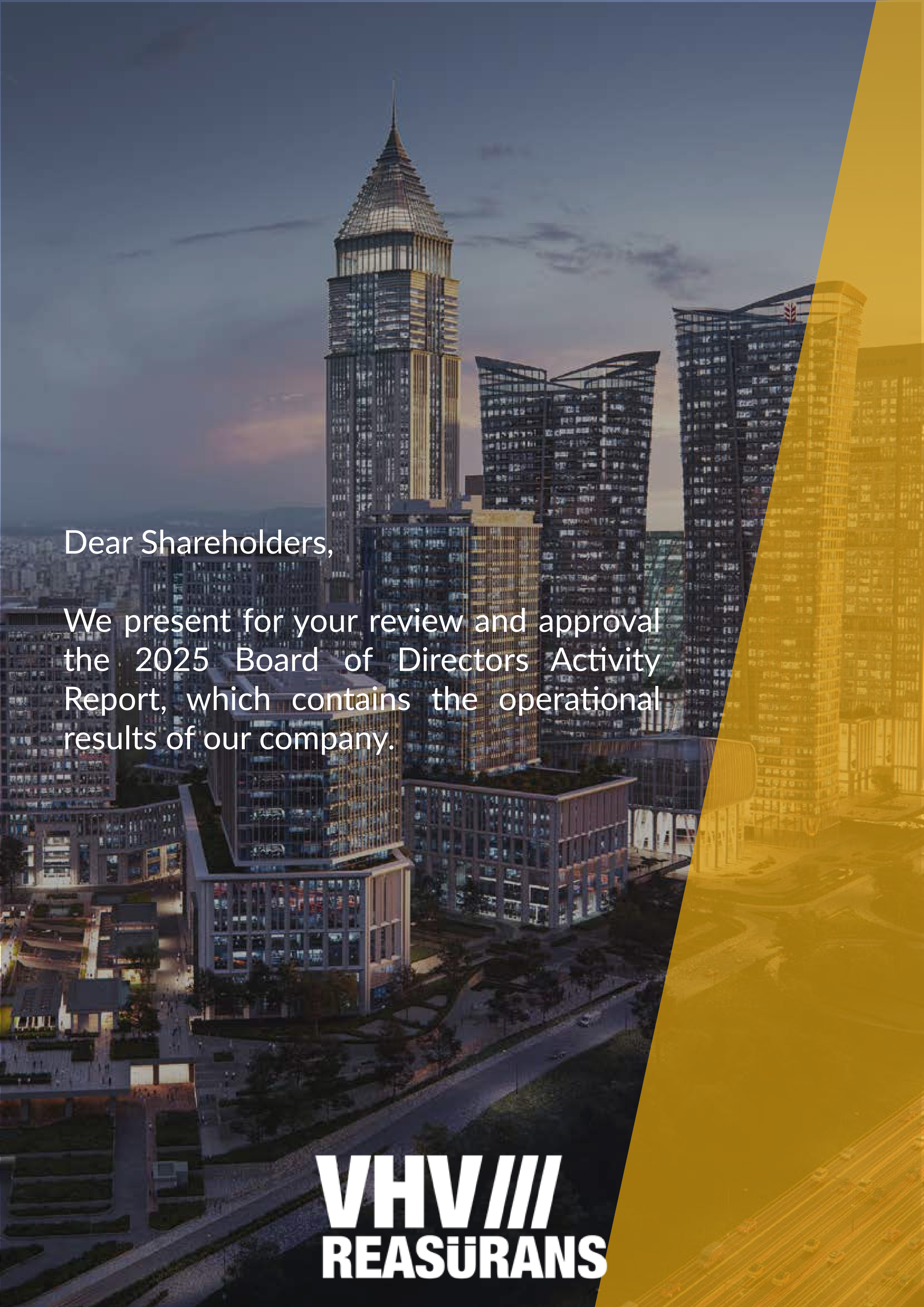
ACTIVITY REPORT

VHV REASÜRANS
ANONİM ŞİRKETİ

2025

BOARD OF DIRECTORS
ACTIVITY REPORT

VHV REASÜRANS



Dear Shareholders,

We present for your review and approval the 2025 Board of Directors Activity Report, which contains the operational results of our company.

1. GENERAL INFORMATION

Company Name	VHV Reasürans Anonim Şirketi
Trade Registration Number	979611
Headquarters	Istanbul Finance Center Finanskent Mah. Finans Cad. No:46/3 İç Kapı No:113 Ümraniye / Istanbul
Website	www.vhvre.com
Branches	-
Board of Directors	Sebastian Steininger Chairman Maximilian Georg Ferdinand Stahl Vice Chairman Dr. Sebastian Reddemann Member Mahir Çipil Member Emrah Balkan Member Ali Ebuzer Bıçakçı Member Hasan Okan Utkueri Member

1.1 Our Field of Activity

The primary purpose of our company is to operate in the reinsurance sector. In accordance with its articles of association, the company provides reinsurance services both domestically and internationally, as long as there are no legal restrictions.

1.2 Our Capital Structure, Changes During the Fiscal Period, and Explanations Regarding Privileged Shares and Voting Rights

Our company was established with a capital of 100.000 Turkish Lira. The initial capital of our company was divided into 100.000 shares, each with a nominal value of 1.00 Turkish Lira. The total value of these shares was fully subscribed and paid in cash by the sole shareholder of our company, VHV International SE.

At the Extraordinary General Assembly Meeting held on January 5, 2016, the capital of our company was increased to 65.955.272 Turkish Lira. This increase was registered by the Istanbul Trade Registry Office on February 12, 2016. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG. No change occurred in the shareholding structure of our company due to this capital increase.

At the Extraordinary General Assembly Meeting held on May 31, 2022, the capital of our company was increased to 616.800.000 Turkish Lira. This increase was registered by the Istanbul Trade Registry Office on June 8, 2022. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG, with at least 25% of the subscribed capital paid before registration, and the remaining portion of the capital increase was also fully paid.

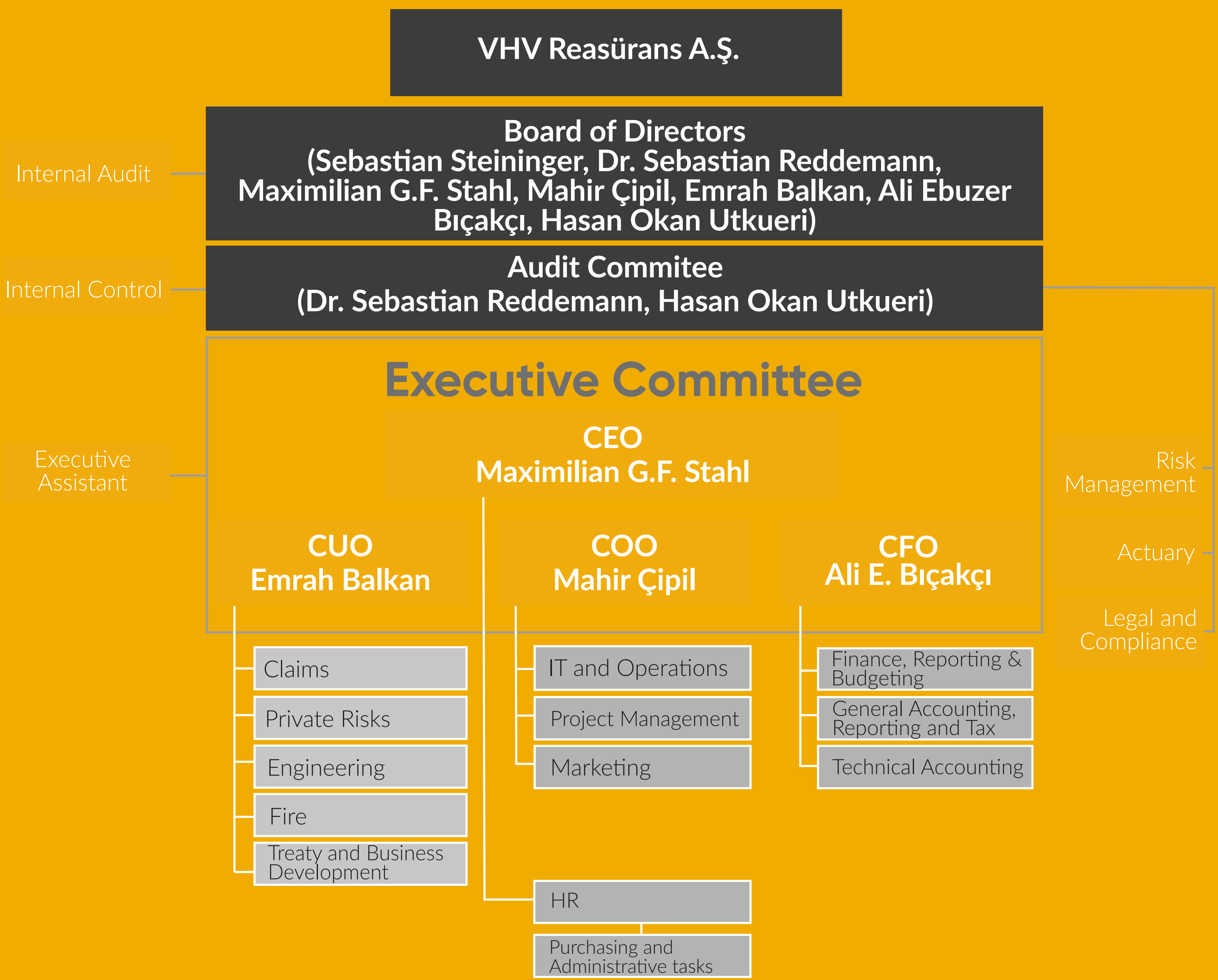
At the Extraordinary General Assembly Meeting held on November 28, 2022, the capital of our company was increased to 703.500.000 Turkish Lira, divided into 703.500.000 shares with a nominal value of 1.00 Turkish Lira each. This increase was registered by the Istanbul Trade Registry Office on December 14, 2022. The newly issued shares were fully subscribed and paid in cash by the sole shareholder of our company, VHV Allgemeine Versicherung AG, with at least 25% of the subscribed capital paid before registration, and the remaining portion of the capital increase was also fully paid.

Following the resolution of the Board of Directors dated September 17, 2025, and numbered 2025/3, which was registered by the Istanbul Trade Registry Office on October 18, 2025, the shareholding structure of our company changed. As a result, VHV Allgemeine Versicherung AG's shareholding decreased to 0%, and VHV International SE's shareholding increased from 0% to 100%, making VHV International SE the sole shareholder of our company.

1.3 Shareholding Structure (as of December 31, 2025)

Shareholder	Number of Shares	Value (TL)	Percentage(%)
VHV International SE	703.500.000	703.500.000,00	100
Total	703.500.000	703.500.000,00	100

1.4 Organisation Chart



1.5 Board Members, Senior Executives, and Personnel Count

- Board Members: Sebastian Steininger, Maximilian Georg Ferdinand Stahl Dr. Sebastian Reddemann, Ali Ebuzer Bıçakçı, Mahir Çipil, Emrah Balkan, Hasan Okan Utkueri
- Senior Executives: Maximilian Georg Ferdinand Stahl, Ali Ebuzer Bıçakçı, Mahir Çipil, Emrah Balkan

Total Employees (as of 2025 year-end): 56 employees

1.6 Auditors

The Board of Directors appointed Denge Independent Audit and Certified Public Accounting Inc. as the independent auditor with its resolution dated March 9, 2026, and numbered 2026/4.

1.7 Prohibition on Transactions with the Company

None.

2. FINANCIAL BENEFITS PROVIDED TO MEMBERS OF THE GOVERNING BODY AND SENIOR EXECUTIVES

2.1 Total Amount of Financial Benefits Provided, Including Honorarium, Salary, Bonus, Incentives, and Profit Share

As of December 31, 2025, the total gross amount paid to senior executives is 32.707.516,00 TL.

2.2 Information on Allowances, Travel, Accommodation, Representation Expenses, In-Kind and Cash Benefits, Insurance, and Similar Guarantees

None.

3. RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY

None.

4. COMPANY ACTIVITIES AND SIGNIFICANT DEVELOPMENTS REGARDING OPERATIONS

4.1 Information on Investments and External Support Services Received During the Fiscal Period

The Company has made various investments during the relevant financial year in order to enhance the efficiency of its operations and ensure operational continuity. In this context, efforts were undertaken to strengthen the information technology infrastructure; several developments and improvements were implemented in the Insurance–Reinsurance system (SICS), which is widely accepted by the key players of the international reinsurance market and is currently used by the Company, in order to support business processes. In addition, the integration processes between this system and the enterprise resource planning system SAP were successfully completed.

Furthermore, improvement and enhancement works were carried out regarding the network infrastructure in order to increase the reliability, performance, and sustainability of the Company's information technology infrastructure. In addition, various training and development activities were conducted both in areas covering the broader insurance sector and in specialized fields, with the aim of supporting the professional development of employees.

The external consultancy services acquired by the company's departments in 2025 include:

- Accounting Department – Audit, certification, and transfer pricing support
- Legal Department – External legal advisory services
- Human Resources Department – Salary research services
- Finance Department
  - TFRS 17 Standard calculation program service
  - TFRS 17 Standard financial reporting service
  - TFRS 17 Standard implementation and audit service
- IT Department
  - Application support service
  - License renewal service
  - Infrastructure, cloud technology, software, and network support
  - Hosting and domain management services
  - Automated door system support
  - Office heating and ventilation services
- Financial Reporting Department – Financial consultancy and audit services
- Actuarial Department

4.2 Information on the Company's Internal Control System, Risk Management, Actuarial, and Internal Audit Activities, Including the Board's Perspective

The Board of Directors has appointed members to the Audit Committee, in line with regulatory requirements. Dr. Sebastian Reddemann and Hasan Okan Utkueri have been designated as responsible members of the Audit Committee. Additionally, the Board has made the following appointments:

- Nihan Şener – Head of Risk Management
- Dr. Sultan Bahçekapılı – Head of Internal Audit
- Özenç Ciner – Actuarial Department Manager
- Av. Arb. Pelin Şirin – Head of Legal & Compliance

The Internal Control mechanism supports and ensures the effective execution of management functions. It is essential for the sustainability and reliability of the organization.

The core philosophy of Internal Control is based on the assumption that individuals inherently prioritize their own interests. In the absence of an effective internal control system, the company may face asset losses, incorrect management decisions, fraud, or operational inefficiencies.The Internal Control System consists of preventive and detective measures, some integrated into business processes and others operating independently. The system safeguards company assets, ensures the accuracy and reliability of financial information, improves operational efficiency, and encourages compliance with management policies.

The 2025 Internal Control Plan was approved by the Board of Directors on April 4, 2025. The 2025 Internal Control and Risk Reports were approved on August 8, 2025, and October 7, 2025.

The 2025 Internal Audit Plan was approved on May 9, 2025, and the following Internal Audit Reports were approved throughout the year:

- Underwriting SLA Information Note
- Compliance Information Note Audit
- Internal Systems Audit Reports
- Finance (Asset Management) Audit Report
- Claim Audit Report
- IT Audit Report
- Marketing Audit Report
- Human Resources Audit Report.

The Actuarial Department prepared and submitted reports to the Board of Directors evaluating loss/premium ratios, pricing, and reinsurance processes under the Internal Systems Regulation. Additionally, quarterly reports on financial results were presented to the Board of Directors throughout 2025.

4.3 Information on Direct or Indirect Subsidiaries and their Shareholding Percentages

In 2022, VHV Reasürans A.Ş. acquired 100% ownership of Dubai Sigorta A.Ş., previously held by Oman Insurance Company (PSC). After the acquisition, the company was renamed VHV Allgemeine Sigorta A.Ş., with VHV Reasürans A.Ş. as its sole shareholder.

Under the Consolidation Regulation published by the Turkish Ministry of Treasury and Finance, insurance, reinsurance, and pension companies are required to publish consolidated financial statements in addition to standalone financial reports. As a result, the financial statements of VHV Allgemeine Sigorta A.Ş. are consolidated using the full consolidation method.

4.4 Information on the Company's Acquisition of its Own Shares

According to the General Assembly Resolution dated December 22, 2022, registered with the Istanbul Trade Registry Office on December 27, 2022, the share capital of VHV Allgemeine Sigorta A.Ş. was increased to 163.900.000 TL, and the newly issued shares were fully paid in cash by VHV Reasürans A.Ş.

4.5 Special and Public Audits Conducted During the Fiscal Period

None.

4.6 Information on Lawsuits Filed Against the Company that May Affect Its Financial Condition and Operations

None.

4.7 Information on Administrative or Legal Sanctions Imposed on the Company or Its Board Members Due to Non-Compliance with Regulations

None.

4.8 Information and Evaluations Regarding Whether Past Targets Were Achieved, Whether General Assembly Resolutions Were Implemented, and If Not, Reasons for Non-Implementation

None.

4.9 Extraordinary General Assembly Meetings Held During the Year

An Extraordinary General Assembly Meeting was held on May 9, 2025, regarding the appointment of our Board Member, Ali Ebuzer Bıçakçı, in 2025.

4.10 Information on Donations, Charitable Contributions, and Social Responsibility Projects Undertaken by the Company During the Year

None.

4.11 If the Company is Part of a Corporate Group: Legal Transactions Conducted for the Benefit of the Parent Company or its Affiliates, and Measures Taken or Avoided for Their Benefit in the Previous Fiscal Year

None.

4.12 If the company is part of a group of companies; whether, based on the circumstances and conditions known to them at the time the legal transaction referred to in subparagraph (ı) was carried out, the measure was taken, or the decision was made to refrain from taking the measure, an appropriate consideration was provided for each legal transaction, and whether the measure taken or the decision to refrain from taking it caused any harm to the company; and if the company suffered harm, whether such harm has been compensated

None.

5. FINANCIAL STATUS

5.1 Analysis and Evaluation of the Financial Situation and Operational Results by the Governing Body, Degree of Realization of Planned Activities, and the Company's Status in Relation to Strategic Goals

VHV Reasürans A.Ş. successfully operated throughout 2025, following a strong financial policy throughout the period. The foundation of this success lies in the stable and robust financial infrastructure provided by VHV Group, the direct and indirect controlling shareholder of VHV Reasürans A.Ş. The Company operates with a high-level protection strategy and benefits from an advanced information technology infrastructure.

As of the end of 2025, the company's financial statements indicate:

- Total assets: 4.497.495.889 TL
- Total liabilities: 3.431.633.319 TL
- Paid-in capital: 703.500.000 TL, fully composed of cash capital

Premium Production and Profitability

As of December 31, 2025, VHV Reasürans A.Ş. recorded a total gross premium production of 2.986.138.083 TL (2024: 2.277.412.032 TL). At the end of 2025, the company's gross earned premium was 2.976.516.618 TL (2024: 1.988.328.443 TL).

For the period, the targeted premium production and gross earned premium figures were 3.083.347.680 TL and 2.829.912.635 TL respectively.

At the end of 2025, VHV Reasürans A.Ş. recorded a commercial profit of 258.512.370 TL (2024: (23.350.270) TL loss). However, this loss remained below the budgeted figure for the fiscal period. The alignment between the company's financial targets and actual results suggests that VHV Reasürans A.Ş. had a successful operational period, meeting its strategic objectives.

Claims Payment Capacity

During the 2025 fiscal year, VHV Reasürans A.Ş. made gross claims payments totaling 1.283.440.397 TL (2024: 2.295.729.662 TL).

Furthermore, the company's financial structure and technical reserves indicate that it is well-positioned to meet potential claims payments in both the 2025 fiscal period and subsequent periods.

Insurance Coverage Amounts by Line of Business

The details of the insurance coverage amounts provided by the company as of 2025 are presented below:

Line of Buisness	December 31, 2025 TL	December 31, 2024 TL
Fire and Natural Disasters	1.025.526.254.409	681.356.007.729
Financial Losses	122.168.688.177	63.116.826.947
General Losses	194.808.409.519	219.480.447.104
Marine	32.491.744.222	31.376.042.807
General Liability	22.882.593.683	12.199.485.524
Breach of Trust	73.604.800	-
Ships	2.340.858	-
Accident	228.101.428	-
Total	1.398.181.737.096	1.007.528.810.111

5.2 Comparative Analysis of Sales, Efficiency, Revenue Generation Capacity, Profitability, and Debt-to-Equity Ratio, Along with Future Outlook

The non-consolidated premium production, profitability, and debt-to-equity ratios of VHV Reasürans A.Ş. for the 2025 fiscal period are provided below:

	2025 TL	2024 TL
Premium Production	2.986.138.083	2.277.412.032
Perod Profit / (Loss)	355.805.100	(23.350.270)
Taxes and Legal Liabilities on Profit	(97.292.730)	-
Net Profit / (Loss) for the Period	258.512.370	(23.350.270)
Net Profitability Ratio	%8,66	(%1,03)
Debt-to-Equity Ratio	%2322,0	%227,3

The consolidated premium production, profitability, and debt-to-equity ratio of VHV Reasürans A.Ş. and its subsidiaries for the 2025 fiscal year are presented below:

	2025 TL	2024 TL
Premium Production	4.720.945.737	3.844.306.230
Period Profit / (Loss)	289.832.202	(11.731.237)
Taxes and Legal Liabilities on Profit	(102.112.579)	(10.574.233)
Net Profit / (Loss) for the Period	187.719.623	(22.305.470)
Net Profitability Ratio	%3,98	(%0,58)
Debt-to-Equity Ratio	%522,1	%408,1

5.3 Assessment of Whether the Company's Capital is Depleted or If It is Insolvent, and the Evaluation by the Governing Body

In accordance with the "Regulation on the Measurement and Evaluation of Capital Adequacy for Insurance, Reinsurance, and Pension Companies", published in the Official Gazette No. 29454 by the Turkish Ministry of Treasury and Finance on August 23, 2015, the required equity amount for the company was calculated as 760.307.868 TL as of December 31, 2025 (December 31, 2024: 564.845.999 TL).

As of December 31, 2025, the company's equity capital was 988.934.763 TL (December 31, 2024: 675.453.158 TL). According to the capital adequacy calculations based on the regulation, as of December 31, 2025, the Company had a capital surplus of 228.626.895 TL (December 31, 2024: 110.607.660 TL).

The equity capital of VHV Allgemeine Sigorta A.Ş. as of December 31, 2025, was 7.885.144 TL higher than the minimum required capital specified in the Capital Adequacy and Guarantee Audit Report issued by the Turkish Ministry of Treasury and Finance on April 26, 2013 (Report No. 1), in accordance with the Capital Adequacy Regulation for insurance, reinsurance, and pension companies. (December 31, 2024: 20.018.012 TL)

As of December 31, 2025, the capital adequacy calculations of VHV Allgemeine Sigorta A.Ş. are in the “self-assessment” stage in accordance with the “Regulation on the Measurement and Evaluation of the Capital Adequacy of Insurance, Reinsurance and Pension Companies” published in the Official Gazette No. 29454 dated August 23, 2015 by the Republic of Türkiye Ministry of Treasury and Finance.

Pursuant to the aforementioned Regulation, a shareholders’ equity / required capital ratio between 100% and 115% for the relevant capital adequacy calculation periods is defined as the “self-assessment” stage. Accordingly, the Company is required to perform its own risk-based internal assessment within 45 days following the submission of its capital adequacy tables to the Insurance and Private Pension Regulation and Supervision Agency (IPRSA), and to submit a report to IPRSA including the reasons for the ratio being within this range, as well as its expectations for future periods.

Furthermore, the main shareholder of VHV Sigorta has provided a written statement and commitment that all necessary actions will be taken to ensure full and timely compliance with the relevant legal regulations.

6. RISKS AND THE ASSESSMENT OF THE GOVERNING BODY

6.1. Information on the Company's Risk Management Policy for Anticipated Risks

- The Board of Directors and senior management are regularly informed about the types of risks arising from business activities and how these risks manifest, in response to changes and developments in company operations.
- The Company ensures the correct identification, measurement, monitoring, and control of risks associated with its core activities by establishing policies and risk limits that align with its strategic goals and financial stability principles.
- Risk-bearing limits are regularly reviewed in line with changes in corporate strategy and submitted for Board approval.
- Before initiating new business activities or introducing new products, all potential risks associated with the activity or product are thoroughly assessed, and the necessary infrastructure and internal control mechanisms are established to ensure effective risk management.

These measures aim to enhance the effectiveness of the company's risk management processes and promote a sustainable management approach.

6.2 Responsibilities for Risk Management and Information on the Risk Committee, if Established

The Executive Board fulfills the role of the Risk Committee, reviewing periodic Risk Reports prepared by Internal Systems on a semi-annual basis and taking necessary measures.

If the risks encountered are classified as "high", the Board of Directors determines the preventive actions to be taken

6.3 Forward-Looking Risks Related to Sales, Efficiency, Revenue Generation Capacity, Profitability, and Debt-to-Equity Ratio

The efficiency of the capital held by the Company and the risks it is exposed to are measured through capital adequacy tables and Solvency II reports, which are calculated periodically throughout the year.

The necessary measures are presented to the Board of Directors by the Executive Committee.

7. CONCLUSION OF THE AFFILIATION REPORT

According to the circumstances and conditions known to us at the time the legal transactions included in the Annual Affiliation Report were carried out, an appropriate consideration was provided for each legal transaction. There is no damage incurred by the Parent Company as a result of any measure taken or any decision to refrain from taking a measure in this context.

As a result of the examination of the financial transactions carried out by the Company with the Parent Company in accordance with Article 199 of the Turkish Commercial Code, it has been determined that all transactions conducted by the Company were executed entirely in line with market conditions and prevailing rates at the time of the transaction, as if they were made with third parties.

8. Activity Reports of the Parent Company in a Group of Companies

8.1 If a capital company holds shares representing directly or indirectly five percent, ten percent, twenty percent, twenty-five percent, thirty-three percent, fifty percent, sixty-seven percent, or one hundred percent of the company's capital, or if the shareholding falls below these percentages, this situation and its justification

None.

8.2 Information on the Shares Held by Subsidiaries in the Parent Company's Capital

In 2022, VHV Reasürans A.Ş. acquired 100% of the shares of Dubai Sigorta A.Ş., previously owned by Oman Insurance Company (PSC), consisting of 51.400.000 registered shares with a nominal value of 1.00 TL each.
Following this acquisition, Dubai Sigorta A.Ş. was renamed VHV Allgemeine Sigorta A.Ş., making VHV Reasürans A.Ş. the sole shareholder of VHV Allgemeine Sigorta A.Ş.

8.3 Internal Audit and Risk Management Systems in the Consolidation of Financial Statements

The preparation of consolidated financial statements involves presenting the financial position and performance of a company along with its group subsidiaries in a single report. In this process, internal audit and risk management systems play a crucial role.

Role of Internal Audit:

- Internal audit evaluates the effectiveness, efficiency, and compliance of business processes within the company.
- In the preparation of consolidated financial statements, internal audit ensures the accuracy and reliability of financial data and compliance with financial reporting standards.
- Internal auditors review transactions and control mechanisms to ensure that financial statements are presented fairly and accurately.

Role of Risk Management:
- Risk management involves identifying, assessing, managing, and monitoring potential risks that the company faces.
- During the preparation of consolidated financial statements, risk management identifies significant risks that could impact financial reporting and implements preventive measures.
- An effective risk management system is essential to detect and manage any risks that may threaten the accuracy and reliability of financial statements.
- The internal audit and risk management systems play a critical role in strengthening the company's financial reporting processes by ensuring accurate, reliable, and transparent financial information. In this regard, risk assessments and findings are regularly reported to the Board of Directors and the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) throughout the year.

8.4 Summary of the Report Under Article 199, Paragraph 4 of the Turkish Commercial Code, Upon Request by a Board Member

None.

9. OTHER MATTERS

None.

10. MATTERS OF SPECIAL IMPORTANCE

After the end of the fiscal year, no events of special significance have occurred that could affect the rights of shareholders, creditors, or other relevant individuals and entities.

Statement on the 2025 Activity Report

We hereby declare that the information and documents provided in the 2025 Activity Report include the details specified in Article 516 of the Turkish Commercial Code No. 6102 and Articles 16, 17, and 18 of the Regulation on the Financial Structures of Insurance, Reinsurance, and Pension Companies, published in the Official Gazette No. 26606 on August 7, 2007. The report has been prepared in accordance with the procedures and principles established by the relevant regulatory framework.

Respectfully,
Board of Directors

Sebastian Johann Steininger
CHAIRMAN OF THE BOARD

Maximilian Georg Ferdinand Stahl
DEPUTY CHAIRMAN OF BOARD
GENERAL MANAGER

Dr. Sebastian Reddemann
BOARD MEMBER
CHAIRMAN OF THE AUDIT COMMITTEE

Emrah Balkan
BOARD MEMBER

Mahir Çipil
BOARD MEMBER

Hasan Okan Utkueri
BOARD MEMBER
MEMBER OF AUDIT COMMITTEE

Ali Ebuzer Bıçakçı
BOARD MEMBER

VHV REASÜRANS