valid licence from NBRNM	I2	60%	357.000.000	20,8%
Securities issued by RNM or NBRNM	I3	80%		0,0%
Debt securities and other securities guaranteed by the RNM	I4	80%	1.023.090.680	59,6%
Debt securities and other securities guaranteed by local self-government units of RNM	I5	10%		0,0%
Debt securities and other securities traded on regulated securities market in the RNM	I6	35%		0,0%
Debt securities and other securities which are not traded on regulated securities market in the RNM, if the issuer is legal entity domiciled in the RNM	I7	5%		0,0%
Shares traded on regulated securities market in the RNM	I8	25%	0	0,0%
Shares which are not traded on regulated securities market in the RNM, if the issuer is legal entity domiciled in the RNM	I9	5%		0,0%
Equity interests in trading companies in the RNM	I10	5%		0,0%
Equity interests and shares in investment funds registered in the RNM	I11	20%	226.680.224	13,2%
Long term debt securities and other long term securities issued by an EU member state or a member of the OECD	I12			0,0%
Long term debt securities and other long term securities issued by foreign legal entity from an EU member state or from a member of the OECD	I13	20%		0,0%
Shares issued by foreign joint venture company which are traded on regulated securities market in the EU member states or states members of the OECD	I14		17.120.491	1,0%
Equity interests in investment funds which are traded on regulated securities market in the EU member states or states members of the OECD	I15		58.969.610	3,4%
Other investments according to the rules ISA, provided that it is not contrary to paragraph (2) of Article 89 of the Law on supervision	I16	10% from UPR	0	0,0%
Investments not provided for in the Rulebook	II			0,0%

NOTE: Investments from item 5 and item 8 of this table can not exceed 5% for the same issuer and investments from item 7 and item 9 of this table can not exceed 1% for the same issuer.

Description	Item	Amount
Total allowed investments	III	1.717.528.889
Total net technical reserves	IV	1.210.253.154
Reserves for unearned premium	IV1	560.150.498
Reserves for bonuses and discounts	IV2	11.932.081
Claim reserves	IV3	638.170.575
Other technical reserves	IV4	
Equalisation reserve	IV5	
Difference (III-IV)	V	507.275.735

Annex 6 - Action Plan for the Implementation of IFRS 17 – Insurance Contracts

1. Objective

The objective of this Action Plan is the successful implementation of **International Financial Reporting Standard 17 (IFRS 17) – Insurance Contracts** within **Eurolink Insurance AD Skopje**, in accordance with regulatory requirements and the Group’s global implementation program, in coordination with the parent company and the consultant **KPMG**.

2. Governance and Responsibilities

- **Project Sponsor:** President of the Management Board
- **Management Committee:** Management Board, Director of the Finance Department, Director of the Accounting Department, Actuary, Director of the IT Department, Director of the Risk Management Department, and Internal Auditor
- **Implementation Partners:** Parent company **Grazer Wechselseitige Versicherung AG (GRAWE Group)**, **KPMG Austria**

The Management Committee monitors progress, ensures alignment with Group deadlines and reports on a semi-annual basis to the Management Board and, upon request, to the Insurance Supervision Agency.

3. Implementation Plan by Months

No.	Period	Key Activity / Milestone	Responsible
1	September 2025	Adoption of the Action Plan and establishment of the project structure.	Management Board
2	September 2025	Visit to the Grawe subsidiary in Croatia and exchange of experience and know-how from the implementation of IFRS 17.	Management Committee
3	October 2025	Analysis of differences between existing policies and IFRS 17; definition of source data and system requirements. Guidance from the parent company regarding the schedule of joint meetings with the selected consultant KPMG.	Management Committee, Parent Company, KPMG
4	November – December 2025	Definition of measurement methodologies (GMM, PAA, VFA); identification of portfolios.	Management Committee

No.	Period	Key Activity / Milestone	Responsible
5	December 2025	Continuous staff training.	Management Committee
6	December 2025 – January 2026	Development of accounting structure and chart of accounts in accordance with IFRS 17 and IFRS 9 (mapping).	Management Committee, KPMG
7	February 2026	Definition of accounting policies: Discount rates (OCI option vs. P&L option), Risk adjustment methodology, CSM recognition model.	Management Committee, KPMG
8	March – June 2026	Design of system architecture; commencement of IT adaptation.	IT, KPMG
9	July 2026	First round of parallel testing – basic calculations (using developed tools – FIA tools, Cost Allocation Tools, etc.).	Management Committee, KPMG
10	August – September 2026	Staff training (finance, actuaries, accounting, claims, risk management, internal audit, etc.).	HR, KPMG
11	October 2026	Second round of testing – cash flow models and discount rates.	Management Committee, KPMG
12	December 2026	Preparation of a draft statement of financial position in accordance with IFRS 17/9 (Full parallel run – results under IFRS 4 and IFRS 17 – comparative presentation).	Finance, Accounting, KPMG
13	January 2027	Validation and comments from the parent company.	Parent Company, Finance, Accounting
14	February 2027	Update of systems and methodologies; final documentation.	Management Committee
15	March 2027	Opinion from Internal Audit, external audit and readiness report submitted to the Management Board and the Agency.	Management Committee

4. Deliverables

- Systems and processes aligned with IFRS 17

- Documented accounting policies and methodologies
 - Staff training
 - First testing – Financial statements for 2024 aligned with IFRS 17 (by September 2026)
-

5. Monitoring and Reporting

Progress is monitored on a monthly basis, while the Management Board is informed on a semi-annual basis. Reporting is also provided upon request to the Insurance Supervision Agency. Key results are reviewed jointly with the parent company and KPMG.

6. Adoption

The Action Plan for the implementation of IFRS 17 was adopted by the Management Board at meeting No. 188 held on 15 September 2025.

President of the Management Board

MSc Marija Tomeska