

# EUROPÆISKE REJSEFORSIKRING A/S ANNUAL REPORT 2024



## COMPANY NAME

### EUROPÆISKE REJSEFORSIKRING A/S

Frederiksberg Allé 3

DK 1790 Copenhagen V

Tel.: +45 33 25 25 25

Registered in: Copenhagen

Company Reg. No. CVR 62 94 05 14

## BOARD OF DIRECTORS:

Heiko Stüber (Chairman)

Anja Berner

Canses Abi Vuruskan

\*Peter Fobian

\*Sebastian Ambæk Laursen

\*Elected by the staff

## AUDIT COMMITTEE:

Heiko Stüber (Chairman), Anja Berner,

Canses Abi Vuruskan

## BOARD OF MANAGEMENT:

Ronald Helmut Kraule (Chief Executive Officer)

Peter Steen Olsen (Chief Financial Officer)

Rune Fleron Qvant (Chief Information Officer)

Marika Guralnik (Chief Underwriting Officer)

## AUDIT:

EY Godkendt Revisionspartnerselskab

Company Reg. No. CVR: 30 70 02 28

Thomas Hjortkjær Petersen

State Authorised Public Accountant

# CONTENTS

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- 3 Management review
- 19 Independent Auditors' report

## Annual Report:

- 23 Profit and loss account
- 23 Statement of comprehensive income
- 24 Balance sheet as of 31 December
- 26 Equity specification
- 28 Notes

# Management review

## One ERV company in the Nordics

Since 2015 Europæiske Rejseforsikring A/S in Denmark and ERV Försäkringsaktiebolag (publ) Sweden have had one cross-company organizational structure. In 2017 we aligned the legal structure of the two companies and thereby cemented the position as one Nordic insurance company – ERV Nordic.

In legal terms, Europæiske Rejseforsikring A/S in Denmark was the continuing entity whereas ERV Försäkringsaktiebolag (publ) continued as a branch of Europæiske Rejseforsikring A/S by the legal name of Europeiska ERV Filial. Both the Danish and Swedish entities have locally continued with their brand names and logos; Europæiske ERV and Europeiska ERV.

In this annual report, we will use the term ERV Nordic when referring to both Europæiske ERV and Europeiska ERV. When only referring to Europæiske ERV we will use ERV Denmark and similarly with Europeiska ERV we will use the term ERV Sweden.

## Strengthening of the organization and investments for future Nordic strategy affected a negative financial result in 2024

ERV Nordic delivered a negative financial

result of DKK -16.5m in 2024. Slightly lowered premium income compared to 2023 and increased operating costs affected by strengthening of the organization and investments for future Nordic strategy led to a negative underwriting result. Further, investment results, although positive based on realized and unrealized gains on our investment portfolio, were lower than in 2023.

Our diversified Nordic market, sales channel and product approach with healthy contribution margins partially reduced the negative impact of increased operating costs and thereby enabled the company to maintain a solid financial position.



# “We provide to our customers and partners an outstanding experience as the leading digital general insurer in the Nordics”

## Our mission

“We provide to our customers and partners an outstanding experience as the leading digital general insurer in the Nordics”

Our mission is to ensure that travelers and people with special, mostly free time related insurance needs always will be adequately insured by us.

## Our vision

Our vision is to deliver a simple and positive experience for our customers when it matters. This vision is also reflected in our five values, which are:

- **Collaboration**
- **Transparency**
- **Customer Centricity**
- **Simplicity**
- **Trustworthiness**

## Part of a strong Group

ERV Nordic is a subsidiary 100% owned by ERGO International AG, which in turn is part of ERGO Group AG and Munich RE Group - the international reinsurance leader. Our financial system, investment portfolio management and some data reporting are outsourced to companies within the group. Furthermore, a part of the claims handling abroad is outsourced to Euro-Center Holding (ECH) that is mainly owned by our group.

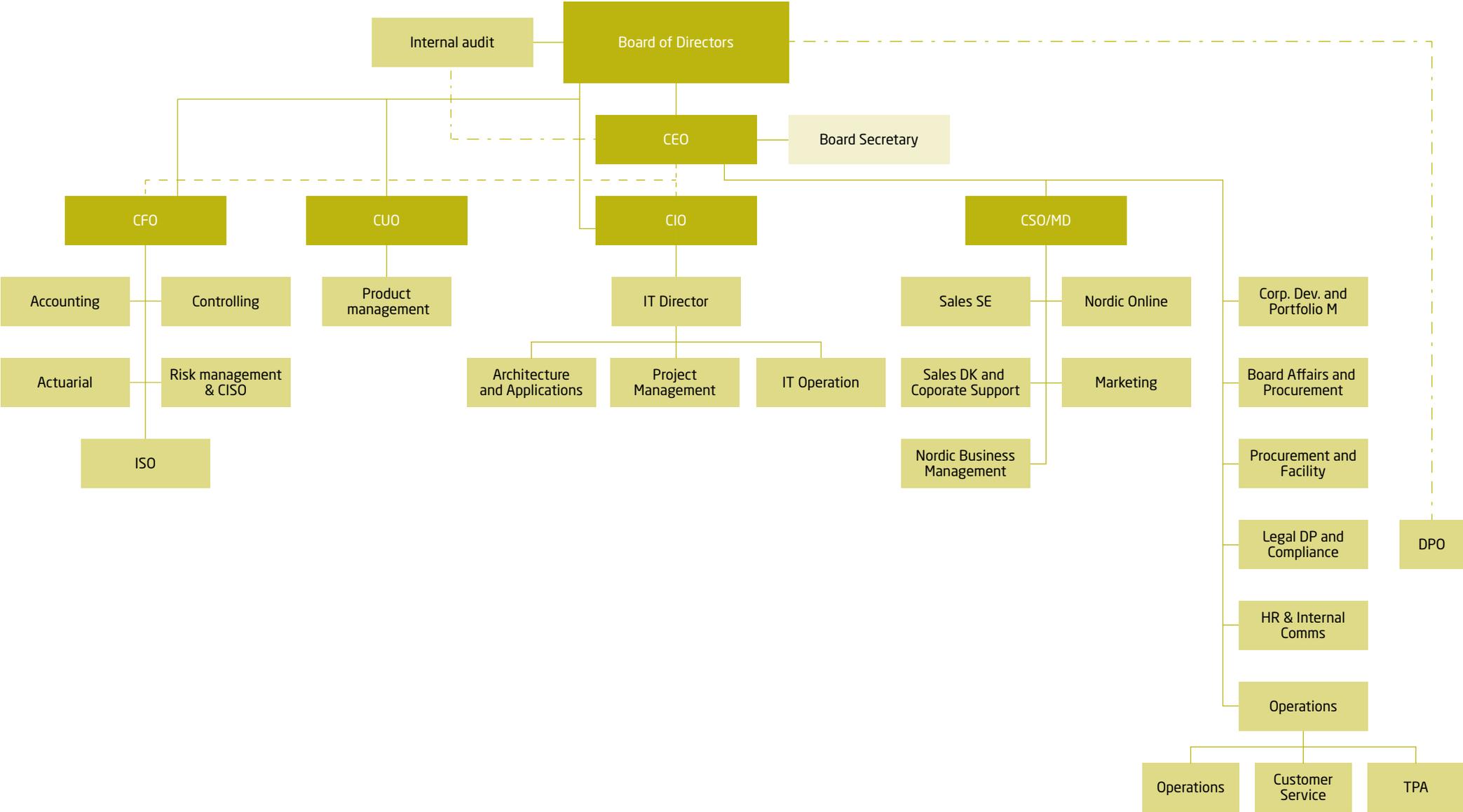
ERV Nordic is member of the International Travel Insurance Alliance (ITIA) uniting specialized companies from all around Europe with ambition to expand outside Europe as well. Via this association, we can closely co-operate with many travel insurers on an international level and deliver international solutions to our partners.



<sup>1</sup> The legal name of Munich RE Group is Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft

# Organizational chart

ERV Nordic has the below shown organizational structure:





## Our core business

ERV Nordic's primary business areas are providing travel insurance to private customers in the leisure market including BtC, BtBtC; as well as in the corporate market together with health insurance for employees stationed abroad. Our direct business is focused on the markets in Sweden and Denmark. Through insurance professionals and distribution partners, we are also active in Norway and Finland.

ERV Sweden offer travel insurance through Card schemes as well as more affinity group centred business especially in the areas of jewellery and watches as well as insuring bike leasing.

Most travel insurance policies are sold either as trip-by-trip insurance or as annual travel insurance in connection with ERV Nordic's customers' holiday trips, business trips or expatriation. Main distribution channels for all travel insurance policies and health insurance policies are either direct business or brokers in the relevant markets.

ERV Denmark also has a portfolio of international healthcare insurance that is in run off.

## Strong reputation, digitalization and customer focus

ERV Nordic has a strong business-to-business and end-consumer reputation. As a well-established specialty insurance company, ERV Nordic focus on providing coverage customized to the policyholders needs, rather than offering products with the lowest premium. In addition, it has been a major priority in recent

years to invest in our digital platform where we interact with potential new customers (Sales) as well as existing customers (Policy Administration, Corporate Support and Claims) in state-of-the-art technical applications. Obviously, also, our distribution partners' sales approach has changed and we adjusted to that. Our broker relations mainly build on large international insurance brokers, strong domestic broker networks, or local travel agencies, both individual and organized in groups.

## The Nordic insurance market

In 2024, the Nordic insurance market continued to benefit from the steady demand for travel insurance, driven by the region's unique geography and the population's strong inclination to travel abroad for leisure and business. The small geographical size and northern location of Denmark and Sweden ensure stable market potential, as these factors encourage citizens to explore destinations beyond their borders.

The leisure segment remains dominated by larger insurance companies that offer travel insurance as part of bundled family insurance packages. Meanwhile, Denmark's public healthcare system, which transitioned in 2014 from offering partial travel health coverage within Europe (yellow card) to offering none (blue card), continues to sustain a robust market potential. However, changes at the local or EU level in public healthcare policies could create new growth opportunities while also intensifying competition by attracting new market players.

Although the travel sector faced unprecedented challenges due to COVID-19, 2024 marked a significant milestone in recovery. By the close of the year, international air travel volumes at Denmark's main airport were at 94% of pre-pandemic levels, up from 88% in 2023, while Swedavia airports in Sweden reported a similar trend, reaching 91%. These numbers highlight the resilience of the travel market, though full recovery to 2019 levels may now realistically occur by 2025.

In the business travel segment, competition continues to come from large insurers offering bundled solutions, including liability and property insurance. While business travel was significantly impacted during the pandemic, 2024 saw a strong rebound, with corporate travel nearing pre-pandemic levels, driven by a renewed emphasis on in-person collaboration and networking opportunities.

### **Business Travel Trends**

2024 has been a pivotal year for business travel, characterized by continued recovery and innovation. Business travel volumes now stand just 10% below the 2019 benchmark, demonstrating a strong upward trajectory. While the adaptation to virtual meetings for short trips persists, international and strategic business travel has gained momentum, reflecting the indispensable value of face-to-face interactions in fostering collaboration and building relationships.

The global economic climate, alongside uncertainties such as geopolitical tensions and inflation, poses challenges to the pace

of recovery. However, these headwinds have also encouraged companies to prioritize resilience and adopt innovative solutions, ensuring sustained growth in the business travel ecosystem. Looking ahead to 2025, we anticipate the continued recovery of corporate travel, potentially surpassing pre-pandemic levels as businesses align their travel strategies with evolving market demands.

For insurers, this offers opportunities to emphasize comprehensive risk management solutions, addressing the needs of companies and their employees while fostering confidence and peace of mind.

### **Leisure Trends**

The leisure travel market in 2024 has demonstrated remarkable resilience and adaptability, despite ongoing global challenges such as inflation, climate concerns, and geopolitical tensions. Travelers have continued to prioritize experiences, with demand for leisure travel remaining strong.

While the early part of the year saw localized travel gaining popularity due to rising costs, international travel volumes surged in the latter half of the year as airlines adopted competitive pricing strategies to attract long-haul travelers. Sustainability remains a key focus, with a growing number of travelers opting for eco-friendly accommodations and carbon-neutral travel options. This shift reflects a broader, more permanent change in consumer preferences, emphasizing environmental responsibility and meaningful experiences.





Technological advancements have further enhanced the travel experience in 2024, from seamless booking platforms to personalized itineraries enabled by AI. These innovations are shaping the future of travel, making it more efficient, sustainable, and rewarding for consumers of all ages.

As we look toward 2025, the leisure travel market is expected to continue evolving, with sustainability and technological integration at the forefront of industry transformation.

### **Trends for Travel insurance market**

The travel insurance market in 2024 has evolved alongside the shifting priorities of travellers. Comprehensive coverage, including protections against trip cancellations, health emergencies, and climate-related disruptions, has become the standard expectation. COVID-19-related coverage remains an integral part of travel insurance offerings, as consumers place greater value on risk mitigation.

The Nordic travel insurance market remains highly competitive. ERV Nordic maintains a leading position in Sweden and Denmark, leveraging its expertise in providing tailored solutions. In Sweden, the long-standing inclusion of basic travel insurance in home insurance policies (covering up to 45 days) has solidified the role of supplementary coverage, allowing ERV to focus on offering enhanced products. Denmark follows a similar trend, with P&C insurers increasingly incorporating extended travel coverage as an add-on option.

Looking forward, sustainability will play a key role in shaping the travel insurance industry. Products that align with eco-friendly travel preferences, as well as digital innovation to streamline customer experiences, will be crucial in maintaining a competitive edge. As we enter 2025, ERV remains committed to meeting the evolving needs of travelers, ensuring peace of mind and robust protection in an ever-changing world.

### **Claims handling**

ERV Nordic's Assistance Network handles emergency assistance cases that occur in all parts of the world from small cases such as outpatient cases to bigger and more complex cases involving air transport. Many cases are complex medical cases, which are handled in close cooperation with our Group's specialized assistance company ECH. The Euro-Center Assistance office handles all ERV Nordic's assistance service and with service offices on six continents ERV Nordic's customers have one of the world's largest medical networks of experienced professionals and Nordic speaking staff available.

As part of ERV Nordic's strong digital focus, we offer our customers a smooth and convenient online claims handling process. The digital journey is constantly under development with new tools and simplified steps to secure a smooth, fast and convenient customer experience.

### **ERV Nordic Strategy**

In order to be a niche leader ERV Nordic continuously needs to improve operational setup and grow faster than market average.

That is why ERV Nordic invest in automation and process enhancement as well as new business opportunities. In this sense, we have continued our strategic initiatives in the following four focus areas:

- Sustainability
- New Business
- Efficiency & insights
- Digitalization & IT Landscape

### Sustainability

We will strive to maintain our current business, customer base and revenues through sustainable business principles. Our direct impact on the environment is limited, since our business model is not energy- or resource-intensive. In the areas where we can have a tangible and beneficial influence, we strive to keep carbon emissions and energy and resource consumption as low as possible. Together with Munich Re and ERGO Group we share common targets and initiatives regarding “Ambition 2025” climate targets. Here we aim to move our operational business processes across the ERGO Group to net-zero emissions by 2030.

### New Business

We will develop new products and offerings within and outside our niche through advanced customer analytics and efficient development processes. This is to be done in close collaboration with customers in order to reflect their needs and demands.

### Efficiency & insights

We will increase our capability to be compliant towards stakeholders, and at the same time

be efficient and customer focused. This will be achieved by using digital systems and tools aligned with clear responsibilities and objectives.

### Digitalization & IT Landscape

A basis for all initiatives above. IT and digitalization have to move from IT department to be the centre of everything we do. Digitalization is not just systems, but also requires a new way of working for all functions within ERV Nordic.

### ERV Nordic’s financial result

In 2024, ERV Nordic realised a negative result after tax of DKK -16.5m, compared to a positive result of DKK 4.3m last year. The result was affected by slightly lowered premium income compared to 2023 and increased operating costs affected by strengthening of the organization and investments for future Nordic strategy. Further, investment results, although positive based on realized and unrealized gains on our investment portfolio, were lower than in 2023.

Gross written premium amounts to DKK 320.0m compared to DKK 327.2m in 2023, a decrease of DKK 7.3m. The decrease is due to the negative impact of losing a couple of larger partners in the Swedish market. On the other hand, we have seen increased sales in Denmark mainly through direct and indirect Corporate Travel Insurance sales.

Gross claims incurred amount to DKK 145.6m against DKK 157.5m in 2023, a decrease of DKK 11.8m. The lowered sales provide a decrease in claims incurred, however our





Danish international healthcare segment was in 2024 burdened by increased major claim costs. The gross claims ratio decreased to 44.7%, which is 2.2 percentage-points lower than in 2023.

The result of reinsurance recoveries and change of reinsurer's share of claim provisions shows an income for ERV Nordic of DKK 0.6m in 2024 against a cost of DKK 1.2m in 2023. The cost last year comes from release of reserves for major reinsured COVID 19 claims we received during 2020.

The claims costs net of reinsurance amount to DKK 145.0m against DKK 158.7m in 2023 which is a decrease of DKK 13.7m. The claims ratio net of reinsurance is 45.7% against 47.8% in 2023.

Net operating expenses for 2024 amounted to DKK 206.7m against DKK 185.2m in 2023, an increase of DKK 21.6m.

Acquisition costs amount to DKK 120.3m against DKK 113.3m in 2023, an increase of DKK 7.0m. The increase is mainly due to strengthening of the sales organization and investments for future Nordic strategy.

The administrative expenses amount to DKK 86.7m against DKK 72.1m in 2023, an increase of DKK 14.6m. We have during 2024 strengthened and restructured our operational organization and invested for future Nordic strategy.

Commissions and profit commissions from reinsurance amount to an income of DKK

0.3m which is same level as last year. The reinsurance contracts with commission has almost the same volume in 2024 as in 2023 so therefore this income has been stable.

The total result of business ceded shows a cost for ERV Nordic of DKK 4.2m in 2024 against a cost of 7.3m in 2023. This year's cost is impacted by reinsurer's share of change in claim provisions due to release of COVID 19 claim reserves from 2020.

The above-described development in sales, claims and operating expenses results in a negative underwriting result of DKK 30.3m, which is a worsening compared to the negative result of DKK 5.6m in 2023. The cost ratio including acquisition costs amount to 64.5% against 55.2% in 2023. Total combined ratio net of reinsurance (total costs measured in relation to earned premiums) is 110,5% against 104,2% in 2023.

The total result of investment activities before transfer of technical interest amounts to a profit of DKK 14.0m against a profit of DKK 19.0m in 2023. This year's lowered profit is mainly due to less unrealized bond gains compared to last year.

The result from associated companies is generated by 20% shareholding in the small assistance entity EAH that in 2023 via write down gave a slight negative result impact.

Income from investment properties amounts to DKK 5.5m against DKK 5.7m in 2023. The lowered result is due to increased real estate tax in 2024 compared to the previous year.

Interest income etc. for the year amounts to DKK 3.2m compared to DKK 3.8m in 2023. As in 2023, our investment portfolio mainly consists of low-risk Danish and Swedish government bonds. The lowered portfolio leads to lowered result.

ERV Nordic is relatively sensitive to the development of the prices of bonds and exchange rates. The company has had a net income in connection with realised and unrealised gains & losses of bonds, bond-based unit trusts and exchange rates of a total of DKK 6.2m against a net income of DKK 10.3m in 2023.

Interest expenses amount to DKK 0.2m in 2024 compared to DKK 0.0m in 2023.

Administrative expenses related to investments amounts to DKK 0.8m compared to DKK 0.7m in 2023. These expenses are primarily triggered by the services delivered by Munich Re (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft) that is our appointed investment asset manager.

Interest on insurance provisions shows a negative impact of DKK 4.5m in 2024 compared to a cost of DKK 6.2m in 2023. The development is due to the decreased interest rates.

Other income amounts to DKK 7.2m in 2024 compared to DKK 6.6m in 2023 and other expenses amounts to DKK 5.0m in 2024 compared DKK 5.9m in 2023. Other income and expenses mainly stem from

administration agreements where we deliver our renowned claims handling and assistance services to customers that prefer to self-cover their insurance risks.

Due to our negative ERV Nordic result in 2024, we will have a tax income of DKK 2.1m compared to a tax cost in 2023 of DKK 3.6m.

Receivables from policyholders' amount to DKK 6.4m against DKK 4.2m in 2023, whereas receivables from insurance brokers amount to DKK 8.0m against DKK 7.8m in 2023.

At 31 December 2024, the company's total capital and reserves amount to DKK 263.6m and total assets amount to DKK 495.7 m.

### **Uncertainty in respect of recognition and measurement**

The statement of the accounted value of certain assets and liabilities is conditioned by applying accounting estimates. The estimates made are based on assumptions which the management finds justifiable but uncertain. The statement of the insurance provisions and domicile are in particular connected to estimates.

### **Events after 31 December 2024**

No events have occurred subsequent to the balance sheet date, which would have a material influence on the financial position of the company.





## The result of the year compared to earlier statements

The company expected earlier the following for 2024:

“ERV Nordic expect to see Corporate and Leisure sales increases related to Online sales and cooperation with business partners on both the Danish and the Swedish market. On the other hand, we do not expect similar positive impact by claim reserve release in 2024 as in 2023. Further, our investment portfolio, consisting mainly of Danish and Swedish government bonds, is expected to show a profitable performance in 2024.

In total, this means that the expectations for the 2024 result is at the same level as for 2023.”

Slightly lowered premium income compared to 2023 and increased operating costs affected by strengthening of the organization and investments for future Nordic strategy led to a negative underwriting result. Further, investment results, although positive based on realized and unrealized gains on our investment portfolio, were lower than in 2023. In total it meant that we did not live up to the previous expectations.

## Outlook for 2025

Our owners ERGO International AG has decided to implement a branch structure between ERV Nordic and our Norwegian sister company ERGO Forsikring AS, Company Reg. no: 980 126 196. The plan is to establish ERGO Forsikring AS as a branch of ERV Nordic during 2025. We expect the branching

of our Norwegian sister company to have a positive effect on our result.

We assume our ERV Nordic business to deliver similar results in 2025 as in 2024, and in total, this means that we expect a better and profitable result in 2025.



**The Board of Management of ERV Nordic has the following management positions:**

**Ronald Helmut Kraule, Chief Executive Officer:**

- Member of the Board of Directors, ERGO Forsikring AS, Lysaker, Norway

**Peter Steen Olsen, Chief Financial Officer:**

- Deputy Managing Director Europeiska ERV Filial, Stockholm, Sweden
- Member of Advisory Board, Meta Learn ApS, Eskildstrup, Denmark

**Rune Fleron Qvant, Chief Information Officer**

- No other managing positions

**Marika Guralnik, Chief Underwriting Officer**

- President, Estonian Actuarial Society, Tallinn, Estonia

**The Board of Directors of ERV Nordic has the following management positions:**

**Heiko Stüber, Chairman of the Board and member of the Audit Committee:**

- Member of the Board of Directors, ERGO Insurance Company Single Member S.A., Athens, Greece
- Member of the Supervisory Board, ERGO Technology & Services SA, Gdańsk, Poland
- Member of the Supervisory Board, ERGO Pensionskasse AG, Düsseldorf, Germany
- Member of the Board of Directors, ERGO Sechzehnte Beteiligungs AG, München, Germany
- Member of the Board of Directors, DKV Deutsche Krankenversicherung AG, Köln, Germany
- Chairman of the Supervisory Board, ERGO Technology & Services Management AG, Düsseldorf, Germany

- Chairman of the Board of Directors, ERGO Hestia STUnZ S.A., Sopot, Poland
- Chairman of the Board of Directors, ERGO Hestia S.A., Sopot, Poland
- Member of the Supervisory Board, ERGO Pensionsfonds AG, Düsseldorf, Germany
- Member of the Supervisory Board, ERGO Digital Ventures AG, Düsseldorf, Germany
- Member of the Supervisory Board, Victoria Lebensversicherung AG, Düsseldorf, Germany
- Member of the Supervisory Board, ERGO Lebensversicherung AG, Düsseldorf, Germany

**Anja Berner, Board Member and Member of the audit committee:**

- Chairwoman of the Supervisory Board, ERGO Krankenversicherung AG, Nuremberg, Germany
- Chairwoman of the Board of Directors, ERGO Reiseversicherung AG, München, Germany
- Chairwoman of the Board of Directors, ERGO Forsikring AS, Lysaker, Norway
- Member of the Supervisory Board, ERV Evropska pojistovna A.S., Prague, Czech Republic
- Chairwoman of the Supervisory Board, Nexible Versicherung AG, Düsseldorf, Germany

**Canses Abi Vuruskan, Board Member and Member of the Audit Committee:**

- Vice-Chairwoman of the Board of Directors, ERGO Danismanlik AS, Istanbul, Turkiye
- Member of the Board of Directors, DAS S.A. Belge d'Assurances de Protection Juridique, Bruxelles, Belgium

**Peter Fobian, Board Member:**

- No other managing positions

**Sebastian Ambæk Laursen, Board Member:**

- No other managing positions

## Pay Policy

In accordance with the executive order on pay policy and disclosure requirements on pay roll in financial companies and financial holding companies, ERV Nordic has prepared a pay policy which can be found at this link: <https://www.europaeiske.dk/privat/om-europaeiske/virksomheden/>  
Please also see note 7.



## Audit Committee

The Board of Directors of ERV Nordic has established an Audit Committee. The Committee consists of three members of the Board of Directors.

The tasks of the Committee are set out in the "Audit Committee Charter" based on the Act on Approved Auditors and Audit Firms no. 1219 of 31 August 2022. The tasks of the Committee includes monitoring and control of the financial reporting process, the company's internal control system, risk management systems as well as the effectiveness of the internal audit function. Furthermore, the Committee monitors the statutory audit of the Annual Report and the independence of the auditors.

When performing its tasks, the Audit Committee ensures that due regard is given to matters important to the company. The work of the Audit Committee is based on supervision of historical events and does therefore not include future events, expectations or forecasts.

The Audit Committee held four meetings during 2024. These meetings were spread out during the year and among other held in connection with the yearly reporting to the Company's Board of Directors and the Danish Financial Supervisory Authority.

## Risk Management

Risk management is an integral part of our corporate management and is based on the risk strategy and risk appetite decided by the Board of Directors. ERV Nordic is

exposed to various types of risks in the daily business and is committed to turning risk into value. Our means of risk management assists in achieving this goal and includes all strategies, methods and processes to identify, analyse, assess, control, monitor and report, both short- and long-term risks ERV Nordic face or may face in the future.

The Board of Directors has the ultimate responsibility for deciding on ERV Nordic's risk strategy, including the risk appetite. It is reviewed at least on a yearly basis and is considered in all strategic initiatives. Our aim of the risk strategy is to limit the impact of all risks in order to maintain a normal operation. ERV Nordic manages risks on a continuous basis to ensure that the risk exposure is within the risk appetite. If the risk exposure is assessed to be outside the approved risk appetite, then actions are taken to manage and/or mitigate the risks. The risk profile is reported on a quarterly basis to the Board of Management and the Board of Directors.

## Organisational set-up of risk management

Risk management is performed at all levels in the organization and is structured according to the three "lines of defence";

**1st line:** Risk takers

**2nd line:** Risk Management Function, Actuarial Function, Compliance Function

**3rd line:** Internal Audit Function

ERV Nordic, in accordance with Solvency II, defines the 2nd and 3rd line of defence as the "Key Functions".

## Risk situation

The risk situation at ERV Nordic has been within the Board of Directors risk tolerance during 2024. We have not faced any material unexpected risks, and the solvency situation has been above our internal trigger levels as well as regulatory requirements.

Main risks of ERV Nordic:

- Underwriting risk
- Market risk

## Underwriting risk

Underwriting risk arises from inaccurate assessments of the compensations and other costs related to insurance policies. Significant underwriting risk are premium, if losses are higher than expected, and reserve risk, if the reserves set side are not sufficient to cover the ultimate losses.

Relevant policies exist which are set by the Board of Directors. The overarching policy for underwriting risk states that risks originating from the company's insurance business shall be covered or limited to such a level that the company will be able to maintain a normal operation and carry out planned initiatives even in case of a very unfavourable development. One measure taken to limit the underwriting risk, is reinsurance agreements. This limits the risk for most events to a certain level according to the risk appetite set by the Board of Directors.

In the Standard model, this risk is estimated to DKK 156.5m as of December 31 2024.

## Market risk

It is the aim of ERV Nordic to control the market risks in such a way that the company obtains a return corresponding to risks taken.

Main market risk:

- Currency risk
- Equity risk
- Property risk
- Market risk concentrations

Currency risk arises as a result of a mismatch in the value of assets and liabilities in the same foreign currency. Internal guidelines, set by the Board of Directors, limits the exposure to a certain level. In terms of the result, the company is sensitive towards the development in currency rates and the prices of bonds, shares and participations.

Currency risk for ERV Nordic is mainly related to the net assets in ERV Sweden denominated in Swedish krona ("SEK"). The merger with ERV Sweden is based on a strategic decision and in line with the risk appetite set by the Board of Directors.

The standard model calculation has been used to assess market risk and the necessary capital for this type of risk. This model demands a capital of DKK 38.3m in order to be able to cover the risk sufficiently with a confidence level of 99.5%, which means that ERV Nordic can meet the policyholders' claims for 199 years out of 200 years.

## Credit risk

Credit risk is defined as an economic loss that can arise if the financial situation of a counterparty changes. The credit risk includes both the risk of deterioration of the "rating" of the counterparty and the credit spread risk. Examples are the financial situation of an issuer of securities or a debtor with obligations to ERV Nordic.

In our fixed-income investments, we control the associated credit risk by selecting issuers with appropriate quality and respecting counterparty limits. The rating of external rating agencies is just one of several criteria that we take into account. The majority of our investments consist of securities issued by issuers with very good credit ratings.

In the Standard model, this risk is estimated to DKK 7.2m.

## Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is inevitably linked to the business activities of ERV Nordic. They are addressed in a comprehensive internal control system or through ad-hoc reporting.

ERV Nordic manages operational risk in accordance with internal guidelines and the risk appetite on an ongoing basis. It is reported to the Board of Directors as part of the risk report on a quarterly basis.

The standard model calculation demands a capital of DKK 9.7m in order to be able to cover the operational risk sufficiently with a confidence level at 99.5%, which means that ERV Nordic can meet the policyholders' claims for 199 years out of 200 years.

## Other material risks

ERV Nordic is also exposed to strategic and reputational risk.

Strategic risk are risks arising from wrong business decisions or poor implementation of decisions already taken. ERV Nordic is exposed to a variety of strategic risk such as changes in the customer structure ("demography") and the buying behaviour ("digital disruption"). Additional risks may arise as a result of changes in the competitive environment. Strategic risks usually have an impact lasting over several years

and when identified, they are analysed and remedial measures are taken when necessary. In addition, another strategic risk is the integration process with ERGO Forsikring AS, with various complex tasks to finish the integration process. For key areas meetings between ERV Nordics and ERGO Forsikring is held every other week to ensure a smooth integration.

Reputational risk is defined as the risk of damage that occurs if the value or brand name of ERV Nordic deteriorates. The impact ranges from reduced business opportunity to administrative additional expenses.

Ad hoc reporting and regular quarterly communication between the governance functions takes place. In addition, as part of the internal control system, a basic assess

ment of potential reputational loss for each operational risk is completed by both the Compliance Officer and the Risk Manager. If the risk is assessed as being above the process owner's acceptable range, then a measure is required and monitored.

## Sensitivity Analysis

RV Nordic has calculated sensitivity analysis on a quarterly basis. The sensitivity analysis done as of December 31 2024 shows that we are able to withstand changes in the significant risk categories.

There are no stresses to the risk categories that will lead to an MCR of 125% nor 100%.

Sensitivity Analysis as of 31.12.2024, SCR 125 pct.			Stress (Pct.)	SCR (Pct.)
1.	Interest rate risk		200 %	184%
2.	Equity risk		100%	185%
3.	Property risk		96%	125%
4.	Spread risk	Danish government bonds	100%	186%
		Other government bonds	100%	187%
		Other bonds	100%	157%
5.	Currency risk	Exposure 1 (SEK)	100%	178%
		Exposure 2 (NOK)	100%	189%
		Exposure 3 (USD)	100%	190%
6.	Counterparty default risk			104%

## Capital management and requirements

ERV Nordic's Solvency II requirement is calculated on the basis the company's risk profile, and therefore takes into consideration the composition of ERV Nordic's insurance portfolio, cash flow profile, technical provisions, reinsurance program, investment mix and risk diversification.

The Board of Directors of the company has estimated that a security level of 99.5% has to be used for the capital demands. ERV Nordic has calculated the capital requirement based on a security level of 99.5% and according to the Standard model under Solvency II which means that ERV Nordic can meet the policyholders' claims for 199 years out of 200 years.

The solvency capital requirements (SCR) have been calculated to DKK 113.7m and shall be covered by the company's eligible own funds of DKK 217.4m as of December 31 2024 affecting a solvency ratio of 191%.

Below is shown a five-year overview of the solvency ratio. The reasons for the development of the SII ratio in 2024 compared to 2023 is lower technical provisions and lowered underwriting risk due to a more

	Solvency ratio
2024	<b>191%</b>
2023	<b>184%</b>
2022	<b>167%</b>
2021	<b>216%</b>
2020	<b>197%</b>



accurate approach on pandemic and mass accident risk.

### Fitch rating

ERV Nordic has an 'A+' (stable outlook) Insurer Financial Strength (IFS) Rating from Fitch.

### Appropriation of profit

Available for appropriation  
Amount in DKK'000

	2024	2023
Total comprehensive income	<u>-15.275</u>	<u>4.656</u>
Recommended to be allocated as follows		
To the Shareholder	0	0
Net revaluation reserve	1.191	337
Profit brought forward	-16.456	4.319
	<b>-15.275</b>	<b>4.656</b>



## **SIGNATURES OF THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS**

We have today presented the annual report for 1 January – 31 December 2024 to ERV Nordic. The annual report has been prepared in accordance with legal requirements including the Danish Financial Business Act and the Executive Order on Financial Statements for Insurance Companies and Profession-Specific Pension Funds.

The annual report gives a true and fair view of the company's assets, liabilities and financial position as of 31 December 2024 together with the results of the company's activities for the financial year 1 January – 31 December 2024.

The management report contains a fair and true review of the development of the company's activities and financial performance together with a description of the most significant risks and elements of uncertainty that may have an impact on the company.

We recommend the annual report to be approved at the annual general meeting.  
Copenhagen, 21st of March 2025

### **BOARD OF MANAGEMENT:**

**Ronald Helmut Kraule**  
Chief Executive Officer

**Peter Steen Olsen**  
Chief Financial Officer

**Rune Fleron Qvant**  
Chief Information Officer

**Marika Guralnik**  
Chief Underwriting Officer

### **BOARD OF DIRECTORS:**

**Heiko Stüber**  
Chairman of the Board and  
the Audit Committee

**Anja Berner**  
Board Member and Member of  
the Audit Committee

**Sebastian Ambæk Laursen**  
Board Member, elected by  
the employees

**Cances Abi Vuruskan**  
Board Member and  
Member of the Audit Committee

**Peter Fobian**  
Board Member, elected by the  
employees

# Independent Auditor's report



## To the shareholder of Europæiske Rejseforsikring A/S

### Opinion

We have audited the financial statements of Europæiske Rejseforsikring A/S for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies applied. The financial statements have been prepared in accordance with the Danish Insurance Business Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the

Danish Insurance Business Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in

accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

### Appointment of auditor

We were initially appointed as auditor of Europæiske Rejseforsikring A/S on 30 April 2020 for the financial year 2020. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 5 years up until the financial year 2024.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2024. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit



procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements as a whole.

### Measurement of claims provisions

Claims provisions totaled to DKK 44,8 million at 31 December 2024.

The measurement of claims provisions is subject to significant management estimates, including expected losses for incurred claims in current and previous years, as well as unknown claims (IBNR and IBNER provisions).

Reference to management's description of the accounting policies in note 1 for estimates made in respect of measurement of claims provisions as well as management's description in note 23 for risk management.

### How our audit addressed the key audit matter

Our audit procedures performed in cooperation with our actuarial specialists included:

- ▶ Assessment of design and test of effectiveness of key controls in the processes for claims handling and provisions for claims reserves as well as actuarial models applied for calculating IBNR and IBNER provisions.
- ▶ Comparison of data, methods and assumptions used with generally accepted actuarial standards, historic developments and trends
- ▶ Assessment and analyses of the development of run-off results and changes to the models applied and assumptions used compared with last year as well as the development in industry standards.

- ▶ Test of accuracy and completeness of the underlying data on a sample basis as well as recalculation of claims provisions for selected lines of business.

Furthermore, we assessed whether the disclosures relating to risks and uncertainties in respect of claims provisions made meet the relevant accounting rules.

### Statement on the management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.



### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Insurance Business Act. Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, 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 in preparing the financial statements 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 contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Copenhagen, 21<sup>st</sup> of March 2025

EY  
Godkendt Revisionspartnerselskab  
Company Reg. No. CVR: 30 70 02 28

Thomas Hjortkjær Petersen  
State Authorised Public Accountant  
mne33748

# Profit and loss account

Note in DKK'000

	2024	2023
<b>Earned premiums</b>		
3 Gross premiums written	319.916	327.190
Ceded insurance premiums	-5.078	-6.363
Change in the provision for unearned premiums	2.168	11.244
Change in the provision for unearned premiums, reinsurers' share	-1	-2
<b>Total premium income, net of reinsurance</b>	<b>317.005</b>	<b>332.069</b>
4 <b>Technical interest, net of reinsurance</b>	<b>4.457</b>	<b>6.162</b>
<b>Claims incurred</b>		
Claims paid	148.537	169.107
Reinsurance recoveries	-143	-2.589
Change in the provision for claims	-4.687	-10.468
Change in Risk margin	1.786	-1.161
Change in the provision for claims, reinsurers' share	-504	3.812
<b>Total claims incurred, net of reinsurance</b>	<b>144.989</b>	<b>158.701</b>
<b>Net operating expenses</b>		
5 Acquisition costs	120.296	113.290
6 Administrative expenses	86.709	72.146
Commission and profit share from reinsurers	-279	-282
<b>Total net operating expenses, net of reinsurance</b>	<b>206.726</b>	<b>185.154</b>
<b>8 UNDERWRITING RESULT</b>	<b>-30.253</b>	<b>-5.624</b>
<b>Income from investment assets</b>		
Income from affiliated companies	0	0
Income from associated companies	0	-44
9 Income from investment properties	5.473	5.701
10 Interest income and dividends etc.	3.225	3.828
11 Value adjustment	6.240	10.324
12 Interest expenses	-167	-47
Administrative expenses on investments	-847	-748
<b>Total return on investment activities</b>	<b>13.924</b>	<b>19.014</b>

Note in DKK'000

	2024	2023
4 <b>Interest on insurance provisions</b>	<b>-4.457</b>	<b>-6.162</b>
<b>TOTAL RETURN ON INVESTMENT ACTIVITIES AFTER TECHNICAL INTEREST</b>	<b>9.467</b>	<b>12.852</b>
Other income	7.166	6.578
Other expenses	4.980	5.871
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-18.600</b>	<b>7.935</b>
13 Tax	-2.135	3.624
<b>PROFIT/LOSS FOR THE YEAR</b>	<b>-16.465</b>	<b>4.311</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Other comprehensive income		
Revaluation of property	1.609	466
Revaluation of property, tax	-418	-121
<b>Comprehensive income</b>	<b>1.191</b>	<b>345</b>
Result of the year	-16.465	4.311
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-15.275</b>	<b>4.656</b>

# Balance sheet as of 31 december 2024

Note in DKK'000

	31/12 2024	31/12 2023
<b>ASSETS</b>		
<b>Intangible assets</b>		
14 Software	9.406	12.670
Software, development projects	0	3.429
<b>TOTAL INTANGIBLE ASSETS</b>	<b>9.406</b>	<b>16.099</b>
<b>Tangible assets</b>		
15 Operating equipment	944	1.461
<b>TOTAL OPERATING EQUIPMENT</b>	<b>944</b>	<b>1.461</b>
16 Land and buildings	109.171	109.000
<b>TOTAL TANGIBLE ASSETS</b>	<b>110.115</b>	<b>110.461</b>
<b>Investments in affiliated and associated companies</b>		
18 Capital holdings (shares) in associated companies	0	0
<b>Total investments in affiliated and associated companies</b>	<b>0</b>	<b>0</b>
<b>Other financial investments</b>		
Participating interests	554	554
Unit trusts	60.217	56.873
Bonds	239.826	261.556
24 <b>Total other financial investments</b>	<b>300.597</b>	<b>318.984</b>
<b>TOTAL INVESTMENT ASSETS</b>	<b>300.597</b>	<b>318.984</b>
<b>Reinsurance share of technical provision</b>		
Reinsurance share of unearned premiums	37	38
Reinsurance share of claim provision	1.703	1.201
<b>Total reinsurance of technical provision</b>	<b>1.740</b>	<b>1.239</b>

Note in DKK'000

	31/12 2024	31/12 2023
<b>Debtors</b>		
Amounts owed by policy holders	5.905	4.225
Amounts owed by insurance brokers	7.968	7.769
<b>Debtors arising out of direct insurance contracts, in total</b>	<b>13.873</b>	<b>11.994</b>
<b>Other debtors</b>		
Amounts owed by insurance companies	0	0
Amounts owed by affiliated companies	6.803	4.547
Amounts owed by associated companies	0	0
Other debtors	17.885	11.689
<b>Total other debtors</b>	<b>24.688</b>	<b>16.236</b>
<b>TOTAL DEBTORS</b>	<b>40.301</b>	<b>29.469</b>
<b>Other assets</b>		
Cash in hand and cash equivalent	13.401	22.812
Tax asset	6.254	3.809
19 Deferred tax assets	5.009	5.047
Other	23	25
<b>TOTAL OTHER ASSETS</b>	<b>24.687</b>	<b>31.693</b>
<b>Prepayments and accrued income</b>		
Accrued interest	729	729
17 Other prepayments and accrued income	9.805	6.194
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	<b>10.534</b>	<b>6.923</b>
<b>TOTAL ASSETS</b>	<b>495.640</b>	<b>513.629</b>

Note in DKK'000

	31/12 2024	31/12 2023
<b>LIABILITIES</b>		
<b>Capital and reserves</b>		
Shares capital	10.001	10.001
Revaluation provisions	20.557	19.367
<b>Reserves</b>		
Contingency reserve, untaxed	131.487	138.609
Net revaluation reserve	0	0
<b>Total reserves</b>	<b>131.487</b>	<b>138.609</b>
Profit brought forward	101.585	110.928
Proposed dividend for the accounting year	0	0
<b>18 TOTAL CAPITAL AND RESERVES</b>	<b>263.630</b>	<b>278.905</b>
<b>Provisions for insurance contracts</b>		
Provision for unearned premiums	100.699	103.029
Claim provisions	44.778	49.619
Risk margin on insurance contracts	7.198	5.412
<b>TOTAL PROVISION FOR INSURANCE CONTRACTS</b>	<b>152.675</b>	<b>158.060</b>
<b>Provisions for other risks and charges</b>		
<b>19 Deferred taxation</b>	<b>11.535</b>	<b>11.493</b>
<b>"TOTAL PROVISIONS FOR OTHER RISKS AND CHARGES"</b>	<b>11.535</b>	<b>11.493</b>

Note in DKK'000

	31/12 2024	31/12 2023
<b>Creditors</b>		
Amounts owed in connection with direct insurance business	15.003	14.175
Amounts owed to reinsurance companies	305	338
Amounts owed to affiliated companies	3.001	1.514
Actual tax liabilities	0	1.141
Leasing liabilities	291	479
<b>20 Other creditors</b>	<b>38.977</b>	<b>37.874</b>
<b>TOTAL CREDITORS</b>	<b>57.577</b>	<b>55.521</b>
<b>TOTAL PREPAYMENTS</b>	<b>10.223</b>	<b>9.650</b>
<b>TOTAL LIABILITIES</b>	<b>495.640</b>	<b>513.629</b>
<b>1 Accounting policies applied</b>		
<b>2 Five-year review</b>		
<b>21 Contingency liabilities</b>		
<b>22 Group ownership</b>		
<b>23 Risk Management</b>		
<b>24 Fair value hierarchy of assets and liabilities</b>		
<b>25 Split of classes of insurance</b>		

# Equity Specification

Amount in DKK'000	Share Capital	Revaluation Provisions	Contingency Reserve	Net revaluation Reserve	Profit brought forward	Proposed Dividend	Total
<b>Equity as of 1st January 2023</b>	10.001	19.022	142.631	8	102.588	0	274.250
Profit for the year					4.311		4.311
Other comprehensive income, currency adjustment							0
Other comprehensive income, currency adjustment for foreign entities							0
Other comprehensive income, release of revaluation reserve for affiliated and associated companies				-8	8		0
Other comprehensive income Revaluation of property		466					466
Other comprehensive income Revaluation of property, tax		-121					-121
<b>Total comprehensive income</b>	<b>0</b>	<b>345</b>	<b>0</b>	<b>-8</b>	<b>4.319</b>	<b>0</b>	<b>4.656</b>
Currency adjustment Contingency Reserve			83		-83		0
Currency translation adjustment, foreign branch							0
Net decrease of Contingency reserve			-4.105		4.105		0
Tax at items released or build up via equity Contingency reserve and Associated companies							0
Provisions for other reserves							0
Dividend paid out							0
Proposed dividend							0
<b>Equity as of 31st December 2023</b>	<b>10.001</b>	<b>19.366</b>	<b>138.609</b>	<b>0</b>	<b>110.929</b>	<b>0</b>	<b>278.905</b>

# Equity Specification

Amount in DKK'000	Share Capital	Revaluation Provisions	Contingency Reserve	Net revaluation Reserve	Profit brought forward	Proposed Dividend	Total
<b>Equity as of 1st January 2024</b>	10.001	19.366	138.609	0	110.929	0	278.905
Profit for the year					-16.465		-16.465
Other comprehensive income, currency adjustment							0
Other comprehensive income, currency adjustment for foreign entities							0
Other comprehensive income, release of revaluation reserve for affiliated and associated companies					0		0
Other comprehensive income Revaluation of property		1.609					1.609
Other comprehensive income Revaluation of property, tax		-418					-418
<b>Other comprehensive income Revaluation of property, tax</b>	<b>0</b>	<b>1.191</b>	<b>0</b>	<b>0</b>	<b>-16.465</b>	<b>0</b>	<b>-15.274</b>
Currency adjustment Contingency Reserve			-1.549		1.549		0
Currency translation adjustment, foreign branch							0
Net decrease of Contingency reserve			-5.573		5.573		0
Tax at items released or build up via equity Contingency reserve and Associated companies							0
Provisions for other reserves							0
Dividend paid out							0
Proposed dividend							0
<b>Equity as of 31st December 2024</b>	<b>10.001</b>	<b>20.557</b>	<b>131.487</b>	<b>8</b>	<b>101.585</b>	<b>0</b>	<b>263.630</b>

## NOTE 1 - ACCOUNTING POLICIES APPLIED

### General

The annual report has been prepared in accordance with the Danish Financial Business Act and the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession-specific pension funds.

The company has received permission to prepare the annual report solely in English from the Danish Financial Supervisory Authority.

The annual report is presented in thousand DKK.

Accounting policies are unchanged from last year.

### Accounting estimate

The preparation of annual reports under the Danish Financial Supervisory Authority's executive order requires the use of certain critical accounting estimates and requires the management to exercise its judgment in the process of applying the company's accounting policies.

The statement of the accounted value of certain assets and liabilities is conditioned

by applying accounting estimates. The estimates made are based on assumptions which the management finds justifiable but uncertain. The statement of the insurance provisions and domicile are in particular connected to estimates. These estimates are described in more details in the below-mentioned under the individual accounting items.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value, however tangible and intangible assets are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate

affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to this financial period. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described below.

### Intra-group transactions

The remuneration for the administration of the group's companies is based on the costs of such administration. The interest charged on intra-group accounts is the market rate when these accounts are not considered current business accounts.

Other services (including reinsurance) rendered as part of ordinary insurance operations to and from intra-group buyers are settled at market rates.

Intra-group trading in assets, including securities, is conducted at market prices. No significant intra-group trading with assets has taken place during the accounting year.

### Foreign currency transactions

The company's functional currency is DKK in respect of business and investments originating from Denmark. The functional

currency used by the company's branch in Sweden is SEK.

Receivables and payables recognised in foreign currency are translated at the exchange rate prevailing at the balance sheet date. The difference between the exchange rate prevailing at the balance sheet date and the exchange rate prevailing at the time when such receivables or payables arose or were recognised in the latest annual report is recognised in the income statement as value adjustments.

Profit and loss of the foreign branch is translated into the company's functional currency, DKK, at the exchange rate prevailing at the date of transaction. The value of the branch's balance sheet items are translated at the exchange rate prevailing at the balance sheet date.

### Consolidated accounts

The company has chosen not to prepare consolidated accounts in accordance with §148 in the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession-specific pension funds, as the company's ultimate parent company, Münchener Rückversicherungsgesellschaft, Munich, Germany, prepares consolidated accounts in which the company and its subsidiaries are included.

## **PROFIT AND LOSS ACCOUNT**

### **RESULT OF INSURANCE OPERATIONS**

#### **Premium income, net of reinsurance**

Premium income, net of reinsurance consists of the premiums collected for the year less ceded reinsurance premiums, adjusted for movements in the unearned premium provision.

#### **Technical interest, net of reinsurance**

According to the Danish FSA's executive order, technical interest is presented as a calculated return on the year's average insurance liability provisions, net of reinsurance. The interest is applied according to the expected run-off pattern of the provisions.

Technical interest is reduced by the portion of the increase in net provisions that relates to unwinding of discounting.

#### **Claims incurred, net of reinsurance**

Claims incurred, net of reinsurance consist of the claims paid together with direct and indirect costs for claims handling less reinsurance recoveries, adjusted for movements in the outstanding claims reserve.

As a result, claims incurred, net of reinsurance consist of reported and expected claims for the accounting year. Furthermore, run-of gains or losses on previous years' provision for outstanding claims are included in claims incurred. The portion of the increase of the provisions that relates to reduction of term has been transferred to technical interest.

Changes in provisions of claims due to changes in the yield curve and exchange rates are recognized as a value adjustment.

#### **Bonus and premium discounts**

Bonus and premium discounts represent anticipated and reimbursed premiums where the amount reimbursed depends on the claims record, and for which the criteria for payment have been defined prior to the financial year or when the business was written.

#### **Insurance operating expenses, net of reinsurance**

Insurance operating expenses represent acquisition costs and administrative expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are recognised at the time of writing the business. Administrative expenses are accrued to match the financial period.

#### **Investment activities**

Income from affiliated companies includes the company's share of the affiliates' net profit.

Income from associates includes the company's share of the associates' net profit.

Income from domicile properties before fair value adjustment represents the profit from property operations less property management expenses for the part of the property which is not used by the company. Profit from property operations derives from rental agreements with tenants. All tenants

have less than one-year tenures. Interest, dividends, etc. represent interest earned, dividends received, etc. during the financial period.

Realised and unrealised investment gains and losses are gains and losses on investments, value adjustment of land and buildings and exchange rate adjustments. Investment management charges represent expenses relating to the management of investments.

### **OTHER ITEMS**

#### **Other income and expenditure**

Other income and expenditure contain income and expenses on administration agreements, which cannot be attributed to the insurance portfolio.

#### **Taxation**

Tax on the profit for the year is calculated on the basis of the profit for the year before tax, adjusted for non-taxable income and expenditure.

The company is jointly taxed with Danish group companies. Full intra-group tax equalisation is effected so that the company pays for the utilisation of contingent negative taxable income from the jointly taxed company and the company is refunded by the jointly taxed company for its utilisation of contingent taxable deficits of the company.

Deferred tax related to recapture of previously deducted deficits in foreign branches

or affiliates' entities is included based on an actual assessment of the purpose of the individual entity.

Deferred tax is measured according to the tax rules and at the tax rates in Denmark and Sweden which based on the legislation in force at the balance sheet date will apply when the deferred tax liability is expected to be settled or when the deferred tax asset is expected to be realised.

If deferred tax constitutes a tax asset, it is included in the assets, if it is most probably that it can be used in the future. The tax liable on the contingency reserve (contingent tax) is not provided for in the balance sheet.

The company has not made provisions for deferred tax on contingency funds as it is not likely that a situation will arise within the foreseeable future which will result in taxation.

### **BALANCE SHEET**

#### **Intangible assets**

The assets are measured at the acquisition costs with deductions of the write down. A straight-line write down is applied based on the following assessment of the assets' expected useful lives:

Software, presently 3-5 years

Costs that are directly associated with the production of identifiable and unique software products are recognised as intangible

assets. Direct costs include the software development team's employee costs and other directly related overheads. All other costs associated with developing or maintaining computer software are recognised as an expense when incurred.

After completion of the development the asset is written down on a straight-line basis over the expected useful life, however, presently with a maximum period of 5 years. The basis of writing down is reduced by any impairment write downs.

### **Operating equipment**

Furniture and operating equipment are measured at cost price less accumulated write down and any accumulated impairment losses. The cost price includes the purchase price and costs directly related to the purchase of the relevant assets until the time when the assets are ready for use.

The tangible assets are written down on a straight-line basis from the following assessment of the assets' expected useful lives, as follows:

- Furniture and other operating equipment, presently 5 years
- Computer hardware, presently 3 years
- Motor vehicles, presently 5 years

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses on disposals and retirements are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

### **Leasing - Accounting policies before January 1, 2019**

Leases are divided into financial and operational leasing liabilities. A lease is recognised as financial when substantially all the risks and gains of owning the leased asset are transferred to the lessee. Other leases are classified as operational.

Leasing costs related to operating leases are recognized on a straight-line basis in the profit and loss statement over the lease period.

### **Leasing - Accounting policies after January 1, 2019**

Before start of a lease contract, the company assesses whether a contract can be determined as a right-of-use asset (ROU asset). A ROU asset has the following conditions:

- The asset is explicitly identifiable
- The company has the right to get almost all the economic benefits from use of the asset throughout the period of use
- The company has the right to choose how to use the asset

The company recognises ROU assets and corresponding lease liabilities with respect to all lease agreements in which it is the

lessee, excluding short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. At start or on reassessment of a contract that contains lease components, the company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

ROU assets and lease liabilities are recognised at the lease commencement date. The ROU assets are initially measured at cost price, which is calculated as the present value of the lease obligation including prepaid lease payments, any direct costs associated with the acquisition and any costs for dismantle and disposal of the asset at the end of the lease period, which the lessee is obliged to pay. ROU assets are depreciated on a straight-line basis over the shortest period of the lease term and the useful life of the assets.

### **Lease liabilities**

Lease liabilities are measured at the present value of the lease payments that are not yet paid, discounted using the rate implicit in the lease. If this rate cannot be determined, the company uses its incremental borrowing rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method and is presented as part of the amount shown under "Leasing liabilities" within Liabilities. It is re-measured when there is a change in future lease payments. An adjustment is made to the carrying amount of the corresponding ROU asset.

### **Impairment of intangible assets and operating equipment**

Finalized development projects and development projects in progress are tested for impairment in connection with the annual report and during the year if there is any indication of impairment. The carrying amount of other intangible assets and operating equipment is reviewed at least annually to determine whether there is any indication of impairment.

If there are indications of impairment, the carrying amount is written down to the estimated recoverable amount of the asset if this is lower than the carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the expected value in use.

### **Land and buildings**

Land and buildings are measured in the balance sheet at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. Revaluations are performed regularly to avoid the carrying amount differing from the domicile's fair value at the balance sheet date.

The fair value is calculated based on a market-determined rental income, as well as operating expenses in proportion to the property's required rate of return in percent.

Increases in the revalued carrying amount of land and buildings are credited in equity, unless the increase corresponds to a decrease previously credited to the income

statement. Decreases are credited to the income statement unless the decrease corresponds to an increase previously credited to equity.

The write downs are recognized in the profit and loss account over their useful lives. The expected useful life is measured regularly.

The company assessed at the time of the change-over to the rules of Danish Financial Supervisory Authority's executive order on financial reports that the useful life is 50 years and the scrap value is 70%.

### **Capital holdings (shares) in affiliated and associated companies**

Shareholdings are stated at their equity value using the equity method. As a result, the shareholdings are shown in the balance sheet as the pro rata share of the companies' equity value, and the company's share of the result is included in the profit and loss account under "income from affiliated or associated companies".

The total net revaluation of capital holdings in affiliated and associated companies are included in the net revaluation reserve in equity, if the book value is higher than the cost price.

### **Other financial assets**

Listed bonds and capital investments are stated at the price listed at closing time on the date of the balance sheet. However, drawn bonds are stated at fair value.

Unlisted capital investments are stated as

the estimated market value, based on the last available annual accounts of the company in question.

Secured loans are stated as the estimated fair value at the balance sheet date.

The trade day is used as the time of calculation for all investment assets.

### **Reinsurers' share of provisions for insurance contracts**

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance share of the technical provision.

Amounts recoverable from reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

The benefits to which the company is entitled under its reinsurance contracts held are recognised as assets and reported as reinsurers' share of claim provisions for insurance contracts.

The reinsurers' share of the provisions for claims is measured at discounted value if such discounting is material. The future payments will be discounted back according to the risk-free interest rates announced by EIOPA without volatility adjustment.

The company assesses continuously its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement.

### **Debtors**

Debtors are stated net of a bad debt reserve calculated on the basis of an individual assessment of the debtors.

### **Accruals**

Accruals, reported under assets, comprise cost paid relating to the following financial period.

### **EQUITY**

#### **Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets.

#### **Revaluation provisions**

Revaluation of owner-occupied property is recognized in other comprehensive income unless the revaluation offsets a previous impairment loss. Revaluation reserves show the net revaluation of the owner-occupied property.

#### **Contingency reserves**

The Danish contingency reserve is recognized as part of retained earnings under equity. The reserve may be released in accordance to the specific regulations considering lowered insurance technical provisions or else only when so permitted by

the Danish Financial Supervisory Authority and when it is for the benefit of the policyholders. The funds allocated to the contingency reserve are not taxed and there has been no deferred tax allocated in the balance sheet.

The Swedish contingency reserve is reported as an untaxed reserve. Changes are recognized through equity. The basis for the calculation is based on a directive from the Swedish Financial Supervisory Authority. The directive indicates the maximum amount that may be allocated to the contingency reserve, based on written premiums and the provision for claims outstanding. ERV Sweden continuously calculates the maximum scope for provisions. At year-end the company had not utilized the maximum scope.

#### **Other reserves**

The total net revaluation of capital holdings in affiliated and associated companies is recognized via appropriation of profit to the net revaluation reserve in equity (other reserves), if the book value is higher than the cost price.

Currency adjustments comprise exchange differences arising from translation of the contingency reserve and the equity of foreign entities at the beginning of the year to the exchange rate prevailing at the balance sheet date.

#### **Proposed dividend**

The proposed dividend is recognized as a liability at the time of the adoption by the

shareholders at the annual general meeting. Dividend to be paid out for the year is shown as a separate item under equity.

## TECHNICAL RESERVES

### Provisions for insurance contracts

The company have chosen to use the simplified calculation of premium provision according to the Danish Executive Order on Financial Statements § 72.

Provisions for insurance contracts are recognised as future payments including payments for administration and claims handling regarding future events for in-force policies. However, as a minimum to the part of the premium calculated using the pro rata temporis principle until the next payment date. Adjustments are made to reflect any variations in the incidence of risk. For new annual insurance policies, where a considerable part of the risk is in the immediate continuation of the date they become effective, we add as income 50% of the premium within the first 2-3 weeks and then distribute the rest according to the pro rata temporis principle.

The provisions also include amounts reserved to cover risk in connection with increasing age. These provisions are reserved when there no longer is a natural premium and the risks covered increase with the insured person's age.

The provisions for insurance contracts are recognised, taking into account, the deductions for direct acquisition costs.

### Provisions for claims

Provisions for claims include direct and indirect claims handling costs arising from events that have occurred up to the balance sheet date. Provisions for claims are estimated using the input of assessments for individual cases reported to the company and statistical analyses for the claims incurred but not reported and the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Claims provisions are discounted, if such discounting is material. Discounting is based on the risk-free interest rates announced by EIOPA without volatility adjustment.

### Risk margin on insurance contracts

Risk margin on insurance contracts are the expected amount payable if the company's portfolio of insurance contracts were transferred to another company.

### Provisions for bonus and premium rebates

Provisions for bonus and premium rebates represent amounts expected to be paid to policyholders in view of the claims experience during the financial year.

### Liability adequacy test

Tests are continuously performed to ensure the adequacy of the technical provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency is charged to the income statement by raising the relevant provision.

### Financial liabilities

Bond loans, debt to credit institutions, etc. are recognised at the raising of the loan at a fair value plus transaction costs incurred.

### Debt

Other liabilities are measured at net realisable value.

### Methods for calculating financial ratios

The financial ratios have been calculated in accordance to the Danish Financial Business Act. The ratios included in the five-year review have been calculated as described below:

**Gross claims ratio** is the relation between gross claims incurred and gross earned premiums, where earned premiums are reduced by bonuses and rebates.

**Gross expense ratio** is the relation gross operating expenses and gross earned premiums less bonuses and rebates.

**Reinsurance ratio** is the profit/loss from reinsurance in proportion to gross earned premiums less bonuses and rebates.

**Combined ratio** is the sum of the gross claims ratio, the gross expense ratio and the net reinsurance ratio.

**Operating ratio** is calculated as the combined ratio, but based on the claims ratio, the expense ratio and the net reinsurance ratio where the allocated investment return has been added to

earned premiums in the denominator.

**Relative run-off result** is the run-off result in relation to the corresponding opening provision.

**Return on capital and reserves** is profit of the year in relation to average capital & reserves.

Note in DKK'000

2 Five-year review\*

<b>Profit and Loss</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Gross premiums earned	322.084	338.434	363.416	298.064	324.198
Gross claims incurred	145.636	157.478	159.125	95.260	195.581
Total operating expenses	207.005	185.436	201.406	193.449	191.279
Result of reinsurance (=-net cost)	-4.153	-7.306	-23.292	-3.324	28.367
Underwriting result	-30.253	-5.624	-17.782	5.412	-35.296
Profit/loss of investment after					
Transfer of technical interest	9.467	12.852	-27.521	78.702	-5.479
Profit for the year	-16.465	4.311	-43.425	83.359	-30.296
Gross run-off profit/loss	-3.245	6.901	17.424	1.558	3.018
Run-off profit/loss, net of reinsurance	-4.442	3.764	-3.444	2.274	4.636

<b>Assets and Liabilities at</b>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Insurance assets	1.740	1.239	5.045	29.235	33.323
Technical provisions	152.675	158.060	180.771	197.804	196.785
Capital and reserves at year-end	263.630	278.905	274.250	398.536	307.184
Total assets	495.640	513.629	541.565	667.629	579.229

<b>Key figures</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Gross claims ratio	45%	47%	44%	32%	60%
Gross expense ratio	65%	55%	56%	65%	59%
Reinsurance ratio	1%	2%	6%	1%	-9%
Combined ratio	110%	104%	107%	99%	111%
Operating ratio	109%	102%	105%	99%	111%
Relative run-off result	-7%	11%	25%	2%	3%
Return on capital and reserves	-6%	2%	-13%	24%	-9%

Note	in DKK'000	2024	2023		2024	2023
3	<b>Gross earned premiums</b>			5	<b>Acquisition costs</b>	
	Gross premiums	319.916	327.189		<b>Total acquisition costs</b>	<b>120.296</b>
	Change in the gross provision for unearned premiums	2.168	11.244		of which:	<b>113.290</b>
	<b>Gross earned premiums for the year</b>	<b>322.084</b>	<b>338.433</b>		Commission for direct business	53.318
	<b>Distribution:</b>				Commission for indirect business	0
	Direct business	322.084	338.433			<b>53.318</b>
	Indirect business	0	0			<b>54.982</b>
		<b>322.084</b>	<b>338.433</b>	6	<b>Administrative expenses</b>	
	<b>Geographic distribution of direct business:</b>				Administrative expenses	65.645
	Denmark	153.020	153.059		Duties and contributions etc	11.167
	EU countries	139.810	157.116		Depreciation	9.897
	Non-EU countries	29.254	28.258			<b>86.709</b>
		<b>322.084</b>	<b>338.433</b>			<b>72.146</b>
4	<b>Technical interest, net of reinsurance</b>					
	Interest yield from the year's average technical provisions, net of reinsurance, transferred from investment business					
	Provision for insurance contracts, year start	158.060	180.771			
	Reinsurers share of technical provisions, year start	-1.239	-5.045			
	Provisions for insurance contracts, year end	152.675	158.060			
	Reinsurers share of technical provisions, year end	-1.740	-1.239			
	<b>Total</b>	<b>307.756</b>	<b>332.547</b>			
	<b>Average</b>	<b>153.878</b>	<b>166.274</b>			
	Interest rate in accordance with EIOPA	2,90%	3,71%			
	<b>Interest on technical provisions</b>	<b>4.457</b>	<b>6.162</b>			
	<b>Technical interest, net of reinsurance</b>	<b>4.457</b>	<b>6.162</b>			

Note in DKK'000

7 Staff costs	2024	2023
Net operating expenses include the following staff costs:		
Wages and salaries	73.219	64.842
Other expenses for social security	4.185	4.699
Pension scheme contributions	7.168	7.631
Payroll tax	11.167	9.271
	<b>95.739</b>	<b>86.443</b>
<b>Total remuneration paid to:</b>		
<b>Board of Directors</b>		
Number	5	5
Fixed salary	80	80
Variable salary	0	0
	<b>80</b>	<b>80</b>
<b>Audit Committee:</b>	<b>0</b>	<b>0</b>

Board of Management *	2024	2023
Number	4	2
Wages and salaries ( Fixed remuneration )	15.052	6.332
Bonuses ( variable remuneration )	0	0
Pension benefits ( Fixed remuneration )	467	546
<b>Remuneration of the Board of Management*</b>	<b>15.519</b>	<b>6.878</b>

**Other employees with activities of considerable influence on the company's risk profile:**

Number	6	6
Wages and salaries ( Fixed remuneration ) **	6.953	6.884
Bonuses ( variable remuneration )	191	190
Pension benefits ( Fixed remuneration )	977	1.032
	<b>8.120</b>	<b>8.106</b>

There is no pension obligations towards the BoD or the BoM.

\* Remuneration is the total remuneration for CEO or board positions within the Munich Re Group.

\*\* The entry fixed salary includes fixed salary and tax value of company car, telephone etc.

**Incentive Schemes**

There are no financial incentive schemes for The Board of Management.

<b>The average of full-time staff</b>	<b>98</b>	<b>105</b>
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The company has been informed that the Board of Directors and Board of Management has not received any fees from other companies in the Group.

Note	In DKK'000	2024	2023		2024	2023
8	<b>Breakdown of underwriting result</b>					
	Earned premiums	322.084	338.434			
	Underwriting interest, net of reinsurance	4.457	6.162			
	Claims incurred incl change in Risk Margin	-145.636	-157.478			
	Administrative expenses	-86.709	-72.146			
	Acquisition costs	-120.296	-113.290			
	<b>Profit / loss from gross operations</b>	<b>-26.100</b>	<b>1.681</b>			
	Ceded insurance premiums	-5.079	-6.365			
	Reinsurance recoveries	647	-1.223			
	Reinsurance commissions and profit participation	279	282			
	<b>Result of ceded business</b>	<b>-4.153</b>	<b>-7.306</b>			
	<b>Underwriting result</b>	<b>-30.253</b>	<b>-5.625</b>			
	<b>Total claims incurred, net of reinsurance, run-off</b>					
	Gross run-off profit/loss	-3.245	6.901			
	Run-off profit/loss, ceded	-1.198	-3.137			
	<b>Total claims incurred, net of reinsurance, run-off, total</b>	<b>-4.442</b>	<b>3.764</b>			
9	<b>Income from investment properties</b>					
	Profit from property operations	7.615	7.647			
	Expenses from property operations	-2.142	-1.947			
		<b>5.473</b>	<b>5.700</b>			
	Profit from property operations derives from rental agreements with tenants. All tenants have less than one-year tenures.					
10	<b>Interest income and dividends etc.</b>					
	Interest income	3.225	3.828			
	Dividend from participating interests	0	0			
		<b>3.225</b>	<b>3.828</b>			
11	<b>Realised and unrealised gains and losses, net</b>					
	Participating in unit trusts, bond based	1.464	1.535			
	Participating in unit trusts, share based	1.880	1.939			
	Bonds	4.895	7.565			
	Capital loss on instalments and redemptions	0	0			
	Exchange rate adjustments	-1.999	-715			
		<b>6.240</b>	<b>10.324</b>			
12	<b>Interest expenses</b>					
	Interest expenses	-157	-31			
	Interest expenses leasing liabilities	-10	-16			
		<b>-167</b>	<b>-47</b>			
13	<b>Tax of the profit for the year</b>					
	Current tax	-1.581	4.030			
	Change in deferred tax	-696	-507			
	Adjustment regarding prior years	142	101			
		<b>-2.135</b>	<b>3.624</b>			
	<b>Taxes paid on account for the current year</b>	<b>11.252</b>	<b>11.169</b>			
	<b>Effective tax rate</b>	<b>%</b>	<b>%</b>			
	Tax rate	26,0	25,2			
	Adjustment of tax from previous years	-0,8	1,3			
	Exchange rate adjustment and lower tax rate in Swedish branch	-5,3	2,9			
	Deferred tax related to future increase in tax rate	0,0	-1,0			
	Tax on release of security fund and non-taxable income and expenses	-8,7	17,3			
		<b>11,2</b>	<b>45,7</b>			

Note	In DKK'000	2024	2023
14	<b>Software</b>		
	Cost at the beginning of the year	115.294	111.865
	Currency translation adjustment, foreign branch	0	0
	Disposals during the year	0	0
	Additions and improvements of the year	0	3.429
	<b>Cost at the end of the year</b>	<b>115.294</b>	<b>115.294</b>
	Depreciation and write-downs at beginning of year	99.196	91.827
	Currency translation adjustment, foreign branch depreciation	0	0
	Depreciation and write-downs of the year	6.693	7.369
	Disposals during the year	0	0
	<b>Total depreciation and write-downs at year-end</b>	<b>105.889</b>	<b>99.196</b>
	<b>Revaluations of the year</b>	<b>0</b>	<b>0</b>
	<b>Total revaluations at year-end</b>	<b>0</b>	<b>0</b>
	<b>Net book value</b>	<b>9.406</b>	<b>16.099</b>
15	<b>Operating Equipment</b>		
	Cost at the beginning of the year	34.090	33.680
	Disposals during the year	0	-597
	Additions and improvements of the year	202	1.007
	Currency adjustment	0	0
	<b>Cost at the end of the year</b>	<b>34.292</b>	<b>34.090</b>
	Depreciation and write-downs at beginning of the year	32.630	32.054
	Depreciation and write-downs of the year	614	640
	Disposals during the year	98	-70
	Exchange rate adjustments	6	6
	<b>Total depreciation and write-downs at year-end</b>	<b>33.348</b>	<b>32.630</b>
	<b>Net book value</b>	<b>944</b>	<b>1.461</b>

	2024	2023
<b>Of which ROU Assets</b>		
Cost at the beginning of the year	477	363
Additions and improvements of the year	0	549
Disposals during the year	0	233
Depreciation and write-downs of the year	184	197
Currency adjustment	8	6
<b>Cost at the end of the year</b>	<b>285</b>	<b>477</b>
<b>Leasing of assets with low cost</b>	<b>0</b>	<b>7</b>
Leasing liabilities maturities are 1-3 years		
16 <b>Land and buildings</b>		
Cost at the beginning of the year	127.502	127.502
Additions and improvements of the year	0	0
Currency adjustment	0	0
<b>Cost at the end of the year</b>	<b>127.502</b>	<b>127.502</b>
Depreciation and write-downs beginning of the year	45.378	43.912
Depreciation and write-downs of the year	1.437	1.466
<b>Total depreciation and write-downs at year-end</b>	<b>46.814</b>	<b>45.378</b>
Revaluations beginning the year	26.876	26.410
Revaluations via comprehensive income	1.608	466
Revaluations of the year that are included in the income statement	0	0
<b>Total revaluations at year-end</b>	<b>28.484</b>	<b>26.876</b>
<b>Net book value</b>	<b>109.171</b>	<b>109.000</b>
<b>Net book value of land and buildings used for company operations</b>	<b>30.568</b>	<b>30.520</b>
<b>Of which ROU Assets</b>		
Cost at the beginning of the year	0	0
Depreciation and write-downs of the year	0	0
Currency adjustment	0	0
<b>Cost at the end of the year</b>	<b>0</b>	<b>0</b>
Leasing liabilities maturities are 0,5-5 years	1.437	1.466
The building value is calculated without support from external experts		
<b>The yield used for the assessment of the market value of the building is</b>	<b>6,01%</b>	<b>6,11%</b>

Note	In DKK'000	2024	2023
17	<b>Other prepayments and accrued income</b>		
	Prepaid wages and salaries	583	607
	Other prepayments and accrued income	8.173	4.482
	Pre paid commission from policyholders	1.049	1.105
		<b>9.805</b>	<b>6.194</b>
18	<b>Total capital and reserves</b>		
	The company's share capital consists of:		
	801 shares of DKK 500		
	200 shares of DKK 2,000		
	400 shares of DKK 8,000		
	6 shares of DKK 1,000,000		
	During the merger of Europæiske Rejseforsikring A/S and our Swedish sister company ERV Försäkringsaktiebolag (publ) in 2017, Europæiske Rejseforsikring A/S issued a share to the parent company ERV AG at DKK 500 into Europæiske Rejseforsikring A/S.		
	The shares are not divided into classes		
	DK contingency reserve	80.500	80.500
	SE contingency reserve	50.987	58.109
	<b>Total contingency reserve, untaxed</b>	<b>131.487</b>	<b>138.609</b>
	Base capital and solvency margin:		
	Total capital and reserves, according to annual report	263.630	278.905
	Intangible assets	-9.406	-16.099
	Deferred tax liability at Contingency reserve	-31.433	-32.900
	Higher technical provision in SII	-12.646	4.640
	Deferred tax at technical provision above	3.023	-1.101
	Deferred tax at software	2.122	3.700
	Different valuation Receivables/payables	-38	-1.114
	Other minor valuation differences not specified	2.178	-6
	<b>Eligible own funds (Solvency II)</b>	<b>217.430</b>	<b>236.025</b>

	2024	2023	
19	<b>Deferred provisions for taxation</b>		
	Deferred tax is incumbent on the following items:		
	Owner-occupied property	11.535	11.493
	Affiliated companies owned by Swedish Branch	0	0
	Intangible fixed assets	-1.577	-1.400
	Operating equipment	-362	-414
	Pension & similar obligations by Swedish Branch	-1.929	-2.012
	Tax loss carried forward	-627	-644
	Risk margin	-514	-578
	<b>Total provisions for deferred taxation</b>	<b>6.526</b>	<b>6.445</b>
	Is presented in the balance sheet as:		
	Deferred tax assets	-5.009	-5.048
	Provision for deferred tax	11.535	11.493
		<b>6.526</b>	<b>6.445</b>
	<b>Contingency tax</b>		
	A release of the Danish contingency reserve will trigger a tax of	20.930	20.930
	A release of the Swedish contingency reserve will trigger a tax of	10.503	11.970
	<b>A total release of the contingency reserve will trigger a tax of</b>	<b>31.433</b>	<b>32.900</b>
	The technical provision for the Danish business is not expected to fall below the level of 70% of 31 December 1994. No provision for deferred tax on the Danish contingency reserve has therefore been made.		
	A directive from the Swedish Financial Supervisory Authority indicates the maximum amount that may be allocated to the Swedish contingency reserve. ERV Sweden continuously calculates the maximum scope for provisions. At year-end the company had not utilized the maximum scope.		

Note	In DKK'000	2024	2023
20	<b>Other creditors</b>		
	PAYE taxes and labour market contribution	2.869	3.163
	Holiday pay obligations, salaried staff	4.455	3.541
	Social security benefit and other duties	391	1.077
	Other accrued costs	31.262	30.093
		<b>38.977</b>	<b>37.874</b>

## 21 Contingency liabilities

The Company has outsourced IT services and has in this regard contingency liabilities of approximately DKK 2.946t as of 31 December 2024.

The Company is jointly tax liable with the Danish enterprises in the Munich RE group and is administrating the joint taxation. The Company is liable jointly and severally with other enterprises in the joint taxation of Danish company tax, withholding taxes on dividends, interests and royalties in the joint taxation. The joint tax obligation represents nominal net payable of approximately DKK 316t as of 31 December 2024.

The Company has a rent contract in regards to the Swedish branch office and has in this regard contingency liabilities of approximately DKK 619t as of 31 December 2024.

## 22 Ownership and related parties

Europæiske Rejseforsikring A/S is a 100% owned subsidiary of ERGO International AG, Düsseldorf, Germany

ERGO International AG, Düsseldorf, Germany, is a 100% owned subsidiary of ERGO Group AG, Düsseldorf, Germany.

ERGO Group AG, Düsseldorf, Germany, is 100% owned by Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, Munich, Germany.

The annual report for ERGO Group AG can be ordered on

<http://www.ergo.com/>

The annual report for Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft can be ordered on

<http://www.munichre.com/>

Europæiske ERV is associated with the following companies:

	Registered office	Activity	Shareholding	Capital & Reserves	Result
European Assistance Holding	Germany	Assistance	20.00 %	0	0

## Intra-group transactions

The remuneration for the administration of the group's companies is based on the costs of such administration. The interest charged on inter-company accounts is the market rate when these accounts are not considered current business accounts.

## 22 Ownership and related parties (continued)

Other services (including assistance services, asset management and reinsurance) rendered as part of ordinary insurance operations to and from inter-company buyers are settled at market rates.

Inter-company trading in assets, including securities, is conducted at market prices.

	2024	2023
Premium ceded to reinsurers	-4.438	-4.707
Claims paid, reinsurers share	0	2.391
Reinsurance commissions and profit participation	0	0
Purchase of services from Group entities	-18.521	-15.589
Sales of services to Group entities	2.293	1.740
Dividend paid to ERGO Reiseversicherung AG	0	0
Dividend received from Group entities	0	0
Sale of shares to ERGO Reiseversicherung AG	0	0
	<b>-20.666</b>	<b>-16.165</b>

### Consolidated accounts

The company has chosen not to prepare consolidated accounts in accordance with §134 in the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession-specific pension funds, as the company's ultimate parent company, Münchener Rückversicherungsgesellschaft, Munich, Germany, prepare consolidated accounts for the whole group.

Remuneration of the Board of Management and the Board of Directors is disclosed in note 7.

## 23 Risk Management

### Underwriting risks

Underwriting risk arises from inaccurate assessments of the compensations and other costs related to insurance policies. Significant underwriting risk are premium, if losses are higher than expected, and reserve risk, if the reserves set side are not sufficient to cover the ultimate losses.

Relevant policies exist which are set by the Board of Directors. The overarching policy for underwriting risk states that risks originating from the company's insurance business shall be covered or limited to such a level that the company will be able to maintain a normal operation and carry out planned initiatives even in case of a very unfavourable development. One measure taken to limit the underwriting risk, is reinsurance agreements. This limits the risk for most events to a certain level according to the risk appetite set by the Board of Directors.

### Market risks

It is the aim of ERV Nordic to control the market risks in such a way that the company obtains a return corresponding to risks taken.

Main market risks:

- Currency risk
- Equity risk
- Property risk
- Market risk concentrations

Currency risk arises as a result of a mismatch in the value of assets and liabilities in the same foreign currency. Internal guidelines, set by the Board of Directors, limits the exposure to a certain level. In terms of the result, the company is sensitive towards the development in currency rates and the prices of bonds, shares and participations.

Currency risk for ERV Nordic is mainly related to the net assets in ERV Sweden denominated in Swedish krona ("SEK"). The merger with ERV Sweden are based on strategic decisions and in line with the risk appetite set by the Board of Directors.

## 23 Risk Management (continued)

### *Credit risks*

Credit risk is defined as an economic loss that can arise if the financial situation of a counterparty changes. The credit risk includes both the risk of deterioration of the "rating" of the counterparty and the credit spread risk. Examples are the financial situation of an issuer of securities or a debtor with obligations to ERV Nordic.

In our fixed-income investments, we control the associated credit risk by selecting issuers with appropriate quality and respecting counterparty limits. The rating of external rating agencies is just one of several criteria that we take into account. The majority of our investments consist of securities issued by issuers with very good credit ratings.

### *Operational risks*

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk is inevitably linked to the business activities of ERV Nordic. They are addressed in a comprehensive internal control system or through ad-hoc reporting.

ERV Nordic manages operational risk in accordance with internal guidelines and the risk appetite on an ongoing basis. It is reported to the Board of Directors as part of the risk report on a quarterly basis.

### *Other material risks*

ERV Nordic is also exposed to strategic and reputational risk.

Strategic risk are risks arising from wrong business decisions or poor implementation of decisions already taken. ERV Nordic is exposed to a variety of strategic risk such as changes in the customer structure ("demography") and the buying behaviour ("digital disruption"). Additional risks may arise as a result of changes in the competitive environment. Strategic risks usually have an impact lasting over several years and when identified, they are analysed and remedial measures are taken when necessary. In addition, another strategic risk is the integration process with ERGO Forsikring AS, with various complex tasks to finish the integration process. For key areas meetings between ERV Nordics and ERGO Forsikring is held every other week to ensure a smooth integration.

Reputational risk is defined as the risk of damage that occurs if the value or brand name of ERV Nordic deteriorates. The impact ranges from reduced business opportunity to administrative additional expenses.

Ad hoc reporting and regular quarterly communication between the governance functions takes place. In addition, as part of the internal control system, a basic assessment of potential reputational loss for each operational risk is completed by both the Compliance Officer and the Risk Manager. If the risk is assessed as being above the process owner's acceptable range, then a measure is required and monitored.

Note In DKK'000

24 Fair value hierarchy

“Quoted market prices and consolidated reference prices” (level 1) consists of financial instruments that are quoted and traded in an active market. Such instruments include mainly our Danish and Swedish government bonds. Valuation based on “observable input” (level 2) consists of financial instruments that are valued substantially on the basis of observable input other than quoted price or consolidated reference price for the instrument itself. Valuation based on significant “non-observable input” (level 3) consist of certain financial instruments based substantially on non-observable input. Such instruments include mainly our investment property.

2024	Quoted market prices or consolidated references price (level 1)	Observable input (level 2)	Non-observable input (level 3)	Total
Land and buildings			109.172	109.172
Bonds	239.826			239.826
Unit trusts	60.217			60.217
Participating interests			554	554
Cash in hand and cash equivalent	13.401			13.401
<b>Total</b>	<b>313.444</b>		<b>109.726</b>	<b>423.170</b>
2023	Quoted market prices or consolidated references price (level 1)	Observable input (level 2)	Non-observable input (level 3)	Total
Land and buildings			109.000	109.000
Bonds	261.556			261.556
Unit trusts	56.873			56.876
Participating interests			554	554
Cash in hand and cash equivalent	22.812			22.812
<b>Total</b>	<b>341.241</b>		<b>109.554</b>	<b>450.795</b>

Note In DKK'000

26 Fair value hierarchy (continued)

Financial instruments measured at fair value in the statement of financial position on the basis of non-observable input:	2024	2023
Carrying amount at 1 January	109.554	110.554
Additions and improvements of the year	554	554
Depreciation and write-downs of the year	-1.437	-1.466
Revaluations via comprehensive income	1.608	466
<b>Carrying amount at 31 December</b>	<b>110.279</b>	<b>110.108</b>

2024	Accident and health insurance	Other direct and proportional indirect insurance	Fire and personal property (Leisure)	Marine, aviation and cargo	Liability	Total
Gross premiums written	214.254	85.564	17.814	2.285	-1	319.916
Gross premiums earned	216.291	86.219	17.334	2.240	0	322.084
Gross claims incurred	-126.323	-14.383	-3.780	-307	944	-143.850
Bonus and premium discounts	0	0	0	0	0	0
Change in Risk Margin	-2.744	957	0	0	0	-1.786
Administration costs	-58.228	-23.211	-4.667	-603	0	-86.709
Acquisition costs	-56.825	-50.101	-12.833	-537	0	-120.296
Gross operating expenses	-115.053	-73.313	-17.500	-1.140	0	-207.005
Profit from gross operations	-27.830	-520	-3.945	793	944	-30.557
Result of business ceded	-2.879	-251	0	0	-1.023	-4.154
Change in equalisation provision						0
Technical interest o.o.a.	2.985	1.192	248	32	0	4.457
<b>Underwriting result</b>	<b>-27.724</b>	<b>421</b>	<b>-3.697</b>	<b>825</b>	<b>-79</b>	<b>-30.254</b>
Number of compensations paid	17.720	3.537	1.469	101	14	22.841
Average compensation for claims incurred	7,1	4,1	2,6	3,0	-67,4	6,3
Compensation ratio	13,8%	0,7%	1,4%	4,6%	233,3%	3,0%

2023	Accident and health insurance	Other direct and proportional indirect insurance	Fire and personal property (Leisure)	Marine, aviation and cargo	Liability	Total
Gross premiums written	215.978	91.153	17.454	2.473	131	327.189
Gross premiums earned	219.658	96.887	18.710	2.534	643	338.433
Gross claims incurred	-130.218	-27.248	-3.390	-296	2.514	-158.639
Bonus and premium discounts	0	0	0	0	0	0
Change in Risk Margin	-90	1.251	0	0	0	1.161
Administration costs	-46.826	-20.654	-3.989	-540	-137	-72.146
Acquisition costs	-50.556	-47.366	-14.717	-540	-110	-113.290
Gross operating expenses	-97.382	-68.020	-18.705	-1.081	-247	-185.436
Profit from gross operations	-8.031	2.869	-3.386	1.157	2.910	-4.481
Result of business ceded	-2.718	-1.325	0	0	-3.262	-7.306
Change in equalisation provision						0
Technical interest o.o.a.	4.068	1.717	329	47	2	6.162
<b>Underwriting result</b>	<b>-6.682</b>	<b>-3.261</b>	<b>-3.057</b>	<b>1.204</b>	<b>-350</b>	<b>-5.624</b>
Number of compensations paid	14.189	9.806	1.386	110	70	25.561
Average compensation for claims incurred	9,2	2,8	2,4	2,7	-35,9	6,2
Compensation ratio	11,9%	1,7%	1,4%	3,8%	35,5%	3,3%