

Annual Report

TT Club Mutual Insurance N.V.

For the period ended 31 December 2024

TT CLUB
IS MANAGED
BY **THOMAS
MILLER**





Company Information

Name	TT Club Mutual Insurance N.V.
Address	Wilhelminakade 953A 3072 AP Rotterdam The Netherlands
Chamber of Commerce	89934032
Regulatory number (DNB)	R161589
Extended accounting year	13 April 2023 – 31 December 2024

SUPERVISORY BOARD

E. Rekker	Chairman
R. Collé	Member
C. Fenton	Member

AUDIT RISK COMMITTEE

R. Collé	Chairman of Audit & Risk Committee
E. Rekker	Member

MANAGEMENT BOARD

P. van den Brom	Chief Executive Officer
J. Kyenkyenhene	Chief Financial Officer

KEY FUNCTION HOLDERS

R. Doff	Risk management
A. Hogenbirk	Compliance
Y. Lau	Actuary
A. Holder-Holdsworth	Internal audit

EXTERNAL AUDITOR & CONSULTANTS

BDO Audit & Assurance B.V.	External auditor
Nauta Dutilh N.V.	Legal advisors
KPMG Meijburg & Co B.V.	Tax advisors

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Management Board Report

General

TT Club Mutual Insurance N.V. (hereafter “TTNV” or “the Company”), incorporated and domiciled in The Netherlands, is a public limited liability company organised under Dutch law. The Company was incorporated on 13 April 2023 and registered with the Chamber of Commerce under number 89934032. The office is located at Wilhelminakade 953A, 3072 AP Rotterdam. TTNV received its insurance license on 15th December 2023.

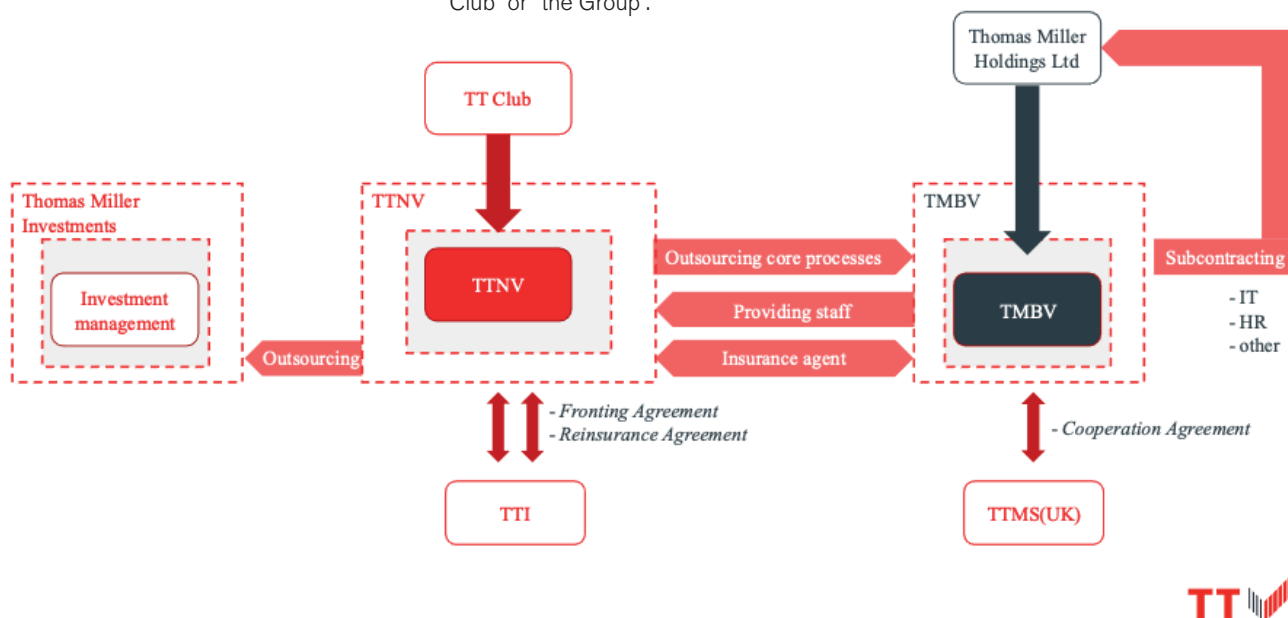
TTNV is a 100% subsidiary of TT Club Mutual Insurance Limited (“TTI”). TTI’s parent undertaking is Through Transport Mutual Insurance Association Limited (“TTB”) to which TTNV’s clients are also a Member. Collectively TTB, TTI and TTNV form “TT Club” and in this document are also referred to as “the Club” or “the Group”.

The principal activities of TTNV are the insurance and reinsurance of risks on behalf of the Members of the Club.

Mission and operating model

TTNV has been established to ensure service continuity towards the Members of the Club after the United Kingdom had left the European Union (Brexit). The Company acts as fronting insurer for TTI such that it services Members with EEA risks that were previously directly insured by TT Club, but can no longer be directly insured by TT Club after the United Kingdom left the European Union.

The diagram below provides a schematic overview of TTNV’s operating model.



Business update

This is the first year of operation for TTNV. After having received the license in December 2023, the Company spent the majority of 2024 preparing for its insurance activities. It was envisaged from the outset that the portfolio would be transferred from UK P&I Club N.V. (“UKNV”) based in Rotterdam that has acted as fronting insurer for the TT Club since 2021. Given that management between UKNV and TTNV overlap, clients, underwriting processes and claims were already known to the management of TTNV.

The actual starting point of underwriting of EEA risks in TTNV coincided with the date of the transfer of the historical liabilities from UKNV, at the 1st September 2024. The transaction has been approved by the insurance regulator De Nederlandsche Bank (“DNB”). All new EEA contracts have since been processed by TTNV.

Management Board Report

(continued)

Financial results

Given that the portfolio transfer did not materialise until the third quarter of 2024, all realisations were lower than expected in the original business plan. Gross written premium for the period 1 September 2024 up to 31 December 2024 is US\$ 7.9m. Other income, consisting of fronting fee over gross written premium, was adequate to cover the operating expenses. The net income before tax in this starting year is mainly driven by TTNV's investment result. TTNV's underwriting result is nil due to the 100% reinsurance that is essential for the structure. Under the reinsurance agreements, the portfolio managed by TTNV generate fronting fees enabling the Company to cover operational expenses.

TTNV's investment strategy is prudent and risk averse. The objective of the investment portfolio is value protection rather than profit generation. The

portfolio consists of U.S. Treasury Bonds and some money market funds. As the reporting currency is US\$, no currency risk is involved. The investment risk is closely monitored. The portfolio does not include financial derivatives. Over the course of the financial reporting period, the portfolio returned 4.0%. This has resulted in a positive investment return of US\$ 598k.

Net income after tax for the period ended 31 December 2024 is USD 564k.

Financial developments

At the start of the year TTNV had received a capital contribution from the parent of US\$ 15 million. This was in line with the business plan and necessary to underpin the business to be underwritten by TTNV. TTNV's rating from AM Best is equal to that of the parent TTI and has remained stable during the year at A- (Excellent).

At 31 December 2024	Total US\$000s
Available capital ('Own funds') as at 31 December	15,960
Required solvency capital ('SCR') as at 31 December	9,062
Surplus	6,898
Solvency II ratio	176%

Solvency II capital position

The Company operates at healthy solvency levels with a solvency ratio at 176%. Solvency levels are monitored during the year and investigated more in-depth during the forward looking ORSA process. The annual ORSA investigates adverse scenarios such as extreme catastrophic claims or unexpected investment losses. Should such situations materialise the Club has committed to provide capital support necessary to sustain a minimum 175% Solvency ratio.

TTNV had sufficient liquidity throughout the accounting year to honour claims as far as they have arisen, in part due to the efficiency of the operational processes and the reinsurance agreements that are in place.

Management Board Report

(continued)

Governance

TTNV abides by the Dutch Corporate Governance Code (2022). Since Governance Code is mainly intended for larger corporations, TTNV applies a proportional approach in implementing the requirements.

Furthermore, business practices are aligned with those of the parent company in order to make maximum use of experience and expertise. For instance, the respective audit committees have appointed the same audit firm.

Composition of the Board of Directors

TTNV operated a two tier board system, in line with Dutch regulations. The Supervisory Board supervised the functioning of the Management Board. It is a separate decision making body and reports separately. The Management Board was in charge of the day to day operations of the Company and consisted of:

- Paul van den Brom (CEO; 1964)
- Jeffrey Kyenkyenhene (CFO; 1990)

In the Netherlands, on 1st January 2022 a new law entered into force requiring that large Dutch (stocklisted) companies start the process to adopt appropriate target figures for gender diversity: (i) of the management board, (ii) of the supervisory board, and (iii) at sub-board level. The new rules apply to new appointments and there is no obligation to make changes to existing positions. In general terms, with some exceptions, any new appointment must contribute towards the ambition that at least one-third of the members of boards should be female. TTNV is likely to fall within the definition of a large company over time and will, in cooperation with its shareholder, plan to meet the appropriate ratios.

The TT Management Board consisted of only men in 2024. Over time, there will be an attempt to increase diversity in its composition. It should be noted that diversity is considered to cover more than gender alone. The Supervisory Board consisted of one woman (chairman) and 2 men, already meeting the desired composition.

The Management Board had formal meetings monthly and met informally as often as required. The communication lines within the team were short and efficient.

The main achievements included:

- Short communication lines with the Club to ensure a smooth go-live of the Company on 1st September 2024 and all communications to the market to Members and other stakeholders.
- Liaison with UK P&I Club N.V. to facilitate the portfolio transfer, that ultimately took place on 1st September and after regulatory approval.
- An in-depth preparation to ensure readiness for all realistic go-live dates during the first half of the year.
- Active participation in the testing of the new Customer Relationship System to support EEA operations

Outsourcing

TTNV's main operational processes are outsourced to Thomas Miller B.V. (hereafter "TMBV") that also holds a delegated underwriting authority. In addition, TMBV second staff to TTNV and provides full support facilities. Where outsourcing contracts have been signed, the Management Board remained fully responsible for the effectiveness of the operational processes. In order to monitor the effectiveness of those processes, the Management Board had implemented a monitoring framework whereby the outsourced service providers reported their performance on a quarterly basis using a KPI framework. Some of the processes were sub-outsourced to Thomas Miller in the United Kingdom with the benefit of maximising the experience already in place in managing the specific membership base of TT Club. TTNV had also entered into an outsourcing agreement with Thomas Miller Investments for the management of its investment portfolio.

Management Board Report

(continued)

Employees

TTNV does not have any employees. Instead it is serviced by TMBV which employed all the personnel engaged in TTNV's business.

Meetings with the regulator

The main regulator for TTNV is De Nederlandsche Bank ("DNB") with which there is a good relationship. There were regular interactions on strategic issues such as the portfolio transfer and (both Management and Supervisory) Board appointments.

TTNV filed all regulatory filings in a timely manner, such as Financial Reports, ORTs, ORSA and regulatory surveys on non-financial risks and climate change. The ORT-Q1 report raised regulatory questions, given that no operations had started yet and funding had not yet been received. This was clarified in a letter.

Sanctions

Monitoring of sanctions is at the heart of TTNV's operations due to its global reach. Given the increase of international and geopolitical tensions, new sanctions have been issued throughout the year. TTNV has had well-established Know Your Client, Anti-Money Laundering and Sanctions compliance procedures in place. The procedures include policies, employee training, third party review resources, and frequent automated screening.

Sustainability: health, safety and environment

TTNV's impact. TTNV recognised the need that its impact is sustainable and that the Company is operated in alignment with universal sustainability principles. TTNV addressed sustainability jointly with TT Club as a whole and in collaboration with the Club's Managers, Thomas Miller. The Club as a whole has installed a sustainability programme and has signed the UN Global Compact initiative.

Loss Prevention and Safety Risk Management.

The Club had an extensive loss prevention programme in place that created awareness for transport related hazards. This programme was aimed at the global Membership base and included on-site trainings, publications, presentations at conferences and a knowledge bank. Whilst this allowed TTNV to manage the claims it is also targeting safety for staff working at the Members' premises and it aims to prevent claims that could impact the environment. TTNV believes that these awareness initiatives are primarily focussed on the sustainability impact.

Climate-related risks to TTNV. Climate change is less likely to have a direct impact on TTNV's claims as TTNV provides mainly third party liability cover, which is less related to weather or temperature levels than for other sectors such as property insurance. TTNV's investment strategy is risk averse consisting of U.S. Treasury-related assets and cash, making it less prone to climate change sensitivities. More in-depth climate change scenarios have been developed in the Company's ORSA, showing that capital and service levels will remain adequate.

Outsourcing. TTNV's business operations are outsourced to Thomas Miller, which has its own ESG and Corporate Sustainable Responsibility programmes, details of which are set out in Thomas Miller's 2024 ESG report (<https://www.thomasmiller.com/about-us/esg/>). Thomas Miller is also a signatory of the United Nations Global Compact.

Corporate Sustainability Reporting Directive (CSRD).

The new EU regulations on sustainability disclosures are currently not mandatory for TTNV. However over time it may well be the case that TTNV's business will such that it will fall under the CSRD scope. If so, TTNV will implement all required disclosures in the second year after it will have fallen under the scope as per the CSRD regulations.

Governance. TTNV has a zero tolerance approach to acts of bribery and corruption as well as to modern slavery and human trafficking.

Management Board Report

(continued)

Risk Management

TTNV maintained a risk framework based on the three lines model. The Management Board and the business managers are primarily responsible for the management of the risks inherent to the business. They form the first line. The second line of defence is formed by the risk manager, compliance officer, and actuary, who each have their own perspective on the risks occurring in the business. Their main role is to challenge the first line and advise on effective risk management. The third line is formed by Internal Audit, which performs detailed reviews of the business processes.

The majority of risk management activities is centred around a quarterly reporting cycle to the Management Board and Audit & Risk Committee of the Company, during which the key function holders report their activities and findings. Based on this, risk management policies are adjusted or maintained.

Furthermore, the Company maintains a risk management framework that is fully aligned with the practices of the parent company. This includes a monitoring framework based on the following risk categories, for which risk appetite statements have been made:

1. Insurance risk – incorporating underwriting and reserving risk
2. Market risk – incorporating investment risk, interest rate risk and currency rate risk
3. Credit risk – being the risk that a counterparty is unable to pay amounts in full when due
4. Liquidity and cash flow risk – being the risk that cash may not be available to pay obligation as they fall due
5. Operational risk – being the risk of failure of internal processes or controls

The Company has a limited risk appetite. The fronting arrangements with TT Club allow TTNV to retain as little underwriting risk as possible. TTNVs appetite for investment risk is limited in that the investment mandate only allows for investment in U.S. Treasuries and cash equivalents only. The main

strategic risk is the counterparty default risk for the reinsurance exposures with each of TT Club. Since this is relatively concentrated, TTNV has a moderate risk appetite for this risk. Finally, TTNV has a zero tolerance for compliance or integrity risks.

Given its business model, the main strategic risks for TTNV are:

Counterparty default risk for reinsurance exposures

Because of the 100% reinsurance arrangements with TTI and the external reinsurers of the Club, reinsurance is the dominant risk mitigation instrument. Should a reinsurer fail to honour its reinsurance liability, then TTNV could potentially run the risk of capital shortages. Therefore, this counterparty default risk is closely monitored and assessed, for instance in the own risk and solvency assessment (ORSA).

Outsourcing

As the main business processes are outsourced to Thomas Miller, outsourcing risk features frequently on the agenda of the Management Board. The main risk being that TTNV has insufficient capabilities to demonstrate (with evidence) that it has control over its outsourced business processes. This is especially relevant in areas such as underwriting and claims management where additional regulations exist. This outsourcing risk has been managed by entering into formal outsourcing agreements, implementing agreed business processes and monitoring performance through quarterly performance reviews.

Management Board Report

(continued)

Fraud risk

The Management Board is aware of the inherent risk of fraud that it faces, both internally and externally, in carrying out its activities. Internal manifestations of fraud cover deliberate misuse or misappropriation of the organisation's resources for personal enrichment. External fraud could involve brokers, members or suppliers.

TTNV has zero tolerance for fraud. To minimize the chances of encountering any fraudulent behaviour, every year, TTNV's management identifies possible fraud risks in the Systematic Integrity Risk Analysis (SIRA). The most recent SIRA report has been approved in April 2023.

The Management Board also took into account the possibility of cybercrime. To mitigate these risks, the IT systems were surrounded by tight procedures and firewalls and regular testing was in place to ensure the safety of systems in use. The new DORA regulations have continued our focus on cyber-related risks and our operations have been enhanced to comply to the new rules.

The Company was unaware of any fraud or significant non-compliance with rules and regulations throughout the year.

Looking ahead in 2025

As 2024 has been focussed on the go-live of the Company, the year 2025 will be the first full year in operation. The Management Board is confident that all preparations taken so far will allow the Company to smoothly underwrite Members' EEA risks and to manage the portfolio of claims. We are convinced that this will take place while continuing to meet the service needs of TT Club and its Members.

Subsequent events

The Management Board is not aware of events after the balance sheet date that materially impact the company and its financial position nor its continuity.

Rotterdam, 17 April 2025

On behalf of The Management Board,

Paul van den Brom

Chief Executive Officer

Supervisory Board Report

Tasks and duties

The Supervisory Board of the TT Club Mutual N.V. (TTNV) was entrusted with supervising and advising the Management Board regarding management of the Company and overseeing TTNV's strategy and the general course of its business. The Supervisory Board performed its duties carefully in accordance with the law, the Articles of Association, and the Supervisory Board's internal rules. Members of the Supervisory Board were guided by the interests of TTNV and the Company's stakeholders. The duties of the Supervisory Board were published in the Supervisory Board Rules.

Composition

The members of the Supervisory Board were independent and had a good mix of experience and skills enabling them to challenge the Management Board, ensure effective service continuity to Members, and align the Company to Group strategy. The Supervisory Board consisted of three people, as set out below:

- [Ellen Rekker](#) (chair Supervisory Board)
Ms Rekker (1956, Dutch national) serves on the Supervisory Board of ABN-AMRO Captive N.V. and is also a member of the Supervisory Board of the Noord Nederlandsche P&I Club.

- [René Collé](#) (member and chair Audit & Risk committee)
Mr Collé (1959, Dutch national) is member (ad interim) of the board of Stichting Espria and member of the supervisory board of Mediahuis Pension fund.
- [Charles Fenton](#) (member)
Mr Fenton (1964, British national) serves on the Supervisory Board as a representative of the shareholder TT Club and the chairman at Thomas Miller Holdings.

Supervisory Board meetings

The Supervisory Board convened on five occasions during the (extended) financial year. All meetings were held in person. The table below shows the attendance and main topics of the meetings. Every meeting also included the minutes of the Management Board meetings that had taken place in the previous period, and notes of any important contacts with the regulator.

The Management Board attended all Supervisory Board meetings. When requested, the meeting could start the first half hour without the Management Board present. This was never the case.

All five scheduled meetings were attended by all three Supervisory Board members and had the following themes in addition to the regular agenda.

30 th November 2023	22 nd February 2024	15 th May 2024	26 th September 2024	13 th December 2024
Themes: Governance matters Policy Documents Status of license application Financial Oath	Themes: Introduction to TT Club Planning portfolio transfer Business Update	Themes: Progress portfolio transfer Preparatory Crisis Plan DORA Financial matters Regulatory Matters	Themes: Update TT Club Legacy Modernisation Project (LMP) DORA Sustainability/CSRD Geopolitical developments	Themes: ORSA Management Report Q3 2024 Evaluation SB

Supervisory Board Report

(continued)

Strategy and Finance

One of the key duties of the Supervisory Board is involvement in TTNV's strategy and monitoring its implementation. Given that most of 2024 was dedicated to planning operations the Supervisory Board and Management Board regularly discussed the progress and the strategic developments in light of the license application and the portfolio that would be transferred to TTNV from UKNV. As of September, financial updates could be provided concerning actual operations.

Self-evaluation

The annual self-evaluation of the Supervisory Board was held in December 2024 and the results were included in the December meeting. The outcomes of this evaluation were positive, with the caveat that TTNV will actually be in business for 4 months from September 2024. With this in mind, the Supervisory Board looks forward to next year's evaluation with a full year of operations.

Audit & Risk Committee

In order to ensure that the technical and financial nature of the business is addressed appropriately, the Supervisory Board installed an Audit & Risk Committee (ARC). It is envisaged the going forward the external auditor - including its UK counterpart when relevant - will have a standing invitation to the regular ARC meetings. During this first year, the ARC met only twice during a separate meeting. During the first meeting, the external auditor was present to illustrate the audit plan. The ARC discussed the first financial report and the Solvency II function holders presented the status and their plans.

Financial statements and dividends

The Supervisory Board has reviewed and approved the Annual Report, including the Financial Statements, prepared by the Management Board. Based on the external auditor's board report, among other things, the Supervisory Board concluded that the level of control over the financial reporting risks and internal control within TTNV was adequate. The Supervisory Board therefore recommends the approval of the annual accounts by the shareholder. Apart from the approval of the financial statements, the Annual General Meeting will also be asked to discharge the Management Board members from liability for the management they have conducted and to discharge the Supervisory Board members from liability for the supervision they have conducted during the first and extended financial year ending 31 December 2024.

Acknowledgements

The members of the Supervisory Board, would like to reiterate their appreciation for the continued dedication shown by the Management Board and all employees. We would also like to thank all Members and policyholders of TT Club for their continued trust and confidence.

Rotterdam, the Netherlands,
17 April 2025

On behalf of The Supervisory Board,

Ellen Rekker

Chair of the Supervisory Board of
TT Club Mutual Insurance N.V.

Financial Statements

As at 31 December 2024 (before profit appropriation)

BALANCE SHEET

2024	Note	US\$000s
Assets		
Financial investments	5	8,035
Trade receivables	6	11,092
Other receivables	7	3,637
Cash and cash equivalents	8	17,515
Total assets		40,279
Equity & liabilities		
Shareholder's equity	9	
Issued Share Capital		47
Share Premium		15,066
Other Reserves		(1)
Result over the financial year		564
Total equity		15,675
Liabilities		
<i>Unearned premium provision</i>	10	
Unearned premium		15,191
Reinsurance share of unearned premium		(13,760)
		1,431
<i>Claims provision</i>	11	
Claims provision		101,570
Reinsurance share of claims provision		(101,570)
		–
Reinsurance liabilities	12	20,568
Corporate income tax payable		119
Other liabilities	13	2,263
Accrued liabilities	14	223
Total liabilities		24,604
Total equity and liabilities		40,279

Profit and loss account

TECHNICAL ACCOUNT

2023/2024	Note	US\$000s
Income		
Gross premium written	19	7,864
Reinsurance premium payable		(7,102)
		763
<i>Changes in technical provisions (Unearned Premiums)</i>		
Change technical provision unearned premium		10,807
Change reinsurance share technical provision unearned premium		(9,635)
		1,172
Net earned premiums		1,934
Other income	15	429
Investment return transferred from the non-technical account		598
Claims Incurred		
Claims paid	19	(16,859)
Reinsurance recoveries		16,859
		–
Changes in claims provision		(38,872)
Changes in reinsurance share of claims provision		38,872
		–
Net claims incurred		–
Total Income		2,962
Expenses		
Acquisition cost		(763)
Deferred acquisition cost		(1,172)
Operating expenses	16	(366)
Total Expenses		(2,300)
Result Technical Account		662

Profit and loss account (continued)

NON-TECHNICAL ACCOUNT

2023/2024	Note	US\$000s
Result on technical account (transferred)		662
Net investment return	17	598
Foreign exchange (losses)/gains		(0)
Investment return transferred to the technical account		(598)
Investment management fee		(11)
Other operating income/(expense)		32
Net income before taxation		683
Taxation	18	119
Net income after tax		564

Cash flow statement

2023/2024	Note	US\$000s
Operating activities		
Net income		564
Change in trade receivables	6	(11,092)
Change in other receivables	7	(3,637)
Change in technical provision	10	1,431
Change in reinsurance liabilities	12	20,568
Change in other liabilities	13	2,263
Change in accrued liabilities	14	223
Change in corporate income tax payable	18	119
Other changes		(21)
		9,853
Net cash from operating activities		10,417
Investing activities		
	5	
Sale of investments		2,430
Purchase of investments		(10,296)
Net cash used from investing activities		(7,865)
Financing Activities		
	9	
Issued share capital		47
Share premium received		15,066
Net cash from financing activities		15,113
Effect of exchange rate fluctuations on cash & cash equivalents		(150)
Cash and cash equivalents at the beginning of the period	8	-
Cash and cash equivalents at the end of the period	8	17,515

Notes to the Consolidated Financial Statements

Note 1: General

Activities

TT Club Mutual Insurance N.V. ("TTNV" or "the Company") is incorporated in the Netherlands with a limited share capital. The principal activities of TTNV are the insurance and reinsurance of risks on behalf of the Members of TT Club, TTNV is unlisted.

Throughout the year, the Company has fronted insurance its parent company, the TT Club Mutual Insurance Limited ("TTI"), providing insurance and reinsurance in respect of the equipment, property and liabilities in the international transport and logistics industry.

The liability of the Members of the parent company (the "Club") is limited to the calls and supplementary premiums. In the event of the liquidation of TTNV, any net value of the assets are returned to the shareholder.

Outsourcing

As the main business processes are outsourced to Thomas Miller B.V., outsourcing risk features frequently on the agenda of the Management Board. The main risk being that TTNV has insufficient capabilities to demonstrate (with evidence) that it has control over its outsourced business processes. This risk has been managed by entering into formal outsourcing agreements, implementing agreed business processes and monitoring performance through quarterly performance reviews.

Registered office, legal form and registration number at the chamber of commerce

The registered address of TT Club Mutual Insurance N.V. is Wilhelminakade 953A, 3072 AP Rotterdam, the Netherlands. The Company is registered as a limited share company at the chamber of commerce under number 89934032.

Group structure

TT Club Mutual Insurance N.V. is part of the TT Club Mutual Insurance Limited. The financial statements of TT Club Mutual Insurance N.V. are included in the consolidated financial statements of TT Club Mutual Insurance Limited, United Kingdom. These consolidated financial statements can be found on the website of the parent company, www.ttclub.com.

Financial year

The financial year of TTNV is aligned with that of its parent company and ends at 31 December. This first Annual Accounts reporting period spans from 13 April 2023 to 31 December 2024, which is an extended period. Subsequently, the accounting year will run from 1 January to 31 December each year.

Judgements, estimates and uncertainties

In applying the principles and policies for preparing the financial statements, the Management Board of TTNV makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including assumptions related to the uncertainties, is disclosed in the notes to the relevant financial statement items.

Related parties

TTI is the parent company of the group, and holds 100% of the shares of TTNV. Besides, TTNV has strong relationships with Thomas Miller B.V. The formal relationship between each of TT Club and TTNV is set out in the fronting and reinsurance agreements.

Thomas Miller B.V. provides management services to TTNV. This company is a subsidiary of Thomas Miller Holdings Limited. TTNV has a service agreement with Thomas Miller B.V. which contains a one month termination clause. The Management Board is aware that Thomas Miller B.V. also entered in outsourcing agreements with other insurance firms, both from its head office as well as Cypriot, Greek and Italian branches.

Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise of cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash are not recognised in the cash flow statement.

Notes to the Consolidated Financial Statements (continued)

Note 2: General policies

2.1 General

The financial statements are prepared in accordance with the provisions of Title 9, Book 2, of the Dutch Civil Code and the Dutch Accounting Standards applicable RJ 605, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

2.2 Continuity

The financial statements have been prepared based on the going concern assumption, whereby the management of the Company based on an impact analysis (ORSA) has concluded that applying this assumption based on current insights is justified for at least the next 12 months.

2.3 Policy year accounting

All insurance business is accounted for on an annual basis. For reporting the policy year position to the Members, calls and premiums together with reinsurance premiums are allocated to the policy years in which they incept. Claims and related reinsurance recoveries are allocated to the policy year in which the claim is first notified. General expenses and management fees are allocated to the current policy year. Operating expenses are allocated to the current policy year.

2.4 Foreign currencies

(a) Functional currency presentation

Items included in the financial statements of TTNV are normally measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). For TTNV this would be the euro. TTNV has departed from this rule because reporting in U.S. dollars is justified by the Company's activities and the international character of the group to which the Company belongs. Many of the markets in which TTNV operates are priced, directly or indirectly, in U.S. dollars. Furthermore the investments made by TTNV as well as majority of the risks written are denominated in U.S. dollars. As a result, the functional currency of TTNV is the U.S. dollar.

Transactions in foreign currencies have been translated into US dollars at the rate applicable for the month in which the transaction took place. At each reporting date, monetary assets and liabilities that are denominated in other currencies, are translated into U.S. dollars at the rates of exchange ruling at the end of the reporting period.

The financial statements are presented in US dollars as a whole, being TTNV's presentation and functional currency.

(b) Transactions and balances

Revenue transactions in foreign currencies have been translated into U.S. dollars at rates revised at monthly intervals. All exchange gains and losses, whether realised or unrealised, are included in the non-technical account.

Foreign currency assets and liabilities are translated into U.S. dollars at the rates of exchange prevailing at the end of the reporting period. The resulting difference is included in foreign exchange gains and losses in the non-technical account.

2.5 Reinsurance programme TTNV

Reinsurance premiums, commissions, benefits, and technical provisions for reinsurance contracts are accounted for in the same way as direct insurance for which reinsurance is taken out. Reinsurers' share of technical provisions and benefits to which TTNV is entitled under its reinsurance agreement are deducted from gross technical provisions. Short-term receivables from reinsurers are included under receivables. These receivables depend on the expected claims and benefits arising from the relevant reinsured insurance contracts. The valuation of amounts owed by and to reinsurers is in accordance with the terms of the reinsurance contracts. Reinsurance obligations mainly relate to premiums payable for reinsurance contracts. These premiums are recognised as an expense over the period in which they are earned.

Notes to the Consolidated Financial Statements (continued)

Note 2: General policies (continued)

Accounting policies applied to the valuation of assets and liabilities

2.6 General

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability included in the balance sheet remains recognised in the balance sheet when a transaction does not lead to a significant change in the economic reality with regard to this balance sheet item. For such transactions no results are recorded. An important change in the economic reality is assessed on the basis of the economic benefits and risks that are likely to occur in practice.

An asset or liability item included in the balance sheet is derecognised from the balance sheet if a transaction results in all or substantially all rights to economic benefits and all or substantially all risks related to the asset or liability item being transferred to a third party.

2.7 Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable.

These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives. Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

2.8 Financial investments

TTNV classifies its financial investments at fair value if they can be evidenced by a quoted price within an active market.

Financial investments are recognised at trade date and subsequently measured at fair value. Fair values of financial investments traded in active markets are measured by bid price. Where there is no active market, fair value is measured by reference to other factors such as independent valuation reports.

A financial investment is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis. If the criteria are not met, the market is regarded as being inactive.

Revenue transactions are translated into U.S. dollars at applicable rates throughout the year. The cost of financial investments denominated in currencies other than U.S. dollar are translated into U.S. dollars on the date of purchase. Any subsequent changes in value, whether arising from market value or exchange rate movements, are charged or credited to the income and expenditure account in the period in which they occur.

Net gains or losses arising from changes in fair value of financial investments at fair value through profit or loss are presented in the income and expenditure account within 'unrealised gains/(losses) on investments' in the period in which they arise.

Notes to the Consolidated Financial Statements (continued)

Note 2: General policies (continued)

2.9 Deferred acquisition costs

Acquisition costs, comprising commission are deferred to the extent that they are attributable to premiums unearned at the statement of financial position date.

2.10 Debtors

Debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arising from insurance contracts are also classified in this category and include Members' contributions, claims deductibles recoverable from Members and reinsurance receivables. Debtors are carried at cost less impairment. Debtors have a duration not longer than one year.

Debtors are reviewed for impairment as part of an ongoing and annual review. Debtors are recognised initially at fair value and subsequently measured at amortised cost basis. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues.

Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for receivables.

2.11 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost basis. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for receivables.

2.12 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash equivalents are investments with original maturity of three months or less from the date of acquisition.

2.13 Capital and reserves

Capital is stated at par value. The share premium relates to capital contributions, which have occurred since incorporation. Other reserves relate to the accumulated profits and losses which have occurred since incorporation and are not yet distributed to the shareholder. The share capital is denominated in euro and the US Dollar equivalent is recalculated against the prevailing foreign exchange rate at the year-end date.

2.14 Provision for unearned premiums written

Written premiums are recognised as earned income over the period of the policy on a time apportionment basis. Similarly, continuity credit costs are recognised over the period of the policy on a time apportioned basis, as a discount to premiums.

Premium written in a financial year which is to be allocated to the following period on an accrual basis. This item is used to defer the written premium.

2.15 Provision for outstanding claims

Provision for the liabilities of insurance contracts is made for outstanding claims and settlement expenses incurred at the Balance Sheet date including an estimate for claims incurred but not yet reported. For the TT portfolio the internal costs of handling claims have been excluded from the base data. These changes in actuarial technique have been applied in order to predict the ultimate claims notified. Refer to note 11 for an analysis of the impact of the change in methodology.

The risks associated with insurance contracts are complex and subject to a number of variables. TTNV uses several statistical and actuarial techniques based on past claims development experience. This includes indications such as average claims cost and ultimate claims numbers.

2.16 Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Notes to the Consolidated Financial Statements (continued)

Note 2: General policies (continued)

Principles for the determination of the result

2.17 Gross premiums written

Calls and premiums are presented net of return premiums and continuity credits and are the total receivable for the whole period of cover provided by the contracts incepting during the accounting period together with any adjustments in respect of prior accounting periods. Ceded commissions are recognised in line with gross commissions.

Continuity credits and premium deferrals are discounts provided to renewing members against the renewed policy. All premiums, continuity credits and premium deferrals are shown gross of commission payable to intermediaries and are exclusive of taxes and duties levied thereon.

2.18 Reinsurance premiums

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inward reinsurance business being reinsured.

2.19 Claims incurred

These are the legal costs and expenses of the Members covered by TTNV. They include all claims incurred during the year, whether paid, estimated or unreported, together with internal claims, management costs and future claims management costs and adjustments for claims outstanding from previous years.

2.20 Acquisition costs

Acquisition costs comprise commissions paid to brokers, on behalf of members, related to the acquisition of new insurance contracts and the renewal of existing contracts. These expenses are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

2.21 Other income

Other income comprises the fronting fee received by TTNV from the TT Club. The fronting fees consists of a fee calculated over the gross written premium for each Fronted Club and a fee to maintain sufficient funding required by Solvency II. The fronting fee over gross written premium is recognised upon invoicing. The fee related to the cost of capital is earned on a straight line basis over the financial year.

2.22 Investment income

This comprises income received during the year adjusted in respect of interest receivable at the year-end, profits and losses on the sale of investments and unrealised gains and losses on the movement in the fair value of the investments. Investment income also includes the foreign currency revaluation results on financial investments and cash and cash equivalents.

Solvency II regulations require TTNV to keep a capital position against reinsurance positions. The received capital is invested in a portfolio consisting of fixed income financial assets. The investment return comprises all investment income, realised investment gains and losses and movements in unrealised investment gains and losses, net of investment expenses, charges and interest and the foreign exchange result. As the investments are held in relation to the reinsurance activities of the Company, 100% of the investment return is allocated to the technical accounts.

2.23 General expenses

General expenses include remuneration of the Supervisory Board, professional fees and other general and administrative expenses. These expenses are recognized in the period that the goods or services are provided to the Company.

2.24 Taxation

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. A deferred tax asset or liability is not recognised if the probability of realisation is only connected to the existence of a deferred tax liability relating to revalued assets for temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements. The tax payable or recoverable is calculated based on the on Dutch corporate income tax rate applicable to the reporting period.

Notes to the Consolidated Financial Statements (continued)

Note 3: Estimates and judgements

3.1 Critical Accounting estimates and judgements

TTNV makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements 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. Actual results may differ from these estimates. Refer to paragraph 2.14 for more information about the change in estimates related to the provision for outstanding claims.

3.2 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is TTNV's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that TTNV will ultimately pay for such claims. Estimates are made for the expected ultimate cost of claims, whether reported or unreported, at the end of the reporting period. There is limited claim experience from historical claims on the Company's accounts. Therefore, the Company uses claim experience from TT Club for the respective written business to assess the claims provisions. TT Club use several statistical and standard actuarial techniques in order to estimate the loss ratios. These loss ratios have been applied to the gross earned premium within TTNV to estimate the claims provision.

Note 4: Risk Management

Management of risk

TTNV is governed through a two-tier board structure with a separate Management Board and Supervisory Board. The Management Board of TTNV is responsible for the day to day operations. The Supervisory Board monitors the policies pursued by the Management Board and the general course of affairs within TTNV. The Management Board has formalised its appetite for risk at both the strategic and operational level.

The Management Board established a framework of governance through which risk is managed.

TTNV is focussed on the identification and management of potential risks. This covers all aspects of risk management including that to which TTNV is exposed through its core activity as a provider of insurance services, and the broader range of risks. The key areas of risk impairing TTNV can be classified as follows:

1. Insurance risk – incorporating underwriting and reserving risk
2. Market risk – incorporating investment risk, interest rate risk and currency rate risk
3. Credit risk – being the risk that a counterparty is unable to pay amounts in full when due
4. Liquidity and cash flow risk – being the risk that cash may not be available to pay obligations as they fall due
5. Operational risk – being the risk of failure of internal processes or controls

The Management Board established and embedded risk management procedures within the business through a compliance manual, an internal control system and a risk management framework that considers and logs potential risks and how they are to be managed. This framework has gone through a review around the year end. The Supervisory Board monitors the development and operation of risk management policies and controls in place to mitigate risk through a governance structure which includes an internal audit function.

The Company has a limited risk appetite. The fronting arrangements with TT Club allow TTNV to retain as little underwriting risk as possible. TTNV's appetite for investment risk is limited in that the investment mandate only allows for investment in U.S. Treasuries and cash equivalents only. The main strategic risk is the counterparty default risk for the reinsurance exposures with each of TT Club. Since this is relatively concentrated, TTNV has a moderate risk appetite for this risk. Finally, TTNV has a zero tolerance for compliance or integrity risks.

Notes to the Consolidated Financial Statements (continued)

Note 4: Risk Management (continued)

4.1 Insurance risk

TTNV is an insurer focussed mainly on the marine and transport industry, underwriting only protection and indemnity insurance for the shipping and transport community.

Underwriting risk is the risk that TTNV's net insurance obligations (i.e. claims less premiums) are different to expectations. The Company considers the risk of existing obligations (Reserve Risk) separately to the risk of future obligations (Premium Risk).

Reserve risk is managed by TTNV's reserving policy. The Company establishes provisions for unpaid claims, both reported and unreported, and related expenses to cover its expected ultimate liability. These provisions are established through the application of actuarial techniques and assumptions. In order to minimise the risk of understating these provisions, the assumptions made and actuarial techniques employed are reviewed in detail by the Management Board and actuarial function holder.

Premium risk is managed by an underwriting policy that establishes robust underwriting practices in order to meet business needs and satisfy regulatory control. This is supplemented with a robust forecasting approach undertaken as part of the Company's ORSA process.

The underwriting process is based on a thorough understanding of the risk accepted. This understanding is enhanced as:

- TTNV is a focussed insurer that continues the same covers that for many years have been provided directly by TT Club.
- Underwriting authority is delegated to specific individuals who operate under set underwriting parameters and are subject to ongoing guidance and review by the Management Board.

Underwriting risk is mitigated via the reinsurance programme by which 100% of the underwriting risk is reinsured to TT Club or external reinsurers, including via the International Group. This latter programme comprises excess of loss reinsurance cover for TT Club risks, purchased jointly with other members of the International Group, and the International Group Pooling agreement. In addition there is also external reinsurance of TT Club claims that fall below the deductible of the International Group pooling threshold. To support the reinsurance programme, the parent company has provided substantial cover for all exposures not mitigated under the external reinsurance programme.

TTNV considers that the liability for insurance claims recognised in the balance sheet is adequate. However, actual experience is likely to differ from the expected outcome.

4.2 Market risk

Market risk arises through fluctuations in market valuations, interest rates, corporate bond spreads and foreign currency exchange rates.

TTNV maintains a prudent investment policy. The asset portfolio consists of U.S. Treasuries, Money Market Funds and cash. Whilst the day to day management of assets is outsourced, the Management Board monitors fulfilment of the investment mandate on a regular basis. Further discussion of this arrangement is provided below under the "prudent person principle".

The prudent person principle

Under TTNV's investment policy, all of TTNV's investments are invested and managed in accordance with the 'prudent person principle', meaning that duties of the Investment Managers are discharged with the care, skill, prudence and diligence that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and aims. More specifically the portfolio:

- is invested in assets and instruments whose risk can properly be identified, measured, monitored, managed, controlled and reported,
- ensures the security, quality and liquidity of the portfolio as a whole,
- is appropriate to the nature, currency and duration of TTNV's insurance liabilities,
- includes derivative instruments only where they contribute to a reduction of risks or efficient portfolio management,
- includes only a prudent level of unlisted investments and assets, and
- is diversified to avoid excessive reliance on any asset, issuer or group, or geographical area.

Notes to the Consolidated Financial Statements (continued)

Note 4: Risk Management (continued)

4.2 Market risk (continued)

TTNV's funds are invested by the Investment Managers in accordance with parameters set by an investment mandate. The investment mandate provides a framework to the investment managers for the management and stewardship of the Company's investment assets in conformity with the business and investment objectives and sets the parameters within which TTNV's assets may be invested.

It is considered and approved by the Management Board on an annual basis and ad hoc as required and is subject to the Company's investment policy. The day to day management of the investment portfolio has been outsourced to Thomas Miller Investments and this is monitored under strict outsourcing criteria.

A 5 percent reduction in the valuation of all investments would result in a reduction in capital (before tax effects) of US\$3.4 million. This would still allow TTNV to operate well in excess of regulatory requirements.

Foreign currency risk management

TTNV is exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than U.S. dollars. The most significant currency to which TTNV is exposed the Euro. In order to manage this risk, TT Club have agreed to fully absorb the foreign currency risk by providing reinsurance in the currencies and the respective values or the original policy underwritten. Therefore, TTNV does not accept any foreign exchange risk.

Interest rate risk management

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. Interest rate risk arises primarily from investments in fixed interest securities the value of which is normally inversely related to movements in market interest rates. In addition, to the extent that claims inflation is related to interest rates, liabilities to Members are exposed to interest rate risk. This risk is hedged in the reinsurance agreements.

Interest rate risk is managed through the investment strategy and accordingly debt and fixed income securities are predominantly invested in high quality government backed bonds. The maturity profile of these investments is typically shorter than the profile of gross claims liabilities. However, since TTNV operates a 100% reinsurance model, the net duration of liabilities is close to zero.

It is estimated that the value of the Company's investments would change for the following amounts if market interest rates had changed by 100 basis points at the year-end date of 31 December 2024 and all assumptions had remained unchanged. The sensitivity analysis is no longer applied due to the redemption of the debt securities.

4.3 Credit risk

Credit risk is the risk of loss in the value of financial assets due to counterparties failing to meet all or part of their obligations. TTNV is exposed to credit risk from a counterparty failing to comply with their obligations under a contract of reinsurance. In order to manage this risk the Management Board consider the financial position of significant counterparties on a regular basis. Moreover, there are limits to monitor aggregate exposures to each reinsurer and the Company has set selection criteria whereby each external reinsurer is required to hold a credit rating greater than or equal to "A-" (A minus) at the time the contract is made. There are also limits on the individual exposures to avoid large concentrations to individual reinsurance counterparties other than to Fronted Clubs.

Credit risk also arises out of amounts due from clients representing premium owed to TTNV in respect of insurance business written. The Company manages the risk of Member default through a screening process to ensure the quality of new insured of TTNV and the ability to cancel cover and outstanding claims of Members that fail to settle amounts payable. TTNV limits its reliance on any single client.

The investment mandate manages the risk of default by limiting investments to government guaranteed bonds. These are mainly U.S. Treasuries and cash based instruments. The below tables show our investments in funds consisting of U.S. Treasuries under "not rated" instruments.

Notes to the Consolidated Financial Statements (continued)

Note 4: Risk Management (continued)

4.3 Credit risk (continued)

The following tables provide information for TTNV regarding aggregate credit risk exposure for financial assets with external credit ratings. The credit rating bands are provided by independent ratings agencies.

As at 31 December 2024	AAA US\$000s	AA US\$000s	A US\$000s	Not readily available/ not rated US\$000s	Total US\$000s
Debt securities		8,035			8,035
Cash at bank and in hand	–	–	17,515	–	17,515
Amounts due from members	–	–	–	11,303	11,303
Total of assets subject to credit risk	–	8,035	17,515	11,303	36,853

4.4 Liquidity and cash flow risk

Liquidity risk is the risk that cash may not be available to pay obligations as they fall due. The Company has adopted an investment policy that requires the maintenance of significant holdings in short term deposits to ensure sufficient funds are available to cover anticipated liabilities and unexpected levels of demand. Short term cash needs are monitored to ensure the most efficient investment of cash balances.

The following table provides a maturity analysis of both the Company's financial assets representing the date that a contract will mature, amounts are due for payment or the asset could be realised without significant additional cost.

As at 31 December 2024	Short term assets US\$000s	Within 1 year US\$000s	1-2 years US\$000s	Less than 5 years US\$000s	Total US\$000s
Debt securities		894	3,303	3,838	8,035
Cash at bank and in hand	17,515	–	–	–	17,515
Amounts due from members	11,303	–	–	–	11,303
Total assets	28,818	894	3,303	3,838	36,853

Liquidity issues could also arise in case of urgent claim payments. Such liquidity effects are managed by reinsurance contracts stating that the amounts due will be paid after being pre-financed by the respective reinsurer. This ensures that the company does not face any cash flow problems that could result in inadequate client service levels. During the current year, no liquidity issues have arisen out of urgent claim payments.

4.5 Operational risk

Operational risks relate to the failure of internal processes, systems or controls due to human or other error. In order to mitigate such risks, the Company has engaged Thomas Miller B.V. as managers to document all key processes and controls in a procedural manual. This manual has been further enhanced during the year and is available to all staff. Compliance with the procedures and controls documented within the manual is monitored on a regular basis through quality control checks and the internal audit function which is directed and reviewed by the Audit and Risk Committee. A human resource manual including all key policies is also in place.

Notes to the Consolidated Financial Statements (continued)

Note 4: Risk Management (continued)

4.5.1 Fraud risks and controls

TTNV has zero tolerance for fraud. To minimize the chances of encountering any fraudulent behaviour, every year, TTNV's management identifies possible fraud risks in the Systematic Integrity Risk Analysis (SIRA). The most recent update of the SIRA risk log took place in Autumn 2022 and the most recent SIRA report has been approved in April 2023. Internal manifestations of fraud cover deliberate misuse or misappropriation of the organisation's resources for personal enrichment, for example through fraudulent claims. Key control measures include getting a declaration of decent behaviour ('*Verklaring Omtrent Gedrag*') as part of every recruitment process, a Code of Conduct covering expected behaviour and expressing an intolerance to fraud, a group policy against fraud, and application of a four-eye principle on expenses processing. Within the organisation, there is a clear incident management policy should fraud occur (both internally and externally). The incident management policy gives clear indications how to deal with the situation, who to inform, and where to go for help.

External fraud could involve brokers, members or suppliers. To control for these risks, staff are trained on a regular basis to be vigilant on claims and payments. Also, the Club's Rules governing the policy explicitly state that cover is not valid if based on false information. In case of supplier-related fraud risk, most suppliers work on a contract basis and the contracts specify the intolerance for fraud. Payments to suppliers are always double-checked against contract/invoice.

The Management Board also takes into account the possibility of cybercrime. To control for this risk, the IT systems are surrounded by tight procedures and firewalls and regular testing is in place to ensure the safety of systems in use.

The Management Board is not aware of any fraud during the financial year.

4.6 Capital management

TTNV's objective is to maintain sufficient capital to ensure it is able to continue to meet regulatory requirements and maintain an "A-" rating with Standard and Poor's, with a substantial margin in each case.

TTNV is regulated by De Nederlandsche Bank (DNB) and Autoriteit Financiële Markten (AFM). Under the Solvency II regime the Company is obliged to assess and maintain the amount of capital required to meet the risks that it faces based on a 99.5 percent confidence level of solvency over one year time frame. Throughout the period TTNV complied with the regulatory capital requirements and the requirements in the other countries in which it operates.

4.7 Fair value hierarchy

In accordance with the Dutch Accounting Standards, section RJ 290, as a financial institution, TTNV applies the requirements. This requires, for financial instruments held at fair value in the Statement of Financial Position, disclosure of fair value measurements by level of the following fair value hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

During the year ending 31 December 2024, all financial investments fell under category Level 1.

Notes to the Consolidated Financial Statements (continued)

Note 5: Financial investments

The Company's financial investments are summarised by measurement category in the tables below.

During the financial year, TTNV shifted part of its bond exposures to bond-related mutual funds with shorter duration anticipating financial market turbulence. The movements of the financial investments are as follows:

	Bonds US\$000s	Total US\$000s
Carrying amount as at 13 April 2023	–	–
Acquisitions	10,296	10,296
Disposals	(2,430)	(2,430)
Revaluation and other changes	169	169
Carrying amount as at 31 December 2024	8,035	8,035

BONDS	Maturity Date US\$000s	Nominal Value US\$000s	Purchase Price US\$000s	Fair Value under Solvency II US\$000s	Exposure US\$000s
As at 31 December 2024					
U S Treasury note 0.875%	30/09/2026	3,500	3,214	3,311	Sovereign
U S Treasury note 2.250%	15/02/2027	4,000	3,776	3,872	Sovereign
U S Treasury note 2.750%	30/06/2025	900	875	894	Sovereign
Total Value		8,400	7,865	8,077	

Fair value of investments includes the market value of the investments (carrying amount) plus the accrued interest recorded under other receivables.

Note 6: Trade receivables

The below table provides an overview of the debtor position as of 31 December 2024.

As at 31 December 2024	US\$000s
Insurance receivables:	
Due from Members	11,303
Allowance for bad debt	(211)
Total trade receivables	11,092

The balance due from Members consists of premiums receivable balances. For aged debtors 90 days past due an allowance for bad debt is created based on TT Group accounting policies.

Notes to the Consolidated Financial Statements (continued)

Note 7: Other receivables

Other receivables consist of the following:

As at 31 December 2024	US\$000s
Accrued interest on financial investments	42
Accrued interest on bank accounts held by investments	77
Deferred acquisition cost	1,431
Portfolio transfer receivable	2,045
Other receivables	43
Total other receivables	3,637

All other receivables are due within one year.

Note 8: Cash and cash equivalents

Cash at bank and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. All cash at bank is at disposal of the Company and cash at bank and in hand is carried at nominal value.

As at 31 December 2024	US\$000s
Cash at bank	10,070
Bank accounts held by Investments	7,445
Total cash and cash equivalents	17,515

Note 9: Shareholder's equity

The movement schedule of the shareholder's equity is described below.

	Issued share capital US\$000s	Share premium US\$000s	Other reserves US\$000s	Result for the year US\$000s	Total US\$000s
Balance as at 13 April 2023	–	–	–	–	–
Issued shares	46				46
Share premium received		15,066			15,066
Result for the Year	–	–	–	564	564
Revaluation differences	1	–	(1)	–	–
Balance as at 31 December 2024	47	15,066	(1)	564	15,676

Notes to the Consolidated Financial Statements (continued)

Note 9: Shareholder's equity (continued)

The issued share capital of TTNV amounts to €45,000, divided into 45,000 ordinary shares with a nominal value of €1.00. The total number of shares issued is 45,000. The share capital is been recalculated against the foreign exchange rate per 31 December 2024 (EUR 1 = US\$ 1.0355).

A summary of the capital position in accordance to the Solvency II standards as at 31 December 2024 is provided below.

As at 31 December 2024	US\$000s
Solvency Capital Requirement (SCR)	9,062
Eligible Own Funds	15,960
Excess	6,898
SCR ratio	176%

The Solvency Capital Requirement ('SCR') ratio is 176%. The available capital ('Eligible own funds') is determined as excess of assets over liabilities on the market value balance sheet of TTNV. The Solvency II required capital is calculated according to the standard formula.

TTNV aims to maintain an SCR ratio of between 175% - 225%, while targeting an optimum SCR ratio of 200%. The optimum SCR solvency ratio is set at 200% because TTNV considers this a conservative margin. At this rate there is no stress scenario that would result in a SCR solvency ratio of lower than 100%. The minimum eligible own funds to meet the minimum SCR ratio of 175% per 31 December 2024 is USD 15,859k.

Note 10: Technical provisions

Technical provisions for unearned premium were made for those policies that have a coverage period that extend the accounting year. The unearned premium Provision covers the amount not absorbed by earned premium and is carried over to the following year.

As at 31 December 2024	US\$000s
Unearned Premium	15,191
Reinsurance share of unearned premium	(13,760)
Total technical provisions	1,431

Note 11: Claims provisions

The claims provision has a predominantly long-term character. A summary of the claims provision as well as a movement schedule of the claims reserve is provided below.

As at 31 December 2024	US\$000s
Claims provision	101,570
Reinsurance share of claims provision	(101,570)
Total claims provisions	–

Notes to the Consolidated Financial Statements (continued)

Note 11: Claims provisions (continued)

As at 31 December 2024	US\$000s
Carrying amount as at 13 April 2023	–
Part VII transfer	65,715
Additions	63,904
Deductions	(25,031)
Revaluation and other changes in claims provision	(3,018)
Carrying amount as at 31 December 2024	101,570

Liability adequacy test

The total of the gross claims provisions is US\$ 101.5 million. No surplus or deficit would be expected if gross claims reserves were held as these have been set on a best estimate basis. Hence, the technical provisions are adequate as at 31 December 2024.

Note 12: Reinsurance liabilities

The reinsurance premiums payable to the reinsurers are as follows.

As at 31 December 2024	US\$000s
Reinsurance amounts payable to TTI (the parent company)	20,568
Total reinsurance liabilities	20,568

TTTNV makes repayments on the reinsurance liabilities when excess cash is available. As such the full reinsurance liability falls due in more than one year.

Note 13: Other liabilities

Other liabilities consist of the following.

As at 31 December 2024	US\$000s
Commissions payable	1,179
Claim payments approved, not yet paid	387
Insurance premium tax payable	336
Other liabilities	360
Total other liabilities	2,263

All other liabilities are due and payable within one year.

Notes to the Consolidated Financial Statements (continued)

Note 14: Accrued Liabilities

The accrued liabilities consist of the following.

As at 31 December 2024	US\$000s
Accrued expenses	223
Total accrued liabilities	223

All accrued expenses are payable within one year.

Note 15: Other Income

The total other income comprises of the fronting fee charged to TT Club.

2023/2024	US\$000s
Fronting fee from TTI (parent company)	429
Total other income	429

Note 16: Expenses

The expenses can be specified as follows:

2023/2024	US\$000s
Acquisition cost	763
Deferred acquisition cost	(1,172)
Net Acquisition costs	1,934
Supervisory Board costs	77
Other operating expenses	289
Operating expenses	366
Total expenses	2,300

The operating expenses consist of legal & professional fees and regulatory fees. A breakdown of the audit fees of BDO Audit & Assurance B.V. is as follows:

2023/2024	US\$000s
Audit fees	
Audit Financial Statements	142
Other audit services	38
Total audit fees	181

The current year's audit fees include an amount of US\$ 142k that is related to the audit of the annual accounts 2023/2024.

Notes to the Consolidated Financial Statements (continued)

Note 17: Net Investment Return

The portfolio is comprised of U.S. Treasuries and the 2023/2024 financial year was a good one for US Treasuries. Over the course of the year, the portfolio returned 4.0%. This has resulted in a positive investment return of US\$ 598k. As the reporting currency is US\$, no currency risk is involved on our fully US\$ denominated investment portfolio. The investment risk is closely monitored. The portfolio does not include financial derivatives. A summary of the investment return for the year is provided below:

2023/2024	US\$000s
Total realised investment income	429
Total unrealised investment income (loss)	169
Net investment return	598

2023/2024	US\$000s
Interest from fixed income securities	385
Realised on sale of fixed income securities	44
Total realised investment income	429

The investment return comprises all investment income, realised investment gains and losses and movements in unrealised investment gains and losses, net of investment expenses, charges and interest and the foreign exchange result. As the investments are held in relation to the reinsurance activities of the Company, 100% of the investment return is allocated to the technical accounts. investment return on TTNV's investment portfolio (excluding investment management fees) has been allocated from the non-technical account to the technical account.

Note 18: Income tax expenses

The standard corporate income tax rates for calendar years 2023 and 2024 are as follows (amounts in the below table in euro's):

2023/2024	Lower rate EUR	Lower rate limit EUR	Higher rate EUR
Calendar year 2023	19%	200,000	25.8%
Calendar year 2024	19%	200,000	25.8%

These rates should be applied pro rata with TTNV's current reporting period being related to 2023/2024.

2023/2024	US\$000s
Net income before taxation per 31 December 2024	683
Non-deductible expenses	(169)
Currency exchange result	5
Taxable income	519
Corporate income tax at lower rate	41
Corporate income tax at higher rate	78
Total corporate income tax 2023/2024	119

Notes to the Consolidated Financial Statements (continued)

Note 19: Analysis of Insurance Income

The table below provides the technical results by line of business according to Solvency II:

Analysis of insurance income 2023/2024	Total US\$000s	Motor US\$000s	MAT US\$000s	Fire & Damage US\$000s	General Liability US\$000s
Gross premium written	7,864	–	5,167	169	2,528
Technical result before Opex and Other income	–	–	–	–	–
Investment return transferred from the non-technical account	598	–	391	13	194
Other income	429	–	280	9	139
Operating expenses	(366)	–	(239)	(8)	(118)
Technical result	662	–	432	14	215
Claims paid	16,859	1	13,458	502	2,898

All insurance contracts have been issued from the Netherlands.

Remuneration of Supervisory Board

The remuneration for the Supervisory Board amounts to US\$ 76,737.

Proposed appropriation of result for the financial year 2024

The Management Board proposes that the profit for the financial year 2024 amounting to US\$ 564,287 will be added of the Other reserves. The financial statements do not yet reflect this proposal.

Subsequent events

The Management Board is not aware of events after the balance sheet date that materially impact the company and its financial position nor its continuity.

Sigining of the financial statements

Rotterdam, 17 April 2025

MANAGEMENT BOARD

Paul van den Brom

Jeffrey Kyenkyenhene

SUPERVISORY BOARD

Ellen Rekker

René Collé

Charles Fenton

Other information

Appropriation of result according to articles of association

In accordance with the Company's articles of association, the profits are at the disposal of General meeting.

Independent Auditors Report

Reference is made to the auditor's report as included hereinafter.



