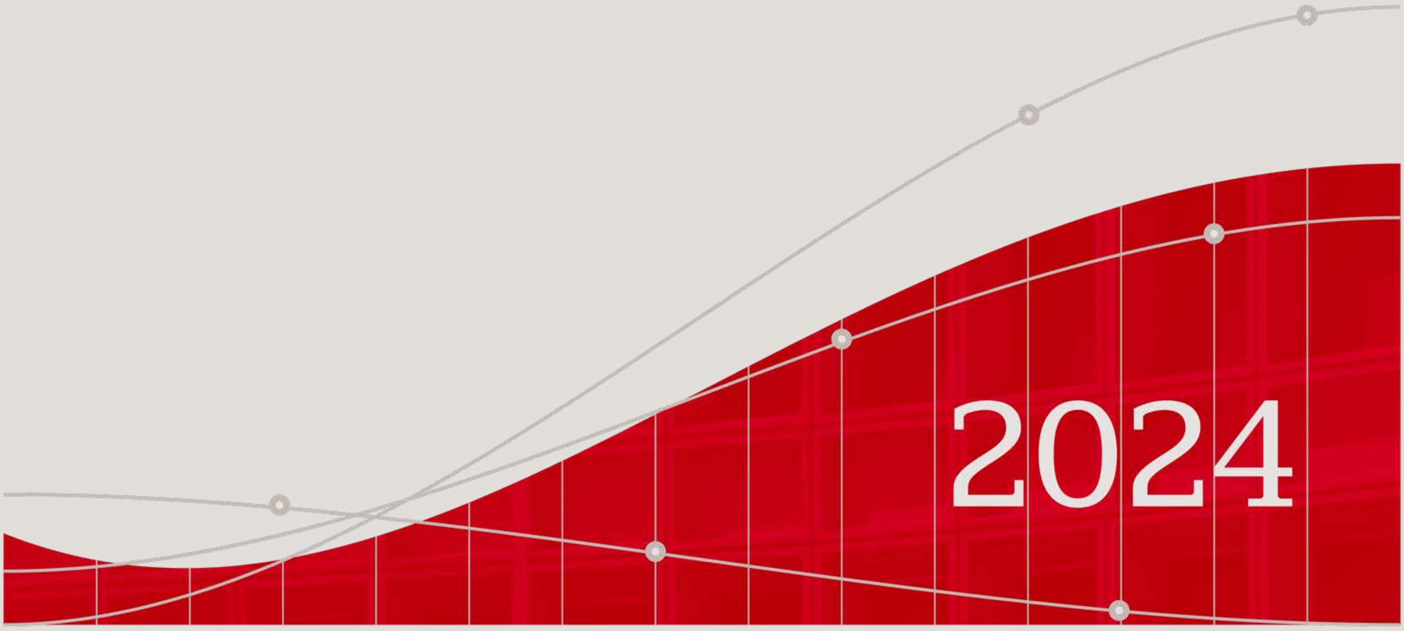
Annual Report

ATRADIUS CRÉDITO Y CAUCIÓN
S.A. DE SEGUROS Y REASEGUROS



Crédito y Caución
Atradius

Annual Statements and Management Report for the financial year closed on December 31, 2024
Together with the Independent Audit Report

Independent Audit Report on the Annual Financial Statements

All amounts are in thousands of Euros, unless otherwise stated

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Balance Sheets at 31 December 2024 and 2023

Assets	Note	31.12.2024	31.12.2023
Cash and cash equivalents	8.1	**545,831**	**627,725**
Available-for-sale financial assets	8.2	**2,937,937**	**2,579,327**
Equity instruments	-	484,777	446,855
Debt securities	-	2,453,161	2,132,472
Loans and receivables	-	**705,725**	**624,636**
Loans	8.2	1,757	2,000
Deposits in credit institutions	8.2	54,069	50,212
Deposits made for accepted reinsurance	10	31,011	23,899
Receivables on direct insurance operations	10	107,754	114,449
Policyholders	-	*87,782*	*94,960*
Brokers	-	*19,972*	*19,489*
Receivables on reinsurance operations	10	89,536	97,812
Other receivables	10	421,597	336,264
Tax receivables	-	*5,379*	*2,917*
Rest of receivables	-	*416,218*	*333,347*
Reinsurance share on technical provisions	16.1	**957,814**	**915,005**
Provision for unearned premiums	-	284,470	286,512
Provision on claims	-	673,345	628,493
Property, plant and equipment and investment property	6	**77,703**	**74,138**
Property, plant and equipment	-	70,795	67,077
Investment property	-	6,908	7,061
Intangible assets	5	**77,738**	**80,004**
Goodwill	-	4,525	9,123
Other intangible assets	-	73,213	70,881
Holdings in Group companies and associates	9	**16,493**	**16,493**
Holdings in Group companies	-	16,493	16,493
Tax assets	12	**255,356**	**271,143**
Current tax assets	-	53,318	56,714
Deferred tax assets	-	202,038	214,429
Other assets	-	**654,633**	**630,346**
Assets and reimbursement rights for long-term staff remuneration	14.1	54,138	101,762
Accrual accounts	-	600,494	528,584
Total assets	-	**6,229,231**	**5,818,817**

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Balance Sheets at 31 December 2024 and 2023

Liabilities		31.12.2024	31.12.2023
Debts and payables	11	**637,659**	**338,994**
Subordinated liabilities		297,417	-
Deposits received for ceded reinsurance		8,132	9,256
Payables on insurance operations		82,418	68,317
Payables to insurers		*50,140*	*37,943*
Payables to brokers		*18,413*	*16,968*
Conditional payables		*13,865*	*13,406*
Payables on reinsurance operations		122,956	130,682
Other accounts payable:		126,737	130,739
Tax payables		*12,230*	*11,092*
Other accounts payable to Group companies and associates	18.1	*10,207*	*20,669*
Rest of other accounts payable		*104,300*	*98,978*
Technical provisions	16.1	**3,093,754**	**2,847,594**
Provision for unearned premiums		1,006,767	960,131
Claims provision		2,032,399	1,830,743
Provision for profit sharing and for return premiums		54,588	56,720
Non-technical provisions	14	**40,634**	**53,023**
Provision for pensions and similar obligations		39,536	51,676
Other non-technical provisions		1,097	1,347
Tax liabilities	12	**316,860**	**295,007**
Current tax liabilities		32,372	25,696
Deferred tax liabilities		284,488	269,311
Other liabilities		**179,317**	**177,218**
Accrual accounts		69,850	64,902
Commissions and other acquisition costs of ceded reinsurance		109,467	112,316
Total liabilities		**4,268,223**	**3,711,836**
Equity			
Shareholder funds	17	**1,901,862**	**2,121,028**
Capital or mutual fund		32,813	32,813
Share premium		478,495	478,495
Reserves		1,696,331	1,587,656
Legal and bylaws reserves		*22,969*	*17,409*
Equalization reserve		*1,192,758*	*1,001,709*
Other reserves		*480,604*	*568,538*
Other shareholder contributions		60,000	60,000
Result for the year		349,317	325,441
(Interim dividend and interim equalization reserve)		(715,095)	(363,377)
Valuation adjustments:		**59,146**	**(14,047)**
Available-for-sale financial assets		79,084	17,045
Exchange and translation differences		(19,938)	(31,092)
Total equity		**1,961,008**	**2,106,981**
Total liabilities and equity		**6,229,231**	**5,818,817**

All amounts are in thousands of Euros, unless otherwise stated

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Profit and loss Statements for the years ended 31 December 2024 and 2023

Technical account – Non-life insurance	Note	2024	2023
Premiums Attributed to the Year, Net of Reinsurance		**1,425,643**	**1,354,225**
Gross Written premiums		2,218,536	2,232,283
Direct insurance	15	*1,775,382*	*1,816,664*
Accepted reinsurance	15	*443,237*	*417,914*
Change in impairment losses on uncollected premiums (+ /-)		*(83)*	*(2,295)*
Ceded reinsurance premiums	15	(743,252)	(796,224)
Change in the provision for unearned premiums and for unexpired risks (+/-)	16.3	(47,777)	(97,734)
Direct insurance		*(21,076)*	*(65,054)*
Accepted reinsurance		*(26,702)*	*(32,680)*
Change in the provision for unearned premiums, ceded reinsurance (+/-)	16.3	(1,863)	15,900
Income from property, plant and equipment and from investments		**98,999**	**72,839**
Income from investment property	6	530	961
Income from financial investments		98,469	71,878
Other technical income	16.3	**60,054**	**56,596**
Claims for Year, Net of Reinsurance		**(685,043)**	**(631,726)**
Claims and expenses paid		(487,581)	(437,232)
Direct insurance		*(622,678)*	*(529,167)*
Accepted reinsurance		*(112,938)*	*(157,304)*
Ceded reinsurance		*248,035*	*249,239*
Variation in the claims provision (+/-)	16.3	(152,590)	(146,786)
Direct insurance		*(138,504)*	*(142,726)*
Accepted reinsurance		*(51,943)*	*(15,211)*
Ceded reinsurance		*37,856*	*11,151*
Expenses attributable to claims		(44,872)	(47,708)
Profit sharing and for return premiums		**2,034**	**11,087**
Variation in the provision for profit sharing and for return premiums (+/-)	16.3	2,034	11,087
Net Operating Expenses		**(477,095)**	**(460,689)**
Acquisition costs	16.3	(355,074)	(332,892)
Administration costs	16.3	(446,757)	(455,536)
Commissions and profit sharing on ceded reinsurance and retrocession	13.3	324,736	327,739
Other Technical Expenses	16.3	**189**	**163**
Expenses on property, plant and equipment and investments		**(23,769)**	**(15,067)**
Investment management expenses		(21,654)	(14,937)
Espenses on investment property		(1,791)	(327)
Expenses on investments and financial accounts		(19,863)	(14,610)
Valuation adjustments of property, plant and equipment and investments		(2,115)	(130)
Impairment of property, plant and equipment and investment property	6	(153)	(130)
Impairment of financial investments	8.2	(1,962)	-
Subtotal (Result of Non-Life Insurance Technical Account)		**401,014**	**387,428**

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Profit and loss Statements for the years ended 31 December 2024 and 2023

Non-Technical Account	Note	2024	2023
Income from property, plant and equipment and from investments		**48,193**	**36,878**
Gains on sale of property, plant and equipment and investments		48,193	36,878
Of property, plant and equipment and investment property		*41,572*	-
Of financial investments	8.2	*6,622*	*36,878*
Expenses on property, plant and equipment and investments		**(6,648)**	**(12,057)**
Losses on property, plant and equipment and investments		(6,648)	(12,057)
On property, plant and equipment and investment property		*(2,690)*	*(1,766)*
On financial investments	8.2	*(3,958)*	*(10,291)*
Other income		**24,142**	**21,310**
Rest of revenues	13.2	24,142	21,310
Other expenses		**(4,970)**	**(3,729)**
Rest of expenses	13.2	(4,970)	(3,729)
Subtotal (Result of Non-Technical Account)		**60,718**	**42,403**
Profit before tax		**461,731**	**429,831**
Corporate Income Tax	12	**(112,414)**	**(104,390)**
Net Profit for the Year		**349,317**	**325,441**

All amounts are in thousands of Euros, unless otherwise stated

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Statement of Changes in Equity in 2024 and 2023
A) Statement of Recognised Income and Expense

	2024	2023
Result for the year	**349,317**	**325,441**
Other recognised income and expense		
Available-for-sale financial assets	**79,830**	**93,699**
Valuation gains/(losses)	80,531	120,286
Amounts transferred to profit or loss	(701)	(26,587)
Valuation gains/(losses)	**12,927**	**(6,043)**
Valuation gains/(losses)	12,927	(6,043)
Actuarial gains/(losses) on pension benefits	**(59,302)**	**9,905**
Actuarial gains/(losses) on pension benefits	(59,302)	9,905
Corporate income tax	**(4,873)**	**(19,678)**
Total recognised income and expense	**377,898**	**403,325**

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Statements of Changes in Equity in 2024 and 2023
B) Statement of Changes in Total Equity

C)

	Authorised capital	Share premium	Legal and bylaws reserves	Equalization reserve	Voluntary reserve and other reserves	Revaluation reserve	Reserve for actuarial gains and losses	Shareholders contribution	Result for the year	Dividends and interim equalization reserve	Valuation adjustments	Total
Balances at 1 January 2023	**24,870**	**1,231**	**17,409**	**800,488**	**608,661**	**5,552**	**(34,010)**	**60,000**	**216,422**	**(169,958)**	**(63,905)**	**1,466,761**
Total recognised income/(expenses)	**-**	**-**	**-**	**-**	**-**	**-**	**7,248**	**-**	**325,441**	**-**	**70,636**	**403,325**
Transactions with shareholders or mutual soc. members	**-**	**-**	**-**	**-**	**(86,156)**	**-**	**-**	**-**	**-**	**(162,156)**	**-**	**(248,312)**
Distribution of dividends or assessments received	-	-	-	-	(86,156)	-	-	-	-	(162,156)	-	(248,312)
Merger with Atradius Re. DAC	**7,943**	**477,264**	**-**	**-**	**20,778**	**-**	**-**	**-**	**-**	**-**	**(20,778)**	**485,207**
Other changes in equity	**-**	**-**	**-**	**201,221**	**46,463**	**-**	**-**	**-**	**(216,422)**	**(31,263)**	**-**	**-**
Transfers between equity captions	-	-	-	-	46,463	-	-	-	(216,422)	169,958	-	-
Other changes	-	-	-	201,221	-	-	-	-	-	(201,221)	-	-
Balances at 31 December 2023	**32,813**	**478,495**	**17,409**	**1,001,709**	**589,747**	**5,552**	**(26,762)**	**60,000**	**325,441**	**(363,377)**	**(14,047)**	**2,106,981**
Balances at 1 January 2024	**32,813**	**478,495**	**17,409**	**1,001,709**	**589,747**	**5,552**	**(26,762)**	**60,000**	**325,441**	**(363,377)**	**(14,047)**	**2,106,981**
Total recognised income/(expenses)	**-**	**-**	**-**	**-**	**-**	**-**	**(44,613)**	**-**	**349,317**	**-**	**73,194**	**377,898**
Transactions with shareholders or mutual soc. members	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(524,047)**	**-**	**(524,047)**
Distribution of dividends or assessments received	-	-	-	-	-	-	-	-	-	(524,047)	-	(524,047)
Other changes in equity	**-**	**-**	**5,560**	**191,048**	**(43,320)**	**-**	**-**	**-**	**(325,441)**	**172,329**	**-**	**177**
Transfers between equity captions	-	-	5,560	-	(43,497)	-	-	-	(325,441)	363,377	-	-
Other changes	-	-	-	191,048	177	-	-	-	-	(191,048)	-	177
Balances at 31 December 2024	**32,813**	**478,495**	**22,969**	**1,192,758**	**546,426**	**5,552**	**(71,375)**	**60,000**	**349,317**	**(715,095)**	**59,147**	**1,961,008**

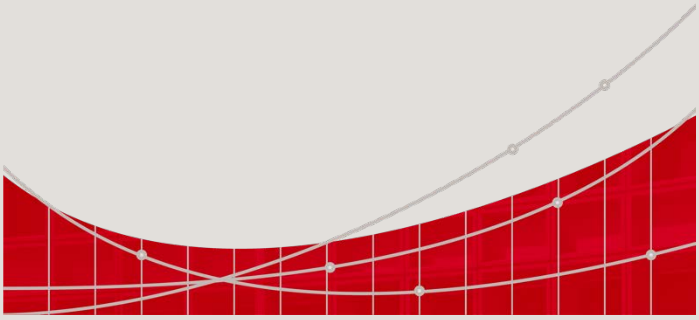
(1) Included NIC29 effect due to hyperinflation in Turkey (EUR 0.1 million)

All amounts are in thousands of Euros, unless otherwise stated

Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Statements of Cash Flows for 2024 and 2023

	Note	2024	2023
A. Cash flows from operating activities			
A-1 Underwriting activities			
1.- Premiums received from direct insurance, coinsurance and accepted reinsurance		2,186,506	2,164,138
2.- Payments of claims for direct insurance, coinsurance and accepted reinsurance		(967,690)	(894,498)
3.- Cash received from ceded reinsurance		600,944	640,477
4.- Payments for ceded reinsurance		(808,917)	(835,946)
5. - Recovery of claims		232,074	208,027
6.- Remuneration paid to brokers		(332,254)	(318,823)
7.- Other cash received from operating activities		50,430	50,394
8.- Other cash paid in operating activities		(423,534)	(470,164)
9. Total cash inflows from underwriting activities (1+3+5+7 = I)		**3,069,954**	**3,063,036**
10. Total cash outflows in underwriting activities (2+4+6+8 = II)		**(2,532,395)**	**(2,519,431)**
A-2 Other operating activities			
3.- Cash received from other activities		10,356	9,011
5.- Total cash inflows from other operating activities (1+3) = III		**10,356**	**9,011**
6.- Total cash outflows in other operating activities (2+4) = IV		-	-
7.- Cash received/(paid) for Corporate Income Tax (V)		**(88,422)**	**(136,837)**
A-3 Total net cash flows from operating activities (I-II+III-IV+V)		**459,493**	**415,779**
B. Cash flows from investing activities			
B-1 Cash inflows from investing activities			
1.- Property, plant and equipment	6	648	9,542
2.- Investment property	6	57,800	-
3.- Intangible assets	5	-	6,992
4.- Financial instruments		1,594,618	1,380,240
6.- Interest received		63,070	51,966
7.- Dividends received		18,981	13,795
6. Total cash inflows from investing activities (1+2+3+4+5 = VI)		**1,735,117**	**1,462,535**
B-2 Cash paid in investing activities			
1.- Property, plant and equipment		(29,470)	(13,953)
2.- Investment property		(2,405)	-
3.- Intangible assets		(21,576)	(14,672)
4.- Financial instruments		(1,994,896)	(1,430,392)
6.- Business unit		-	66,827
5. Total cash outflows in investment activities (1+2+3+4 = VII)		**(2,048,347)**	**(1,392,190)**
B-3 Total cash flows from investing activities (VI + VII)		**(313,230)**	**70,345**
C. Cash flows from financing activities		-	-
C-1 Cash received from financing activities (VIII)		**297,417**	-
1.- Subordinated liabilities		**297,417**	-
C-2 Cash paid in financing activities		**(529,570)**	**(258,703)**
1.- Dividends to shareholders	17.4	(524,047)	(248,312)
2.- Interest paid		(5,523)	(10,391)
C-3 Total net cash flows from financing activities (VIII+IX)		**(232,153)**	**(258,703)**
Total increases/decreases in cash and cash equivalents (A-3 + B-3 + C-3)		**(85,890)**	**227,421**
Cash and cash equivalents at start of year	8	**627,726**	**399,682**
Effect of exchange rate changes on cash and cash equivalents		**3,995**	**623**
Cash and cash equivalents at end of year	8	**545,831**	**627,726**
Components of cash and cash equivalents at end of year			
1.- Cash on hand and at bank		508,852	482,865
2.- Other financial assets		36,979	144,860
Total cash and cash equivalents at end of year		**545,831**	**627,725**

01.



Notes to the financial statements

Notes 2024

Content

Atradius Crédito y Caución S.A. de Seguros y Reaseguros

Notes to the Financial Statements for the year ended 31 December 2024

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

1 Description of the Company

a. Incorporation, duration and registered office

Atradius Crédito y Caución S.A. de Seguros y Reaseguros ('ACyC' or the 'Company') was incorporated in Madrid on 6 July 1929 for an unlimited duration. The registered office is located in Madrid, at Calle Méndez Álvaro, 31.

b. Registered corporate object, regulatory framework and lines of insurance in which the Company operates

ACyC's corporate object consists of the following businesses:

- In the insurance field:
  - Commercial risks arising from credit transactions in domestic trade;
  - Commercial risks arising in all types of foreign trade;
  - Any other types of credit insurance allowed under the applicable legal provisions and the pursuit of which has been agreed;
  - Surety bonds and guarantees;
- Reinsurance of the above operations.

At 31 December 2024, the applicable legal framework is set out in Spanish Law 20/2015 of 14 July 2015 on Regulation, Supervision and Capital Adequacy of Insurers and Reinsurers and in Royal Decree 1060/2015 of 20 November 2015.

The Company is registered in the Commercial Registry of Madrid in volume 10836 of section 8, on folio 1, page M-171,144, entry 308, and with Legal Entity Identification Code no. 9598002U9BK2VP1RTG14 issued by that Registry; it is likewise registered in the Administrative Register of Insurers of the Spanish Directorate General of Insurance and Pension Funds (Dirección General de Seguros y Fondos de Pensiones; hereinafter 'DGSFP') under reference C-0046, and is authorised to operate in the following lines of insurance: Credit (commercial risks in domestic and foreign markets) and Surety.

c. Information on the Group

The main shareholder of ACyC is Atradius Insurance Holding N.V., a company incorporated and domiciled in Amsterdam, the Netherlands. The parent company of Atradius Insurance Holding N.V. is Atradius N.V. (together with its subsidiaries, hereinafter referred to as "Atradius" or the "Atradius Group"), incorporated and domiciled in Amsterdam, the Netherlands, which also holds one share in the Company. The ultimate parent and controlling party of Atradius is Grupo Catalana Occidente, S.A. ("GCO"), a company incorporated and domiciled in Madrid, Spain.

At year-end 2024, the shareholder structure had not changed. The shareholder of reference of GCO is INOC, S.A., which controls, direct and indirectly, approximately 62.03% of the share capital.

Also, in treasury stock, GCO, through the company Sociedad Gestión Catalana Occidente S.A., holds 1,977,283 shares with an aggregate acquisition cost of 22.8 million euros, representing 1.65% of the share capital. Those linked to the Council represent a 2.74%. GCO's free float is 33.57%, half of which is held by institutional investors. GCO has no information as to the existence of agreements among its shareholders for concerted exercise of voting rights or placing restrictions on the transfer of their shares. The institutional investors are distributed geographically as follows:

- Spain (38%)
- USA (33.7%)
- United Kingdom (16.1%)
- Switzerland (3.7%)

- Rest of Europe (3.7%)
- Rest of the world (1.9%)

The Company is a group parent company and under the current legal framework is exempted from presenting consolidated financial statements, given that the group is consolidated with a larger group headed by GCO that is governed by Spanish company law and has its registered office at Calle Méndez Álvaro, 31 (Madrid). The 2024 consolidated financial statements of GCO were authorised by the Directors of GCO at the Board of Directors meeting held on 29 February 2025 and will be deposited with the Commercial Registry of Madrid.

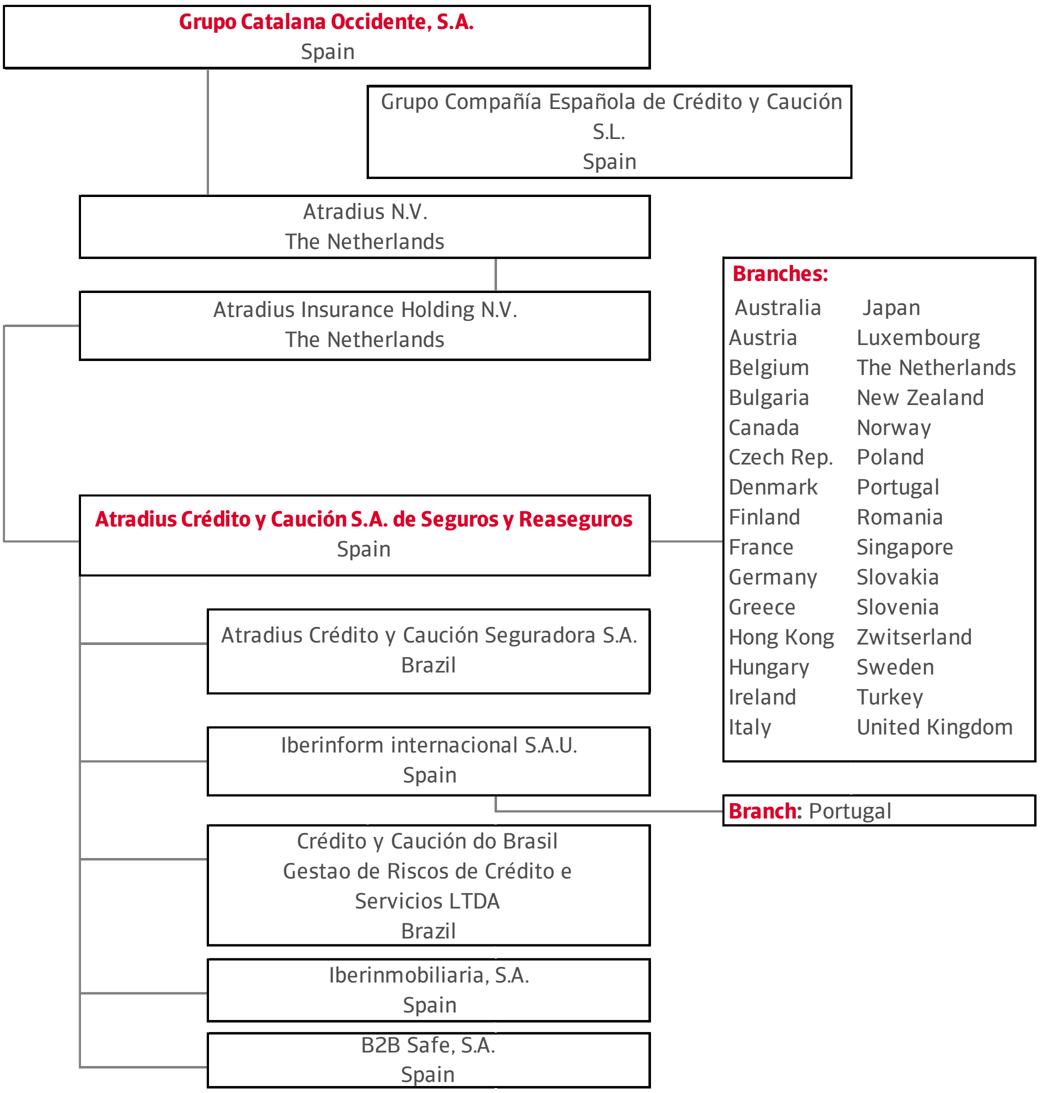
GCO has the obligation to file consolidated information with the DGSFP.

d. Internal structure

The ACyC organisation is based on centralisation of functions and decentralisation of operations.

In Spain, the regional network is composed of five commercial areas that comprise 20 branches.

As per 31 December 2024 the Company has a strong international presence through its branches network.



e. Insurance products, their characteristics, sensitivity to insurance risk, risk mitigation and controls:

ACyC works with two main direct insurance products: credit insurance and surety. Credit insurance can be divided into three subcategories: traditional credit insurance, instalment credit protection and credit specialties. Each of these categories has particular risk characteristics.

The starting point for the management of insurance risk is that all staff have well-defined capacities specifying the level of risk they can accept and that all risk acceptance must take place within the framework of the risk governance structure described in Note 16.2. Furthermore, ACyC's reinsurance structure imposes checks on the largest exposures. Exposures beyond a certain threshold are subject to special acceptance by our leading reinsurers.

Traditional credit insurance and credit specialties

In traditional credit insurance, ACyC insures its customers against the risk of non-payment of trade receivables. The causes of loss covered differ by policy and usually include all forms of legal insolvency. Policies can also cover so-called ‘political’ causes of loss, which include but are not limited to the risk of non-payment due to payment transfer problems, cancellation of export/import licenses and contract frustration. Traditional credit insurance does not cover non-payment of trade receivables due to commercial disputes. Each policy stipulates a maximum credit period that the policyholder can offer to their debtors without prior approval from ACyC. ‘Debtors’ are the customers of the ACyC’s insured customers, i.e., the parties on whom ACyC insures risk of default. In order to mitigate the risk of adverse selection, the traditional credit insurance products of ACyC usually cover only the entire portfolio of debtors of a policyholder. In addition, policies contain modules that exclude cover for transactions involving sanctioned entities.

For traditional credit insurance, there are two underwriting processes: policy underwriting and risk underwriting. Policy underwriting is the process by which ACyC decides which companies to accept as policyholders and the coverage terms and conditions offered. Risk underwriting is the process by which ACyC sets risk limits for each buyer and issues credit limits, thus allowing the risk of existing policies to be managed. Policy underwriting takes place in the Commercial Units and risk underwriting in the Risk Services.

Policies are issued for a fixed period: usually no longer than two years with a break clause after one year. Normally, customers retain some of the risk for their own account to protect ACyC from the risk of moral hazard. That self-retention can take the form, for example, of an uninsured percentage, a deductible on each claim, an aggregate first loss amount or a combination of these. Almost all policies stipulate the maximum liability borne by ACyC. A customer is covered for the credit risk on a buyer once a credit limit has been established for the debtor. Many policies allow customers to establish credit limits themselves for smaller amounts, under conditions specified in the policy. For larger amounts, ACyC must establish the limits for each debtor. Credit limits are an important risk management instrument for ACyC as they cap the amount that ACyC would have to pay out to a customer in the event of a claim. Moreover, ACyC can, in principle, withdraw the credit limit on a buyer at any time if circumstances so require. Credit limits may be subject to specific conditions and ACyC can also set conditions for cover on a country or withdraw cover on a country altogether. These are important tools in managing risk exposure.

Staff in Commercial Units have well-defined capacities specifying who can underwrite which policies. The approval of two people is usually required, and conditions become stricter as the policy coverage grows larger, with the biggest contracts needing sign-off by both the Director of a Commercial Unit and the responsible Executive Committee member. The pricing of credit insurance policies, whether renewed or amended, is also subject to governance systems and the methodologies used to establish a benchmark price require the approval of the Quantitative Model Committee, a committee specifically tasked with approving the quantitative models used in ACyC.

Staff in Risk Services have well-defined capacities specifying who can set the credit limit approval levels. As credit amounts grow, decisions require approval from at least one supervisor with a higher authority level. Largest credit amounts require approval by a committee with the appropriate authority level and, in special cases, by a reinsurance panel.

The credit specialties business offers a range of tailor-made policies to insure against a number of credit and political risks; this type of product includes policies that cover single transactions, single trade relationships and asset confiscation. The conditions of the credit specialties policies demand greater supervision and due diligence vis-à-vis the insured.

All policies come under a framework of clearly defined authorities issued for underwriters who ultimately report to the Markets Director. Policyholders' risk is approved by a dedicated Risk Service that ultimately reports to the Risk Director. In addition, a risk management team with a functional reporting line to the Group Risk Management unit ensures adherence to the risk governance model, monitors the portfolio risk and ensures compliance with the terms of the reinsurance treaty.

Surety

ACyC issues surety bonds for customers in a number of European countries, including Italy, France, Spain, Portugal, Germany, the Nordic and Benelux countries and started the process operations in the United Kingdom. Surety bonds insure beneficiaries against the risk of our customer not meeting contractual, legal, or tax obligations. Beneficiaries include national, regional and local governments as well as tax authorities and businesses.

Just as there exists the risk that our customer may fail to meet its obligations, whether because it is unable to perform the agreed services or at the required level or because it is insolvent, there is also the risk of the customer intentionally not performing its obligations. Therefore, our assessment of both the customer's financial strength and its ability to perform plays an important part in the underwriting process. Unlike traditional credit insurance, exposure related to issued bonds cannot be unilaterally cancelled by ACyC.

When a beneficiary reports a claim, ACyC mediates to resolve conflicts by working with both customer and beneficiary. If, as a result of non-performance a payment is made by ACyC to the beneficiary, a recovery action is taken against the customer, who remains ultimately liable. Whenever ACyC incurs an irrecoverable loss, it is almost always because of the customer's financial distress, making the triggers for loss similar to those of traditional credit insurance.

The distribution of customers across different sectors of the economy varies by country as a result of different legal and market environments. The type of bonds issued include bid bonds, performance bonds, maintenance bonds, advance payment bonds and various types of administrative bonds. These bonds are issued with terms ranging from a few weeks to years, but only rarely do they run beyond five years.

All surety facilities and individual surety bonds are underwritten by technical underwriters who are part of the commercial surety units. Technical underwriters assess the risk of non-performance as well as Surety wordings and other relevant technical aspects. Financial underwriters, who are not part of the Commercial units, focus on the credit risk-related aspects of customers; they must approve the acceptance of facilities and individual bonds over certain thresholds. Financial Underwriting decisions are taken in line with a well-defined authority specifying the level of decisions that an underwriter can make. The largest amounts require the approval of Atradius credit committees (Local or Group) with the appropriate authority level.

Assumed Reinsurance

ACyC underwrites reinsurance programmes for credit insurance and surety business written by primary insurers. This business is conducted by the branch of ACyC in Ireland ("ACyC Ireland").

ACyC provides reinsurance capacity for primary insurance companies from both the developed and developing credit insurance and surety markets. It currently assumes business from over 57 countries worldwide, maintaining a balanced diversity within the portfolio from each continent. The underlying business consists of approximately 50% credit insurance and 50% surety, based on premium volume.

Reinsurance underwriting guidelines and risk boundaries define the kind of business ACyC Ireland is authorised to write, with specific guidelines for type of product, capacity limit, exposure, term and diversity of the underlying insurance ceded. Particular attention is given to ensuring the diversity of business from third party clients and the level of exposure to any one country, company, or market is managed within agreed underwriting limits and capacity.

All reinsurance business is regularly reviewed with respect to past underwriting years' performance, triangulation development, individual buyer exposure development, aggregate total potential exposure management of economic capital requirements and market and country exposure. Risk and policy limit setting is monitored to ensure credit quality and compliance of the underlying insurance products to the terms of the reinsurance programme.

Instalment Credit Protection (ICP)

The ICP product line covers the medium- and long-term risks that financial and corporate policyholders face in their multiple instalment agreements with private individuals and businesses, and is available in Belgium and Luxembourg.

Policy underwriting is performed within the Commercial ICP Units. Policies are generally issued for a fixed period with automatic renewal. The indemnification rate can rise to 100% and recoveries are for the benefit of ACyC.

Risk underwriting is performed by the risk underwriting teams. Authorities are granted to underwriters in accordance with their seniority and expertise. Cases are escalated in accordance with pre-determined thresholds to the local ICP credit committees, then to the ICP credit committee and finally to the Executive Committee member responsible for ICP.

f. Distribution Systems

With the main goal of providing a high-quality service to its customers, manifest in highly personalised bespoke advising using advanced technological resources, ACyC distributes its products through a regional network in Spain and branches in different locations around the world.

g. Subsidiaries

The ACyC subsidiary companies are (see Note 9):

Subsidiaries	Registered Corporate Objects
Iberinform Internacional, S.A.U.	Information services
B2B Safe, S.A.	Advisory services
Iberinmobiliaria, S.A.U.	Real estate
Crédito y Caución de Brasil Gestao de Riscos de Crédito e Servicos LTDA (Brasil)	Management company
Atradius Crédito y Caución Seguradora S.A. (Brasil)	Domestic and foreign credit insurance company
Atradius Escritório de Representação no Brasil Ltda.	Reinsurance and related operations

2 Basis of presentation of the financial statements

2.1 Financial reporting regulatory framework that applies to the Company

The regulatory framework governing the Company's financial reporting is set out in:

a) The Spanish Commercial Code (Código de Comercio) and related company legislation;
b) The Accounting Plan for Insurers approved by Royal Decree 1317/2008, as amended;
c) The mandatory standards approved by the Institute of Accounting and Auditing (Instituto de Contabilidad y Auditoría de Cuentas — ICAC) implementing the General Accounting Plan and its complementary rules;
d) Royal Decree 1060/2015 of 20 November 2015 on Regulation, Supervision and Capital Adequacy of Insurers and Reinsurers ("ROSSEAR"). The purpose of the ROSSEAR is to implement the regulation of private insurance and reinsurance activities set out in Law 20/2015 of 14 July 2015 on Regulation, Supervision and Capital Adequacy of Insurers and Reinsurers, as well as to complete the transposition into Spanish law of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive);
e) Spanish Law 20/2015 of 14 July 2015 on Regulation, Supervision and Capital Adequacy of Insurers and Reinsurers ("LOSSEAR");
f) All other applicable Spanish accounting rules.

For business operations located outside Spain and Portugal, homogenization adjustments have been made to comply with the Accounting Plan for Insurers (Plan Contable de Entidades Aseguradoras — PCEA) for the sake of uniform accounting treatment where those operations differ significantly from the accounting standards that apply in Spain.

2.2 Fair presentation

The 2024 financial statements have been obtained from the accounting records of the Company and are presented in accordance with the applicable financial reporting regulatory framework (see Note 2.1) and, in particular, with the accounting principles and policies contained thereof to give a true and fair view of the net assets and financial position of the Company at 31 December 2024, as well as of the results of its operations, of the changes in equity and of the cash flows during said financial year.

These financial statements, which were approved by the Directors of the Company at the Board Meeting held on 4 March 2025, will be submitted for approval by the Company's shareholders in General Meeting and are expected to be approved without any modifications. The financial statements for 2023, were approved by the Directors of the Company on 12 March 2024 and by the Company's shareholders at the General Shareholders' Meeting of 21 March 2024.

2.3 Critical issues regarding valuation and estimation of uncertainty

The information contained in these financial statements is the responsibility of the Directors of the Company, who have had to make estimates to measure some of the assets, liabilities, revenues, expenses and commitments recorded herein. Basically, those estimates primarily refer to:

- Impairment losses on certain assets (see notes 4.1, 4.2 y 4.5);
- The assumptions made for the actuarial calculation of defined-benefit pension liabilities and other commitments to personnel (see Note 4.11);
- Determining the value of the technical provisions (see Note 4.8);
- Estimates for calculating premiums accrued and not issued (see Note 4.13);
- Estimates for recovery of claims (see Note 4.5.1);

These estimates were made on the basis of the information available at year-end 2024 on the situations analysed. However, these estimates may have to be modified (upward or downward) in the coming years as a consequence of subsequent events. Such modifications would be made prospectively and recognising the effects of the changed estimates in the profit and loss statement for the years affected.

As a source of uncertainty, the increasing geopolitical tensions might have a relevant impact in the global economy and markets, potentially causing disruptions in supply chains and trade exchanges. Although the ECB and the US Federal Reserve are moving to less restrictive monetary policies, the interest rates remain above the pre-covid levels, having this a special impact in highly leveraged sectors, and the insolvency rates show upward trends in several countries.

The factors above lead to an increased potential for adverse development on the technical provisions in the coming months because of increase in frequency and severity.

The surety business usually only incurs irrecoverable losses when, after a bond call, any payments to beneficiaries recourse to the surety customer or its guarantors fails. This is typically due to either the insolvency or bankruptcy of the surety customer. Thus, in the end, the frequency and severity of claims is affected by similar factors as those affecting credit insurance.

All forms of credit insurance and surety bear the risk that changes in legislation, in particular of insolvency law, may affect the amount and timing of claims payments or recoveries.

Atradius' business processes are designed to effectively manage the impact of the many risk factors that affect the frequency and severity of claims. The business processes continually evolve in response to how Atradius views these risk factors in the context of its overall business strategy.

2.4 Grouping of items

Certain items in the balance sheet, profit and loss statement, statement of changes in equity and statement of cash flows are presented grouped together for easier understanding, although a breakdown of material items is given in the relevant Notes to the financial statements.

2.5 Allocation of expenses

Expenses are initially booked according to their nature and, subsequently, in those cases where the classification of expenses by use differs from their classification by nature, reclassified to expense accounts by use.

The policy applied by the Company to reclassify expenses by nature to expenses by use is described below:

- Expenses attributable to claims mainly include the cost of both internal and external staff that manage claims and the cost of supplies and maintenance services for the material resources used in that activity;
- Acquisition costs mainly include the fees of brokers directly involved in the acquisition of insurance contracts and other related expenses;
- Administration expenses mainly include the cost of both internal and external staff engaged in services relating to this activity, such as the expenses of studies and re-studies borne by the Company in analysing the insured risks;
- Expenses attributable to investments mainly include both internal and external investment management expenses, comprising, in the latter case, the professional fees, commissions and brokerage charges accrued, the cost of staff engaged in those functions and the amortisation and depreciation charges (without including goodwill);
- Other technical expenses are those that cannot be allocated to one of the above uses per the established criteria.

In addition, with respect to the allocation by insurance line, separate accounting control and management is maintained for each line in which ACyC operates and for the different types, with the applicable revenues and expenses being allocated in line with the volume of premiums and nature of their operations.

There are allocated to the non-technical income statement for the year the losses or profits obtained on the sale or amortisation of financial investments in the asset base, as well as changes in the measurement of investments at fair value through profit or loss for said assets.

Dividends from financial assets accrued after the date of acquisition will be recognised as income in the profit and loss statement.

2.6 Comparative Information

The information contained in the accompanying financial statements for 2023 is presented solely and exclusively for purposes of comparison with the information for 2024.

All amounts presented in these financial statements are presented in thousands of euros (EUR), rounded to the closest thousand, unless otherwise specified. Such differences as may be observed in some cases between the sums of the figures recorded in the balance sheet, the profit and loss statement, the statement of changes in equity, the statement of cash flows and the explanatory Notes are due to rounding.

3 Allocation of results

The proposed allocation of the net results for the financial year 2024 adopted by the Directors of the Company and to be submitted for approval by the shareholders of the Company in General Meeting is the following:

Basis of distribution	
Profit/(Loss) for the year	349,317
Total	**349,317**

Allocation	
Interim allocation to the equalization reserve	191,048
To voluntary reserves	158,268
Total	**349,317**

According to the Reglamento de Ordenacion y Supervision de Los Seguros Privados (hereinafter 'ROSSP'), the equalization reserve will be increased every year against the allocation of profit for the year (see Note 17.6).

At the proposal of the Board of Directors, the General Meeting of the Company's shareholders will resolve to allocate the results of each year after the interim allocation to the equalization reserve as follows:

- 10% will be allocated to the legal reserve until it reaches at least 20% of the share capital;
- The amount needed to pay the dividend deemed appropriate by the General Meeting, which will be distributed in proportion to the capital paid in. At 31 December 2024 and 2023, there was no capital pending disbursement;
- Any remaining sum will be allocated, by decision of the Shareholders in General Meeting, to setting up special reserves, to increasing those already created, to extraordinary write-offs, or will be carried forward in the part not earmarked for any other special use to the following year.

4 Recognition and measurement standards

The main recognition and measurement standards used by the Company to prepare the financial statements for the year ended 31 December 2024 in accordance with the Accounting Plan for Insurers ("PCEA") were as follows:

4.1 Intangible fixed assets

4.1.1 Goodwill

Goodwill is the excess, at the acquisition date, of the cost of the business combination over the fair value of the identifiable net assets acquired in the transaction. Consequently, goodwill is only recognised when assets are acquired for valuable consideration and relates to the future economic benefits from assets that could not be individually identified and recognised separately.

Goodwill is allocated to each of the cash generating units that are expected to benefit from the synergies of the business combination. After its initial recognition, goodwill is carried at the acquisition price less the accumulated amortisation and, if applicable, the cumulative amount of valuation adjustments recognised for impairment. According to the applicable standards and rules, the useful life of goodwill is set at 10 years and it is amortised on a straight-line basis.

Furthermore, those cash generating units will be analysed at least annually for signs of impairment and, if such signs exist, impairment testing will be conducted using the methodology indicated further below and, if applicable, a valuation adjustment will be made. The impairment testing has been conducted taking into account the current macroeconomic conditions.

Impairment adjustments recognised against goodwill are not reversible in later financial periods.

4.1.2 Computer applications

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and to bring to use the specific software. These assets are amortised on the basis of the expected useful life: which is between three and five years. Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses.

Development costs that are directly associated with the production of identifiable and unique software products controlled by Atradius, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overhead. The research costs associated with developing identifiable and unique software products as well as the costs of maintaining computer software programmes are recognised as an expense as incurred. The computer software development costs recognised as assets are amortised using the straight-line amortisation method over its estimated economic useful lives: in general, not exceeding a period of five years. Majority of capitalised software developed for strategic business developments has a useful life of 10 years.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embedded in the specific assets to which it relates. All other expenditure is expensed as incurred.

4.1.3 Other fixed assets

Other intangible assets are recorded at their fair value as at the date of acquisition. Their amortisation is calculated on a straight-line basis during the expected useful life of the assets, which is estimated at between 5 and 10 years.

4.2 Property, plant and equipment and investment property

Property, plant and equipment and investment property are initially recorded at their acquisition price or cost of production, revised, where applicable, as provided in Royal Decree Law 7/1996 of 7 June 1996 and in Royal Decree 2607/1996 of 20 December 1996 (for property located in Spain), less their accumulated depreciation and such impairment losses as may exist according to the policy mentioned at the end of this Note.

All land, natural assets and buildings held to obtain income, capital gains or both are considered investment property. The land, natural assets and buildings held to provide services or for administrative purposes are considered property, plant and equipment.

Expenses associated with the repair and maintenance of property, plant and equipment and investment properties are charged to the profit and loss statement for the year in which they are incurred. Conversely, sums invested in improvements that contribute to increasing the capacity or efficiency or to lengthening the useful life of those assets are recorded as a higher cost of those assets.

The Company depreciates its property, plant and equipment and investment properties on a straight-line basis, applying yearly depreciation percentages calculated as a function of the years of estimated useful life of the respective assets, as indicated below:

Asset Category	Depreciation Percentage
Buildings	2%
Furniture	10%-33%
Plant	10%-33%
Data processing equipment	20%-33%
Other property, plant and equipment	12%-15%

4.2.1 Impairment of intangible assets, property, plant and equipment and investment property

At the end of each year, the Company conducts an impairment test for the existence of impairment that reduces the recoverable value of these assets to below their carrying amount. Impairment of intangible assets and of property, plant and equipment and investment property is calculated, in general terms, separately asset by asset. If the recoverable value of each individual asset or right cannot be calculated, the Company determines the recoverable value of the cash generating unit to which each fixed asset belongs.

In its impairment testing of assets, the Company considers at least the following factors:

- Evidence from internal reports indicating that the economic return on the assets is, or will be, worse than expected.
- Evidence of obsolescence or physical deterioration of an asset.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use, with the latter understood to mean the present value of the expected future cash flows.

In the case of real estate, fair value is the appraised value determined by appraisal companies authorised to appraise properties. Those appraisals are updated at least biannually. Where the fair value of the property, thus determined, is less than its net carrying value, the loss of value is accounted for by setting aside the relevant provision for impairment with a charge to profit and loss statement.

The individualised valuation adjustments of the above assets, and their reversal when the circumstances that led to the adjustments disappear, are taken to the profit and loss statement as an expense or income, respectively. Reversals are limited to the carrying value at which the fixed asset or the investment property would have been recognised at the reversal date had no loss of value been recorded.

4.3 Operating leases

Leases are classified as finance leases when their conditions imply substantial transfer to the lessee of the risks and rewards incidental to ownership of the leased asset. Operating leases are those in which the conditions do not imply substantial transfer to the lessee of the risks and rewards incidental to ownership of the leased asset.

Revenues and costs arising from operating lease agreements are taken to the profit and loss statement in the year they are accrued. Any payment that may be received or made when contracting an operating lease will be treated as a prepayment and taken to profit and loss statement over the term of the lease, as the rewards of the leased asset are transferred or received.

In the case of finance leases, the cost of acquiring the leased asset is presented on the balance sheet according to its nature, increased by the amount of the directly attributable contracts costs, which are recognised as an expense over the term of the contract, applying the same criterion as used for recognising lease revenues.

4.4 Fair value

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Quoted prices in active markets. This category includes financial instruments for which the fair value is determined directly by reference to published quotes in an active market. A financial instrument 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 conducted on an arm's length basis.

Level 2: Valuation techniques based on observable market data. This category includes financial instruments for which the fair value is determined using a valuation technique (a valuation model), where inputs in the valuation model are taken from an active market or are market observable. If certain inputs in the model are not market observable, but all significant inputs are, the instrument is still classified in this category, provided that the impact of those elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are (more than insignificantly) modified based on other observable external data.

Level 3: Valuation techniques incorporating information other than observable market data. This category includes financial investments for which the fair value is determined using a valuation technique for which a significant level of the input is not supported by current observable market transactions. This category also includes the financial investments for which the fair value is based on brokers' quotes or pricing services. These valuations are for 100% of the fair value verified by an external independent valuation company.

The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price used for financial investments held by ACyC is the current ask price. Transaction costs on initial recognition of financial investments are expensed as incurred.

The fair value of financial instruments not traded in an active market is determined using valuation techniques. ACyC uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair value of own-use property and of investment property is determined by independent real estate appraisers registered in the relevant countries and with the appropriate qualifications and experience in property valuations.

4.5 Financial instruments

4.5.1 Financial assets

Classification

The financial assets held by the Company have been classified, as at 31 December 2024, into the following categories:

- Loans and receivables: financial assets originating in insurance and reinsurance operations, or those which, not having a commercial origin, are not equity instruments or derivatives, with receipts of fixed or determinable amounts and not traded on an active market. This excludes debt securities and swaps of certain or predetermined cash flows that the Company allocates, at the time of initial recognition, to "Available-for-sale financial assets".

- Holdings in Group companies and associates: Group companies are those with which the Company has a controlling relationship, while associated companies are those in which the Company exercises significant influence.
- Available-for-sale financial assets: this includes debt securities and equity instruments of other companies that have not been classified in any of the above categories.

Initial measurement

The Company recognises financial assets on its balance sheet when it becomes a party to the associated contract or legal arrangement according to its terms.

Recoveries of claims are only recognised when they are sufficiently certain at the date on which the financial statements are issued and, therefore, expected to give rise to economic benefits. As regards Spain and Portugal, for recoveries specific to the credit insurance line, in accordance with article 43 of the Regulations on the Organisation and Supervision of Private Insurance (Reglamento de Ordenación y Supervisión de los Seguros Privados) and Finance Ministry Order EHA/339/2007 of 16 February 2007 implementing certain specific provisions of private insurance, the Company capitalises the recoveries, using statistical methods, with the execution of certain requirements and submitting the calculations to periodic assessments by independent experts. In this case, the Company calculates the amount of the estimated recoveries using a statistical method specifically developed for this purpose, which studies the historical evolution of the settlements of all declared losses, including completed claims, and allows their future behaviour to be predicted, in order to apply them to the actual situation and make reasonable estimates of the recoveries to be obtained with those projections. For the other branches, the estimated recovery is implicit in the calculation of the technical provisions (see Note 4.8).

The amount of the estimated recoveries of the business in Spain and Portugal, net of the reinsurance share, is recorded under “Loans and receivables – Other receivables – Rest of receivables” on the accompanying balance sheets (see Note 10).

Purchases and sales of financial assets structured in conventional contracts are recognised on the trade or settlement date. Contracts that can be settled for cash differences are recorded as a derivative instrument. In particular, foreign currency transactions are recorded at the settlement date, and financial assets traded in Spanish secondary securities markets are recognised on their trade date if they are equity instruments and on their settlement date if they are debt securities.

Financial assets are initially recorded at the fair value of the consideration received plus any transaction costs that are directly attributable at the acquisition date.

In the case of equity investments in Group companies that entail control of the subsidiaries, the fees paid to legal advisors and other professionals in relation to the acquisition of the investment are taken directly to the profit and loss statement. Investments in Group companies, jointly controlled entities and associates are initially recorded at cost.

Loans and receivables are initially recognised al fair value plus transactions costs.

Subsequent measurement

Financial assets classified as "Loans and receivables" are carried at their amortised cost. The interests accrued are recorded in the profit and loss statement, applying the effective interest rate method.

In particular, with respect to valuation adjustments of premiums pending collection, the Company makes the appropriate allocation with a charge to the profit and loss statement in accordance with the impairment of the receivables from policyholders. That impairment is calculated at year-end separately for each line of insurance or risk using the information available on receipts of premiums pending collection at that date.

The general policy followed by the Company is as follows:

- Premiums of six months or more are provisioned for in full;
- Premiums of three months or more and less than six months are 50% provisioned for;

- Premiums of less than three months that have not been claimed in court are provisioned for applying the average percentage of cancelled premiums that were in that situation in the last three years, making the historical series as uniform as possible. Where the recorded experience is not sufficient, these premiums are provisioned for applying a percentage of 25%;
- Premiums claimed in court are provisioned for separately according to the circumstances of each case.

For the rest of the items classified as loans and receivables, at least at year-end the necessary impairment adjustments are made if there is objective evidence that not all sums owed will be received.

Available-for-sale financial assets are carried at their fair value. Such variations as may occur in that fair value will be recorded in equity until the asset is disposed of or becomes impaired (on a stable or permanent basis), at which time those accumulated results will be taken to the profit and loss statement. In this regard, signs of impairment (of a permanent nature) are considered to exist in equity instruments if there is a 40% decline in the trading price of the asset or if its value enters into a prolonged decline of a year and a half without recovering. In the case of debt instruments acquired, impairment is deemed to exist if there is a reduction or delay in the estimated future cash flows that may be caused by insolvency of the issuer.

Debt securities and swaps of certain or predetermined cash flows assigned to the "available for sale" category, and all financial assets that are not carried at their fair value, will be tested for impairment by the Company at least at year-end.

Objective evidence of impairment is considered to exist if the recoverable amount of the financial asset is lower than its carrying amount. The recoverable value is determined by the present value of the future cash flows that are estimated will be generated by the financial assets being measured discounted at the effective interest rate calculated at the time of their initial recognition.

Investments in Group companies, jointly controlled entities and associates are stated at their cost, minus, as applicable, the cumulative amount of valuation adjustments for impairment. Those adjustments are calculated as the difference between the carrying value of those investments and their recoverable amount, the latter being taken as the higher of the fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, the equity of the investee is considered, adjusted for the unrealised capital gains existing at the measurement date (including such goodwill as may exist).

The Company derecognises financial assets when they expire or when the rights to the cash flows of the financial asset are assigned and the risks and rewards incidental to ownership are substantially transferred, such as in outright sales of assets, sales of financial assets with an agreement for repurchase at their fair value and securitisations of financial assets in which the seller neither retains subordinated financing nor gives any type of guarantee nor assumes any other type of risk.

Conversely, the Company does not derecognise financial assets, and instead recognises a financial liability equal to the consideration received, in those assignments of financial assets in which it substantially retains the risks and rewards incidental to ownership, such as discounted bills, sales of financial assets with an agreement to repurchase at a fixed price or at the selling price plus interest, and securitisations of financial assets in which the seller retains subordinated financing or some other type of guarantee that substantially absorbs all expected losses.

The impact of foreign currency on available-for-sale financial assets is recorded in the profit and loss statement.

4.5.2 Financial liabilities

The financial instruments issued, incurred or acquired are classified as financial liabilities, in full or in part, when they imply for the Company a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or liabilities with third parties on conditions that are potentially unfavourable.

Debts and payables that originate in insurance and reinsurance operations, as well as those which, though not of a commercial origin, cannot be considered as derivative financial instruments, are classified as financial liabilities, for purpose of their measurement, in the category of debts and payables.

Debts and payables are initially stated at the fair value of the consideration received adjusted for any directly attributable transaction costs.

They are subsequently stated at their amortised cost. The interest accrued is recorded in the profit and loss statement, applying the effective interest method. Nevertheless, debts that have been initially measured at their nominal value will continue to be carried at that amount.

Trade payables falling due within one year and that do not have a contract interest rate, and capital calls on shareholdings in third parties that are expected to be paid in the near term, are recorded at their nominal value, when the effect of not discounting cash flows to present value is not significant.

Subordinated debt

The fair value estimate of the subordinated bond is provided by an external independent valuation company, which uses its own proprietary valuation systems to value securities supported by economic and market assumptions from financial information providers (see Note 11 for further details).

4.6 Transactions in foreign currency

4.6.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the functional currency of the respective markets in which it operates. For purposes of its financial reporting, the Company's currency is the euro.

4.6.2 Transactions and accounting balances

At the close of the financial year, monetary assets and liabilities held in foreign currencies are converted to euros at the rate of exchange in effect at the balance sheet date. Exchange gains and losses are recognised when they arise.

Non-monetary assets and liabilities that are measured at fair value and denominated in foreign currency are converted according to the exchange rates prevailing on the date the fair value was determined. The exchange gains and losses that arise are taken to equity or to profit and loss for the year applying the same policy as for recording variations in fair value.

4.6.3 Branches

Where the functional currency of a branch of the Company is a non-euro currency, the differences generated in the conversion of its financial statements to the presentation currency will be recorded directly in equity.

Shown below are the most significant functional currencies for the Company:

Currency	Year end rate			Average rate		
	GBP	USD	AUD	GBP	USD	AUD
At 31 December 2024	1.206	0.963	0.596	1.202	0.947	0.616
At 31 December 2023	1.151	0.905	0.615	1.158	0.915	0.605

Shown below are the assets, earned premiums and the profit before tax of the most significant functional currencies for the Company:

All amounts are in thousands of Euros, unless otherwise stated

2024	Assets	Earned premiums	Profit before tax
EUR	4,460,418	1,677,726	308,924
GBP	426,105	163,003	46,367
AUD	157,281	57,332	12,782
Other currencies	1,185,427	320,475	93,658
Total	**6,229,231**	**2,218,535**	**461,731**

2023	Assets	Earned premiums	Profit before tax
EUR	3,836,834	1,616,627	332,685
GBP	628,190	158,910	25,525
AUD	147,704	55,545	9,505
Other currencies	1,206,089	401,201	62,116
Total	**5,818,817**	**2,232,283**	**429,831**

4.7 Corporate income tax

Corporate income tax cost or income includes both the part relating to the current income tax and the one for deferred tax.

Current income tax is that paid as a result of tax assessments on the profits for the year. Tax relief and other tax benefits, excluding withholdings and interim advanced payments, and tax loss carryforwards applied in the year, reduce the current income tax liability.

The deferred income tax cost or income reflects the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences, which are identified as the expected balances payable or recoverable as a result of differences between the book value and tax value of assets and liabilities, as well as tax losses pending carryforward and credits for tax deductions not applied. These amounts are recorded applying to the temporary difference the tax rate at which it is expected to be collected or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except those in which the temporary difference derives from the initial recognition of goodwill or other assets and liabilities in operations that affect neither tax income nor accounting income and which are not a business combination.

Deferred tax assets are only recorded when it is considered likely that the Company will have sufficient future taxable earnings against which they can be applied.

Deferred tax assets and liabilities arising on operations debited or credited directly to equity accounts will also be recognised in a balancing entry under equity.

Deferred tax assets are reviewed at each balance sheet date and the necessary adjustments are made if there is any doubt concerning their future recoverability. Deferred tax assets not recognised in the balance sheet are also reviewed at each balance sheet date and are recognised if their recovery against future tax profits becomes probable.

The Company is taxed for its business in Spain under the tax consolidation regime provided for in Articles 55 to 75 of Law 27/2014 on Corporate Income Tax, with GCO being the parent company of this consolidation group.

4.8 Technical provisions and Equalization reserve

As mentioned in Note 2.1, on 1 January 2016 the Royal Decree 1060/2015 of 20 November 2015, which approved the ROSSEAR and repealed the previous ROSSP came into force. Nevertheless, as stipulated in Additional Provision Five of the ROSSEAR, when calculating technical provisions for accounting purposes, articles 29 to 48 bis of the ROSSP will apply.

Technical provisions record the amounts of obligations undertaken under insurance contracts in force in order to ensure, based on prudent and reasonable considerations, the fulfilment of those obligations.

4.8.1 Provision for unearned premiums and ongoing risks

The provision for unearned premiums is made to time allocate the premiums accrued at year-end and includes the part of the premium earmarked for fulfilling future obligations not expired at that date.

Commissions and other acquisition costs in respect of the premiums written are expensed according to the same criterion as used to recognise revenue from the premiums of insurance contracts in force. The part of commissions and other acquisition costs for the unearned period of insurance policies in force is recorded in “Other assets – Accrual accounts” under assets on the accompanying balance sheets. At 31 December 2024, the amount of accrued commissions was EUR 158.5 million (2023: EUR 147.0 million).

The provision for unexpired risks complements the provision for unearned premiums to the extent that the amount of this provision is not sufficient to reflect the measurement of all risks and expenses to be covered in relation to the coverage period not closed at year-end. It is calculated as provided in the current articles in ROSSP. At 31 December 2024 and 2023, the result of the calculation indicated the provision was not required.

In compliance with the resolution issued by the DGSFP in reply to a query submitted by the Company on 18 December 2015, the Company made an adjustment for uniform treatment of the insurance operations originating from the former Atradius Credit Insurance N.V. (ACI), allocating to the provision for unearned premiums the part of the premium in respect of outstanding operations that was included as provision for claims incurred but not yet reported in ACI's books.

4.8.2 Claims provision

This records the total amount of outstanding obligations in respect of claims incurred prior to the balance sheet date. The Company calculates this provision as the difference between the estimated or certain total cost of claims not yet reported or pending settlement or payment and aggregate sums already paid in respect of those claims.

Claims not yet settled or paid and claims not yet reported

For claims pending to be settled that were declared at year-end, the amount of this provision is calculated on the basis of an individual analysis for each case, based on the best information available at year-end, using the claim data for individual cases notified to the AC&C and statistical analysis for claims that have occurred but have not been declared. This includes external expenses inherent to the claims settlement, interest on late payments and legally established penalties, where applicable. In addition, estimates of expected losses are made based on historical claims experience, estimates of future payments and other known trends and developments.

The risks associated with credit insurance and surety are subject to a great number of factors that are not particularly open to quantitative sensitivity analysis. This section describes the quantitative sensitivity analysis that is feasible.

Under normal circumstances, the most important assumption used in the main methods for reserving for traditional credit insurance to set the estimate for the ultimate number of claims for the most recent months of risk would be that the claims inflow in early 2025 would be around 20% above the level of end 2024 (in 2023 a 20% more compared to 2022). The main methodologies for estimating claims provisions for traditional credit insurance combined underpin 74% (2023: 71%) of the claim’s provisions for traditional credit insurance.

Considering the increased uncertainty because of the current circumstances, we have taken a similar approach for 2024 closing as we did for 2023 closing. During the second half of 2020, the number of reported claims dropped significantly compared to the first half of the year. This partly relates to a drop of insured business as result of the lock-downs in early 2020 and, partially, because of government's support for the economy. Despite of the increasing trend in claim entry during second half of 2023, the total number of claims registrations during 2024 is still lower than the claims reported during the first half of 2020, depending on the country (overall, 8% lower) in comparison with previous year (in 2023 a 14% lower than 2022). The 2024 provisions have been set based on the assumption that a further strong increase in claims registrations is still expected going forward. The estimated ultimate claim count for the most recent months of risk have been set at the level of the first half of 2020 plus 20–40% depending on the country due to uncertainty in the current economic environment (overall, 23% for 2024 meanwhile a 22% for 2023). Comparing with the most recent claim entries, this estimate implies a 7% - 50% increase over the moving average of the most recent months' entries.

An indication of the sensitivity to projected ultimate number of claims would be the following: if the estimated ultimate number of claims, inclusive of the expected increase mentioned in the previous paragraph, for the most recent six months of risk were to change by 10%, the claims provisions would change by EUR 43 million, gross of reinsurance (2023: EUR 42 million). As in essence provisions for most recent months are set as estimated number times estimated claims size, this also describes the sensitivity to assumed claims size. This sensitivity is approximately linear. Unless noted otherwise, the same holds true for other sensitivities mentioned in this section.

Under normal circumstances, for modelling attritional losses, the uncertainty in severity quickly becomes less important compared to the uncertainty in frequency, as the portfolio becomes larger. This feature is not specific to credit insurance, but holds for any insurance product, provided the portfolio is large enough, and correlation between count and severity is small enough. It is our experience that average claim sizes, for the attritional losses, are sufficiently stable over time to not have significant margins of uncertainty in the parameters governing the size of attritional claims that have not yet been reported.

Whilst recent trends in severity have been duly considered as part of the process by which Atradius reviews and sets parameters and prudent choices have been made, we still consider there to be more uncertainty than in recent history, as result of the unprecedented circumstances.

To indicate an overall level of sensitivity with respect to the parameters driving the average size for claims not yet registered, if this average increased by 10%, claims provisions for attritional losses would increase by EUR 39 million (2023: 38 million).

By its nature, an estimate of the expected inflow of large cases is not easy to quantify. The order of magnitude of this sensitivity would be, in the judgement of management, similar to the sensitivity in the estimated number of claims for the most recent months, although, as is inevitable with severity risk, it has a longer tail. From historic data it can be seen that the correlation between the ultimate aggregate losses arising from large claims by underwriting year and the attritional losses is larger than 80%.

As such, supporting the plausibility of the management judgement, provisions for large cases are in part based on historic experience with large cases and in part on case by case reporting of ultimate loss estimates. The approach that relies on historic experience sets an ultimate loss arising from large cases as a fraction of the total losses for the last two risk years. Despite the historically high correlation between large and attritional losses, current low claims entry implies estimated attritional losses for recent underwriting years to be well below prior years. These exceptional circumstances, accompanied with the current level of uncertainty and experience from prior financial crisis (2008-2009, which showed a higher proportion of large losses over total losses) leads to setting a ratio aligned to the historic one observed in prior financial crisis. The selected ratio implies estimated ultimate large loss amounts (as opposed to the ratio with attritional losses) to be in the range of those observed under normal circumstances, like underwriting years 2012 to 2019. If these fractions were chosen 10% higher, then the claims provisions for traditional credit insurance would increase by EUR 94 million (2023: 94 million). The case by case estimates are specific to the individual facts and circumstances of the case. As such, no meaningful overall insight to the sensitivity can be given.

In addition to contributions from standard components of Atradius reserving methodologies, an Event Based Provision is estimated, due to the impact of the conflict between Russia and Ukraine. This is for those risks considered to be not fully covered by the standard methodologies. This is based on a case-by-case review of the exposures related to the Russia-Ukraine conflict and the outstanding related to sanctioned parties involved in the impacted policies. Management has considered two main drivers of risks to be covered by the Event Based Provision:

a) Real Outstanding Exposure (ROE) related to traditional credit insurance business from customers trading out of Russia and for Russian/Ukrainian buyers. This excludes exposure already notified as claims, as the standard methodology already caters for this. It also excludes exposure for which a notification of non-payment was registered. This is treated as a separate category.
b) Notifications of Non-Payments related to business from customers out of Russia but affected by the conflict between Russia and Ukraine.

As a result of the analysis update, a EUR 105 million provision gross of reinsurance (EUR 81 million net of reinsurance) has been added. 2023: EUR 122 million gross reinsurance, and EUR 92 million net of reinsurance.

Unless otherwise stated, claims provisions are presented net of recoveries from salvage and subrogation. Realised recoveries can deviate from expected recoveries. Expected recoveries amount to EUR 412 million (2023: EUR 400 million). The largest two components of the expected recoveries are the recoveries for traditional credit insurance of EUR 182 million (2023: EUR 178 million) and for instalment credit protection of EUR 163 million (2023: EUR 134 million).

As recovery rates differ by country as well as product, moreover, that the development depends on the ageing of the underwriting year, it is challenging to provide insight into sensitivity to assumptions by measuring the impact of a mere parameter change. For traditional credit insurance, ultimate recoveries are first estimated using commonly used projection methods. These estimates are then reduced considering a margin for uncertainty, such that a favourable development on these estimates is by far the most likely outcome. Nevertheless, the impact of setting the recovery provisions lower by 10% is EUR 18 million (2023: EUR 18 million). For instalment credit protection, for which similar margins for uncertainty are introduced, the impact of setting recovery provisions lowers by 10% is EUR 16 million (2023: EUR 13 million).

Sources of uncertainty in the estimation of future claims payments

The sources of uncertainty in the estimation of future claims payments include, but are not limited to, all the factors that affect the frequency and severity of claims in general, as described in Note 2.3.

The insurance liabilities that cover claims experience after the reporting period for risks that have been accepted before the end of the reporting period consist of two elements: the provision for unearned premium (UPR) and the provisions for claims 'incurred but not reported', the IBNR. The accounting policies and estimation methods for setting UPR and IBNR vary by product and in part also by entity within Atradius:

- For traditional credit insurance, premium is earned in full when the underlying shipment takes place. UPR exclusively relates to the unearned part of premium invoiced in advance and to risks that have not started. IBNR is Atradius' estimate for future claims payments that will result from risks taken on, but for which no claims notification has been received;
- For the local credit insurance business in Spain and Portugal, premium is earned pro rata over the period between invoice date and due date of invoices for the insured shipments. Thus, part of UPR relates to risks that have started, in the sense that the underlying insured shipment has taken place. IBNR is the local business in Spain and Portugal's estimate for future claims payments that will result from risks taken on, for which no claims notification has been received and for which the underlying invoices are overdue at the end of the reporting period;
- For surety, instalment credit protection and reinsurance, the UPR relates to risk taken on; and
- For credit specialties, UPR is set on the same basis as for traditional credit insurance. With the exception of single transactions, where the UPR relates to risk taken on.

As a consequence, the release of the provision for unearned premium should be taken into account for the local credit insurance business in Spain and Portugal, surety, instalment credit protection and reinsurance to evaluate the accuracy with which Atradius has historically estimated future claims payments.

Estimates for future claims payments are made through a combination of case-by-case estimates and statistical estimates. Provisions for reported claims are set on a case-by-case basis, taking into account statistical estimates for expected recoveries and statistical estimates of claims incurred to payment ratios. The estimates for future claims payments are produced per period during which policyholders brought risk under the cover of the policy (i.e., the period in which the insured shipment has taken place). Large cases are provisioned separately, at expected loss.

In the case of traditional credit insurance, the main sources of uncertainty for estimates of future claims payments include the same as the ones contained in Note 2.3. Estimates for future claims payments for surety have a greater uncertainty than estimates for future claims payments for credit insurance. Surety is a 'longer tail' business; i.e., the time between issuance of the bond and receipt of the bond call tends to be much longer than that of traditional short-term credit insurance. For example, most credit insurance covers credit periods up to 180 days, while around half the number of bonds written has tenors of over two and a half years. After receipt of a bond call, it usually takes longer to settle the claim and litigation is not uncommon, either following the bond call or when trying to realise recoveries. Especially in Italy, litigation tends to be a lengthy process. Outcomes of litigation cannot be predicted with certainty. For surety, the provisions set on a case-by-case basis are based on the amount called minus an amount to account for expected recoveries based on historic experience or case specific information. For imminent large bond calls as well as for large customers in financial difficulties, the Company sets a claim provision. The case by case and business oriented evaluation is integrated with a statistical and actuarial model. This model based on the exposure of active bonds applies probability of defaults and loss given default. Booked recovery provisions for surety are periodically reviewed and adjusted to experience. All reinsurance business assumed is reviewed regularly in detail for past underwriting years performance, triangulation development, individual buyer exposure development and aggregate total potential exposure management, market and country exposure.

Internal claims settlement expenses

The claims provision includes an estimated amount for internal management and claims handling expenses.

4.8.3 Provisions for profit-sharing and return premiums

These provisions include the profits accrued and not yet allocated to policyholders or beneficiaries, as well as the estimated amount of premiums to be returned to policyholders based on the recorded behaviour of the insured risks. They are calculated according to the relevant clauses of the contracts in force at year-end.

4.8.4 Equalization reserve

Unlike the above reserves, this is a restricted reserve recorded in the Company's equity. It is cumulative and must be set aside for the credit and surety insurance lines out of the profits recorded each year (see Note 3).

By law, in credit insurance the allocation to this reserve can be no less than 75% of the positive technical result of the insurance line and must be made until it reaches 134% of the average of the self-retention premiums accrued in the last five years. In surety insurance, the minimum allocation is 2% of the commercial premium. The reserve may only be used to offset deviations in the self-retention claims rate (see Note 17.6). For the surety line the allocations are made until the reserve stands at 35% of the self-retention risk premiums.

4.8.5 Reinsurance share on technical provisions

These are calculated based on the conditions in the reinsurance contracts in force at the end of the financial year. The Company transfers a significant part of its insurance risk to external reinsurers through various reinsurance mechanisms, including quota share and excess of loss treaties, which cover both the ACyC portfolio and quota share agreements related to specific risks. Reinsurance agreements are usually renewed annually one year in advance, typically in December of the previous year. During 2024, Atradius decided to renew its reinsurance agreements for 2025. This trend will continue with the renewal of reinsurance agreements for 2026 at the beginning of 2025. During the renewal, Atradius evaluates the optimal structure of the treaties for the next period, including excess of loss, stop-loss, and facultative treaties. Several elements are taken into account during this review, including the expected growth of the underlying business, economic developments, etc. Additionally, the proposed structure is considered in the context of Solvency II capital requirements and Atradius' risk appetite.

For the 2024 underwriting year, one quota share reinsurance treaty was in place covering the major part of ACyC's business. The retention under this treaty is 65% (2023: 63%).

Additionally, there are two separate quota share contracts, covering a limited number of policies, where the retention percentage is 25%, and a single excess of loss program, covering the own retention under this quota share agreement, consisting of a series of excess of loss agreements (by group of buyers).

The limit amount of the excess of loss agreements has been set so that the net retention for the business ceded under these agreement structures for any group of debtors does not exceed EUR 35.00 million for ACyC (DEC23 26.25m). The maximum excess of loss point is defined in such a way that, in the judgment of management, there is only a remote possibility that the default of any buyer, individual or group, will exceed the maximum limit of the excess of loss coverage.

Regarding the reinsurance panel, Atradius' policy is to select only reinsurers with a credit rating. The normal minimum requirement is a credit rating of "A-". The agreements also include a provision that if a reinsurer's rating is downgraded during the reinsurance period below "A-", then a guarantee may be requested, and if not provided, the reinsurance agreement with that reinsurer may be terminated.

4.9 Provisions and contingencies

In preparing the financial statements, the Directors of the Company distinguish between:

- Provisions: credit balances covering current obligations arising as a result of past events the cancellation of which will probably result in a future outflow of funds but whose amount and/or cancellation date are uncertain;
- Contingent liabilities: possible obligations arising as a result of past events, whose materialisation is dependent on the occurrence, or otherwise, of one or more future events falling outside the Company's control.

The financial statements present all provisions for which it is more likely than not that the obligation will have to be met.

The value of these provisions is measured using the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into consideration the information available on the event and its consequences, recording the adjustments made from updating said provisions as financial costs as they accrue.

Provisions for restructuring, onerous contracts and litigation are recognised when ACyC has a present legal or constructive obligation as a result of past events and that an adverse result is highly likely to imply a loss for the Company on its settlement and that such loss is reasonably quantifiable.

Restructuring provisions include employees' termination payments which are directly related to workforce restructuring plans. No provisions are recognised for future losses. Where there is a number of similar obligations, the likelihood that an outflow will be required is determined by considering the different classes of obligations as a whole. Where the effect of the time value of money is material, the provision is measured as the present value of the expected expenditure, discounted using a pre-tax discount rate.

Contingent liabilities are not recognised in the financial statements but are disclosed in the Notes thereto insofar as they are not considered remote.

4.10 Termination benefits

In accordance with current legislation, the Company is required to make severance payments to employees whose contracts of employment are terminated in certain circumstances. Therefore, the termination benefits that can be reasonably quantified are recorded as a cost in the financial year in which the decision to terminate the contract is taken and a valid expectation regarding termination is created for third parties.

4.11 Pension commitments

4.11.1 Defined benefit pension commitments

A defined benefit plan is a pension plan that defines the amount of the pension that an employee will receive on retirement, dependent on one or more factors such as age, length of service and salary. In a defined benefit plan the Company may pay contributions into a separate entity or pension fund. ACyC and, in some cases, the employees who participate in funding a defined benefit plan have the legal or constructive obligation to make further contributions if the fund does not have sufficient assets to pay the benefits due to all employees for the rights acquired in the current or prior periods.

The amount recognised as a defined benefit pension liability is the present value of the obligation at the end of the reporting period, less the fair value at that date of the plan assets (if any) out of which the obligations are to be settled. The recognition of assets that arise by over-funding of the defined benefit plan is limited to the ability to using the surplus to generate future benefits (the asset ceiling). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the benefit is determined by discounting the estimated future cash outflows using interest rates on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that approximate the terms of the related pension liabilities.

The present value of the defined benefit, which includes actuarial gains and losses, the return on the plan assets (not including net interest that is calculated by applying the discount rate) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other revenue and expenses recognised in equity. ACyC determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation defined at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the profit and loss statement.

The non-recognition of assets ('asset ceiling') can occur when the plan assets are higher than the projected benefits and ACyC cannot recover any surplus due to solvency and/or control requirements.

When the conditions of a plan are changed or the obligations of a plan are discharged, the resulting impact on benefits related to past services or the gain or loss from that change is recognised immediately in the profit and loss statement. If the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period), the related past service costs are amortised on a straight-line basis over the vesting period. ACyC recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Expenses for defined benefit pension commitments are classified as follows:

- Service expense (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Administration costs;
- Net interest expense or income;
- Remeasurement.

The first two components of defined benefit pension commitments are presented in the profit and loss statement under net administration costs. The net interest is presented under finance expenses. Curtailment gains and losses are accounted for as past service costs. Remeasurements are recognised in other income and expenses recognised in equity. The characteristics of those commitments are described in Note 14.1.

Defined benefit pension commitments in Spain

According to article 6L of the General Spanish National Collective Bargaining Agreement (CBA) for Insurers, Reinsurers and Occupational Accident Mutual Societies, on reaching retirement age an employee may elect to retire or retirement may be decided by the employer, with a lifelong economic compensation, in both cases, payable by the employer and consisting of the difference between the pension received by the employee from the Social Security General System and the percentages set out in the CBA. These commitments do not apply to personnel hired as from 9 June 1986 from companies not included in the scope of the sector CBA.

The CBA also includes coverage for the contingencies of death or disability of employees during their employment.

At the end of 1986, Crédito y Caución set up an alternative employee retirement plan to the above system, expanding the commitments under the CBA, which were externalised in insurance policies.

During 2005, the Company adapted its commitments to the terms of Additional Provision Fifteen of Law 44/2002 of 22 November 2002 on Measures for Reform of the Financial System, by contracting insurance policies with the insurers Seguros Catalana Occidente S.A. de Seguros y Reaseguros and Axa Aurora Vida S.A.

In the case of insurance policies contracted with non-related entities, the assets earmarked to meet these commitments, “plan assets”, are not owned by the Company but by a legally independent entity and can only be used to pay or fund the employee contributions. They can only be returned to the Company if the plan assets are sufficient to discharge all of the obligations.

4.11.2 Defined contribution pension commitments

Defined contribution plans are post-employment benefit plans under which ACyC pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions if the fund assets are not sufficient to pay all employee benefits relating to employee service in the current and prior periods.

For defined contribution plans, ACyC pays contributions to publicly or privately administered pension plans on a mandatory, contractual or voluntary basis. ACyC has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is possible. The contributions to these plans are recognised as expenses in the profit and loss statement. The characteristics of those commitments are described in Note 14.1.

Defined contribution pension commitments in Spain

In 2007, the Company set up a complementary employee benefit system in the form of a company social security plan that provides benefits for retired employees and for those who suffer full and permanent disability that incapacitates them to perform their regular job or absolute permanent disability for all types of work, major disabilities and death. The Company has adapted the related insurance contracts to Royal Decree 1588/1999 of 15 October 1999 that approved the regulations on formal arrangements for company pension commitments.

In 2017, a new employee welfare system was approved with the aim of promoting an appropriate employment policy for the sector. It has been implemented through a defined contribution group life insurance policy suitable for externalisation of the pension commitments. This system applies automatically to staff hired as from 1 January 2017 and to the previously hired employees who were given the option of keeping the retirement economic incentive staff regulated in the previous CBA or of enrolling in this new plan.

4.11.3 Special retirement plan

During 2015 the Company prepared a special retirement plan for a group of employees who meet a series of requirements of seniority and years of paid affiliation to the Social Security system.

The “Non-technical provisions – provision for pensions and similar obligations” on the balance sheet at 31 December 2024 includes EUR 1.7 million to fund the commitments with those employees (2023: EUR 1.7 million).

4.12 Related party transactions

The Company´s transactions with related parties are all done at market prices. In addition, the transfer prices are fully supported and the Company’s Directors therefore do not consider that there is any significant risk in this regard that could produce a liability in the future.

4.13 Income and expenses

According to the PCEA, income and expenses are generally recognised on an accrual basis, that is, when the actual transfer of goods and services occurs, irrespective of the timing of the related financial or monetary flow. Revenues are stated at the fair value of the consideration received, less discounts and taxes.

Premium income is recorded on the dates the related invoices are issued for the estimated provisional premium (credit insurance) or final premium (surety). This provisional premium is later adjusted to match the actual sales insured. At 31 December 2024, EUR 375.5 million was recorded in "Other assets – Accrual accounts" for premiums accrued and not issued net of commissions and reinsurance (2023:EUR 330.8 million).

That line item also includes deferred expenses of EUR 14.9 million (2023: EUR 13.7 million).

The reclassification of expenses by nature to expenses by use is done applying objective criteria to the various existing parameters, namely: volume of transactions, number of employees and investments used in the business process, etc., as described in Note 2.5.

Premiums accrued and not issued

Premiums accrued and not issued refer to insured sales made by ACyC customers in which ACyC covers the risk insured by the policy, but which have not yet been issued. Premiums accrued and not issued are defined as the part of the insurance premium that has been accrued but not yet issued at the end of the reporting period. Although the calculation of premiums accrued and not issued stems from the underwriting operations and is made at the policy level on a parametrised basis, the Company considers all specific elements of analysis that can have an impact on the calculation. Premiums for covered risks depend on the amount of business insured during the period of reference, when not all of the business has been reported at the end of that period. A second element to consider is that for the policies the final premium will depend on the claims rate of the policy. Given that the result attributable to the policy is not fully known at the analysis date, part of the final amount of the premium accrued but not yet due reflects estimates. The assumptions employed in making those estimates are based on the most recent trends of the insured business, specific information on the customers, information on pending claims and, where relevant, macroeconomic information. It is that changing macroeconomic information, within the context of an unprecedented pandemic, which requires quantification of the additional uncertainty with respect to the normal process followed to estimate premiums accrued and not issued, in order to ensure that the possible future behaviour of that parameter does not have a negative effect on the financial statements in the coming years. The positive historical evolution of this process indicates that any potential deviation in insured sales not reported during a pandemic without precedent and in an uncertain economic environment would be covered without having a significant impact on premium revenue. The Company nonetheless conducts a detailed analysis of the different components included in the automated calculations of the modelled premium, making adjustments to those which the Company considers could prove more uncertain in the current environment of low claims rates (given its impact on the bonus component of the accrued premium pending issuance) or the deviations in the estimates of insured sales (reconciliation invoices).

Regarding to the reinsurance business after the merger with ATRE, for third party business, premium estimates and reserves are set on a reinsurance contract to contract basis by the Company actuary in consultation with the reinsurance underwriter. The underwriters estimate the premium income, ultimate loss ratios and ultimate commission and brokerage costs. These values are then applied to an actuarial risk earnings model incorporating standard actuarial statistical techniques to evaluate the appropriate earned income, reserves setting and costs basis for each reinsurance contract. The performance of each reinsurance contract is regularly reviewed for past underwriting years performance and development and triangulation development to ensure reserves for that reinsurance contract are maintained or adjusted as appropriate" Premium estimates and related earned premium are also reviewed by reference to reports from third party companies to determine whether any premium adjustments are necessary.

4.14 Cash and cash equivalents

This balance sheet line includes cash, composed by cash on hand and deposits held on call with banks, as well as cash equivalents. Cash equivalents correspond to other short-term highly liquid investments with original maturities of three months or less that are subject to an insignificant risk of changes in their fair value.

5 Intangible assets

The breakdown and movements of this balance sheet heading in 2024 and 2023 are as follows:

2024	Goodwill	Computer applications	Portfolio acquisition	Total
Balances at cost at 1 January	**45,798**	**354,161**	**15,557**	**415,516**
Additions	-	21,753	-	21,753
Retirements	-	(3,568)	(15,557)	(19,125)
Effect of changes in foreign exchange rates	(14)	6,546	-	6,532
Balances at cost at 31 December	**45,784**	**378,892**	**-**	**424,676**
Accumulated amortisation and impairment at 1 January	**(36,675)**	**(283,280)**	**(15,557)**	**(335,512)**
Allocations with a charge to the profit and loss statement	(4,584)	(6,523)	-	(11,107)
Retirements	-	3,457	15,557	19,014
Impairment	-	(13,991)	-	(13,991)
Effect of changes in foreign exchange rates	-	(5,342)	-	(5,342)
Accumulated amortisation and impairment at 31 December	**(41,259)**	**(305,679)**	**-**	**(346,938)**
Balances at 1 January	**9,123**	**70,881**	**-**	**80,004**
Balances at 31 December	**4,525**	**73,213**	**-**	**77,738**

2023	Goodwill	Computer applications	Portfolio acquisition	Total
Balances at cost at 1 January	**45,803**	**342,358**	**17,120**	**405,281**
Effect of merger with ATRE	-	14	-	14
Additions	-	14,672	-	14,672
Retirements	-	(5,459)	(1,533)	(6,992)
Effect of changes in foreign exchange rates	(5)	2,576	(30)	2,541
Balances at cost at 31 December	**45,798**	**354,161**	**15,557**	**415,516**
Accumulated amortisation and impairment at 1 January	**(32,090)**	**(250,086)**	**(17,120)**	**(299,296)**
Effect of merger with ATRE	-	(14)	-	(14)
Allocations with a charge to the profit and loss statement	(4,585)	(5,879)	-	(10,464)
Retirements	-	1,860	1,533	3,393
Impairment	-	(27,119)	-	(27,119)
Effect of changes in foreign exchange rates	-	(2,042)	30	(2,012)
Accumulated amortisation and impairment at 31 December	**(36,675)**	**(283,280)**	**(15,557)**	**(335,512)**
Balances at 1 January	**13,713**	**92,272**	**-**	**105,985**
Balances at 31 December	**9,123**	**70,881**	**-**	**80,004**

All amounts are in thousands of Euros, unless otherwise stated

Goodwill

If applicable, impairment of goodwill is recognised as a separate item on the profit and loss statement. ACyC assessed the possible impairment of its goodwill. No impairment was recognised in 2024, just as in 2023.

The goodwill allocated to the main cash generating units (CGU) or groups of units is shown below:

Cash Generating Units	2024	2023
ACyC branch France	892	1,797
ACyC branches in Nordic countries (1)	240	484
ACyC branch Germany	3,072	6,194
ACyC branch Switzerland	321	648
Total	**4,525**	**9,123**

1) The goodwill of the Nordic countries unit includes the surety business in Denmark, Norway, Sweden and Finland.

The value in use of an individual CGU is determined using a dividend discount model (DDM). The dividend flows are estimated using a projection period and a normalised period. The projection period is 10 years, where the first 1-4 year projections are based on financial budgets and/or forecasts. The remaining years are estimated using ratios and growth rates that converge towards their normalised term value. The discount rate, gross of tax, varies depending on the Risk-Free Rate and the Country Risk Premium of the country where the CGU is located. For those CGUs with higher Goodwill (ACyC Germany and ACyC France), the discount rate applied is 5.4% and 6.8% (2023: 6.7%-8.9%) respectively, and the growth rate is 2% for both (2023: 1%-2% respectively). The terminal value is calculated based on the dividend flows of the normalised period through a perpetuity which applies a long term growth rate of 2% (2023: 2%) and the specific discount rate. Any profits, after fulfilling minimum capital requirements, are assumed to be distributable dividends. Minimum capital requirements are calculated taking into account local solvency rules, the Solvency II Partial Internal Model and minimum shareholders equity required (non-distributable).

The sums seen for the CGUs in France, Germany and Switzerland were due to restructurings via mergers of the Group's credit insurance companies. The Nordic CGU refers to the surety line. Both restructurings were carried out in 2005 via an aggregation of businesses of the former Atradius Credit Insurance. The changes generated during 2024 are mainly due to amortisation of goodwill (see Note 4.1.1).

The business plans of the CGUs are consistent with the expected claims rates and are approved by the Executive Committee.

In the sensitivity analysis of the following assumptions, the market value of the CGUs would be impacted in the following percentages (other CGUs are not included because they are not material):

Cash Generating Units	Discounte rate		Growth rate		Combined ratio		Solvency Ratio[1]	
2024	**+50pb**	**-50pb**	**+50pb**	**-50pb**	**+50pb**	**-50pb**	**+1,000bp**	**-1000bp**
ACyC branch France	(8.1%)	9.9%	6.4%	(5.2%)	(3.9%)	3.9%	(0.8%)	0.8%
ACyC branches in Nordic countries	(7.6%)	9.3%	5.9%	(4.7%)	(3.0%)	3.0%	(0.2%)	0.2%
ACyC branch Germany	(9.2%)	12.3%	8.8%	(6.6%)	(4.3%)	4.3%	(2.5%)	2.5%
ACyC branch Switzerland	(11.0%)	16.2%	12.8%	(8.6%)	(4.5%)	4.5%	(6.5%)	6.5%

Cash Generating Units	Discounte rate		Growth rate		Combined ratio		Solvency Ratio[1]	
2023	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+1,000bp**	**-1000bp**
ACyC branch France	(7.8%)	9.5%	6.0%	(4.9%)	(3.3%)	3.3%	(0.8%)	0.8%
ACyC branches in Nordic countries	(8.2%)	10.0%	6.4%	(5.3%)	(2.4%)	2.4%	(2.5%)	2.5%
ACyC branch Germany	(7.6%)	9.6%	6.5%	(5.1%)	(3.8%)	3.8%	(3.2%)	3.2%
ACyC branch Switzerland	(7.4%)	9.7%	6.8%	(5.2%)	(3.7%)	3.7%	(5.5%)	5.5%

1) For the same required capital.

None of the previously mentioned sensitivity analyses would imply a book value of the CGUs greater than their recoverable value.

Computer applications

ACyC assessed all capitalised software to determine if the criteria for capitalisation are being met (see Note 4.1.3). Based on that assessment, ACyC decided to recognise an impairment loss of EUR 13.9 million in its in-house software (2023: EUR 27.1 million) linked to the change in the scope application to their transformation programme in Surety business, which has been reduced to a regional ambit more specific than the one designed originally. In addition, during 2024, ACyC capitalised EUR 21.7 million primarily in respect of the Atradius Business Transformation project (ABT) (2023: EUR 14.2 million).

The amount recorded for computer applications in branches outside Spain totalled EUR 73.2 million (2023: EUR 72.8 million).

At 31 December 2024 and 2023 there were no fully amortised intangible assets still in use. The whole of the intangible assets that were fully amortised by year-end 2024 have been derecognised on the balance sheet in the amount of EUR 3.5 million (2023: EUR 1.9 million).

All amounts are in thousands of Euros, unless otherwise stated

6 Property, plant and equipment and investment property

The breakdown and movements of this balance sheet heading in 2024 and 2023 are as follows:

2024	**Land and buildings**	**Furniture and fixtures**	**Data processing equipment**	**Total**
Balances at cost at 1 January	**66,784**	**50,168**	**48,477**	**165,430**
Additions	-	6,092	23,379	29,471
Retirements	(21,736)	(2,364)	(7,952)	(32,052)
Effect of changes in foreign exchange rates	(3)	735	930	1,662
Balances at cost at 31 December	**45,045**	**54,631**	**64,834**	**164,511**
Accumulated depreciation and impairment at 1 January	**(20,519)**	**(31,906)**	**(38,867)**	**(91,292)**
Effect of merger with ATRE	-	-	-	-
Charge to the profit and loss statement	(647)	(3,596)	(4,669)	(8,912)
Retirements	7,916	1,539	7,989	17,444
Effect of changes in foreign exchange rates	-	(517)	(827)	(1,344)
Accumulated depreciation and impairment at 31 December	**(13,250)**	**(34,480)**	**(39,078)**	**(86,808)**
Balances at 1 January	**46,265**	**18,262**	**9,610**	**74,138**
Balances at 31 December	**31,795**	**20,151**	**25,756**	**77,703**

2023	**Land and buildings**	**Furniture and fixtures**	**Data processing equipment**	**Total**
Balances at cost at 1 January	**66,781**	**47,930**	**45,547**	**160,258**
Effect of merger with ATRE (Note 1)	-	83	84	167
Additions	-	7,650	6,303	13,953
Retirements	-	(5,762)	(3,780)	(9,542)
Effect of changes in foreign exchange rates	3	266	324	593
Balances at cost at 31 December	**66,784**	**50,168**	**48,477**	**165,430**
Accumulated depreciation and impairment at 1 January	**(19,750)**	**(33,591)**	**(38,007)**	**(91,348)**
Effect of merger with ATRE (Note 1)	-	-	-	-
Charge to the profit and loss statement	(769)	(3,025)	(4,019)	(7,813)
Retirements	-	4,942	3,488	8,430
Effect of changes in foreign exchange rates	-	(181)	(291)	(472)
Accumulated depreciation and impairment at 31 December	**(20,519)**	**(31,906)**	**(38,867)**	**(91,292)**
Balances at 1 January	**47,031**	**14,288**	**7,502**	**68,822**
Balances at 31 December	**46,265**	**18,262**	**9,610**	**74,138**

There were no impairment adjustments reversed at 31 December 2024 and 2023.

At year-end 2024 and 2023, none of the fully depreciated property, plant and equipment remained in use. The whole of these assets that were fully depreciated by year-end 2024 have been derecognised on the balance sheet in the amount of EUR 17.4 millones (2023: EUR 8.4 millones).

At 31 December 2024, the value allocated to the real estate awarded to the Company in foreclosures in and out of court by the debtors of its insureds was EUR 1.3 million (2023: EUR 1.3 million). The Company maintains proper non-accounting control of those property assets.

In the retirements row we can see the sale of the property located in Paseo de la Castellana no. 4, Madrid, which took place in July 2024.

Shown below is a breakdown of the land and buildings recorded in the preceding table at 31 December 2024 and 2023:

At 31 December 2024	**Carrying Value (Gross)**	**Accumulated Depreciation**	**Accumulated Valuation Adjustments**	**Total**
Property, Plant and Equipment	33,953	(8,888)	(178)	24,887
Investment Property	11,092	(4,114)	(70)	6,908
Total	**45,045**	**(13,002)**	**(248)**	**31,795**
At 31 December 2023				
Property, Plant and Equipment	55,692	(16,270)	(218)	39,204
Investment Property	11,092	(3,961)	(70)	7,061
Total	**66,784**	**(20,231)**	**(288)**	**46,265**

Shown below is the separate gross value of the buildings and land owned by the Company at year-end 2024 and 2023:

At 31 December 2024	**Property, Plant and Equipment**	**Investment Property**	**Total**
Land	13,816	1,206	15,022
Buildings	20,137	9,886	30,023
Total	**33,953**	**11,092**	**45,045**
At 31 December 2023			
Land	22,512	1,206	23,718
Buildings	33,180	9,886	43,066
Total	**55,692**	**11,092**	**66,784**

The attached Annex gives a breakdown of the land and buildings owned by the Company at 31 December 2024 with the following information for each asset: classification as own-use property, plant and equipment or as investment property (rented or for sale), gross book value, accumulated depreciation, accumulated valuation adjustments, location, appraised value and appraisal date. Land has an unlimited useful life and is therefore not depreciated.

The Company has several insurance policies with GCO to cover the risks to which its properties in Spain and Portugal are exposed. The coverage afforded by those policies is considered sufficient.

All amounts are in thousands of Euros, unless otherwise stated

The investment properties held by the Company at 31 December 2024 are rented out, mainly for offices and commercial activities. In 2024, the rent revenue from the investment properties owned by the Company amounted to EUR 0.5 million (2023: EUR 1 million), which is recorded under “Income from property, plant and equipment and from investments – Income from investment property” on the attached non-life insurance technical account for the year.

The Company held the following investment properties other than land and buildings located outside of Spain at year-end 2024 and 2023:

	2024		2023	
	Carrying Value (Gross)	**Accumulated Depreciation**	**Carrying Value (Gross)**	**Accumulated Depreciation**
Furniture and Fixtures	49,462	(33,092)	45,000	(32,255)
Data processing equipment	56,530	(34,077)	39,767	(35,748)
Total	**105,992**	**(67,169)**	**84,767**	**(68,003)**

7 Leases

The non-cancellable operating lease commitments are shown below:

	2024	**2023**
Less than 1 year	20,498	17,351
Between 1 and 5 years	49,160	44,328
More than 5 years	14,551	20,483
Total	**84,209**	**82,162**

ACyC leases office equipment and office space under a number of operating lease agreements. The lease agreements have remaining terms of between 1 and 20 years. Leasing of office space accounts for around 93.0% (2023: 93.0%) of the expected total future payments.

The Company is lessee in leases with third parties that during 2024 generated a cost of EUR 24.1 million (2023: EUR 24.2 million).

At 31 December 2024, the Company was lessor in leases with third parties of part of its investment properties.

The leased property assets are listed in the attached Annex and, as explained in Note 6, most of those properties are used for the commercial offices of the Company's network of agents. Lease revenue is detailed in Note 6. All of the leases have a term of one year and are renewal and no contingent rent payments were recognised as income during the year.

8 Financial assets, cash and cash equivalents

8.1 Cash and cash equivalents

	2024	2023
Cash at bank and cash at hand	508,852	482,865
Restricted cash	34,994	97,006
Bank deposits	1,985	47,854
Total	**545,831**	**627,725**

ACyC forms part of the Atradius centralised cash pooling system that involves different cross-border arrangements. This system provides a cash pooling structure with interest compensation per currency. The cash pool arrangements allow for offsetting of cash balances within the same legal entity, but do not allow offsetting between different legal entities.

The deviation in bank deposits is due to the transfer of the collateral of a credit line that ACyC had with Atradius Credit Insurance, INC to “other receivables” due to its maturity.

Restricted cash is mainly a local requirement to cover technical provisions in Switzerland and the United Kingdom.

8.2 Financial assets

There follows a breakdown of the different financial instruments owned by the Company. These assets do not include investments in Group companies, which are detailed separately in Note 9.

Investments classified by category and nature of the financial assets	**Cash and cash equivalents**		**Available-for-Sale financial assets at fair value**		**Loans and receivables [1)]**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Equity instruments								
- Financial investments in equity	-	-	484,777	446,855	-	-	484,777	446,855
Debt securities	-	-	2,453,161	2,132,472	-	-	2,453,161	2,132,472
Loans	-	-	-	-	1,757	2,000	1,757	2,000
Deposits in credit institutions	-	-	-	-	54,069	50,212	54,069	50,212
Other financial assets	545,831	627,725	-	-	-	-	545,831	627,725
Total	**545,831**	**627,725**	**2,937,938**	**2,579,327**	**55,826**	**52,212**	**3,539,595**	**3,259,264**

1) In 2024 and 2023 there were no deposits with tacit renewal.

All amounts are in thousands of Euros, unless otherwise stated

Shown below are the movements in financial assets:

2024	Available-for-sale financial assets			
	Equity instru-ments	Debt securities	Deposits in credit institutions and other investments	Total
Balances at 1 January	**446,855**	**2,132,472**	**52,212**	**2,631,539**
Additions	588,138	931,712	85,291	**1,605,141**
Retirements	(585,049)	(660,118)	(80,338)	**(1,325,505)**
Writedowns	-	4,452	-	**4,452**
Gains/losses recognised on sale	5,031	(2,460)	-	**2,571**
Changes in value against reserves	31,671	48,159	-	**79,830**
Impairment losses	(1,962)	-	-	**(1,962)**
Effect of changes in foreign exchange rates	93	(1,056)	661	**(302)**
Balances at 31 December	**484,777**	**2,453,161**	**57,826**	**2,995,764**

2023	Available-for-sale financial assets			
	Equity instru-ments	Debt securities	Deposits in credit institutions and other investments	Total
Balances at 1 January	**303,803**	**1,477,445**	**43,073**	**1,824,321**
Effect of merger with ATRE	78,750	776,509		**855,259**
Additions	693,111	399,522	88,221	**1,180,854**
Retirements	(688,904)	(574,585)	(77,466)	**(1,340,955)**
Writedowns	-	(2,717)	-	**(2,717)**
Gains/losses recognised on sale	36,314	(9,776)	-	**26,538**
Changes in value against reserves	23,732	69,967	-	**93,699**
Impairment losses	-	-	-	**-**
Effect of changes in foreign exchange rates	49	(3,893)	(1,616)	**(5,460)**
Balances at 31 December	**446,855**	**2,132,472**	**52,212**	**2,631,539**

At 31 December 2024, there had accrued explicit interest on fixed-income securities and deposits in credit institutions of EUR 28.4 million (2023: EUR 16.5 million), which is included in "Other assets – accrual accounts" on the accompanying balance sheet at that date.

The fair value of financial instruments has been determined as follows:

- The fair value of equity investments has been obtained from the market trading prices. For shareholdings in unlisted companies the fair value has been determined using valuation techniques generally accepted in the financial sector;
- Fixed-income securities are measured by reference to their market trading prices or using valuation techniques generally accepted in the financial sector; and

- Holdings in mutual funds have been measured by reference to the net asset value published by the management companies. Unlisted funds will be measured by an external independent valuation company or the asset manager of illiquid mutual funds.

The following tables present the fair values of the financial instruments recorded at fair value:

Financial instruments measured at fair value assets 2024	**Level 1**	**Level 3**	**Total**
Available for Sale:			
Equities securities	445,051	39,726	484,777
Debt securities:			
Government bonds	1,645,323	-	1,645,323
Corporate bonds	807,838	-	807,838
Total	**2,898,212**	**39,726**	**2,937,938**

Financial instruments measured at fair value assets 2023	**Level 1**	**Level 3**	**Total**
Available for Sale:			
Equities securities	410,702	36,153	446,855
Debt securities:			
Government bonds	1,607,689	-	1,607,689
Corporate bonds	524,783	-	524,783
Total	**2,543,174**	**36,153**	**2,579,327**

At 2024, the Company was primarily exposed to securities traded on active markets (Level 1), although new investments have also added exposure to illiquid markets (Level 3).

Reconciliation of Level 3 fair values

The following tables detail the changes in the fair value of Level 3 financial investments (valuation techniques incorporating information other than observable market data):

Financial investments Level 3	**Equity securities**	
	2024	**2023**
Balance at 1 January	**36,153**	**31,649**
Total gains or losses:		
In statement of recognised income and expense	(1,945)	(3,236)
Purchases/Sales	5,518	7,740
Balance 31 at December	**39,726**	**36,153**

The breakdown by maturity of the different categories of financial instruments classified is as follows:

All amounts are in thousands of Euros, unless otherwise stated

At 31 December 2024	Available	Less than 1 year	1 to 5 years	More than 5 years	Total
Available-for-sale financial assets: - Debt securities	-	737,031	1,642,462	73,668	2,453,161
Loans and receivables: - Deposits in credit institutions and loans	-	55,826	-	-	55,826
Other financial assets	1,030,608	-	-	-	1,030,608
Total	**1,030,608**	**792,857**	**1,642,462**	**73,668**	**3,539,595**

At 31 December 2023	Available	Less than 1 year	1 to 5 years	More than 5 years	Total
Available-for-sale financial assets: - Debt securities	-	439,074	1,559,809	133,588	2,132,472
Loans and receivables: - Deposits in credit institutions and loans	-	52,212	-	-	52,212
Other financial assets	1,074,580	-	-	-	1,074,580
Total	**1,074,580**	**491,286**	**1,559,809**	**133,588**	**3,259,264**

The average annual yields in 2024 and 2023 on fixed-income securities and other similar financial investments, classified by homogeneous issuer group, are shown below:

	% Yield	
	2024	**2023**
Bonds issued by private entities	2.82%	3.39%
Bank deposits	3.79%	3.56%

The following table presents a breakdown of gains and losses on disposal of debt securities and equity securities in the “Available-for-sale financial assets” portfolio in 2024 and 2023:

	2024	2023
Gains recorded in the profit and loss statement on sale	6,622	36,878
Losses recorded in the profit and loss statement on sale	(3,958)	(10,291)

Information on the nature and level of risk of the financial instruments
The most important components of financial risk are market risk, credit risk and liquidity risk.
The Company invests in a diversified portfolio of capital instruments to mitigate those risks.

Market risk

Market risk is the risk that the fair value of assets and liabilities that are sensitive to movements in market prices will decrease or increase due to adverse movements in equity prices, interest rates or exchange rates. The Company is exposed to these risks by holding assets and liabilities whose fair value is sensitive to movements in those prices. These risks are measured using the mismatch between assets and liabilities whose fair value is denominated in foreign currency, Value at Risk, capital models of credit risk rating institution and the duration of interest rates, among others.

ACyC uses the capital approach available under the Solvency II Directive to define strategic asset allocation and assess the impact of investment decisions to ensure sufficient capital under Solvency II.

The estimates of the fair value of ACyC's financial assets and liabilities are their carrying amount.

The assets are exposed to increases in inflation and/or in inflation forecasts, which could accompany increases in interest rates and lead to a decrease in the market value of bonds held in our investment portfolio. Increases in inflation could also have an impact on the creditworthiness of bond issuers and could result in an increase in credit spreads. All of these factors could lead to a decline in the value of the bonds.

Inflation in the costs of claims, labour costs, cost of energy and raw materials, and/or inflation due to disruptions in the global supply chain could impact the industry. The impact of inflation on claim costs could be more pronounced for certain of our claims that are indexed to inflation and for surety business which is considered “long tail”.

The fair values are based on the price, as best estimate, which would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date. Whenever possible, the fair values are based on quoted market prices. If there is no quoted market price available, valuation techniques are used that are based on market prices of comparable instruments or on observable market observable data. If no observable market inputs are available, valuation models are used (non-market observable data). These valuation techniques are subjective in nature and rely on pricing assumptions. Deviations in those assumptions may significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values.

The fair values are subject to a control environment designed to ensure that they are determined or validated by a function that is independent of the owner of those risks. Toward this end, ACyC defines the accounting policies and processes that govern the measurements and at the same time ensure compliance with the applicable accounting legislation. Within this governance structure, non-quoted investments or illiquid investments in which ACyC invests are measured by an external independent valuation company or the asset manager of the illiquid investment fund. Those firms use their own proprietary valuation systems to measure the securities based on economic and market assumptions from financial information providers. The valuations are provided on a monthly basis and are reviewed and approved by ACyC. The valuation process of the asset manager is audited and approved by its statutory auditor.

Credit risk

With regard to managing the credit risks of its financial investments, the investment policy of ACyC is to hold a principally euro-centric, internationally diversified portfolio and to avoid large risk concentrations. From a Standard & Poor’s rating scale or comparable perspective, the minimum allowed average rating of the overall fixed income portfolio is A-, whereas investments in individual fixed income securities are allowed a minimum rating of BBB- at purchase. If a debt security in which Atradius has invested falls below the minimum credit rating or is not rated, it should be reviewed by the Atradius Investment Committee to decide whether the debt security is still a suitable investment. The maximum concentration limit per issuer is 5% of the market value of the financial investments of the entity. Concentration per issuer is evaluated by aggregating the exposure to a single issuer through both debt investments and equity securities. The Atradius Investment Committee monitors this limit and the appropriate actions are taken if a concentration limit is breached.

The counterparty credit ratings and the credit rating of the debt instruments are predominantly based on Standard & Poor’s rating. In the absence of a Standard & Poor credit rating, Atradius uses ratings from Moody's or Bloomberg Composite.

Liquidity risk

ACyC is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For ACyC, liquidity risks may arise if large-scale short-term fluctuations occur in cash flows, such as a decline in cash inflows or a rise in cash outflows, or a combination of both.

Liquidity risk is managed at Atradius level, in close coordination with local operations. The Atradius policy is to monitor and measure ongoing cash flow patterns and control liquidity by maintaining sufficient cash and highly marketable securities to reduce liquidity risk to acceptably low levels. The investment policy states that ACyC should only invest in financial instruments that can be liquidated within three business days or less. ACyC is able to access credit facilities to prevent liquidity shortages that can arise due to short-term cash flow variances. ACyC maintains uncommitted credit lines in excess of EUR 1 million. It is an overdraft facility for a total of EUR 50 million (2023: EUR 50 million). The credit line provides liquidity to cover infrequent peaks in short-term liquidity requirements while also permitting ACyC to reduce its cash balances and to benefit from a broader and more and stable investment portfolio. Lastly, ACyC has in place a simultaneous claims payment clause in the main reinsurance treaties. This clause allows ACyC to ask the reinsurers to accelerate the payment of a large claim upon ACyC's request instead of the usual payment terms agreed in the reinsurance treaties.

9 Investments in Group companies, jointly controlled entities and associates

The following table presents the most significant information on the subsidiaries, jointly controlled entities and associates of ACyC at year-end 2024 and 2023:

2024	Business	% Holding (*)	Net Value of the Investment	Dividends received in 2024	Share Capital(1)	Equity Reserves(1)	Profit for the year(1)
Iberinform Internacional, S.A. (Calle Mendez Alvaro, 31 Madrid)	Information Services	100%	6,311	-	6,311	6,932	2,896
B2B Safe, S.A. (Calle Mendez Alvaro, 31 Madrid)	Advisory Services	100%	57	-	60	(11)	(35)
Iberinmobiliaria, S.A. (Calle Mendez Alvaro, 31 Madrid)	Real Estate	100%	60	-	60	15	(0)
Crédito y Caución do Brasil Gestao de Riscos de Crédito e Servicios LTDA (Avda Angelica, 2530 Sao Paulo)	Management Company	100%	693	-	1,224	4,033	966
Atradius Crédito y Caución Seguradora, S.A. (Avda Angelica, 2530 Sao Paulo)	Domestic and foreign credit insurance	100%	9,372	-	7,008	6,988	3,723
			16,493	-	-	-	-

2023	Business	% Holding (*)	Net Value of the Investment	Dividends received in 2023	Share Capital(2)	Equity Reserves(2)	Profit for the year(2)
Iberinform Internacional, S.A. (Paseo de la Castellana, 4 Madrid)	Information Services	100%	6,311	2,000	6,311	4,456	2,475
B2B Safe, S.A. (Paseo de la Castellana, 4 Madrid)	Advisory Services	100%	57	-	60	(2)	(9)
Iberinmobiliaria, S.A. (Paseo de la Castellana, 4 Madrid)	Real Estate	100%	60	-	60	16	1
Crédito y Caución do Brasil Gestao de Riscos de Crédito e Servicios LTDA (Avda Angelica, 2530 Sao Paulo)	Management Company	100%	693	-	1,306	3,317	986
Atradius Crédito y Caución Seguradora, S.A. (Avda Angelica, 2530 Sao Paulo)	Domestic and foreign credit insurance	100%	9,372	-	7,478	5,704	1,753
			16,493	**2,000**			

(*) Includes indirect participations in subsidiaries.
(1) Data obtained from 2024 financial statements of each investee company, pending approval by their respective control bodies. Nevertheless, the Directors of the Company estimate that those financial statements will be approved without changes.
(2) Data obtained from the 2023 financial statements of each investee company.
All amounts expressed in euros, unless stated otherwise.

None of the subsidiaries is quoted on the stock market.

All amounts are in thousands of Euros, unless otherwise stated

Note 18 “Transactions and balances with related parties” gives a breakdown of the positions with Group entities according to their carrying value in the Company's books.

10 Receivables on insurance and reinsurance operations and other receivables

The breakdown of accounts receivable from insurance and reinsurance contracts, along with other receivables, is presented below:

	2024	2023
Deposits made for accepted reinsurance	**31,011**	**23,899**
Accounts receivable on direct insurance operations	**107,754**	**114,449**
Policyholders – outstanding invoices	*87,782*	*94,960*
Direct business and coinsurance	106,108	112,166
Provision for uncollected premiums	(18,326)	(17,206)
Brokers	*19,972*	*19,489*
Receivables from brokers	19,972	19,489
Receivables on reinsurance operations	**89,536**	**97,812**
Receivables from reinsurers	90,268	100,985
Provision for impairment of receivables from reinsurance	(732)	(3,173)
Other receivables	**421,597**	**336,264**
Tax receivables	5,379	2,917
Rest of receivables	416,218	333,347
Total	**649,898**	**572,424**

Shown below is a breakdown of “other receivables – Rest of receivables”:

	2024	2023
Recovery receivables (Note 16.1)	47,894	49,257
Recoveries pending allocation	3,902	3,720
Recovery management expenses pending application	7,793	7,519
Invoiced study expenses	12,054	11,152
Amounts owed by Group companies (Note 18.1)	38,719	89,910
Others	305,856	171,789
Total	**416,218**	**333,347**

Note 16 on “Technical information” includes the estimated movements in recoveries in 2024 and 2023.

The “Other receivables” line item on the balance sheet records recoveries obtained during the claims management process that at the end of the year were pending allocation to specific claims. Also included in that line item the expenses arising from the management process mentioned before which, though already allocated to specific claims, are pending of inclusion in the settlement of the claim.

'Other receivables - Other' mainly corresponds to deposits maintained in compliance with legal or contractual obligations, which increase is due to the constitution of a deposit in ACyC, as collateral for a line of credit with Atradius Credit Insurance, INC and to new deposits for legal obligations in Switzerland.

There follows a breakdown of the movement recorded in provisions in 2024 and 2023:

2024	Provision for uncollected premiums	Provision for impairment of receivables from reinsurance
Balances at 1 January	**(17,206)**	**(3,173)**
Allocations with a charge to the profit and loss statement	(18,326)	(732)
Applications with a credit to the profit and loss statement	17,206	3,173
Balances at 31 December	**(18,326)**	**(732)**

2023	Provision for uncollected premiums	Provision for impairment of receivables from reinsurance
Balances at 1 January	**(18,309)**	**(4,239)**
Effect of merger with ATRE	-	(57)
Allocations with a charge to the profit and loss statement	(17,206)	(3,116)
Applications with a credit to the profit and loss statement	18,309	4,239
Balances at 31 December	**(17,206)**	**(3,173)**

All amounts are in thousands of Euros, unless otherwise stated

11 Debts and payables

Shown below is the breakdown of debts and other accounts payable under insurance and reinsurance contracts, together with other accounts payable, at year-end 2024 and 2023:

	2024	2023
Sobordinated Debt	**297,417**	**-**
Deposits received for ceded reinsurance	**8,132**	**9,256**
Payables on insurance operations	**82,418**	**68,317**
Payables to policyholders	50,140	37,943
Payables to brokers	18,413	16,968
Conditional payables	13,865	13,406
Payables on reinsurance operations	**122,956**	**130,682**
Other accounts payable	**126,737**	**130,739**
Tax and employee payables	12,230	11,092
Other accounts payable to Group companies and associates (Note 18.1)	10,207	20,669
Rest of payables	104,300	98,978
Total	**637,659**	**338,994**

Subordinated debt

On 17 April 2024, Atradius Crédito y Caución S.A. de Seguros y Reaseguros (ACyC) issued subordinated debt with a nominal value of EUR 100,000 each for an aggregate amount of EUR 300 million (the 'notes') due 17 April 2034. The notes bear interest at a fixed rate of 5.000% per annum payable annually in arrears on 17 April each year. The notes are listed on the Luxembourg Stock Exchange (Euro MTF).

The fair value estimate of the subordinated debt issued by Atradius Crédito y Caución S.A. de Seguros y Reaseguros (ACyC) is EUR 318 million. It is classified as Level 2 under the fair value hierarchy and as Tier 2 basic own funds for Solvency II.

The fair value estimate of the subordinated debt is provided by an external independent valuation company, which uses its own proprietary valuation systems to value securities supported by economic and market assumptions from financial information providers. The model calculates the present value at year end of the subordinated debt's cash flows discounted using the Euro government bond yield curve as a benchmark and applying an appropriate risk spread. The risk spread applied is estimated using the credit spreads of market quoted subordinated debt issues from similar issuers and with similar rating and maturity profiles.

	2024	2023
Additions	(297,264)	-
Amortisation of expenses	(153)	-
Balance at 31 December	**(297,417)**	**-**

Payables on insurance and reinsurance operations

The increase in payables on insurance operations is driven by the raise of contractual debts with policy holders. The decrease in payables on reinsurance operations in is mainly explained by the settlements with reinsurers.

Other accounts payable

In the preceding table, "Other accounts payable" includes the following items:

	2024	2023
Tax and employee payables	**12,230**	**11,092**
VAT payable to the Treasury	3,323	3,208
Payables to Social Security system	7,150	6,238
Other government entities	1,757	1,646
Other accounts payable to Group companies and associates (Note 18.1)	**10,207**	**20,669**
Rest of payables	**104,300**	**98,978**
Sundry creditors	64,884	57,835
Payables for services	2,500	2,078
Recoveries pending application	20,179	19,675
Staff compensation payable	16,737	19,390
Total	**126,737**	**130,739**

Recoveries pending application year-end are recoveries obtained in the claims management process which, though already allocated to specific claims, are pending inclusion in the settlement process.

Information on deferral of payments to suppliers

Below is the information required by Final Provision Two of Law 31/2014 of 3 December 2014 amending the recast text of the Spanish Companies Act (Ley de Sociedades de Capital) for the improvement of corporate governance and Law 15/2010 of 5 July 2010 amending Law 3/2004 of 29 December 2004. That information was prepared by the Directors of the Company pursuant to the Resolution of the Spanish Institute of Accounting and Auditing (*Instituto de Contabilidad y Auditoría de Cuentas*) of 29 January 2016. This information is limited to the operations of the ACyC branch in Spain.

	2024	2023
	Days	**Days**
Average period of payment to suppliers	22.59	27.89
Ratio of paid operations	22.91	28.35
Ratio of pending operations	-	3.81
	Amount	**Amount**
Total payments (Thousands of Euros)	66,420	39,196
Total payments made within established standard terms (Thousands of Euros)	44,878	21,440
Total payments made within established standard terms / total payments	68%	55%
Total pending payments (Thousands of Euros)	940	735
Total number of invoices paid	5.53	5.31
Total number of invoices paid within established standard terms	3.55	3.68
% invoices paid within established standard terms/total invoices paid	64%	69%

According to the ICAC Resolution, the average supplier payment period has been calculated taking into account trade transactions involving the delivery of goods or provision of services accruing since the effective date of Law 31/2014 of 3 December 2014.

Solely for the purposes of the disclosure provided for in that Resolution, suppliers are considered to be commercial creditors for debts with suppliers of goods or services, included in the item "Debts and payables other liabilities – Other accounts payable – Rest of accounts payable" under current liabilities on the balance sheet.

“Average payment period to suppliers” means the time period between delivery of the goods or performance of the services by the supplier and actual payment of the transaction.

12 Deferred and current income tax

Years open for review and tax audits

As of December 31, 2024, the legally non-prescribed fiscal years 2016, 2017, 2018, and 2019 are open for audit concerning the main taxes affecting the Company’s operations. According to current legal provisions, tax settlements cannot be considered final until they have been inspected by the legal authorities or the legal prescription periods have elapsed.

In July 2023, the Tax Agency initiated an audit process for the fiscal consolidation group headed by Grupo Catalana Occidente S.A., which includes ACyC. The Tax Agency has made numerous detailed requests for information throughout the procedure (17 months as of the end of 2024), which the Company has duly provided. The process is still ongoing, reaching its final phase.

Due to different interpretations of the tax regulations applicable to corporate operations, regarding the years that have not been audited, contingent tax liabilities could arise that are not susceptible to objective quantification. However, the Company’s Administrators estimate that, if they materialize, they should not have significant effects on these annual accounts.

Pillar 2

On December 20, 2024, Spain as jurisdiction of residence of the ultimate parent entity, approved Law 7/2024, which establishes, among other things, a top-up tax to ensure a minimum global level of taxation for large multinational and national groups. This law complies with the obligation to transpose Council Directive (EU) 2022/2523 of December 15, 2022, which incorporates the application of the OECD Inclusive Framework's Pillar Two rules within the European Union.

Directive (EU) 2022/2523 is based on the OECD's BEPS (Base Erosion and Profit Shifting) initiative's Pillar Two, which aims to establish a global minimum tax rate of 15% for multinational groups. To achieve this, a set of rules (Model Rules) was adopted to calculate effective taxation and capture any shortfall up to the 15% minimum.

The law was approved in Spain with effect for tax periods starting from December 31, 2023. For the Atradius, it takes effect for the 2024 fiscal year and structures the new top-up tax as a separate figure from the corporate tax regulations. Additionally, in other jurisdictions where Atradius operates, the new global minimum tax rules were approved by the end of the current fiscal year, including most EU Member States, as well as Switzerland, the United Kingdom and Australia. It is also expected to enter into force in 2025 in other jurisdictions where the Atradius is present, such as Singapore, Hong Kong and Poland.

In accordance with this new regulation, Atradius calculated the impact of the top-up tax at the end of the 2024 fiscal year based on the analysis of the transitional safe harbour, which is based on the country-by-country report and the financial statements of the Atradius entities.

This analysis concludes that the effective tax rates calculated according to the Pillar Two rules are above 15% in most jurisdictions where Atradius operates, except for a few countries, including Ireland, Hong Kong and Singapore.

For those jurisdictions where the effective tax rate is below this threshold, the ultimate parent entity of the GCO Group, CO Sociedad de Gestión y Participación, S.A. ("COGESPAR"), should settle the top-up tax with the Spanish tax authority for those jurisdictions, except for Ireland, where the rule entered into force on January 1, 2024, and a qualified domestic top-up tax was approved, therefore the settlement is done locally.

As a result of the analysis and given the fact that the vast majority of jurisdictions where Atradius operates exceed the 15% threshold, the top-up tax (current) expense recorded by Atradius at the end of the 2024 fiscal year was not significant.

The GCO Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Reconciliation of accounting profit/(loss) and taxable income

The reconciliation between account income and the corporate income tax base for 2024 and 2023 for operations subject to tax in Spain is shown below:

2024	Increases	Decreases	Total
Reported profit/(loss) before tax			**461,731**
Permanent differences	**2,073**	**(330,830)**	**(328,757)**
Reported profit/(loss) before tax ACYC and foreign entities	-	(330,627)	(330,627)
Non-deductible expenses	2,073	-	2,073
Dividends received	-	-	-
Reversal of amortization limit	-	(204)	(204)
Temporary differences	**257,906**	**(273,781)**	**(15,875)**
Originating in the year	257,899	(49,082)	208,817
Accounting allocations to non-deductible provisions	257,123	(20,577)	236,546
Allocation to Equalization Reserve (art.12.3 Spanish CIT Law)	776	-	776
Transfer pricing adjustment	-	(28,505)	(28,505)
Originating in previous years	7	(224,699)	(224,692)
Accounting allocations to non-deductible provisions in previous years	7	(224,699)	(224,692)
Total	**259,979**	**(604,611)**	**117,099**

2023	Increases	Decreases	Total
Reported profit/(loss) before tax	-	-	**429,831**
Permanent differences	**1,672**	**(359,852)**	**(358,180)**
Reported profit/(loss) before tax ACYC and foreign entities	-	(357,852)	(357,852)
Non-deductible expenses	1,665	-	1,665
Reinvestment extraordinary profits	7	-	7
Dividends received	-	(2,000)	(2,000)
Temporary differences	**225,497**	**(205,564)**	**19,933**
Originating in the year	225,497	-	*225,497*
Accounting allocations to non-deductible provisions	223,495	-	223,495
Allocation to the Equalization Reserve (art.12.3 Spanish CIT Law)	2,002	-	2,002
Transfer pricing adjustment	-	-	-
Originating in previous years	-	(205,564)	*(205,564)*
Accounting allocations to non-deductible provisions in previous years	-	(205,564)	(205,564)
Total	**227,169**	**(565,416)**	**91,585**

All amounts are in thousands of Euros, unless otherwise stated

Reconciliation between accounting profit/(loss) and corporate income tax expense/ (rebate)

Shown below is the reconciliation between accounting profit and corporate income tax expense for 2024 and 2023:

	2024	2023
Reported profit/(loss) before tax	**461,731**	**429,831**
Gross tax	108,691	102,652
Deductions	(513)	(334)
Other adjustments;		
Impairment/reversal of deferred tax assets	1,441	(1,719)
Adjustment for prior years' tax expense	825	2,180
Adjustment for change of tax rate	1	(456)
Other adjustments	1,969	2,067
Total tax expenses recognised in profit and loss statement	**112,414**	**104,390**

The amounts in the following tabs for deferred tax assets and liabilities, are shown before the assets and liabilities compensation calculated at fiscal jurisdiction level.

Deferred tax assets

There follows a breakdown of deferred tax assets at year-end 2024 and 2023:

	2024	2023
Temporary differences (tax prepayments):		
Technical accounts	129,810	154,201
Foreign branches	31,195	55,941
Branches in Spain	98,616	98,260
Increase in asset base on recording defined contribution pension commitments	31,832	19,840
Foreign branches	29,342	16,443
Branches in Spain	2,490	3,396
Tax loss available for setoff	16,937	30,756
Foreign branches	16,937	30,756
Tax effect of revaluation of available-for-sale investment portfolio	4,732	13,035
Foreign branches	4,732	13,035
Other items	30,153	25,654
Foreign branches	28,550	23,747
Branches in Spain	1,602	1,907
Total deferred tax assets	**213,464**	**243,486**

The deferred tax assets mentioned above have been recognised on the accompanying balance sheets because the Directors of the Company believe that the best estimate of the Company's future earnings, including certain tax planning actions, make their recoverability probable.

ACyC has tax losses from previous years not recorded on the balance sheets at 31 December 2024 of EUR 21.4 million (2023: EUR 17.4 million), which are wholly in respect of foreign branches. The time limit for carrying forward those tax losses are specified below:

Setoff of tax loss carryforwards	2024	2023
Indefinite	21,379	17,390
Total	**21,379**	**17,390**

Deferred tax liabilities

There follows a breakdown of deferred tax liabilities at year-end 2024 and 2023:

	2024	2023
Temporary differences (deferred tax)		
Equalization Reserve	183,057	175,119
Foreign branches	125,119	116,987
Branches in Spain	57,938	58,132
Increase in asset base on recording defined contribution pension commitments	30,334	25,696
Foreign branches	30,334	25,696
Technical accounts	43,249	60,439
Foreign branches	43,249	60,439
Tax effect of revaluation of available-for-sale investment portfolio	24,498	16,310
Foreign branches	5,363	4,066
Branches in Spain	19,135	12,244
Other items	14,777	20,803
Foreign branches	13,081	18,873
Branches in Spain	1,696	1,931
Total deferred tax liabilities	**295,915**	**298,368**

Deductions

In the Corporate Income Tax returns for the fiscal years from 2004 to 2014, the Company recorded deductions for expenses in Research, Development, and Technological Innovation carried out in Spain, totaling EUR 3.7 million in accordance with Article 35 of the Revised Text of the Corporate Tax Law approved by Royal Decree-Law 4/2004 of March 5 (for tax periods beginning on or after January 1, 2015, this deduction for research and development and technological innovation activities is regulated in Article 35 of Law 27/2014, of November 27, on Corporate Tax (LIS)).

Additionally, in the 2024 fiscal year, expenses were incurred in technological innovation activities that will generate the right to the deduction.

Furthermore, donations have been made to entities covered by Law 49/2002, of December 23, on the tax regime of non-profit entities and tax incentives for patronage.

Current tax

Current tax assets mainly consist of advanced payments for local corporate tax. Current tax liabilities mainly consist of corporate taxes and other local taxes payable.

Tax consolidation treatment

Since 2016, some of the companies in the consolidated group with registered office in Spain are taxed, for Corporate Income Tax purposes, on a tax consolidation basis under Chapter VI of Title VII of the CIT Law that applies nationally in Spain.

Atradius Crédito y Caución S.A. de Seguros y Reaseguros is part of consolidated tax group number 173/01 that is headed by the company Grupo Catalana Occidente, S.A. The branches located outside Spain apply the different tax systems in force in the different countries in which they operate or are established. They had an average effective tax rate of 24.5% in 2024 (24% in 2023).

All amounts are in thousands of Euros, unless otherwise stated

13 Income and expenses

13.1 Personnel expenses

Shown below is the breakdown of personnel expenses at year-end 2024 and 2023:

	2024	2023
Wages and salaries	**206,910**	**193,484**
Employee benefits	**116,956**	**116,607**
Indemnities	617	771
Employer's Social Security contributions	45,305	42,671
Long-term remuneration in defined-benefit systems	(468)	1,404
Long-term remuneration in defined-contribution systems	18,053	16,684
Other employee costs	53,449	55,078
Total	**323,866**	**310,092**

13.2 Other expenses – Rest of Expenses

This item of the non-technical Profit and Loss account for 2024 mainly includes the allocation to the amortisation of goodwill of EUR 4.6 million (2023: EUR 4.6 million) and the net result from exchange rate differences and conversion, as well as the income from the management of the Dutch State business of EUR 22.5 million (2023: EUR 22.1 million).

13.3 Commissions and profit sharing on ceded and retroceded reinsurance

The line item “Commissions and profit sharing on ceded reinsurance and retrocession” in the technical account at the end of the 2024 fiscal year for EUR 324.7 million includes the amount accrued as commission from reinsurance contracts in force at the end of the fiscal year. (2023: EUR 327.7 million)

14 Provisions and contingencies

14.1 Obligations for pensions and similar obligations

The various commitments the Company had to staff as at 31 December 2024 are described in Note 4.11.

	2024	2023
Pension Plans	35,133	43,556
Other employee benefits	4,404	8,120
Total	**39,536**	**51,676**

In 2024 a substantial change took place regarding the UK defined benefit pension plan. An agreement was reached to invest in a bulk annuity contract (buy-in). With this contract, demographic and financial risks are transferred to an insurance company, Pension Insurance Corporation ("PIC").

Assets to the value of the buy-in policy premium (EUR 230.3 million) have been transferred to PIC, remaining within Atradius a surplus (EUR 43.9 million). The bulk annuity policy provides matching cashflows in respect of accrued pension liabilities of IAS 19 accounting value EUR 186.5 million. Due to this operation, there is a gross impact in Other Comprehensive Income (EUR 45.6 million).

The main defined benefit plans remaining at 31 December 2024 are in the United Kingdom and Germany and respectively represent 92.7% (2023: 96.1%) of pension plan assets and 67.9% (2023: 76.6%) of the liabilities for defined benefits recorded under liabilities on the balance sheet. The rest of the plans are in respect of Italy, Switzerland, Belgium, Norway and France with defined benefit liabilities under those plans range between EUR 1.2 million and EUR 5.9 million (2023: EUR 0.8 million – EUR 5.5 million), and Span with a surplus of EUR 3.1 million in 2023 (2023: EUR 3.6 million). The number of participants enrolled between 13 and 443 people (2023: between 7 and 451).

Defined benefit plans expose Atradius mainly to market investment risk, interest rate risk and inflationary risk:

- a decline in asset market value (equity, real estate, alternatives, etc.) will impact the balance sheet liability and the near-term cash flows for countries where there is minimum funding requirements;
- a decrease in corporate bond yields will result in an increase in plan liabilities even if this effect will be partially offset by an increase in the value of the plans' bonds; and
- an increase in inflation rate will result in higher plan liabilities thus, an increase in future employer contributions in countries where there is minimum funding requirements.

The Company also has defined contribution plans. The contributions to these pension plans are recognised as an expense in the accompanying technical profit and loss statements and amounted to EUR 18.1 million in 2024 (2023: EUR 16.7 million).

Pension assets and liabilities

Shown below are the changes recorded in the value of net pension liabilities:

All amounts are in thousands of Euros, unless otherwise stated

	Defined benefit obligations		Fair value of assets		Asset cieling		Net defined benefit liabilities (assets)	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance at 1 January	**338,836**	**340,255**	**295,377**	**288,378**	**(97)**	**(60)**	**43,556**	**51,937**
Additions						-		
Profit and loss statement:					-	-		
Cost of current services	3,786	3,847	-	-	-	-	3,786	3,847
Cost of past services – Modifications of the plans	(871)	-	-	-	-	-	(871)	-
Cost of past services – Recalculation of the commitments	-	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-	-
Net interest	14,143	14,664	17,303	17,102	-	-	(3,160)	(2,438)
Administration costs	4	4	-	-	-	-	4	4
Total Profit and loss Statement	**17,062**	**18,515**	**17,303**	**17,102**	**-**	**-**	**(241)**	**1,413**
Recognised income and expense:								
Measurements of losses (gains):								
Actuarial gains and losses:								
- actuarial assumptions	(560)	(4,341)	-	-	-	-	(560)	(4,341)
– financial assumptions	(16,303)	(952)	-	-	-	-	(16,303)	(952)
– adjustments for experience	16,412	891	-	-	-	-	16,412	891
Return on the plan asset, not including interest income(*)	-	-	(58,293)	5,830	-	-	58,293	(5,830)
Change in unrecoverable surplus other than interest	-	-	-	-	(163)	(37)	163	37
Total recognised income and expenses	**(451)**	**(4,402)**	**(58,293)**	**5,830**	**(163)**	**(37)**	**58,005**	**(10,195)**
Others:								
Contributions by employer	(4,036)	(3,826)	10,100	7,763	-	-	(14,136)	(11,589)
Contributions by employee	615	606	615	606	-	-	-	-
Benefits paid	(14,523)	(13,369)	(14,523)	(13,369)	-	-	-	-
Settlements	-	(3,106)	-	(3,106)	-	-	-	-
Acquisition / Divestiture	-	299	-	-	-	-	-	299
Effect of exchange rates	8,502	3,864	12,704	5,376	-	-	(4,202)	(1,512)
Reclassification of plan surplus assets	-	-	47,849	(13,203)	-	-	(47,849)	13,203
Other	(7,542)		(7,542)					
Total Other	**(16,984)**	**(15,532)**	**49,203**	**(15,933)**	**-**	**-**	**(66,187)**	**401**
Balance 31 at December	**338,463**	**338,836**	**303,590**	**295,377**	**(260)**	**(97)**	**35,133**	**43,556**

(*) In 2024 it includes the UK buy-in impact in OCI of EUR (45.7) million.

The present value of the remuneration referred to in the preceding table has been determined by qualified independent actuaries, who considered the following to quantify those items:

- Method of calculation: “Projected credit unit”, which considers each year of service as entitling one additional unit of rights to the benefits, with each unit being measured separately;
- Actuarial assumptions used: unbiased and compatible with each other. The main assumptions used for making the actuarial valuations of the principal defined plans are shown in the following table:

The surplus of the pension plans amounts to EUR 46.7 million at 31 December 2024 (2023: EUR 94.5 million), recorded in “Other assets – Assets and reimbursement rights for long-term staff remuneration”.

In Spain, the defined benefit plans are partly insured by Seguros Catalana Occidente, S.A. These insurance policies are not considered qualified and, therefore, their value is considered as reimbursement rights, recorded as other assets in the amount of EUR 6.2 million (2023: EUR 6.6 million).

The pension commitments with related entities at 31 December 2024 and 2023 are shown below:

	2024	2023
Present value of the net obligations	3,148	3,664
Fair value of the plan assets	6,204	6,158
Total	**9,352**	**9,822**

These amounts have been recorded in the item “non-technical provisions – Provision for pensions and similar obligations” and in “Other assets – Assets and reimbursement rights for long-term staff remuneration”, respectively, on the accompanying balance sheets. The difference between the two amounts has been recorded under shareholder funds of the Company.

The measurement of the fair value of the plan assets earmarked for the defined benefit commitments has been performed considering the amount of the mathematical provisions reported by the insurers and the pension fund management companies for those commitments, which have calculated those provisions according to their own assumptions on interest rates and mortality tables. Those assumptions must conform to the specific insurance standards in effect in each country at present. This gives rise to an accounting asymmetry between the assumptions used to measure assets and those employed to measure the obligations by the independent actuaries.

All amounts are in thousands of Euros, unless otherwise stated

Characteristics of the main defined benefit plans

Characteristics	United Kingdom	Germany
Entitlement	Based on a percentage of final salary (closed to new employees).	Based on a percentage of the average salary of the last 10 years.
Number of participants	66 active members (2023: 74 active members). 698 inactive members (*) (2023: 556 inactive members).	433 active members (2023: 435 active members). 402 inactive members (2023: 382 inactive members).
Defined benefit obligations	EUR 179.9 million (2023: EUR 167.5 million).	EUR 104.2 million (2023: EUR 103.7 million).
Assets	EUR 223.4 million (2023: EUR 257.9 million).	EUR 81.5 million (2023: EUR 71.7 million).
Measurement of gain (loss) in income and expenses not recognised	EUR 56.8 million – losses (**) (2023: EUR 6.5 million – gain).	EUR 0.6 million – gains (2023: 2.4 million – gains).
Funding agreement	The basis of the funding agreement lies in the trust agreement. The pension fund performs triennial actuarial valuations to determine employer contributions.	A trust agreement is established as a financing vehicle to cover part of the pension liabilities. There is no specific funding agreement although the assets must exceed the initially funded amount of EUR 39.2 million.
Employee contributions	In 2024 contributions amounted to 7.1% of the salary (7.1% in (2023).	None; contributions are made by the employer.
ALM strategy	In 2024, the pension scheme invested in an insurance policy (buy in). Because of this, pension assets were transferred in specie to the insurer. There were surplus assets in the pension scheme that were not required to fund the buy-in, which are held in cash as an interim investment strategy.	The investment objectives and policies are developed based on an ALM study. The investment policy limits the interest rate risk by restricting the investment in bonds to fixed rate bonds. Equity price risk is controlled by investing according to the Dow Jones Euro Stoxx 50 Index.
Regulatory Framework	The UK pension plan is subject to UK legislation and to the pension guidelines issued by the UK pension regulator.	The German pension plan is subject to German legislation and to the pension guidelines issued by Germany's pension regulator.

(*) The increase in the number of inactive members in UK in 2024 is due to the transfer of the MPlan members into the UKPS Pension Plan, as part of the buy-in process. This table showed only UKPS members in 2023, as it was the main plan in UK.
(**) In 2024 it includes the UK buy-in impact in OCI of EUR -45.7 million.

Fair value of the pension assets

The fair value of pension plan assets at the end of the year is shown below:

Assets 2024	Cash and cash equivalents	Shares	Bonds	Investment funds	Insurance contracts	Real estate	Total
Belgium	-	-	-	-	24,732	-	24,732
Germany	(351)	20,786	61,113	-	-	-	81,548
Norway	-	-	-	-	2,724	-	2,724
Spain	-	-	-	-	9,969	-	9,969
Switzerland	-	-	-	-	4,722	-	4,722
United Kingdom	35,784	-	-	-	144,111	-	179,895
Total	**35,433**	**20,786**	**61,113**	**-**	**186,258**	**-**	**303,590**

Assets 2023	Cash and cash equivalents	Shares	Bonds	Investment funds	Insurance contracts	Real estate	Total
Belgium	-	-	-	-	25,139	-	25,139
Germany	6,774	22,646	42,283	-	-	-	71,703
Norway	-	-	-	-	2,686	-	2,686
Spain	-	-	-	-	9,362	-	9,362
Switzerland	-	-	-	-	4,458	-	4,458
United Kingdom	5,176	-	166,849	10,004	-	-	182,029
Total	**11,950**	**22,646**	**209,132**	**10,004**	**41,645**	**-**	**295,377**

The investments held by the pension plans in equities and fixed-income securities are quoted on active markets. The plan assets include no financial instruments owned by ACyC or any real estate occupied by the Company or assets used by the Company.

The expected rates of return on the assets of the pension plans are calculated by multiplying the fair value of the plan assets by the discount rate determined at the start of the year taking into account the changes in the plan assets during the period as a result of the contribution and benefits payments. The current return on the plan assets (including reimbursement rights) amounted to EUR 10.9 million – losses (2023: EUR 22.9 million-gains).

In 2025 ACyC expects to contribute approximately EUR 2.4 million to defined benefit plans.

Actuarial assumptions

The principal assumptions used for the purpose of the actuarial valuations of the two main defined benefit plans are presented in the following table:

All amounts are in thousands of Euros, unless otherwise stated

Principal actuarial assumptions	United Kingdom		Germany	
	2024	2023	2024	2023
Discount rate	5.50%	4.75%	3.50%	3.25%
Inflation rate	3.50%	3.25%	2.00%	2.25%
Expected increase of future salaries	3.25%	3.00%	2.55%	2.80%
Expected increase of future benefits	3.20%	2.89%	1.75%	2.00%
Mortality table	CMI 2023 (1% LTR)	CMI 2022 (1% LTR)	Heubeck Richtaffeln 2018 G	Heubeck Richtaffeln 2018 G
Duration in years	13	14	12	13

An approximation of the sensitivity of the key actuarial assumptions, holding other assumptions constant, would impact the total defined benefit obligation of the main pension plans by the amounts shown below:

Defined benefit obligations	2024		2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(32,843)	40,212	(34,983)	41,719
Inflation rate (1% movement)	30,481	(27,680)	31,834	(27,094)
Future salary growth (1% movement)	3,971	(3,602)	6,887	(6,227)
Future pension growth (1% movement)	30,435	(26,008)	30,299	(25,684)
Future mortality (+1 year)	10,032	n/a	8,888	n/a

Expenses for personnel commitments

EUR 2.1 million (2023: EUR 4.4 million) was recorded as pension expense in the technical profit and loss statements under “Administration costs”. Of this amount EUR 1.8 million (2023: EUR 4.2 million) was in respect of pension plans and EUR 0.2 million (2023: EUR 0.2 million) of other long-term commitments.

14.2 Other non-technical provisions

Shown below is the breakdown of other non-technical provisions:

2024	Litigation	Total
Balances at 1 January	**1,347**	**1,347**
Allocation	60	60
Application	(310)	(310)
Balances at 31 December	**1,097**	**1,097**

2023	Litigation	Total
Balances at 1 January	**975**	**975**
Allocation	373	373
Application	-	-
Balances at 31 December	**1,347**	**1,347**

Litigation

The litigation provisioning is in respect of disputes with third parties that do not involve the Company's insurance business. The provisions for the insurance underwriting business are included in the technical provision for claims. The provision reflects the estimated cost of legal proceedings unrelated to the insurance underwriting business. These provisions have not been discounted to their present value as the effect of the discounting is not material.

14.3 Contingencies

There are no contingencies at year-end 2024 and 2023.

All amounts are in thousands of Euros, unless otherwise stated

15 Segment Reporting

The Company carries out transactions globally through an extensive network of branches. The regional distribution of the direct insurance, accepted reinsurance and ceded reinsurance business areas in 2024 and 2023, was as follows:

2024	Transactions reported in:			
	Spain and Portugal	Rest of Europe [1]	Rest of the World [2]	Total
Net premiums				
Direct insurance premiums	371,004	1,278,281	126,098	1,775,383
Assumed reinsurance premiums	-	335,381	107,856	443,237
Ceded reinsurance premiums	(135,619)	(513,606)	(94,028)	(743,252)
Total premiums	**235,385**	**1,100,056**	**139,926**	**1,475,367**
Technical provisions				
Provision for sms and for unexpired risks				
Provisioning for the year, direct insurance	84,369	684,747	29,010	798,126
Provisioning for the year, accepted insurance	-	197,676	10,965	208,641
Provisioning for the year, ceded reinsurance	(31,048)	(226,548)	(26,874)	(284,470)
Total	**53,322**	**655,875**	**13,101**	**722,297**
Claims provision				
Provisioning for the year, direct insurance	627,689	636,824	91,448	1,355,961
Provisioning for the year, accepted insurance	146	538,125	138,167	676,438
Provisioning for the year, ceded reinsurance	(208,417)	(378,560)	(86,367)	(673,344)
Total	**419,418**	**796,389**	**143,248**	**1,359,055**
Total provisions net of reinsurance	**472,739**	**1,452,264**	**156,349**	**2,081,352**

2023	Transactions reported in:			
	Spain and Portugal	Rest of Europe [1]	Rest of the World [2]	Total
Net premiums				
Direct insurance premiums	364,210	1,321,890	130,564	1,816,664
Assumed reinsurance premiums	-	319,873	98,041	417,914
Outward reinsurance premiums	(141,673)	(555,777)	(98,774)	(796,224)
Total premiums	**222,536**	**1,085,985**	**129,831**	**1,438,352**
Technical provisions				
Provision for unearned premiums and for unexpired risks				
Provisioning for the year, direct insurance	84,386	620,619	73,818	778,823
Provisioning for the year, accepted insurance	-	172,472	8,836	181,308
Provisioning for the year, ceded reinsurance	(31,223)	(224,257)	(31,032)	(286,512)
Total	**53,163**	**568,836**	**51,621**	**673,620**
Claims Provision				
Provisioning for the year, direct insurance	600,676	559,935	55,200	1,215,811
Provisioning for the year, accepted insurance	119	468,183	146,630	614,932
Provisioning for the year, ceded reinsurance	(203,398)	(342,283)	(82,812)	(628,493)
Total	**397,397**	**685,836**	**119,018**	**1,202,251**
Total provisions net of reinsurance	**450,560**	**1,254,672**	**170,639**	**1,875,871**

[1] Mainly in Belgium, Netherlands, Germany, Ireland and United Kingdom

[2] Mainly in Hong Kong and Australia

16 Technical information

16.1 Technical provisions

The movements recorded in technical provisions during 2024 and 2023 is as follows:

2024	Balance at 1 January	Effects of the merger	Allocations	Applications	Balance at 31 December
Direct Business and Accepted Reinsurance					
Provision for unearned premiums and for unexpired risks	960,131	-	1,006,767	(960,131)	1,006,767
Claims provision	1,830,743	-	2,032,399	(1,830,743)	2,032,399
Provision for profit sharing and for return premiums	56,720	-	54,588	(56,720)	54,588
Total	**2,847,594**	**-**	**3,093,754**	**(2,847,594)**	**3,093,754**
Reinsurance share on technical provisions					
Provision for unearned premiums and for unexpired risks	(286,512)	-	(284,470)	286,512	(284,470)
Claims provision	(628,493)	-	(673,345)	628,493	(673,345)
Total	**(915,005)**	**-**	**(957,815)**	**915,005**	**(957,815)**

2023	Balance at 1 January	Effects of the merger	Allocations	Applications	Balance at 31 December
Direct Business and Accepted Reinsurance					
Provision for unearned premiums and for unexpired risks	701,723	201,741	758,390	(701,723)	960,131
Claims provision	1,238,688	513,970	1,316,773	(1,238,688)	1,830,743
Provision for profit sharing and for return premiums	64,114	1,407	55,313	(64,114)	56,720
Total	**2,004,525**	**717,118**	**2,130,476**	**(2,004,525)**	**2,847,594**
Reinsurance share on technical provisions					
Provision for unearned premiums and for unexpired risks	(272,430)	(9,622)	(276,890)	272,430	(286,512)
Claims provision	(616,532)	(76,888)	(551,605)	616,532	(628,493)
Total	**(888,962)**	**(86,510)**	**(828,495)**	**888,962**	**(915,005)**

The movements in estimated recoveries of the technical claims provisions recorded under assets on the balance sheets at 31 December 2024 and 2023 in the line item “Loans and receivables – Other Receivables – Rest of Receivables” (see Note 10), which are in respect of the Spain and Portugal business, are shown below:

All amounts are in thousands of Euros, unless otherwise stated

2024	Balance at 1 January 2024	Allocations	Applications	Balance at 31 December 2024
Estimated Recoveries				
Estimated Recoveries Direct insurance	78,365	76,466	(78,365)	76,466
Estimated Recoveries Ceded insurance	(29,108)	(28,572)	29,108	(28,572)
Total	**49,257**	**47,894**	**(49,257)**	**47,894**

2023	Balance at 1 January 2023	Allocations	Applications	Balance at 31 December 2023
Estimated Recoveries				
Estimated Recoveries Direct insurance	69,293	78,365	(69,293)	78,365
Estimated Recoveries Ceded insurance	(31,390)	(29,108)	31,390	(29,108)
Total	**37,903**	**49,257**	**(37,903)**	**49,257**

The change in the estimated recoveries is recorded in the technical profit and loss statement in the line item “Variation in the provision for claims” both in the direct insurance and in the ceded reinsurance business.

16.2 Risk exposure and management

16.2.1 Operational risk management

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people or systems, or from external events. This definition is in line with industry practice as well as with the European Solvency II Directive. It is present within all activities undertaken by Atradius, at all levels and across all locations. At the same time as classifying operational risk into processes, people, systems, and external events, Atradius also labels its risks where they relate to ESG categories.

The Group Risk Management department (GRM) is responsible for developing methods for the identification, assessment and response to operational risks, and for monitoring and further enhancing the overall risk management and control framework. This unit works closely with both Internal Audit and the Group Legal & Compliance unit. At the highest level, operational risk is overseen by the Operational Risk Committee (ORC), which has a reporting line to the RSMB.

GRM uses a framework for the management of operational risk, which is based on the Committee of Sponsoring Organisations’ Enterprise Risk Management (COSO ERM) Integrated Framework. Identification and monitoring activities are developed and enhanced on an ongoing basis and include the maintenance of risks registers, facilitation of risk and control self-assessments, capture of risk indicators and incidents, and development, maintenance, testing and review of business continuity plans. Risks and risk responses are discussed at all levels, locations and units across the business, including the Board of Directors and the Management Board. High-level information on crystallised risks has been captured for many years, with separate records of information technology risk events. To provide oversight and assurance in an auditable and efficient manner, the unit employs a dedicated governance, risk and compliance software platform (the ’GRC Portal‘) that integrates existing risk management activities across the business.

Financial crime risk - results from illicit activity in the form of money laundering, terrorist financing, bribery and corruption, sanctions evasion, fraud and customer tax offences and other predicate offences to money laundering such as environmental crimes and human trafficking. It arises in Atradius' day-to-day business if our customers, employees or third parties undertake or facilitate financial crime, or if our products and services are misused for illicit purposes to generate or disguise financial crime.

We have zero tolerance for deliberately or knowingly facilitating financial crime - keeping Atradius safe, secure and compliant remains a top priority to protect our business and society at large from financial crime and its corrosive effects upon individuals and communities.

Fraud risk

External fraud risk is defined within Atradius as the risk of acts of fraud or scams by individuals and/or parties excluding Atradius staff (including contractors), with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for Atradius. The Fraud Control Group, composed of employees across over 30 countries, monitors the activity of customers and buyers to detect potential instances of fraud. This monitoring includes using bespoke software to capture indicators of fraud from wide-ranging internal and external sources. Atradius also provides fraud awareness training and advice to employees and customers to help identify fraudulent buyers.

Internal fraud risk is defined as the risk of acts of fraud performed by any Atradius employees, including where this relates to collusion between Atradius employees or agents with another party, whether or not known to Atradius, with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for Atradius. This risk is addressed through manual and automated operational controls such as the segregation of duties, application of signing authorities including two, four and six-eye approvals and role-based system privileges and authorities. Any instance of internal fraud that is discovered whether successful or not, is reported as an operational incident to the Risk Strategy Management Board. No material incidents of internal fraud were registered in 2024.

In addition, the Atradius Code of Conduct and several additional compliance policies applicable for more specific areas, set the requirements that Atradius' employees must adhere to. For example, the Atradius whistle blowing procedure gives guidance on how to raise concerns regarding a violation or breach of the Code of Conduct, in a confidential manner.

Cyber risk – refers to the risk of financial loss, disruption or damage to reputation due to failure of IT systems.

Risks include: an event impacting the data centre (covered via Business Continuity / IT Disaster Recovery), security incidents, network vulnerabilities, unauthorised activity, malicious code changes, application specific vulnerabilities and unauthorised software. The Atradius Information Security team monitors and addresses threats and coordinates the management of cyber risk across the Group. Atradius recognises increasing external threats especially from AI, ransomware, phishing and denial of service.

The fast evolving cyber landscape highlights the increasing monetisation of cyber security threats against financial services companies through insufficient technical controls and user error. As such, Atradius takes the education of end users on the aforementioned cyber risks very seriously: awareness training is mandatory for all staff. Further mitigation of this risk includes protections for critical Atradius applications and Multi-Factor Authentication for remote access. A medium-term Cyber Security Strategy is in place to further improve governance, protection, resilience and vigilance across Atradius.

More details on certain operational risk management activities are provided below.

16.2.1.1 Risk registers and risk / control self-assessments

While GRM is responsible for facilitating operational risk management within Atradius, the lines of business and functional areas are responsible for managing their operational risks. Atradius Leadership Team members, assisted by 'risk champions', maintain risk registers for their respective units. The content of registers provides input to local management meetings and is also reviewed by the ORC and during meetings of the Management Board. This ensures that operational risks are considered from all management perspectives.

While risk registers use a top-down approach to capturing risks, Atradius also uses a bottom-up approach of control self-assessments to review existing risks and associated controls and identify any control weaknesses in business processes.

On a quarterly basis, Atradius conducts specific assessments of processes and controls covering financial reporting risks, including reporting for regulatory compliance purposes; the resulting ‘in control’ sign-off process is overseen by a committee with representatives from Group Risk Management, Finance and Internal Audit.

16.2.1.2 Business continuity management

Atradius recognises the importance of being able to recover its business processes in the event of any major operational disruption. A Business Continuity Management (BCM) programme is embedded in the organisation to ensure the continuity of the Business in the event of disruptions. The BCM programme is aligned with the International Standard ISO22301. The Group Business Continuity manager co-ordinates the documentation, maintenance and continual exercising of practical plans for recovering priority business activities within acceptable timeframes.

A BCM programme is in place across the Group, which includes the setting and monitoring of Group and Country objectives and this runs alongside central activities, such as conducting periodic Business Impact Analysis and Risk Assessments.

Atradius has adapted its business continuity arrangements to address new ways of working such as a hybrid working model which involves a mixture of in-office and remote working. IT systems are stable and collaboration tools have been enhanced for the whole workforce. Overall service to customers and all other parties is being maintained at a high standard.

Atradius is preparing to comply with the operational resilience regulations, according to which companies must ensure they can withstand, respond to, and recover from all types of disruptions and threats related to ICT (Information and Communication Technologies).

16.2.1.3 Legal Risk / Compliance Framework

At Atradius we believe that compliance with relevant laws, rules and regulations, and maintaining a high standard of ethics and integrity, leads to lower operational risk and more-stable business processes. The Atradius Code of Conduct outlines the basic corporate, legal and ethical compliance principles and guidelines that apply to all our employees and that govern the Atradius operations and business conduct towards customers, brokers and all parties involved in Atradius business.

Atradius has set up several additional compliance policies for more specific areas which set out the requirements that Atradius’ employees must adhere to. For example, the Policy on Customer Due Diligence and Policy on Sanctions address potential sanctions risks establishing operational and control procedures to comply with sanctions laws and regulations. Atradius also has a Data Protection Framework in place, which includes controls, policies and procedures to comply with the applicable data protection legislation. All the compliance policies are available to employees and are reviewed on a regular basis.

The Compliance Function supports the management of Atradius in meeting its objective of being compliant with applicable laws, rules and external and internal regulations. The Group Compliance Function is responsible for the maintenance and overall effectiveness of the compliance framework at Group level and, the Local Compliance Function monitors regulatory and compliance developments at local country level.

16.3 Information on the non-life insurance business

Technical revenues and expenses by insurance line

	Credit		Surety		Assumed Business	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Premiums attributed (direct and accepted)	**1,802,798**	**1,805,678**	**158,770**	**142,420**	**209,191**	**186,452**
Gross written premiums net of cancellations and return premiums	1,801,966	1,835,799	190,384	191,231	226,269	207,548
+/- Change in provision for unearned premiums	380	(27,963)	(31,079)	(48,673)	(17,078)	(21,096)
+/- Change in provision for uncollected premiums	452	(2,157)	(535)	(138)	-	-
Reinsurance premiums (cession and retrocession)	**(686,179)**	**(718,329)**	**(57,146)**	**(53,975)**	**(1,790)**	**(8,019)**
Gross written premiums net of cancellations and return premiums	(674,906)	(720,830)	(68,028)	(72,650)	(318)	(2,744)
+/- Change in provision for unearned premiums	(11,273)	2,501	10,882	18,675	(1,472)	(5,275)
Total of premiums attributed net of reinsurance	***1,116,619***	***1,087,349***	***101,624***	***88,445***	***207,401***	***178,433***
Claims (direct and accepted)	**(836,267)**	**(791,007)**	**(33,877)**	**(18,231)**	**(100,790)**	**(82,877)**
Claims and expenses attributable to claims	(700,495)	(674,895)	(24,510)	(10,822)	(55,483)	(48,461)
+/- Change in claims technical provisions	(135,772)	(116,112)	(9,367)	(7,409)	(45,308)	(34,416)
Claims (cession and retrocession)	**283,207**	**249,701**	**7,704**	**4,891**	**(5,020)**	**5,796**
Claims and expenses paid	234,489	240,500	9,141	2,678	4,405	6,060
+/- Change in claims technical provisions	48,718	9,201	(1,437)	2,214	(9,425)	(264)
Total claims net of reinsurance	***(553,061)***	***(541,306)***	***(26,173)***	***(13,340)***	***(105,810)***	***(77,081)***
+/- Change in other technical provisions net of reinsurance	2,036	11,106	(2)	(20)	-	-
Acquisition costs (Direct and Accepted)	(299,202)	(286,115)	(55,872)	(46,777)	-	-
Administration costs (direct and accepted)	(393,027)	(399,589)	(43,805)	(45,745)	(9,924)	(10,202)
Other technical expenses (direct and accepted)	178	155	11	8	-	-
Commissions and profit sharing on ceded reinsurance and retrocession	333,828	333,167	66,113	57,631	(75,204)	(63,059)
Other technical income	54,788	51,789	5,687	4,939	(421)	(133)
Total operating expenses and other technical expenses (net)	**(301,399)**	**(289,487)**	**(27,868)**	**(29,964)**	**(85,549)**	**(73,394)**

All amounts are in thousands of Euros, unless otherwise stated

Technical result by year of occurrence

	Credit		Surety		Assumed Business	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Premiums attributed (direct and accepted)	**1,285,265**	**1,241,717**	**48,357**	**45,240**	**87,843**	**79,024**
Gross written premiums net of cancellations and return premiums	1,705,640	1,669,802	146,095	145,362	200,707	182,456
+/- Change in provision for unearned premiums	(337,801)	(336,893)	(96,949)	(99,928)	(112,864)	(103,432)
+/- Change in provision for uncollected premiums	(9,861)	(11,210)	(815)	(116)	-	-
+/- Change in provision for bonuses and return premiums	(72,713)	(79,982)	26	(78)	-	-
Time allocated reinsurance premiums	**(503,748)**	**(510,345)**	**(16,925)**	**(17,173)**	**(3)**	**(3)**
Gross written premiums net of cancellations and return premiums	(609,579)	(621,448)	(52,321)	(55,717)	(7)	(6)
+/- Change in provision for unearned premiums	105,831	111,103	35,396	38,544	3	3
Total premiums acquired net of reinsurance	***781,517***	***731,372***	***31,432***	***28,267***	***87,839***	***79,021***
Claims (direct and accepted)	**(987,809)**	**(884,594)**	**(16,148)**	**(19,022)**	**(49,560)**	**(41,781)**
Claims and expenses attributable to claims	(228,942)	(219,122)	(705)	(2,007)	(1,142)	(3,578)
Technical provision for claims paid on claims occurred during the year	(758,867)	(665,472)	(15,443)	(17,015)	(48,418)	(38,203)
Reinsurance claims (ceded)	**349,054**	**329,008**	**5,567**	**6,910**	**-**	**-**
Claims and expenses attributable to claims	75,684	75,598	263	711	-	-
Technical provision for claims paid on claims occurred during the year	273,370	253,410	5,304	6,199	-	-
Total claims net of reinsurance	***(638,755)***	***(555,586)***	***(10,581)***	***(12,112)***	***(49,560)***	***(41,781)***
Acquisition costs (direct)	(181,820)	(172,441)	(4,325)	(4,117)	(26,893)	(23,258)
Administration costs (direct)	(278,893)	(275,622)	(10,493)	(10,042)	(19,061)	(17,541)
Other technical expenses (direct)	-	-	-	-	-	-
Commissions and profit sharing on ceded reinsurance and retrocession (Ceded)	189,720	196,806	6,953	6,864	-	-
Technical finance income net of expenses of same nature	80,479	59,774	(1,577)	(1,530)	(2,087)	(1,305)
Other technical income	54,149	51,559	3,396	2,643	(293)	(252)
Technical result by year of occurrence	**6,397**	**35,863**	**14,805**	**9,973**	**(10,055)**	**(5,115)**

The information presented in the preceding table includes data for the 2024 underwriting year, with underwriting year understood to mean the risk underwritten in that year (2024).

Using data for the year of occurrence would not produce significant differences.

The line item “Other technical income” of the technical profit and loss statement records, among other items, EUR 52.1 million in 2024 (2023: EUR 49.4 million) invoiced in respect of studying and re-studying customers in relation to the purchase of insurance and subsequent development. The expenses associated with that activity are recorded as “Administration costs” of the Company.

17 Capital and reserves and equity

The movement in the Company's shareholder fund during 2024 and 2023 is presented in the accompanying statements of changes in total equity.

17.1 Share capital

Under the applicable laws, insurance companies operating in the credit and surety insurance lines must have subscribed share capital of not less than EUR 9,015,181.57.

The share capital of Atradius Crédito y Caución S.A. de Seguros y Reaseguros at 31 December 2024 was represented by 5,459,796 registered shares (2023: 5,459,796), each with a nominal value of EUR 6.01, fully subscribed and paid in and carrying identical financial, voting and other rights. There are no restrictions on the transferability of the shares. The Company's shares are not traded on the stock market.

17.2 Legal reserve

According to the recast text of the Spanish Companies Act (*Ley de Sociedades de Capital*), 10% of profit for the year must be allocated to the legal reserve until the balance of this reserve reaches at least 20% of share capital. Until that threshold is reached, the legal reserve may only be used to offset losses, if there are no other sufficient reserves available for that purpose. At year-end 2024, the reserve was fully established in the amount of EUR 6.6 million, after the approval of the proposal to increase it by 1.6 million (2023: EUR 5.0 million).

17.3 Statutory reserves

At year-end 2024, the Company had a reserve set aside in accordance with a previously existing statutory obligation to allocate 5% of profit to a voluntary reserve until it reached 50% of the share capital. At year-end 2024, that reserve amounts to EUR 16.4 million (2023: EUR 12.4 million).

17.4 Voluntary reserves

At 31 December 2024, the balance of these reserves was freely disposable.

In 2024, an extraordinary cash dividend was distributed from freely disposable reserves, amounting to EUR 524,047,286. The distribution was made among the Company's shareholders in proportion to their share in the share capital.

The balance of these reserves at year-end 2024 is EUR 546.4 million (2023: EUR 589.7 million).

17.5 Revaluation reserve

With this reserve the Company recognises differences in the value of certain assets, as provided in Royal Decrees 7/1996 of 7 June 1996 and Royal Decree 2607/1996 of 20 December 1996.

The amount of this reserve is the difference between the quantities obtained by applying the revision percentages stipulated in Royal Decree 2607/1996 to the Company's property, plant and equipment and their depreciation charges, and their value before the revision. The reserve is presented net of the associated single charge of 3%.

The revisions were inspected for tax purposes and gave way to no incidents for the Company.

The balance of these reserves at year-end 2024 is EUR 5.6 million (2023: EUR 5.6 million).

17.6 Equalization reserve

According to the PCEA, the equalization reserve is recognised in the Company's equity. At year-end 2024, it totaled EUR 1,192.8 million (2023: EUR 1,001.7 million).

During 2024, the Company has allocated EUR 185.8 million in our credit insurance and EUR 5.2 million in the surety business, as required by the ROSSP. During 2023 allocated EUR 196.7 million in credit insurance and EUR 4.1 million in the surety business.

During the year there were applications of the reserve, given the positive operating technical result.

17.7 Share premium

The Recast Text of the Spanish Companies Act permits the use of the share premium account balance to increase capital and places no specific restrictions on its disposability.

17.8 Other shareholder contributions

No contribution from the Shareholders was registered in 2024 (EUR 0 million in 2023).

17.9 Reserve for actuarial gains and losses

During 2024, the Company recognised a loss of EUR 44.6 million in reserves for actuarial gains and losses (2023: gain of EUR 7.2 million) that corresponds to the net impact coming from the buy-in process from the United Kingdom pension plan (EUR 45.6 milliones) and the impact of the annual measurement of the Company's defined benefit pension plans.

All amounts are in thousands of Euros, unless otherwise stated

18 Transactions and balances with related parties

18.1 Balances with related parties

The breakdown of balances with related parties at 31 December 2024 and 2023 is as follows:

2024	Atradius N.V.	Atradius Insurance Holding N.V.	Collections Holding B.V.	Subsidiaries of ACyC (1)	Atradius Reinsurance DAC	Atradius Information Services	Grupo Catalana Occidente (2)	Others (3)	Total
Assets									
Investments	-	-	-	24,440	-	-	76	-	**24,516**
Receivables (Note 10)	3,254	932	8,848	299	-	18,885	47	6,502	**38,767**
Reinsurance	-	-	-	6,520	-	-	-	(2,190)	**4,330**
Group tax receivables	-	-	-	-	-	-	41,215	-	**41,215**
Long-term staff remuneration	-	-	-	-	-	-	6,415	-	**6,415**
Total Assets	**3,254**	**932**	**8,848**	**31,259**	**-**	**18,885**	**47,753**	**4,312**	**115,243**
Liabilities									
Debts and other accounts payable (Note 11)	-	-	2,298	-	-	7,772	-	136	**10,206**
Reinsurance payables	-	-	-	-	-	-	155	2,057	**2,212**
Total Liabilities	**-**	**-**	**2,298**	**-**	**-**	**7,772**	**155**	**2,193**	**12,418**

2023	Atradius N.V.	Atradius Insurance Holding N.V.	Collections Holding B.V.	Subsidiaries of ACyC (1)	Atradius Reinsurance DAC	Atradius Information Services	Grupo Catalana Occidente (2)	Others (3)	Total
Assets									
Investments	-	-	-	24,440	-	-	76	-	**24,516**
Receivables (Note 10)	51,644	448	13,310	334	-	18,299	47	5,829	**89,910**
Reinsurance	-	-	-	4,693	-	-	-	(1,121)	**3,572**
Group tax receivables	-	-	-	-	-	-	34,612	-	**34,612**
Long-term staff remuneration	-	-	-	-	-	-	6,369	-	**6,369**
Total Assets	**51,644**	**448**	**13,310**	**29,467**	**-**	**18,299**	**41,104**	**4,708**	**158,979**
Liabilities									
Debts and other accounts payable (Note 11)	2,293	-	1,878	2,004	-	14,087	-	407	**20,669**
Reinsurance payables	-	-	-	-	-	-	131	806	**937**
Total Liabilities	**2,293**	**-**	**1,878**	**2,004**	**-**	**11,895**	**131**	**1,212**	**21,606**

1) ACyC – Includes transactions with Iberinform Internacional, S.A.U., BSB Safe, S.A., Iberinmobiliaria, S.A.U., Crédito y Caución de seguradora de Crédito e Garantías and Crédito y Caución do Brasil Gestao de Riscos de Crédito e Serviços LTDA.

2) -Grupo Catalana Occidente – Includes transactions with Grupo Catalana Occidente S.A., Seguros Catalana Occidente, Sociedad Anónima de Seguros y Raseguroe, Grupo Catalana Occidente Gestión de Activos S.A., S.G.I.I.C. and Grupo Catalana Occidente Tecnología y Servicios, A.I.E

3) Others – Includes transactions with Atradius Dutch State Business N.V., Atradius Seguros de Créditos S.A. Mexico, Atradius Trade Credit Insurance, Inc., Atradius Credit Management Services (Rus) LLC and Atradius Italia Intermediazioni S.R.L.

The variation in the balance with related parties are explained mainly due to the fiscal unity and the corresponding charges of the transfer pricing.

18.2 Related party transactions

The following table breaks down the transactions with related parties as at year-end 2024 and 2023 according to their carrying value on the Company's books:

2024	Atradius N.V.	Collections Holding B.V.	Subsidiaries of ACyC (1)	Atradius Information Services	Grupo Catalana Occidente (2)	Others (3)	Total
Income statement							
From premiums ceded/accepted	-	-	9,019	-	-	70,302	**79,321**
From claims ceded/accepted	-	(3,091)	(17,036)	-	(45)	(28,847)	**(49,019)**
From commission on reinsurance ceded/accepted	-	-	(3,415)	-	-	(26,449)	**(29,864)**
From services provided and received	27,433	10,860	(17,434)	7,567	(939)	(2,814)	**24,673**
Total	**27,433**	**7,769**	**(28,866)**	**7,567**	**(984)**	**12,192**	**25,111**

2023	Atradius N.V.	Collections Holding B.V.	Subsidiaries of ACyC (1)	Atradius Information Services	Grupo Catalana Occidente (2)	Others (3)	Total
Income statement							
From premiums ceded/accepted	-	-	2,113	-	64	67,609	**69,786**
From claims ceded/accepted	-	(2,970)	(2,701)	-	(93)	(38,646)	**(44,410)**
From commission on reinsurance ceded/accepted	-	-	(768)	-	12	(25,449)	**(26,205)**
From services provided and received	29,943	11,568	(16,937)	6,766	(968)	(2,518)	**27,854**
Total	**29,943**	**8,598**	**(18,293)**	**6,766**	**(985)**	**996**	**27,025**

1) ACyC – Includes transactions with Iberinform Internacional, S.A.U., BSB Safe, S.A., Iberinmobiliaria, S.A.U., Crédito y Caución de seguradora de Crédito e Garantías and Crédito y Caución do Brasil Gestao de Riscos de Crédito e Serviços LTDA.
2) Grupo Catalana Occidente – Includes transactions with Grupo Catalana Occidente S.A., Seguros Catalana Occidente, Sociedad Anónima de Seguros y Raseguroe, Grupo Catalana Occidente Gestión de Activos S.A., S.G.I.I.C. and Grupo Catalana Occidente Tecnología y Servicios, A.I.E
3) Others – Includes transactions with Atradius Dutch State Business N.V., Atradius Seguros de Créditos S.A. Mexico, Atradius Trade Credit Insurance, Inc., Atradius Credit Management Services (Rus) LLC and Atradius Italia Intermediazioni S.R.L.

In 2024 the Company has paid dividends to Grupo Catalana Occidente for EUR 98,767,003.49 (in 2023: 58,015,002.05) and to Grupo Compañía Española de Crédito y Caución in the amount of EUR 177,369,272.09 (2023: EUR 104,185,389.05 million).

In 2024 the Company received no dividend from related parties (in 2023 EUR 0 million).

All amounts are in thousands of Euros, unless otherwise stated

18.3 Subordinated debt

Occident GCO, S.A.U. de Seguros y Reaseguros, a subsidiary of the ultimate parent of the Group purchased EUR 49.6 million (16.5%) of the non guaranteed subordinated notes issued by Atradius Crédito y Caución S.A. de Seguros y Reaseguros. In 2024 the interest expense relating to this portion was EUR 1.7 million. (2023: There was not subordinated debt issued by Atradius Crédito y Caución S.A. de Seguros y Reaseguros).

The related party share for the subordinated debt is:

	2024	2023
Nominal value	49,600	-
Interests	1,731	-

18.4 Compensation of the Board of Directors and Senior Management

The Board of Directors did not receive any remuneration as members of the Board, nor any for their pension or life insurance obligations contracted on their behalf.

The following table provides details on the remuneration for members of the Executive Committee, which have assumed senior management functions:

	2024	**2023**
Short-term employee compensation (1)	1,151	1,125
Long-term employee compensation	948	840
Post-employment benefits	133	187
Total remuneration	**2,232**	**2,152**

1) Short-term employee compensation includes salaries, housing, Social Security, medical expenses, vehicle rental and others.

An insurance policy has been contracted for senior managers to cover possible civil liability with a premium of EUR 0.1 million (2023: 0.2 million euros).

18.5 The duty of loyalty and duty to avoid situations of conflicts of interest of the Directors

The members of the Board of Directors have sent to the Company the communications relating to the duty of loyalty and to the duty to avoid situations of conflicts of interest, pursuant to articles 227 to 231 of the recast text of the Spanish Companies Act, as amended by Spanish Law 31/2014 of 3 December 2014 for the improvement of corporate governance for the year ended 31 December 2024.

In said communications, the members of the Board of Directors have stated that they have not been in any situation of direct or indirect conflict of interest with the interest of the Company and that, according to the information that they are aware of and that they have been able to obtain with the greatest due diligence, none of their related persons are in such situation either. Lastly, in compliance with the aforementioned law, they have indicated that they will promptly report any change that may occur with regard to the detailed information.

19 Other information

19.1 Personnel

The average number of full-time employees of the Company and their distribution by job category during 2024 and 2023 is as follows:

	2024	2023
Management	92	89
Technical staff and middle managers	473	457
Administrative staff	1,906	1,843
Others	243	235
Total	**2,714**	**2,623**

The gender distribution of full-time employees of the Company at year-end 2024 and 2023 is shown below, breakdown by job category:

	2024		2023	
	Men	Women	Men	Women
Management	75	16	73	14
Technical staff and middle managers	323	150	312	141
Administrative staff	932	974	901	943
Others	54	189	52	188
Total	**1,384**	**1,329**	**1,338**	**1,285**

The Board of Directors of the Company at 31 December 2024 was composed of nine members (seven men and two women). In 2023, the Board was composed of nine members (eight men and one woman). No member of the Board of Directors has an employment relationship with the Company.

During 2024, there were a total of 65 employees with a disability greater than or equal to 33% (2023: 58 employees).

19.2 Auditor fees

During 2024 and 2023, the fees for accounting audit services and other services performed by the Company's statutory auditor, *PricewaterhouseCoopers Auditores* (PwC) or by any company related to the auditor by virtue of control, common ownership or management were as follows:

	2024			2023		
Items	**PwC**	**Other firms in the PwC network**	**Total**	**PwC**	**Other firms in the PwC network**	**Total**
Audit services	1,934	963	2,897	1,402	1,182	2,584
Other services required by the regulations	390	-	390	375	-	375
Other verification services	-	7	7	55	7	62
Rest of other services	127	186	313	-	156	156
Total other professional services	**2,451**	**1,156**	**3,607**	**1,832**	**1,345**	**3,177**

These figures are for the fees agreed for audit services for 2024 and other services (including VAT and other expenses). The amounts of audit services include services involving review of the Solvency II Directive and other regulatory requirements. The sums reported for non-audit services are related to projects that required the involvement of the statutory auditor according to the regulation applicable in each country.

19.3 Customer Service Office

In compliance with the regulatory framework that applies in Spain, the Customer Service Department has prepared the prescribed Report on Complaints and Claims for 2024.

This report, related to the business in Spain, shows that three claims have been received by the Customer Service Department, only one of which was processed as it met the formal requirements.

In this regard, the claim processed was settled by agreement. Another of the letters received was rejected for not complying with the provisions of article 5 of the Regulations for the Defence of the Insured. Finally, the other communication received did not meet the formal requirements to be admitted.

In each communication sent and resolution adopted, it has expressly been provided that the Commission for the defense of Insured and Participants in Pension Plans, reporting to the DGSFP is not authorized to deal with the claims submitted, given that these are insurance contracts covering large risks. The claim processed corresponds to a credit insurance policy.

Additionally, the number of claims processed compared to the number of customers who could potentially file a claim, in the financial year ended 31 December 2024, represent a percentage of 0,0041% against 0.01725% in 2023.

Given the small number of claims and their different underlying reasons, as well as the Company's experience, no general guidelines have been set and no recommendations or suggestions were issued.

19.4 Environmental information

Given the nature of the Company's business, it has no liabilities, expenses, assets or provisions and contingencies of an environmental nature that could be significant in relation to its equity, financial position and earnings. For this reason, no specific disclosures on these issues are included in these Notes.

19.5 Guarantees with third parties

At 31 December 2024 there were bank guarantees securing EUR 1.21 million in lease obligations of the Company.

20 Subsequent events

The Board of Directors will propose to the General Shareholders' Meeting the distribution of a dividend to the Company's shareholders in the amount of EUR 42 million charged to voluntary reserves.

Except previously mentioned, the Company is not aware of any other events that occurred after the end of the 2024 financial year and until the preparation of these annual accounts that are significant, or that their knowledge may be useful to the user of the same, or that affect the application of the going concern principle.

ANNEX. BREAKDOWN OF REAL ESTATE PROPERTIES AT 31 DECEMBER 2024

(Figures in euros)

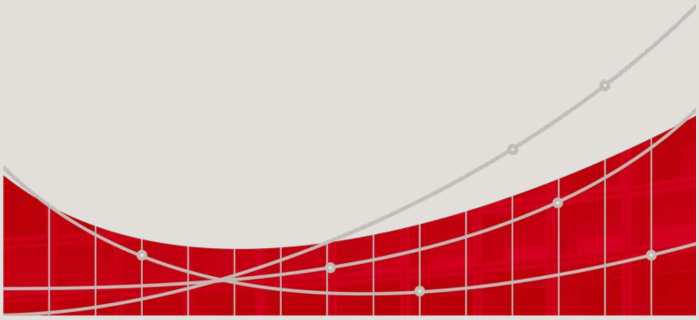
Location	Address	Country	Year of acquisition	2024				Last Appraisal Date
				Gross value	Accum. Depreciation	Net value	Impairment	
PROPERTIES FOR OWN USE								
ALCALA DE H.	Comp.Inmob.Garena Plaza pl 9 B	Spain	2005	1,031,468	(319,943)	711,525	(152,481)	16-Sep-24
ALICANTE	C/ San Fernando , 19 Principal	Spain	2002	429,024	(56,557)	372,467	-	2-Aug-24
BILBAO	Gran Vía, 17 2º Planta Of.1 y 3	Spain	2004	2,931,093	(769,386)	2,161,707	-	12-Aug-24
CASTELLON	Ruíz Zorrilla, 1 5º	Spain	1999	414,097	(128,283)	285,815	-	6-Aug-24
GERONA	Avda. Jaime I, 1	Spain	1990	335,248	(185,806)	149,442	-	13-Aug-24
LA CORUÑA	Real, 85 6º	Spain	1975	495,743	(380,827)	114,915	-	28-Aug-24
LAS PALMAS	Plaza de España, 6	Spain	2020	365,013	(18,878)	346,135	(7,983)	6-Jun-23
LEON	Avda. Independencía, 2 3º	Spain	1974	36,998	(29,296)	7,679	-	20-Sep-24
MALAGA	Avda. Andalucia, 19 L-A2	Spain	1981	160,619	(108,570)	52,050	-	26-Aug-24
MALAGA	Avda. Andalucia, 19 L-A5	Spain	1987	119,346	(70,598)	48,749	-	26-Aug-24
MURCIA	Avda. Libertad, 2	Spain	1988	252,571	(144,965)	107,606	-	8-Aug-24
MURCIA	Avda. Libertad, 2 Local C	Spain	2001	115,755	(43,354)	72,401	-	8-Aug-24
OVIEDO	Conde de Toreno, 4	Spain	1967	134,614	(107,761)	26,923	-	27-Aug-24
PAMPLONA	Avda. Carlos III, 13-15	Spain	1984	110,902	(69,633)	41,269	-	2-Oct-24
SEVILLA	Plaza Nueva, 8 Dpdo. 5	Spain	1971	494,036	(395,228)	98,807	-	13-Aug-24
SEVILLA	Plaza Nueva, 8 Garaj. 63	Spain	1971	6,842	(5,497)	1,346	-	13-Aug-24
SEVILLA	Plaza Nueva, 8 Garaj. 50	Spain	1973	6,540	(5,254)	1,286	-	13-Aug-24
TARRASA	Gutemberg, 3 3º F	Spain	1976	143,451	(107,338)	36,114	-	7-Aug-24
VALENCIA	Avda. Jacinto Benavente,14	Spain	2004	2,284,661	(533,091)	1,751,570	-	16-Sep-24
VALLADOLID	Duque de la Victoria, 4	Spain	1978	247,596	(181,237)	66,358	-	26-Aug-24
ZARAGOZA	Plaza Salamero, 14 3º A	Spain	1975	285,300	(217,420)	67,880	-	9-Oct-24
ZARAGOZA	Plaza Salamero, 14 Trasteros	Spain	1989	4,608	(3,416)	1,192	-	9-Oct-24
LISBOA	Av.C. Bordalo Pinheiro 75	Portugal	2017	3,970,100	(436,167)	3,533,933	-	3-Nov-23
LISBOA	Avda. la Liberdade, 245	Portugal	2001	1,444,953	(525,877)	919,077	-	31-Jul-24
OPORTO	Plaza Buen Suceso, 61	Portugal	1905	977,169	(344,630)	632,540	-	4-Dec-24
ROMA	Via Crescenzio	Italy	1972	15,823,758	(3,428,614)	12,395,145	(17,929)	10-Dec-23
ROMA	Via Cassiodoro 9	Italy	1993	1,328,200	(269,986)	1,058,214	-	10-Dec-23
Total Own-Use Real Estate				**33,949,705**	**(8,887,612)**	**25,062,145**	**(178,393)**	

All amounts are in thousands of Euros, unless otherwise stated

Location	Address	Country	Year of acquisition	2024 Gross value	2024 Accum. Depreciation	2024 Net value	2024 Impairment	Last Appraisal Date
				PROPERTIES FOR OWN USE				
ALBACETE	Tesifonte Gallego, 4	Spain	1982	59,865	(39,501)	20,364	-	16-sep.-24
ALMERIA	Lachambre, 2 2°	Spain	1996	102,998	(47,466)	55,532	-	2-ago.-24
BADAJOZ	Avda. Ramon y Cajal, 13 1°	Spain	1992	64,119	(33,077)	31,042	-	7-ago.-24
BARCELONA	Provenza, 216	Spain	1965	7,847,107	(2,242,268)	5,604,839	-	1-oct.-24
BILBAO	Gran Vía, 53	Spain	1967	146,093	(116,874)	29,219	-	7-oct.-24
BURGOS	P. Alonso Martinez, 8	Spain	1987	80,510	(47,388)	33,122	-	8-oct.-24
CORDOBA	Ronda de los Tejares, 32	Spain	1986	127,910	(77,268)	50,642	-	13-ago.-24
GRANOLLERS	Avda. San Esteban, 9	Spain	1999	201,270	(89,771)	111,499	-	8-oct.-24
JAEN	P. Constitución, 10	Spain	1989	76,541	(43,262)	33,279	-	12-ago.-24
JEREZ	Cmte. Paz Varela, 21 2° L-8	Spain	1988	41,184	(23,620)	17,564	-	7-ago.-24
LA CORUÑA	Alameda, 34 5° C	Spain	1974	82,324	(64,623)	17,701	-	28-ago.-24
LERIDA	Avda. del Segre, 1	Spain	1990	109,392	(59,755)	49,637	-	12-ago.-24
MADRID	Dulcinea, 47 Bajo L-1-2	Spain	1969	213,572	(170,858)	42,714	-	2-ago.-24
P. MALLORCA	Pª del Borne, 15	Spain	1975	137,568	(105,916)	31,652	-	7-ago.-24
S. C. TENERIFE	Villalba Hervas, 9 1° C	Spain	1987	190,727	(112,144)	78,583	-	2-ago.-24
SABADELL	Plaza de Cataluña,16	Spain	1997	222,201	(95,939)	126,262	-	6-ago.-24
SANTANDER	Cuesta, 2 4° Dcha.	Spain	1985	132,231	(81,338)	50,893	-	28-ago.-24
SEVILLA	Plaza Nueva, 8 Garaj. 61	Spain	1971	6,842	(5,497)	1,345	-	13-ago.-24
SEVILLA	Plaza Nueva, 8 Garajes	Spain	1973	32,699	(26,269)	6,430	-	13-ago.-24
TARRAGONA	Rambla Nova, 76 1° 2	Spain	1976	110,509	(83,766)	26,742	-	8-ago.-24
VIGO	Uruguay, 2 2°	Spain	1967	205,884	(164,708)	41,176	-	12-ago.-24
VITORIA	Manuel Iradier, 24 L-1	Spain	1986	71,875	(43,191)	28,684	-	16-ene.-24
ZARAGOZA	Plaza Salamero, 14 3° B	Spain	1975	116,558	(88,788)	27,770	-	9-oct.-24
ZARAGOZA	Coso, 98-100 7° 6	Spain	1972	41,409	(32,814)	8,595	-	9-oct.-24
LEON	Avda. Independencía, 2 3°	Spain	1974	38,462	(30,469)	7,992	-	20-sep.-24
OVIEDO	Conde de Toreno, 4	Spain	1967	21,914	(17,531)	4,383	-	27-ago.-24
GENOVA	Via di Sottoripa 1/A	Italy	1991	249,333	(72,876)	176,457	(41,945)	10-dic.-23
UDINE	Via Manzini 8-9	Italy	1992	184,416	(60,179)	124,237	(28,168)	10-dic.-23
ROMA	Via Padre Semeria 29	Italy	1985	176,406	(36,452)	139,954	-	10-dic.-23
Total Leased Properties				**11,091,919**	**(4,113,608)**	**6,978,309**	**(70,113)**	

**** The "PROPERTIES FOR OWN USE" table does not include a fully depreciated property in Sweden acquired in 1993 for an acquisition price of 345,000 Swedish Krona (EUR 33,643).*

02.



Management report

Management Report

CONTENTS

1 Economic Environment

Economic growth presents different behaviors by geographic region:

GDP growth in South America stands at 2.4% in 2024 (2.1% in 2023), with Brazil leading growth in the region thanks to domestic consumption and agricultural exports. However, political tensions and weakness in external demand are the main threats to growth.

In the eurozone, GDP growth, 0.8% in 2024, remains stable compared to 2023, with persistent weaknesses in the manufacturing sector and a tense geopolitical situation and divergent monetary policies. Domestic consumption shows a positive trend.

In Spain, GDP growth stands at 3.1%, compared to 2.9% the previous year with a recovery in tourism and domestic consumption and an increase in public investment. For its part, the industrial sector has shown weak performance.

The United Kingdom has shown GDP growth of 0.9% in 2024 (0.8% in 2023), with restrictive fiscal policies, a gradual recovery of domestic consumption and an increase in energy costs.

In the Asia Pacific region, GDP has experienced growth of 5.2% in 2024 (5.3% the previous year). China has shown GDP growth of 4.8% in 2024, similar to 2023, with a moderate recovery in exports, but with some weakness in the real estate sector. For its part, Japan shows a decrease of -0.2% in GDP in 2024 with a clear economic slowdown, compared to slight growth of 0.3% in 2023.

The GDP of the United States has grown by 2.8% in 2024, like 2023, supported by a solid recovery in domestic consumption and the labor market. Expansionary policies and deregulation, along with trade tensions impacting foreign trade, are the main threats.

Regarding insolvencies, they continued to increase in 2024 driven by a post-pandemic adjustment and a weak economic environment.

The level of insolvency is well above the 2019 level, but the adjustment process is in different stages depending on the countries in which the Company operates:

a) Euro zone with relatively high increases in some countries, but with low or even declining levels in other regions, as occurred in Denmark.
b) US insolvency rates are currently at pre-pandemic levels
c) The increase in the United Kingdom is more contained, but insolvencies have settled at a relatively high level after Brexit.

2 Financial Situation

Credit insurance is our core business and includes traditional credit insurance for both domestic and export trades, as well as coverage of political risks and consumer finance. The credit insurance business continued to perform well in 2024 with profit net of reinsurance of EUR 262.2 million. The Company offers a wide range of surety products designed to cover the varying needs of our customers in Belgium, France, Germany, Italy, Luxembourg, the Netherlands, the Nordic region, Spain and Portugal. The surety line posted profit net of reinsurance of EUR 47.6 million.

Insurance Revenue

Insurance revenue performed well, posting moderate growth of 1.4%. The surety business' revenue was up 11.6%, to reach EUR 164.5 million in 2024, while credit insurance revenue rose to EUR 1,859.6 million.

Claims

Claims ended the year at EUR 970.9 million, 8.8% more than in 2023. The claims ratio reached 43.5%.

Operating Expenses

Operating expenses totalled EUR 788.4 million in 2024. Insurance brokerage commissions increased 6.7%. The Company ended 2024 with an expense ratio of 35.3%, in comparison with the previous year's figure of close to 47.8%.

Reinsurance Result

Part of our business is ceded to our panel of reinsurers, whose negative aggregate share of the Company's results was EUR 134.5 million (2023: EUR -192.2 million).

Net Investment Result

The net investment result rose to EUR 75.2 million for 2024 from the EUR 57.8 million recorded in 2023.

3 Management of Risks, Financial Instruments and Capital

Risk Management

Note 16.2 to these financial statements describes the main risks and uncertainties and how they are managed by the Company.

Financial Instruments Management

The most important components of financial risk are market risk, credit risk and liquidity risk.

The Company invests in a diversified portfolio of capital instruments to mitigate those risks.

Market Risk

Market risk is the risk that the fair value of assets and liabilities that are sensitive to movements in market prices will decrease or increase due to adverse movements in equity prices, interest rates or exchange rates. The Company is exposed to these risks by holding assets and liabilities whose fair value is sensitive to movements in those prices. These risks are measured using the mismatch between assets and liabilities whose fair value is denominated in foreign currency, Value at Risk, capital models of credit risk rating institution and the duration of interest rates, among others.

ACyC uses the capital approach available under the Solvency II Directive to define strategic asset allocation and assess the impact of investment decisions to ensure sufficient capital under Solvency II.

The estimates of the fair value of ACyC's financial assets and liabilities are their carrying amount.

The assets are exposed to increases in inflation and/or in inflation forecasts, which could accompany increases in interest rates and lead to a decrease in the market value of bonds held in our investment portfolio. Increases in inflation could also have an impact on the creditworthiness of bond issuers and could result in an increase in credit spreads. All of these factors could lead to a decline in the value of the bonds.

Inflation in the costs of claims, labour costs, cost of energy and raw materials, and/or inflation due to disruptions in the global supply chain could impact the industry. The impact of inflation on claim costs could be more pronounced for certain of our claims that are indexed to inflation and for surety business which is considered “long tail”.

The fair values are based on the price, as best estimate, which would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date. Whenever possible, the fair values are based on quoted market prices. If there is no quoted market price available, valuation techniques are used that are based on market prices of comparable instruments or on observable market observable data. If no observable market inputs are available, valuation models are used (non-market observable data). These valuation techniques are subjective in nature and rely on pricing assumptions. Deviations in those assumptions may significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values.

The fair values are subject to a control environment designed to ensure that they are determined or validated by a function that is independent of the owner of those risks. Toward this end, ACyC defines the accounting policies and processes that govern the measurements and at the same time ensure compliance with the applicable accounting legislation. Within this governance structure, non-quoted investments or illiquid investments in which ACyC invests are measured by an external independent valuation company or the asset manager of the illiquid investment fund. Those firms use their own proprietary valuation systems to measure the securities based on economic and market assumptions from financial information providers. The valuations are provided on a monthly basis and are reviewed and approved by ACyC. The valuation process of the asset manager is audited and approved by its statutory auditor.

Credit Risk

With regard to managing the credit risks of its financial investments, the investment policy of ACyC is to hold a principally euro-centric, internationally diversified portfolio and to avoid large risk concentrations. From a Standard & Poor's rating scale or comparable perspective, the fixed income portfolio is almost completely invested in investment grade debt securities with an 'A-' rating or stronger. If a debt security bond in which ACyC has invested falls below the minimum credit rating or is not rated, it must be reviewed by the Atradius Investment Committee to decide whether the investment fund is still a suitable investment. The maximum concentration limit per issuer is 5% of the market value of the financial investments of the entity. Concentration per issuer is evaluated by aggregating the exposure to a single issuer through both debt investments and equity securities. The Atradius Investment Committee monitors this limit and the appropriate actions are taken if a concentration limit is breached.

The counterparty credit ratings and the credit rating of the debt instruments are predominantly based on Standard & Poor's rating. In the absence of a Standard & Poor's credit rating, the Atradius uses Moody's or Bloomberg Composite ratings.

Liquidity Risk

ACyC is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For ACyC, liquidity risks may arise if large-scale short-term fluctuations occur in cash flows, such as a decline in cash inflows or a rise in cash outflows, or a combination of both.

Liquidity risk is managed at Atradius level, in close coordination with local operations. The Atradius policy is to monitor and measure ongoing cash flow patterns and control liquidity by maintaining sufficient cash and highly marketable securities to reduce liquidity risk to acceptably low levels. The investment policy states that ACyC should only invest in financial instruments that can be liquidated within three business days or less. ACyC is able to access credit facilities to prevent liquidity shortages that can arise due to short-term cash flow variances. A few entities of ACyC maintains uncommitted credit lines in excess of EUR 1 million. Additionally, ACyC has an overdraft facility for a total of EUR 50 million (2023: EUR 50 million). The credit line provides liquidity to cover infrequent peaks in short-term liquidity requirements while also permitting ACyC to reduce its cash balances and to benefit from a broader and more and stable investment portfolio. Lastly, ACyC has in place a simultaneous claims payment clause in the main reinsurance treaties. This clause allows ACyC to ask the reinsurers to accelerate the payment of a large claim upon ACyC's request instead of the usual payment terms agreed in the reinsurance treaties.

Capital Management

Capital management is guided by the following these basic principles:

- Ensure the Company is sufficiently capitalised so that it has ample available capital after meetings its financial obligations;
- Comply with the local regulatory capital requirements of all ACyC branches;
- Manage capital adequacy in ACyC and it branches, taking into account the economic conditions and accounting regulations and standards together with the external rating agencies and regulatory capital requirements;
- Optimise the capital structure by allocating funds across ACyC branches; and
- Minimise funding costs while preserving financial flexibility.

In each country in which ACyC has insurance companies established under local laws, as well as where prescribed for branches as well, the local insurance regulator specifies the minimum amount and type of capital that must be held by each of the subsidiaries or branches. The minimum required capital must be maintained at all times throughout the year. In addition, the local insurance regulators have the discretionary right to impose additional capital requirements in excess of the required minimum.

In 2024, the capital of ACyC has been managed according to the Atradius guidelines and in close cooperation with the units involved in managing the different factors related to capital. ACyC entities were able to meet their financial obligations efficiently and to comply with local legal and regulatory requirements.

Own Funds

The Company's own funds at year-end 2024 amounted to EUR 1,961.0 million, with a positive contribution of EUR 349.3 million from the result recorded for the year.

The equalization reserve reached EUR 1,192.8 million, demonstrating the Company's strong financial capacity to confront potential adverse scenarios in the future.

Solvency II Directive

Solvency II is the regulatory framework for (re-)insurance undertakings and groups domiciled in the EU. It came into effect on 1 January 2016, replacing the former regulatory regime of 14 directives which were commonly known as “Solvency I”.

ACyC is the regulated entity in Atradius subject to Solvency II. Under Solvency II, supervision of the Atradius Group is conducted by GCO, the primary parent company.

ACyC applies a partial internal model to calculate its regulatory capital requirements. That internal model reflects the characteristics of our business more precisely than would be the case applying the regulatory “standard approach” and is used to calculate capital requirement for underwriting risks. The Company continues to use the standard approach for market risks, counterparty default risk and operational risk, as the nature of those risks is such that the internal model approach cannot be assured to be more effective. Approval for the use of our partial internal model was received in 2017.

ACyC's capital adequacy is solid, allowing it to meet its financial obligations efficiently and comply with its legal and regulatory requirements.

4 Group Companies

4.1 Iberinform

Iberinform Internacional, S.A.U. ('Iberinform') has firmly established itself in the commercial and financial information market, offering online international information on more than 37 countries that in aggregate account 70% of the export destinations of Spanish businesses.

It also offers debt collection services that cover more than 200 countries. Iberinform continues developing its strategic agreements with other companies, allowing it to bring to market innovative, value-added information-based services.

The business has performed well and recorded growth over the previous year, mainly lifted by a substantial rise in business from foreign customers. Technological advances and the innovative nature of its business intelligence solutions are the main drivers of this growth. The company's expansion has contributed to consolidate its overall profit margins in recent years.

In 2020, Iberinform took over Iberinform Portugal S.A. and set up a branch in Portugal under the name "Iberinform Internacional S.A.U. Sucursal em Portugal" to continue the business carried on by Iberinform Portugal S.A. before the merger.

4.2 Companies in Brazil

Insurance revenue in Brazil increased by 1% (EUR 22.6 million in 2023).

5 Other Information

5.1 Social commitments

ACyC offers products and services from offices located on six continents and had 2,714 employees at 31 December 2024 (2023: 2,623).

Diversity, equality, and inclusion

Atradius has a Human Resources Policy, dedicated to the professional development of its employees. This Policy is complemented by Atradius' Code of Conduct and, since 2024, also with the new Human Rights Policy and the new Diversity, Equality, and Inclusion Policy. This policy promotes fairness and respect and helps create a positive, inclusive and productive workplace culture.

Increasing the presence of women in middle and senior management

As an international company with diverse workplace, we are committed to rejecting all forms of discrimination.

As positions for managers and leadership team become available, our recent succession planning aim is to include at least one female candidate amongst potential successors.

In terms of recruitment, we ensure our vacancies appear gender-neutral and include an 'equal opportunity for all' statement in all our job postings. Additionally, all hiring managers have been recommended to complete a course on unconscious bias in recruitment.

Inclusive workplace

As an international company with diverse workforce, we are committed to rejecting all forms of discrimination.

In Atradius, we base decisions on hiring, promotion and other working conditions on objective criteria such as merit, ability, experience, skills and responsibilities assumed. As of 2024, in the countries where we are allowed to measure, we have 65 employees with disabilities.

Actions towards equal pay for equal jobs

In line with our efforts to promote an inclusive culture where everyone has equal opportunities to develop, we carefully monitor the gender pay gap. This is the difference between the average remuneration of men and women overall across the organisation and across all levels which is influenced by multiple elements such as years of experience, the different average salary by country, etc. This is the reason why at Atradius the pay gap is analysed using both adjusted and unadjusted pay gap methodologies.

Our adjusted pay gap considers various factors to make the analysis more insightful such as job classification. In 2024, we conducted the first calculation of the adjusted pay gap, which showed a 7.8% difference.

In 2025 we will further refine the metrics to measure the gap and start to address any unjustified pay discrepancies during merit round.

Attracting and Retaining Talent

In 2024, we maintained a retention rate of 91%, consistent with the rate in 2023.

Work-life balance/Healthy habits

Since July 2021, Atradius introduced a hybrid working model allowing employees to work 40% of the working week remotely.

As an add-on to this, we also launched the Growth Program in 2021, a three-year well-being program designed to help our employees adjust to new ways of working. The focus of this program has been personal well-being, maintaining a good work-life balance enhancing the ability to focus, building strong teams in the new hybrid-working world, fostering personal development and emphasising the value of feedback. In 2024, the Growth Program 2.0 was introduced as a continuation of previous webinars with a focus on time management.

Social benefits

In 2024 we have developed an inventory of the social benefits covered in 27 countries. Our goal for 2025 is to review benchmark reports and enhance awareness of benefits in specific countries. This initiative ensures we gain better understanding if our benefits are competitive and attractive to our employees. Afterwards, we will focus on increasing employee awareness by communicating locally the benefits they are entitled to.

Career development

Atradius encourages employees to set their own personal goals and pursue their development and career accordingly. All employees receive annual appraisals and participate in either regular one-to-one meetings with their manager or team meetings to review their performance. They can discuss the challenges they face and set goals.

The Atradius Academy aims to make learning accessible to all via various (virtual) learning and development opportunities such as e-learning courses, webinars, classroom training and development programmes designed in a hybrid fashion with both online and in-person sessions. Specifically, we have offered, for a second-year, various in-house webinars on the various internal IT systems and apps we developed.

All our employees are offered a large variety of learning opportunities This year the average learning hours per employee was 16.7 hours.

Contribution to society and local communities

Atradius Cares was introduced in 2017 to share our resources charitably and give back to society. Over the past years, various events have been organised locally by colleagues around the world.

In 2024, Atradius donated 1.2 million euros to the Occident Foundation. The foundation promotes and finances social projects such as research and educational projects, cultural activities, sport activities and solidarity initiatives.

Atradius actively engages in actions related to health, environmental awareness and solidarity and social actions. In health, various countries join races and charity events to raise funds and awareness for disease prevention and research. In environmental awareness, we expanded the World Cleanup Day to 13 offices around the world

Regarding solidarity and inclusion, Atradius has a long-standing participation in donating to local food banks. and volunteered to provide supplies and services for people in need.

5.2 Sustainable business

Sustainable investment

Atradius has an investment policy that integrates ESG considerations into investment management decisions. The policy excludes companies involved in certain economic sectors, controversial activities, or those with high ESG risk scores. The company is increasing investments in projects that support a low-carbon, resource-efficient, and sustainable economy, as well as projects with social and environmental objectives in line with the priorities set out in the Sustainability Master Plan. In 2024, Atradius achieved a target of 10% sustainable investments, with a goal to increase this to 12% in 2025.

Sustainability in products

Promoting sustainable solutions

At Atradius, we are committed to fostering a sustainable business model that integrates Environmental, Social and Governance (ESG) principles across our operations.

Our current underwriting practice involves continuous monitoring and analysis of our portfolio, including the consideration of ESG information.

Additionally, we thoroughly review each potential customer and buyer on their own merit. But we do not currently restrict our underwriting as our approach aims at engaging with all sectors driving positive change and working closely with clients to understand their unique challenges and opportunities.

In 2024, several pilot solutions have been offered to our customers to help them in their sustainable journey. In Spain, a platform that measures carbon foot-prints and generates action plans for users has been offered to an initial group of 50 customers. In Germany, a software tool has been offered to 300 customers to support them in the development of corporate sustain-ability reports.

5.3 Our Network of Brokers

Our commercial network comprises a renowned network of agents and brokers of the Company who receive continuous support and offer a high level of professional advising throughout the entire process of offering our products and services.

5.4 Reinsurance

The Group's reinsurance includes a quota-share treaty with cession of 35% and an excess of loss contract adapted to the needs of our business.

The reinsurance business made a negative contribution of EUR- 134.5 million (EUR -192.2 million in 2023) to the Company's total result.

The experience, technical support and financial strength of our panel of reinsurers are essential assets for our business and we continue to deepen our professional collaboration with our reinsurers' teams of people.

5.5 Trading with Own Shares

The Company engaged in no transactions with its own shares or with shares of the parent company during 2024 or 2023 and held none of its own shares as treasury stock at those year-ends.

5.6 Average Payment Period

The average payment term to the Company's suppliers for transactions in Spain did not exceed the legal maximum that applied in 2024 which, according to Law 3/2004 of 29 December 2004 on measures to combat late payments in commercial operations, is set at 30 days, unless a different payment period is agreed with the supplier, which may in no case exceed the legal maximum of 60 days.

During 2024 the average payment period was 22.59 days as indicated in Note 11 to the financial statements.

5.7 Financial Instruments

The information on financial investments and on management of liquidity and market risk is included in Note 8 to the accompanying financial statements.

5.8 Subsequent Events

The Company describes the significant events that have occurred after 31 December 2024 in Note 20 to the financial statements.

5.9 Non-Financial Information

The Company is exempt from including the non-financial information indicated in Law 11/2018 of 28 December 2018, because it is included in the consolidated Management Report of Grupo Catalana Occidente, S.A., the head company of the consolidated tax group with which the Company is consolidated. The consolidated Financial Statements of Grupo Catalana Occidente, S.A., together with its consolidated Management Report, will be deposited in the Commercial Registry of Madrid.

5.10 Environmental, social and governance (ESG)

In accordance with Article 19a and Article 29a of Di-rective 2013/34/EU, amended by Directive (EU) 2022/2464 Corporate Sustainability Reporting Di-rective (CSRD), Atradius N.V. is exempted from its ob-ligations with regards to reporting of relevant sustain-ability information outlined under this directive. These obligations are voluntarily fulfilled by the parent com-pany in the GCO consolidated management report 2024.

Good governance

Atradius aims to make sustainability central to its vision of managing risk and enabling trade.

Responsible governance

At Atradius, the Management Board is responsible for approving the sustainability strategy and all policies related to ESG. This ensures that our commitment is integrated into every aspect of our operations and decision-making processes. In 2024, a 5% of the variable remuneration of the Management Board was linked to the achievement of the Sustainability Master Plan 2024–2026 and, in 2025, this approach will also be applicable to the members of our leadership team.

In addition, the Atradius ESG Committee, created in 2022 and chaired by our CFO, Claus Gramlich-Eicher, comprises members of our leadership team from diverse business areas and group functions. The ESG Committee was established to oversee and guide the company's strategies and initiatives related to ESG matters. It is responsible for implementing and monitoring the Sustainability Master Plan, and it regularly reports its progress to the Management Board. In 2024, the ESG Committee held ten meetings, complemented by additional ones conducted by regional committees in Asia, Oceania and the Americas.

Besides the ESG Committee, Atradius also has a dedicated ESG department which promotes, drives and coordinates ESG initiatives throughout the whole organisation.

GCO also has a sustainability committee made up of the main areas of the GCO Group, including Atradius. It promotes, guides and supervises the GCO Group's actions in relation to sustainability and ensures compliance with the objectives established in the Sustainability Master Plan.

Atradius has a set of policies and codes that govern and guide the actions of the entire organisation.

The Code of Conduct defines a set of rules, principles, values, employee expectations, behaviours and relationships that Atradius considers important and believes necessary for our success.
In 2024, we introduced our new Human Rights Policy, replacing a previously existing statement on the matter. Additionally, we developed a Diversity, Equality and Inclusion Policy. Other key policies already in place include Sustainability Policy, Corporate Real Estate Standards Policy, Human Resources Policy and Investment Policy which address specific aspects related to our sustainable principles and actions.

In collaboration with GCO, we have defined the Sustainability Master Plan 2024-2026.

Atradius has developed several programmes, including education sessions, to promote a culture of sustainability within the organisation and ensure that top management and employees are well-informed.

First, as part of the education for top management, the members of the Management Board of Atradius N.V. receive training to equip them with the knowledge to make strategic decisions and lead the Company's sustainability efforts. In 2024, the focus was on the implications of the new European Union ESG regulations.

Regarding employees, in 2024, 95% of employees had completed the sustainability course and we also held the first Sustainability Week. The week was divided into different sessions covering key ESG topics. All Atradius employees were invited to participate, and 1467 employees attended at least one session. All 25+ sessions and courses are available in the Atradius Academy platform for anyone to continue learning.

Finally, in addition to a Sustainability SharePoint, which contains details about our own sustainability initiatives, we launched a Viva Engage Community on “ESG / Sustainability” in 2024. This online community aims to involve employees in ESG actions by sharing sustainability news and inviting employees to share their ideas and local initiatives. As of December 2024, it has more than 350 members generating multiple comments and interactions from employees.

Sustainable Value chain

Recognising that suppliers are critical partners to the success of our business; we are committed to integrating ESG principles throughout our supply chain. In 2024, we began designing a Human Rights and Environmental Due Diligence system for our supply chain.

For that purpose, we used the EcoVadis methodology assessment which identifies potential risks based on factors such as country and sector and an assessment of the company data extracted from a self-assessment questionnaire.

This is an initial step to identifying the ESG risks in our supply chain, that will allow us to adopt appropriate measures to prevent or, if prevention is not possible, mitigate the adverse effects of these impacts. In addition, we also developed a Human Rights Policy which expresses our commitment to respect and promote human rights across all the organisation’s activities and processes, including our supply chain.

International Commitments

Atradius supports the ten principles of the United Nations Global Compact on human rights, labour conditions, the environment and anti-corruption and reports on this annually via our parent company GCO. GCO is also a signatory to the UNEP-FI Principles for Sustainable Insurance and UNPRI Principles for Responsible Investment.

Recognitions

In August 2024, EcoVadis awarded Atradius a Committed Badge in recognition of our sustainability achievements (score of 53, up from 50 in 2023), placing us in the top 49 percent of companies assessed by EcoVadis. The EcoVadis assessment includes 21 sustainability criteria across for core themes: environment, labour & human rights, ethics and sustainable procurement.

Additionally, Atradius' ESG Credit Impact Score from Moody´s is neutral-to-low (CIS-2). This reflects the limited credit impact of Environmental and Social risks on the financial strength rating ('A1' outlook stable).

Environmental responsibility

In most countries, Atradius leases offices either as a single tenant or within a multi-tenant building. To further our commitment to sustainability, we collaborate with the landlords to reduce our carbon footprint and support our sustainability goals.

Atradius has developed a Corporate Real Estate Standards Policy (CRES), which include ESG goals for energy saving measures and procurement procedures when sourcing new office locations. The objective is to optimise and enhance our global offices to support hybrid work. This initiative has already reduced our office space from 102,629 square metres in 2019 to 86,479 square metres in 2024, improving our environmental footprint.

We enhanced our environmental impact measurement by broadening the scope of our calculations to include our commuting emissions. In 2025, we will establish specific targets to reduce CO2 emissions as part of our commitment to achieving carbon neutrality by 2050.

Energy consumption and energy efficiency measures

In 2024, the total electricity consumption at Atradius reached 8,862 MWh, with around 7,163 MWh sourced from renewable energy. In 43 offices, 100% of the electricity consumed is guaranteed to be of renewable origin. Also, our Data Center in Cardiff Office is 100% renewable (2,148 MWh). Spain and Portugal have already reached 100% of renewable energy meeting the target established in the Sustainability Master Plan. Our Top ten countries, excluding Spain, by electricity consumption are using 6,315 MWh with 79% of it being renewable exceeding the 50% target established in the plan.

As of 2024, 13 of our offices hold sustainable building certificates issued by ENERGY Star, BREEAM or LEED. When sourcing new office locations, our specifications include criteria to improve energy efficiency.

To reduce energy consumption, Atradius is implementing various energy efficiency measures. These include replacing existing lighting with energy-efficient and environmentally friendly LED bulbs, installing motion-sensitive lighting systems and adjusting lighting schedules with office hours.

Paper and waste

In 2024, our paper usage resulted in 28.9 tonnes (46% recycled). To minimise our paper usage, we have begun implementing measures to enhance digitalisation. For instance, we have extended EDO (Electronic Delivery Order) for our policy-related communications in several countries.

Travel

Our internal travel policy encourages the use of online meetings as a replacement for travel, aiming to reduce the need for travel whenever possible. This policy includes ESG recommendations to promote environmental consciousness and responsible behaviour. Specifically, it advises minimising air travel, especially for distances under 500 kilometres or less than four hours.

The Atradius Company Lease Car Policy was renewed in 2024 with ESG criteria in mind. Specifically, every two years the maximum CO2 emission allowed per company lease car will be reviewed. For the period 2024-2026, the limit is set at 120 gr/km. To promote environmentally friendly choices, when beneficiaries end their leasing contract, they will be offered an incentive for choosing hybrid or electric car. In 2024, 45% of the kilometres made by company cars were hybrid or electric.

In October 2024, a survey was launched among all employees to gather data on commuting journeys at Atradius. Based on the results, Atradius will continue implementing actions to promote sustainable mobility model such as installing electric car charging stations near the offices.

Insurance associated emissions

In 2023, Atradius initiated the first calculations to measure insurance-associated emissions for its credit insurance business line, aligning its commercial underwriting portfolio to the PCAF standard. Due to the lack of actual emission data for individual SMEs, Atradius used industrial sector average emission figures as a best effort estimate. In 2024, the company focused on improving the availability and quality of data, particularly for multinational companies, where more reliable data is available.

6 Outlook for 2025

Looking back on 2024

Going into 2024, we had predicted global economic activity to decelerate and a weakened GDP in several major economies, combined with increased insolvency rates in most markets. Looking back, 2024 was largely consistent with these expectations, manifesting as headwinds in the development of insurable turnover volumes as well as a progressive increase in claims to levels equal to or above pre-pandemic levels. As the year developed quite consistently with expectations, our strategy remained unaffected, and our focus on our customers and the development of new opportunities unabated.

Heading into 2025

As we transition into 2025, the global landscape presents both opportunities and challenges. While Atradius remains committed to delivering sustainable growth and value, we anticipate navigating several key economic, operational and market-specific hurdles. Our strategies and corresponding initiatives, designed to address these challenges while positioning us for success, are based on our three strategic pillars of growth and customer service, profitability and solvency.

In 2025, we continue to expect pressure on our revenue growth, normalisation of claims as they grow back to their historic averages and the continued pursuit of cost efficiencies. The scale of impact will depend on the following key challenges:

- **Economic fragmentation and rising protectionism** driven by geopolitical tensions between major economies and regions lead to trade disruptions and supply chain vulnerabilities.

- **Monetary policy uncertainty due to persistent inflation** as central banks will be challenged to continue balancing interest rate policies.

- **Volatile energy markets,** due to unpredictable supply dynamics, cause energy price fluctuations, impacting industries reliant on stable energy costs.

- **Fragile growth conditions.** The evolving market needs combined with a dynamic competitive environment and slowing economic activity pose a challenging balancing act. Our response is based on expanding our product offering and flexibility across our commercial operation.

- **Atradius systems.** Optimising our operational efficiency through new releases in our credit insurance platform and continuing efforts to balance costs with rising operational complexities require us to adopt innovative technologies such as AI combined with robotics.

- **Talent retention and development**. Atradius continues to identify and implement key employee development programmes to retain a highly skilled pool of talent.

- **Marketing and distribution.** Reaching and engaging clients with ever-growing diverse and complex needs means balancing traditional intermediaries with other distribution channels while maintaining clear value propositions.

Board of Directors

Xavier Freixes
Hugo Serra
Désirée van Gorp
John Hourican
Carlos Halpern
José María Sunyer
Juan Ignacio Guerrero
Joaquín Guallar
Isabel Gómez