

SG Riskpartners DAC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

Registered Number: 676918

SG Riskpartners DAC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS CONTENTS

CONTENT	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS	6
INDEPENDENT AUDITOR'S REPORT	7
PROFIT AND LOSS ACCOUNT: TECHNICAL ACCOUNT NON-LIFE	13
PROFIT AND LOSS ACCOUNT: NON-TECHNICAL ACCOUNT	14
BALANCE SHEET	15
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY	17
NOTES TO THE FINANCIAL STATEMENTS	18

SG Riskpartners DAC
COMPANY INFORMATION

Directors

Katrin Süßer (German)
Dieter Schmitt (German)
Aidan Pyke
Cliona McDonnell

Secretary

Cliona McDonnell
3rd Floor Lidl Building,
East Wall Road,
D03 DK29
Dublin 3, Ireland

Insurance Manager

Aon Insurance Managers (Dublin) Limited
15 George's Quay,
Dublin 2,
DO2 VR98, Ireland

Independent Auditor

Ernst & Young
EY Building
Harcourt Centre
Harcourt Street
Dublin 2, Ireland

Solicitor

Arthur Cox
10 Earlsfort Terrace
Dublin 2, Ireland

Registered Office

East Wall Road
3rd Floor Lidl Building
Dublin 3, Ireland

Bankers

Landesbank Baden- Wurttemberg
Kleiner Schlossplatz 11
70144 Stuttgart
Germany

BNP Paribas
Dublin Branch
5 George's Dock,
International Financial Services Centre,
Dublin 1, Ireland

Tax Advisor

PricewaterhouseCoopers
One Spencer Dock, North Wall Quay,
Dublin 1, Ireland

Registered Number

676918

SG Riskpartners DAC
DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025

The Directors present their annual report and the audited financial statements of SG Riskpartners DAC ("the Company") for the year ended 28 February 2025.

Principal activities and business review

The Company was incorporated in Ireland on 01 September 2020 and was authorised by the Central Bank of Ireland as a Captive non-life reinsurance undertaking effective 24 February 2021. The Company's principal activity is to provide reinsurance facilities in respect of Property Damage and Business Interruption and Marine & Transit risks of the companies of the Schwarz Group. The Company is managed by Aon Insurance Managers (Dublin) Limited under the terms of a management agreement.

The Directors are satisfied with the Company's performance during the year and plan to develop further the activities of the Company.

Future outlook

The Company's performance is expected to continue throughout the next financial year, and the current performance levels are anticipated to be maintained.

Going concern

In considering the appropriateness of the going concern basis, the Directors have reviewed the Company's ongoing financial commitments for the next twelve months and beyond. The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). The Directors used their knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model. They analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. Given the estimation and judgement involved in setting these reserves, the risk considered most likely to adversely affect the Company's available financial resources over this period was the valuation of net claims reserves.

The Company has considered the possible second-order impacts that may affect demand in its markets due to macroeconomic and geopolitical events. These events have significantly impacted various financial markets and are expected to continue influencing the global economy. Along with the potential failure of the Company's counterparties, their solvency, and capital adequacy, the Directors have evaluated the impact of these developments on the Company and have concluded that it does not have any significant exposure to its operations or financial position. However, the Directors will continue to monitor the situation for any changes that may affect the Company's future.

As at year-end, the Company's net asset position was €67.28m, and the solvency coverage ratio was 330%. By virtue of the strength of its net asset position, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of no less than twelve months from the date of approval of these financial statements. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Review of Key Performance Indicators

The profit after tax for the year amounted to €19.48m (2024: €11.38m). Net earned premiums of €39.39m decreased by 3.29% from €40.72m in 2024. All premiums earned in 2025 were net of outward reinsurance premiums. The Company held gross claims provision of €40.18m (2024: €54.2m), consisting of outstanding loss reserves ("OSLR") of €29.03m (2024: €34m) in respect of existing claims and incurred but not reported reserves of €10.75m (2024: €20.2m) for unknown claims and existing ULAE of €0.4m.

In addition, the reinsurer's share of claims provision decreased by €8.55m, and the Incurred but Not Reported ("IBNR") decreased by €9.46m, due to the decrease in earned premiums and the settlement of prior period claims. As a result, the Company held a net claims provision of €38.29m (2024: €43.7m) and incurred net claims of €18.94m (2024: €29.24m).

The Company has set out in the risk appetite framework, that at all times it will keep eligible own funds above 100% of the Solvency Capital Requirement. The Company's unaudited solvency ratio was 330% at 28 February 2025 (2024: 237%) and met the Solvency Capital Requirement throughout the current year.

These results were broadly in line with the Directors' expectations. The Directors are satisfied with the Company's performance and development during the year and consider that the Company is well placed to meet future demands. The Directors have considered the potential liabilities assumed under the insurance contracts and believe the technical provisions held to be adequate.

Principal risks and uncertainties

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides reinsurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the costs of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgement is involved, the Directors adopt a prudent approach to the provision and valuation of adequate insurance reserves, with annual support and certification being provided by an external actuary. The reinsurance premium written by the Company is ceded through to the retrocession programme placed with Swiss Re, Scor SE and Arch Re, highly rated reinsurers, on an annual multi-line basis. The Company has strategically and prudently mitigated the above risks through this retrocession strategy. The Directors believe that this contract provides reasonably sufficient cover for both the frequency of losses and unexpected events for a number of different lines of business with underlying volatilities of a potentially serious nature.

There has been no impact to the Company financial performance, financial position, cash flows and risks due to the military unrest in Europe at the time of reporting. Based on the current assessment of the risks posed at the time of approving this report, there are no identified issues with the ability to maintain appropriate capitalisation levels in line with solvency needs.

Note 13 sets out other risks the Company faces, including credit, liquidity, and currency risks.

Macro-economic and geo-political events

The Board of Directors has considered the potential material or adverse effects that macroeconomic and geopolitical events could have on the Company, including the likelihood of any claims occurring as a direct result. Following a review of the policies currently in force, the Directors have judged that there is currently no material exposure to the Company arising from these risks. The Directors will continue to monitor for any adverse developments and take corrective action where necessary.

Climate risk

The Directors have determined that, due to the Company's narrow scope of operations as a captive reinsurance company, climate change is not considered a material risk of the Company. However, the Directors recognises that the Company could experience direct and indirect impacts from climate change. The Directors will continue to monitor

SG Riskpartners DAC
DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025 (CONTINUED)

for any adverse developments and take corrective action where necessary.

Corporate governance code

Effective 24 February 2021, the Company was subject to and required to comply with the Corporate Governance Code for Captive Insurance and Captive Reinsurance Undertakings 2015.

Accounting Records

The Directors have ensured that the proper accounting records requirements under Sections 281 and 285 of the Companies Act 2014 have been complied with by outsourcing this function to a specialised provider of such services. The accounting records are held at East Wall Road, 3rd floor Lidl Building, Dublin 3, Ireland.

Post balance sheet events

No significant events affecting the Company have taken place since the year end.

Directors and Secretary

The Directors of the Company are listed on page 1 and except where indicated, served for the entire period.

Directors and their interests

The following Directors served during the year and up to the date of signing the Financial Statements:

Katrin Süßer (German)*
Dieter Schmitt (German)
Aidan Pyke
Cliona McDonnell

*Appointment date 28 May 2024

The Directors and Secretary who held office at 28 February 2025 had no interests in shares, or in debentures or loan stock of the Company at the beginning of the year, date of appointment if later and at the end of the year. Furthermore, any interests of the Directors and Secretary in the shares of the ultimate parent company, Prodirekt Schadenservice GmbH & Co. KG, are less than 1% in nominal value of the issued voting share capital of that entity and so in line with Section 329 of the Companies Act 2014 the Company has availed of the exemption not to disclose any such interests.

Transactions involving Directors

There were no contracts or arrangements of any significance in relation to transactions involving Directors of the Company in which the Directors had any interest, as defined by the Companies Act 2014, at any time during the year ended 28 February 2025.

Litigations

No litigation, action or administrative proceedings were pending as at 28 February 2025.

Political donations

The Company did not make any political donations during the year (2024: nil).

SG Riskpartners DAC
DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2025 (CONTINUED)

Independent Auditor

The auditors, Ernst & Young, Chartered Accountants and Statutory Audit Firm, appointed from 06 January 2021, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Audit Committee

The Company was not required to have an Audit Committee for the year ended 28 February 2025. The Board of SG Riskpartners DAC has determined that it will perform the equivalent functions of an Audit Committee and accordingly has taken responsibility to perform the equivalent functions to an Audit Committee for SG Riskpartners DAC.

Statement of relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- a) so far as each director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Actuary

David Rowson, Aon UK Limited, has provided an Actuarial Opinion on Technical Provisions for the year ended 28 February 2025.

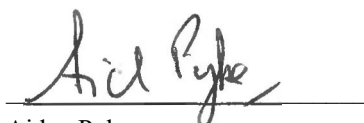
Directors' Compliance Statement

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with certain obligations specified in that section arising from the Companies Act 2014 and Tax laws ('relevant obligations').

The Directors confirm that:

- a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance,
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations have been put in place, and
- a review has been conducted during the period of the arrangements and structures that have been put in place to secure the Company's compliance with its relevant obligations.

On behalf of the Board of Directors



Aidan Pyke
Director



Cliona McDonnell
Director

Date: 14 May 2025

SG Riskpartners DAC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and financial statements in accordance with Irish law and regulations and applicable accounting standards.

Irish company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts.

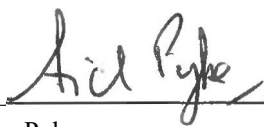
Under Irish company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

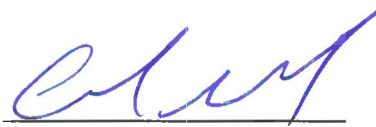
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements,
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and total comprehensive income of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They have general responsibility for taking steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board of Directors



Aidan Pyke
Director



Cliona McDonnell
Director

Date: 14 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SG Riskpartners DAC ('the Company') for the year ended 28 February 2025, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 28 February 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's Going Concern assessment process and the key factors which were considered in their assessment;
- We obtained management's going concern assessment, which covers the Company's business forecasts, as well as the Company's regulatory capital requirements and considered the appropriateness of the approach, including the assumptions used by the Company in the forecasts;
- We reviewed the Company's going concern disclosures included in the financial statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Conclusion

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Board of Directors
<p>Valuation of technical provision including the risk of Management override of controls</p> <p>(2025: €40.2m, 2024: €54.2m)</p> <p>Refer to the Accounting policies in Note 2 and related disclosures Note 10 and 13a of the Financial Statements</p> <p>The technical provisions comprises outstanding loss reserve ('OSLR'), incurred but not reported ('IBNR') reserve, and Unallocated Loss adjustment expense (ULAE). The Technical provisions are the Company's largest liability and the valuation requires judgement.</p> <p>The estimation of the IBNR is a complex process applying actuarial and statistical methods over historical data and patterns requiring the use of estimates and judgments. These reserves are subject to judgement based on assumptions used, and are reliant on the accuracy and completeness of the underlying data.</p> <p>The OSLR is established to cover the outstanding expected liability for losses in respect of all claims that have already occurred.</p> <p>Accordingly, we have identified the valuation of technical provisions as the key audit matter.</p>	<p>We performed a walkthrough to evaluate the design effectiveness of controls and gain an understanding of the methodology, the completeness and accuracy of the data, and the selection and setting of assumptions used by the Company in relation to the estimation of the IBNR.</p> <p>To test the technical provision, the following audit procedures were executed with the assistance of our actuarial team members:</p> <ul style="list-style-type: none"> ▶ Examined the report prepared by Aon with respect to the technical provisions, and evaluated the assumptions and methodologies applied in developing the estimate. ▶ Assessed the methodologies used by the Company and evaluated them against market practice and considered uncertainties and sensitivity of numbers to changes in assumptions. ▶ Performed a reconciliation of data used in actuarial calculations to source data and tested the accuracy of data inputs used. ▶ Reconciled reported case reserves to bordereaux/underlying reports and tested, on a sample basis, case reserves established in respect of losses related to reported claims. ▶ Performed a recalculation of the reinsurers' share of reserves, with reference to the underlying reinsurance agreements 	<p>We completed our planned audit procedures, with no exceptions noted.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be €1,345,597 (2024: €955,984), which is 2% (2024: 2%) of shareholder's funds as of 28 February 2025. We believe that shareholder's funds reflect the interests of the key stakeholders of the Company as financial stability and solvency through capital are the key performance metrics used by the Company.

During the course of our audit, we reassessed initial materiality to reflect the final shareholder's funds amount. We deemed that the materiality used throughout the audit remains sufficient.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely €1,009,198 (2024: €716,988). We have increased our performance materiality to this percentage to consider the nature of the industry in which the Company operates, the engagement risk rating and based on our previous experience with the Company.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Board of Directors that we would report to them all uncorrected audit differences in excess of €67,280 (2024: €47,799), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the Company. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine 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, the directors are responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Auditor's responsibilities for the audit of the financial statements

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

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedures will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Generally Accepted Accounting Practice in Ireland including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and FRS 103 'Insurance Contracts', the Irish Companies Act 2014 and the European Union (Insurance and Reinsurance) Regulations 2015.
- We understood how the Company is complying with those frameworks through discussion with management and the Board of Directors of their knowledge or awareness of any non-compliance or potential non-compliance with laws or regulations affecting the financial statements. We corroborated our enquiries through reading board minutes and correspondence with regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by through inquiries of local management, to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the Board on compliance with regulations and a review of regulatory correspondence.
- The Company operates in the insurance industry, which is a regulated environment. As such, the Audit Engagement Partner considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts, where appropriate.
- We have obtained an understanding of the relevant regulations and the potential impact on the Company and, in assessing the control environment, we have considered the compliance by the Company with these regulations as part of our audit procedures, which included reading correspondence with the regulator, the Central Bank of Ireland.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SG RISKPARTNERS DAC

Other matters which we are required to address

We were appointed by Board of Directors on 06 January 2021 to audit the financial statements for the year ending 28 February 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ciara McKenna
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: 6 June 2025

SG Riskpartners DAC
PROFIT AND LOSS ACCOUNT: TECHNICAL ACCOUNT - NON-LIFE BUSINESS YEAR ENDED 28
FEBRUARY 2025

		28 February 2025	29 February 2024
	Notes	€	€
Earned premiums, net of reinsurance			
Gross premiums written	3	42,298,151	43,875,650
Outward reinsurance premiums written	3	(2,913,023)	(3,152,500)
Net earned premium		<u>39,385,128</u>	<u>40,723,150</u>
Allocated investment return transferred from the non-technical account	5	1,484,780	1,613,408
Claims incurred, net of reinsurance			
Gross claims paid	10	(24,377,136)	(24,499,212)
Change in provision for claims			
Gross amount	10	13,983,387	(1,690,656)
Reinsurers' share	10	(8,547,309)	(3,053,559)
		<u>5,436,078</u>	<u>(4,744,215)</u>
Claims incurred, net of reinsurance	10	(18,941,058)	(29,243,427)
Net operating expenses	4	<u>(1,476,405)</u>	<u>(1,213,559)</u>
Balance on the technical account - general business		<u><u>20,452,445</u></u>	<u><u>11,879,572</u></u>

All amounts relate to continuing operations.

The accompanying notes on pages 18 - 31 form an integral part of the Financial Statements.

SG Riskpartners DAC
PROFIT AND LOSS ACCOUNT: NON-TECHNICAL ACCOUNT - NON-LIFE BUSINESS YEAR ENDED 28
FEBRUARY 2025

		28 February 2025	29 February 2024
	Notes	€	€
Balance on the technical account - general insurance business		20,452,445	11,879,572
Investment income	5	3,295,956	2,736,356
Allocated investment return transferred to the technical account - general insurance business		(1,484,780)	(1,613,408)
Profit on ordinary activities before tax		<u>22,263,620</u>	<u>13,002,520</u>
Income tax expense	8	<u>(2,782,952)</u>	<u>(1,621,817)</u>
Profit for the financial year		<u><u>19,480,668</u></u>	<u><u>11,380,703</u></u>

There are no gains or losses other than those shown in the Profit and Loss Account above.

All amounts relate to continuing operations.

The accompanying notes on pages 18 - 31 form an integral part of the Financial Statements.

SG Riskpartners DAC
BALANCE SHEET
AS AT 28 FEBRUARY 2025

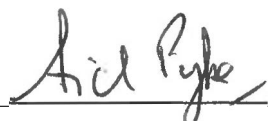
		28 February 2025	29 February 2024
Assets	Notes	€	€
Reinsurers' share of technical provisions			
Claims outstanding	10	1,883,751	10,431,060
		<u>1,883,751</u>	<u>10,431,060</u>
Other assets			
Cash at bank and in hand		110,820,081	96,193,866
		<u>110,820,081</u>	<u>96,193,866</u>
Prepayments and accrued income			
Prepaid expenses		12,500	15,375
Accrued bank interest		283,741	282,076
		<u>296,241</u>	<u>297,451</u>
Total assets		<u>113,000,073</u>	<u>106,922,377</u>

The accompanying notes on pages 18 - 31 form an integral part of the Financial Statements.

SG Riskpartners DAC
BALANCE SHEET
AS AT 28 FEBRUARY 2025

		28 February 2025	29 February 2024
	Notes	€	€
Liabilities and shareholder's equity			
Capital and reserves			
Called up share capital - presented as equity	12	30,000,000	30,000,000
Profit for the financial year		19,480,668	11,380,703
Profit brought forward		17,799,195	6,418,492
Shareholder's equity		67,279,863	47,799,195
Technical provisions			
Claims outstanding	10	40,178,504	54,161,890
		40,178,504	54,161,890
Creditors			
Creditors arising out of reinsurance operations		3,171,249	3,246,061
Other creditors including taxation and social welfare	8	1,973,057	1,484,797
Accruals and deferred income		397,400	230,434
		5,541,706	4,961,292
Total liabilities and shareholder's equity		113,000,073	106,922,377

The accompanying notes on pages 18 - 31 form an integral part of the Financial Statements.



Aidan Pyke
 Director



Cliona McDonnell
 Director

Date: 14 May 2025

SG Riskpartners DAC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2025

	<i>Share Capital</i>	<i>Profit and Loss account</i>	<i>Total</i>
	€	€	€
At 28 February 2023	20,000,000	6,418,492	26,418,492
Profit for the year	-	11,380,703	11,380,703
Issue of share capital	10,000,000	-	10,000,000
At 28 February 2024	<u>30,000,000</u>	<u>17,799,195</u>	<u>47,799,195</u>
Profit for the year	-	19,480,668	19,480,668
At 29 February 2025	<u><u>30,000,000</u></u>	<u><u>37,279,863</u></u>	<u><u>67,279,863</u></u>

The accompanying notes on pages 18 - 31 form an integral part of the Financial Statements.

1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

SG RiskPartners DAC is a limited liability company incorporated in the Republic of Ireland. The registered office is East Wall, 3rd Floor Lidl Building, Dublin 3, Ireland, with a registered number 676918. The financial statements cover those of the individual entity and are for the year ended 28 February 2025.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”) “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and Financial Reporting Standard 103 (“FRS 103”) “Insurance Contracts” issued by the Financial Reporting Council being applicable in the UK and Republic of Ireland, amended where necessary in order to comply with the Companies Act 2014, and the European Union (Insurance and Reinsurance) Regulations 2015 (“the Regulations”).

The Company's immediate parent is SG Riskpartners Holding Zweite GmbH, a company incorporated in Germany.

SG Riskpartners Holding Zweite GmbH mainly acts as a holding company within the Schwarz Group. The parent of the largest group in which these financial statements are consolidated is Prodirekt Schadenservice GmbH & Co. KG, located in Germany. The parent of the smallest group in which these financial statements are consolidated is SG Riskpartners Holding Zweite GmbH.

The financial statements for the year ended 28 February 2025 were approved for issue by the Board of Directors on 14 May 2025.

The financial statements are prepared in Euro, which is the presentation and functional currency of the Company and are rounded to the nearest whole number unless otherwise stated.

The disclosure exemptions adopted by the Company in accordance with FRS 102 are as follows:

- The requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d) to present a statement of cashflows
- The requirement of paragraph 33.7 to disclose key management personnel compensation

2 ACCOUNTING POLICIES

The accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting period and on foreseeable future transactions.

Critical accounting estimates

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the financial statements.

Sources of estimation uncertainty and judgments

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised in the period in which the estimate is revised if the revision only affects that period and in current and future periods if the revision affects both current and future periods.

The key source of estimation uncertainty and judgement at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

2 ACCOUNTING POLICIES (CONTINUED)

Valuation of technical provisions - Note 10

Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date.

Key sources of estimation uncertainty exist as it can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, thus IBNR claims form the majority of the liability in the balance sheet. The Company relies on cedant case estimates when setting their reserves; rather than, the adequacy of these case estimates will add to the uncertainty of the best estimate ultimate claim reserve estimates.

The principal judgements underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience and expected loss ratios. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. The Company also purchases multi-line retrocession protection to assist with balance sheet protection. The claims reserves have been subject to independent review by a professional actuary and further judgement is applied by management to establish a margin for uncertainty.

The following accounting principles are applied:

a) Basis of preparation

The financial statements are presented in Euro, which is the Company's functional currency. They are prepared under the historical cost convention.

b) Going concern

In considering the appropriateness of the going concern basis, the Directors have reviewed the Company's ongoing financial commitments for the next twelve months and beyond. The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). The Directors used their knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that was considered most likely to adversely affect the Company's available financial resources over this period was the valuation of net claims reserves, given the estimation and judgement involved in setting these reserves.

The Company has taken into account the potential material or adverse effects that macroeconomic and geopolitical events could have on the Company. Along with the potential failure of the Company's counterparties, their solvency, and capital adequacy, the Directors have evaluated the impact of these developments on the Company and have concluded that it does not have any significant exposure to its operations or financial position. However, the Directors will continue to monitor the situation for any changes that may affect the Company's future. As a result of this review, the Directors have satisfied themselves that it is appropriate to prepare these financial statements on a going-concern basis.

c) Foreign currencies

The financial statements are presented in Euro, denoted by the symbol "€", which is the Company's functional and presentation currency. Management considers the Euro as the currency that represents the economic effects of the underlying transactions, events and conditions.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

2 ACCOUNTING POLICIES (CONTINUED)

d) Deferred acquisition costs

Acquisition costs including both incremental acquisition costs and other indirect costs of acquiring and processing new business are deferred. Deferred acquisition costs are amortised systematically over the life of the contracts and tested for impairment on each balance sheet date. Any amount not recoverable is expensed. They are derecognised when the related contracts are settled or disposed of.

e) Insurance contracts

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholders. Insurance contracts can also transfer financial risk.

Reserves for technical provisions and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of an independent actuary. The reserves include estimates for both case reserves and losses incurred but not reported ('IBNR') and also applies a margin for uncertainty to the best estimate which is approved by the Board of Directors annually.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

f) Retrocession

The Company enters into outwards reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the reinsurance business being reinsured.

Reinsurer's share of claims is recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

g) Premiums and outward reinsurance premiums

Premiums written

Premiums written and outward reinsurance premiums comprise the premium on contracts incepting in the financial year. Written premiums are stated gross of commissions payable to intermediaries and exclusive of taxes and duties levied on premiums.

Unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis. The Company also accelerates the recognition of premium to match changes in the risk profile of individual policies.

h) Claims incurred and claims outstanding

Claims incurred comprise claims and related expenses paid for during the year and changes in the valuation of outstanding claims liabilities arising on policyholder contracts, including provisions for claims incurred but not reported.

Outstanding claims comprise provisions for the estimated cost of settling all claims incurred up to, but not paid at, the balance sheet date whether reported or not.

Outstanding claims comprise the provision for the estimated cost of settling all claims incurred up to, but not paid at, the balance sheet date whether reported or not and also includes the unallocated loss adjustment expense ('ULAE') which is computed as a percentage of the outstanding claims.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

2 ACCOUNTING POLICIES (CONTINUED)

i) Cash at bank and in hand

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j) Investment and investment income

Income from investments is included in the non-technical account on an accruals basis. A transfer of investment return is made from the non-technical account on the basis of the relationship between average technical provisions and average shareholders' funds to reflect the return made on those assets directly attributable to the insurance business. Interest income relates to the interest earned on cash and cash equivalents.

k) Taxation

Corporation tax is provided on taxable profits at current attributable rates. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The amount included in the profit and loss account is based on the profit on ordinary activities before taxation and is calculated at current local tax rates, taking into account timing differences and the likelihood of realisation of deferred tax assets and liabilities.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

International Tax Reform – Pillar Two Model

The Board of Directors has assessed the impact of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules on the Company and determined that they are not applicable to the Company. Consequently, no adjustments have been made to the financial statements related to the Pillar Two rules.

l) Expenses

Expenses are recognised in the profit and loss account on an accrual's basis.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

3 ANALYSIS OF RESULTS	28 February 2025	28 February 2025	29 February 2024	29 February 2024
	€	€	€	€
	Gross Premiums Written	Gross Premiums Earned	Gross Premiums Written	Gross Premiums Earned
Risks located in EU:				
Property Damage and Business Interruption	37,315,483	37,315,483	39,244,035	39,244,035
Marine & Transit	1,759,224	1,759,224	1,245,925	1,245,925
Total risks located in EU	39,074,707	39,074,707	40,489,960	40,489,960
Risks located in Non-EU:				
Property Damage and Business Interruption	3,073,539	3,073,539	3,273,128	3,273,128
Marine & Transit	149,905	149,905	112,562	112,562
Total risks located in Non-EU	3,223,444	3,223,444	3,385,690	3,385,690
Grand Total	42,298,151	42,298,151	43,875,650	43,875,650
Gross premiums earned		42,298,151		43,875,650
Gross investment income transferred from the non-technical account		1,484,780		1,613,408
Gross claims incurred				
Property Damage and Business Interruption	(8,785,475)		(24,633,348)	
Marine & Transit	(1,608,274)	(10,393,749)	(1,556,520)	(26,189,868)
Other technical charges, net of reinsurance		-		-
Gross operating expenses		(1,476,405)		(1,213,559)
Gross Result		31,912,777		18,085,631
Outward Reinsurance Balance				
Premiums paid		(2,913,023)		(3,152,500)
Claims incurred		(8,547,309)		(3,053,559)
		(11,460,332)		(6,206,059)
Net Result		20,452,445		11,879,572

SG Riskpartners DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025

(continued)

	28 February 2025	29 February 2024
	€	€
4 NET OPERATING EXPENSES		
Other underwriting expenses	130,459	105,460
Acquisition costs (note 9)	775,000	695,000
Administrative expenses	570,946	413,099
	<u>1,476,405</u>	<u>1,213,559</u>
5 INVESTMENT INCOME		
Interest Income from cash at bank	3,295,956	2,736,356
Total Investment Income	<u>3,295,956</u>	<u>2,736,356</u>
The following represents breakdown of investment return per line of business:		
Property Damage and Business Interruption	1,417,764	1,563,454
Marine & Transit	67,016	49,954
Total Investment return allocated to technical account	<u>1,484,780</u>	<u>1,613,408</u>
6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		
The profit is arrived at after charging:		
Directors' fees	58,333	50,000
Analysis of fees payable to the statutory audit firm (excluding VAT) is as follows:		
The audit of entity financial statements;	38,500	37,800
Other assurance services	25,900	25,200

The Directors' fee disclosed above relates to the Directors paid directly by the Company. The Company has not paid any fees or other remuneration to certain Directors related to directorship roles they provided to the Company as part of their group wide risk management role. An estimated allocation of the emoluments paid or payable by the companies of the Schwarz group to these individuals in relation to their group wide executive management role is € 25,000 (2024: € 25,000). The estimated allocation is based on an estimate of the qualifying services, including management of the affairs of the Company they provided to the Company during the year.

7 EMPLOYEES

The Company had no employees for the period ended 28 February 2025 (2024: nil).

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

	28 February 2025	29 February 2024
	€	€
8 TAXATION		
Factors that have affected the tax charge		
The standard rate of Corporation Tax in the Republic of Ireland is 12.5% (2024: 12.5%).		
(a) Income tax expense		
Current income tax:		
Profit on ordinary activities before tax	22,263,620	13,002,520
Tax on profits on ordinary activities at 12.5%	2,782,953	1,625,315
Prior Year CT adjustment	(1)	(3,498)
Total current charge	<u><u>(2,782,952)</u></u>	<u><u>(1,621,817)</u></u>
(b) Reconciliation of the effective tax charge		
The tax assessed for the year is the same and is the standard rate of Corporation Tax in Ireland of 12.5% (2024: 12.5%).		
(c) Tax Payable		
Opening tax (payable)/recoverable	(1,484,797)	246,187
Current income tax charge	(2,782,952)	(1,621,817)
Net tax paid/(refund)	2,297,454	(109,167)
Payroll Tax - Director Fee	(2,762)	-
Closing corporation tax payable	<u><u>(1,973,057)</u></u>	<u><u>(1,484,797)</u></u>
9 DEFERRED ACQUISITION COSTS		Deferred acquisition costs
Balance at 28 February 2023		-
Fronting Fees paid		695,000
Fronting Fees amortized		(695,000)
Balance at 29 February 2024		-
Fronting Fees paid		775,000
Fronting Fees amortized		(775,000)
Balance at 28 February 2025		<u><u>-</u></u>

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

10 TECHNICAL PROVISIONS

	Unearned premiums	Claims outstanding	Total
	€	€	€
Balance at 28 February 2023	-	52,471,234	52,471,234
Premium written / (claims paid)	43,875,650	(24,499,212)	19,376,438
(Premium earned) / claims incurred	(43,875,650)	26,189,868	(17,685,782)
Balance at 29 February 2024	-	54,161,890	54,161,890
Premium written / (claims paid)	42,298,151	(24,377,136)	17,921,015
(Premium earned) / claims incurred	(42,298,151)	10,393,750	(31,904,401)
Balance at 28 February 2025	-	40,178,504	40,178,504

Included in the above gross technical provision is an IBNR reserve of € 10.75m (2024: € 20.21m) and ULAE reserve of € 0.4m.

Reinsurance Amount

	Unearned premiums	Claims outstanding	Total
	€	€	€
Balance at 28 February 2023	-	(13,484,619)	(13,484,619)
Premium written / (claims paid)	(3,152,500)	-	(3,152,500)
(Premium earned) / claims incurred	3,152,500	3,053,559	6,206,059
Balance at 29 February 2024	-	(10,431,060)	(10,431,060)
Premium written / (claims paid)	(2,913,023)	-	(2,913,023)
(Premium earned) / claims incurred	2,913,023	8,547,309	11,460,332
Balance at 28 February 2025	-	(1,883,751)	(1,883,751)
Net technical provision at 28 February 2025	-	38,294,753	38,294,753
Net technical provision at 29 February 2024	-	43,730,830	43,730,830

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

11 CLAIMS DEVELOPMENT

The Company first commenced writing business on 01 March 2021. Analysis of gross/net claims development by year since then is as follows:

	Underwriting year 2021	Underwriting year 2022	Underwriting year 2023	Underwriting year 2024	Total
	€	€	€	€	€
28 February 2022	33,300,286	-	-	-	33,300,286
28 February 2023	29,657,640	34,826,980	-	-	64,484,620
29 February 2024	23,580,929	21,743,427	45,350,132	-	90,674,488
28 February 2025	22,883,751	18,834,922	30,717,818	28,631,746	101,068,236
Estimate of Cumulative Claims	22,883,751	18,834,922	30,717,818	28,631,746	101,068,236
Cumulative Claims Payment	(20,732,132)	(17,385,281)	(17,610,770)	(5,161,550)	(60,889,733)
Claims Reserves	<u>2,151,619</u>	<u>1,449,641</u>	<u>13,107,048</u>	<u>23,470,195</u>	<u>40,178,504</u>
Reinsurer's Share	(1,883,751)	-	-	-	(1,883,751)
Net Reserves	267,868	1,449,641	13,107,048	23,470,195	38,294,753
				28 February 2025	29 February 2024
				€	€

12 CALLED UP SHARE CAPITAL

Authorised

30,000,000 ordinary shares of €1.00 each 30,000,000 30,000,000

Allotted, called up and fully paid

30,000,000 ordinary shares of €1.00 each 30,000,000 30,000,000

On 01 September 2020, the Company issued 1 ordinary share of €1, at par and on 19 February 2021 the Company issued an additional 19,999,999 ordinary share of €1, at par and on 27th February 2024 the Company issued an additional of 10,000,000 ordinary shares of €1, at par, for the purposes of solvency capital. There are no restrictions on the rights and conditions attaching to the ordinary share.

13 RISK MANAGEMENT

The Company is exposed to risks from several areas including insurance risk, market risk, credit risk, and liquidity risk. This section summarizes these risks and the way the Company manages them.

Corporate governance

The Board gives high priority to risk management and risk control. Procedures are in place within the Company to ensure that risks are being measured, monitored and reported adequately and effectively.

Regulatory

The Company is regulated by the Central Bank of Ireland under Irish Insurance Legislation. Appropriate personnel have been appointed to ensure compliance with the relevant requirements.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

13 RISK MANAGEMENT (continued)

Capital management

The Company monitors the risks to which the business is exposed and identifies its impact on capital. The capital requirement of the Company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations.

There were no changes made during 2025 to the Company's objectives, policies and processes for managing capital. The Company was in compliance with capital requirements imposed by regulators throughout the financial year. Own Funds consist of ordinary share capital and the reconciliation reserve. Any changes to any of the Company's objectives, policies and processes require the approval of the Board.

The below sets out the Company's Solvency Capital Requirement ("SCR") under Solvency II at 28 February 2025, which will be submitted to the CBI as part of the Annual Quantitative Reporting Templates ("QRT") submission and the 29 February 2024 comparison.

The Solvency II regime commenced on 1 January 2016 where the SCR is 100%. At 28 February 2025, the Company was comfortably above the unaudited SCR by a significant margin as detailed below:

	2025	2024
	€'000	€'000
Available Funds per statutory balance sheet	67,280	47,799
Solvency II adjustments	14,544	2,393
Solvency II eligible own funds	81,824	50,192
Solvency Capital Requirement	24,802	21,144
Assets in excess of SCR	57,022	29,048
Minimum Capital Requirement	6,201	7,116
SCR Ratio	330%	237%

Liability adequacy

As the theory of probability is applied to both the pricing (when premiums are written) and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims experience shall exceed the amount of the insurance liabilities that have been accrued at the balance sheet date. This could occur if the frequency and/or severity of the claims are greater than estimated. Insurance events are random, and the actual number and number of claims will vary from year to year from the estimate established using statistical techniques.

The frequency and severity of future claims, which are insured by the Company, can be affected by several factors including interest rates, economic performance and other legal, political and social trends, etc. Additionally, if an underwriting year has long tail business, the greater is the degree of uncertainty in estimating its outcome.

The cost of outstanding claims and unexpired risk reserves is determined using standard actuarial techniques to project the net ultimate claims that the Company shall be liable for. These include estimated loss ratios, development method (paid claims) and benchmarking against other external data. The Company manages these risks through its underwriting strategy of arranging for an external qualified actuary to review the adequacy of the reserves of the Company on an annual basis and having adequate retrocession arrangements in place. The Company also monitors emerging issues.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. The geographical concentration of the risks is well spread throughout the world.

The Company cedes insurance risk to retrocessionaires to limit exposure to underwriting losses. The primary focus of the Company's retrocession strategy is on the security and financial stability of reinsurers. The Company remains liable to its cedents with respect to retrocessions if any retrocessionaires fails to meet the obligations it assumes.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

13 RISK MANAGEMENT (continued)

a) Insurance risk

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. This risk is mitigated by collecting the estimated premium sufficient to meet estimated losses and expenses.

(i) Concentration of insurance risk – claims reserve

The table below sets out the concentration of insurance risk by class of insurance:

Gross provision for outstanding claims

	28 February 2025	28 February 2025	28 February 2025	29 February 2024	29 February 2024
	€	€	€	€	€
	ULAE*	IBNR	OSLR	IBNR	OSLR
Property Damage and Business Interruption	364,273	9,442,285	26,985,015	19,110,880	31,595,579
Marine & Transit	33,534	1,305,538	2,047,859	1,095,490	2,359,941
Total	397,807	10,747,823	29,032,874	20,206,370	33,955,520

**(1%*Gross OSLR & IBNR)*

Net provision for outstanding claims as at 28 February 2025 was €38,294,753 (2024: € 43,730,830).

ii) Risk management objectives and policies

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. The Company also purchase multi-line retrocession protection to assist with balance sheet protection. The claims reserves have been subject to independent review by a professional actuary.

The sensitivity analysis below is performed based on 10% movement in loss reserves

	Gross loss reserves	Ceded loss reserves	Impact on Profit before Tax for the year	Impact on Equity for the year
	€	€	€	€
28-Feb-25				
Increase in gross loss reserves by 10%	4,017,850	-	(4,017,850)	(3,515,619)
Decrease in gross loss reserves by 10%	(4,017,850)	-	4,017,850	3,515,619
29-Feb-24				
Increase in gross loss reserves by 10%	5,416,189	(5,416,189)	-	-
Decrease in gross loss reserves by 10%	(5,416,189)	5,416,189	-	-

The impact of the gross loss reserves on profit before tax and retained earnings is mitigated by the outwards reinsurance agreements in place.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

13 RISK MANAGEMENT (continued)

b) Credit risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company utilizes custodians deemed to be of high credit quality to hold its cash at bank and in hand, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

	<i>Credit Rating</i>				<i>Total</i>
	<i>AAA</i>	<i>AA(+/-)/ Stable</i>	<i>A(+/-)/ Stable</i>	<i>BBB+/ Stable</i>	
28-Feb-25	€	€	€	€	€
Cash and cash equivalents					
Landesbank Baden-Wurttemberg	-		31,166,933	-	31,166,933
BNP Paribas Dublin Branch	-	-	79,653,148	-	79,653,148
Reinsurers' share of technical provisions - claims	-	1,883,751	-	-	1,883,751
	<u>-</u>	<u>1,883,751</u>	<u>110,820,081</u>	<u>-</u>	<u>112,703,832</u>

The primary rating agency used is Standard & Poor's for BNP Paribas & Fitch for Landesbank Baden- Wurttemberg.

	<i>Credit Rating</i>				<i>Total</i>
	<i>AAA</i>	<i>AA(+/-)/ Stable</i>	<i>A(+/-)/ Stable</i>	<i>BBB+/ Stable</i>	
28-Feb-24	€	€	€	€	€
Cash and cash equivalents	-				
Landesbank Baden-Wurttemberg	-	-	30,420,503	-	30,420,503
BNP Paribas Dublin Branch	-	-	65,773,363	-	65,773,363
Reinsurers' share of technical provisions - claims	-	10,431,060	-	-	10,431,060
	<u>-</u>	<u>10,431,060</u>	<u>96,193,866</u>	<u>-</u>	<u>106,624,926</u>

The primary rating agency used is Standard & Poor's.

c) Currency risk

The Company underwrites the following lines of business: Property Damage and Business Interruption, Marine & Transit in both euro and non-euro jurisdictions. The Company is not exposed to foreign currency movements on the settlement of claims as the value of the denominated exposure held by the Company is in euro.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

13 RISK MANAGEMENT (continued)

d) Liquidity risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available cash assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost.

Liquidity risk is managed by investing primarily in cash at bank and in hand which the Company deems to be very liquid.

Maturity dates of assets	28 February 2025	28 February 2025	29 February 2024	29 February 2024
	€	%	€	%
Less than one year	110,820,081	100	96,193,866	100
Total	110,820,081	100	96,193,866	100

The table below contains the undiscounted, contractual cash flows which are expected as at 28 February 2025 and 29 February 2024; Unearned premium reserves have been excluded from the analysis as they are not contractual obligations:

2025

€	Within 1 year	2-5 Years	5+ years	Total
Technical Provisions - claims	23,470,196	13,107,048	3,601,260	40,178,504
Reinsurers' share of technical provisions - claims	(1,883,751)			(1,883,751)
Insurance creditors	3,171,249	-	-	3,171,249
Accruals and deferred income	397,400	-	-	397,400
	25,155,094	13,107,048	3,601,260	41,863,402

2024

€	Within 1 year	2-5 Years	5+ years	Total
Technical Provisions - claims	29,355,744	23,181,289	1,624,857	54,161,890
Reinsurers' share of technical provisions - claims	(5,653,635)	(4,464,494)	(312,932)	(10,431,060)
Insurance creditors	3,246,061	-	-	3,246,061
Accruals and deferred income	230,434	-	-	230,434
	27,178,604	18,716,795	1,311,925	47,207,325

e) Interest rate risk

The Company currently faces minimal interest rate risk due to the absence of significant interest-bearing investments or liabilities. Its primary exposure is limited to interest earned on current bank accounts, which is not substantial enough to materially impact the financial position or performance. Regular monitoring of interest rate trends is conducted to ensure any potential risks are identified and managed appropriately.

SG Riskpartners DAC
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2025
(continued)

14 ULTIMATE GROUP UNDERTAKING

The Company's immediate parent undertaking is SG Riskpartners Holding Zweite GmbH, a company incorporated in Germany.

15 RELATED PARTY TRANSACTIONS

The Company is managed by Aon Insurance Managers (Dublin) Limited (AIMD), under the terms of a Management Agreement. Aidan Pyke is a Director of Aon Insurance Managers (Dublin) Limited and one of the Directors of SG Riskpartners DAC. There is a fixed amount of management fees paid to AIMD under the terms of the Management Agreement. The other Directors of the Company (except Dieter Schmitt) are employed by companies in the Schwarz Group.

The Company is a direct and wholly owned subsidiary of SG Riskpartners Holding Zweite GmbH, a company incorporated in Germany. SG Riskpartners Holding Zweite GmbH mainly acts as a holding company within the Schwarz Group. SG Riskpartners Holding Zweite GmbH's ultimate parent undertaking is Prodirekt Schadenservice GmbH & Co. KG located in Stiftsbergstr. 1. 74172 Neckarsulm, Germany.

16 POST BALANCE SHEET EVENTS

No significant events affecting the Company have taken place since the year end.