

"BUSIN" Ins. Co.

FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

Along with the INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the National Bank of Ukraine

To the National Securities and Stock Market Commission

To the Shareholders and Management of "BUSIN" Ins. Co.

QUALIFIED OPINION

We have audited the financial statements of PRIVATE JOINT-STOCK INSURANCE COMPANY "BUSIN" (the 'Company') which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, profit or loss, the statement of changes in equity, and the statement of cash flows for the year then ended along with disclosure notes which include the summary of significant accounting policies (herein referred to as the 'financial statements').

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are prepared, in all material respects, in accordance with the International Financial Reporting Standards (the 'IFRS') and according to the requirements of the Law of Ukraine *On Accounting and Financial Reporting in Ukraine*.

BASIS FOR QUALIFIED OPINION

During the years ended 31 December 2024 and 2023, the Company did not account for deferred taxes and did not recognize the deferred tax assets and/or deferred tax liabilities in its financial statements in accordance with IAS 12 *Income Taxes*. The accompanying financial statements do not include any adjustment related to this matter.

We conducted our audit in accordance with the International Standards on Auditing (the 'ISA'). Our responsibility, according to those standards, is further described in the *Auditor's responsibility for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the 'EISBA Code') and the ethical requirements that are relevant to the audits of financial statements, and we have fulfilled other ethical responsibilities in accordance with these requirements and the EISBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the fact that the Company conducts its activities in conditions of financial instability during the military invasion of the Russian Federation to Ukraine. Although the future prospects are uncertain, the economic consequences are already very significant. These events and conditions, along with other matters, indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. We do not modify our opinion in respect of this matter.

During our audit of the financial statements, we came to the conclusion that the use of a going concern principle by management when preparing the financial statements is appropriate. Our assessment of the management's assumptions on the Company's ability to continue as a going concern include:

- Assessment of the negative consequences of the continuation of the military aggression;
- Analysis of various scenarios determined by management and possible actions by the Ukrainian authorities, the world community and the Company's management in their response;
- Analysis of the adequacy of the Company's capital and its maintenance at a sufficient level.

We found it to be very difficult to make forecasts regarding the development of the current situation and the related negative consequences due to the unpredictability of the actions of the Russian Federation authorities. At the same time, management's assumptions on the most likely scenarios are appropriate.

We draw attention to the fact that for the year ended 31 December 2024 the Company reported the net loss of UAH 27 293 thousand. Such results of the Company's operations indicate that there is a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. We do not modify our opinion in respect of this matter.

As disclosed in Note 1 *Information of the Company* to the financial statements, during the year ended 31 December 2024 the Supervisory Board of the Company held several meetings on the matter of the Company's compliance with the requirements of the National Bank of Ukraine's Regulation # 201 dated 29 December 2023 *On Provision for Establishing Requirements for Ensuring the Solvency and Investment Activities of the Insurer*. As a result of these meetings, the Company's *Plan for Restoring Activities / Financial Plan* prepared as at 31 July 2024 in accordance with the Articles 117 and 118 of the Law of Ukraine *On Insurance* was approved and presented to the National Bank of Ukraine. We do not modify our opinion in respect of this matter.

EMPHASIS OF MATTERS

We draw attention to Note 7 *Re-insurance Contracts Held* to the financial statements that discloses the amounts of the Company's assets and liabilities arising from its re-insurance contracts. The amounts of these assets and liabilities are presented on net basis in the Company's statement of financial position as at 31 December 2024. We do not modify our opinion in respect of this matter.

As disclosed in Note 18 *Transactions with the Related Parties* to the financial statements, during the years ended 31 December 2024 and 2023 the Company conducted transactions with its related parties. Conditions of such transactions may differ from the market conditions pertinent to the Company's transactions with the third parties. We do not modify our opinion in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, are of most significance during our audit of the financial statements. These matters are considered in the context of our audit of the financial statements taken as a whole when expressing our opinion on these financial statements but we do not opine on these matters.

In addition to the matters described in the *Material Uncertainty Related To Going Concern* section of this report, we identified the following matters to be the key audit matters that should be disclosed in our independent auditor's report.

Liabilities on the insurance contracts issued	
As disclosed in Note 8 <i>Insurance Contracts Issued</i> to the financial statements, the total liabilities on the insurance contracts issued by the Company amounted to UAH 91 772 thousand as at 31 December 2024.	
<i>Description of the key audit matter</i>	<i>How this matter was resolved during our audit</i>
<p>Liabilities under the insurance contracts are the significant portion of the Company's liabilities disclosed in its statement of financial position.</p> <p>When determining amounts of these liabilities the Company's management has to assess the present value of the future cash flows for the insurance contracts issued prior to 31 December 2024 and adjust it for the non-financial risk that arises due to the uncertainty related to those cash flows.</p> <p>Assessment of the present value of the future cash flows that relates to the realized losses that are yet to be claimed and the losses that were claimed but yet to be paid requires from the Company's management to use professional judgment as well as complicated and subjective assumptions which reflect in the first place factors of the losses development. Relatively insignificant changes in these assumptions might have a significant impact on the amount of liabilities on the insurance contracts issued.</p> <p>Considering the above factors, obtaining the adequate level of assurance when assessing the liabilities on the insurance contracts issued was subject to the enhanced efforts during our audit that is why we considered this matter to be the significant audit matter.</p>	<p>Our auditing procedures performed, where necessary, with the participation of the actuary include, amongst others:</p> <ul style="list-style-type: none"> • Analysis of the processes and principles of the Company's accounting policy related to the assessment of liabilities on the insurance contracts issued as well as the assessment of the design and application of the related controls; • Assessment of the methodology, models and assumptions used by the Company when assessing the amount of reserves for the realized losses that yet to be claimed and the losses that were claimed but are yet to be paid based on their knowledge of the current industry practices and related regulatory requirements including those related to the financial reporting; • Assessment of adequacy of the significant assumptions used by the Company's management when assessing the realized losses that are yet to be claimed, specifically for the factors of the losses development, including assessment of their determination based on historical data as to the losses claimed and paid; • Critical analysis, on a test basis, of the amount of the losses that were claimed but are yet to be paid by testing the claims for the loss recoveries, notifications and other supporting documents, considering independent application of the respective methodology for recognizing reserves and their adequacy; • For the selected lines of business, independent recalculations of the amounts of reserves for the realized losses that are yet to be claimed and comparison of their results with the amounts recognized as at 31 December 2024; • Reconciliation of the source data for the losses used in actuarial forecasts with the accounting data and their comparison, on a

	<p>test basis, with respective insurance policies and supporting documents for the losses;</p> <ul style="list-style-type: none"> • Retrospective analysis of the Company's assessment of its reserves for the realized losses that are yet to be claimed and the losses claimed but yet to be paid by comparing the previous year assessment with the current year results; • Independent recalculation of the present value of the future cash flows and their adjustment for the non-financial risks as well as comparison of the results of this testing with the Company's results for the entire insurance portfolio as at 31 December 2024; • Sensitivity analysis of the liabilities on the insurance claims for the changes in the significant assumptions used by the Company; • Checking if the financial statement disclosures related to the liabilities on the insurance contracts issued comply with the qualitative and quantitative requirements of IFRS 17.
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OTHER INFORMATION

As prescribed by the law, the Company's management is responsible for presenting, along with the financial statements, other information such as the Annual Management Report and the Corporate Governance Report prepared in accordance with the Law of Ukraine *On Accounting and Financial Reporting in Ukraine* as well as the Annual Information of the Issuer.

Our opinion on the financial statements does not relate to such other information and we do not provide any form of conclusion on such other information except for, and to the extent, it is explicitly stated in this report.

In connection with our audit of the financial statements, our responsibility is to read such other information and, in doing so, consider whether this other information is materially consistent with the financial statements or our knowledge obtained during the audit, or whether this other information appears to be materially misstated.

If, based on our work performed on this other information obtained up to the date of our independent auditor's report, we conclude that there is a material misstatement of this other information, we are required to report on that fact. We did not identify any facts to include in our independent auditor's report.

OTHER MATTERS

The audit of the Company's financial statements for the year ended 31 December 2023 was performed by another auditor, namely RSM Ukraine Audit LLC, which expressed its qualified opinion on those financial statements in its report dated 12 August 2024.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS and the Law of Ukraine *On Accounting and Financial Reporting in Ukraine*, and for such internal control system as management determined is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with the ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, related safeguards.

Amongst all matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements, that were the key audit matters. We describe these matters in our independent auditor's report unless law or regulation prohibits public disclosure of the matter, or when, in extremely exceptional circumstances, we determine that the matter should not be addressed in our report because the adverse consequences of such disclosure would reasonably be expected to outweigh its usefulness in the public interest.

REPORT ON OTHER LEGAL REQUIREMENTS

According to the requirements of Part Four of Article 14 of the Law of Ukraine *On Audit of Financial Statements and Auditing Activities* and in accordance with *Requirements for information relating to the audit or review of financial statements of capital market participants and organized commodity markets supervised by the National Securities and Stock Market Commission* approved by the Decision #555 of the National Securities and Stock Market Commission dated 22 July 2021 we provide information required in addition to the requirements of ISAs.

Appointment of the auditor and total duration of the audit engagement

LLC «Lucas Audit» was appointed as the auditor in accordance with the decision of the General Meeting of Shareholders of the Company to perform a mandatory audit of the Company's financial statements for the year ended 31 December 2024. The total duration of our audit engagements for the Company's financial statements is one year.

Our audit of the Company's financial statements for the year ended 31 December 2024 was performed pursuant to the agreement # 202/OA/IFRS/01 on the provision of audit services dated 16 October 2024. Our audit was performed starting from 17 October 2024 through the date of this report.

Provision of non-audit services

We confirm that we did not provide any non-audit services prohibited by ISAs and/or the Law of Ukraine *On Audit of Financial Statements and Auditing Activities*. In addition, during the period covered by our audit, we did not provide any other services to the Company which are not disclosed in the Annual Management Report or in the financial statements.

Additional report to the Internal Audit Committee of the Supervisory Board of the Company

We confirm that this report is consistent with our additional report to the Internal Audit Committee of the Supervisory Board of the Company.

Representations as to the effectiveness of our audit as regards to detection of violations including those as a result of fraud

Having performed our audit we did not identify any facts or circumstances that might indicate the existence of violations and/or significant distortions of the Company's financial statements for the year ended 31 December 2024 as a result of fraud.

Information on the audit scope and inherent limitations

We conducted our audit to the scope prescribed by the ISA, the Law of Ukraine *On Audit of Financial Statements and Auditing Activities* and other legislative requirements.

Reporting under the requirements of the National Securities and Stock Market Commission

- The full name (as prescribed by the Civil Law of Ukraine) of the legal entity (for the member of the capital market and organized commodity market) is PRIVATE JOINT-STOCK INSURANCE COMPANY "BUSIN" (identification code 19492371).
- The Company is an enterprise of public interest according to the Law of Ukraine *On Accounting and Financial Reporting in Ukraine*.
- As at 31 December 2024, the Company was not a controller nor a participant in a non-banking financial group.
- As at 31 December 2024 the Company had no subsidiaries.
- As at 31 December 2024 the Company had no parent company.
- Information on the ownership structure and ultimate beneficial owners of the Company is disclosed in the notes to the financial statements.
- As at 31 December 2024, the authorized capital of the Company had been formed and paid in full, the amount of the authorized capital complies with the Company's charter documents and statutory requirements.
- As at 31 December 2024, the authorized capital of the Company amounted to UAH 122 000 thousand divided into 244 000 ordinary registered shares with a nominal value of UAH 500 per share.
- After the balance sheet date, there were no events which were not disclosed in the financial statements but might have a significant impact on the Company's financial position except for those disclosed in the financial statements.
- We are not aware of any other facts and/or circumstances that might have a significant impact on the Company's future activities except for those disclosed in the Company's financial statements.
- Based on our work performed as part of our audit of the financial statements, in our opinion, the Annual Management Report is consistent, in all material respects, with the financial statements and is free of material misstatement, except for the possible impact of the matters described in the *Basis for Qualified Opinion* section of this report on the financial statements and, accordingly, on the information included in the Annual Management Report.
- The Corporate Governance Report is prepared in accordance with the Law of Ukraine *On Capital Markets and Organized Commodity Markets*.
- The Company does not have its own Corporate Governance Code but uses the recommendations on the application of the corporate governance law set forth in the *Corporate Governance Code: Key Requirements and Recommendations* paper # 118 issued by the National Securities and Stock Market Commission on 12 March 2020.

KEY INFORMATION ON THE AUDIT FIRM

Full name of the audit firm	Limited liability company «Lucas Audit»
Legal entity identification number	19029087
Legal and actual address	1a, Sportyvna Square, Tower A, 17 th floor, Kyiv, Ukraine
Website	www.lucasua.com
Registrar's information	Registration for the mandatory audits of the financial statements in the State register of auditors and subjects of audit activities № 1000

The key audit partner responsible for the audit engagement and the results of our audit including the issuance of our audit report is Andrii Katchyk.

On behalf of LLC «Lucas Audit»

Andrii Katchyk
Director

Auditor's registration number in the State register of auditors and subjects of audit activities №101002

30 May 2025



"BUSIN" INS. CO.

STATEMENT ON THE MANAGEMENT'S RESPONSIBILITY FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

Management of PRIVATE JOINT-STOCK INSURANCE COMPANY "BUSIN" (the 'Company') is responsible for the preparation of the financial statements for the year ended 31 December 2024 in accordance with the International Financial Reporting Standards (the 'IFRS').

When preparing the financial statements in accordance with the IFRS management of the Company is responsible for:

- selection of the appropriate accounting principles and their consistent application;
- application of reasonable assessments and judgments;
- compliance with the IFRS or disclosure of all material deviations from the IFRS;
- preparation of the financial statements in accordance with the IFRS based on the assumption that the Company will continue as going concern unless such an assumption is not relevant;
- accounting for and disclosure of all the relations and transactions with the related parties in the financial statements;
- accounting for and disclosure of all the events after the balance sheet date that require adjustment or disclosure in the financial statements;
- disclosure of all the legal claims that have been occurred or may occur in connection with the lawsuits;
- disclosure of all the loans and guarantees on behalf of the Company's management in the financial statements.

Management of the Company is also responsible for:

- development, implementation and functioning of the effective and reliable internal control system;
- provision of accounting in strict compliance with the legislative requirements and the IFRS;
- protection of the Company's assets;
- detection and prevention of fraud.

These financial statements for the year ended 31 December 2024 were approved on behalf of the Company's management on 30 May 2025.

On behalf of the Company's management:

Chairman of the Board

Oleksandr Nepochatov

Chief Accountant

Sergiy Yefymenko

**FINANCIAL STATEMENTS
OF PRIVATE JOINT-STOCK COMPANY "BUSIN"
FOR THE YEAR 2024**

General Information on the Financial Statements

Name of the reporting entity: PRIVATE JOINT-STOCK INSURANCE COMPANY "BUSIN"

Legal entity identification code: 19492371

Website: <https://www.busin.com.ua/uk/>

Description of the nature of the financial statements. The financial statements of the Company were prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS"), as adopted by the International Accounting Standards Board ("IASB"), and the interpretations issued by the IFRS Interpretations Committee ("IFRIC"), based on accounting records and transformation adjustments.

Reporting period end date: December 31, 2024

Period covered by the financial statements: 2024

Description of the presentation currency: The currency of these statements is UAH.

Rounding level used in the financial statements: The statements are presented in thousands of UAH without rounding, unless otherwise specified.

Financial Statements Report
(in order of liquidity)

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2024	2023
Property, plant, and equipment, and intangible assets	3	8,237	9,264
Reinsurance contracts held as assets	7	9,929	5,860
Reinsurer's receivables	7	435	—
Other assets	4	9,995	36,628
Financial assets	5	9,006	7,636
Cash and cash equivalents	6	253,783	254,677
Total assets		291,385	314,065
LIABILITIES	Notes	2024	2023
Issued insurance contracts as liabilities	8	91,772	68,012
Reinsurance contracts held as liabilities	7	33,818	—
Vacation pay reserve		7,823	8,458
Current tax liabilities		114	8,586
Other liabilities	4	—	31,764
Total liabilities		133,477	116,820
EQUITY	Notes	2024	2023
Share capital	9	122,000	73,200
Unregistered contributions to share capital	9	—	48,800
Retained earnings		(27,291)	12,046
Revaluation reserve		(231)	(231)
Reserve capital	9	63,430	63,430
Total equity		157,908	197,245
Total liabilities and equity		291,385	314,065

Approved for release and signed

Chairman of the Board

Oleksandr Nepochatov

Chief Accountant

Sergiy Yefymenko

Date: 31.12.2024

STATEMENT OF COMPREHENSIVE INCOME

Item	Notes	2024	2023
Net insurance revenue	10	246,262	291,686
Insurance service expenses	10	(151,611)	(35,530)
Insurance service result		(2,244)	78,870
Interest income on financial instruments		462	152
Result from initial recognition of financial instruments		(1,703)	(1,603)
Revaluation and foreign currency operations result		24,250	10,295
Other expenses/income not allocated to insurance contracts	12	(28,557)	(20,110)
Impairment of financial instruments	5,6	(5,802)	(1,979)
Profit before tax		(13,594)	67,524
Income tax expense	13	(13,699)	(18,137)
Profit for the year		(27,293)	49,387
Other comprehensive income		(0)	(231)
Total comprehensive income for the year		(27,293)	49,156
Earnings per share (UAH)	14	0	202.41

Approved for release and signed

Chairman of the Board

Oleksandr Nepochatov

Chief Accountant

Sergiy Yefymenko

Date: 31.12.2024

STATEMENT OF CHANGES IN EQUITY

Equity	Share Capital	Retained Earnings	Reserve Capital	Revaluation Reserve	Total
Balance at 01.01.2023	73,200	25,050	63,430	–	161,680
Profit for the year	–	49,387	–	–	49,387
Dividends paid	–	(13,591)	–	–	(13,591)
Allocation to share capital	–	(48,800)	–	–	–
Balance at 31.12.2023	73,200	12,046	63,430	(231)	197,245
Profit for the year 2024	–	(27,293)	–	–	–
Dividends paid	–	12,044	–	–	–
Allocation to share capital	48,800	–	–	–	–
Balance at 31.12.2024	122,000	(27,291)	63,430	(231)	157,908

Approved for release and signed

Chairman of the Board

Oleksandr Nepochatov

Chief Accountant

Sergiy Yefymenko

Date: 31.12.2024

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	2024	2023
Premiums received	343,030	343,392
Compensation from reinsurers	21,065	533
Other receipts	143	288
Payments for insurance services	(304,050)	(232,550)
Payments for goods/services	(14,321)	(8,958)
Payments for wages	(17,365)	(11,690)
Social security contributions	(3,627)	(2,983)
Tax payments	(32,475)	(27,821)
Net cash from operating activities	(9,980)	57,096
Cash Flows from Investing Activities	2024	2023
Interest received	262	126
Net cash from investing activities	262	126
Cash Flows from Financing Activities	2024	2023
Dividends paid	(11,261)	(12,707)
Net cash from financing activities	(11,261)	(12,707)
Net cash flow for the period	20,979	44,515
Cash balance at start of year	258,277	203,751
Effect of exchange rate changes	25,678	10,011
Cash balance at end of year	262,976	258,277

Approved for release and signed

Chairman of the Board

Oleksandr Nepochatov

Chief Accountant

Sergiy Yefymenko

Date: 31.12.2024

Information about company

INSURANCE COMPANY "BUSIN" PRIVATE JOINT-STOCK COMPANY (hereinafter referred to as the Company) was established and registered on February 14, 1993, in the form of a joint-stock company in accordance with the legislation of Ukraine.

Legal address and actual location: 23, Preobrazhenska Street, Kyiv.

Activities of the Company. The Company is an enterprise of public interest.

The Company carries out professional activities in the insurance market, reinsurance in accordance with the Order of the State Commission for Regulation of Financial Markets to the ambassador of Ukraine No. 338-ПІС dated July 07, 2009 (registration number 11100794). The Company was issued a certificate of registration of a financial institution series CT No. 107 dated July 07, 2009.

In accordance with the Charter, the Company carries out insurance activities in the form of compulsory and voluntary insurance, other types of insurance, except for life insurance, on the basis of appropriate licenses issued by the National Commission for State Regulation in the field of financial services markets, namely: it has 10 perpetual licenses for various types of voluntary insurance and 4 licenses for various types of compulsory insurance.

During 2024, the Company concluded 484 insurance contracts vs 466 contracts in 2023. Including:

- there were 345 contracts with legal entities vs 329 contracts in 2023;
- there were 36 contracts with individuals vs 39 contracts in 2023.;
- there were 103 contracts with reinsurers vs 98 contracts in 2023.

As of December 31, 2024, there were 22 employees, as of December 31, 2023 - 21 employees.

Reinsurers of the Company. The Company has entered into reinsurance contracts to limit the potential net loss by partially transferring the risk to the reinsurer. Reinsurance of risks is carried out in accordance with the terms of reinsurance contracts, namely: transferred risks under reinsurance contracts, according to the Law of Ukraine "On Insurance" of March 07, 1996 No. 85/96-BP, do not release the Company from its direct obligations to policyholders. The conclusion of these contracts was carried out by the Company taking into account the requirements for ratings of financial reliability (stability) of insurers and non-resident reinsurers established by the Supervisory Authority at the appropriate time intervals. All the above-mentioned reinsurers have up-to-date ratings of financial reliability (stability) according to the classification of the international rating agency A.M. Best (USA) is not lower than "BBB+".

Ownership structure, ultimate beneficial owners, and ultimate key owners.

As of December 31, 2024 and December 31, 2023, the Company's participants were:

Participant	December 31, 2024	December 31, 2023
Larysa Mykhailivna Nepochatova	25.001%	25.001%
Oleksii Ivanovych Ovchinnikov	25.001%	25.001%
Oleksandr Yevhenovych Nepochatov	24.990%	24.990%
Denys Oleksiiovych Ovchynnykov	12.495%	12.495%
Ivan Oleksiiovych Ovchynnykov	12.495%	12.495%
Yevhenii Oleksandrovych Nepochatov	0.009%	0.009%
Nina Hurhenivna Khachbabian	0.009%	0.009%
Total	100.0%	100.0%

The Company's management, represented by Oleksandr Yevhenovych Nepochatov, owns the Company's shares in the amount of 24,990%.

The ultimate beneficial owners (controllers) of the Company are citizens of Ukraine: Larysa Mykhailivna Nepochatova, Oleksii Ivanovych Ovchynnykov and Oleksandr Yevheniovych Nepochatov. The table above shows their ownership shares in the Company's authorized capital.

Information about the ownership structure is published on the Company's website (<https://www.busin.com.ua/uk/emitenta-cinnikh-paperiv-pdf/>), on the official website of the National Bank of Ukraine (<https://bank.gov.ua>), entered in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Formations.

Subsidiaries. The Company has no subsidiaries.

Non-Bank Financial Group. The Company is not a member of a non-bank financial group.

Prudential indicators. Prudential indicators for insurance companies in Ukraine were established by the National Commission, which carried out state regulation in the field of financial services markets, and are currently controlled by the National Bank of Ukraine.

Company reporting. In accordance with the requirements of the current legislation of Ukraine, the Company prepares and submits to regulatory authorities the following reports, which are subject to disclosure on the Company's website (except for the Reporting of a participant in the non-banking financial services market):

The notes on pages 6-25 are an integral part of these financial statements

- Financial statements (hereinafter referred to as – the Financial Statements) prepared in accordance with the requirements of International Financial Reporting Standards (hereinafter referred to as – the IFRS) together with the auditor's report on these statements based on the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine";
- The issuer's annual report, which is prepared by the Company in accordance with the requirements of the Resolution of the National Securities and Stock Market Commission "Regulations on Disclosure of Information by Issuers of Securities, as well as Persons Providing Security for Such Securities" No. 608 dated June 06, 2023;
- Reporting of a participant in the non-banking financial services market, which must be prepared by the Company based on the requirements of the "Rules for the Preparation and Submission of Reporting by Participants in the Non-Banking Financial Services Market to the National Bank of Ukraine", approved by Resolution of the Board of the National Bank of Ukraine No. 123 dated November 25, 2021.

General Meeting of Shareholders. As of 31.12.2024, two extraordinary meetings of shareholders were held. The following issues were resolved:

Making changes to information about the Company in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Formations:

- exclusion of Iryna Morozova from the list of authorized persons of the Company;
- inclusion of Maksym Koniushenko in the list of authorized persons of the Company.

Selection of "LUKAS AUDIT" LLC, USREOU code 19029087, as the subject of audit activity (audit firm) for the audit (review) of the Company's financial statements prepared in accordance with the regulatory statements of the insurer compiled based on the results of its activities in 2024.

Supervisory Board of the Company. The composition of the Supervisory Board of the Company during 2024 was as follows:

- Chairman of the Supervisory Board - Larysa Mykhailivna Nepochatova;
- Member of the Supervisory Board - Ivan Oleksiiovych Ovchynnykov;
- Member of the Supervisory Board - Denys Oleksiiovych Ovchynnykov.

During 2024, the Supervisory Board held several meetings to address the issue of the Company's compliance with the norms of the Resolution of the Board of the National Bank of Ukraine No. 201 dated December 29, 2023 "On Approval of the Regulation on Establishing Requirements for Ensuring the Solvency and Investment Activities of the Insurer" due to the need to diversify funds in accounts in different banks. Based on the result, the report on the implementation of the business renewal plan/financing plan of IC "BUSIN" JSC was approved in accordance with Articles 117, 118 of the Law of Ukraine "On Insurance" as of 31.07.24, which was submitted to the National Bank of Ukraine.

As of December 31, 2024, the Company has created the position of a corporate secretary.

The Company's Management Board. The Management Board operated during 2024 as part of:

- Chairman of the Management Board - Oleksandr Yevheniiiovych Nepochatov;
- Member of the Management Board - executive director Maksym Volodymyrovych Koniushenko;
- Member of the Management Board – chief accountant Serhii Anatoliiovych Yefymenko.

During 2024, the meetings of the Company's Management Board were held in connection with the need to make collective decisions to bring the Company's activities in line with legal requirements and with the Company's operating activities. Members of the Company's Management Board also held meetings to coordinate joint actions within the Company's management to resolve current issues.

Main characteristics of internal control and risk management systems.

In accordance with the requirements of Ukrainian legislation, the company has implemented a system of internal control and risk management with three lines of defense: each of the Company's business units (first line of defense) owns and manages the risks inherent to the unit, based on the specifics of its activities, and is responsible for establishing and implementing controls to mitigate significant risks, as well as for assessing the effectiveness of such internal controls, and maintaining a culture of compliance.

The Chief Risk Manager, Chief Compliance Manager (second line of defense) set the standards by which business units must manage and control risks, including compliance with applicable laws, regulatory requirements, and policies and standards of ethical conduct. These key individuals of the Company shall identify, measure, monitor and control Risks, and are independent of business units. The Company's internal auditor (third defense line) shall independently review the activities of the first two lines of defense based on a risk-based audit plan.

The Company has developed and approved regulatory documents on internal control by the Supervisory Board, which are consistent with the overall development strategy and activities of the Company. In particular, the following regulatory documents on risk management:

- Risk management strategy
- Risk management policy,
- Declaration of risk propensity,
- Procedure for escalating violations of risk appetites and risk limits
- Principles of managing certain types of risks (operational risks, liquidity risks, asset and liability risks, credit risks, investment risks, underwriting risks, reinsurance risks, strategic and reputational risks)

Internal regulatory documents of the Company are brought to execution by responsible persons, control over its implementation is established, it is possible to review and update (update) it, taking into account changes in the legislation of Ukraine, which apply to the company, as well as taking into account other internal or external events and/or circumstances.

Key individuals (Chief Compliance Manager, Chief Risk Manager, Internal Auditor) shall regularly prepare quarterly and annual reports on their areas of activity. Risk reports, general risk assessment and related suggestions and/or comments shall be submitted to

the Supervisory Board, Committees, Management Board and other decision-making users for consideration and are taken into account when making management decisions. Risk reports are submitted at least once a quarter for generalized reports and at least once a year for detailed reports that include the results of assessment of risk profile, implementation of stress testing, description of measures used to measure (assess) risks, methods and tools used for risk management, etc. The risk management system is constantly monitored and reporting on their implementation/non-implementation is carried out.

Procedure for appointing and dismissing issuer's officials

Members of the issuer's Supervisory Board are elected and their powers are terminated by the General Meeting. No remuneration or compensation is paid upon dismissal, and duties are performed free of charge.

The Chairman and members of the Management Board are elected and their powers are terminated by the General Meeting, and approved by the regulator - the National Bank of Ukraine. Upon dismissal, salary is paid in proportion to the time worked up to the day of dismissal and monetary compensation for all unused vacation days.

The Chief Accountant is appointed and dismissed from his position by the Supervisory Board upon the proposal of the Chairman of the Board, and approved by the regulator – the National Bank of Ukraine. Upon dismissal, salary is paid in proportion to the time worked up to the day of dismissal and monetary compensation for all unused vacation days.

The Internal Auditor is appointed and dismissed by the Supervisory Board. Upon dismissal, salary is paid in proportion to the time worked up to the day of dismissal and monetary compensation for all unused vacation days.

Note 1 Accounting policy principles

Below is a description of the Company's accounting policies in relation to:

- significant transactions,
- those areas of accounting where IFRS gives the right to choose accounting policies and set accounting estimates.

All other accounting policy disclosures are not provided on the grounds of immateriality for disclosure in the financial statements and repetition of IFRS provisions.

Financial instruments

Recognition and termination of recognition of financial instruments. The Company shall recognize a financial asset or financial liability when, and only when, it becomes a party to the contractual provisions of the financial instrument. Transactions involving the purchase or sale of financial instruments are recognized using accounting based on the settlement date.

The Company shall classify financial assets based on both of the following factors:

- business entity models for managing financial assets;
- characteristics of contractual cash flows of a financial asset. A financial asset is measured at amortized cost if it is acquired to collect contractual cash flows and the contractual terms of the financial asset generate cash flows that are solely payments of principal and interest on the outstanding principal amount.

The Company shall recognize the following categories of financial assets:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income.

At the time of initial recognition of a financial asset or financial liability, the Company shall measure it at its fair value.

Termination of recognition. Financial assets. A financial asset (or, when part of a financial asset or part of a group of similar financial assets is applicable) shall be ceased to be recognised when:

- the assets are settled or the rights to receive cash flows from the assets otherwise become invalid or
- the Company transferred the rights to receive cash flows from financial assets or entered into a transfer agreement, and in doing so also transferred basically all the risks and benefits associated with ownership of the assets, or the company did not transfer or leave Basically all the risks and benefits of ownership, but ceased to exercise control. Control is considered retained if the counterparty does not have the practical ability to fully sell the asset to an unrelated party without introducing resale restrictions;
- an asset was written off from a reserve or debt was forgiven.

Upon termination of recognition of a financial asset in full, the difference between:

- carrying amount (measured at the date of termination of recognition) and
- compensation received (including any new asset received minus any new liability assumed) is recognized as profit or loss.

Termination of recognition. Financial obligations. A financial obligation shall cease to be recognized when it is fulfilled, annulled, or expires. When an existing financial liability is replaced by another from the same creditor on significantly different terms, or the terms of an existing liability are materially modified, such replacement or modification is considered to be a

derecognition of the original liability and the recognition of a new liability, and the difference in the corresponding carrying amount is recognized in the statement of comprehensive income, profit or loss.

Further valuation of financial assets measured at amortised cost.

After initial recognition, the Company shall evaluate financial assets at amortised value using the effective interest method. When applying discounted cash flow analysis, the Company uses a discount rate that is consistent with market interest rates for a financial instrument that has substantially similar terms and characteristics, including the credit quality of the instrument, the remaining term to maturity of the principal amount, and the currency in which payments will be made.

The Company shall measure, as at each reporting date, the provision for losses on a financial instrument in the amount equal to:

- 12-month expected credit losses if credit risk at the reporting date has not experienced a significant increase since initial recognition;
- expected credit losses for the entire term of a financial instrument, if the credit risk on such financial instrument has increased significantly since the initial recognition.

In the case of financial assets, credit loss is the present value of the difference between the contractual cash flows due to the Company under the contract; and the cash flows that the Company expects to receive in its favor. As of each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition.

To perform such an assessment, the Company compares the risk of default (non-fulfillment of obligations) on the financial instrument as of the reporting date with the risk of default on the financial instrument as of the date of initial recognition, and takes into account reasonably necessary and supportable information that is available without undue cost or effort and indicates a significant increase in credit risk since initial recognition.

The Company has the following model for calculating the loss from impairment of a financial asset in relation to bank deposits:

- The Company shall analyze the credit quality of bank deposits;
- Taking into account the recognized risk class for banks with which deposit accounts are opened, the Company calculates the components of credit losses (PD – probability of default of the debtor/counterparty, LGD – loss given default) taking into account the recommendations of the Regulation on determining the amount of credit risk by banks of Ukraine for active banking operations (Resolution of the National Bank of Ukraine No. 351 dated 30.06.2016).

Cash and cash equivalents. Cash consists of cash in the cash register and funds in current bank accounts. Cash equivalents mean short-term, highly liquid investments that are freely converted into known amounts of cash and have little risk of changes in value. A financial instrument means a cash equivalent only in the case of a short maturity of no more than three months from the date of purchase.

Financial assets accounted for at fair value, revalued through other comprehensive income

The Company has made an irrevocable decision to present further changes in the fair value of investments in equity instruments in other comprehensive income. These instruments include shares of other business entities acquired by the Company. The provision for losses on such financial assets is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

Curtailement of financial assets and liabilities. Financial assets and liabilities are offset if the Company has a legally enforceable right to offset the amounts recognized in the balance sheet and intends to either offset them or realize the asset and settle the liability simultaneously.

Fixed assets and intangible assets

Recognition and valuation of fixed assets. The Company recognizes a tangible object as a fixed asset if it is held for the purpose of using it in the course of its activities, providing services, or for performing administrative and socio-cultural functions, the expected useful life (operation) of which is more than one year and the cost of which is more than UAH 20,000.

Initially, the Company shall evaluate fixed assets at cost, taking into account the cost of bringing them into operation. In the future, fixed assets are measured at their cost minus any accumulated depreciation and any accumulated losses from impairment of utility.

The Company does not recognize in the book value of an item of property, plant and equipment the costs of daily maintenance, repair and maintenance of the item. These expenses are recognized as profit or loss when they are incurred. The carrying amount of an item of property, plant and equipment recognizes such subsequent expenses that meet the criteria for recognizing an asset.

Depreciation of fixed assets. Depreciation of the Company's fixed assets is calculated in a straight-line manner using the following annual rates:

- buildings -5%;
- machinery and equipment -20-50%;
- vehicles -20%;
- furniture -25%;
- others -20%.

Capital investments in leased premises are amortized over their useful life. Depreciation of an asset begins when it becomes usable. Depreciation of an asset is terminated on one of two dates that occurs earlier: on the date from which the asset is classified as held for sale, or on the date from which the recognition of the asset is terminated.

Intangible assets. Intangible assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. Amortization of intangible assets is carried out using the straight-line method using an annual rate according to Intangible assets that arise from contractual or other legal rights are amortized over the term of these rights.

Reduced utility of fixed assets and intangible assets. At each reporting date, the Company shall evaluate whether there is any indication that the utility of the asset may decrease. The Company shall reduce the carrying amount of an asset to the amount of its expected recovery if and only if the amount of the expected recovery of the asset is less than its carrying amount. Such a decrease is immediately recognized as profit or loss. The Company shall reverse an impairment loss recognized for an asset in prior periods if, and only if, the previous estimates used to determine the amount of expected recovery have changed. After an impairment loss is recognized, the depreciation of fixed assets is adjusted in future periods to allocate the revised carrying amount of the non-current asset on a systematic basis over its useful life.

Income tax. Income tax expense is the sum of current and deferred tax expenses. Current tax is defined as the amount of income taxes payable (reimbursed) in relation to taxable profit (loss) for the reporting period. The Company's current tax expenses are calculated using the tax rates applicable at the date of financial statements.

Insurance activities. The Company applies IFRS 17 "Insurance Contracts" to the contracts that it enters into with policyholders – legal entities and individuals.

An insurance contract means a contract under which one party (the issuer) accepts significant insurance risk from another party (the insurance policyholder), agreeing to pay the insurance policyholder compensation in the event of a certain event in the future, the occurrence of which is associated with uncertainty - an insured event that has an adverse effect on the insurance policyholder.

The Company has determined the scope of insurance contracts to which it will apply IFRS 17, namely:

- issued insurance contracts
- retained reinsurance contracts.

At the date of transition, the Company evaluated the entire insurance portfolio as insurance contracts, since it does not have any contracts that do not meet the requirements of IFRS 17.

Based on the results of an analysis of the Company's insurance contract portfolio, it was concluded that the company does not have insurance products with built-in components that can be separated from the insurance contract.

Accounting units. The accounting unit for the Company is a group of insurance contracts. A group of insurance contracts for the Company is a set of insurance contracts formed by dividing the Company's portfolio of insurance contracts.

The Company shall use three levels of grouping of insurance contracts:

- the first level of grouping is implemented through the allocation of portfolios of insurance contracts. The Company shall group contracts that are similar in terms of risks and approaches to managing them.
- the second level of grouping is implemented according to the burden criterion. Within each group allocated at the first level, the Company shall distribute it into the following subgroups:
 - profitable contracts (there is no significant probability of becoming burdensome);
 - burdensome contracts (high probability of becoming burdensome);
 - other contracts;
- the third level of grouping shall involve selecting cohorts by release date. The Company is guided by the year of issue of contracts and takes into account the historical fact that all insurance contracts are issued with a coverage period of up to 12 months (exception - civil liability insurance of citizens of Ukraine who own or otherwise legally possess weapons, which may be allocated to a separate cohort if the volume of such contracts exceeds 1% of all insurance premiums for the year).

The Company shall determine an insurance contract to be onerous at the date of initial recognition if it meets the definition of onerous – a contract for which the fulfillment cash flows allocated to the contract, any previously recognized acquisition cash flows, and any cash flows from the contract at the date of initial recognition collectively represent a net outflow of cash (a negative cash flow is expected from the contract). Facts and circumstances that may indicate the potential burdensome nature of the Company's contracts:

- high level of unprofitability (historical information);
- deliberate pricing strategy that leads to losses
- changes in the distribution of expenses;
- significant changes in the economic environment;
- significant changes in the legislative field.

The Company shall use information available from internal systems about past and current experience of burdensome behavior:

- information about claimed losses;
- pricing information;
- statistical data about the policyholder's history.

Initial evaluation of insurance contracts. The Company decided to simplify the evaluation of a group of insurance contracts by using a premium-based approach, since:

- it is reasonably expected that the simplification will provide an estimate of the remaining coverage liability for the group, which will not differ significantly from the estimate that would be obtained if the general method was applied;

- the coverage period for each aggregate group contract is one year or less. The exception is the service "Civil liability insurance of citizens of Ukraine who own or otherwise legally possess weapons", however, the share of such contracts is insignificant, and there is no experience of their unprofitability and variability of cash flows from execution.

The Company shall recognize a group of insurance contracts issued by it, starting from an earlier date such as:

- beginning of the coverage period for a group of contracts;
- dates when the first payment from the insurance policy holder in the group is due for payment.

The coverage period provides for the time period during which the Company shall provide insurance contract services and which includes insurance contract services related to all premiums under the insurance contract.

In the case of a group of burdensome contracts, recognition occurs from the date when the group becomes burdensome.

If the payment precedes the start of the coverage period, there is a contractual obligation based on the principle of received advances, which is not amortised before the start of the coverage period.

In case of initial recognition, the carrying amount of the liability (the liability for the balance of coverage) is equal to the premiums received at the initial recognition.

Further evaluation of issued insurance contracts. The carrying amount of a group of issued insurance contracts of the Company at the end of each reporting period is the sum of two components:

- liability for the remaining coverage;
- Insurance claims liabilities that contain performance cash flows related to past service are assigned to the group at the relevant date.

After initial assessment, the cost of the liability for the remaining coverage:

- increases by the amount of bonuses received during the period;
- reduces by the amount recognized as income from insurance for services provided in such a period.

In most cases, upon initial recognition, the Company expects that the time between the provision of each part of the services and the payment of the corresponding premium will not exceed one year, therefore there is no reason to adjust the carrying amount of the liability for the remaining coverage to reflect the time value of money.

Obligations under insurance claims include the following components:

- declared but unpaid losses, including unpaid insurance claims for known claims of policyholders;
- losses that have occurred but not been declared, which are formed using actuarial methods.

At the end of each reporting period, the Company shall assess the adequacy of recognized insurance liabilities in relation to reported but not paid losses and losses incurred but not reported, using current estimates of future cash flows under insurance contracts.

To verify the adequacy of insurance liabilities for claims, their value is compared with the forecast of future claims payments, including claims settlement costs. The calculation is carried out at the level of types of insurance.

In the event of an adjustment to the liability for insurance claims for non-financial risk as a result of an actuarial valuation, such adjustment is reflected as part of insurance service costs under issued insurance contracts.

In the event of an adjustment to the liability for insurance claims for the effect of discounting as a result of an actuarial valuation, such adjustment is reflected in financial income/expenses.

Reinsurance. The Company may act as an insurance policy holder in reinsurance operations.

In transactions where the Company acts as the insurance policyholder (outward reinsurance), reinsurance contracts are an asset for the Company, and upon entering into the relevant contract, the Company recognizes a net expense or net gain.

The Company shall distribute portfolios of retained reinsurance contracts using the same approaches as for issued insurance contracts. The second level of aggregation shall use the net profitability criterion at initial recognition, rather than the burdensome criterion.

The carrying amount of the Company's group of held reinsurance contracts as of the end of each reporting period is the sum of two components:

- asset for the remaining coverage;
- asset based on insurance claims.

After initial valuation, the value of the asset for the remaining coverage:

- increases by the amount of premiums paid during the period;
- reduces by the amount recognized as reinsurance costs.

In most cases, upon initial recognition, the Company shall expect that the time between the provision of each part of the services and the payment of the corresponding premium will not exceed one year, therefore there is no reason to adjust the carrying amount of the asset for the remaining coverage to reflect the time value of money. The Company shall also use a premium-based approach to account for retained reinsurance contracts. Reinsurance costs are recognized over time on a straight-line basis.

The asset on the balance of coverage at the reporting date shall include:

- incoming asset for the remaining coverage;
- bonuses paid by the Company during the period;
- recognition of reinsurance expenses (deductible);
- terminated contracts (deducted).

The amount payable by reinsurers is calculated at the time the Company calculates the insurance indemnity for which the reinsurer has obligations to the Company based on the relevant contracts.

Modification of insurance contracts. Subject to an agreement between the Company and the other party, the original terms of the insurance contract may be changed. In this case, the Company:

- shall terminate recognition of the old contract and recognize the new one if at least one of the conditions is met:
 - upon initial recognition, the existence of modified conditions would call into question compliance with the scope of IFRS 17;
 - at initial recognition, the existence of modified conditions would entail the separation of components from the main contract;
 - at initial recognition, the existence of modified conditions would lead to different values of the contract boundaries;
 - at initial recognition, the existence of modified conditions would have affected the selection of a different group of insurance contracts;
 - during the modification, compliance with the definition of a direct participation contract has changed;
 - the modification makes it impossible to further apply the premium distribution method;
- in other cases, it continues to recognize the original insurance contract, but with changes in cash flows of execution.

Accounts receivable and payable for insurance activities. The amounts of receivables and payables of policyholders are not disclosed separately for presentation in the financial statements, but are presented as part of issued insurance contracts, which are liabilities.

The Company may offset accounts receivable for insurance premiums and accounts payable for reinsurance obligations. A prerequisite for such offsetting is the assignment of the right to claim the Company's accounts payable under the contract. The Company's reinsurance obligations are transferred to the Company's debtor in the agreed amounts and on the terms that existed at the time of the transfer of these rights. The Company's debtor shall repay the Company's reinsurance debt, but the Company accounts for this amount in the form of a reduction in accounts receivable for this debtor.

Employee benefits. The Company shall recognize short-term employee benefits as an expense and as a liability after deducting any amount already paid. The Company shall recognize the expected cost of short-term employee benefits for absence as a provision for vacations - when employees provide services that increase their rights to future vacation payments.

Income and expenses. Income and expenses are recognized on an accrual basis.

Income means an increase in economic benefits during the accounting period in the form of receipts or increases in the usefulness of assets or in the form of decreases in liabilities, resulting in an increase in net assets, excluding increases related to contributions from participants. Revenue is recognized in the income statement provided that the definition and recognition criteria are met. Revenue recognition occurs simultaneously with the recognition of an increase in assets or a decrease in liabilities.

Revenue from the provision of services is recognized when incurred, regardless of the date of receipt of funds, and is determined based on the degree of completion of the service provision transaction at the balance sheet date.

Expenses are decreases in economic benefits during the accounting period in the form of disposals or depreciation of assets or in the form of incurrence of liabilities, resulting in a decrease in net assets, except for decreases related to payments to participants. Expenses are recognized in the income statement when they meet the definition and at the same time as the increase in liabilities or decrease in assets is recognized. Expenses are recognized immediately in the income statement when the expenses do not provide future economic benefits or when and to the extent that future economic benefits do not or no longer qualify for recognition as an asset in the statement of financial position. Expenses are recognized in the income statement also in cases where a liability arises without the recognition of an asset. Expenses incurred in connection with the receipt of income are recognized in the same period as the related income.

Operations with foreign currency. Transactions in foreign currency are recorded in hryvnias at the official exchange rate of the National Bank of Ukraine on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into Hryvnia at the corresponding exchange rates of the National Bank of Ukraine as of the balance sheet date. Non-monetary items measured at historical cost in a foreign currency are recorded at the exchange rate at the date of the transaction, non-monetary items measured at fair value in a foreign currency are recorded at the exchange rate at the date of fair value determination. Exchange differences that arise during recalculation for monetary items are recognized as profit or loss in the period in which they arise.

The Company used official exchange rates as of the financial reporting date:

	December 31, 2024	December 31, 2023
UAH/1 USD	42.0390	37.9824
UAH/ 1 EUR	43.9266	42.2079

New and revised IFRS standards and past error correction

The Company adopted amendments to IAS 1 "Presentation of financial statements" and provisions on the practice of IFRS 2 "Making substantive judgments". Although the amendments did not lead to changes in the accounting policies themselves, they did affect the accounting policy information disclosed in the financial statements.

The amendments require disclosure of essential aspects of accounting policies. The Company reviewed the disclosure of accounting policies and updated the information disclosed in Note 2 "Basic Accounting Policies" (2022: "Basic accounting policies") in accordance with the amendments.

In 2023, the Company implemented the first application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The Company has applied IFRS 17 in a modified retrospective manner, except where this is not possible. The purpose of applying a modified retrospective approach is to achieve a result that is as close to that of a retrospective application as possible, using reasonably necessary and supportable information that is available without undue cost or effort.

Revised amendments to IAS 1 "Presentation of financial statements" "Classification of liabilities as current and non-current".

Amendments to IAS 1 "Presentation of Financial Statements" – "Non-current liabilities with special conditions"

Amendments to IAS 16 "Lease" – "Lease liability in sales and return leases"

Amendments to IAS 7 "Cash flow statement and IAS 7 "Financial Instruments: disclosure - supplier financing agreements".

Other new and revised standards, including those published but not effective, will not have a significant impact on the Company's financial statements.

Significant accounting judgments and estimates. When preparing financial statements in accordance with the IFRS, the Company's management is required to make estimates and assumptions that affect the amounts reflected in the financial statements. Management shall make its own assessments and make professional judgments on an ongoing basis. Such estimates and judgments of management are based on information available to management as of the date of preparation of the financial statements. Accordingly, the actual results may differ from such estimates and assumptions. In addition to judgments that provide for accounting estimates, the Company's Management shall also use professional judgments when applying accounting policies. The professional judgments that have the most significant effect on the amounts reported in the financial statements and estimates that could result in significant adjustments to the carrying amounts of assets and liabilities within the next financial year include:

Continuity of activity. As of the date of approval of these financial statements, the full-scale aggression of the Russian Federation against Ukraine, which began on February 24, 2022, and martial law in Ukraine continue. Based on the forecast calculations of the company's activities, the management staff came to the conclusion that there were sufficient grounds for preparing these reports on the basis of the principle of continuous operation. However, having analyzed the existing internal, economic and military factors, and taking into account their possible impact, the Company's management concluded that there is a material uncertainty that may cast significant doubt on the Company's ability to continue its operations on a going concern basis, as a result of which it may be difficult or impossible to realize its assets and repay its liabilities in the ordinary course of business.

Tax legislation The Company retrospectively applied the requirements of IFRS 17 "Insurance Contracts" with the recognition of insurance obligations. The Company's transition to the new IFRS does not entail differences for adjusting the financial result before tax.

Note 2 Fixed assets and intangible assets

	Buildings	Vehicles	Other fixed assets	Intangible assets	TOTAL
Carrying amount as of December 31, 2022	8,994	907	532	-	10,433
initial cost	10,334	5,409	1,473	179	17,395
depreciation	(1 341)	(4 502)	(941)	(179)	(6 963)
Receipts	-	-	104	-	104
Disposal	-	-	-	-	-
Depreciation	(517)	(547)	(208)	-	(1 272)
Carrying amount as of December 31, 2023	8,477	360	427	-	9,264
initial cost	10,334	5,409	1,577	179	17,499
depreciation	(1 858)	(5 049)	(1 149)	(179)	(8 235)
Receipts	-	-	0	-	-
Disposal	-	-	-	-	-
Depreciation	(129)	(136)	(52)	-	(317)
Book value on December 31, 2024	7,960	0	277	-	8,237
initial cost	10,334	5,409	1,989	179	17,911
depreciation	(2 374)	(5 409)	(1 712)	(179)	(9 674)

Note 3 Other assets and liabilities

	2024	2023
Accounts receivable for the purchase of assets and prepayment for services	220	1,930
Overdue accounts receivable	0	1,231
Other accounts receivable	5020	601
Banking metals	4,526	584
Inventory of material assets	229	215
Reduced utility	(1231)	(1 231)
Accounts receivable of the policyholder who is in a state of bankruptcy	-	33,298
Carrying amount of other assets	9,995	36,628

Accounts payable for reinsurance of a policyholder who is in a state of bankruptcy	-	31,764
Carrying amount of other liabilities	-	31,764

Note 4 Financial assets

	2024	2023
<i>Amortized carrying amount</i>	9,006	7,636
Deposits in banks	8,407	7,596
Repayable interest-free employee loan	1,174	497
Provision for reduced utility	(575)	(457)
<i>At fair value, revalued through other comprehensive income</i>	-	-
Investments in corporate shares		231
Revaluation		(231)
Total carrying amount of other financial assets	9,006	7,636

As of December 31, 2024 and December 31, 2023, the Company pledged a bank deposit in the amount of 5,000 thousand UAH and 5,000 thousand UAH, respectively, until the full fulfillment of obligations under the agreement on cooperation in the organization and implementation of insurance in the field of nuclear energy use.

Analysis of changes in the provision for reduced utility of financial assets

	Repayable interest-free employee loan	Deposits in banks	TOTAL
Balance as of January 01, 2023	1	439	440
Additional information	1	16	17
Balance as of December 31, 2023	2	455	457
Additional information	68	50	118
Balance as of December 31, 2024	70	505	575

Note 5 Cash and cash equivalents

	2024	2023
Current bank accounts	107,571	197,504
Deposits in banks	155,545	60,822
Provision for reduced utility	(9 333)	(3 649)
Carrying (amortized) amount	253,783	254,677

The following are cash and cash equivalents for the purpose of preparing a cash flow statement

	2024	2023
Cash and cash equivalents	253,783	254,677
Reduction by the amount of accrued income and discounts	(140)	(49)
Increase by the amount of reserves for reduced utility	9,333	3,649
Total cash and cash equivalents for generating a cash flow statement	262,976	258,277

In 2023, the volume of non-monetary transactions related to offsetting debts amounted to UAH 2,610.

In 2024, the volume of non-monetary transactions related to offsetting debts amounted to UAH 6,827.

Analysis of changes in the reserve for a decrease in the utility of cash and cash equivalents

	TOTAL
Balance as of January 01, 2023	1,687
Additional information	1,962
Balance as of December 31, 2023	3,649
Additional information	5,684
Balance as of December 31, 2024	9,333

Note 6 Withheld reinsurance contracts

Carrying amount of liabilities under reinsurance contracts as of December 31, 2024

Business lines	Liability for the remaining coverage
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	Contractual cash flows	Accounts payable under reinsurance contracts	Claims obligations	Total liabilities (assets) under reinsurance contracts
Air and baggage insurance	48,427	(54 352)	24,796	18,871
Air carrier liability insurance	61,953	(73 035)		(11 082)
Liability (except for liability insurance of the operator of a nuclear installation and liability insurance of the subject of the customs procedure)	2,021	(1183)	-	838
Property other than insurance of agricultural products	34	-	-	34
Nuclear plant operator liability insurance	0	-	-	0
Car CASCO	90	(87)	-	3
Health (other than health insurance)	46	(83)	1,302	1,265
Total under insurance contracts	112,571	(128 740)	26,098	9,929

Carrying amount of liabilities under reinsurance contracts as of December 31, 2023

Business lines	Liability for the remaining coverage		Claims obligations	Total liabilities (assets) under reinsurance contracts
	Contractual cash flows	Accounts payable under reinsurance contracts		
Aircraft and related liability insurance	80,656	(90 236)	24,950	15,370
Cargo and baggage insurance	6,787	(6 761)	(13 250)	(13 224)
Liability (except for liability insurance of the operator of a nuclear installation and liability insurance of the subject of the customs procedure)	3,996	(1 685)	-	2,311
Property other than insurance of agricultural products	459	(9)	-	450
Nuclear plant operator liability insurance	262	-	-	262
CASCO	190	(177)	-	14
Health (other than health insurance)	76	-	600	676
Total under insurance contracts	92,426	(98 866)	12,300	5,860

Changes in liabilities for remaining coverage under reinsurance contracts held

	2024	2023
Obligations under retained reinsurance contracts at the beginning of the period	92,426	104,877
<i>Reinsurance costs</i>	(296 154)	(206 402)
Distribution of reinsurance premiums paid	(251 690)	(227 695)
Modification of reinsurance contracts	44,464	21,293
<i>Change in liabilities for the remaining coverage as a result of changes in the terms of contracts</i>	(44 464)	(21 293)
<i>Cash flows under reinsurance contracts</i>	(271 835)	215,242
Bonuses paid	271,835	215,242
Obligations under retained reinsurance contracts at the end of the period	112,571	92,426

Changes in obligations under insurance claims under withheld reinsurance contracts

	2024	2023
Obligations under insurance contracts at the beginning of the period	12,300	12,300
<i>Reinsurance income</i>	21,502	533
Compensation for losses incurred	21,502	533
<i>Adjustment of assets for losses incurred</i>	13,798	-
<i>Cash flows under reinsurance contracts</i>	21,067	(533)
Insurance indemnity received	21,067	(533)
Reinsurer's debt	435	
Obligations under insurance contracts at the end of the period	26,098	12,300

Note 7 Issued insurance contracts

Carrying amount of liabilities under insurance contracts as of December 31, 2024

Business lines	Liability for the remaining coverage		Claims obligations	Total liabilities under insurance contracts
	Contractual cash flows	Accounts receivable under insurance contracts		
Air and baggage insurance	(128 500)	119,969	46,324	54,855
Air carrier liability insurance	(118 990)	112,149	18,430	25,271

Liability (except for liability insurance of the operator of a nuclear installation and liability insurance of the subject of the customs procedure)	(3 349)	1,333	1,648	3,664
Property other than insurance of agricultural products	(74)	-	2,095	2,169
CASCO	(251)	176	2,933	152
Health (other than health insurance)	(1 815)	894	77	2,677
Nuclear plant operator liability insurance	(1)	-	1,756	2,934
Total under insurance contracts	(252 980)	234,521	73,263	91,722

Carrying amount of liabilities under insurance contracts as of December 31, 2023

Business lines	Liability for the remaining coverage		Claims obligations	Total liabilities under insurance contracts
	Contractual cash flows	Accounts receivable under insurance contracts		
Aircraft and related liability insurance	(163 691)	139,539	(36 735)	(60 887)
Cargo and baggage insurance	(11 159)	13,509	(1 613)	737
Liability (except for liability insurance of the operator of a nuclear installation and liability insurance of the subject of the customs procedure)	(5 325)	1,887	-	(3 438)
Property other than insurance of agricultural products	(3 477)	28	-	(3 449)
Health (other than health insurance)	(692)	449	(103)	(346)
CASCO	(281)	165	(103)	(219)
Nuclear plant operator liability insurance	(410)	-	-	(410)
Total under insurance contracts	(185 035)	155,577	(38 554)	(68 012)

Changes in liabilities for the balance of coverage under issued insurance contracts

	2024	2023
Obligations under issued insurance contracts at the beginning of the period	(185 035)	(206 052)
<i>Insurance income</i>	<i>336,479</i>	<i>327,216</i>
depreciation of insurance premiums under contracts that existed at the beginning of the period	181,154	206,052
depreciation of insurance premiums under new contracts	155,325	141,307
modification of insurance contracts	(61 394)	(20 143)
<i>Change in liabilities for the remaining coverage as a result of changes in the terms of contracts</i>	<i>61,394</i>	<i>20,143</i>
<i>Cash flows under insurance contracts</i>	<i>343,030</i>	<i>(326 343)</i>
Premiums under issued insurance contracts of the current period	(170 993)	(326 343)
Obligations under issued insurance contracts at the end of the period	(252 980)	(185 035)

Changes in obligations under insurance claims under issued insurance contracts

	2024	2023
Obligations under insurance contracts at the beginning of the period	(38 554)	(35 169)
<i>Insurance costs</i>	<i>(32 304)</i>	<i>(1 317)</i>
Insurance payments	(32 304)	(1 317)
Regression	-	-
<i>Adjustment of liabilities for losses incurred</i>	<i>34,709</i>	<i>(3 385)</i>
<i>Cash flows under insurance contracts</i>	<i>32,304</i>	<i>1,317</i>
Insurance payments	32,304	1,317
Regression	-	-
Obligations under insurance contracts at the end of the period	(73 263)	(38 554)

Note 8 Capital

	Number of shares	Authorized capital
Balance as of December 31, 2022	244,000	73,200
Balance as of December 31, 2023	244,000	73,200
Balance as of December 31, 2024	244,000	122,000

Authorized capital. As of December 31, 2024, the authorized capital of the company, according to the Constituent documents, amounted to UAH 122,000 and was divided into 244,000 ordinary registered shares with a par value of UAH 500,00 each. Shares have an undocumented form of existence. The authorized capital is paid in full. The Company's shares are open-ended. Each simple registered share is granted the same set of rights to its owner – shareholder. The Company did not issue preferred shares. There are no restrictions on ownership of shares at the end of the reporting period. The procedure for issuing shares and reducing the authorized capital is provided exclusively for by its Charter.

The decision to increase the size of the authorized capital. On March 31, 2023, the shareholders decided to increase the authorized capital to 122,000 thousand UAH by increasing the par value of the shares. The nominal value of each share as of 31.03.2024 is UAH 500. The form of existence of shares is undocumented. Certificate of registration of the issue of shares No.59/1/2024 dated 18.12.2024.

Reserve capital. The Company has the right to form a reserve capital in the amount of at least 15 percent of the authorized capital. As of the reporting date, the reserve capital was formed in the amount of UAH 63,400.

Dividends. Dividends were paid in accordance with the minutes of the general meeting of shareholders No. 04-24 dated 12.09.2024

Note 9 Income and expenses under issued insurance contracts

	2024	2023
Insurance income		
Insurance premiums recognized in profit for services rendered	336,479	347,359
Contract modification	(61 394)	(20 143)
Total insurance income	397,873	327,216
Expenses for insurance services		
Adjustment of obligations for incurred losses associated with UPR (unearned premium reserve)	(67 945)	(12 962)
Payments to insurance personnel	(11 674)	(8 839)
Aquization costs	(3 827)	(7 611)
Adjustment of liabilities for losses incurred (loss provision)	34,709	(3 385)
Other expenses related to insurance contracts	(1 152)	(1 416)
Claims paid	(32 304)	(1 317)
Regressions obtained	-	-
Total expenses for insurance services	(151 611)	(35 530)
Net income under issued insurance contracts	246,262	291,686

Note 10 Net withheld reinsurance costs

	2024	2023
Expenses from the distribution of premiums paid to reinsurers, including:	(296 154)	(206 402)
<i>Distribution of reinsurance premiums paid</i>	(251 690)	(227 695)
<i>Contract modification</i>	(44 464)	21,293
Expenses for remuneration of reinsurance brokers	(6 970)	(6 275)
Reinsurance contract costs	(827)	(672)
Income received from reinsurers	21,502	533
Adjustment of assets for losses incurred by RBNS	20,145	-
Adjustment of assets for claims losses incurred	13,798	-
Net withheld reinsurance costs	(248 506)	(212 816)

Note 11 Other expenses and income not attributed to insurance contracts

	2024	2023
Staff payments that are not related to insurance contracts	(16 008)	(10 021)
Property and employee insurance	(3 318)	(2 815)
Expenses for professional services	(3 317)	(1 988)
Depreciation costs	(1 135)	(1 272)
Maintenance of fixed assets	(202)	(609)
Travel expenses	(474)	(607)
Membership fees	(774)	(442)
Banking services	(706)	(416)
Communication	(116)	(123)
Rent of premises	(154)	(115)
Marketing and advertising expenses	(59)	(59)
Representation expenses	(15)	(8)
Other losses	(2 420)	(1 635)
Other ordinary business expenses	(2)	-
Other income	143	-
Total other expenses	(28 700)	(20 110)

Note 12 Income tax expenses

Income tax expenses	2024	2023
Current income tax	13,699	18,137
Income tax expenses	13,699	18,137

Main components of income tax expenses for the reporting period:

	2024	2023
Profit before tax at the rate of 18%	0	67,524
Theoretical tax deductions at the corresponding tax rate 18%	0	10,635
The amount of income payments to non-residents (reinsurance premium and refund).		
Reinsurer without "A" rating. (12% tax)	21949	
Income tax for non-residents at the rate of 12%	2634	
Insurance indemnity (4% taxation)	5025	
Income tax for non-residents at the rate of 4%	201	
Income under insurance and coinsurance contracts that is taxed at the rate of 3%	362,145	250,056
Income tax under insurance contracts at the rate of 3%	10,864	7,502
Income tax expenses	13,699	18,137

Note 13 Earnings per common share

	2024	2023
Profit/ loss per year	-31,048	49,387
Average annual number of common shares outstanding (PCs.)	244,000	244,000
Earnings per common share (UAH)	0	202.41

Note 14 Nature and level of risks associated with insurance activities and financial instruments

The main strategic goal of risk management is to ensure that the Company is protected from the adverse effects of environmental factors, as well as optimize the internal environment. Risk management is to ensure the safe operation of an insurance organization. One of the internal risk management measures applied by the Company is the creation of insurance and reserve funds. Also, one of the methods of diversifying risks associated with insurance contracts is to cover reserves formed in currencies with assets corresponding to these currencies. One of the external risk management measures (those carried out with the involvement of other specialized insurance market entities or business partners of the Insurer) applied by the Company is reinsurance. Reinsurance achieves risk diversification, which contributes to the balance of the Insurer's and Reinsurer's portfolios.

In compliance with the requirements of the Law "On Insurance", the Company shall reinsure risks under concluded and current insurance contracts with reinsurers, the financial reliability (stability) rating meets the requirements of the legislation.

No outstanding losses were registered at the end of the reporting period. As of the reporting date, the Company has no insurance contracts acquired as a result of a business combination or portfolio transfer. In the course of normal operations, the Company shall transfer risks to reinsurance. The Company's policy provides for reinsurance of all significant risks. The amount of the limit depends on the type of insurance product. Contracts that the Company concludes with reinsurers, under which it has the right to compensation for losses under one or more contracts issued by the Company and that meet the requirements for the classification of insurance contracts, are classified as reinsurance contracts.

The Company manages all significant types of insurance risk, including the following as of December 31, 2024.

Underwriting risks (Insurer's technical risks) mean the risks associated with concluding insurance contracts:

- premium and reserve risk mean the risk caused by fluctuations in the frequency, average size, and distribution of losses in the event of insured events.
- catastrophic risk means a risk caused by inaccurate forecasts of the occurrence of emergencies and estimates of their consequences.

Managing risks arising from asset and liability management. The Company's management recognizes that the Company's activities are associated with risks and the value of net assets in an unstable market environment may change significantly due to the influence of subjective factors and objective factors, the probability and direction of the impact of which cannot be accurately predicted in advance. These risks include credit risk, market risk, and liquidity risk. Market risk includes currency risk, interest rate risk, and other price risk. Risk management by the Company's Management is carried out on the basis of understanding the causes of risk, quantifying its possible impact on the net asset value and applying tools to mitigate it.

Risk areas for 2024

	Cost at risk	Provision for reduced utility	Book value
Assets			
Retained reinsurance contracts that are assets	9,929	-	9,929
Financial assets	9,581	(575)	9,006
Cash and cash equivalents	263,116	(9 333)	253,783
TOTAL	282,626	(9 908)	272,718
Obligations			
Issued insurance contracts that are obligations	91,722	-	91,722
Retained reinsurance contracts that are liabilities	-	-	-
TOTAL	91,722	-	91,722

Risk areas for 2023

	Cost at risk	Provision for reduced utility	Book value
Assets			
Retained reinsurance contracts that are assets	5,860	-	5,860
Financial assets	8,324	(688)	7,636
Cash and cash equivalents	258,326	(3 649)	254,677
TOTAL	272,510	(4 337)	268,173
Obligations			
Issued insurance contracts that are obligations	68,012	-	68,012
Retained reinsurance contracts that are liabilities	-	-	-
TOTAL	68,012	-	68,012

Credit risk means the risk that one party to the financial instrument contract will not be able to fulfill its obligations and this will cause financial damage to the other party. Credit risk is inherent in such financial instruments as current and deposit accounts with banks, and accounts receivable.

Assets that are overdue or whose utility has decreased

	2024	2023
Non-overdue and non-valued assets	282,626	272,510
Total assets at risk	282,626	272,510

Assets at risk by domestic credit ratings

Assets	2024	2023
Current accounts with investment-rated banks	107,571	197,504
Bank deposits in banks with an investment rating	163,952	68,418
Other assets without rating	11,103	6,588
Total	282,626	272,510

Liquidity risk. Liquidity risk means the risk that the Company will have difficulties in fulfilling obligations related to financial obligations that are settled by delivering cash or another financial asset.

Disclosure of an analysis of assets held to manage liquidity risk by maturity

	2024	2023
Total assets including	282,626	272,510
Cash and cash equivalents and other financial assets		
No more than one year		
<i>No more than three months</i>		197,504
No more than one month	107,571	239,335
More than one month and no more than three months	165,474	26,588
<i>More than three months and no more than one year</i>	9,581	727
More than three months and no more than one year	9,581	727

Analysis of risk liabilities by maturity

2024	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	Total
Issued insurance contracts that are obligations	900	39,725	51,097	91,722
Retained reinsurance contracts related to liabilities	-	-	-	-
Total	900	39,725	51,097	91,722
2023	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	Total
Issued insurance contracts that are obligations	184	6,060	61,768	68,012
Retained reinsurance contracts related to liabilities	-	-	-	-
Total	184	6,060	61,768	68,012

Market risk means the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk covers three types of risk: currency risk and interest rate risk.

Interest rate risk means the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's Management is aware that interest rates may vary and this will affect both the Company's income and the fair value of net assets.

Net interest position

	At risk %	Interest-free	TOTAL
Assets at risk	272,697	9,929	282,626
Liability at risk	-	(91 722)	(91 722)
Interest rate position as of December 31, 2024	272,697	(81 793)	190,904
Assets at risk	266,650	5,860	272,510
Liability at risk	-	(68 012)	(68 012)
Interest rate position as of December 31, 2023	266,650	(62 152)	204,498

Sensitivity to interest rate risk

	2024		2023	
	1%	(1%)	1%	(1%)
Net impact on profit or loss and equity	2,727	(2 727)	2,667	(2 667)

Interest rate monitoring

Assets	2024	2023
Current accounts		
Hryvnia	0 – 3.5%	4.5%
US dollars	0.01%	0.01%
Deposits with payment terms up to 100 days		
US dollars	0.1% - 0.4%	0.5%

Currency risk. The Company has currency risk in connection with transactions with foreign counterparties. The currency that causes this risk is mainly the US dollar. The legislation of Ukraine restricts the Company's ability to hedge currency risk, so the Company does not hedge its currency risk. However, management personnel take into account currency risk when choosing the currency of settlements with reinsurers and suppliers of goods and services.

To reduce this risk, the Company shall enter into reinsurance contracts in liability currencies under insurance contracts and constantly monitors the compliance of foreign currency assets and liabilities.

Currency risk analysis

	Hryvnia	US dollars	Euro	TOTAL
Assets at risk	15,490	202,631	64,505	282,626
Liability at risk	(46 435)	(44 492)	(795)	(91 722)
Currency position as of December 31, 2024	(30 945)	158,139	63,710	190,904
Assets at risk	1,641	213,387	57,482	272,510
Liability at risk	(5 008)	(55 271)	(7 733)	(68 012)
Currency position as of December 31, 2023	(3 367)	158,116	49,749	204,498

Changes in the financial result and equity as a result of possible changes in exchange rates set at the reporting date, provided that all other variable characteristics remain fixed

	2024		2023	
	15%	(15%)	15%	(15%)
US dollars	23,720	(23 720)	23,717	(23 717)
Euro	9,556	(9 556)	7,462	(7 462)

Note 15 Capital requirements

The Company's capital management policy, as part of its activities, is aimed at maintaining a sufficient level of capital provided for by the requirements of the Law of Ukraine "On Insurance" and all regulatory requirements of the National Bank of Ukraine. The Company shall manage its capital to achieve the following goals:

- maintain the Company's ability to continue its activities in such a way that it continues to provide income for the Company's participants and payments to other interested parties;
- ensure proper profit for the Company's participants by setting prices for the Company's services that correspond to the risk level.

The Company's management reviews the capital structure on an annual basis. At the same time, management shall analyze the cost of capital and its inherent risks. Based on the conclusions obtained, the Company regulates capital by raising additional capital or financing, as well as paying dividends and repaying existing loans

The main source of capital used by the Company is the authorized capital. Capital requirements are generally regularly projected and evaluated prior to forecasts for available capital and expected internal rate of return, including risk analysis and sensitivity analysis.

Note 16 Fair value

Analysis of assets and liabilities at fair value disclosed by its measurement levels for 2024

	Fair value for different valuation models			Total fair value	Total book value
	Level I	Level II	Level III		
Assets measured at fair value					
Investments in corporate shares	-	-	-	-	-
Assets with disclosed fair value					
Fixed assets and intangible assets	-	-	8,237	8,237	8,237
Retained reinsurance contracts that are assets	-	-	9,929	9,929	9,929
Investments recorded using the equity method	-	-	-	-	-
Other assets	-	9,995	-	9,995	9,995
Financial assets	7,903	1,104	-	9006	9006
Cash and cash equivalents	253,783	-	-	253,783	253,783
Liabilities with disclosed fair value					
Issued insurance contracts that are obligations	-	91,722	-	91,722	91,722
Retained reinsurance contracts related to liabilities	-	-	33,818	33,818	33,818

Analysis of assets and liabilities at fair value disclosed by its measurement levels for 2024

	Fair value for different valuation models			Total fair value	Total book value
	Level I	Level II	Level III		
Assets measured at fair value					
Investments in corporate shares	-	-	0	0	0
Assets with disclosed fair value					
Fixed assets and intangible assets	-	-	9,264	9,264	9,264
Retained reinsurance contracts that are assets	-	-	5,860	5,860	5,860
Investments recorded using the equity method	-	-	6	6	6
Other assets	-	36,628	-	36,628	36,628
Financial assets	7,141	495	-	7,636	7,636
Cash and cash equivalents	254,677	-	-	254,677	254,677
Liabilities with disclosed fair value					
Issued insurance contracts that are obligations	-	-	68,012	68,012	68,012
Retained reinsurance contracts related to liabilities	-	-	31,764	31,764	31,764

Note 17 Transactions with related parties

Parties are considered related if one party directly or indirectly exercises control over the other or has significant influence over the other party's financial and operating decisions. For the purposes of presenting information in these financial statements, key management personnel are those responsible for directing, planning and controlling the activities of the Company, in particular, the Chairman of the Board and members of the Board.

Balances on transactions with related parties for 2024

<i>Assets and liabilities</i>	Members of the Company	Leading management staff	Other related persons
Other financial assets	-	990	-
Investments recorded using the equity method	-	-	-

Balances on transactions with related parties for 2023

<i>Assets and liabilities</i>	Members of the Company	Leading management staff	Other related persons
Other financial assets	-	532	-
Investments recorded using the equity method	-	-	-

Income and expenses from transactions with related parties for 2024

<i>Income and expenses</i>	Members of the Company	Leading management staff	Other related persons
Insurance income	-	23	-
Reimbursement under insurance contracts	-	(0)	-
Staff payments	(1795)	(2007)	-

Other losses	(740)	(2212)	-
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Income and expenses from transactions with related parties for 2023

<i>Income and expenses</i>	Members of the Company	Leading management staff	Other related persons
Insurance income	-	53	-
Reimbursement under insurance contracts	-	(46)	-
Staff payments	(2 477)	(8 261)	-
Other losses	(697)	(3 085)	-
<i>Payments to the Supervisory Board</i>		30.09.2024	2023
Salary		1,795	2,477
Dividends		-	5,096
TOTAL		1,795	7,573

During 2023, the dividends were paid to leading management personnel and other participants of the Company in the amount of UAH 8,495. During 2022, dividend payments amounted to UAH 6,677.

Note 18 Events after the reporting period

Regulatory changes. After the reporting date, starting from January 1, 2024, a number of regulatory documents came into force that will have a significant impact on the activities of insurance organizations in general and on the Company directly, the main one being the updated Law of Ukraine “On Insurance” No. 1909-IX dated November 18, 2021.

The Supervisory Authority also adopted other special acts on the regulation of the insurance market, in particular on the following issues:

- characteristics and classification features of insurance classes, features of carrying out insurance activities and concluding contracts by insurance classes;
- establishing requirements for ensuring the solvency and investment activities of the insurer;
- procedure for forming regulatory reserves by insurers;
- the procedure for accounting by the insurer for contracts related to the implementation of insurance activities and requirements for the protection of the insurer's information;
- requirements for the insurer's management system;
- authorizations of persons who have the right to carry out actuarial activities in the field of insurance, and persons who can perform the duties of a responsible actuary;
- voluntary withdrawal from the insurer's market and transfer of the insurance portfolio by the insurer;
- registration of insurance and reinsurance brokers and conditions for conducting intermediary activities in the insurance sector;
- insurance secrets;
- procedure and conditions for concluding a contract of liability insurance of an audit entity to third parties;
- preparation and submission of reports by non-bank financial services market participants to the National Bank of Ukraine.

Cost of resources.

Since March 15, 2024, the National Bank of Ukraine has reduced the discount rate from 15% to 14.5%, and since April 26, the rate has been reduced to 13.5%, and since June 14, the rate has been reduced to 13%.

On March 8, 2024, the rating agency “Standard & Poor's” lowered Ukraine's long-term foreign currency rating from “CCS” to “CC” and affirmed the short-term foreign currency rating at “C”, the national currency rating at “CCS+/C”.

On February 28, the Council of the European Union approved the launch of the Ukraine Facility with a total amount of 50 billion euros for 2024-2027, which will be a factor in supporting Ukraine's sovereign debt.

Changes in corporate governance.

According to the minutes of the Extraordinary General Meeting of January 12, 2024, Ms. L.M. Nepochatova was re-elected as the Chairperson of the Supervisory Board, and Mr. D.O. Ovchynnykov and I.O. Ovchynnykov were elected the members of the Supervisory Board.