

ERB Asfalistiki Limited

Report and financial statements 31 December 2025

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ERB Asfalistiki Limited

Board of Directors and other officers

Board of Directors

Michalis Louis (appointed on 16/04/2025)
Takis Phidia
Xavier Larnaudie-Eiffel (resigned on 16/04/2025)
David Miseray (resigned on 16/04/2025)
Thierry Rene Bernard Desvignes (resigned on 16/04/2025)
Celine Byl (resigned on 16/04/2025)
Takis Klerides (resigned on 16/04/2025)
Stylianos Stefanou (resigned on 16/04/2025)
Gabriel Ambizas (resigned on 16/04/2025)
Oliver Bernard Ellingham (appointed on 16/04/2025)
Marianna Politopoulou (appointed on 28/07/2025)
Evgenios Evgeniou (appointed on 23/12/2025)
Ioannis Ioannou (appointed on 23/12/2025)
Maria Drakos (appointed on 23/12/2025)
Demetris Shacallis (appointed on 18/02/2026)
Haris Hambakis (appointed on 16/04/2025 and resigned on 23/12/2025)
Antonis Rouvas (appointed on 16/04/2025 and resigned on 23/12/2025)
Elena Neophytou (appointed on 16/04/2025 and resigned on 23/12/2025)
Robert Anastassis Kyprianou (appointed on 16/04/2025 and resigned on 23/12/2025)
Evripides Polykarpou (appointed on 16/04/2025 and resigned on 23/12/2025)

Company Secretary

Nikianthi Teoulidou (appointed on 28/07/2025)
Dina Panayiotides (resigned on 28/07/2025)

General Manager

Andreas C. Stylianou

Registered Office

17 Acropoleos Avenue
CY-2006 Strovolos
Nicosia
Cyprus

Independent Auditor

KPMG Limited
14 Esperidon Street
1087 Nicosia
Cyprus

ERB Asfalistiki Limited

Management Report

1 The Board of Directors presents the Management report together with the audited financial statements of the Company for the year ended 31 December 2025.

Principal activities and nature of operation of the Company

2 The principal activity of the Company, which is unchanged from last year, is the transaction of general insurance business which includes accident and health insurance, motor insurance, marine and goods in transit insurance, fire insurance, other damage to property insurance, marine liability insurance, general liability insurance, guarantee insurance and miscellaneous insurance.

Review of developments, position and performance of the Company's business

3 The Company's results for the year are set out on pages 12-15.

Profit before tax was €7.437.579 (2024: €6.247.096). The tax expense for 2025 was €1.272.304 (2024: €761.879). The Company's total comprehensive income for the year amounted to €6.533.630 (2024: €5.876.664).

During the year 2025, the Company achieved a profit after tax of €6.165.275 (2024: €5.485.217) mainly attributed to the ability of the Company to generate new insurance business and portfolio development. Additionally, there was a positive impact from the Company's investments in the financial markets.

During the year ended 31 December 2025, the Company increased its insurance revenue by approximately 24% from €73.113.892 to €90.674.528. The impact by the merger of the Company's operations with ex- Pancyprian Insurance Limited is disclosed in Note 2.1.1.

As at 31 December 2025, the Company's total assets amounted to €197.427.943 (2024: €126.985.218) and its net assets amounted to €87.633.840 (2024: €51.520.805). The main reason for the 70% increase in net assets is attributable to the merger of the Company's operations with ex- Pancyprian Insurance Limited which increased net assets by €29.579.406 (Note 2.1.1). In addition to this, net asset increased as a results of profits generated during the year, positive movement of Fair Value Reserve and the non-distribution of dividends. The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

The capital position remained strong and for 2025 the Company adequately covered its Solvency II Capital requirements. At 31 December 2025, the Own Funds of the Company under IFRS amounted to €87.633.839 (2024: €51.520.801) and under Solvency II amounted to €89.868.645 (2024: €50.022.959). The Company's SCR coverage ratio remained strong at 269% as at 31 December 2025 (2024: 227%).

The recent developments with the conflict between Iran and Israel/USA, shacking up the world and the Capital markets. Iran is attacking various pro-USA countries around the Gulf region (even the UK bases in Cyprus were a target) and it seems that this war is escalating for now with energy prices (oil and gas) increasing by over 40% in a few days.

Principal risks and uncertainties

4 The principal risks and uncertainties faced by the Company are disclosed in Notes 1,3 and 4 of the financial statements.

ERB Asfalistiki Limited

Management Report on the Company (continued)

Use of financial instruments by the Company

5 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk and price risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed in detail in Note 3 of the financial statements.

Liquidity risk

6 Management monitors the current liquidity position of the Company based on expected cash flows and expected receipts from interest streams from its principal activities.

Interest rate risk

7 Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's key exposures to interest rate risk include exposures of insurance contract liabilities and reinsurance contract assets, and in relation to interest-bearing financial instruments, these relate mainly to fixed-rate instruments exposures and comprise of debt securities at FVTPL and FVOCI, loans and other receivables and cash and cash equivalents. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Currency risk

8 Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. At the year-end the Company has no significant balances in foreign currencies. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Price risk

9 The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as FVTPL financial assets. The Company's equity investments as at 31 December 2025 include equity securities which are publicly traded and included in the Cyprus Stock Exchange General Index amounting to €440.432 (2024: €253.883) (Note 23). Also, the Company's mutual investments as at 31 December 2025 amounted to €41.290.682 (2024: €5.641.617) (Note 23). The Company does not apply any hedge accounting for price risk.

Credit risk

10 Credit risk arises when a failure by the counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. Refer to Note 4 for further disclosures on credit risk of financial assets.

Future developments of the Company

11 On 13 October 2025, the Canadian insurer Fairfax Financial Holdings has formally expressed its intention to acquire 45% of ERB Asfalistiki Limited share capital for €59 million, with rights to purchase the remaining 55% at a later date.

ERB Asfalistiki Limited

Management Report on the Company (continued)

Future developments of the Company (continued)

12 The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future, subject to any impact from the ongoing acquisition transaction by Fairfax Financial Holdings.

Results

13 The Company results for the year are set out on pages 15. Profit before tax was €7.437.579 (2024: €6.247.096). After the tax expense of €1.272.304 (2024: €761.879), the net profit for the year was €6.165.275 (2024: €5.485.217).

14 The Company's total comprehensive income for the year amounted to €6.533.630 (2024: €5.876.664).

Dividends

15 No dividend was declared or paid during the year ended 31 December 2025.

Share capital

16 On 10 October 2025, the Company issued 4.124.121 ordinary shares at par value of €1,71 each. The shares were issued as part of the legal merge of the Company's operations with those of ex Pancyprian Insurance Ltd, a subsidiary of the Eurobank Ltd (previously Hellenic Bank Public Company Limited) (Note 2.1.1).

Changes in Group Structure

17 On 16 April 2025, Eurobank Ltd (previously Hellenic Bank Public Company Limited) acquired 100% of the share capital of ERB Cyprus Insurance Holdings Limited (previously CNP Cyprus Insurance Holdings Limited), the sole shareholder of the Company. (Note 2.1).

During the year there were changes in the structure of the Company. ERB Asfalistiki Limited and Pancyprian Insurance Limited, both being 100% subsidiaries of Eurobank Limited (previously Hellenic Bank Public Company Limited) merged by virtue of a Court Order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025, with ERB Asfalistiki Limited being the surviving entity (Note 2.1.1).

Change of Name

18 The name of the Company changed from CNP Asfalistiki Limited to ERB Asfalistiki Limited on 25 June 2025.

Board of Directors

19 The members of the Board of Directors as at 31 December 2025 and at the date of this report are shown on page 1. Mr Xavier Larnaudie-Eiffel, Mr David Miseray, Mr Thierry Rene Bernard Desvignes, Mrs Celine Byl, Mr Takis Klerides, Mr Stylianos Stefanou and Mr Gabriel Ambizas who held office on 1 January 2025, resigned on 16 April 2025. Mr Michalis Louis was appointed as Chairman of the Board of Directors on 16 April 2025. On the same date, Mr Haris Hambakis, Mr Antonis Rouvas, Mrs Elena Neophytou, Mr Robert Anastasis Kyprianou, Mr Oliver Bernard Ellingham and Mr Evripides Polykarpou were appointed as

ERB Asfalistiki Limited

Management Report on the Company (continued)

Directors and all of them, except from Mr Oliver Bernard Ellingham resigned on 23 December 2025. Mrs Marianna Politopoulou was appointed as Director on 28 July 2025. Mr Evgenios Evgeniou, Mr Yiannis Ioannou and Mrs Maria Drakos were appointed as Directors on 23 December 2025. On 18 February 2025, Mr Demetris Shakallis was appointed as Director.

In accordance with the Company's Articles of Association, all Directors being eligible, offer themselves for re-election.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

20 Further details regarding the geopolitical developments in the Middle East and their potential impact on the Group are disclosed in Note 33. Management has considered the unique circumstances and the risk exposures of the Company.

Branches

21 During the years 2025 and 2024 the parent Company operated in Greece through its Athens' branch. The results of the branch are incorporated in the Company's results.

Independent auditors

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

By Order of the Board

Nikianthi Teoullidou
Secretary

Nicosia
7 April 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ERB ASFALISTIKI LIMITED

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of parent Company ERB Asfaltiki (the "Company"), which are presented on pages 12 to 121 and comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

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

Basis for Opinion

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

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

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

Measurement of liabilities for incurred claims (LIC) included in insurance contract liabilities (PAA)	
Refer to note 9 of the financial statements	
Key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Company had gross liabilities for incurred claims (“LIC”), measured under the Premium Allocation Approach (“PAA”) and included in insurance contract liabilities, amounting to €78.591.146 representing 67% of total liabilities of the financial statements. Insurance contract liabilities are recognized and measured in accordance with IFRS 17 “Insurance Contracts”.</p> <p>LIC comprises of fulfilment cash flows related to past services provided under groups of insurance contracts which have not yet been paid, including claims that have been incurred but not yet reported (IBNR), amounting to €72.406.548 and the risk adjustment for non-financial risk amounting to €6.184.598.</p> <p>We considered the measurement of LIC to be a key audit matter due to the complexity and subjectivity required in estimating the future fulfilment cash flows related to incurred claims. The determination of IBNR, being a significant component included in these cash flows, requires specialized actuarial knowledge and expertise and is highly dependent on the appropriateness of methods/models and assumptions used. These relate to the uncertainty in the timing and amount of claim payments, the frequency at which the claims emerge and their severity. Significant judgment is also applied in the determination of the discount rates used in discounting and estimating the present value of future fulfilment cash flows.</p> <p>The risk adjustment (“RA”) is also a key area of judgement given it is intended to reflect the compensation an entity requires for bearing the uncertainty</p>	<p>Our audit procedures in response to the key audit matter, with the support of our internal actuarial specialists, comprised, amongst others, of the below:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and methods defined by the Company’s management, including the measurement approach over PAA eligibility; • Assessed and evaluated the appropriateness and compliance of the material accounting policies and key decisions applied by the Company as per IFRS 17, including those related to new transactions during the year; • Procedures performed by our actuarial specialists, by reference also to industry standard practices, included amongst others: (a) evaluation of the methodologies and models or methods used by management to derive the estimates supporting the calculation of the best estimate (“BE”) of the present value of future cash fulfilment flows, (b) independent reperformance and/or recalculation of the actuarial models to evaluate the application, mathematical accuracy and output results relating to BE, including IBNR, discounting and unallocated loss adjustment reserve (“ULAE”), and RA, and (c) evaluation of the methodologies used by management to derive the key assumptions supporting the calculation of the present value of the BE and RA, and the respective application of these assumptions. • Procedures performed by our actuarial specialists, included also procedures on the LIC of the insurance contract liabilities transferred to and recognized by the Company during the year, as part of the business combination transaction. • Performed procedures over the completeness, accuracy and reliability of the key input and output data of the LIC results, including information and data reconciliations, validations and other relevant checks. • Performed substantive procedures to test, using sampling techniques and based on our risk assessment, the liabilities and amounts recognized for claims incurred and reported by

<p>about the amount and timing of the cash flows associated with insurance contracts that arise from non-financial risks.</p> <p>Taking into consideration the above, as well as the emphasis placed by the regulators on the reserving adequacy of insurers, we have determined the measurement of LIC as a key audit matter.</p>	<p>the Company, including settled and not yet settled claims, through inspection of the claim files, tracing to supporting documents and through external legal letters procedure for evaluating claims with litigations. For a sample claims closed in the year, we performed a retrospective assessment of the estimate.</p> <ul style="list-style-type: none"> Assessed and evaluated the appropriateness of the information presented and disclosed in the notes to the financial statements in accordance with IFRS 17 disclosure requirements.
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Reporting on Other Information

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

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the Management Report, our report is presented in the "Report on other legal and regulatory requirements" section.

Responsibilities of the Board of Directors and Those Charged with Governance for the Separate Financial Statements

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

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

The Board of Directors and those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements (cont.)

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

Report on Other Legal and Regulatory Requirements

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

1. Date of appointment and period of engagement

We were first appointed auditors of the Company on 7th July 2022 by the General Meeting of the Company's members to audit the financial statements of the Company for the year ended 31 December 2024. Our total uninterrupted period of engagement, having been renewed annually by shareholders' resolution is 4 years covering the periods ending 31 December 2022 to 31 December 2025.

2. Consistency of auditor's report to the additional report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report presented to the Audit Committee of the Company, which is dated 26 March 2026, in accordance with Article 11 of the EU Regulation 537/2014.

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

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

Other Legal Requirements

Pursuant to the additional requirements of Law L.53(I)/2017, and based on the work undertaken in the course of our audit, we report the following:

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

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Constantinos N. Kallis.

Constantinos N. Kallis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

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

07 April, 2026

ERB Asfalistiki Limited

Statement of Comprehensive Income for the year ended 31 December 2025

	Note	2025 €	2024 €
Insurance revenue	5	90.674.528	73.113.892
Insurance service expenses	6	(57.194.512)	(49.664.865)
Insurance service result from insurance contracts issued		33.480.016	23.449.027
Allocation of reinsurance premiums paid	7	(27.337.646)	(21.660.368)
Amounts recoverable from reinsurers for incurred claims	7	776.525	4.248.205
Net expense from reinsurance contracts held	7	(26.561.121)	(17.412.163)
Insurance service result		6.918.895	6.036.864
Interest calculated using the effective interest method	12	2.660.559	2.367.139
Other investment income and similar income	12	1.134.334	516.468
Net investment income	12	3.794.893	2.883.607
Insurance finance expense for insurance contracts issued	8	(880.177)	(760.727)
Reinsurance finance income from reinsurance contracts held	8	260.616	174.055
Net insurance financial result		(619.561)	(586.672)
Net insurance and investment result		3.175.332	2.296.935
Other income	13	86.581	559.633
Other operating expenses	10	(2.743.229)	(2.646.336)
Profit before tax		7.437.579	6.247.096
Income tax expense	14	(1.272.304)	(761.879)
Profit for the year		6.165.275	5.485.217
Other comprehensive income			
Fair Value gain on financial assets at FVOCI	29	199.778	1.127.553
Insurance finance income/(expense) for insurance contracts issued	8	149.757	(935.313)
Reinsurance finance income from reinsurance contracts held	8	18.819	199.207
Total other comprehensive income		368.354	391.447
Total comprehensive income		6.533.629	5.876.664

The notes on pages 16 to 121 form an integral part of these financial statements

ERB Asfalistiki Limited

Statement of Financial Position at 31 December 2025

	Note	2025 €	2024 €
Assets			
Plant and equipment	18	423.097	121.699
Intangible assets	19	1.532.230	1.183.094
Current tax asset	31	5.172	211.546
Right-of-use assets	17	6.251.100	6.696.509
Investments in subsidiaries	21	183.000	183.000
Investment property	20	11.586.500	4.907.500
FVTPL financial assets	23	47.716.357	10.348.285
FVOCI financial assets	22	78.639.370	72.227.904
Reinsurance Contract Assets	9	28.998.213	17.923.202
Loan receivable from related party	26	2.382.804	2.693.119
Other receivables	25	2.063.717	1.504.594
Investment in Fixed Term Deposits	24	12.639.459	7.234.970
Cash and cash equivalents	27	5.006.924	1.749.796
Total assets		197.427.943	126.985.218
Equity and liabilities			
Capital and reserves			
Share capital	28	20.744.217	13.691.970
Share premium	28	21.988.030	21.988.030
Other reserves		4.814.763	538.318
Retained earnings		40.086.831	15.302.487
Total equity		87.633.841	51.520.805
Liabilities			
Insurance contract liabilities	9	95.173.571	60.686.484
Payables	30	6.345.588	7.216.108
Lease liabilities	17	6.662.786	6.973.548
Deferred Tax Liabilities		529.188	16.303
Current tax liabilities	31	1.082.969	571.970
Total liabilities		109.794.102	75.464.413
Total equity and liabilities		197.427.943	126.985.218

On 7 April 2026 the Board of Directors of ERB Asfalistiki Limited authorised these financial statements for issue.

Michalis Louis, Director

Takis Phidia, Director

The notes on pages 16 to 121 form an integral part of these financial statements.

ERB Asfalistiki Limited

Statement of changes in equity for the year ended 31 December 2025

	Share capital €	Share premium €	Fair Value reserves €	Insurance Finance Reserve €	Retained earnings (1) €	Total €
Balance at 1 January 2024	13.691.970	21.988.030	(437.857)	584.728	9.817.270	45.644.141
Comprehensive income						
Profit for the year	-	-	-	-	5.485.217	5.485.217
Other comprehensive income:						
FVOCI financial assets						
Fair value gain	-	-	1.127.553	-	-	1.127.553
Finance Reserve	-	-	-	(736.106)	-	(736.106)
Total other comprehensive income	-	-	1.127.553	(736.106)	5.485.217	5.876.664
Balance at 31 December 2024/1 January 2025	13.691.970	21.988.030	689.696	(151.378)	15.302.487	51.520.805
Issue of shares and net assets acquired from legal merger transaction(Note 2.1.1)	7.052.247	-	3.908.090	-	18.619.069	29.579.406
Comprehensive income						
Profit for the year	-	-	-	-	6.165.275	6.165.275
Other comprehensive income:						
FVOCI financial assets						
Fair value gain	-	-	199.778	-	-	199.778
Finance Reserve	-	-	-	168.577	-	168.577
Total comprehensive income	-	-	199.778	168.577	6.165.275	6.533.629
Balance at 31 December 2025	20.744.217	21.988.030	4.797.564	17.199	40.086.831	87.633.841

(1) Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits refer. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays a General Health System (GHS) contribution on behalf of the shareholders at a rate of 2.65%, when the entitled shareholders are natural tax residents of Cyprus, regardless of their domicile.

The notes on pages 16 to 121 form an integral part of these financial statements.

ERB Asfaltistiki Limited

Statement of cash flows for the year ended 31 December 2025

	Note	2025 €	2024 €
Cash flows from operating activities			
Profit before tax		7.437.579	6.247.096
Adjustments for:			
Depreciation of plant and equipment & right of use assets	10	685.852	759.913
(Gain)/Loss on disposal of plant and equipment		(5.488)	1.337
Amortisation of intangible assets		466.783	409.388
Fair value (gain)/loss on investment property	20	(94.000)	68.000
Profit on disposal of investment property		(4.227)	-
Interest income		(2.660.559)	(2.367.139)
Interest expense		393.679	201.925
Net profit on disposal and FV adjustment of financial Assets		(675.210)	(353.814)
Fair Value gain through OCI		(368.355)	-
Other income/(expense) from insurance activities		(409.598)	810.385
Other income		(86.581)	(559.632)
Dividend income		(122.121)	(13.798)
		4.557.753	5.203.661
Changes in:			
Reinsurance Contract Assets		8.794.887	(90.934)
Insurance contracts liabilities		(5.561.788)	(3.685.454)
Other receivables		229.800	699.880
Other payables		(1.997.071)	279.841
Cash from operations		6.023.581	2.406.994
Tax paid		(739.931)	(830.000)
Net cash from operating activities		5.283.650	1.576.994
Cash flows from investing activities			
Cash acquired from legal merger transaction	2.1.1	4.808.000	-
Purchase of plant and equipment	18	(273.435)	(40.777)
Purchase of intangible assets		(589.656)	(449.742)
Investment Property arising from acquisitions		(7.104.000)	-
Other income from insurance activities		409.598	-
Purchase of FVOCI and FVTPL financial assets		(24.391.377)	(16.421.021)
Proceeds from sale of FVOCI and FVTPL financial assets		19.949.440	11.764.733
Decrease in investments in fixed term deposits		4.529.447	3.627.086
Proceeds from disposal of investment property		526.227	-
Interest received		276.551	306.915
Repayment of loan granted to related party		460.000	460.000
Dividend received		122.121	13.798
Net cash (used in)/ generated from investing activities		(1.277.083)	(739.008)
Cash flows from financing activities			
Interest paid	12	(38.764)	(53.997)
Payment of lease liabilities	26	(795.244)	(698.580)
Net cash used in financing activities		(834.007)	(752.577)
Net increase in cash and cash equivalents		3.172.559	84.442
Cash and cash equivalents at beginning of year		1.834.365	1.749.923
Cash and cash equivalents at the end of the year	27	5.006.924	1.834.365

The notes on pages 16 to 121 form an integral part of these financial statements.

ERB Asfalistiki Limited

Notes to the financial statements

1 General information

1.1 Country of incorporation

ERB Asfalistiki Limited (“the Company”) was incorporated and is domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 17 Acropoleos Avenue, CY-2006, Strovolos, Nicosia, Cyprus.

Following the acquisition of the Company by Eurobank Limited, the Company changed its name to ERB Asfalistiki Limited (previously CNP Asfalistiki Limited) on 25 June 2025.

1.2 Principal activities

The principal activity of the Company, which is unchanged from last year, is the transaction of general insurance business which includes accident and health insurance, motor insurance, marine and goods in transit insurance, fire insurance, other damage to property insurance, marine liability insurance, general liability insurance, guarantee insurance and miscellaneous insurance.

1.3 Operations of the Greek branch

In May 2014, the Branch of the Company in Greece entered into an agreement for the transfer of its portfolio to a third party. The agreement was effective from 1 June 2014. The agreement provides for commission income on all policies that are successfully transferred to the third party. The Company is entitled to the commission income upon cash collection by the third party.

1.4 Operating environment of the Company

The current economic environment remains significantly shaped by external geopolitical shocks and shifting global policy dynamics. The ongoing Russia-Ukraine conflict, which began in February 2022, continues to weigh on confidence and energy markets, while renewed tensions in the Middle East are adding to uncertainty at the start of 2026. Against this backdrop, the disinflation process since mid-2024 has allowed the European Central Bank (ECB) to begin easing monetary policy: Looking ahead, risks to the global outlook remain elevated, including the renewed rise of trade protectionism and the possibility of commodity-price shocks, both of which could transmit to Cyprus through trade, tourism and energy prices.

Cyprus’ growth performance remained robust in 2025, confirming the economy as one of the stronger performers in the Eurozone. National accounts indicate that real GDP expanded by 3,8% year on year in 2025, while CySTAT’s seasonally and working day adjusted data show growth of 4,5% in Q4 2025. The expansion was supported by resilient activity in trade, tourism and transport, alongside steady contributions from ICT, real estate and professional services. Tourism continued to be a key driver: tourist arrivals reached 4,5 mn in 2025 (from 4,0 mn in 2024), while tourism revenue in January-December 2025 is estimated at €3,7 bn (vs €3,2 bn in the corresponding period of 2024).

The outlook remains positive, albeit with growth expected to moderate from the strong pace of 2025. In its December 2025 forecast, the Central Bank of Cyprus (CBC) projects real GDP growth of 3,5% in 2025 and 3,0% in both 2026 and 2027, while the European Commission’s Autumn 2025 forecast places growth at 3,4% in 2025, easing to 2,6% in 2026 and 2,4% in 2027. In the medium term, real activity is expected to be supported by EU funds under the Resilience and Recovery Facility (RRF), with Cyprus set to receive €1,2 billion during 2021-2026 to advance the green transition and digital transformation.

ERB Asfalistiki Limited

Notes to the financial statements

1. General information (continued)

1.4 Operating environment of the Company (continued)

Nonetheless, downside risks persist from geopolitical developments, potential trade restrictions and a less supportive external environment.

Labor market conditions strengthened further through 2025, consistent with near full-employment dynamics. According to CySTAT, the unemployment rate fell to 4,1% in Q3 2025 (the lowest level since 2008), while vacancy indicators remained elevated: the job vacancy rate averaged 3,1% in the first nine months of 2025, broadly in line with the 3,2% recorded in the first nine months of 2024, pointing to sustained labour demand. In its latest projections, the CBC expects unemployment to decline from 4,9% in 2024 to 4,5% in 2025 and remain around that level thereafter, while the European Commission forecasts 4,7% in 2025, easing to 4,5% in 2026 and 4,3% in 2027.

Inflation normalized further in 2025, supported mainly by lower energy prices and, to a lesser extent, moderating food prices. Headline inflation is estimated to have closed at 0,8% in 2025 (down from 2,3% in 2024). Looking ahead, the CBC expects inflation to rise to 1,7% in 2026 and 2,2% in 2027, while the European Commission forecasts 1,5% in 2026 and 1,7% in 2027, noting that underlying inflation excluding energy and food may remain slightly higher due to persistent services price pressures linked to strong tourism demand. Risks remain tilted to the upside if global trade disruptions, protectionist policies, or renewed commodity shocks intensify. Inflation in Cyprus averaged 1,1% in January-February 2026 (down from 2,6% in the same period of 2025), with monthly readings moderating to 1,2% in January and 0,9% in February. These readings, however, reflect conditions prior to the recent escalation in the MENA region, which may exert upward pressure on energy prices and alter the inflation outlook over the course of the year.

In the banking sector, the improvement in asset quality has continued, supporting financial stability alongside strong macro fundamentals. Total non-performing exposures (NPEs) declined significantly, reaching €1,6 billion or 6,5% of gross loans by the end of September 2024 (from 17,7% at end-2020), while the coverage ratio increased to 55,7% in September 2024 (from 46,2% at end-2020).

Cyprus' fiscal performance remained among the strongest in the Eurozone, supported by robust activity and prudent public-finance management. CySTAT's preliminary fiscal results show that the General Government balance for January-December 2025 recorded a surplus of €939,2 mn (2,6% of GDP), compared with a surplus of €1.439,3 mn (4,1% of GDP) in the same period of 2024. Public debt continued to ease: central government debt declined to €21,1 bn in Q3 2025 and remained broadly stable versus end-2024 (€21,2 bn). After falling steadily from the 2020 peak, the debt-to-GDP ratio reached 65,3% in 2024 and is expected by institutions to continue declining towards around 44% of GDP by 2028.

Cyprus' sovereign credit profile strengthened further in 2025, reflecting continued fiscal outperformance, declining public debt and resilient growth. Rating agencies maintained Cyprus firmly in the "A" category while improving their outlooks: Fitch Ratings (21/11/2025) revised the Outlook on Cyprus' Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the rating at "A-", while S&P (14/11/2025) revised the outlook on its long-term sovereign ratings on Cyprus to Positive from Stable, affirming the "A/A-2" ratings.

ERB Asfalistiki Limited

Notes to the financial statements

1. General information (continued)

1.4 Operating environment of the Company (continued)

The recent escalation of regional conflict involving Iran has heightened economic uncertainty in Cyprus, adding to inflationary pressures and increasing downside risks for domestic activity. The magnitude of the impact will depend largely on the duration of the conflict: a swift resolution would likely limit the effects, whereas a prolonged escalation could exert more pronounced pressures on economic activity.

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures.

Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

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

Although ERB Asfalistiki Ltd has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions, potential adverse effects on the hospitality and tourism sector and intensified inflationary pressures may indirectly impact the operations of ERB Asfalistiki Ltd. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Management has considered the unique circumstances and the risk exposures of ERB Asfalistiki Ltd.

ERB Asfalistiki Limited

Notes to the financial statements

1. General information (continued)

1.5 Standards issued but not yet effective

New and amended standards and interpretations

As from 1 January 2025, the Company adopted all changes to IFRS Accounting Standards as adopted by the European Union which are relevant to its operations. This adoption did not have a material effect on the financial statements of the Company.

The following new or amended accounting standards and interpretations have been issued by International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”) but are not yet effective for annual periods beginning on 1 January 2025. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these new or amended accounting standards and interpretations early.

IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures (Amendments): Classification and Measurement of Financial Instruments* (effective for annual periods beginning on or after 1 January 2026)

The IASB, following the post-implementation review of IFRS 9, issued on 30 May 2024 amendments to IFRS 9 and IFRS 7 to address identified issues.

These amendments address the recognition and derecognition of financial assets and financial liabilities and include an accounting policy option for the derecognition of financial liabilities settled through an electronic payment system, if certain conditions are met.

In addition, the amendments introduce an additional SPPI test for financial assets with environmental, social and governance (“ESG”)-linked features and other similar contingent features, which must be met to qualify for measurement at amortised cost. Additional disclosures will be required under IFRS 7 for those financial assets and liabilities with contingent features.

The amendments clarify the key characteristics of contractually linked instruments (“CLIs”) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the “look through” test).

Finally, there are new disclosure requirements for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income.

The Company is currently assessing the impact of the adoption of the above amendments on its financial statements. However, the amendments are not expected to have a significant impact on the Company’s financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026)

On 18 July 2024, the IASB issued the Annual improvements to IFRS Accounting Standards – Volume 11. These improvements aim to improve clarity and enhance the internal consistency of IFRS Accounting Standards.

ERB Asfalistiki Limited

Notes to the financial statements

1. General information (continued)

1.5 Standards issued but not yet effective (continued)

New and amended standards and interpretations (continued)

The amendments apply to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. One of the key amendments resolves the existing conflict between IFRS 9 and IFRS 15 regarding the transaction price, by requiring companies to initially measure a trade receivable without significant financing component at the amount determined by applying IFRS 15. Additionally, amendments to IFRS 9 address the lack of clarity related to how a lessee accounts for the derecognition of a lease liability.

The Company is currently assessing the impact of the adoption of the above amendments on its financial statements. However, the amendments are not expected to have a significant impact on the Company's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* (effective for annual periods beginning on or after 1 January 2027)

On 9 April 2024, the IASB issued a new accounting standard that will replace IAS 1 Presentation of Financial Statements, with retrospective application. A significant change introduced by this new standard is the requirement for companies to present a more structured statement of profit or loss. This involves classifying income and expenses into five distinct categories: operating, investing, financing, income taxes, and discontinued operations.

With the adoption of IFRS 18, companies will also have to present two defined subtotals: the operating profit or loss and the profit or loss before finance expenses and income taxes. Companies' net profit or loss will not change.

Additionally, companies will need to disclose management-defined performance measures (MPMs) in a single and separate note in the financial statements if they meet the following criteria: the MPMs consist of subtotals of income and expenses included in the financial statements, are used by management in their public communications outside the financial statements and reflect management's view in relation to the company's overall financial performance. For each MPM disclosed, management will have to inform users of the financial statements how it was calculated, why it is important for their understandability and provide a reconciliation to the most comparable subtotal either listed in IFRS 18 or required by other IFRS Accounting Standards.

Moreover, the new standard is expected to provide enhanced guidance on grouping of financial information in the primary financial statements or notes based on shared characteristics.

In addition, all companies are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of the adoption of the above standard on its financial statements, and is not able to estimate the potential impact at this stage. However, the Company expects that the adoption will have an impact on its statement of profit or loss and statement of cash flows, as well as the MPM that will need to be identified and disclosed.

ERB Asfalistiki Limited

Notes to the financial statements

1. General information (continued)

1.5 Standards issued but not yet effective (continued)

New and amended standards and interpretations (continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

On 9 May 2024, the IASB issued IFRS 19, allowing eligible subsidiaries to present reduced disclosures under IFRS 19 instead of the more extensive disclosure requirements in other IFRS Accounting Standards. In line with IFRS 18, a specific disclosure required by IFRS 19 can be omitted, if information resulting from that disclosure, is not material.

This election is available for subsidiaries preparing consolidated, separate, or individual financial statements, if and only if, at the end of the reporting period they do not have public accountability and have a parent company (ultimate or intermediary) that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

If the election is made, the subsidiary must state in its statement of compliance that it has applied IFRS 19. A subsidiary applying IFRS 19 can later choose to revoke this election.

Further to the above, in August 2024 the IASB issued additional amendments to IFRS 19. These amendments extend the reduced disclosure requirements in IFRS 19 to Standards and amendments issued between February 2021 and May 2024.

The above standard is not expected to have an impact for the Company, as the Company is a Public Interest Entity (EU-PIE) and therefore has public accountability.

2 Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

2.1 Basis of accounting and preparation

The Company's financial statements have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

The financial statements have been prepared on a going concern basis.

As disclosed in Note 32, on 17 April 2025, Eurobank Limited (previously Hellenic Bank Public Company Limited) acquired 100% of the share capital of ERB Cyprus Insurance Holdings Limited (previously CNP Cyprus Insurance Holdings Limited), the sole shareholder of the Company. During the year there were changes in the structure of the Company. ERB Asfalistiki Limited and Pancyprian Insurance Limited, both being 100% subsidiaries of Eurobank Limited (previously Hellenic Bank Public

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.1 Basis of accounting and preparation (continued)

Company Limited) merged by virtue of a Court Order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025, with ERB Asfalistiki Limited being the surviving entity.

The financial statements have been prepared under the historical cost convention, except for (a) investment property, financial assets at FVOCI and financial assets at FVTPL which are measured at fair value and (b) insurance and reinsurance contracts, which are recorded based on fulfillment of cash (and if any the CSM) flows in accordance with IFRS 17.

The material accounting policies applied in the preparation of these financial statements are set out below in Note 3 and Note 4. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Notes 3 and 4.

2.1.1 Business combinations under common control transactions

Group restructuring transactions involving the transfer of businesses, assets and liabilities between entities under common control are accounted for using predecessor (book value) accounting, as the transactions do not constitute a business combination within the scope of IFRS 3 Business Combinations.

The assets and liabilities transferred are recognized by the transferee at the carrying amounts reported in the financial statements of the transferring entity immediately prior to the transaction. No goodwill or gain is recognized as a result of the transfer. The difference between the consideration paid (if any) and the net carrying amount of the assets and liabilities acquired is recognized directly in equity within retained earnings reserve.

During the year ended 31 December 2025, as part of an internal group restructuring, the business and net assets of Pancyprian Insurance Limited ("transferring entity") were transferred to the Company through a legal merger transaction by virtue of a Court Order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025. Both entities were being ultimately controlled by Eurobank Limited, before and after the transaction, and accordingly, the transfer constitutes a transaction under common control.

The transaction was effected at book values, and the assets and liabilities transferred were recognized by the Company at the carrying amounts reflected in the financial statements of the transferring entity immediately prior to the transfer date. As part of the legal merger transaction and group restructuring, the Company issued 4.124.121 ordinary shares at nominal value of €1.71 each to its direct parent entity, ERB Cyprus Insurance Holdings Limited, for a total consideration of €7.052.247. No gain arose as a result of the transaction in the Company's financial statements. The difference of €22.527.159 between (i) the consideration of the issuance of new share capital and (ii) the net carrying amount of the assets and liabilities transferred of €29.579.406, has been recognized directly in equity, with an amount of €3.908.090 recognized in Fair value reserve and €18.619.069 in Retained Earnings reserve. The

ERB Asfaltiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.1 Basis of accounting and preparation (continued)

2.1.1 Business combinations under common control transactions (continued)

transaction had no impact on the financial performance of the Company for the year, other than the post-transfer (post-merger) financial performance results of the transferred business. For the post transfer period, the transferred business contributed Insurance service result of (€207.030) and Profit before income tax of (€94.259) to the Company's results in profit or loss.

The carrying amount of the assets and liabilities transferred at the transfer date were as follows:

	Net carrying amount on transfer date (€000s)
Assets	
Property, plant and equipment and intangible assets	378
Financial assets at FVTPL	37.897
Insurance contract assets	32
Reinsurance contract assets	20.481
Cash and cash equivalents	4.808
Investment Property	7.107
Fixed deposits	875
Other assets	991
Total assets	72.569
Liabilities	
Insurance contract liabilities	40.120
Reinsurance contract liabilities	611
Other liabilities	2.259
Total liabilities	42.990
Net assets transferred	29.579

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts”

Summary to measurement methods

IFRS 17 establishes specific principles for the recognition, measurement, presentation and disclosures of insurance contracts issued and reinsurance contracts held by the Company.

The Company presents disaggregated information about insurance contracts issued by major product line and has identified the below aggregation basis:

- Motor
- Property
- Liability
- Other
- Combined Coverage Contracts

The following table summarizes the characteristics of the Company’s insurance contracts that are measured under IFRS17 and the measurement methods.

IFRS17 aggregation basis	Contracts issued	Measurement method	Insurance finance income and expense
<i>Motor</i>	Third Party Fire and Theft, Comprehensive Cover for Private and commercial vehicles	<i>Premium Allocation Approach</i>	Disaggregated between profit or loss and other comprehensive income
<i>Property</i>	Fire, Theft, Earthquake, Catastrophe, damage for private and commercial sector, CAR	<i>Premium Allocation Approach General Measurement Model</i>	Disaggregated between profit or loss and other comprehensive income
<i>Liability</i>	Employers and Public Liability, Professional Indemnity, Directors and officers	<i>Premium Allocation Approach</i>	Disaggregated between profit or loss and other comprehensive income
<i>Combined Coverage Contracts</i>	Third Party Fire and Theft, Comprehensive Cover for Private and commercial vehicles Fire, Theft, Earthquake, Catastrophe, damage for private and commercial sector, Employers and Public Liability, Professional Indemnity, Personal Accident, Money	<i>Premium Allocation Approach</i>	Disaggregated between profit or loss and other comprehensive income
<i>Other</i>	Personal Accident, Marine Cargo and hull Money, Cash Bankers Blanket	<i>Premium Allocation Approach</i>	Disaggregated between profit or loss and other comprehensive income

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

In addition to issuing insurance contracts, the Company holds reinsurance contracts to mitigate certain risk exposures. These are quota share, surplus and excess of loss reinsurance contracts.

The Company presents disaggregated information about reinsurance contracts held by major product line and has identified the below aggregation basis:

- Motor
- Property
- Liability
- Other

The following table summarises the characteristics of the Company’s reinsurance contracts held and the measurement methods.

IFRS17 aggregation basis	Contracts issued	Measurement method	Insurance finance income and expense
<i>Motor</i>	Proportional, Non Proportional, XL	<i>Premium Allocation Approach</i>	Disaggregated between profit or loss and other comprehensive income
<i>Property</i>	Proportional Quota Share and Surplus, Non Proportional, XL	<i>Premium Allocation Approach, General Measurement Model</i>	Disaggregated between profit or loss and other comprehensive income,
<i>Liability</i>	Proportional Quota Share, Non Proportional, XL	<i>Premium Allocation Approach, General Measurement Model</i>	Disaggregated between profit or loss and other comprehensive income,
<i>Other</i>	Proportional Quota Share and Surplus Non Proportional, XL	<i>Premium Allocation Approach, General Measurement Model</i>	Disaggregated between profit or loss and other comprehensive income,

Definition and classification of insurance and reinsurance contracts

Contracts issued by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is done on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Definition and classification of insurance and reinsurance contracts (continued)

The Company determines whether a contract transfers significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance, even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. As a general guideline, the Company determines whether a contract transfers significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. The Company issues a range of non-life insurance contracts all of which transfer significant insurance risk. The Company does not issue any reinsurance contracts. The Company does not have an impact on the insurance contracts’ classification arising from the application of IFRS 17 requirements.

In addition to issuing insurance contracts, the Company holds reinsurance contracts to mitigate certain risk exposures. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company. These are quota share, surplus, excess of loss and facultative reinsurance contracts. For reinsurance contracts held by the Company, even if they do not expose the issuer (the reinsurer) to the possibility of a significant loss they are still deemed to transfer significant insurance risk if they transfer substantially all of the insurance risk relating to the reinsured portions of the underlying insurance contracts to the reinsurer. The Company does not have any impact on the classification of the reinsurance contracts held arising from the application of these requirements.

Separating components from insurance contracts

The Company assesses its non-life insurance contracts issued to determine whether they contain distinct components that must be separated and accounted for under another IFRS Standard instead of under IFRS 17. If these non-insurance components are non-distinct, they are accounted for together with the insurance component as part of the accounting for an insurance contract. The insurance contracts issued by the Company do not contain any embedded derivatives or investment components but certain motor contracts include non-insurance services such as road assistance.

Level of aggregation

For insurance contracts issued and reinsurance contracts held, the Company shall identify portfolios of contracts. A portfolio comprises contracts subject to similar risks and managed together.

The Company has defined portfolios of insurance contracts issued based on its product lines, due to the fact that the products are subject to similar risks and managed together. Reinsurance contracts held have been grouped into portfolios taking into consideration the nature of the risk and the type of reinsurance cover.

Each portfolio is sub-divided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Company segregates contracts based on when they were issued (annual cohorts). An annual cohort of a portfolio contains all contracts that were issued within a 12-month period. Each annual cohort of a portfolio is then further disaggregated into three groups of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Level of aggregation (continued)

- any remaining contracts in the portfolio.

The Company accounts for insurance contracts using the Premium Allocation Approach (PAA) and as such, it determines that contracts are not onerous on initial recognition, unless there are facts and circumstances indicating otherwise. The Company assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts that are not onerous on initial recognition belong to a group with no significant possibility of becoming onerous in the future. The Company uses judgement to determine the facts and circumstances that indicate that a group of contracts becomes onerous in subsequent measurement. For the identification of the loss-making portfolios, metrics such as unfavorable loss ratios or combined loss ratios are used.

The only insurance contracts for which a General Measurement Model (GMM) is used are the Property Engineering ex-Pancyprian Insurance Limited portfolios with cohort prior to 2025.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise of a single contract.

The reinsurance contracts are accounted for applying the Premium Allocation Approach (PAA) and the Company assumes that the reinsurance contracts held in each portfolio will not result in a net gain on initial recognition, unless facts and circumstances indicate otherwise.

The only reinsurance portfolios for which a GMM is used are the ex-Pancyprian Insurance Limited Engineering/Fire/Marine and Professional Indemnity portfolios with cohorts prior to 2025.

Initial Recognition

The Company recognizes groups of insurance contracts issued from the earliest of the following dates:

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

Contract Boundaries

Insurance Contracts

The Company includes in the measurement of a group of insurance contracts, all the future cash flows expected to arise within the boundary of each of the contracts in the group.

In determining which cash flows fall within the contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable laws and regulations. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Reinsurance contracts

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the cedant that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive insurance contract services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer

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

The boundary of a reinsurance contract held includes cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts that are expected to be issued by the Company in the future if these contracts are expected to be issued within the boundary of the reinsurance contract held.

On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Company expects to issue and cede under the reinsurance contract within the next twelve months.

The Company holds proportional reinsurance contracts with an annual term which cover underlying contracts on a loss occurring basis. All cashflows arising from claims incurred and expected to be incurred during the period of the reinsurance contract are included in the measurement.

Finally, the Company’s non-proportional and excess of loss reinsurance contracts held, have an annual term and provide coverage for claims incurred during an accident year (i.e. loss occurring). Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held.

(a) Reinsurance contracts measured under the Premium Allocation Approach (“PAA”)

The Company applies the PAA to measure a group of reinsurance contracts using the same accounting policies to the insurance contracts, as adapted where necessary to reflect the features of reinsurance contracts.

The Company applies the PAA to groups of reinsurance contracts that it holds which at the inception of the group the effective coverage period of each contract in the group of reinsurance contracts held is one year or less.

Under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The Company measures the amount relating to remaining service by allocating the amount of expected reinsurance premium payments over the coverage period of receiving services for the group. For all reinsurance contracts held the allocation is based on the passage of time.

On initial recognition of each group of reinsurance contracts held. the Company expects that the time between receiving each part of the services, and the related reinsurance premium due date is no more than a year. Accordingly, the Company has chosen not to adjust the asset for remaining coverage to reflect the time value of money and the effect of financial risk.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

(a) *Reinsurance contracts measured under the Premium Allocation Approach (“PAA”) (continued)*

Where the reinsurance contracts held cover a group of onerous underlying insurance contracts, the Company adjusts the carrying amount of the asset for remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on additional loss from an already onerous group of underlying insurance contracts. The recognition of this gain results in the accounting for the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held. The loss-recovery component is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

(b) *Reinsurance Contracts measured under the General Measurement Model (“GMM”)*

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes.
- The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer.
- The Company recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition as described below.
- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date.

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year.
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates determined on initial recognition.
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

(b) *Reinsurance Contracts measured under the General Measurement Model (“GMM”)*

- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts.
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component.
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage, adjusts the CSM and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised, The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

The loss-recovery component is adjusted for changes in FCFs of the group of reinsurance contracts relating to future services that result from changes in FCFs of the onerous underlying contracts. If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Under IFRS 17, insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. The Company does not recognise pre-acquisition cash flows as an asset as it does not pay or incur such costs before the related group of contracts is recognised.

The Company applies judgement in assessing whether acquisition cash flows are directly attributable to a specific portfolio of insurance contracts and also considers as attributable cash flows fixed and variable overheads directly attributable to the fulfilment of insurance contracts. A systematic and rational method is used to allocate insurance acquisition cash flows directly attributable to insurance portfolios.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Insurance Acquisition Cash Flows (continued)

At each reporting date, the Company revises the amounts allocated to insurance portfolios to reflect any changes in assumptions that determine the inputs to the allocation method used.

For contracts that are measured under the PAA, if the coverage period for each contract in the group is one year or less, the Company chooses to expense insurance acquisition cash flows when they are incurred, instead of including them in the measurement of the liability for remaining coverage. The Company will not elect to recognize insurance acquisition cash flows as incurred for any groups of contracts.

Impairment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

- recognizes an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- if the asset relates to future renewals, recognizes an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognized as an impairment loss as above.

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

Measurement of Asset for Incurred Claims (AIC)

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and the estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. The Company includes in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes. The risk adjustment for non-financial risk for reinsurance contracts held represents the amount of risk being transferred by the Company to the reinsurer.

Measurement of insurance contracts issued

The Liability for Remaining Coverage (“LRC”) represents the Company’s obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred (i.e. the obligation that relates to the unexpired portion of the coverage period), comprising:

- (a) fulfilment cash flows relating to future service and
- (b) the contractual service margin yet to be earned,

The liability for incurred claims (“LIC”) includes the Company’s liability to pay valid claims for insured events that have already incurred, other incurred insurance expenses arising from past coverage service and includes the liability for claims incurred but not yet reported. It also includes the Company’s liability to pay amounts the Company is obliged to pay the policyholder under the contract when a contract is derecognised. The current estimate of LIC comprises the fulfilment cash flows related to current and past service allocated to the group at the reporting date. The carrying amount of a group of insurance contracts at each reporting date is the sum of the LRC and the LIC.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Measurement model for the liability for remaining coverage (LRC)

(i) Measurement of LRC on Initial Recognition of contracts not measured under PAA

The Company applies the general measurement model (“GMM”) to the engineering type insurance contracts that were issued by ex-Pancyprian Insurance Limited prior to 2025.

Under the GMM, the Company measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment Cashflows (“FCF”)

FCF comprise unbiased and probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows, plus a risk adjustment for non-financial risk.

The Company’s objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort, that reflect the timing and uncertainty of those future cash flows.

The Company estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims.
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs.
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries.
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts.

The cash flow estimates include both market variables, which are consistent with observable market prices and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Fulfilment Cashflows (“FCF”) (continued)

The Company updates its estimates at the end of each reporting period using all newly available as well as historic evidence and information about trends. The Company determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Company considers the most recent experience and earlier experience, as well as other information.

Risk of the Company’s non-performance is not included in the measurement of groups of insurance contracts issued.

Time value of money and financial risks

The Company adjusts the estimates of future cash flows to reflect the time value of money, and the financial risks related to those cash flows, to the extent that the financial risks would not be included in

the estimates of cash flows. The discount rates apply to the estimates of the future cash flows:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.
- are consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
- exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

In determining discount rates for cash flows, the Company uses the ‘bottom-up approach’ where discount rates are derived as the sum of the risk-free rates, plus an illiquidity premium.

Risk Adjustment (“RA”)

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The risk adjustment also reflects the degree of diversification benefit the Company includes when determining the compensation, it requires for bearing that risk and both favorable and unfavorable outcomes in a way that reflects the Company’s degree of risk aversion.

The Company uses the Value at Risk (“VaR”) method in estimating the Risk Adjustment.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Contractual Service Margin (“CSM”)

The CSM is a component of the overall carrying amount of a group of insurance contracts representing Unearned Profit the Company will recognise as it provides insurance contract services over the coverage period.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow the CSM is measured as the equal and opposite amount of the net inflow which results in no gain no loss arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

The Company determines at initial recognition the group’s coverage units and allocates the group’s CSM based on the coverage units provided in the period.

(ii) Subsequent measurement of LRC of contracts not measured under the PAA

Changes in Fulfilment Cash Flows

At the end of each reporting period, the Company updates the fulfilment cash flows for both LIC and LRC to reflect the current estimates of the amounts timing and uncertainty of future cash flows as well as discount rates and other financial variables.

Experience adjustments are the difference between:

- The expected cash flow estimates at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows)
- The expected cash flow estimates at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses)

Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expense, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses,

Experience adjustments relating to future service are included in the LRC by adjusting the CSM.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Adjustments to the CSM

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group in the reporting period.
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition.
- The changes in fulfilment cash flows relating to future service, except to the extent that:
 - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
 - Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period of the amounts expected.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss because it relates to future service.

An amount of the CSM is released to profit or loss in each period during which the insurance contract services are provided.

In determining the amount of the CSM to be released in each period the Company follows three steps:

- determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering for each contract the quantity of benefits provided under the contract and the expected coverage period.
- allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Adjustments to the CSM (continued)

- recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period.

The number of coverage units changes as insurance contract services are provided, contracts expire, lapse or surrender and new contracts are added into the group. The total number of coverage units depends on the expected duration of the obligations that the Company has from its contracts, which can differ from the legal contract maturity because of the impact of policyholder behavior and the uncertainty surrounding future insured events.

Onerous Contracts

After the loss component is recognised, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between ‘loss component’ and ‘LRC excluding the loss component’.

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are:

- insurance finance income or expense.
- changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period; and
- estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expense in the period.

The Company determines the systematic allocation of insurance service expenses incurred based on the percentage of loss component to the total outflows included in the LRC, excluding any investment component amount.

Any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk are allocated first only to the loss component, until it is exhausted. Once it is exhausted, any further decreases in fulfilment cash flows relating to future service create the group’s CSM.

(iii) *Measurement of LRC on initial recognition and subsequent measurement of contracts measured under PAA*

The premium allocation approach (PAA) is an optional simplified measurement model in IFRS 17 that is available to insurance contracts that meet the eligibility criteria. The Company applies the PAA to all the insurance contracts that it issues since at the inception of the group, with the exception of the specific ex-Pancyprian Insurance Limited portfolios prior to 2025 where a GMM is applied, for which:

- The coverage period of each insurance contract in the group is one year or less.
- For groups of insurance contracts including contracts with a coverage period extending beyond one year the Company reasonably expects that such simplification would produce a measurement of the LRC for the group that would not differ materially from the one that would be produced applying the requirements of the general measurement model.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

(iv) *Measurement of LRC on initial recognition and subsequent measurement of contracts measured under PAA (continued)*

The Company does not have any groups of contracts where, at inception, it expects significant variability in the fulfilment cash flows that would affect the measurement of the LRC during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example the length of the coverage period of the group of contracts.

Insurance Service revenue

The Company’s insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts. (i.e. the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any investment components).

Insurance Service revenue - not measured under PAA

The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The risk adjustment for non-financial risk related to current service, excluding any amounts allocated to the loss component of the liability for remaining coverage.
- The CSM release measured based on coverage units provided.
- Other amounts, including experience adjustments for premium receipts for current or past services.

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount, as insurance service revenue and an equal amount as insurance service expenses.

Insurance Service Revenue – measured under PAA

In applying the PAA, the insurance revenue for the period consists of the amount of expected premium receipts including premium experience adjustments allocated to the period. The allocation is done on the basis of the passage of time unless the expected pattern of release of risk during the coverage period differs significantly from the passage of time, in which case it will be recognized on the expected timing of incurred claims and benefits. The Company applies judgement in determining the basis of allocation.

The basis of allocation between the two methods above will be changed as necessary, if facts and circumstances change. The change will be accounted for prospectively as a change in accounting estimate.

The Company anticipates that revenue for all contracts will be recognized on the basis of the passage of time.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

(b) Measurement of liability for incurred claims (LIC)

Under IFRS 17 the LIC is estimated based on the General Measurement Model (GMM), as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment).

The risk adjustment is applied to the present value of the estimated future cash flows, and it reflects that compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For the measurement of the liability for incurred claims the Company adjusts the future cash flows for the time value of money and the effect of financial risk if the claims are not expected to be paid within one year of being incurred.

Significant judgments and estimates

Best estimate cash flows

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Bornhuetter-Ferguson Method and Chain Ladder Method. The main assumption underlying these techniques is that a Company’s past claims development experience can be used to project future claims development and hence ultimate claims costs.

Discount rates

The liability for incurred claims is calculated by discounting expected future cash flows. The Company uses the bottom-up approach in determining the discount rates and hence uses a risk-free rate, plus an illiquidity premium. Risk free rates as well as the illiquidity premium used are determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks. It measures the degree of variability of expected future cash flows and the Company-specific price for bearing that risk and reflects the degree of the Company’s risk aversion. The Company determines the risk adjustment for non-financial risk at the entity level and then allocates it to groups of insurance contracts.

The Company estimates the risk adjustment using a risk-based capital approach which is closely linked to the Solvency II standard formula.

The risk adjustment is determined subject to a confidence level of 80% over the lifetime of the liabilities.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Insurance contracts – modification and de-recognition

The Company derecognises insurance contracts when:

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

Insurance service expenses from insurance contracts issued

Insurance service expense arising from groups of insurance contracts issued comprises:

- incurred claims and other incurred insurance service expenses.
- amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company has not elected to expense insurance acquisition cash flows as incurred and hence will defer all the insurance acquisition cash flows.
- impairment of insurance acquisition cash flows, if any.
- changes that relate to past service. i.e. changes in fulfilment cash flows relating to the liability for incurred claims; and
- changes that relate to future service. i.e. losses on onerous groups of contracts and reversals of such losses.

Income or expenses from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid.

The Company presents reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a reduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss. The amounts recognised relating to recovery of losses is presented as amounts recovered from the reinsurer. The Company does not present the allocation of premiums paid as a reduction in revenue.

Insurance Finance Income and Expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.2 IFRS 17 “Insurance Contracts” (continued)

Insurance Finance Income and Expenses (continued)

For contracts measured under the PAA insurance finance income or expenses reflect interest accreted on the future cash flows under the LIC and the effect of changes in interest rates and other financial assumptions. The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance financial income or expenses.

Based on the Company’s accounting policy, period’s insurance finance income or expenses is split between profit or loss and other comprehensive income (OCI). This accounting policy choice is applied on a portfolio-by-portfolio basis. The Company disaggregates insurance finance income or expenses between the profit or loss and the OCI for all its portfolios with the exception of the portfolios of ex-Pancyprian Insurance Limited.

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company presents separately on the face of the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid.

The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the Company financial statements are measured using the currency of the primary economic environment in which each entity of the group operates (“the functional currency”).

The financial statements are presented in Euro (€), which is the Company’s functional and presentation currency, as well as the functional currency of all entities included within these financial statements.

2.4 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries in which the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.4 Current and deferred income tax (continued)

interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

In accounting for the tax effect of on-balance sheet leases, the Company views the right of use asset and lease liabilities separately and considers that the temporary difference on each item does not give rise to deferred tax since the initial recognition exception applies.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is deferred assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

2.5 Uncertain tax positions

The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.6 Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.7 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividend is appropriately authorised and is no longer at the discretion of the Company.

More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and paid and in the case of final dividends, these are recognised in the period in which they are approved by the Company's shareholders.

2.8 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company is the Lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company, with limited exceptions as set out below.

Contracts may contain both lease and non-lease components. The Company have elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- reliance on previous assessments on whether leases are onerous in assessing whether the right-of-use asset is impaired;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.8 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured where there is a change in future lease payments arises from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Any remeasurement of the lease liability arising if the cash flows change based on the original terms and conditions of the lease results in a corresponding adjustment to the right-of-use asset. The adjustment can be positive or negative.

The Company are exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

In determining the lease term, management of the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company become obliged to exercise (or not exercise) it.

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

Right-of-use assets are reviewed for impairment in accordance with the Company's accounting policy for impairment of non-financial assets.

As an exception to the above, payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.8 Leases (continued)

The Company presents right-of-use assets and lease liabilities separately on the face of the statement of financial position.

Company is the Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. In performing this assessment, the Company considers certain indicators including as to whether the lease is for the major part of the economic life of the asset.

Rental income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

2.9 Investment property

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Company. Investment property is carried at fair value representing open market value adjusted if necessary for any difference in the nature, location or condition of the specific asset. Valuations are determined annually by external values who hold recognised and relevant publications. Changes in fair value are recorded in profit or loss and are included on the face of the income statement.

It is held for long-term rental yields and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers.

2.10 Financial assets and financial liabilities

Recognition and initial measurement

The Company recognises deposits with financial institutions on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument basis and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company designates certain debt investments in the participating and/or unit-linked insurance contracts and investment contracts issued as at FVTPL on initial recognition, because they relate to insurance and/or investment contracts that measured in a way that incorporates current information and all related insurance finance income and expenses are recognized in profit or loss.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Company considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of asset sales are also important aspects of the Company's assessment.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI")

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers, amongst others, the below:

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the Company's claim to cash flows from specified assets; and
- Features that modify consideration for the time value of money.

Subsequent measurement

(a) Financial assets measured at fair value through profit and loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other interest and similar income when the right to the payment has been established.

(b) Debt instruments measured at fair value through other comprehensive income

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss using the effective interest rate (EIR) method, less allowance for impairment. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

(c) Equity instruments measured at fair value through other comprehensive income (“FVOCI”)

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI and accumulated in the fair value reserves. Dividend income is recognised in profit or loss when the Company’s right to receive payment is established, unless it clearly represents a recovery of part of the cost of the investment. Accumulated net gains and losses in OCI are never reclassified to profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from fair value reserve to retained earnings reserve in equity.

(d) Financial assets at amortised cost

These are measured at amortised cost under the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

Derecognition

(a) Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company’s continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

On derecognition of a financial asset, the difference between the carrying amount at the date of the derecognition and the consideration received is recognised in profit or loss. For debt investments at FVOCI, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. The cumulative gain or loss on equity investments designated at FVOCI is not reclassified to profit or loss.

(b) Derecognition due to substantial modification of terms and conditions

The Company derecognises a financial asset when the terms and conditions have been renegotiated and/or substantially modified to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss.

When assessing whether or not to derecognise an instrument due to substantial modification, amongst others, the Company considers, amongst others, the following factors:

- Change in currency of the debt instrument;
- Introduction of an equity feature;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss in profit or loss. Where a modification of cash flows is due to financial difficulties of the debtor, and the objective is usually to maximise recovery of the original contractual cash flows rather than to originate a new asset with substantially different terms, and the modification may result in forgiveness of cash flows, then the Company first considers whether a portion of the asset should be written off before recording a modification adjustment.

Impairment of financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company's debt instruments comprise primarily from Investment Grade quoted bonds, and therefore are considered low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates significantly, the Company will assess the potential sale of this position while our shareholder might request to freeze the limits (ie. No increase of exposure on the name) and/or sell the position.

The Company considers a financial asset to be in default (credit impaired) based on past experience analysis, where the probability of default is estimated per aging group. However, in certain cases, the

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

ECLs calculation

The Company calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the entity expects to receive.

When estimating the ECLs the Company considers four scenarios (a base case, an upside, a mild downside and a more extreme downside). When relevant, the assessment of multiple scenarios also incorporates the probability that the defaulted loans will cure.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Company allocates its assets subject to ECL calculations into one of these categories, determined as follows:

- **12mECL:** The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR. This calculation is made for each of the four scenarios, as explained above.
- **LTECL:** When an instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

- **Impairment:** For debt instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets IFRS 9-S-5.2 in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectations of recovering either a portion or the entirety of the financial assets. This assessment is carried out at the individual financial asset level. Any subsequent recoveries of written off and derecognized financial assets are credited as income to profit or loss.

Although the Company expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Such amounts include long overdue receivable balances from terminated agents that were written off, but for which the Company continues its attempts for recovery through legal actions and legal handling of the cases.

Financial liabilities – classification and subsequent measurement

The Company classifies its financial liabilities, other than financial guarantees, into one of the following categories:

- financial liabilities at FVTPL, as one of the below sub-categories:
 - held for trading (none as at the reporting date);
 - derivative hedging instruments (none as at the reporting date); or
 - designated as at FVTPL.
- financial liabilities at amortised cost.

Financial liabilities at FVTPL are measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognized in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

Financial liabilities at amortised cost are measured at amortised cost under the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Company generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. It also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.10 Financial assets and financial liabilities (continued)

Other revenues and income arising from investments

Other revenues and income arising from investments of the Company are recognised on the following bases:

(a) Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.11 Share capital

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

2.12 Provisions

Provisions are recognised when the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.13 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Deposits at call with banks with original maturities of more than three months are presented and classified within loans and other receivables. The Company does not have any bank overdraft balances at the reporting date.

ERB Asfalistiki Limited

Notes to the financial statements

2 Material accounting policies (continued)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Intangible Assets

Intangible assets include computer software. Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated on a straight-line basis over the estimated useful life of the assets which is 5 years for computer software, and is recognised in profit or loss. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets are reviewed for impairment when events relating to changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount exceeds the recoverable amount then the intangible assets are written down to their recoverable amount.

2.16 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than insurance and reinsurance contract assets, investment property, PPE: and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses are recognised in profit or loss, and are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management

3.1 Insurance risk factors

The Company issue insurance contracts that transfer insurance risk from clients. The Company transact in general insurance business which includes accident and health insurance, motor insurance, marine and goods in transit insurance, fire insurance, other damage to property insurance, marine liability insurance, general liability insurance, guarantee insurance and miscellaneous insurance. The most material lines of the Company's portfolio in terms of premium are: Motor insurance 44% (2024: 43%), Fire 39% (2024: 36%) and Liability 12% (2024: 15%). Further details related to the most material lines of the financial statements are provided in Note 34.

The Company's objective is to ensure that sufficient reserves are available to cover liabilities arising from insurance contracts. The risk that arises from each insurance contract is the possibility that the event covered by the insurance contract will occur and the uncertainty of the amount to be claimed.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques. Also, for longer tail claims which take some years to settle, there is also inflation risk.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. However, climate changes, natural disasters and terrorist activities are also among the most significant risks which cannot be projected but can materially affect the Company's operations.

The Company have developed their insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Also, the Company have established Reinsurance policies in order to design strategies that mitigate those risks which are monitored by relevant committees.

The policies employed by the Company to manage these risks are explained below:

3.1.1 Frequency and severity of claims

The principal risk that the Company face under the insurance contracts is that the actual cost of claims and benefits exceeds the premium receivable from insurance contracts. This occurs in the case where the frequency and severity of the claims and benefits are higher than originally estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Company manage these risks through detailed policies in relation to the acceptance of risks, underwriting strategy, adequacy of reinsurance arrangements and the effective handling of claims.

The underwriting strategy of the Company is to ensure that only acceptable risks are undertaken by the Company. There are in place written underwriting instructions that facilitate the achievement of the Company's objective. Furthermore, the Company have an Internal Risk and Survey Department which is responsible for the inspection of large insured properties and for assisting clients to comply with the required measures and standards suggested by the Company.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.1 Insurance risk factors (continued)

Also, the department is responsible for communicating to large clients via seminars, the risks that may arise on their properties.

The Company have in place a conservative reinsurance programme which consists of reinsurance contracts (proportional excess of loss and property catastrophe coverage) and optional reinsurance contracts. The Company use reinsurers that have been rated of least with A by Standard & Poor's (or similar rating agencies). The objective of the Company's reinsurance programme is to reduce the Company's exposure within acceptable limits. The annual reinsurance programme is evaluated and approved by the Reinsurance Committee of the Company's Board of Directors.

The claims handling strategy of the Company is to ensure the efficient and effective handling of each claim from the time it occurs so as to proceed with a speedy settlement and to avoid adverse developments and increased costs.

The Company issue insurance contracts that provide coverage against claims arising from earthquake. The earthquake is considered as an event with very low frequency, yet with a higher expected cost of claims.

The Company's concentration of insurance risk for coverage against earthquake, is disclosed below through the concentration of risk for each district in Cyprus.

The concentration of risk for each district in insured amounts is as follows:

District	2025 Insured amounts	2025 Reinsured amounts	2025 Retained amounts	2024 Insured amounts	2024 Reinsured amounts	2024 Retained amounts
Nicosia	10.145.746.260	6.091.879.628	4.053.866.632	4.602.715.427	2.673.676.291	1.929.039.136
Limassol	9.261.502.369	5.680.054.223	3.581.448.146	5.390.909.139	3.697.797.399	1.693.111.739
Larnaca	4.190.996.329	2.808.350.133	1.382.646.197	1.242.814.689	726.264.431	516.550.258
Paphos	3.290.741.019	2.100.711.794	1.190.029.225	2.058.565.503	1.454.161.030	604.404.473
Famagusta	1.965.316.981	1.358.382.391	606.934.590	1.130.723.240	839.691.449	291.031.792
	28.854.302.959	18.039.378.169	10.814.924.790	14.425.727.997	9.391.590.599	5.034.137.398

The Company use actuarial models in relation to the catastrophic cover for mitigating the above retentions.

Claims on insurance contracts are mainly payable on an incurred basis. The Company are liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. There are several variables that affect the amount and timing of cash flows from these contracts.

These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management policies they adopted.

3.1.2 Source of uncertainty in the estimation of future claim payments

Claims on insurance contracts are mainly payable on an incurred basis. The Company are liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management policies they adopted.

ERB Asfalistiki Limited

Notes to the financial statements

3. Insurance and financial risk management (continued)

3.1 Insurance risk factors (continued)

3.1.2 Source of uncertainty in the estimation of future claim payments (continued)

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company take all reasonable steps to ensure that they have appropriate information regarding claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises:

- Provision for open reported claims
- Provision for settled claims that may reopen
- Provision for incurred but not reported claims (pure IBNR)
- Provision for incurred but not sufficiently or enough reported (IBNeR)
- Provision for Claims Handling Expenses (CHE)
- Provision for claims related to ENID (Events Not in Data)

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variation between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. The total IBNR is split between pure IBNR and IBNeR. The Company monitor frequently the IBNR amount and its development and adjust the amount accordingly.

In estimating the liability for the cost of reported claims not yet paid, the Company consider any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. All claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Liability for Incurred Claims (LIC) refers to cash flow projections related to claim events having occurred before or at the valuation date, whether the claims arising from these events have been reported or not. This amount corresponds to the discounting values of the above mentioned provisions.

The Company uses the bottom-up approach in determining the discount rates and hence uses a risk-free rate, plus an illiquidity premium. Both Risk free rates and illiquidity premium are determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields.

In calculating the estimated cost of IBNR, the Company use a number of actuarial methodologies including the Loss Development Method and Burnhuetter-Ferguson method.

Actuarial valuations depend on a set of assumptions about future experience. However, it is inevitable that actual experience will vary from that assumed, and hence it can be useful to understand how values may change if alternative assumptions were used. Hence, the sensitivity of reserves has been analysed, considering an increase in the IBNR by 10% applied on the last two accident years. The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.1 Insurance risk factors (continued)

3.1.2 Source of uncertainty in the estimation of future claim payments (continued)

The Company monitors insurance risk per class of business. An analysis of the Company's insurance and reinsurance risk concentrations per class of business is provided in the following tables:

	Year 2025		Year 2024	
	Insurance contracts liabilities €	Reinsurance contracts assets €	Insurance contracts liabilities €	Reinsurance contracts assets €
Motor insurance	45.535.737	2.401.864	27.054.011	1.093.582
Property insurance	23.424.409	20.321.026	15.791.729	12.752.775
Liability insurance	21.177.773	3.851.535	16.863.130	3.398.770
Other insurance	5.075.234	3.242.284	977.614	678.075

Sensitivity analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. The following sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions. This analysis is based on a change in one risk variable with all other variables held constant. Sensitivity analysis assumes that changes to variables can be made independently, which is very unlikely to occur in practice. There were no changes made from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

Key assumption	Change in assumption	Impact on profit before tax - Gross of reinsurance €	Impact on profit before tax - Ceded €	Impact on profit before tax - Ceded €	Impact on equity - Ceded €
Year ended 2025					
IBNR increase (applied on the last two accident years)	+ 10%	(2.038.099)	(216.543)	(1.875.683)	(215.594)
IBNR decrease (applied on the last two accident years)	- 10%	1.524.417	201.537	1.436.786	200.587
Year ended 2024					
IBNR increase (applied on the last two accident years)	+ 10%	(925.623)	(115.895)	(928.744)	(116.146)
IBNR decrease (applied on the last two accident years)	- 10%	925.483	115.885	928.603	116.135

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.1 Insurance risk factors (continued)

Insurance risk – claims development

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment.

In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The Company presents information on the gross and net claims development. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

Gross undiscounted liability for incurred claims

	Accident year						
Gross claims development – Insurance	Y-5 €	Y-4 €	Y-3 €	Y-2 €	Y-1 €	Y €	Total €
Estimate of ultimate claim costs							
At end of accident year	27.454.978	31.457.332	36.879.369	44.642.072	55.287.824	48.212.724	
1 year later	31.365.301	33.656.818	39.739.265	43.755.344	53.476.240		
2 years later	31.230.151	33.071.789	38.461.560	42.592.797			
3 years later	32.041.195	32.584.673	38.278.655				
4 years later	32.233.811	32.123.010					
5 years later	32.000.272						
Gross claims paid	(29.363.350)	(28.621.302)	(33.236.818)	(35.164.330)	(37.379.154)	(23.916.915)	(187.681.869)
Gross liabilities - Years Y-5 to Y	2.636.923	3.501.708	5.041.837	7.428.468	16.097.086	24.295.809	59.001.830
Gross liabilities - Years prior to N-5							15.535.591
Effect of discounting							(4.295.022)
Risk Adjustment							6.232.195
Other effects							2.556.976
Gross liabilities for incurred claims							79.031.569

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.1 Insurance risk factors (continued)

Ceded undiscounted liability for incurred claims

Ceded claims Development – Insurance	Accident Year						Total
	Y-5	Y-4	Y-3	Y-2	Y-1	Y	
Estimate of ultimate claim costs	€	€	€	€	€	€	€
At end of accident year	3.561.294	4.888.040	5.025.216	8.358.687	15.231.595	8.355.332	
1 year later	5.287.906	5.104.886	5.562.327	7.721.591	15.028.892		
2 years later	5.227.996	4.699.080	5.080.879	7.089.776			
3 years later	6.058.980	4.721.311	5.246.739				
4 years later	6.575.453	4.489.420					
5 years later	6.447.314						
Ceded claims paid	(5.680.179)	(3.647.854)	(4.282.274)	(5.070.952)	(7.093.477)	(2.548.665)	(28.323.401)
Gross liabilities - Years Y-5 to Y	767.135	841.566	964.465	2.018.824	7.935.415	5.806.667	18.334.072
Gross liabilities - Years prior to N-5							3.556.090
Effect of discounting							(894.496)
Risk Adjustment							1.856.781
Other effects							(4.271)
Ceded liabilities for incurred claims							22.848.176

3.2 Financial risk factors

The Company's activities expose it to financial risks, the most significant being the risk of fluctuations in the value of financial instruments, interest rate risk, credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below:

3.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a reinsurance contract or financial instrument fails to meet its contractual obligations, and arises principally from the Company's reinsurance contract assets and investments in debt securities. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposures – e.g. individual obligor default risk, country risk and sector risk.

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

i. Management of credit risk

The board of directors sets the Company's strategy for managing credit risk and ALCO oversees its implementation. The Company's Investment and Reinsurance departments, which report to dedicated Reinsurance and Investment Committees and to ALCO, are responsible for managing the Group's credit risk, including the following.

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorisation structure for the approval and renewal of credit facilities, intermediaries and reinsurers in line with credit policies. Authorisation limits are allocated to business units. Larger exposures require approval by different Committees as applicable or the board of directors, as appropriate.
- Reviewing and assessing credit risk. Company credit reviews all credit exposures in excess of designated limits, before further exposures are committed to by the business unit concerned.
- Limiting concentrations of exposure to counterparties, geographies and industries, and by issuer, credit rating band and market liquidity. Reinsurers and intermediaries are assessed based on external credit ratings and internal reviews. For debt securities, the Company has a policy to invest only in high-quality corporate and government debt which are Investment Grade and strict limits are applied in case of non-Investment Grade assets.
- Developing and maintaining the Company's policy regarding exposures with no external credit ratings.

The current risk grading framework consists of six grades reflecting whether there is external rating or not. Risk grades are subject to regular review by the Company risk committee. Specifically, the potential impact of reinsurer default is monitored on a Company-wide basis and managed accordingly. An indicative mapping of how the Company's internal risk grades relate to S&P ratings is as follows.

Category	Grading	External rating
Lowest risk	Grade 1	AA- AAA
Very Low Risk	Grade 2	A- to A+
Low Risk	Grade 3	BBB- to BBB+
Fair Risk	Grade 4	BB- to BB+
Substantial Risk	Grade 5	B- to B+
Doubtful Risk	Grade 6	CCC- to CCC+

- Developing and maintaining the Company's processes for measuring ECL. This includes processes for:
 - initial approval, regular validation and back-testing of the models used;
 - determination and monitoring of significant increases in credit risk; and
 - incorporation of forward-looking information.
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Group credit, which may require appropriate corrective action to be taken. These include reports containing estimates of loss allowances.

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

– Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

ii. Credit quality analysis

The following table sets out information about the credit quality of reinsurance contract assets and debt investments measured at FVTPL.

Reinsurance contract assets (Note 9)	2025	2024
	€	€
A- to A+	8.202.843	5.885.965
AA- AAA	19.232.000	9.930.177
BBB- to BBB+	252.038	171.683
Unrated	2.129.826	1.935.374
Total	29.816.708	17.923.202
Financial instruments		
	2025	2024
	€	€
Corporate bonds at FVTPL		
A- to A+	3.022.296	2.984.301
BBB- to BBB+	470.212	450.537
BB- to BB+	-	1.017.947
Total	3.492.508	4.452.785
Government bonds at FVTPL		
AAA	917.371	-
A- to A+	1.575.365	-
Total	2.492.735	-
Investment Funds at FVTPL		
AAA	195.737	2.999.381
AA- to AA+	23.288.531	2.642.236
A- to A+	17.153.265	-
BBB- to BBB+	653.150	-
Total	41.290.682	5.641.617
Total Debt instruments at FVTPL (Note 23)	47.275.926	10.094.402

The following tables set out the credit quality analysis for debt investments measured at FVOCI and financial assets at amortised cost and lease receivables without taking into account collateral or other credit enhancements. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

Financial instruments		
	2025	2024
	€	€
Government bonds at FVOCI		
AAA	2.848.867	934.035
AA- to AA+	7.819.028	4.517.264
A- to A+	15.917.680	15.136.596
BBB- to BBB+	396.649	389.909
Total	26.982.225	20.977.804
Corporate bonds at FVOCI		
AA- to AA+	983.844	958.784
A- to A+	25.736.722	22.632.006
BBB- to BBB+	23.844.320	25.570.498
BB- to BB+	1.092.259	2.088.813
Total	51.657.146	51.250.101
Total Debt instruments at FVOCI (Note 22)	78.639.370	72.227.904
Investments in fixed-term deposits (Note 24)		
A- to A+	4.541.000	1.100.283
BBB- to BBB+	7.848.348	90.572
BB- to BB+	-	6.044.115
Unrated	250.111	-
Total Investments in fixed-term deposits (Note 24)	12.639.459	7.234.970
Cash and cash equivalents (Note 27)		
A- to A+	126.840	76.582
BBB- to BBB+	4.878.479	1.000
B- to BB+	-	1.670.915
Unrated	1.606	1.300
Total	5.006.924	1.749.797
Loan receivable from related party (Note 26 and 32(d))		
Unrated	2.382.804	2.693.119
Other receivables (Note 25)		
Unrated	2.063.717	1.504.594

An explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included below:

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

Financial instruments for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

	2025	2024
	€	€
Financial instruments	Stage 1	Stage 1
Cash and cash equivalents (Note 27)	5.006.924	1.749.796
FVOCI financial assets (Note 22)	78.639.370	72.227.904
FVTPL financial assets (Note 23)	47.716.358	10.348.285
Loan receivable from related party (Note 26 and 32(d))	2.382.804	2.693.119
Investments in fixed deposits (Note 24)	12.639.459	7.234.970
Other receivables (Note 25)	2.063.717	1.504.594
Total	148.448.631	95.758.669

Maximum exposure to credit risk before collateral held or other credit enhancements

The following table presents the maximum exposure to credit risk due to the financial assets which are presented on the balance sheet, without taking into account any collateral held or other credit enhancements attached. For the financial assets which are presented on the balance sheet, the exposure to credit risk is equal to their carrying amounts.

	Maximum exposure to credit risk	
Credit risk exposures relating to financial assets per the balance sheet:	2025	2024
	€	€
Cash and cash equivalents (Note 27)	5.006.924	1.749.796
FVOCI financial assets debt investments (Note 22)	78.639.370	72.227.904
FVTPL financial assets debt investments (Note 23)	47.716.358	10.348.285
Loan receivable from related party (Note 26 and 32 (d))	2.382.804	2.693.119
Investments in fixed deposits (Note 24)	12.639.459	7.234.970
Other receivables (Note 25)	2.063.717	1.504.594
Reinsurance Contract Assets (Note 9)	29.816.708	17.923.202
Total	178.265.339	113.681.871

The Company hold collaterals on loans receivable from related party as disclosed in Note 32 (d).

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

3.2.2 Liquidity risk

Liquidity risk is the risk that arises when the Company are not able to meet current and future liabilities fully or partially. A substantial part of the financial assets is financed by the premium payments made by the policyholders. The direct liquidity needs are mainly financed by cash deposits. Also the Company have long term investments mainly in term deposits and debentures.

The Company's management manage risk with a continuous monitoring of the current liabilities and cash liquid assets.

Maturity analysis for insurance and reinsurance contract liabilities

The following table summarizes the maturity profile of the Company's portfolios of insurance contracts issued based on the estimates of the of the undiscounted future cash flows expected to be paid out in the periods presented.

	Estimates of present value of future cash flows						Total
	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Insurance contracts	€	€	€	€	€	€	€
Motor insurance	11.998.916	7.062.108	3.444.320	2.559.143	1.798.884	5.057.469	31.920.841
Property insurance	6.042.839	3.936.006	798.039	538.973	210.572	311.526	11.837.956
Liability insurance	6.269.126	4.164.796	2.479.803	1.540.010	1.219.458	3.222.222	18.895.415
Comb insurance	(1.332.903)	453.366	268.014	204.648	175.542	490.547	259.214
Other insurance	418.384	237.193	19.437	4.853	2.708	3.475	686.050
Total	23.396.363	15.853.471	7.009.613	4.847.628	3.407.163	9.085.238	63.599.476

There are no amounts relating to insurance contracts that are repayable on demand.

Maturity analysis for financial assets

The following table summarises the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows.

	Estimates of present value of future cash flows						Total
	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Re-Insurance contracts	€	€	€	€	€	€	€
Motor insurance	741.090	357.107	297.530	197.658	129.302	416.936	2.139.623
Property insurance	7.089.297	3.230.292	663.133	493.917	186.945	262.656	11.926.240
Liability insurance	1.298.365	627.456	206.534	168.679	115.157	258.450	2.674.642
Other insurance	96.626	331.484	204.555	172.414	164.093	415.323	1.384.495
Total	9.225.378	4.546.340	1.371.752	1.032.668	595.497	1.353.365	18.125.000

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

3.2.2 Liquidity risk (continued)

Current and non-current financial assets and liabilities

The following table analyses the Company's financial assets liabilities into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual discounted cash flows. The Company's financial liabilities comprise primarily payables to related parties and other liabilities which are either repayable on demand or are of a short-term nature. The discounted cash flows were projected for the whole portfolio on a policy by policy basis and were allocated based on the remaining duration of each policy.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities.

	2025			2024		
	Not more than 12 months €	More than 12 months €	Total €	Not more than 12 months €	More than 12 months €	Total €
Financial assets						
FVOCI financial assets debt investments (Note 22)	10.459.781	68.179.589	78.639.370	8.001.139	64.226.765	72.227.904
FVTPL debt investments (Note 23)	436.131	5.549.112	5.985.243	-	10.348.285	10.348.285
Other receivables (Note 25)	2.063.717	-	2.063.717	1.504.594	-	1.504.594
Loan receivable from related party (Note 26 and 32(d))	2.382.804	-	2.382.804	2.693.119	-	2.693.119
Investments in fixed deposits (Note 24)	12.639.459	-	12.639.459	7.234.970	-	7.234.970
Cash and cash equivalents (Note 27)	5.006.924	-	5.006.924	1.749.796	-	1.749.796
Reinsurance Contract Assets (Note 9)	29.816.708	-	29.816.708	17.923.202	-	17.923.202
Total	62.805.524	73.728.701	136.534.225	39.106.820	74.575.050	113.681.870
Financial liabilities						
Insurance contract liabilities (Note 9)	92.213.152	-	92.213.152	60.686.484	-	60.686.484
Other payables (Note 30)	6.345.588	-	6.345.588	7.121.161	-	7.121.161
Lease Liabilities (Note 17)	494.521	6.168.264	6.662.786	626.780	6.346.768	6.973.548
Total	99.053.261	6.168.264	105.221.526	68.434.425	6.346.768	74.876.140

3.2.3 Market price risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices.

Market risk comprises three types of risk: foreign exchange rates currency risk, market interest rates risk and market prices risk.

The Company's market price risk is managed through diversification of its investment portfolio.

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk.

The Company are exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred. The Company's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

	2025	2024
	€	€
Insurance contract liabilities		
Motor	(45.535.737)	(27.054.011)
Property	(23.424.409)	(15.791.729)
Liability	(21.138.192)	(16.863.130)
Combined	(3.824.263)	-
Other	(1.250.971)	(977.614)
Reinsurance contract assets		
Motor	2.337.235	1.093.582
Property	20.083.128	12.752.775
Liability	3.781.890	3.398.770
Other	2.795.959	678.075
Financial assets		
Financial assets at FVOCI	78.639.370	72.227.904
Financial assets at FVTPL	5.985.243	10.348.285

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The method used for deriving sensitivity information and significant variables has not changed from the previous period. Considering that the Company has elected the accounting policy to disaggregate the insurance finance income or expense between the profit and loss and other comprehensive income, a change in the interest rate at the reporting date would not impact the profit for the period.

	Change in interest rate	2025		2024	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		€	€	€	€
Insurance contract liabilities	+100 bps	966.451	1.698.530	403.930	1.175.629
Insurance contract liabilities	-100 bps	(1.040.847)	(1.808.318)	(424.198)	(1.233.341)
Reinsurance contract assets	+100 bps	(221.271)	(370.010)	(80.249)	(228.104)
Reinsurance contract assets	-100 bps	238.083	392.839	83.719	237.093
FVTPL Financial assets	+100 bps	(284.373)	-	(184.554)	-
FVOCI Financial assets	+100 bps	-	(2.657.444)	-	(2.392.995)
FVTPL Financial assets	-100 bps	284.373	-	184.554	-
FVOCI Financial assets	-100 bps	-	2.657.444	-	2.392.995

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

3.2.3 Market price risk (continued)

(b) Currency risk

Currency risk is the risk that the value of future cash flows and financial instruments, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. At the year-end the Company have no significant balances in foreign currencies. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

(c) Equity securities price risk

The Company's are exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as financial assets at fair value through profit and loss. The Company is not exposed to commodity price risk.

The Company's equity investments that are publicly traded are included in the Cyprus Stock Exchange (CSE) General Index.

The table below summarises the impact of increases/decreases of the CSE on other components of equity. The analysis is based on the assumption that the equity indices had increased/decreased by 20% (2024: 20%) with all other variables held constant and all the Company's equity instruments move according to the historical correlation with the index:

	Impact on post-tax profit in €		Impact on other components of equity in €	
	2025	2024	2025	2024
Index Decrease				
Cyprus Stock Exchange – General Index	(88.086)	(50.777)	-	-
Index Increase				
Cyprus Stock Exchange – General Index	88.086	50.777	-	-

Other components of equity would increase/decrease as a result of gains/ losses on equity securities classified as FVTPL financial assets.

3.2.4 Capital risk management

The Company's objectives when managing capital are:

- The compliance with capital requirements imposed by insurance regulators of the markets where the Company operate.
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

3.2.4 Capital risk management (continued)

The Company currently operate only in the Cypriot market. The local insurance regulator and Solvency II European Directive specify the minimum amount and type of capital that must be held in addition to insurance liabilities. The minimum capital requirement is the highest of the €3.7 million absolute minimum set by legislation based on the Company's operations and an amount varying with among other factors the size of insurance liabilities, the premiums and the solvency capital requirement of the Company. The Solvency Capital Requirement (SCR) must be maintained at all times throughout the year. The minimum SCR required by the local regulator is set to 115%. The Company have embedded in its risk management framework the necessary tests and control procedures to ensure continuous and full compliance with solvency capital requirements.

The Company has a simple share capital structure. It is a wholly owned subsidiary of ERB Cyprus Insurance Holdings Limited which is owned 100% by Eurobank Limited, since 17 April 2025.

The excess of Capital over Liabilities (Own Funds (OF)) of the Company under IFRS amounts to €87.634k (2024: €51.521k) and consist of:

- Share capital and Share premium. The share capital is comprised of issued and fully paid ordinary shares. The share premium is the difference between the fair value of the consideration receivable for the issue of share and the nominal value of shares. Share premium cannot be used for dividend distribution.
- Retained earnings which is the cumulative net income not distributed to its shareholders as dividend.
- Other Reserves, not distributable as dividends.

The capital management plan (management of OF) is defined as a result of the strategic planning exercise, and is part of the overall framework set by this exercise, in terms of dividend payments, capital increase, etc. It takes into account the Solvency projections from the work carried out as part of the strategic planning.

The capital is a tool that is used by the Company, amongst other issues, for the definition of early warning indicators, continuous contact with shareholders as well as a contingency capital plan. If the level of capital maintained is not adequate, then the Company considers increasing the capital to cover these risks or strengthen its internal processes so that the probability of incurring unexpected losses in the future is minimized.

The OF of the Company under IFRS amount to €87.634k (2024 €51.521k) and under the SII amounts to €89.869k (2024: €50.023k). As explained in the introduction, the basis of consolidation for financial accounting purposes differs from that used for SII purposes. The primary differences compared to IFRS figures is due to the differences in the valuation and reporting of:

- Intangible assets which are valued at nil based on SII valuation principles;
- The calculation of Technical Reserves which is based on SII principles; and
- The tax base (temporary) differences created affecting the Deferred Tax amount due to adjustments.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Financial risk factors (continued)

3.2.4 Capital risk management (continued)

The table below illustrates the split of Basic Own Funds under IFRS and SII as at the end of the year ended 31 December 2025 compared to the year ended 31 December 2024 for the Company.

In Thousands €	2025		2024	
	SII Balance Sheet Value	IFRS Statement of Financial Position Value	SII Balance Sheet Value	IFRS Statement of Financial Position Value
Ordinary Share Capital	20.744	20.744	13.692	13.692
Additional paid-in capital	21.988	21.988	21.988	21.988
Fair Value Reserves	-	4.798	-	690
Retained Earnings	-	40.104	-	15.151
Net Deferred Tax Asset	-	-	-	-
Reconciliation reserve	47.137	-	14.343	-
Total Basic Own Funds	89.869	87.634	50.023	51.521

The table below summarises the minimum required capital and the regulatory capital held against it.

	2025 €'000	2024 €'000
Solvency II Solvency Capital Requirement	33.352	22.014
Solvency II Own Funds (Regulatory Capital held)	87.634	51.521

The Company have available assets in excess to cover the minimum regulatory capital. The SCR percentage for 31.12.2025 is 269% (2024: 227%). The reason for the increase of SCR percentage as at 31.12.2025 is mainly due to successful year in terms of business underwriting and profitability, positive movement of Fair Value Reserve and the non-distribution of dividends.

3.3 Fair value estimation

The Company classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The different levels have been defined as follows:

(i) Quoted prices traded in an active market

Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(ii) Unlisted financial instruments

The fair value of property funds, which are not traded in an active market, is determined by obtaining net asset valuation directly from the fund managers, thus no significant unobservable inputs are used in the valuation process.

ERB Asfalistiki Limited

Notes to the financial statements

3 Insurance and financial risk management (continued)

3.3 Fair value estimation (continued)

(iii) Listed financial assets not traded in an active market

All listed financial instruments for which there is no active market are considered as level 2 although there is an observable quoted price. Their total carrying amount as at 31st of December amounted to €12.492.707 (2024: €3.338.129) of which €996.230 are measured at fair value through other comprehensive income and €11.496.477 are measured at fair value through profit and loss.

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The determination of what constitutes “observable” requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The carrying amount of financial assets and liabilities not measured at fair value approximates their fair value.

The management assessed that cash and short-term deposits, receivables from related parties, loans to related parties, trade and other payables, bank overdrafts, variable rate loans and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table presents the Company's financial assets that are measured at fair value at 31 December 2025.

	Level 1	Level 2	Level 3	Total carrying amount
	€	€	€	€
31 December 2025				
Assets				
FVOCI and FVPTL financial assets:				
Debt investments	83.628.383	996.230	-	84.624.613
Equity securities	440.432	-	-	440.432
Investments in funds	29.794.206	11.496.477	-	41.290.682
Total FVOCI and FVPTL financial assets measured at fair value (Note 22 & 23)	113.863.021	12.492.707	-	126.355.728

The following table presents the Company's financial assets that are measured at fair value at 31 December 2024.

	Level 1	Level 2	Level 3	Total carrying amount
	€	€	€	€
31 December 2024				
Assets				
FVOCI and FVPTL financial assets:				
Debt investments	73.342.560	3.338.129	-	76.680.689
Equity securities	253.883	-	-	253.883
Investments in funds	5.641.617	-	-	5.641.617
Total FVOCI and FVPTL financial assets measured at fair value (Note 22 & 23)	79.238.060	3.338.129	-	82.576.189

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Notes to the financial statements

3 Insurance and financial risk management (continued)

3.2 Fair value estimation (continued)

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily listed equity securities, investments in funds and debt securities.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Adjusted comparable price-to-book value multiples.
- Market yields of securities with comparable characteristics for illiquid Cyprus government and corporate bonds.
- Other techniques, such as discounted cash flow analysis.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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Notes to the financial statements

3 Insurance and financial risk management (continued)

	Amortised cost	FVOCI Financial asset	FVTPL Financial asset	Total
	€	€	€	€
31 December 2025				
Assets as per balance sheet				
Bond & Debentures(Note 22 & 23)	-	78.639.370	47.716.357	126.355.727
Investments in fixed-term deposits (Note 24)	12.639.459	-	-	12.639.459
Other Receivables (Note 25)	2.063.717	-	-	2.063.717
Loan receivable from related party (Note 26)	2.382.804	-	-	2.382.804
Cash and cash equivalents (Note 27)	5.006.924	-	-	5.006.924
Total	22.092.904	78.639.370	47.716.357	148.448.631

	Amortised cost	Total
	€	€
Liabilities as per balance sheet		
Other payables (Note 30)	6.345.588	6.345.588
Lease Liability	354.915	354.915
Total	6.700.503	6.700.503

	Amortised cost	FVOCI Financial asset	FVTPL Financial asset	Total
	€	€	€	€
31 December 2024				
Assets as per balance sheet				
Bond & Debentures(Note 22 & 23)	-	72.227.904	10.348.285	82.576.189
Investments in fixed-term deposits (Note 24)	7.234.970	-	-	7.234.970
Other Receivables (Note 25)	1.504.594	-	-	1.504.594
Loan receivable from related party (Note 26)	2.693.119	-	-	2.693.119
Cash and cash equivalents (Note 27)	1.749.796	-	-	1.749.796
Total	13.182.479	72.227.904	10.348.285	95.758.668

	Amortised cost	Total
	€	€
Liabilities as per balance sheet		
Other payables (Note 30)	7.216.108	7.216.108
Lease Liability	147.927	147.927
Total	7.364.035	7.364.035

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Notes to the financial statements

4 Critical accounting estimates and judgements

The Company make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Insurance and reinsurance contracts

Insurance contracts - definition and classification

For certain insurance contracts that have a coverage period extending beyond one year and for proportional reinsurance contracts on a risk-attaching basis the Company elects to apply the PAA if at the inception of the Company reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the general model. The Company applies its judgement in determining whether the PAA eligibility criteria are met at initial recognition.

4.1.1 Liability for remaining coverage

Onerous groups

The Company uses its judgment to determine the facts and circumstances that would indicate that a group of contracts is onerous either on initial recognition or subsequent measurement. When such facts and circumstances exist the Company determines the fulfilment cash flows and if they are higher to the balance of the liability for remaining coverage the shortfall is recorded as a loss component. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

Assessment of directly attributable cash flows

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

Liability for remaining coverage - revenue recognition

The Company determines the insurance service revenue by the amount of expected premium receipts (including premium experience adjustments) allocated to the period, for contracts measured under PAA. The adjustment to insurance service revenue to reflect the expectation of premium receipts from amounts not yet settled is determined by a loss allowance aiming to capture the probability of default of the debtor in settling premiums due. This loss allowance is estimated by the Company using an approach based on the provision matrix estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions where appropriate.

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Notes to the financial statements

4 Critical accounting estimates and judgements (continued)

4.1.2 Liability for incurred claims

Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

(i) Estimates of future cash flows

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques such as Bornhuetter-Ferguson Method and Chain Ladder Method. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim, average cost per transaction (including claims handling costs), and transaction and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by significant business lines and claim types.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Other key circumstances affecting the reliability of assumptions include variation in interest rates and delays in settlement.

(ii) Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows. The Company uses the bottom-up approach in determining the discount rates and hence uses a risk-free rate, plus an illiquidity premium. Risk free rates and illiquidity premium are determined by reference to the European Insurance and Occupational Pensions Authority (EIOPA) yields. The same rates are used for discounting the expected future cash inflows from the claim recoveries arising from the reinsurance contracts held.

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Notes to the financial statements

4 Critical accounting estimates and judgements (continued)

4.1.2 Liability for incurred claims (continued)

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

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
Spot rate															
@2025Q4	2,22%	2,30%	2,42%	2,53%	2,62%	2,71%	2,79%	2,86%	2,93%	3,00%	3,06%	3,12%	3,17%	3,22%	3,25%
Spot rate															
@2024Q4	2,24%	2,09%	2,09%	2,12%	2,14%	2,17%	2,20%	2,22%	2,24%	2,27%	2,29%	2,31%	2,32%	2,33%	2,33%

(ii) Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risks.

It measures the degree of variability of expected future cash flows and the Company-specific price for bearing that risk and reflects the degree of the Company's risk aversion. The Company determines the risk adjustment for non-financial risk at the entity level and then allocates it to groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected amount.

The Company estimates the risk adjustment using a risk-based capital approach which is closely linked to the Solvency II standard formula.

The risk adjustment is determined subject to a confidence level of 80% (2024: 80%) over the remaining lifetime of the liabilities.

4.2 Fair value of investment property

The Company carry their investment property at fair value with changes in fair value being recognised in the statement of comprehensive income.

In the absence of quoted prices and of an active market for such assets, the Company use valuation techniques that maximise the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate all of the factors that market participants would take into account in pricing the specific asset. For Investment Property, valuations are carried out by qualified valuers.

Depending on the nature of the underlying asset and available market information, the determination of the fair value of investments property may require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. All these estimates are based on local market conditions existing at the reporting date.

In arriving at their estimates of market values as at 31 December 2025, the valuers used their market knowledge and professional judgement and did not rely solely on historical transactional comparables, taking into consideration that there is a greater degree of uncertainty than that which exists in a more active market, in estimating the market values of property. For 2025 valuations, valuers used the Comparative method which takes into account sale of similar assets along with the Market Capitalization method which values a property in line with the investment income that can be annually derived from it in the form of rental. The value of Investment Property as at the balance sheet date is €11.586.500 (2024: €4.907.500). Further details of the accounting estimates used, see Note 20.

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Notes to the financial statements

5 Insurance Revenue

2025	Motor €	Property €	Liability €	Other €	Combined €	Total €
Contracts not measured under the PAA						
Amounts relating to changes in liabilities for remaining coverage	-	-	-	-	-	-
- Expected incurred claims and other insurance service expenses	-	10.713	-	-	-	10.713
- Change in risk adjustment for non-financial risk for risk expired	-	1.970	-	-	-	1.970
- CSM recognised for services provided	-	133.297	-	-	-	133.297
Recovery of insurance acquisition cash flows	-	18.269	-	-	-	18.269
	-	164.249	-	-	-	164.249
Contracts measured under the PAA	39.237.614	33.518.306	12.201.678	3.349.726	2.202.955	90.510.279
Total insurance revenue	39.237.614	33.682.555	12.201.678	3.349.726	2.202.955	90.674.528

2024	Motor €	Property €	Liability €	Other €	Combined €	Total €
Contracts measured under the PAA	32.202.198	27.495.293	10.343.685	3.072.716	-	73.113.892

6 Insurance service expenses

2025	Motor €	Property €	Liability €	Other €	Combined €	Total €
Incurring claims and other expenses	(24.236.232)	(11.365.371)	(5.871.793)	(958.014)	(1.222.488)	(43.653.898)
Amortisation of insurance acquisition cash flows	(11.159.816)	(6.900.687)	(2.007.867)	(661.294)	(325.251)	(21.054.915)
Loss on onerous contracts and reversals of those losses	(35.717)	-	-	-	-	(35.717)
Changes to liabilities for incurred claims	394.887	3.669.404	2.834.708	393.816	257.204	7.550.018
Total	(35.036.879)	(14.596.654)	(5.044.951)	(1.225.493)	(1.290.536)	(57.194.512)

2024	Motor €	Property €	Liability €	Other €	Combined €	Total €
Incurring claims and other expenses	(19.970.544)	(8.889.953)	(7.046.717)	(940.831)	-	(36.848.046)
Amortisation of insurance acquisition cash flows	(9.401.309)	(5.686.207)	(1.801.708)	(562.184)	-	(17.451.408)
Changes to liabilities for incurred claims	499.650	1.016.466	2.275.772	842.700	-	4.634.589
Total	(28.872.203)	(13.559.693)	(6.572.653)	(660.316)	-	(49.664.865)

The nature and amount of material expense included is disclosed in Note 10.

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Notes to the financial statements

7 Net expense from reinsurance contracts held

2025	Motor €	Property €	Liability €	Other €	Total €
Amounts related to liabilities for remaining coverage:					
- Recoveries for expected incurred claims and other expenses	5.307	2.116.794	74	221.971	2.344.145
- Risk adjustment for the risk expired	-	(7.753)	(82)	(95)	(7.931)
- CSM for the service received	-	(143.260)	(5.499)	(1.442)	(150.202)
Contracts not measured under the PAA	5.307	1.965.781	(5.508)	220.434	2.186.013
Contracts measured under the PAA	(3.101.076)	(20.042.964)	(3.546.621)	(2.832.999)	(29.523.659)
Allocation of reinsurance premiums	(3.095.769)	(18.077.183)	(3.552.129)	(2.612.565)	(27.337.646)
Recoveries for incurred claims and other expenses	103.402	2.913.329	271.804	307.768	3.596.302
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	7.308	(2.108.826)	(229.496)	(488.762)	(2.819.777)
Amounts recoverable from reinsurers	110.709	804.502	42.308	(180.994)	776.525
Net income or expenses from reinsurance contracts held	(2.985.060)	(17.272.681)	(3.509.821)	(2.793.559)	(26.561.121)

2024	Motor €	Property €	Liability €	Other €	Total €
Allocation of reinsurance premiums	(2.479.763)	(15.237.676)	(2.764.356)	(1.178.574)	(21.660.368)
Recoveries for incurred claims and other expenses	294.298	3.966.591	614.156	106.042	4.981.086
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	(308.545)	(89.664)	450.339	(785.011)	(732.881)
Amounts recoverable from reinsurers	(14.247)	3.876.927	1.064.495	(678.969)	4.248.205
Net income or expenses from reinsurance contracts held	(2.494.010)	(11.360.749)	(1.699.861)	(1.857.543)	(17.412.163)

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Notes to the financial statements

8 Investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance finance result recognized in comprehensive income.

2025	Insurance Related					Non Insurance Related	Total
	Motor €	Property €	Liability €	Other €	Combined €		
Investment income (Note 8)	1.150.034	919.796	352.493	88.604	-	1.283.966	3.794.893
Total investment income recognised in P&L	1.150.034	919.796	352.493	88.604	-	1.283.966	3.794.893
<i>Insurance finance expenses from insurance contracts issued</i>							
Interest accreted	(361.299)	(250.170)	(247.998)	(16.701)	(4.009)	-	(880.177)
Effect of changes in interest rates and other financial assumptions	90.474	923	62.484	(4.124)	-	-	149.757
Total insurance finance expenses from insurance contracts issued	(270.825)	(249.247)	(185.514)	(20.825)	(4.009)	-	(730.420)
<i>Represented by:</i>							
Amounts recognised in profit or loss	(361.299)	(250.171)	(247.998)	(16.701)	(4.009)	-	(880.177)
Amounts recognised in OCI	90.474	923	62.484	(4.124)	-	-	149.757
<i>Finance income from reinsurance contracts held</i>							
Interest accreted	17.305	188.855	34.425	20.031	-	-	260.616
Effect of changes in interest rates and other financial assumptions	(4.717)	1.603	17.477	4.456	-	-	18.819
Total finance income from reinsurance contracts held	12.587	190.457	51.905	24.487	-	-	279.436
<i>Represented by:</i>							
Amounts recognised in profit or loss	17.305	188.855	34.426	20.031	-	-	260.617
Amounts recognised in OCI	(4.717)	1.603	17.478	4.456	-	-	18.820
Net insurance finance income or (expenses)	891.796	861.006	218.884	92.266	(4.009)	1.283.966	3.343.908

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Notes to the financial statements

8 Investment income and net insurance financial result (continued)

2024	Insurance Related				Non Insurance Related	Total
	Motor €	Property €	Liability €	Other €		
Investment income (Note 8)	907.211	764.011	292.497	83.309	836.578	2.883.607
Total investment income recognised in P&L	907.211	764.011	292.497	83.309	836.578	2.883.607
<i>Insurance finance expenses from insurance contracts issued</i>						
Interest accreted	(378.519)	(187.968)	(171.933)	(22.306)	-	(760.727)
Effect of changes in interest rates and other financial assumptions	(427.303)	(130.452)	(328.813)	(48.744)	-	(935.313)
Total insurance finance expenses from insurance contracts issued	(805.823)	(318.421)	(500.746)	(71.050)	-	(1.696.039)
<i>Represented by:</i>						
Amounts recognised in profit or loss	(378.519)	(187.968)	(171.933)	(22.306)	-	(760.727)
Amounts recognised in OCI	(427.303)	(130.452)	(328.813)	(48.744)	-	(935.313)
<i>Finance income from reinsurance contracts held</i>						
Interest accreted	9.497	136.684	18.092	9.783	-	174.055
Effect of changes in interest rates and other financial assumptions	12.306	94.911	51.492	40.498	-	199.207
Total finance income from reinsurance contracts held	21.803	231.594	69.584	50.281	-	373.262
<i>Represented by:</i>						
Amounts recognised in profit or loss	9.497	136.684	18.092	9.783	-	174.055
Amounts recognised in OCI	12.306	94.911	51.492	40.498	-	199.207
Net insurance finance income or (expenses)	123.192	677.185	(138.665)	62.540	836.578	1.560.830

ERB Asfalistiki Limited

Notes to the financial statements

9 Insurance and reinsurance contracts

The table below sets out the carrying amounts of groups of insurance and reinsurance contracts assets and liabilities at the end of reporting date.

Insurance contracts liabilities	2025			2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	€	€	€	€	€	€
Motor	-	(45.535.737)	(45.535.737)	-	(27.054.011)	(27.054.011)
Property	-	(23.424.409)	(23.424.409)	-	(15.791.729)	(15.791.729)
Liability	39.581	(21.177.773)	(21.138.192)	-	(16.863.130)	(16.863.130)
Other	-	(1.250.971)	(1.250.971)	-	(977.614)	(977.614)
Combined	-	(3.824.263)	(3.824.263)	-	-	-
Total insurance contracts liabilities	39.581	(95.213.152)	(95.173.571)	-	(60.686.484)	(60.686.484)
Reinsurance contracts assets						
Motor	2.401.864	(64.629)	2.337.235	1.093.582	-	1.093.582
Property	20.321.026	(237.898)	20.083.128	12.752.775	-	12.752.775
Liability	3.851.535	(69.645)	3.781.890	3.398.770	-	3.398.770
Other	3.242.284	(446.325)	2.795.959	678.075	-	678.075
Total reinsurance contracts assets	29.816.709	(818.496)	28.998.213	17.923.202	-	17.923.202

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims

The tables below represent the reconciliation from the opening to the closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for insurance contracts.

Motor insurance

2025	Pre-Recognitio n liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	(4.591.363)	-	-	(20.849.508)	(1.613.141)	(27.054.011)
Net opening balance as at 1.1	-	(4.591.363)	-	-	(20.849.508)	(1.613.141)	(27.054.011)
Acquired under business combination (2.1.1)	-	(2.448.843)	(55.397)	-	(12.777.090)	(797.835)	(16.079.165)
<i>Changes in the statement of comprehensive income</i>							
Insurance revenue	-	39.237.614	-	-	-	-	39.237.614
Insurance service expenses	-	(11.159.816)	(35.717)	-	(23.658.848)	(480.458)	(35.334.839)
Incurred claims and other insurance service expenses	-	(27)	-	-	(23.797.583)	(863.549)	(24.661.159)
Acquisition expenses	-	(11.159.789)	-	-	-	-	(11.159.789)
Losses and reversal of losses on onerous contracts	-	-	(35.717)	-	-	-	(35.717)
Adjustments to liabilities for incurred claims	-	-	-	-	138.735	383.091	521.826
Insurance service result	-	28.077.799	(35.717)	-	(23.658.848)	(480.458)	3.902.775
Insurance finance income / expense	-	-	-	-	(339.582)	(21.717)	(361.299)
Total changes in the statement of comprehensive income	-	28.077.799	(35.717)	-	(23.998.430)	(502.175)	3.541.476
<i>Cash flows</i>							
Premium received	(18.441)	(39.936.275)	-	-	-	-	(39.954.716)
Payments of transaction-based taxes	-	-	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	-	-	23.600.822	-	23.600.822
Insurance acquisition cash flows	443	10.318.939	-	-	-	-	10.319.383
Total cash flows	(17.997)	(29.617.336)	-	-	23.600.822	-	(6.034.511)
Other – non-cash transfers	-	-	-	-	81.890	8.584	90.474
Net closing balance							
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(17.997)	(8.579.743)	(91.114)	-	(33.942.315)	(2.904.567)	(45.535.737)
Net closing balance	(17.997)	(8.579.743)	(91.114)	-	(33.942.315)	(2.904.567)	(45.535.737)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Motor insurance

2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(3.969.907)	-	(21.403.201)	(1.690.033)	(27.063.140)
Net opening balance as at 1.1	(3.969.907)	-	(21.403.201)	(1.690.033)	(27.063.140)
<i>Changes in the statement of comprehensive income</i>					
Insurance revenue	32.202.198	-	-	-	32.202.198
Insurance service expenses	(9.401.309)	-	(19.572.030)	136.087	(28.837.252)
Incurred claims and other insurance service expenses	-	-	(19.407.933)	(562.612)	(19.970.544)
Acquisition expenses	(9.401.309)	-	-	-	(9.401.309)
Losses and reversal of losses on onerous contracts	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	(164.097)	698.699	534.602
Insurance service result	22.800.889	-	(19.572.030)	136.087	3.364.946
Insurance finance income / expense	-	-	(350.818)	(27.701)	(378.519)
Total changes in the statement of comprehensive income	22.800.889	-	(19.922.848)	108.386	2.986.427
<i>Cash flows</i>					
Premium received	(33.157.310)	-	-	-	(33.157.310)
Payments of transaction-based taxes	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	20.872.351	-	20.872.351
Insurance acquisition cash flows	9.734.965	-	-	-	9.734.965
Total cash flows	(23.422.345)	-	20.872.351	-	(2.549.994)
Other – non-cash transfers	-	-	(395.810)	(31.494)	(427.304)
Net closing balance					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(4.591.363)	-	(20.849.508)	(1.613.141)	(27.054.011)
Net closing balance	(4.591.363)	-	(20.849.508)	(1.613.141)	(27.054.011)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Property insurance

2025	Pre-Recognition liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	(3.845.250)	-	-	(11.088.277)	(858.202)	(15.791.729)
Net opening balance as at 1.1	-	(3.845.250)	-	-	(11.088.277)	(858.202)	(15.791.729)
Acquired under business combination (2.1.1)		(3.317.500)	-	(714.073)	(8.995.958)	(565.593)	(13.593.123)
<i>Changes in the statement of comprehensive income</i>							
Insurance revenue	-	33.682.555	-	-	-	-	33.682.555
Insurance service expenses	-	(6.900.687)	-	(78.680)	(7.660.283)	42.996	(14.596.654)
Incurring claims and other insurance service expenses	-	-	-	(57.691)	(9.373.451)	(287.727)	(9.718.868)
Acquisition expenses	-	(6.900.687)	-	-	-	-	(6.900.687)
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	(20.989)	1.713.168	330.722	2.022.902
Insurance service result	-	26.781.868	-	(78.680)	(7.660.283)	42.996	19.085.901
Insurance finance income / expense	-	(1.654)	-	(1.131)	(230.002)	(17.384)	(250.171)
Total changes in the statement of comprehensive income	-	26.780.214	-	(79.811)	(7.890.285)	25.612	18.835.730
<i>Cash flows</i>							
Premium received	(10.698)	(31.053.267)	-	-	-	-	(31.063.965)
Payments of transaction-based taxes	-	-	-	-	-	-	-
Claims and other insurance service expenses paid	-	16.437	-	179.055	11.598.985	-	11.794.476
Insurance acquisition cash flows	326	6.392.953	-	-	-	-	6.393.279
Total cash flows	(10.372)	(24.643.877)	-	179.055	11.598.985	-	(12.876.210)
Other – non-cash transfers	-	-	-	-	234	689	923
Net closing balance							
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(10.372)	(5.026.413)	-	(614.829)	(16.375.301)	(1.397.494)	(23.424.409)
Net closing balance	(10.372)	(5.026.413)	-	(614.829)	(16.375.301)	(1.397.494)	(23.424.409)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Property insurance

2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(1.840.773)	-	(9.558.694)	(752.314)	(12.151.781)
Net opening balance	(1.840.773)	-	(9.558.694)	(752.314)	(12.151.781)
<i>Changes in the statement of comprehensive income</i>					
Insurance revenue	27.495.293	-	-	-	27.495.293
Insurance service expenses	(5.686.207)	-	(7.791.004)	(82.483)	(13.559.693)
Incurred claims and other insurance service expenses	-	-	(8.553.114)	(336.838)	(8.889.953)
Acquisition expenses	(5.686.207)	-	-	-	(5.686.207)
Losses and reversal of losses on onerous contracts	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	762.111	254.356	1.016.466
Insurance service result	21.809.086	-	(7.791.004)	(82.483)	13.935.600
Insurance finance income / expense	-	-	(174.212)	(13.756)	(187.968)
Total changes in the statement of comprehensive income	21.809.086	-	(7.965.216)	(96.239)	13.747.631
<i>Cash flows</i>					
Premium received	(29.742.960)	-	-	-	(29.742.960)
Payments of transaction-based taxes	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	6.556.436	-	6.556.436
Insurance acquisition cash flows	5.929.397	-	-	-	5.929.397
Total cash flows	(23.813.563)	-	6.556.436	-	(17.257.127)
Other – non-cash transfers	-	-	(120.803)	(9.649)	(130.452)
Net closing balance					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(3.845.250)	-	(11.088.277)	(858.202)	(15.791.729)
Net closing balance	(3.845.250)	-	(11.088.277)	(858.202)	(15.791.729)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Liability insurance

2025	Pre-Recognition liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	(709.592)	-	-	(14.994.903)	(1.158.635)	(16.863.130)
Net opening balance as at 1.1		(709.592)	-	-	(14.994.903)	(1.158.635)	(16.863.130)
<i>Acquired under business combination assets (2.1.1)</i>	-	31.577	-	-	245	-	31.822
<i>Acquired under business liabilities(2.1.1)</i>	-	(1.207.169)	-	-	(4.362.331)	(275.920)	(5.845.420)
<i>Changes in the statement of comprehensive income</i>							
<i>Insurance revenue</i>	-	12.201.678	-	-	-	-	12.201.678
<i>Insurance service expenses</i>	-	(2.007.867)	-	-	(2.925.378)	(111.707)	(5.044.951)
Incurring claims and other insurance service expenses	-	-	-	-	(5.715.230)	(310.435)	(6.025.664)
Acquisition expenses	-	(2.007.867)	-	-	-	-	(2.007.867)
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	2.789.852	198.728	2.988.580
Insurance service result	-	10.193.811	-	-	(2.925.378)	(111.707)	7.156.727
Insurance finance income / expense	-	-	-	-	(231.821)	(16.177)	(247.998)
Total changes in the statement of comprehensive income	-	10.193.811	-	-	(3.157.198)	(127.884)	6.908.729
<i>Cash flows</i>							
Premium received	(6.331)	(11.644.778)	-	-	-	-	(11.651.109)
Payments of transaction-based taxes	-	-	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	-	-	4.416.526	-	4.416.526
Insurance acquisition cash flows	91	1.801.815	-	-	-	-	1.801.906
Total cash flows	(6.239)	(9.842.963)	-	-	4.416.526	-	(5.432.677)
Other – non-cash transfers	-	-	-	-	56.033	6.451	62.484
Net closing balance							
Closing insurance contract assets	-	39.336	-	-	245	-	39.581
Closing insurance contract liabilities	(6.239)	(1.573.672)	-	-	(18.041.873)	(1.555.988)	(21.177.773)
Net closing balance	(6.239)	(1.534.336)	-	-	(18.041.628)	(1.555.988)	(21.138.192)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Liability insurance

2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(31.393)	-	(14.483.994)	(1.143.157)	(15.658.544)
Net opening balance	(31.393)	-	(14.483.994)	(1.143.157)	(15.658.544)
<i>Changes in the statement of comprehensive income</i>					
Insurance revenue	10.343.685	-	-	-	10.343.685
Insurance service expenses	(1.801.708)	-	(4.582.503)	21.408	(6.362.803)
Incurring claims and other insurance service expenses	-	-	(6.706.860)	(339.857)	(7.046.717)
Acquisition expenses	(1.801.708)	-	-	-	(1.801.708)
Losses and reversal of losses on onerous contracts	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	2.124.357	361.265	2.485.622
Insurance service result	8.541.978	-	(4.582.503)	21.408	3.980.883
Insurance finance income / expense	-	-	(159.350)	(12.583)	(171.933)
Total changes in the statement of comprehensive income	8.541.978	-	(4.741.853)	8.826	3.808.950
<i>Cash flows</i>					
Premium received	(11.097.560)	-	-	-	(11.097.560)
Payments of transaction-based taxes	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	4.535.453	-	4.535.453
Insurance acquisition cash flows	1.877.384	-	-	-	1.877.384
Total cash flows	(9.220.176)	-	4.535.453	-	(4.684.723)
Other – non-cash transfers	-	-	(304.509)	(24.304)	(328.813)
Net closing balance					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(709.592)	-	(14.994.903)	(1.158.635)	(16.863.130)
Net closing balance	(709.592)	-	(14.994.903)	(1.158.635)	(16.863.130)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Other insurance

2025	Pre-Recognition liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	111.924	-	-	(1.040.101)	(49.437)	(977.614)
Net opening balance as at 1.1	-	111.924	-	-	(1.040.101)	(49.437)	(977.614)
Acquired under business combination (2.1.1)	-	(155.525)	-	-	(129.205)	(8.239)	(292.969)
<i>Changes in the statement of comprehensive income</i>							
Insurance revenue	-	3.349.726	-	-	-	-	3.349.726
Insurance service expenses	-	(661.294)	-	-	(563.005)	(1.193)	(1.225.493)
Incurring claims and other insurance service expenses	-	-	-	-	(943.323)	(5.922)	(949.245)
Acquisition expenses	-	(661.294)	-	-	-	-	(661.294)
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	380.318	4.728	385.046
Insurance service result	-	2.688.432	-	-	(563.005)	(1.193)	2.124.233
Insurance finance income / expense	-	-	-	-	(15.901)	(800)	(16.701)
Total changes in the statement of comprehensive income	-	2.688.432	-	-	(578.906)	(1.993)	2.107.532
<i>Cash flows</i>							
Premium received	(1.975)	(3.524.117)	-	-	-	-	(3.526.092)
Payments of transaction-based taxes	-	-	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	-	-	874.975	-	874.975
Insurance acquisition cash flows	24	567.296	-	-	-	-	567.320
Total cash flows	(1.951)	(2.956.821)	-	-	874.975	-	(2.083.796)
Other – non-cash transfers	-	-	-	-	(4.180)	56	(4.124)
Net closing balance							
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(1.951)	(311.991)	-	-	(877.416)	(59.613)	(1.250.971)
Net closing balance	(1.951)	(311.991)	-	-	(877.416)	(59.613)	(1.250.971)

ERB Asfalistiki Limited

Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Other insurance

2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	12.146	-	(2.016.028)	(123.682)	(2.127.564)
Net opening balance	12.146	-	(2.016.028)	(123.682)	(2.127.564)
<i>Changes in the statement of comprehensive income</i>					
Insurance revenue	3.072.716	-	-	-	3.072.716
Insurance service expenses	(562.184)	-	(176.646)	78.514	(660.316)
Incurring claims and other insurance service expenses	-	-	(934.663)	(6.169)	(940.831)
Acquisition expenses	(562.184)	-	-	-	(562.184)
Losses and reversal of losses on onerous contracts	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	758.017	84.683	842.700
Insurance service result	2.510.532	-	(176.646)	78.514	2.412.400
Insurance finance income / expense	-	-	(21.181)	(1.125)	(22.306)
Total changes in the statement of comprehensive income	2.510.532	-	(197.827)	77.390	2.390.094
<i>Cash flows</i>					
Premium received	(2.982.337)	-	-	-	(2.982.337)
Payments of transaction-based taxes	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	1.219.355	-	1.219.355
Insurance acquisition cash flows	571.583	-	-	-	571.583
Total cash flows	(2.410.754)	-	1.219.355	-	(1.191.399)
Other – non-cash transfers	-	-	(45.601)	(3.144)	(48.745)
Net closing balance					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	111.924	-	(1.040.101)	(49.437)	(977.614)
Net closing balance	111.924	-	(1.040.101)	(49.437)	(977.614)

ERB Asfalistiki Limited

Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Combined

2025	Pre-Recogniti on liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss compone nt	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	-	-	-	-	-	-
Net opening balance as at 1.1	-	-	-	-	-	-	-
Acquired under business combination liabilities (2.1.1)	-	(619.585)	-	-	(3.470.477)	(219.541)	(4.309.602)
<i>Changes in the statement of comprehensive income</i>							
Insurance revenue	-	2.202.955	-	-	-	-	2.202.955
Insurance service expenses	-	(325.251)	-	-	(917.539)	(47.745)	(1.290.536)
Incurring claims and other insurance service expenses	-	(4)	-	-	(1.087.604)	(32.495)	(1.120.103)
Acquisition expenses	-	(325.247)	-	-	-	-	(325.247)
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	-	-	170.065	(15.250)	154.815
Insurance service result	-	1.877.704	-	-	(917.539)	(47.745)	912.419
Insurance finance income / expense	-	-	-	-	(4.360)	351	(4.009)
Total changes in the statement of comprehensive income	-	1.877.704	-	-	(921.899)	(47.394)	908.411
<i>Cash flows</i>							
Premium received	(9.120)	(1.937.868)	-	-	-	-	(1.946.988)
Payments of transaction-based taxes							
Claims and other insurance service expenses paid	-	-	-	-	1.222.488	-	1.222.488
Insurance acquisition cash flows	267	301.161	-	-	-	-	301.429
Total cash flows	(8.853)	(1.636.707)	-	-	1.222.488	-	(423.071)
Other – non-cash transfers	-	-	-	-	-	-	-
Net closing balance							
Closing insurance contract assets	-	-	-	-	-	-	-
Closing insurance contract liabilities	(8.853)	(378.588)	-	-	(3.169.887)	(266.935)	(3.824.263)
Net closing balance	(8.853)	(378.588)	-	-	(3.169.887)	(266.935)	(3.824.263)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

Total insurance

2025	Pre-Recognition liabilities	Liability for remaining coverage		Liability for incurred claims			Total
		Excluding loss component	Loss component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€	€	€
Opening insurance contract assets	-	-	-	-	-	-	-
Opening insurance contract liabilities	-	(9.034.281)	-	-	(47.972.789)	(3.679.415)	(60.686.484)
Net opening balance as at 1.1	-	(9.034.281)	-	-	(47.972.789)	(3.679.415)	(60.686.484)
<i>Acquired under business combination assets (2.1.1)</i>	-	31.577	-	-	245	-	31.822
<i>Acquired under business combination liabilities (2.1.1)</i>	-	(7.748.622)	(55.397)	(714.073)	(29.735.060)	(1.867.128)	(40.120.279)
<i>Changes in the statement of comprehensive income</i>							
Insurance revenue	-	90.674.528	-	-	-	-	90.674.528
Insurance service expenses	-	(21.054.915)	(35.717)	(78.680)	(35.725.053)	(598.108)	(57.492.472)
Incurring claims and other insurance service expenses	-	(31)	-	(57.691)	(40.917.191)	(1.500.127)	(42.475.040)
Acquisition expenses	-	(21.054.884)	-	-	-	-	(21.054.884)
Losses and reversal of losses on onerous contracts	-	-	(35.717)	-	-	-	(35.717)
Adjustments to liabilities for incurred claims	-	-	-	(20.989)	5.192.138	902.019	6.073.168
Insurance service result	-	69.619.613	(35.717)	(78.680)	(35.725.053)	(598.108)	33.182.055
Insurance finance income / expense		(1.654)	-	(1.131)	(821.665)	(55.728)	(880.177)
Total changes in the statement of comprehensive income	-	69.617.959	(35.717)	(79.811)	(36.546.718)	(653.835)	32.301.878
<i>Cash flows</i>							
Premium received	(46.564)	(88.096.306)	-	-	-	-	(88.142.870)
Payments of transaction-based taxes	-	-	-	-	-	-	-
Claims and other insurance service expenses paid	-	16.437	-	179.055	41.713.797	-	41.909.288
Insurance acquisition cash flows	1.152	19.382.164	-	-	-	-	19.383.316
Total cash flows	(45.412)	(68.697.704)	-	179.055	41.713.797	-	(26.850.265)
Other – non-cash transfers	-	-	-	-	133.978	15.780	149.757
Net closing balance							
Closing insurance contract assets	-	39.336	-	-	245	-	39.581
Closing insurance contract liabilities	(45.412)	(15.870.407)	(91.114)	(614.829)	(72.406.793)	(6.184.598)	(95.213.152)
Net closing balance	(45.412)	(15.831.071)	(91.114)	(614.829)	(72.406.548)	(6.184.598)	(95.173.571)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of Measurement Components of Insurance Contracts not Measured Under PAA

The tables below represents the reconciliation from the opening to the closing balances for each measurement component of insurance contracts (other than those measured under the PAA).

Property - 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contract assets as at 1 January 2025	-	-	-	-
Insurance contract liabilities as at 1 January 2025	-	-	-	-
Net insurance contract assets/(liabilities) as at 1 January 2025	-	-	-	-
<i>Acquired under business combination (2.1.1)</i>	(608.563)	(50.429)	(166.085)	(825.077)
Changes in the statement of comprehensive income				
Changes that relate to current services	(48.544)	3.537	133.297	88.290
- CSM recognised for services received	-	-	133.297	133.297
- Change in risk adjustment for non-financial risk expired	-	1.970	-	1.970
- Experience adjustments	(48.544)	1.567	0	(46.978)
Change that relates to future services	97.212	(2.968)	(94.244)	-
- Contracts initially recognised in the period	0	0	-	-
- Changes in estimates that adjust the CSM	97.212	(2.968)	(94.244)	-
- Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
- Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-	-
Changes that relate to past services	(14.230)	(6.759)	-	(20.989)
- Adjustments to liabilities for incurred claims	(14.230)	(6.759)	-	(20.989)
Impairment of assets for insurance acquisition cash flows	-	-	-	-
Reversal of impairment of assets for insurance acquisition cash flows	-	-	-	-
Insurance Service Result	34.437	(6.189)	39.053	67.301
Insurance Finance Expenses	(934)	(10)	(1.840)	(2.785)
Total changes in the statement of comprehensive income	33.503	(6.199)	37.213	64.516
Cash flows				
Premium Received	(64.514)	-	-	(64.514)
Claims and other expenses paid	179.055	-	-	179.055
Insurance Acquisition Cash Flows	14.579	-	-	14.579
Total Cash Flows	129.119	-	-	129.119
Net insurance contract assets/(liabilities) as at 31 December 2025	(445.941)	(56.628)	(128.872)	(631.442)
Insurance contract assets as at 31 December 2025	-	-	-	-
Insurance contract liabilities as at 31 December 2025	(445.941)	(56.628)	(128.872)	(631.442)
Net closing balance	(445.941)	(56.628)	(128.872)	(631.442)

The disclosure of when the CSM is expected to be in income in future years is presented below:

Portfolio	CSM – 2025						Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Property	123.112	5.760	-	-	-	-	128.872
Total	123.112	5.760	-	-	-	-	128.872

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Total insurance

2024	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(5.829.927)	-	(47.461.917)	(3.709.186)	(57.001.030)
Net opening balance	(5.829.927)	-	(47.461.917)	(3.709.186)	(57.001.030)
<i>Changes in the statement of comprehensive income</i>					
Insurance revenue	73.113.892	-	-	-	73.113.892
Insurance service expenses	(17.451.408)	-	(32.122.183)	153.527	(49.420.063)
Incurring claims and other insurance service expenses	-	-	(35.602.570)	(1.245.476)	(36.848.046)
Acquisition expenses	(17.451.408)	-	-	-	(17.451.408)
Losses and reversal of losses on onerous contracts	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	3.480.387	1.399.003	4.879.390
Insurance service result	55.662.484	-	(32.122.183)	153.527	23.693.829
Insurance finance income / expense	-	-	(705.562)	(55.165)	(760.727)
Total changes in the statement of comprehensive income	55.662.484	-	(32.827.745)	98.362	22.933.102
<i>Cash flows</i>					
Premium received	(76.980.166)	-	-	-	(76.980.166)
Payments of transaction-based taxes	-	-	-	-	-
Claims and other insurance service expenses paid	-	-	33.183.596	-	33.183.596
Insurance acquisition cash flows	18.113.328	-	-	-	18.113.328
Total cash flows	(58.866.838)	-	33.183.596	-	(25.683.242)
Other – non-cash transfers	-	-	(866.723)	(68.591)	(935.314)
Net closing balance					
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	(9.034.281)	-	(47.972.789)	(3.679.415)	(60.686.484)
Net closing balance	(9.034.281)	-	(47.972.789)	(3.679.415)	(60.686.484)

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

The tables below represent the reconciliation from the opening to the closing balances of the assets for the remaining coverage and the assets for incurred claims for reinsurance contracts held.

Motor reinsurance

2025	Asset for remaining coverage			Amounts recoverable on incurred claims			Total
	Pre- recognition liabilities	Excluding loss recovery component €	Loss- recovery component €	Contracts not under PAA	Estimates of the present value of future cash flows €	Risk adjustment €	
Opening reinsurance contract assets	-	101.062	-	-	925.885	66.634	1.093.582
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net opening balance	-	101.062	-	-	925.885	66.634	1.093.582
<i>Acquired under business combination assets (2.1.1)</i>	-	(635.752)	-	-	1.411.752	100.158	876.157
<i>Acquired under business combination liabilities (2.1.1)</i>	-	(131.018)	-	-	-	-	(131.018)
<i>Changes in the statement of profit or loss</i>							
Allocation of reinsurance premiums	-	(3.101.076)	-	-	-	-	(3.101.076)
Amounts recovered from reinsurers	-	-	-	-	85.549	47.772	133.321
Recoveries for incurred claims and other expenses	-	-	-	-	47.888	46.723	94.611
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-	20.647	772	21.419
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	(15)	(15)
Finance income from reinsurance contracts held recognized in P&L	-	-	-	-	17.013	293	17.306
Total changes in the statement of comprehensive income	-	(3.101.076)	-	-	85.549	47.772	(2.967.755)
<i>Cash flows</i>							
Premiums paid	-	3.651.641	-	-	-	-	3.651.641
Amounts received	-	(2.748)	-	-	(177.906)	-	(180.653)
Total cash flows	-	3.648.894	-	-	(177.906)	-	3.470.988
Other – non-cash transfers	-	-	-	-	(4.497)	(221)	(4.717)
Net closing balance							
Closing reinsurance contract assets	-	(53.262)	-	-	2.240.783	214.343	2.401.864
Closing reinsurance contract liabilities	-	(64.629)	-	-	-	-	(64.629)
Net closing balance	-	(117.891)	-	-	2.240.783	214.343	2.337.235

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Motor reinsurance

2024	Asset for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	
Opening reinsurance contract assets	81.757	-	1.073.528	51.256	1.206.540
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	81.757	-	1.073.528	51.256	1.206.540
<i>Changes in the statement of profit or loss</i>					
Allocation of reinsurance premiums	(2.479.763)	-	-	-	(2.479.763)
Amounts recovered from reinsurers	-	-	(19.782)	15.032	(4.750)
Recoveries for incurred claims and other expenses	-	-	280.784	13.514	294.298
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	(309.664)	1.119	(308.545)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Finance income from reinsurance contracts held 93ecognized in P&L	-	-	9.098	399	9.497
Total changes in the statement of comprehensive income	(2.479.763)	-	(19.782)	15.032	(2.484.513)
<i>Cash flows</i>					
Premiums paid	2.499.069	-	-	-	2.499.069
Amounts received	-	-	(139.820)	-	(139.820)
Total cash flows	2.499.069	-	(139.820)	-	2.359.249
Other – non-cash transfers	-	-	11.960	346	12.306
Net closing balance	-	-	-	-	-
Closing reinsurance contract assets	101.062	-	925.885	66.634	1.093.582
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	101.062	-	925.885	66.634	1.093.582

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Property reinsurance

2025	Pre- recognition liabilities	Asset for remaining coverage		Amounts recoverable on incurred claims			Total
		Excluding loss recovery component	Loss- recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
		€	€	€	€	€	€
Opening reinsurance contract assets	-	4.259.425	-	-	8.125.927	367.423	12.752.775
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net opening balance	-	4.259.425	-	-	8.125.927	367.423	12.752.775
Acquired under business combination assets (2.1.1)	1.503.711	1.877.152	-	8.143.684	2.205.375	159.277	13.889.200
<i>Changes in the statement of profit or loss</i>							
Allocation of reinsurance premiums	-	(20.193.989)	-	-	-	-	(20.193.989)
Amounts recovered from reinsurers	-	3.977	-	165.758	2.722.326	218.100	3.110.162
Recoveries for incurred claims and other expenses	-	-	-	(1.608.331)	3.196.783	223.453	1.811.905
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	1.753.305	(631.949)	(11.976)	1.109.379
Effect of changes in non-performance risk of reinsurers	-	11	-	441	-	(433)	19
Finance income from reinsurance contracts held recognised in P&L	-	3.966	-	20.344	157.492	7.056	188.859
Total changes in the statement of comprehensive income	-	(20.190.011)	-	165.758	2.722.326	218.100	(17.083.827)
<i>Cash flows</i>							
Premiums paid	478.406	16.664.522	-	-	-	-	17.142.928
Amounts received	(55.447)	(490.538)	-	(1.753.305)	(4.320.261)	-	(6.619.550)
Total cash flows	422.960	16.173.984	-	(1.753.305)	(4.320.261)	-	10.523.378
Other – non-cash transfers	-	-	-	-	3.019	(1.416)	1.603
Net closing balance							
Closing reinsurance contract assets	1.926.671	3.735.029	-	6.556.137	7.479.331	623.859	20.321.026
Closing reinsurance contract liabilities	-	(1.614.479)	-	-	1.257.056	119.525	(237.898)
Net closing balance	1.926.671	2.120.550	-	6.556.137	8.736.387	743.384	20.083.128

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Property reinsurance

2024	Asset for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening reinsurance contract assets	4.608.924	-	7.011.946	390.526	12.011.395
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	4.608.924	-	7.011.946	390.526	12.011.395
<i>Changes in the statement of profit or loss</i>					
Allocation of reinsurance premiums	(15.237.675)	-	-	-	(15.237.675)
Amounts recovered from reinsurers	-	-	4.042.211	(28.600)	4.013.611
Recoveries for incurred claims and other expenses	-	-	3.837.518	129.073	3.966.591
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	75.254	(164.918)	(89.664)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Finance income from reinsurance contracts held recognised in P&L	-	-	129.439	7.244	136.684
Total changes in the statement of comprehensive income	(15.237.675)	-	4.042.211	(28.600)	(11.224.064)
<i>Cash flows</i>					
Premiums paid	14.888.177	-	-	-	14.888.177
Amounts received	-	-	(3.017.643)	-	(3.017.643)
Total cash flows	14.888.177	-	(3.017.643)	-	11.870.534
Other – non-cash transfers	-	-	89.413	5.498	94.911
Net closing balance	-	-	-	-	-
Closing reinsurance contract assets	4.259.425	-	8.125.927	367.423	12.752.775
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	4.259.425	-	8.125.927	367.423	12.752.775

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Liability reinsurance

2025	Pre- recognition liabilities	Asset for remaining coverage		Amounts recoverable on incurred claims			Total
		Excluding loss recovery component	Loss- recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
		€	€		€	€	€
Opening reinsurance contract assets	-	733.718	-	-	2.520.610	144.443	3.398.770
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net opening balance	-	733.718	-	-	2.520.610	144.443	3.398.770
Acquired under business combination assets	-	1.213.435	-	6.170	92.388	4.117	1.316.110
Acquired under business combination liabilities	-	(106.305)	-	-	64.093	4.291	(37.921)
<i>Changes in the statement of profit or loss</i>							
Allocation of reinsurance premiums	-	(3.552.203)	-	-	-	-	(3.552.203)
Amounts recovered from reinsurers	-	479	-	(271)	28.278	48.322	76.808
Recoveries for incurred claims and other expenses	-	-	-	(288)	263.295	12.661	275.668
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-	(267.194)	33.929	(233.265)
Effect of changes in non-performance risk of reinsurers	-	1	-	-	-	(22)	(22)
Finance income from reinsurance contracts held recognised in P&L	-	479	-	17	32.176	1.755	34.426
Total changes in the statement of comprehensive income	-	(3.551.724)	-	(271)	28.278	48.322	(3.475.395)
<i>Cash flows</i>							
Premiums paid	2.705	2.766.408	-	-	-	-	2.769.114
Amounts received	(676)	(4.895)	-	-	(200.697)	-	(206.268)
Total cash flows	2.029	2.761.514	-	-	(200.697)	-	2.562.846
Other – non-cash transfers	-	-	-	-	17.091	387	17.478
Net closing balance							
Closing reinsurance contract assets	2.029	1.189.630	-	5.899	2.458.033	195.945	3.851.535
Closing reinsurance contract liabilities	-	(138.991)	-	-	63.730	5.617	(69.645)
Net closing balance	2.029	1.050.638	-	5.899	2.521.763	201.561	3.781.890

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Liability reinsurance

2024	Asset for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening reinsurance contract assets	691.674	-	2.056.942	115.067	2.863.683
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	691.674	-	2.056.942	115.067	2.863.683
<i>Changes in the statement of profit or loss</i>					
Allocation of reinsurance premiums	(2.764.355)	-	-	-	(2.764.355)
Amounts recovered from reinsurers	-	-	1.055.990	26.596	1.082.586
Recoveries for incurred claims and other expenses	-	-	576.156	37.999	614.155
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	462.653	(12.314)	450.339
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Finance income from reinsurance contracts held recognised in P&L	-	-	17.181	911	18.092
Total changes in the statement of comprehensive income	(2.764.355)	-	1.055.990	26.596	(1.681.770)
<i>Cash flows</i>					
Premiums paid	2.806.399	-	-	-	2.806.399
Amounts received	-	-	(641.035)	-	(641.035)
Total cash flows	2.806.399	-	(641.035)	-	2.165.364
Other – non-cash transfers	-	-	48.712	2.780	51.492
Net closing balance	-	-	-	-	-
Closing reinsurance contract assets	733.718	-	2.520.610	144.443	3.398.770
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	733.718	-	2.520.610	144.443	3.398.770

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Other reinsurance

2025	Pre- recognition liabilities	Asset for remaining coverage		Amounts recoverable on incurred claims			Total
		Excluding loss recovery component	Loss- recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
		€	€		€	€	€
Opening reinsurance contract assets	-	267.481	-	-	405.040	5.553	678.075
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net opening balance	-	267.481	-	-	405.040	5.553	678.075
Acquired under business combination assets	249.121	2.552.965	-	27.611	1.435.211	134.997	4.399.904
Acquired under business combination liabilities	-	(469.996)	-	-	23.982	3.479	(442.535)
<i>Changes in the statement of profit or loss</i>							
Allocation of reinsurance premiums	-	(2.834.536)	-	-	-	-	(2.834.536)
Amounts recovered from reinsurers	-	119	-	3.902	36.781	20.206	61.008
Recoveries for incurred claims and other expenses	-	-	-	3.687	(4.723)	15.962	14.926
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-	22.108	3.981	26.090
Effect of changes in non-performance risk of reinsurers	-	0	-	(2)	-	(40)	(42)
Finance income from reinsurance contracts held recognised in P&L	-	118	-	217	19.396	302	20.034
Total changes in the statement of comprehensive income	-	(2.834.417)	-	3.902	36.781	20.206	(2.773.528)
<i>Cash flows</i>							
Premiums paid	63.593	1.293.330	-	-	-	-	1.356.923
Amounts received	(7.146)	(49.765)	-	-	(370.425)	-	(427.335)
Total cash flows	56.448	1.243.565	-	-	(370.425)	-	929.588
Other – non-cash transfers	-	-	-	-	4.502	(47)	4.456
Net closing balance							
Closing reinsurance contract assets	305.569	1.241.997	-	31.514	1.504.431	158.774	3.242.284
Closing reinsurance contract liabilities	-	(482.399)	-	-	30.660	5.414	(446.325)
Net closing balance	305.569	759.598	-	31.514	1.535.091	164.188	2.795.959

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Other reinsurance

2024	Asset for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening reinsurance contract assets	319.373	-	1.388.185	43.091	1.750.650
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	319.373	-	1.388.185	43.091	1.750.650
<i>Changes in the statement of profit or loss</i>					
Allocation of reinsurance premiums	(1.178.574)	-	-	-	(1.178.574)
Amounts recovered from reinsurers	-	-	(630.255)	(38.932)	(669.186)
Recoveries for incurred claims and other expenses	-	-	106.009	33	106.042
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	(745.788)	(39.223)	(785.011)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Finance income from reinsurance contracts held recognised in P&L	-	-	9.524	258	9.783
Total changes in the statement of comprehensive income	(1.178.574)	-	(630.255)	(38.932)	(1.847.761)
<i>Cash flows</i>					
Premiums paid	1.126.682	-	-	-	1.126.682
Amounts received	-	-	(391.996)	-	(391.996)
Total cash flows	1.126.682	-	(391.996)	-	734.686
Other – non-cash transfers	-	-	39.105	1.394	40.499
Net closing balance	-	-	-	-	-
Closing reinsurance contract assets	267.481	-	405.040	5.553	678.075
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	267.481	-	405.040	5.553	678.075

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Total reinsurance

2025	Pre- recognition liabilities	Asset for remaining coverage		Amounts recoverable on incurred claims			Total
		Excluding loss recovery component	Loss- recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	
		€	€		€	€	€
Opening reinsurance contract assets	-	5.361.687	-	-	11.977.462	584.053	17.923.202
Opening reinsurance contract liabilities	-	-	-	-	-	-	-
Net opening balance	-	5.361.687	-	-	11.977.462	584.053	17.923.202
Acquired under business combination assets	1.752.832	5.007.799	-	8.177.465	5.144.726	398.548	20.481.371
Acquired under business combination liabilities	-	(707.319)	-	-	88.075	7.770	(611.474)
<i>Changes in the statement of profit or loss</i>							
Allocation of reinsurance premiums	-	(29.681.803)	-	-	-	-	(29.681.803)
Amounts recovered from reinsurers	-	4.575	-	169.389	2.872.934	334.400	3.381.299
Recoveries for incurred claims and other expenses	-	-	-	(1.604.932)	3.503.243	298.799	2.197.110
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	1.753.305	(856.387)	26.706	923.623
Effect of changes in non-performance risk of reinsurers	-	12	-	439	-	(510)	(59)
Finance income from reinsurance contracts held recognised in P&L	-	4.563	-	20.578	226.078	9.405	260.624
Total changes in the statement of comprehensive income	-	(29.677.228)	-	169.389	2.872.934	334.400	(26.300.505)
Cash flows							
Premiums paid	544.705	24.375.902	-	-	-	-	24.920.607
Amounts received	(63.269)	(547.946)	-	(1.753.305)	(5.069.288)	-	(7.433.807)
Total cash flows	481.436	23.827.956	-	(1.753.305)	(5.069.288)	-	17.486.800
Other – non-cash transfers	-	-	-	-	20.116	(1.296)	18.819
Net closing balance							
Closing reinsurance contract assets	2.234.268	6.113.393	-	6.593.550	13.682.578	1.192.919	29.816.708
Closing reinsurance contract liabilities	-	(2.300.498)	-	-	1.351.446	130.556	(818.496)
Net closing balance	2.234.268	3.812.896	-	6.593.550	15.034.024	1.323.475	28.998.213

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

Total reinsurance

2024	Asset for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
	€	€	€	€	€
Opening reinsurance contract assets	5.701.727	-	11.530.601	599.939	17.832.268
Opening reinsurance contract liabilities	-	-	-	-	-
Net opening balance	5.701.727	-	11.530.601	599.939	17.832.268
<i>Changes in the statement of profit or loss</i>					
Allocation of reinsurance premiums	(21.660.368)	-	-	-	(21.660.368)
Amounts recovered from reinsurers	-	-	4.448.165	(25.904)	4.422.260
Recoveries for incurred claims and other expenses	-	-	4.800.467	180.619	4.981.086
Changes that relate to future service: recoveries for losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	(517.545)	(215.336)	(732.881)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Finance income from reinsurance contracts held recognised in P&L	-	-	165.243	8.812	174.055
Total changes in the statement of comprehensive income	(21.660.368)	-	4.448.165	(25.904)	(17.238.108)
<i>Cash flows</i>					
Premiums paid	21.320.328	-	-	-	21.320.328
Amounts received	-	-	(4.190.494)	-	(4.190.494)
Total cash flows	21.320.328	-	(4.190.494)	-	17.129.834
Other – non-cash transfers	-	-	189.190	10.018	199.208
Net closing balance	-	-	-	-	-
Closing reinsurance contract assets	5.361.687	-	11.977.462	584.053	17.923.202
Closing reinsurance contract liabilities	-	-	-	-	-
Net closing balance	5.361.687	-	11.977.462	584.053	17.923.202

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Notes to the financial statements

9 Insurance and reinsurance contracts (continued)

Reconciliation of Measurement Components of Reinsurance Contracts Held not Measured Under the PAA

The table below represents the reconciliation from the opening to the closing balance for each measurement component of reinsurance contracts held (other than those measured under the PAA).

Total - 2025	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contract assets as at 01/01	-	-	-	-
Reinsurance contract liabilities as at 01/01	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	-	-	-	-
Acquired under business combination assets (2.1.1)	9.299.255	530.149	181.314	10.010.718
Changes in the statement of comprehensive income				
Changes that relate to current services	1.636.111	(8.453)	(150.211)	1.477.446
- CSM recognised for services received	-	-	(150.211)	(150.211)
- Change in risk adjustment for non-financial risk expired	-	(7.931)	0	(7.931)
Experience adjustments	1.636.111	(523)	0	1.635.588
Change that relates to future services	(1.774)	1.836	(64)	(2)
- Contracts initially recognised in the period	-	-	-	-
- Changes in estimates that adjust the CSM	(1.774)	(532)	2.305	(2)
- Changes in RA that adjust the CSM	-	2.368	(2.369)	(1)
- Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-
- Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	(85.010)	-	85.010	-
- Experience adjustments related to future service	(85.010)	-	85.010	-
Changes that relate to past services	(1.535.976)	11.871	-	(1.524.105)
- Adjustments to assets for incurred claims	0	451	-	451
Net expense from reinsurance contracts	13.352	5.704	(65.266)	(46.210)
Net finance income from reinsurance contracts	19.383	1.208	4.550	25.141
Total changes in the statement of comprehensive income	32.735	6.913	(60.716)	(21.069)
Cash flows				
Premium Paid	181.340	-	-	181.340
Amounts received	(1.760.333)	-	-	(1.760.333)
Total Cash Flows	(1.578.993)	-	-	(1.578.993)
Other Movements	-	-	-	0
Net insurance contract assets/(liabilities) as at 31/12	7.752.997	537.062	120.598	8.410.657
Reinsurance contract asset as at 31/12	7.752.997	537.062	120.598	8.410.657
Reinsurance contract liabilities as at 31/12	-	-	-	-
Net closing balance	7.752.997	537.062	120.598	8.410.657

CSM recognition in profit or loss

The disclosure of when the CSM is expected to be in income in future years is presented below:

Portfolio	CSM – 2025 (Discounted cash inflows/ (outflows))						Total
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Property, liability and other	(115.228)	(5.369)	-	-	-	-	(120.598)
Total	(115.228)	(5.369)	-	-	-	-	(120.598)

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Notes to the financial statements

10 Expenses

An analysis of the expenses incurred by the Company in the reporting period is included in the table below.

	2025	2024
	€	€
Commissions	13.572.995	11.791.621
Employee payroll expenses (Note 11)	12.576.534	11.002.645
Depreciation of plant and equipment (Note 18)	110.877	89.928
Amortisation of intangibles (Note 19)	466.783	409.388
Depreciation of right-of-use assets (Note 17)	574.975	669.985
Auditors' remuneration- statutory audit services	185.000	79.000
Auditors' remuneration – regulatory reporting assurance services	15.500	8.500
Professional expenses	(51.619)	439.564
Legal fees	41.704	73.954
Advertising and promotion expenses	523.609	395.262
Cleaning expenses	110.747	110.314
Insurance cost	24.883	1.998
Transportation expenses	132.578	80.502
Repair and maintenance costs	1.584.601	1.596.832
Premises rent and operational expenses	190.401	206.144
Telephone expenses	102.466	97.135
Stationery	61.255	117.450
Subscriptions and donations	41.587	26.254
Directors fees (Note 32(c))	32.288	38.038
Other	864.376	465.212
Total	31.161.540	27.620.726
Amounts attributed to insurance acquisition cash flows incurred during the year	21.073.531	18.112.793
Amortisation of insurance acquisition cash flows	(2.485.221)	(661.385)
Total	18.588.310	17.451.408
<i>Represented by:</i>		
Expenses attributed to insurance acquisition cash flows	21.073.531	18.112.793
Other attributable expenses	7.344.780	6.861.597
Other operating expenses	2.743.229	2.646.336
Total	31.161.540	27.620.726

The charged by the Company's statutory auditor for the statutory audit of the annual financial statements of the Company for the year ended 31 December 2025, inclusive of VAT, amounted to €220.150 (2024: €105.018). The total fees charged by the Company's statutory auditor for the year ended 31 December 2025, inclusive of VAT, for other assurance services amounted to €18,445 (2024: €12.198). No non- assurance services have been provided by the Company's statutory auditor during the year.

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Notes to the financial statements

11 Staff Costs

	2025 €	2024 €
Wages and salaries	10.413.189	9.120.484
Social insurance costs	1.286.830	1.064.336
Provident Fund contributions	743.761	690.575
Other staff costs	132.754	127.250
Total (Note 10)	12.576.534	11.002.645
Average number of staff employed during the year	185	154

12 Income from investments

	2025 €	2024 €
Interest income:		
FVOCI financial assets-debt instruments	2.236.997	1.918.356
FV through P&L financial assets-debt instruments	147.211	145.095
Investments in fixed-term deposits	126.866	166.861
Cash and cash equivalents	(199)	(39)
Loans receivable from related party (Note 32(d))	149.685	136.866
Total Interest income	2.660.559	2.367.139
Net fair value gains on financial assets at FVTPL:		
FVTPL financial assets - Equity Instrument	326.327	64.312
FVTPL financial assets - Debt Instrument	162.375	306.000
Total financial assets at FVTPL	488.702	370.312
Net gains on disposal	19.780	4.010
Net gains on financial assets at FVTPL	508.482	374.322
Net gains/(losses) on derecognized financial assets at FVOCI-debt instruments	166.728	(20.508)
Rental Income (Note 20)	277.539	270.854
Dividend income from FVTPL equities (Note 23)	122.121	13.798
FV gain/(loss) Investment Property (Note 20)	94.000	(68.000)
Gains on Disposal of investment property (Note 20)	4.227	-
Custodian fees	(38.764)	(53.997)
Other investment and similar income	459.124	162.654
Net investment income	3.794.893	2.883.607

13 Other Income

	2025 €	2024 €
Net income from Cyprus Hire Risk Pool	-	502.708
Profit/(Loss) on disposal of plant and equipment (Note 18)	5.488	(1.337)
Other income	81.093	58.262
Total	86.581	559.633

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Notes to the financial statements

14 Income tax expense

	2025 €	2024 €
Current tax:		
Corporation tax	1.220.594	750.057
Deferred tax	45.528	5.968
Defence tax	6.182	6.015
Prior year's tax provision	-	(161)
Total	1.272.304	761.879

The tax on Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2025 €	2024 €
Profit before tax	7.437.579	6.247.096
Tax calculated at the applicable corporation tax rates in Cyprus and Greece	1.322.599	766.377
Tax effect of expenses and losses not deductible for tax purposes	196.028	200.184
Tax effect of allowances and income not subject to tax	(299.631)	(216.504)
Defence tax	7.780	6.015
Deferred tax	45.528	5.968
Prior year tax	-	(161)
Income tax charge	1.272.304	761.879

The Company is subject to income tax on taxable profits at the rate of 12,5% for the operations in Cyprus and at the rate of 22% for the operations in Greece as from 1 January 2015.

Brought forward tax losses of only five years may be utilized.

Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%. In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 17%. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

There is no tax (charge)/credit relating to components of other comprehensive income for the years ended as at 31 December 2025 and 2024.

Tax reform

On 22 December 2025, the Cyprus House of Representatives approved a comprehensive tax reform package, enacted on 31 December 2025 and effective for financial years beginning on or after 1 January 2026.

The reform introduces amendments across multiple tax laws, including the Income Tax Law, Special Defence Contribution Law and related legislation, representing a significant overhaul of the Cyprus tax framework.

Key changes relevant to insurance entities and the Company include:

- Increase in corporate income tax rate from 12.5% to 15%;
- Extension of tax loss carry-forward period from 5 to 7 years.

The Company has assessed the impact of the enacted tax changes in accordance with IAS 12 Income Taxes, in consultation with its external tax advisors. The effect of the change in tax rate has been reflected in the measurement of deferred tax balances at the reporting date.

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Notes to the financial statements

15 Dividends

No dividend was declared and paid during the years ended 31 December 2025 and 31 December 2024.

16 Finance costs

	Note	2025 €	2024 €
Interest and finance charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss:			
Lease liabilities	17	354.915	147.927
Total interest and finance charges		354.915	147.927

17 Leases

No additions to the right-of-use assets occurred during the 2025 financial year (2024: nil).

	2025 €	2024 €
Lease Liabilities		
Opening balance	(6.973.547)	(9.160.631)
Rent payments during the year	795.244	740.602
Interest expense on lease liabilities	(354.915)	(147.927)
Modification adjustments	(129.568)	1.594.410
Total	(6.662.786)	(6.973.547)

1) During the year, the Company proceeded with remeasurement in the right-of use asset and lease liability of offices leased in Larnaca and Paphos (2024 in Nicosia) so as to reflect changes in yearly rent payments or duration of leases. The modification adjustment was €129.566 (2024: (€1.594.410)).

(i) The Company's leasing arrangements

The Company leases various offices. Rental contracts are typically made for fixed periods of 1 to 6 years, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

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Notes to the financial statements

17 Leases (continued)

(ii) Amounts recognised in the Company's balance sheet

	2025 €	2024 €
Right-of-use assets		
Buildings	6.251.100	6.696.509
Total	6.251.100	6.696.509
Lease liabilities		
Current	494.522	446.792
Non-current	6.168.264	6.526.756
Total	6.662.786	6.973.548

(iii) Amounts recognised in the Company's profit or loss

The income statement shows the following amounts relating to leases:

	2025 €	2024 €
Depreciation charge of right-of-use assets		
Buildings (Note 10)	(574.975)	(669.985)
Total	(574.975)	(669.985)
Interest expense (Note 16)	(354.915)	(147.927)
Total	(354.915)	(147.927)

The total cash out flow for leases in 2025 was €795.244 (2024: €704.005).

	2025 €	2024 €
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	713.452	690.925
Later than one year but not later than 5 years	438.447	605.257
	1.151.899	1.296.182

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seek to include extension options in the new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessor. The Company assess at the lease commencement date whether it is reasonably certain to exercise the extension option. The Company reassess whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstance within their control.

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Notes to the financial statements

18 Plant and Equipment

	Improvements to leasehold property €	Plant and machinery €	Furniture, fittings and office equipment €	Computers €	Vehicles €	Total €
Year ended 31 December 2024						
Net book value at the beginning of the year	-	8.659	23.867	79.004	60.656	172.186
Additions	-	-	1.694	39.084	-	40.777
Disposals:						
- cost	-	-	-	(2.606)	(42.000)	(44.606)
- accumulated depreciation	-	-	-	1.269	42.000	43.269
Depreciation charge (Note 10)	-	(1.756)	(4.195)	(54.285)	(29.692)	(89.928)
Net book value at year end	-	6.903	21.366	62.466	30.964	121.699
At 31 December 2024						
Cost	49.494	82.394	328.866	539.540	378.460	1.378.754
Accumulated depreciation	(49.494)	(75.491)	(307.500)	(477.074)	(347.496)	(1.257.055)
Net book value	-	6.903	21.366	62.466	30.964	121.699
Year ended 31 December 2025						
Net book value at the beginning of the year	-	6.903	21.366	62.466	30.964	121.699
Acquired under business combination	-	53.471	20.720	64.649	0	138.840
Additions	-	-	84.506	47.929	141.000	273.435
Disposals:						
- cost	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	(28.800)	(28.800)
Depreciation charge (Note 10)	-	(6.508)	(14.507)	(43.431)	(46.432)	(110.877)
Net book value at year end	-	53.867	112.084	131.614	125.532	423.097
At 31 December 2025						
Cost	-	135.865	434.091	652.119	490.660	1.712.736
Accumulated depreciation	-	(81.998)	(322.007)	(520.505)	(365.128)	(1.289.638)
Net book value	-	53.867	112.084	131.614	125.532	423.097

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Notes to the financial statements

18 Plant and equipment (continued)

In the statement of the cash flows of the Company, proceeds from disposal of plant and equipment include:

	2025	2024
	€	€
Profit/Loss on disposal of plant and equipment (Note 10)	5.488	(1.337)
Proceeds from disposal of plant and equipment	5.488	(1.337)

19 Intangible assets

	Computer software	Total
	€	€
At 1 January 2024		
Cost	3.385.889	3.385.889
Accumulated amortisation and impairment	(2.243.149)	(2.243.149)
Net book value	1.142.740	1.142.740
Year ended 31 December 2024		
Net book value at the beginning of the year	1.142.740	1.142.740
Additions (1)	449.742	449.742
Amortisation charge (Note 10)	(409.388)	(409.388)
Closing net book value	1.183.094	1.183.094
At 31 December 2024		
Cost	3.835.631	3.835.631
Accumulated amortisation and impairment	(2.652.536)	(2.652.537)
Net book value	1.183.094	1.183.094
Year ended 31 December 2025		
Net book value at the beginning of the year	1.183.094	1.183.094
Balance arising at legal merge	239.121	239.121
Additions (1)	589.656	589.656
Disposal	(12.858)	(12.858)
Amortisation charge (Note 10)	(466.783)	(466.783)
Closing net book value	1.532.230	1.532.230
At 31 December 2025		
Cost	4.651.549	4.651.549
Accumulated amortisation and impairment	(3.119.319)	(3.119.319)
Net book value	1.532.230	1.532.230

The additions during 2025 and 2024 relate to improvements/developments in existing software and new developments based on IFRS 17 requirements.

ERB Asfalistiki Limited

Notes to the financial statements

20 Investment property

The Company's investment property is measured at fair value. Fair value is based on active market process, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company use alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. Changes in fair values are recorded in profit or loss and are included in investment income in lin "Fair value (loss)/gain on investment property".

The Company hold investment property being offices in Nicosia District.

	Nicosia District €
Fair Value hierarchy	Level 3
Fair Value at 1 January 2024	4.975.500
Additions	-
Fair value loss on investment property	(68.000)
<hr/> Fair value at 31 December 2024/ 1 January 2025	<hr/> 4.907.500
Balance arising at legal merge	7.107.000
Additions	-
Disposal	(522.000)
Fair value gain on investment property	94.000
<hr/> Fair value at 31 December 2025	<hr/> 11.586.500

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the current year.

Valuation processes

The Company's investment properties were valued at 31 December 2025 and 31 December 2024 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The external valuations of the level 3 investment property were performed using the comparative method in conjunction with capitalization method. Two external valuations were obtained and their weighted average has been used for Fair Valuation purposes. The external valuers determined the inputs in the valuation model based on the size, age and condition of the buildings, the state of the local economy and comparable prices in the corresponding national economy.

Investment properties are leased under long-term operating leases with rental payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	2025 €	2024 €
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	384.392	265.628
Later than one year but not later than 5 years	283.628	37.024
	<hr/> 668.020	<hr/> 302.652

ERB Asfalistiki Limited

Notes to the financial statements

20 Investment property (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

As at 31 December 2025

Level 3 – Significant unobservable inputs			Sensitivity analysis – Fair values resulting from the following reasonable possible changes in significant inputs, holding other inputs constant								
District	Valuation €	Valuation technique	Weighted Average Price per Square Meter €	Annual Rent (Weighted average) €	Range of Discount Rates (weighted average discount rate) €	Increase of 15% in the weighted average price per square meter €	Decrease of 15% in the weighted average price per square meter €	Increase of 15% in the annual rent €	Decrease of 15% in the annual rent €	Increase of 15% in the discount rate €	Decrease of 15% in the discount rate €
Nicosia District											
- Strovolos Municipality – Anastasio Megaro - 5th floor	2.862.000	Comparative method in conjunction with capitalization method	3.838	161.640	1%	3.000.925	2.218.075	3.282.673	2.426.324	2.482.281	3.357.806
- Strovolos Municipality – Anastasio Megaro - 6th floor	2.172.500	Comparative method in conjunction with capitalization method	3.126	123.888	6%	2.498.375	1.846.625	2.498.375	1.846.625	1.889.130	2.555.882
- Strovolos Municipality – Offices in Agioi Omologites Dimsotheni Severi	364.500	Comparative method in conjunction with capitalization method	935	12.924	0%	419.175	309.825	-	-	-	-
- Strovolos Municipality – Plot in Agioi Omologites	707.500	Comparative method in conjunction with capitalization method	1.136	-	6.2%	-	-	-	-	-	-
- Strovolos Municipality – Offices in Agioi Omologites Dimsotheni Severi	5.480.000	Comparative method in conjunction with capitalization method	3.354	280.000	6.2%	5.186.500	3.833.500	5.186.500	3.833.500	3.921.739	5.305.882
Fair value at 31 December 2025	11.586.500										

External valuers in arriving at the fair value used a weight of 50% to value derived from the comparative method and 50% to the value derived from the capitalization method. Having used different weights by 10%, the effect on the final valuation would not have been material (less than 5% of the fair value).

ERB Asfalistiki Limited

Notes to the financial statements

20 Investment property (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

As at 31 December 2024

Level 3 – Significant unobservable inputs		Sensitivity analysis – Fair values resulting from the following reasonable possible changes in significant inputs, holding other inputs constant											
		District	Valuation	Valuation technique	Weighted Average Price per Square Meter	Annual Rent (Weighted average)	Range of Discount Rates (weighted average discount rate)	Increase of 15% in the weighted average price per square meter	Decrease of 15% in the weighted average price per square meter	Increase of 15% in the annual rent	Decrease of 15% in the annual rent	Increase of 15% in the discount rate	Decrease of 15% in the discount rate
		€		€	€	€	€	€	€	€	€	€	€
Nicosia District													
- Strovolos Municipality Anastasio Megaro - 5th floor	-	2.752.500	Comparative method in conjunction with capitalization method	3.676	154.980	5%	2.875.000	2.125.000	3.165.375	2.339.625	2.393.478	3.238.235	
- Strovolos Municipality Anastasio Megaro - 6th floor	-	2.155.000	Comparative method in conjunction with capitalization method	3.101	112.344	5%	2.478.250	1.831.750	2.478.250	1.831.750	1.873.913	2.535.294	
Fair value at 31 December 2024		4.907.500											

External valuers in arriving at the fair value used a weight of 50% to value derived from the comparative method and 50% to the value derived from the capitalization method. Having used different weights by 10%, the effect on the final valuation would not have been material (less than 5% of the fair value).

ERB Asfalistiki Limited

Notes to the financial statements

20 Investment property (continued)

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. An increase in the future rental income may be linked with higher costs. If the remaining lease term increases the yield may decrease.

Valuation techniques and inputs underlying management's estimation of fair value

Valuation technique inputs	Description	Inter-relationship between input and fair value measurement
Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;	if future rental cash flows increase then the fair value will increase
Discount rates	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;	If discount rates increase, then the fair value will decrease
Estimated vacancy rates	based on current and expected future market conditions after expiry of any current lease;	If estimated vacancy rates increase, then the fair value will decrease
Capitalisation rates	based on actual location, size and quality of the properties and taking into account market data at the valuation date;	If capitalization rates increase, then the fair value will decrease
Price per square meter	based on actual location, size and quality of the properties and taking into account market data at the valuation date;	If price per square meter increases, then the fair value will increase
Terminal value	taking into account assumptions regarding maintenance costs, vacancy rates and market rents.	Based on all the above

The following valuation techniques were used for the valuation of the investment properties by the professional valuer.

- Comparative method in conjunction with capitalisation method: This method considers the comparable data, for market price of property per square meter taking into account the physical and legal characteristics of the properties, the trends and the prospects of the property market and of the economy. Moreover it considers the rental income at annuity and the reversion to vacant possession discounted at present value. The significant unobservable inputs in this method are therefore the price per square meter, the rental income and the discount rates. Accordingly, the fair value was classified as level 3.

The following amounts have been recognised in the income statement:

	2025 €	2024 €
Rental income (Note 12)	277.539	270.854
Fair value gain/(loss) (Note 12)	94.000	(68.000)
Gains on Disposal of investment property (Note 12)	4.227	-

ERB Asfalistiki Limited

Notes to the financial statements

21 Investments in subsidiaries

The subsidiaries were incorporated in Cyprus as private limited liability companies in accordance with the provisions of the Cyprus Companies Law, Cap. 113.

	2025 €	2024 €
100% of the issued share capital of Laiki Insurance Agencies Limited – opening/closing amount	103.000	103.000
100% of the issued share capital of Laiki Brokers (Insurance & Consultancy Services) Limited – opening/closing carrying amount	80.000	80.000
Total carrying amount	183.000	183.000

22 FVOCI financial assets

	2025 €	2024 €
Beginning of year	72.227.904	64.688.714
Additions	20.402.884	14.448.862
Disposals and maturities	(14.943.000)	(8.500.000)
Revaluation gain recognised in OCI (Note 29)	199.778	1.127.553
Net income to income statement	492.992	170.743
Accrued interest	258.812	292.032
Total at end of year	78.639.370	72.227.904

FVOCI financial assets are analysed as follows:

	2025 €	2024 €
Government bonds	26.982.224	20.977.804
Corporate bonds debentures	51.657.146	51.250.101
Total bonds and debentures	78.639.370	72.227.904
Current	10.459.781	8.001.139
Non-current	68.179.589	64.226.765
Total	78.639.370	72.227.904

The Company manage the concentration risk by following the Company's policies.

OCI financial assets comprising principally debentures, including government and corporate debentures, are fair valued annually at the close of business at 31 December. The fair value of investments that are traded in active markets is determined using quoted bid prices.

ERB Asfalistiki Limited

Notes to the financial statements

23 FVTPL financial assets

	2025 €	2024 €
Beginning of year	10.348.285	10.978.514
Acquired under business combination	37.897.317	-
Additions	3.988.493	1.972.159
Disposals and maturities	(5.006.440)	(2.972.700)
Revaluation gain recognised in profit and loss	488.702	370.312
Total at end of year	47.716.357	10.348.285

FVTPL financial assets are analysed as follows:

	2025 €	2024 €
FVTPL Debt securities	5.985.243	4.452.785
FVTPL Mutual Funds & ETFs	41.290.682	5.641.617
FVTPL Equities		
Listed equity securities	440.432	253.883
Total	47.716.357	10.348.285

The Company manage the concentration risk by following the Company's policies.

FVTPL financial assets comprising principally corporate debentures, investments in funds and listed equity securities, are fair valued annually at the close of business at 31 December. The fair value of investments that are traded in active markets is determined using quoted bid prices. The fair value of equity investments that are not traded in an active market is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets.

In addition, during the year there was a dividend income of €122.121 (2024: €13.798) from FVTPL equities which is included in "income from investments" in profit or loss (Note 12).

24 Investments in fixed term deposits

	2025 €	2024 €
Fixed term and notice deposits	12.638.399	7.232.157
Accrued interest	1.060	2.813
Total	12.639.459	7.234.970

ERB Asfalistiki Limited

Notes to the financial statements

24 Investments in fixed term deposits (continued)

Analysed as:	Maturity	2025 Interest rate (per annum)	2024 Interest rate (per annum)	2025 €	2024 €
Term deposits	0-3 months	0,00%-1,50%	2,35%-3,63%	12.639.459	7.234.970
Total				12.639.459	7.234.970

25 Other receivables

	2025 €	2024 €
Trade receivables – net		
Other receivables (2)	4.795.181	5.138.584
Less: Provisions for impairment of receivables (2)	(4.462.149)	(4.573.411)
Amount receivable from Cyprus Hire Risk Pool (1)	1.232.966	649.890
Amount receivable from O.S.E.D.A.	52.105	35.104
Other receivables and prepayments	419.916	254.427
Receivable from relates parties (Note 32 a (ii))	25.698	-
Total: Current	2.063.717	1.504.594

(1) Amount receivable from Cyprus Hire Risks pool relates to a receivable that does not expose the Company to any credit risk.

(2) Amount relates to legal cases including provision for impairment and are excluded from trade receivables. During the year an amount of €3.887 (2024: €3.241) which was fully provided was written off. For the movement of the provision for impairment refer to the table below.

Year ended 31 December	2025 €	2024 €
Balance 1 January	4.573.411	4.440.581
Write offs of amounts fully provided in prior year	(3.887)	(3.241)
Amounts Collected	-	-
(Decrease)/Increase in provision	(107.375)	136.071
		-
Balance at 31 December	4.462.149	4.573.411

The fair value of trade and other receivables which are due within one year approximates their carrying amount at the balance sheet date.

26 Loan receivables from related party

	2025 €	2024 €
Current		
Loan to related party (Note 32(d))	2.382.804	2.693.119

The fair values of the loan receivable approximates their carrying amount.

ERB Asfalistiki Limited

Notes to the financial statements

26 Loan receivables from related party (continued)

The loan receivable is denominated in Euro and the effective interest rate on loan to related party was 5%.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. Loan receivable from related party is neither past due nor impaired.

27 Cash and cash equivalents

For the purposes of the Company statement of cash flows, cash and cash equivalents include the following:

	2025 €	2024 €
Current:		
Cash at bank and in hand	5.006.924	1.834.365

All cash balances are denominated in Euro.

28 Share capital and share premium

	Number of shares	Issued share capital €	Share premium €	Total €
At 1 January 2024/31 December 2024	8.007.000	13.691.970	21.988.030	35.680.000
Issue of new shares	4.124.121	7.052.247	-	7.052.247
At 31 December 2025	12.131.121	20.744.217	21.988.030	42.732.247

The total authorized number of ordinary shares as at 31 December 2025 is 12.131.141 shares (2024: 8.007.000 shares) with a nominal value of €1,71 each.

On 10 October 2025, the Company's share Capital was increased by the issue of 4.124.121 new shares of €1,71 each, as part of the Reorganization and Merger Plan dated 7 July 2025 whereby ERB Asfalistiki Limited acquired the operations, assets and liabilities of ex Pancyprian Insurance Limited, with Net Asset Value of €29.579.406 (Note 2.1.1).

All issued shares are fully paid.

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividend as declared from time to time and are entitled to one vote per share at general meetings of the Company.

ERB Asfalistiki Limited

Notes to the financial statements

29 Other Reserves

	Fair Value reserves €
At 1 January 2024	(437.857)
Fair value gain (Note 22)	1.127.553
At 31 December 2024/1 January 2025	689.696
Fair value gain (Note 22)	199.778
Acquired under business combination	3.908.090
At 31 December 2025	4.797.564

The fair value reserve comprises the revaluation of financial assets at FVOCI, being the cumulative net change in the fair value which are recognized in equity until the assets are derecognized or reclassified.

	Finance reserve IFRS17 €
At 1 January 2024	584.728
Insurance Financial Reserve – Change in rates and economic environment	(935.313)
Reinsurance Financial Reserve - Change in rates and economic environment	199.207
At 31 December 2024/1 January 2025	(151.378)
Insurance Financial Reserve - Change in rates and economic environment	149.757
Reinsurance Financial Reserve - Change in rates and economic environment	18.820
At 31 December 2025	17.199

30 Other payables

	2025 €	2024 €
Agent and direct premium accounts	812.514	2.685.410
Motor insurance fund	313.815	411.107
Other creditors	789.699	948.999
Accrued expenses	4.151.864	2.797.470
Payable to related parties (Note 32a(iii))	277.696	373.122
Total	6.345.588	7.216.108
Analysed as:		
Current	6.345.588	7.216.108

The fair value of trade and other payables which are due within one year approximate their carrying amount at the balance sheet date.

31 Current Tax Assets-Liabilities

	2025 €	2024 €
Current Tax Assets	5.172	211.546
Current Tax Liabilities	1.082.969	571.970

ERB Asfalistiki Limited

Notes to the financial statements

32 Related party transactions

The Company is controlled by ERB Cyprus Insurance Holdings Limited, which owns 100% of the Company's shares. From 17 April 2025, ERB Cyprus Insurance Holdings Limited is controlled by Eurobank Limited which owns 100% of the Company's shares. The ultimate parent entity of the group is Eurobank S.A, a public financial institution. Before that, the Company was controlled by Montparvie V SAS which owned 100% of the Company's shares and the ultimate parent company was Caise des Depots et Consignations.

As at 31 December 2025 Eurobank S.A. a company which owns the 100% of the share capital of ERB Cyprus Insurance Holdings Limited prepares consolidated financial statements in which the Company forms part as a subsidiary undertaking. Eurobank S.A., is incorporated in Greece, with its registered office at 8 Othonos Street, Athens 105 57 and its consolidated financial statements are available at the website www.eurobank.gr.

The following transactions were carried out with related parties:

(a) Transactions and year end balances

	2025	2024
	€	€
(i) Transactions		
• Rent expense: ERB Cyprialife Limited (fellow subsidiary)	54.243	49.140
• Usage of space - expense: ERB Cyprus Tower Limited (entity under common control)	516.262	515.262
• Commission paid: ERB Cyprialife Limited (fellow subsidiary)	13.622	13.472
• Premium:		
Rano Investments Limited (fellow subsidiary)	1.888	-
Zivar Investments Limited (fellow subsidiary)	2.303	-
Revasono Holdings Limited (fellow subsidiary)	2.093	-
Elerovio Holdings Limited (fellow subsidiary)	1.064	-
ERB Cyprialife Limited (fellow subsidiary)	174.652	110.894
ERB Cyprus Tower Limited (entity under common control)	31.133	31.037
LCYL Karpenisiou Properties Limited (entity under common control)	4.781	4.780
	217.914	146.711

Lease agreements with related parties are made at an arm's length basis. Commission agreements are made at an arm's length basis and in the normal course of business.

(ii) Amounts due from related party	Nature of transactions	2025	2024
		€	€
HB Insurance Holding Ltd (Note 25)	Settlement of invoices on behalf	25.698	25.698
ERB Cyprialife Limited (fellow subsidiary)	Insurance premium & expenses sharing	44.785	2.783
Eurobank Limited (Shareholder)	Insurance premium	628.944	-
Total (Note 25)		699.427	28.481

ERB Asfalistiki Limited

Notes to the financial statements

32 Related party transactions (continued)

(iii) Amounts due to related party

	2025	2024
	€	€
Laiki Insurance Agencies Limited (subsidiary)	99.916	97.316
ERB Cyprialife Limited (fellow subsidiary)	177.780	110.264
CNP Praktoriaki (entity under common control)	-	165.542
Total (Note 30)	277.696	373.122

(iv) Placements of cash & cash equivalents

	2025	2024
	€	€
Eurobank Limited	10.399.878	-

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash on demand. None of the balances are secured. No expense has been recognized in the current year for bad or doubtful debts in respect of amounts owned by related parties.

(b) Key management compensation

The compensation of key management personnel is as follows:

	2025	2024
	€	€
Salaries and other short term employee benefits	1.282.688	1.285.299
Other employer's contribution	244.982	223.041
Provident fund	119.717	108.919
Total	1.647.387	1.617.259

(c) Directors' remuneration

The total remuneration of Directors in their non-executive capacity was as follows:

	2025	2024
	€	€
Fees (Note 10)	32.288	38.038

(d) Loans to related companies

Loan to ERB Cyprus Tower Limited (entity under common control):

	2025	2024
	€	€
At the beginning of the year	2.693.119	3.016.253
Interest charged (Note 12)	149.685	136.866
Repayments	(460.000)	(460.000)
At the end of the year (Note 26)	2.382.804	2.693.119

On 31 October 2014, the Company granted a loan to a related party under common control amounting to €4.600.000 carrying interest at the annual interest rate of 5% which is repayable within one year from the date of the written request for repayment of the loan. The loan is secured by a pledge and charge on 6.003 shares being the 46% of the issued share capital of the borrower which is considered adequate for the mitigation of the credit risk.

ERB Asfalistiki Limited

Notes to the financial statements

33 Events after the balance sheet date

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

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

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

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

Although ERB Asfalistiki Limited has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Although the Group has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations and financial results of the Group. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Management has considered the unique circumstances and the risk exposures of ERB Asfalistiki Limited.

Independent auditor's report on pages 6 to 11.

These financial statements were authorized for issue by the Company's board of directors on 7 April 2026.

ERB Asfalistiki Limited

Notes to the financial statements

34 Analysis by class of business activity

The tables below provide financial information in accordance with the requirements of order no. 7 of the accounting and reporting orders directive for the annual financial statements of insurance and reinsurance entities as issued by the Cyprus Superintendent of Insurance, in addition to requirements of Cyprus Companies' Law, Cap. 113 and IFRSs. The figures for 2025 disclosed in tables below include the results of Pancyprian Insurance Company Limited (merged entity – note 2.1.1) for the whole 12 months of 2025, and not just for the post-merger period, consistent with the reporting made by the Company to the regulator and with the basis of preparation of solvency results and annual SFCR for 31 December 2025.

Total Year 2025	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to Property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	122.008.233	1.993.413	25.744.769	28.180.685	995.276	47.648.979	14.900.439	122.101	2.422.572
2. Reinsurance premiums ceded	46.803.721	813.617	1.346.971	1.530.825	345.010	35.077.730	5.359.331	85.294	2.244.943
3. Gross earned premiums	117.406.872	2.311.952	24.813.773	27.045.273	1.002.023	45.308.273	14.654.077	113.012	2.158.490
4. Gross incurred claims	43.717.901	224.780	24.289.170	5.809.879	111.984	10.627.921	2.661.933	(37.621)	29.855
5. Claims managements costs	3.493.553	94.533	1.130.690	562.925	25.218	1.066.761	565.963	3.084	44.380
6. Gross operating expenses (*)	38.015.551	734.393	9.239.607	10.469.675	271.001	12.312.626	4.601.586	35.294	351.370

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.

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Notes to the financial statements

34 Analysis by class of business activity (continued)

Cyprus Year 2025	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	121.700.402	1.993.413	25.744.769	28.180.685	995.276	47.424.098	14.833.950	122.101	2.406.110
2. Reinsurance premiums ceded	46.755.338	813.617	1.346.971	1.530.825	345.010	35.043.894	5.358.414	85.294	2.231.313
3. Gross earned premiums	117.101.572	2.311.952	24.813.773	27.045.273	1.002.023	45.084.910	14.588.604	113.012	2.142.026
4. Gross incurred claims	43.717.901	224.780	24.289.170	5.809.879	111.984	10.627.921	2.661.933	(37.621)	29.855
5. Claims managements costs	3.484.555	94.533	1.130.690	562.925	25.218	1.060.769	563.431	3.084	43.905
6. Gross operating expenses (*)	37.926.925	734.393	9.239.607	10.469.675	271.001	12.249.284	4.580.099	35.294	347.573

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.

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Notes to the financial statements

34 Analysis by class of business activity (continued)

Greece Year 2025	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	307.831	0	0	0	0	224.881	66.488	0	16.462
2. Reinsurance premiums ceded	48.383	0	0	0	0	33.836	917	0	13.630
3. Gross earned premiums	305.300	0	0	0	0	223.363	65.473	0	16.464
4. Gross incurred claims	-	0	0	0	0	0	0	0	0
5. Claims managements costs	8.998	0	0	0	0	5.992	2.531	0	475
6. Gross operating expenses (*)	88.626	0	0	0	0	63.342	21.488	0	3.797

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.

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Notes to the financial statements

34 Analysis by class of business activity (continued)

Total Year 2024	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to Property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	72.145.790	1.460.439	10.667.780	20.708.044	700.393	25.881.972	11.006.947	109.362	1.610.852
2. Reinsurance premiums ceded	26.718.361	449.943	564.498	1.095.790	104.221	19.090.618	3.900.743	75.515	1.437.032
3. Gross earned premiums	72.645.904	1.698.697	10.855.931	21.126.831	727.202	25.128.941	11.283.639	101.407	1.723.257
4. Gross incurred claims	25.915.106	247.485	1.358.625	15.624.185	453.877	5.477.221	3.231.056	(1.686)	(475.657)
5. Claims managements costs	2.417.787	91.527	363.807	706.213	27.869	732.048	445.353	3.271	47.699
6. Gross operating expenses (*)	25.579.117	657.039	4.426.373	8.592.371	243.437	7.478.946	3.774.442	28.130	378.380

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.

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Notes to the financial statements

34 Analysis by class of business activity (continued)

Cyprus Year 2024	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	71.883.591	1.460.439	10.667.780	20.708.044	700.393	25.692.977	10.949.445	109.362	1.595.151
2. Reinsurance premiums ceded	26.673.242	449.943	564.498	1.095.790	104.221	19.059.632	3.899.813	75.515	1.423.829
3. Gross earned premiums	72.207.719	1.698.697	10.855.931	21.126.831	727.202	24.906.398	11.091.413	101.407	1.699.839
4. Gross incurred claims	25.912.673	247.485	1.358.625	15.624.185	453.877	5.467.138	3.238.706	(1.686)	-475.657
5. Claims managements costs	2.409.650	91.527	363.807	706.213	27.869	726.702	443.026	3.271	47.234
6. Gross operating expenses (*)	25.501.098	657.039	4.426.373	8.592.371	243.437	7.424.333	3.754.724	28.130	374.692

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.

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Notes to the financial statements

34 Analysis by class of business activity (continued)

Greece Year 2024	General business classes								
	Total	Accident and sickness	Motor vehicle other categories	Motor vehicle third party liability	Marine, transportation and other	Fire and other damage to property	General liability	Credit and guarantee	Miscellaneous financial loss
	€	€	€	€	€	€	€	€	€
1. Gross written premiums	262.199	-	-	-	-	188.996	57.502	-	15.701
2. Reinsurance premiums ceded	45.119	-	-	-	-	30.986	930	-	13.203
3. Gross earned premiums	438.185	-	-	-	-	222.542	192.226	-	23.417
4. Gross incurred claims	2.433	-	-	-	-	10.083	(7.650)	-	-
5. Claims managements costs	8.137	-	-	-	-	5.346	2.327	-	465
6. Gross operating expenses (*)	78.019	-	-	-	-	54.613	19.718	-	3.688

(*) Gross operating expenses include commissions, acquisitions costs and other administrative expenses.