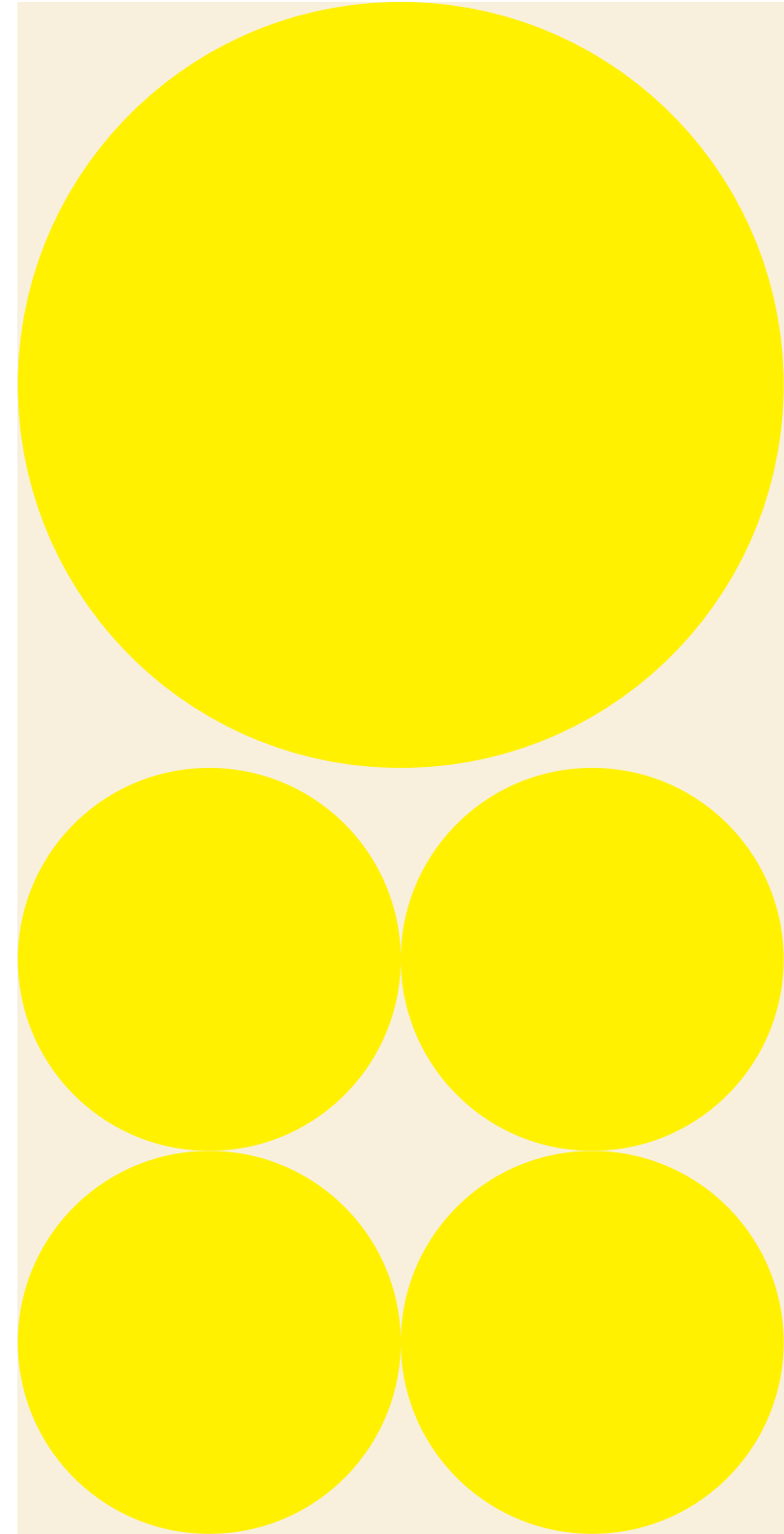


2025 Annual Report

ARAG SE
Single-entity financial statements
and management report



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Overview of the Company



I. Profile of the ARAG Group

Overview

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. When it was founded over 90 years ago, the Company focused purely on legal insurance. Today, ARAG positions itself as an innovative and high-quality insurer that is international and independent. In addition to legal insurance, its portfolio in Germany includes effective, needs-based products and services covering health insurance and casualty and property insurance. The Company aims to generate growth across all insurance segments in Germany and to exploit the potential for expansion in the international legal insurance business.

ARAG SE is responsible for operational Group management and the legal insurance operating business at both domestic and international levels. The ARAG insurance and service companies are responsible for the other lines of business and the related operational management. ARAG Holding SE manages the assets and is the parent company of the Group from a company law perspective.

Legal insurance

In its core legal insurance segment, ARAG is growing rapidly in both Germany and abroad and plays a major role in shaping its markets with innovative products and services. The international legal insurance business is the Group's most significant area of activity. Worldwide, the Group helps its legal insurance customers with just over 1.7 million cases per year, thereby playing its part in resolving sometimes existential legal problems.

Personal insurance

In the private health insurance market, ARAG Krankenversicherungs-AG (ARAG Health) offers a broad range of products with outstanding customer benefits, emphasizing its appeal as one of the best providers of full-coverage and supplementary health insurance. ARAG Core Sales also offers products from a strategic partner, complementing ARAG's services with a retirement pension offering.

Casualty and property insurance

In a fiercely competitive market, ARAG Allgemeine Versicherungs-AG is demonstrating its strength as a competitive provider of property, liability, and accident insurance policies. This company is also Germany's largest sports insurer, providing cover for more than 21 million recreational sports participants and top-ranking athletes across the country. Its subsidiary Interlloyd specializes in attractive brokering products in the commercial and private customer segments, adding a further dimension to the Group's portfolio.



II. Key Figures

Key figures

(€'000 / %)	2025	2024	2023
Sales revenue			
Gross premiums written	1,696,603	1,542,443	1,232,716
Premiums earned net of reinsurance	1,592,427	1,477,912	1,225,696
Expenses			
Claims incurred net of reinsurance	872,956	783,454	626,490
Insurance business operating expenses net of reinsurance	680,243	641,557	540,444
Net income overview			
Underwriting result net of reinsurance	31,892	36,775	41,521
Gains and losses on investments	60,522	80,484	52,371
Other net income/expense	- 31,264	- 39,657	- 49,643
Profit/loss from ordinary activities	61,150	77,603	44,248
Net income for the year	36,875	50,226	21,883
Technical provisions/net premiums earned	146.0%	141.1%	144.0%
Equity/premiums earned net of reinsurance	35.2%	36.8%	41.9%
Key ratios			
Claims ratio, net (basis: premiums earned)	54.8%	53.0%	51.1%
Cost ratio, net (basis: premiums earned)	42.7%	43.4%	44.1%
Net yield	2.1%	3.2%	2.2%
Current average yield	2.1%	2.9%	2.2%



Management Report



I. Company Fundamentals

Business model

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. Its Group companies operate in the health, property, liability, and accident insurance segments in Germany. Service companies and brokerage firms round off the ARAG Group's service offering and support the operating insurance companies. Including Germany, the Group operates in a total of 19 countries through branches, subsidiaries, and equity investments.

ARAG SE is the leading legal insurer worldwide. The Company focuses on product concepts aimed at both private customers and small businesses.

In the international markets, it also operates travel insurance business in connection with its provision of legal insurance.

ARAG SE also serves as the operating management company of the ARAG Group. In this capacity, it holds a controlling interest in ARAG Krankenversicherungs-AG and ARAG Allgemeine Versicherungs-AG, the companies that operate, respectively, the health insurance business and casualty and property insurance business. ARAG SE Core Sales acts as a broker for their insurance products alongside its own legal insurance policies; the offering is rounded off by insurance products, for example life insurance, provided by non-Group insurance companies.

Territory

The territory covered by ARAG SE includes Germany as well as Austria, Belgium, Spain, Greece, Italy, the Netherlands, Portugal, Slovenia, and the United Kingdom. ARAG SE's business outside Germany is operated by the branches.

Legal insurance is also provided in the United States, in Norway and, through branches of the Norwegian subsidiary, in Sweden, Denmark, and Finland. In each case, the business is operated through legally independent affiliated companies, under the unified management of ARAG SE in its role as parent company. The subsidiary ARAG Allgemeine Versicherungs-AG operates the legal insurance and legal-insurance-related emergency assistance business in the Republic of Ireland.

In addition, ARAG SE operates in Switzerland via an equity investment in a legal insurance associate. In the United Kingdom, Canada, and the Republic of Ireland, a Group company acts as a broker for legal insurance business and legal-insurance-related special service package business, passing this business to internal and external primary insurers. Some of this insurance is then ceded to ARAG SE under quota-share reinsurance treaties. An equity investment was also held in a legal insurance company in Luxembourg in 2025.

Segments and classes of insurance

The Company's operations cover direct business in the following classes of insurance in the legal insurance segment:

- Legal insurance listed in the General Terms and Conditions for Legal Insurance (including legal insurance for motorists and families)
- Financial loss legal insurance for members of supervisory boards, advisory councils, and management boards, and for senior managers
- Legal insurance covering criminal proceedings for businesses
- Sundry and non-itemized legal insurance

The European branches in particular also offer legal insurance policies in inward reinsurance business that is treated as direct insurance business. In addition, ARAG SE is increasingly operating inward reinsurance business with Group companies and third parties outside Germany. This includes the after-the-event (ATE) business for legal disputes. In Spain and Italy, ARAG SE's range of legal insurance products is complemented by policies that mitigate the financial consequences if a policyholder loses their driver's license. Business in Spain and Portugal also includes travel assistance insurance.

II. Economic and Sector Conditions

Macroeconomic backdrop

The macroeconomic environment remained volatile in 2025. The economy languished in a prolonged period of stagnation, with structural weaknesses, high energy costs, and a low level of new investment all taking their toll. Pressure came from two directions. US trade policy in the form of protectionist import tariffs gave rise to geopolitical tensions that hampered economic growth, while industry – especially energy-intensive sectors – continued to suffer amid high energy costs and sluggish capital spending. Simultaneously, the skills shortage and demographic change throttled production capacity. Expansionary fiscal policy entailing investment in infrastructure and climate change mitigation was only able to offset the economic weakness to a limited extent. The mood in the economy remained muted, marked by uncertainty surrounding the outlook for global trade and the ability to navigate the structural challenges. Overall, global gross domestic product (GDP) grew by 2.6 percent in 2025 (2024: 2.9 percent) according to the German Council of Economic Experts.

Despite the job market recovering somewhat and moderate growth in real wages, consumer demand continued to be subdued and private capital spending saw little fresh impetus. Over the course of the year, the European Central Bank (ECB) continued its monetary easing and lowered the deposit facility interest rate to support the ailing economy. Germany's rate of inflation stabilized and, according to the German Council of Economic Experts, was on a par with the prior year at around 2.2 percent in 2025 and thus within the ECB's target range.

Insurance industry

The German insurance industry continued to be robust despite this difficult backdrop. Based on provisional information from the German Insurance Association (GDV), the volume of business in the insurance industry in Germany is expected to have remained stable in 2025. Across all insurance segments, a further premium increase of 7.4 percent overall is anticipated (2024: increase of 5.2 percent). In the private health insurance business, the GDV is forecasting a premium increase of 8.0 percent (2024: 4.2 percent), also thanks to premium adjustments. In direct casualty and property insurance business, the overall market is expected to have grown by 7.7 percent (2024: 8.2 percent). Once again, composite residential buildings insurance played a role in this trend with anticipated growth of 7.5 percent in 2025 (2024: 11.9 percent), primarily forged through renewed premium and index adjustments. Legal insurance is also expected to have grown, by 6.0 percent (2024: 5.3 percent), on the back of higher premiums in new business and sustained growth in existing business in 2025.

III. Business Performance

The business performance of ARAG SE, broken down by net assets, financial position, and results of operations, is presented using the following KPIs, which have not been weighted. Premiums written and profit before tax are the most important KPIs.

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

Results of operations

Premiums

Income from gross premiums written totaled €1,696,603 thousand in 2025, following €1,542,443 thousand in the prior year. Of this total, 35.4 percent related to direct business in Germany, which saw income from gross premiums written rise by 9.2 percent to €600,069 thousand (2024: €549,351 thousand). This growth in premiums was driven by a consistently high level of portfolio expansion through new business, premium adjustments, and a low lapse rate of 6.6 percent.

Income from gross premiums written in inward reinsurance business in Germany through the headquarters in Düsseldorf rose by 13.9 percent in 2025, from €254,829 thousand to €290,314 thousand. This increase was largely attributable to the conclusion of a reinsurance treaty with ARAG Legal Expenses Insurance Company Limited (ARAG LEI UK) in the prior year and the restructuring of the contractual relationship in the reporting year. In 2024, premiums had increased by €40,642 thousand due to changes to the portfolio. In 2025, the premium growth of €60,173 thousand stemmed from the restructuring of reinsurance treaties. Disregarding these effects, growth came to 7.4 percent. These growth metrics include the expansion of business in Canada, which was also encouraging.

International branch business delivered income from gross premiums written of €806,219 thousand in 2025, which was an increase of 9.2 percent. The primary reasons for this were business expansion resulting from new business, the signing up of new business partners, and the increased use of brokers as sales channels.

After taking into account unearned premiums and after deduction of the external reinsurers' shares, the Company's remaining net premiums earned amounted to €1,592,427 thousand (2024: €1,477,912 thousand).

The number of direct insurance policies with a term of at least one year came to 5,474,729 at the end of 2025 (December 31, 2024: 5,290,043). Of this total, 2,094,161 (December 31, 2024: 2,004,478) were attributable to the business in Germany and 3,380,568 (December 31, 2024: 3,285,565) to the international branch business. Besides the aforementioned policies in direct insurance business, the international branches have portfolios of inward reinsurance business from primary insurance partners. This business is treated like direct insurance business as ARAG provides all services to customers itself, or brokers and pays for them. This type of inward reinsurance business acts as a sales channel.

Customer benefits

The total expenses for claims incurred came to €872,956 thousand in 2025, compared with €783,454 thousand in 2024.

Overall, the claims ratio net of reinsurance therefore stood at 54.8 percent (2024: 53.0 percent). The increase in claims incurred was due to a rise in the frequency of claims, portfolio growth, inflation, and a rise in attorneys' fees in Germany and Austria.

Direct insurance business in Germany accounted for €413,194 thousand (2024: €357,513 thousand). The claims ratio was 70.0 percent (2024: 66.2 percent). This increase was mainly due to a rise in the frequency of claims, the adjustment of the prior-year provision due to a high level of utilization, and an increase in claim settlement costs.

The claims incurred in the headquarters' inward reinsurance business amounted to €121,729 thousand in 2025 (2024: €125,628 thousand). This gave rise to a claims ratio of 58.7 percent (2024: 60.3 percent). The slight decrease was attributable to the disproportionately high growth in premiums.

International branch business accounted for expenses of €338,033 thousand (2024: €300,313 thousand). The rise was chiefly due to the impact of inflation on attorney and appraiser fees outside Germany, which affected both claim payments and the measurement of claims reserves. The claims reserves were strengthened to account for the impact of inflation. All in all, this increased the claims ratio to 42.5 percent (2024: 41.2 percent).

Insurance business operating expenses

Insurance business operating expenses rose by 6.0 percent to €680,243 thousand in 2025 (2024: €641,557 thousand). The cost ratio came to 42.7 percent (2024: 43.4 percent).

The headquarters' direct insurance business accounted for €231,806 thousand (2024: €216,683 thousand). This increase was primarily due to the higher volume of business and the related rise in commission and staff costs, which went up as a result of adjustments to collective pay agreements. Based on the premium income earned in direct insurance business (net of reinsurance), the cost ratio stood at 39.3 percent (2024: 40.1 percent).

Insurance business operating expenses in the headquarters' inward reinsurance business came to €64,811 thousand (2024: €65,791 thousand). The cost ratio for this part of the business was 31.3 percent, compared with 31.6 percent in the prior year.

Costs of €383,626 thousand (2024: €359,083 thousand) were attributable to international branch business. The rise was mainly due to higher commissions and profit sharing in inward reinsurance business. The cost ratio for this part of the business was 48.3 percent, compared with 49.2 percent in the prior year.

Results of operations by source

Business performance, broken down by German and international business, was as follows:

German insurance business and international insurance business

(€'000)	Germany		International		Total	
	2025	2024	2025	2024	2025	2024
Underwriting income						
Gross premiums written	890,383	804,181	806,219	738,262	1,696,603	1,542,443
Direct insurance business	600,069	549,351	512,684	469,902	1,112,753	1,019,253
Inward reinsurance business	290,314	254,829	293,536	268,361	583,850	523,190
Reinsurance premiums ceded	- 661	- 685	- 569	- 443	- 1,230	- 1,128
Change in net unearned premiums	- 92,372	- 54,865	- 10,574	- 8,538	- 102,946	- 63,402
Premiums earned net of reinsurance	797,350	748,631	795,076	729,281	1,592,427	1,477,912
Miscellaneous underwriting income net of reinsurance	1,337	1,289	417	452	1,753	1,741
Total underwriting income	798,687	749,920	795,493	729,734	1,594,180	1,479,653
Underwriting expenses						
Claims incurred net of reinsurance	534,923	483,141	338,033	300,313	872,956	783,454
Change in sundry net technical provisions	399	- 37	- 198	- 87	201	- 124
Expenses for bonuses and rebates	0	0	128	500	128	500
of which performance-based	0	0	0	0	0	0
of which non-performance-based	0	0	128	500	128	500
Insurance business operating expenses	296,617	282,474	383,626	359,083	680,243	641,557
of which front-end fees	108,283	103,034	70,258	61,130	178,541	164,163
of which administrative expenses	188,334	179,441	313,367	297,954	501,701	477,394
of which reinsurers' share	0	0	0	0	0	0
Miscellaneous underwriting expenses net of reinsurance	0	0	0	0	0	0
Total underwriting expenses	831,141	765,653	721,985	659,983	1,553,126	1,425,635
Subtotal	- 32,453	- 15,733	73,508	69,751	41,054	54,018

→

German insurance business and international insurance business

(€'000)	Germany		International		Total	
	2025	2024	2025	2024	2025	2024
Change in the equalization provision and similar provisions	- 2,176	- 29,109	- 6,987	11,866	- 9,163	- 17,242
Underwriting result net of reinsurance	- 34,629	- 44,842	66,521	81,617	31,892	36,775
Income from investments	57,164	73,892	20,237	18,504	77,401	92,395
Expenses for investments	13,709	7,918	3,170	3,993	16,879	11,911
Gains and losses on investments	43,455	65,974	17,068	14,511	60,522	80,484
Other income	177,250	144,469	6,816	7,434	184,066	151,903 ¹
Other expenses	200,508	176,413	14,822	15,148	215,330	191,561 ¹
Other net income/expense	- 23,258	- 31,943	- 8,005	- 7,714	- 31,264	- 39,657
Profit/loss from ordinary activities	- 14,433	- 10,811	75,583	88,414	61,150	77,603
Net extraordinary income/expense	0	0	0	0	0	0
Profit/loss before tax	- 14,433	- 10,811	75,583	88,414	61,150	77,603
Tax expense	- 5,409	- 284	29,684	27,661	24,275	27,376
Net income for the year	- 9,024	- 10,527	45,899	60,753	36,875	50,226

¹ The headquarters in Germany provides administrative services for the international branches. These are billed using the full cost method plus a mark-up. Because this gives rise to intragroup sales revenue, both the income from the billing and the related expense have to be eliminated from the income statement. The relevant intercompany balances came to €14,768 thousand for 2025 and to €12,268 thousand for 2024. As a result of the elimination of these balances, the totals shown here differ from those in the income statement.

Reinsurance

The volume of outward reinsurance, measured on the basis of insurance premiums ceded, was up year on year at €1,230 thousand (2024: €1,128 thousand). There were no material changes to the reinsurance program, which continued to focus on insuring the risk from large claims through non-proportional reinsurance treaties. The reinsurance business is generally characterized by a low level of claims subject to reinsurance cover. In total, the reinsurers' underwriting result came to a loss of €1,515 thousand in 2025 (2024: profit of €14 thousand).

Underwriting result

The net underwriting result before the equalization provision amounted to €41,054 thousand in 2025 (2024: €54,018 thousand) and was therefore down on the prior-year figure. The combined ratio net of reinsurance stood at 97.5 percent (2024: 96.4 percent). In accordance with the calculation requirements specified in the German Regulation on the Accounting of Insurance Undertakings (RechVersV), €9,163 thousand was added to the equalization provision on the basis of the trends in claims and premiums (2024: addition of €17,242 thousand). The underwriting result net of reinsurance after the equalization provision totaled €31,892 thousand (2024: €36,775 thousand).

Gains and losses on investments

Gains and losses on investments at ARAG SE amounted to a net gain of €60,522 thousand in 2025 (2024: €80,484 thousand), a decrease of €19,962 thousand or 24.8 percent. The moderate movements in interest rates meant that only a low level of write-downs was required, primarily in connection with exchange-rate losses in relation to the Canadian dollar. The restructuring initiated in the prior year of the portfolio of investments in private-equity funds and infrastructure investments was continued in the reporting year, giving rise once again to additional income from equity investments. However, this income was lower than in 2024. The reinvestment of earnings at the Group's own health insurance company further reduced income from equity investments. Furthermore, a subsidiary with which a profit-and-loss transfer agreement is in place transferred less profit due to major loss events and the need to make an addition to the equalization provision. Income from investments of €77,401 thousand was generated in 2025, compared with €92,395 thousand in the prior year. Expenses for investments amounted to €16,879 thousand in the reporting year (2024: €11,911 thousand). They largely rose year on year as a result of the realization of currency risk. The net yield on investments was 2.1 percent in the year under review (2024: 3.2 percent); the current average yield was 2.1 percent (2024: 2.9 percent).

Other net income/expense

Besides expenses that are incurred on behalf of the Company as a whole, including pension and other post-employment benefits for persons no longer with the Company or non-active persons, other net income/expense includes the interest expense for the addition to the provision for pensions and other post-employment benefits. These expenses are not matched by income, so they constitute a sizeable negative profit contribution. ARAG SE also provides a large volume of administrative services for the other Group companies. The Group companies are charged for these services, which therefore have almost no impact on other net income/expense. Services for the brokerage of insurance contracts of other Group companies and of third parties are also rendered. This business generates a gross profit. Overall, other net income/expense improved by €8,393 thousand or 21.2 percent to a net expense of €31,264 thousand in 2025. This improvement was due

to positive exchange-rate effects from inward reinsurance business from the United Kingdom and Canada entered into with non-Group primary insurers and to non-recurring effects resulting from the reversal of provisions. The improvement was partly offset by higher allocations of expenses from sales structure costs for the brokerage of non-legal insurance.

Profit/loss from ordinary activities

Profit from ordinary activities stood at €61,150 thousand (2024: €77,603 thousand). The claims trend and, as anticipated, the deterioration in gains and losses on investments meant that ARAG SE's profit in 2025 fell short of the very good prior-year profit. Nevertheless, the level of profit can be regarded as positive.

Net extraordinary income/expense

There was no extraordinary income or expense in either 2025 or 2024.

Tax expense

Income taxes amounted to an expense of €24,992 thousand (2024: €26,455 thousand). Together with miscellaneous taxes, the total tax expense came to €24,275 thousand (2024: €27,376 thousand). The year-on-year decrease was mainly attributable to profit/loss from operating activities.

The tax expense included income of €156 thousand (2024: €1,205 thousand) that resulted from deferred taxes.

Net income for the year

Overall, the Company's business performance as described above gave rise to markedly lower net income for the year in 2025.

After deduction of the tax expense, net income for the year came to €36,875 thousand (2024: €50,226 thousand).

Comparison of business performance with the forecast

The comparison of business performance with the forecasts made in the 2024 outlook and opportunity report shows that the growth in gross premiums written was higher than forecast. The ongoing growth that was forecast did in fact continue in Germany and in almost all international branches.

Overall, claims incurred net of reinsurance rose in line with expectations. The claims ratio was 54.8 percent, although a ratio of 56.0 percent had been forecast. Inflation had a limited impact on the claims ratio because premium growth was higher than expected.

The ratio of insurance business operating expenses net of reinsurance to premiums earned was slightly lower than the level forecast in 2024, with the cost ratio reaching 42.7 percent.

Due to the upward claims trend, which was only partly offset by the favorable level of costs and the substantially smaller addition to the equalization provision, the underwriting result fell short of the prior-year level.

As expected, gains and losses on investments deteriorated, albeit not to the extent forecast. Instead of a decrease of around €58 million, the net gain actually declined by €20.0 million.

Amounting to a net loss of €31.3 million, other net income/expense was in line with the forecast.

As anticipated, profit before tax was significantly lower than in 2024.

Financial position

The objective of the financial management system is to ensure that the Company holds adequate financial resources and manages its liquidity such that it is able to satisfy its obligations arising from the insurance business at all times and to exceed, rather than simply satisfy, the regulatory requirements concerning the capital adequacy of insurance entities.

In addition to bank balances and cash on hand of €156,929 thousand (December 31, 2024: €155,322 thousand), the Company has investments at its disposal that can be sold on the capital and financial markets at short notice, thus ensuring that the Company is able to satisfy its payment obligations at all times.

Net assets

The breakdown of investments by asset class was as follows:

Investments breakdown

(€'000 / %)	Dec. 31, 2025		Dec. 31, 2024	
Land and buildings	36,382	1.2%	39,991	1.4%
Affiliated companies and equity investments	512,637	17.4%	536,834	19.4%
Lending to affiliated companies and equity investments	19,936	0.7%	6,998	0.3%
Equities and investment fund shares / units	817,458	27.7%	729,028	26.4%
Bearer bonds	1,024,340	34.7%	956,148	34.6%
Loans secured by mortgages or land charges and fixed-income receivables	0	0.0%	0 ¹	0.0%
Registered bonds	79,000	2.7%	44,000	1.6%
Promissory notes, loans	79,943	2.7%	105,940	3.8%
Sundry lending	36	0.0%	67	0.0%
Bank deposits	60,030	2.0%	35,461	1.3%
Other investments	0	0.0%	0	0.0%
Deposits with ceding insurers	319,449	10.8%	307,642	11.1%
Total	2,949,213	100.0%	2,762,109	100.0%

¹ Amount is less than €1 thousand.

Further information on the changes in investments and the fair values as of the balance sheet date can be found in the breakdown of investments shown in the notes to the financial statements. The volume of investments designated for permanent use in the insurance business is shown in the disclosures on accounting policies in the notes to the financial statements.

Overall, the Company continues to be able to satisfy all obligations under existing insurance contracts at all times.

Equity

Overall, the equity of ARAG SE came to €561,197 thousand as of the reporting date (December 31, 2024: €544,322 thousand).

The Company has subscribed capital of €100,000 thousand, capital reserves of €81,773 thousand, statutory reserves of €10,000 thousand, and other revenue reserves of €332,500 thousand.

Corporate governance declaration

Targets for the proportion of women in management functions

ARAG SE firmly believes in the importance of equality and diversity. The development of female managerial staff at all levels is therefore a key priority. ARAG SE endeavors to continually and permanently increase the proportion of women at the first two management levels below the Management Board as well as on the Management Board itself and on the Supervisory Board.

The Supervisory Board had a target of 11 percent in the period to June 30, 2025, which it exceeded with a proportion of 25 percent as of the reporting date. The proportion that was achieved matches the new target for the period to June 30, 2027.

The Management Board had a target of 17 percent for the period to June 30, 2025. This tallied with the actual proportion as of June 30, 2025 and matches the new target for the period to June 30, 2027.

A target of 33 percent for the proportion of female managers had been set for the first management level below the Management Board in the period to June 30, 2025. The actual proportion was 32 percent, so the target was narrowly missed. A new target of 35 percent was adopted for the period to June 30, 2027.

At the second management level below the Management Board, the female-manager target of 39 percent for the period to June 30, 2025 was exceeded as the proportion achieved was 40 percent. The current proportion of 40 percent matches the new target for the period to June 30, 2027.

The disclosures in this section were not audited by the independent auditor.

Non-financial reporting

ARAG Holding SE prepares a Group sustainability report (ARAG Sustainability Report), which is part of the group management report pursuant to section 341j (4) of the German Commercial Code (HGB) and also meets the requirements for a combined non-financial statement prepared in accordance with section 289b et seq. and sections 315b and 315c HGB.

This sustainability report is prepared on a consolidated basis for the ARAG Group and also meets all requirements for a sustainability statement for the ARAG Group pursuant to the European Sustainability Reporting Standards (Delegated Regulation [EU] 2023/2772, ESRS) as well as the non-financial reporting requirements pursuant to sections 289b et seq. HGB and sections 315b and 315c HGB (combined non-financial statement). The sustainability statement for the ARAG Group is prepared in full compliance with ESRS.

Pursuant to section 341a (1a) in conjunction with section 289b (1) HGB, ARAG SE is required to report on non-financial matters. As the Company is included in the group management report issued by its parent company ARAG Holding SE, Düsseldorf, the Company has elected to exercise the exemption option under section 341a (1a) sentence 3 in conjunction with section 289b (3) HGB. Our non-financial statement pursuant to section 289b et seq. HGB is contained in the sustainability report section of the group management report of the ARAG Group. It is an integral part of the management report. The ARAG Group's



sustainability report has been submitted to the agency that runs the Company Register and has been published in the Company Register.

Thanks to ARAG employees, sales partners, customers, and the Works Council

ARAG SE thanks all its employees and sales partners for their hard work and dedication, and its customers for the trust they have placed in the Company. It also extends its thanks to the employee representatives on the Works Council and its committees for the close and constructive cooperation.

IV. Dependent Company Report and Affiliated Companies

The Management Board prepared a report pursuant to section 312 of the German Stock Corporation Act (AktG) concerning relationships with affiliated companies.

In the report's closing statement, the Management Board declared:

“In accordance with the circumstances known to us at the time the legal transactions were undertaken, our Company received appropriate consideration for each legal transaction. Other than the legal transactions listed, the Company did not carry out or omit any other reportable legal transactions or activities.”

ARAG Holding SE, Düsseldorf, indirectly holds a majority interest in ARAG SE. ARAG SE is therefore a dependent company within the meaning of section 17 (1) AktG in relation to ARAG Holding SE.

V. Outlook, Opportunity and Risk Reports

Outlook and opportunity report

The macroeconomic environment continues to be shaped by geopolitical uncertainty in 2026. The developments in the Middle East could come to bear on the pace of global economic growth. In light of the volatile geopolitical situation, future economic conditions remain very difficult to predict.

Current geopolitical tensions could dampen global economic growth and feed into a renewed increase in inflation. If interest rates were to rise, the level of investment could be adversely affected. The international capital markets are also expected to see increased volatility in 2026, with potential knock-on effects on investment income. Europe also faces structural challenges, especially in connection with demographic change and declining productivity in the industrial sector.

In its annual report on the macroeconomic situation dated November 12, 2025, the German Council of Economic Experts predicts that Germany's GDP will rise slightly, by up to 1.0 percent, in 2026. It attributes this moderate recovery in part to calendar effects as well as to financial packages that have been agreed. Nervous international markets will continue to hold back the export industry. The rate of inflation should drop to around 2.1 percent in 2026; it is likely to have been 2.2 percent in 2025. German companies continue to face challenges such as the shortage of skilled workers, high energy prices, and the digital transformation. However, the increased focus on green technologies and innovation could boost competitiveness in the long term, keeping the economy stable overall.

The German Insurance Association (GDV) believes that premium income in Germany could rise by around 4.8 percent across all insurance segments in 2026. As the economic outlook entails a high level of volatility, legal insurance, in particular, can give customers and consumers peace of mind. The GDV anticipates growth of 6.0 percent in premium income in this segment in 2026. For the casualty and property insurance segment as a whole, the association is forecasting a substantial increase in premiums of 5.4 percent. In private health insurance, the experts are also projecting premium growth of 10.5 percent.

Digitalization continues to offer substantial opportunities. The integration of technologies such as artificial intelligence and machine learning mean that it is possible to set up much more efficient administrative channels and, above all, facilitate and develop customer contact, regardless of the time of day or where the parties are located. The huge volumes of data available to insurance companies allow them to perform even more precise risk assessments, offer more personalized policies, and improve their recognition of emerging trends.

The sustainable transformation of the economy and society remains one of the defining challenges for the insurance industry, along with digitalization. In terms of regulation, the insurance industry and the banking industry will play a pivotal role.

With its focus on legal insurance and health insurance, the ARAG Group is well positioned for the future in these times of major upheaval and far-reaching global turmoil. The ARAG 5>30 development program, which the Group launched at the end of 2022, specifies five key areas of action that set out the Group's strategic direction in the period up to 2030.

Changes in the global economy (as a result of tariffs, for example), the collapse of strategic partnerships, the influence of armed conflicts, and the risk of rising inflation are increasingly unnerving people. Studies show that the need for stability and protection and thus the importance of insurance policies are increasing as levels of trust and optimism continue to fall. ARAG SE is therefore expecting greater demand for insurance, particularly legal insurance.

ARAG SE is part of the ARAG Group. It works with an outstanding health insurer and two casualty and property insurers in Germany, cooperates with a single respective casualty and property insurer in the United States, Scandinavia, and the United Kingdom, and works with various insurance operating companies across Europe. Sharing knowledge across borders provides important impetus for the Group when it comes to designing products with customers in mind.

ARAG SE will continue to offer customer-focused insurance coverage with practical benefits at competitive prices. However, restructuring will be necessary in a number of areas this year as some insurance portfolios are no longer sufficiently profitable. Growth will therefore slow down in 2026.

Despite the restructuring measures, claims incurred are expected to decline only modestly compared with 2025 as the restructuring measures need time to take effect. Other inflationary influences on attorneys' fees, appraiser fees, and salaries across the business will initially outweigh the positive effects of product updates, optimization in sales, the restructuring of contracts, and more efficient customer support when claims are made. Furthermore, the frequency of claims is rising, and this is not solely due to the nature of the products.

Despite slower premium growth, the measures will bring about a sustained improvement in the claims ratio of initially around 0.2 percentage points to roughly 55 percent in 2026. Looking further ahead, the claims ratio is expected to experience a further moderate decline.

The cost ratio is expected to remain stable, however. Further increases in staff costs – especially as a result of the strong growth in recent years – will be able to be offset by slightly lower commissions due to the slower rate of growth in 2026, leaving the cost ratio for 2026 on a par with 2025.

The underwriting result is expected to improve considerably year on year. The combined ratio will likely fall temporarily by around 0.3 percentage points compared with 2025. In the long term (three to five years), the downward trend in the combined ratio will continue (target: 94.6 percent).

To further reduce the impact of volatile capital markets on the valuation of investments, ARAG SE expanded the centrally administrated fund structure for private-equity and infrastructure investments that had been established in 2024. This harnesses the opportunities arising from trends in different regions and markets while mitigating any risks that occur by diversifying and spreading investments. Current income from investments will nevertheless decrease in 2026 compared with the reporting year, when it was once again influenced by a high level of income from equity investments in the previous fund structures. Small improvements in the balance of gains and losses on disposals mean that gains and losses on investments will decline by only around 5.8 percent compared with 2025.

Under the ARAG 5>30 strategy program, the ARAG Group's gross premium income was projected to increase to €3 billion by 2030. Because this target had already been achieved as of December 31, 2025, a firmer focus will be placed on the profitability of the insurance portfolios going forward. Premium growth therefore continues to be targeted, but at a much lower rate than previously. This growth strategy will vary between business units. In markets that have recorded strong growth and are profitable, the strategy will be adapted to a lesser extent than in markets that have not been able to contribute as much to ARAG SE's positive earnings situation to date.

The policy that has been pursued in recent years of building up valuation reserves in investments and creating major potential for offsetting risk by aggregating them in fund of funds structures will help ARAG SE to get through 2026. The situation for investments is undergoing a paradigm shift. Previously reliable structures in the global world order are having to be reassessed. It is impossible to predict how the economic situation will be impacted by new alliances, unresolved old and new crises, and unpredictable tariff policies of leading trading nations. For the next three years, therefore, the net gain on investments is forecast to remain between €47 million and €57 million per year. This is based on valuation reserves continuing to be built up.

The net expense under other net income/expense will likely deteriorate significantly in 2026 compared with 2025. This is because the figure for the reporting year benefited from favorable exchange-rate movements.

Taking into account the discernible opportunities and risks, ARAG SE forecasts that business will hold steady in 2026 albeit with a slightly lower profit before tax than in 2025.



Risk report

Risk management system

Risk strategy The objective of pursuing a conservative risk and solvency policy, as specified in the business strategy, provides the framework for the structure of the risk strategy. The risk strategy sets out the risk profile of the Group companies and the structure of the individual risk exposures associated with the strategic business objectives. It also describes the tools for ensuring compliance with the prescribed risk-bearing capacity based on the risk appetite specified by the Management Board. Risks are therefore managed in the round, ensuring at all times that the overall risk profile is consistent with the risk strategy. Risks are quantified and risk-bearing capacity is measured in line with the statutory requirements of Solvency II.

Limit system The maximum permitted solvency capital requirement for the Group and its affiliated companies is determined on the basis of the risk appetite and the eligible own funds. Using this maximum requirement, the responsible management boards of the individual insurance companies set an overall limit that is then apportioned to the most important risks and sub-risks. The limit system is reviewed annually. The utilization of the limits is calculated during the year so that an assessment can then be made as to whether further risks can be assumed or if risks need to be reduced. A traffic light system is used, for both risk-bearing capacity and the limits at risk category level. The system enables ARAG to monitor changes in the utilization of limits and initiate corrective measures if necessary.

ORSA The own risk and solvency assessment (ORSA) process verifies that the changes in the most significant individual risks over the next four financial years will remain manageable, thereby ensuring that the ARAG Group continues to meet the objective of the conservative risk and solvency policy over the long term. To this end, the ORSA process

determines ARAG's overall solvency requirement and own funds for each planning year, providing an indication of the future coverage requirement. The Management Board is responsible for the annual ORSA process and takes a lead role in ensuring it is carried out.

Independent risk control function The independent risk control function is responsible for implementing the risk management system. This function is carried out by the Group Risk Management Central Department. Group Risk Management is separate from the operational departments with profit-and-loss responsibility up to Management Board level. The Chief Risk Officer is a member of the Management Board of ARAG SE and bears responsibility for the implementation of the risk management system in all Group companies. The system is largely implemented in the form of a risk governance model, through which rules for implementing the risk-relevant processes in the Company are defined in groupwide policies and guidelines. By reporting regularly to the Company's Management Board, the independent risk control function also ensures comprehensive transparency with regard to the risk position and any changes to the risk position.

Operating decisions about whether or not to pursue opportunities and/or take on risk are made in the units with relevant responsibility.

Risk management process The risk management process comprises risk identification, risk analysis, risk assessment, risk management, risk monitoring, and risk reporting.

The aim of risk identification is to identify the emergence of new risks or changes in existing risks at an early stage and to assess them using a standard procedure. For example, risks arising in connection with the development of new markets or the launch of new products are identified, analyzed, measured, and submitted to the Management Board for decision using appropriate cross-functional review processes, such as the new-product process.



To ensure risks are assessed appropriately, the influencing factors determining the relevant exposure on the Solvency II balance sheet are analyzed. These influencing factors are validated to check that they are appropriate for the measurement of risk.

All identified risks are regularly measured. The key element in this process is the solvency capital requirement that is calculated for all downside risk. The purpose is to ensure that unexpected losses are covered. This requirement quantifies the loss from the risk exposures occurring within a specific holding period (one year) and with a specified level of probability (99.5 percent). In addition, a qualitative assessment is carried out in the ORSA process.

Operational management of risk is carried out by the managers and process owners in those departments where the risks occur. Risk management consists of implementing measures to reduce, mitigate, transfer, and diversify risks.

A key element of risk monitoring is examining changes in the risk profile over time, focusing on risk-bearing capacity and utilization of the limits. Risk monitoring takes into account the regulatory and internal requirements regarding minimum cover. The results from the risk monitoring process and the associated recommendations for action are reported to the Management Board promptly and on a continual basis. Unexpected or extreme events can also affect a company's risk profile. Ad hoc reports are submitted if this is the case.

Internal control system The internal control system (ICS) refers to all control and monitoring mechanisms as well as other measures that help to support the effectiveness and profitability of business activities and to identify and minimize risk at an early stage. It also ensures compliance with the applicable laws and regulations, all regulatory requirements, and internal rules.

The ARAG Group structures its ICS in accordance with the 'three lines' model, which the Company has adopted:

First line: The first line of defense is formed by all employees and managers in operational roles who are responsible for identifying and evaluating the risks in their area as part of the risk control process.

Second line: The monitoring of the business and central units is carried out by various interdisciplinary functions (the Group Controlling, Group Legal and Compliance, Group Risk Management, Actuarial Function, and Central IT Steering Central Departments) that specify standards for the design and monitoring of controls and the handling of risk.

Third line: Under its remit as the internal auditor for the Group companies, the Group Internal Audit Central Department conducts internal audits of the functions in the first and second lines within the ARAG Group. The Group Internal Audit Central Department is also the internal auditor for the Group companies that have contractually appointed it to this role. Following the orders issued by the Management Board, the Group Internal Audit Central Department examines the operational and organizational structure as well as the ICS for all operating and business processes from a risk perspective.

Risk categories

Underwriting risk and market risk are of considerable significance for the Company, whereas counterparty default risk, liquidity risk, and operational risk are of lesser importance.

Underwriting risk Underwriting risk is the risk of a loss arising from inadequate pricing or inadequate assumptions used in determining underwriting liabilities. These losses result from various risk types, including:

- Premium/reserve risk: fluctuations in the timing, frequency, and severity of insured events and in the duration of claims settlement and the amount involved in relation to the premiums generated in an insurance period.
- Accumulation risk: significant uncertainties regarding pricing and assumptions in respect of the recognition of technical provisions for extreme or exceptional events that affect multiple policyholders at the same time.
- Lapse risk: adverse changes in the level or volatility of the rates of insurance policy lapses and terminations.

These risks are measured using an internal model. A simulation is used to forecast a level of loss that would only be expected every 200 years (a 1 in 200 year event indicates the one-year loss anticipated with a probability of 99.5 percent). Future claims and/or required additions to reserves are calculated for premium and reserve risk on the basis of historical claims. Likewise, catastrophe risk and accumulation risk are assessed by simulating potential accumulation losses in the legal insurance business. Lapse risk is calculated on the basis of past lapse rates. The actual underwriting risk arises from the aggregation of the individual risks, taking diversification effects into account. The methodology used for the internally modelled risks is regularly reviewed using backtesting and validation tests.

The ORSA process identified events that can have a material impact on underwriting risk. Examples include accumulation risk resulting from a rising number of legal cases, attorneys signing up additional clients, and the negative economic impact of geopolitical conflicts.

The effects of these events are managed by making adjustments in product design and underwriting. Important measures implemented to restrict the risks include risk limits and an excess of loss treaty as a form of outward reinsurance.

The consistency of the insurance business and the adequacy of the claims provisions at all times can be seen in the following disclosures on the changes in the claims ratio for the entire direct insurance business over the last ten financial years.

Changes in claims ratio

Financial year (%)	Claims ratio, gross, total		Profit / loss on settlements
	FY ratio	Financial statements	% of initial reserve
2025	58.9	56.9	1.9
2024	56.8	54.0	2.6
2023	55.4	51.8	3.1
2022	55.4	50.3	4.2
2021	55.8	52.2	2.8
2020	59.3	54.3	3.9
2019	57.1	53.0	3.3
2018	54.7	51.6	2.5
2017	57.1	53.4	2.8
2016	57.7	51.2	4.6

Market risk Market risk is the risk of loss due to adverse changes to market prices of assets, liabilities, and financial instruments. The risk arises directly or indirectly from the following sub-risks:

- Interest-rate risk: changes in the term structure or volatility of interest rates. For example, an assumed increase or decrease of 1 percentage point in the general level of interest rates would increase or decrease the fair value of the fixed-income securities by approximately €87,464 thousand.
- Equity risk: changes in the level or volatility of the market prices of equities. For example, an assumed fall in equities markets of 20.0 percent would cause a loss in fair value of €42,444 thousand.
- Property risk: changes in the level or volatility of the market prices of real estate.
- Currency risk: changes in the level or volatility of exchange rates.
- Spread risk: changes in the level or volatility of credit spreads over the risk-free interest-rate term structure.
- Migration/default risk: rating changes or changes in the extent of projected defaults. The breakdown of interest-bearing investments by rating is as follows:

Rating class (direct investment and funds)

(Proportion [%] by fair value)	Dec. 31, 2025
AAA	21.5%
AA	15.3%
A	32.4%
BBB	24.0%
BB	3.3%
B	1.7%
CCC	0.5%
CC	0.0%
C	0.0%
D	0.0%
Not rated	1.3%

The breakdown of fixed-income securities is as follows (fair values): Of the fixed-income securities – including securities held indirectly through institutional funds – 32.3 percent are accounted for by financial services entities, 27.3 percent by public-sector bonds, and 40.4 percent by corporate bonds.

These risks are measured with an internal model. An economic scenario generator is used to simulate capital market scenarios looking at factors such as interest rates, share prices, real estate prices, credit spreads, credit ratings/defaults, and exchange rates. These risk factors are used to determine the possible fair values of investments in one year's time. The market risk itself results from the 1 in 200 year event considering all risk factors simultaneously, and from concentration risk, taking diversification effects into account. The methodology used for the internally modelled risks is regularly reviewed using back-testing and validation tests.

The ORSA process identified events that can have a material impact on market risk. They include corrections in the financial markets, the impact of climate change on investments, and negative changes in investments due to the escalation of geopolitical conflicts.

At strategic level, risk is limited by virtue of the fact that market risk limits are taken into account when determining the strategic asset allocation each year. An annual review of the asset/liability management (ALM) situation also ensures that these risk mitigation measures remain effective over the long term. Operational measures to mitigate risk are set out in the investment guidelines.

Counterparty default risk Counterparty default risk in the insurance business largely arises in connection with receivables from reinsurers and receivables from policyholders and insurance brokers. It is the downside risk arising from the unexpected default or deterioration in the credit standing of counterparties and debtors during the next twelve months.

Counterparty default risk is measured with the partial internal model. The risk of default on receivables from reinsurers is measured on the basis of the information available and proportionality considerations. The counterparties' individual credit ratings are explicitly used. To measure the risk of default on receivables from policyholders and insurance brokers, a constant factor is applied to the fair value of the relevant exposures on the Solvency II balance sheet.

The measures implemented to limit risk include requirements in respect of the selected reinsurers (such as a minimum rating) and an automated procedure for issuing reminders to recover receivables due from policyholders.

The amount of the receivables due from reinsurers, broken down by external ratings, can be found in the notes to the financial statements. As of the balance sheet date, receivables from policyholders more than 90 days past due amounted to €6,733 thousand (December 31, 2024: €5,803 thousand). The average default rate for these receivables over the last three years as of December 31, 2025 was 4.2 percent (December 31, 2024: 4.1 percent).

Liquidity risk Liquidity risk is the risk that insurance companies are unable to realize investments and other assets in order to settle their financial obligations when they fall due. Liquidity risk is therefore a derived risk: It is a type of investment risk (assets are not liquid) and a type of underwriting risk (insurance benefits due for payment may exceed available liquidity).

Liquidity risk is measured by calculating the monthly excess liquidity cover or liquidity shortfall on a rolling basis. Liquidity planning is updated constantly so that ARAG has early warning of whether it will require liquidity in the coming months. ALM is used to determine the liquidity requirement over the medium to long term.

Risk limitation measures include ALM and rolling liquidity planning.

Operational risk Operational risk is the risk arising from inadequate or failed internal processes or systems, employee misconduct, or unexpected external events that disrupt or even prevent business operations. Operational risk also encompasses legal risk and reputational risk but does not include risks arising from strategic decisions.

The Company uses the standard formula to determine the appropriate solvency capital requirement. Measurement for operational purposes is carried out using an expert assessment on the basis of two dimensions: probability of occurrence and impact. The probability of occurrence describes the likelihood that an operational risk will materialize within a defined period. The second dimension describes the potential impact of the occurrence of an operational risk and is measured in quantitative or qualitative terms. The gross and net values are recorded for each dimension. The gross values are the values before implementation of possible measures to mitigate the risk; the net values are the values after implementation of the chosen measures. Risk limitation measures are specified by the managers concerned on a case-by-case basis. When identifying and evaluating operational risks, the risk managers consider known loss events that are recorded in a loss database. This contains data on all loss events that have occurred and their actual impact. Consequently, the plausibility of subjective estimates can be tested.

The ORSA process identified events that can have a material impact on operational risk. They include cyberattacks, the unavailability of outsourced IT services, the failure of critical infrastructure, or risks of a legal nature. Mounting regulations and a potential resulting rise in bureaucracy may tie up resources in the operating business. Penetration (PEN) tests are carried out to prevent cyberattacks. The selection procedure for IT service providers involves due diligence, an extensive risk assessment, the definition of an exit strategy, and permanent monitoring. ARAG is a non-systemically important entity and



has contingency plans in place to maintain operations in the event of critical infrastructure failures. To reduce risks of a legal nature, extensive legislative monitoring has been established in order to identify changes at the earliest opportunity. In addition, internal training is held on an ongoing basis to avoid violations of the law.

Strategic risk Strategic risk arises from strategic business decisions, including business decisions that have not been adapted in line with changes in the economic environment. Failing to adapt the business model in line with a changed competitive environment (the establishment of new fintechs, insurtechs, and legaltechs and competing business models) may also have a negative impact on existing and new business, as can the loss of sales partners, the shortage of skilled workers, geopolitical conflicts, or the increasing use of artificial intelligence by competitors.

Risk limitation measures are agreed in line with the specific risk. These include measures to retain skilled workers, such as an appropriate remuneration structure and schemes to support high-potential and high-performing employees. The use of strategy-based AI projects and use cases increases the competitiveness of the business model. The competitive situation is being strengthened with innovative solutions and a bigger online presence. This necessitates the ongoing monitoring of competitors' new business models.

Overall risk position

The regulatory minimum capital requirement in accordance with the provisions of the German Insurance Supervision Act (VAG) is met in full. The Solvency II coverage ratio of 330.2 percent (December 31, 2024: 298.1 percent) shows that the eligible own funds are higher than the solvency capital requirement calculated in accordance with VAG. The Solvency II coverage ratio is not included in the audit of the financial statements.

Over a planning period of three years, the risks of a change in the combined ratio were assessed, as were the risks of climate change for investments. The impact on investments was also quantified in line with the 2025 stress test defined by the European Insurance and Occupational Pensions Authority (EIOPA). The outcome showed that the solvency capital requirement will be sufficiently covered for the next three years of the plan.

The overall risk position does not currently point to any trends that could jeopardize the continued existence of the Company as a going concern or cause a significant negative impact on net assets, financial position, or results of operations.



Financial Statements



I. Balance Sheet

Balance sheet as of December 31 – assets

(€)	Dec. 31, 2025	Dec. 31, 2024
A. Intangible assets		
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	3,101,130.08	3,189,883.90
	3,101,130.08	3,189,883.90
B. Investments		
I. Land, land rights and buildings, including buildings on third-party land	36,382,280.04	39,990,945.73
II. Investments in affiliated companies and equity investments		
1. Shares in affiliated companies	494,976,296.58	519,172,841.51
2. Lending to affiliated companies	19,936,313.00	6,998,257.20
3. Equity investments	17,660,898.19	17,660,899.19
	532,573,507.77	543,831,997.90
III. Miscellaneous investments		
1. Equities, investment fund shares/units, and other variable-yield securities	817,458,153.07	729,027,690.91
2. Bearer bonds and other fixed-income securities	1,024,340,453.83	956,148,239.90
3. Loans secured by mortgages or land charges and fixed-income receivables	0.00	1.00
4. Miscellaneous lending		
a) Registered bonds	79,000,000.00	44,000,000.00
b) Promissory notes and loans	79,943,388.72	105,939,886.15
c) Sundry lending	35,676.32	66,962.09
	158,979,065.04	150,006,848.24
5. Bank deposits	60,029,800.00	35,460,778.30
	2,060,807,471.94	1,870,643,558.35
IV. Deposits with ceding insurers	319,449,405.44	307,642,040.46
	2,949,212,665.19	2,762,108,542.44





Balance sheet as of December 31 – assets

(€)	Dec. 31, 2025	Dec. 31, 2024
C. Receivables		
I. Receivables from direct insurance business		
1. from policyholders	48,169,723.85	41,380,754.05
2. from insurance brokers	27,375,638.43	27,669,104.22
of which from affiliated companies: €0.00 (Dec. 31, 2024: €74.34)		
	75,545,362.28	69,049,858.27
II. Receivables from reinsurance business	67,857,138.89	48,119,656.27
of which from affiliated companies: €13,632,600.89 (Dec. 31, 2024: €0.00)		
of which from other long-term investees and investors: €63,726.07 (Dec. 31, 2024: €57,621.78)		
III. Miscellaneous receivables	29,337,466.99	36,846,591.13
of which from affiliated companies: €25,158,576.38 (Dec. 31, 2024: €32,521,613.50)		
of which from other long-term investees and investors: €229,704.17 (Dec. 31, 2024: €198,069.62)		
	172,739,968.16	154,016,105.67
D. Miscellaneous assets		
I. Property and equipment and inventories	12,959,376.68	12,096,802.18
II. Current bank balances, checks and cash on hand	96,899,008.03	119,861,208.21
III. Other assets	21,328,177.78	22,610,634.97
	131,186,562.49	154,568,645.36
E. Prepaid expenses and accrued income		
I. Accrued interest and rent	13,499,136.63	10,666,970.15
II. Miscellaneous prepaid expenses and accrued income	60,841,444.74	12,886,802.02
	74,340,581.37	23,553,772.17
Total assets	3,330,580,907.29	3,097,436,949.54



Balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
A. Equity		
I. Subscribed capital	100,000,000.00	100,000,000.00
II. Capital reserves	81,772,569.19	81,772,569.19
III. Revenue reserves		
1. Statutory reserves	10,000,000.00	10,000,000.00
2. Other revenue reserves	332,500,000.00	302,300,000.00
	342,500,000.00	312,300,000.00
IV. Profit brought forward	49,441.56	23,111.02
V. Net income for the year	36,874,794.54	50,226,330.54
	561,196,805.29	544,322,010.75
B. Technical provisions		
I. Unearned premiums		
1. Gross amount	420,165,062.99	303,981,855.42
2. less: portion for outward reinsurance business	- 170,379.01	0.00
	419,994,683.98	303,981,855.42
II. Provision for outstanding claims		
1. Gross amount	1,769,185,086.79	1,656,364,428.73
2. less: portion for outward reinsurance business	- 602,362.36	- 1,716,043.90
	1,768,582,724.43	1,654,648,384.83
III. Provision for performance-based and non-performance-based bonuses and rebates		
1. Gross amount	0.00	500,000.00
2. less: portion for outward reinsurance business	0.00	0.00
	0.00	500,000.00
IV. Equalization provision and similar provisions	134,633,919.00	125,471,151.00
V. Miscellaneous technical provisions		
1. Gross amount	988,000.00	1,189,000.00
2. less: portion for outward reinsurance business	0.00	0.00
	988,000.00	1,189,000.00
	2,324,199,327.41	2,085,790,391.25

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– Balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
C. Other provisions		
I. Provisions for pensions and other post-employment benefits	207,893,807.69	215,524,272.00
II. Provisions for taxes	6,118,916.39	15,252,744.59
III. Miscellaneous provisions	88,834,674.33	86,229,697.27
	302,847,398.41	317,006,713.86
D. Deposits received from reinsurers	287.68	287.68
E. Other liabilities		
I. Liabilities from direct insurance business to		
1. policyholders	19,712,561.48	19,886,894.71
2. insurance brokers	35,089,536.09	32,154,159.01
of which to affiliated companies: €166,266.65 (Dec. 31, 2024: €134,089.78)		
of which to other long-term investees and investors: €0.00 (Dec. 31, 2024: €0.00)		
	54,802,097.57	52,041,053.72
II. Liabilities from reinsurance business	2,745,551.11	38,997,108.44
of which to affiliated companies: €0.00 (Dec. 31, 2024: €37,629,656.86)		
of which to other long-term investees and investors: €0.00 (Dec. 31, 2024: €0.00)		
III. Miscellaneous liabilities	83,216,160.15	57,440,628.55
of which tax liabilities: €22,417,160.63 (Dec. 31, 2024: €22,674,366.74)		
of which social security liabilities: €2,031,263.54 (Dec. 31, 2024: €2,098,473.85)		
of which to affiliated companies: €41,603,981.09 (Dec. 31, 2024: €17,692,723.49)		
of which to other long-term investees and investors: €0.00 (Dec. 31, 2024: €0.00)		
	140,763,808.83	148,478,790.71
F. Deferred income and accrued expenses	176,190.42	285,753.03
G. Deferred tax liabilities	1,397,089.25	1,553,002.26
Total equity and liabilities	3,330,580,907.29	3,097,436,949.54

II. Income Statement

Income statement for the period from January 1 to December 31

(€)	2025	2024
I. Underwriting account		
1. Premiums earned net of reinsurance		
a) Gross premiums written	1,696,602,563.81	1,542,442,827.02
b) Reinsurance premiums ceded	- 1,229,970.60	- 1,128,318.08
	1,695,372,593.21	1,541,314,508.94
c) Change in gross unearned premiums	- 103,116,362.81	- 63,402,486.93
d) Change in reinsurers' share of gross unearned premiums	170,379.01	0.00
	- 102,945,983.80	- 63,402,486.93
	1,592,426,609.41	1,477,912,022.01
2. Miscellaneous underwriting income net of reinsurance	1,753,469.11	1,741,276.48
3. Claims incurred net of reinsurance		
a) Payments for claims		
aa) Gross amount	746,067,968.24	556,318,144.26
bb) Reinsurers' share	- 658,059.20	- 573,822.89
	745,409,909.04	555,744,321.37
b) Change in provision for outstanding claims		
aa) Gross amount	126,432,451.98	228,278,542.35
bb) Reinsurers' share	1,113,681.54	- 568,708.37
	127,546,133.52	227,709,833.98
	872,956,042.56	783,454,155.35
4. Change in sundry net technical provisions	201,000.00	- 124,000.00
5. Expenses for performance-based and non-performance-based bonuses and rebates net of reinsurance	128,000.00	500,000.00
6. Insurance business operating expenses net of reinsurance		
a) Gross insurance business operating expenses	680,242,743.25	641,557,327.61
b) less: commissions received and profit sharing received from outward reinsurance business	0.00	0.00
	680,242,743.25	641,557,327.61
7. Miscellaneous underwriting expenses net of reinsurance	0.00	0.00
8. Subtotal	41,054,292.71	54,017,815.53
9. Change in the equalization provision and similar provisions	- 9,162,768.00	- 17,242,406.00
10. Underwriting result net of reinsurance	31,891,524.71	36,775,409.53

Income statement for the period from January 1 to December 31

(€)	2025	2024
II. Non-underwriting account		
1. Income from investments		
a) Income from equity investments	29,022,856.98	35,017,418.12
of which from affiliated companies: €19,858,283.31 (2024: €26,963,251.28)		
b) Income from other investments		
of which from affiliated companies: €4,548,013.89 (2024: €2,613,261.17)		
aa) Income from land, land rights and buildings, including buildings on third-party land	4,051,961.74	4,387,690.37
bb) Income from other investments	34,952,025.61	35,855,911.97
	39,003,987.35	40,243,602.34
c) Income from reversals of write-downs	6,767,900.79	7,147,248.91
d) Gains on the disposal of investments	1,456,235.30	1,306,426.60
e) Income from profit-pooling, profit-transfer and partial profit-transfer agreements	1,150,409.88	8,680,684.01
	77,401,390.30	92,395,379.98
2. Expenses for investments		
a) Expenses for the management of investments, interest expense and similar charges and other expenses for investments	9,375,963.23	9,218,323.97
b) Depreciation, amortization and write-downs of investments	5,421,802.91	2,160,531.71
of which write-downs: €4,655,422.75 (2024: €1,264,943.09)		
c) Losses on the disposal of investments	2,081,487.29	532,029.25
d) Expenses from the transfer of losses	0.00	0.00
	16,879,253.43	11,910,884.93
	60,522,136.87	80,484,495.05
3. Other income	184,065,870.43	151,903,451.74
4. Other expenses	215,329,819.17	191,560,776.93
	- 31,263,948.74	- 39,657,325.19
5. Profit/loss from ordinary activities	61,149,712.84	77,602,579.39
6. Extraordinary income	0.00	0.00
7. Extraordinary expenses	0.00	0.00
8. Net extraordinary income/expense	0.00	0.00
9. Income taxes	24,992,475.49	26,454,863.53
of which deferred income taxes: - €155,913.01 (2024: - €1,204,915.60)		
10. Miscellaneous taxes	- 717,557.19	921,385.32
	24,274,918.30	27,376,248.85
11. Net income for the year	36,874,794.54	50,226,330.54

Notes to the Financial Statements

III. General Disclosures

ARAG SE is entered in the commercial register of the Düsseldorf local court under the number HRB 66846. Its registered office is ARAG Platz 1, 40472 Düsseldorf, Germany.

The Company prepared these financial statements for 2025 in accordance with the requirements of the German Commercial Code (HGB) for large corporations. When preparing the financial statements, it also took into account the supplementary provisions applicable to corporations and the additional provisions applicable to insurance companies, the German Insurance Supervision Act (VAG), and the German Regulation on the Accounting of Insurance Undertakings (RechVersV).

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

The financial statements are presented on the basis of financial statement forms 1 and 2 pursuant to section 2 RechVersV. The Company is a large corporation within the meaning of section 267 (3) HGB. Therefore, and pursuant to the obligations under section 341a (1) HGB, the accounting rules for large corporations were applied.

IV. Disclosures on Accounting Policies

The single-entity financial statements of the entities included in the consolidated financial statements are nearly all prepared in accordance with the same accounting policies used by the ARAG Group. The following accounting principles and valuation requirements arising from the pertinent legislation are applied.

Accounting policies

Intangible assets

Purchased intangible assets are recognized at cost on the balance sheet and reduced by straight-line amortization according to their estimated useful life. This item largely comprises standard software and customized software.

Land and buildings

Land, land rights and buildings, including buildings on third-party land, are valued at cost less straight-line depreciation and amortization. The useful life of buildings is estimated to be in the range of 40 to 50 years.

Investments in affiliated companies and equity investments

Investments in affiliated companies and equity investments are valued at cost, written down accordingly where permanent impairment has occurred. If there is a sustained recovery in value, the write-downs of the carrying amount are reversed to no more than the historical cost.



Lending to affiliated companies and equity investments

Lending to affiliated companies and equity investments is recognized at cost, which is generally the same as the nominal amount. The cost is reduced by scheduled principal repayments over the term of the loan.

Equities, investment fund shares/units, and other variable-yield securities

Securities that are accounted for as current assets are valued following the strict principle of lower of cost or market value. If the reasons for a write-down cease to apply, the write-down is reversed to the lower of cost or fair value.

If investments are classified for permanent use in business operations, short-term fluctuations in the market price do not result in changes to the carrying amount due to application of the discretionary principle of lower of cost or market value. Only long-term changes in fair value are recognized.

The fund value is calculated by looking through to the individual components of the fund. Criteria for reviewing long-term changes in the value of fixed-income securities are their credit rating and nominal amount. Comparisons with historical valuation parameters are used for equities. For shares in affiliated companies, in infrastructure investments, and in real estate investments, expert appraisals are obtained from the investment management companies based on the net asset value (NAV) for the quarter prior to the reporting date.

Bearer bonds and other fixed-income securities

Contrary to the principle set forth in section 341b (2) HGB and unless stated otherwise, bearer bonds and other fixed-income securities are treated as fixed assets and therefore the discretionary principle of lower of cost or market value is used. The strict principle of lower of cost or market value is applied to securities without a rating. A write-down to less

than the nominal value is considered permanent if there has been a material deterioration in the issuer's credit rating. An indicator of this is if the credit rating has been downgraded by two or more notches since acquisition. If contractually defined payments are in default, permanent impairment can be assumed. Changes in the value of securities denominated in foreign currency as a result of changes in the euro exchange rate are considered permanent. The write-down to fair value is determined using the maturity-dependent probability of default in conjunction with the loss given default. The fair value is used for subsequent measurement until such time as the reason for the write-down no longer applies. If securities are acquired above or below par and held to maturity, the difference between this amount and the nominal value forms a component of cost. It is posted together with the security but treated separately. The difference (a premium or a discount) is amortized over the term of the bearer bond using the effective interest method.

Loans secured by mortgages or land charges and fixed-income receivables, and other investments

Loans secured by mortgages or land charges and fixed-income receivables, and other investments are accounted for at fair value, which equates to their amortized cost.

Registered bonds

Registered bonds are accounted for at their nominal or redemption amount. Any premiums to be accrued and discounts to be deferred are reclassified to income using the straight-line method over the term to maturity. Any zero-coupon registered bonds are recognized at the lower of amortized cost or fair value.

Promissory notes and loans, and sundry lending

Promissory notes, loans, and sundry lending items are recognized at cost unless permanently impaired. Premiums and discounts are amortized over the term using the effective interest method.

The structured products held in the portfolio of direct investments in registered bonds and promissory notes are simply structured products pursuant to the pronouncement IDW AcP HFA 22 issued by the Main Technical Committee of the Institute of Public Auditors in Germany (IDW).

Bank deposits

Bank deposits are recognized at their nominal amount.

Deposits with ceding insurers

Deposits with ceding insurers are recognized at the nominal value of the collateral furnished to cedants.

A sum of €255,680 thousand serves as a hedge in the context of hedge accounting pursuant to section 254 HGB to offset currency risk from inward reinsurance business from the United Kingdom. The deposits with ceding insurers were not valued above cost. The hedge was recognized using the gross hedge presentation method and taking account of the prohibition on offsetting expenses and income. The hedged item and the hedge – a furnished cash deposit – contained in the technical provisions are combined in a single contract and inextricably linked. The cash flows from the hedge fully offset the cash flows from the hedged item. Prepaid expenses and accrued income of €46,879 thousand are also included in the hedge.

Investments are individually assigned to the business units (headquarters and branches). The assignment is documented by recording the investments in the relevant books of the business unit concerned and by maintaining separate securities accounts. Income from investments is allocated to each business unit according to the assignment of the investment in question. Assignments are reviewed annually using the modified capital allocation approach determined by the German tax authorities – which has been approved by the

Organisation for Economic Co-operation and Development (OECD) – and adjusted by means of compensatory payments where necessary.

Receivables from direct insurance business

Receivables from direct insurance business are generally recognized at their nominal amount. Where necessary, non-recoverable receivables from policyholders are written down or are reduced by specific allowances or by a general allowance on the basis of exceeding a predefined due date.

Receivables from insurance brokers

Receivables from insurance brokers are reduced by specific allowances and, where applicable, a general allowance in the amount of the likely default.

Receivables from reinsurance business

Receivables from reinsurance business are recognized at the amount of the outstanding balances. Balances denominated in foreign currency are translated into euros on the transaction date. They are then translated again as of the balance sheet date using the exchange rate applicable on that date, disregarding both the realization principle and the historical cost convention. The maturity of the receivables is less than one year.

This item also includes reinsurance receivables that are not yet due in connection with inward after-the-event (ATE) business from the United Kingdom. The litigation cost risk for ongoing court proceedings is insured in this business. An insurance premium only arises if the policyholder wins. The reinsurance receivable therefore does not arise until the related court proceedings have been concluded. The credit risk is taken into account by recognizing an accrual for the full amount in the provision for unearned premiums, which means that there is no need to recognize loss allowances. The term of this portion of the receivables from reinsurance business (€10,511 thousand; December 31, 2024: €0 thousand) is more than one year on average.

Miscellaneous receivables

These receivables are generally recognized at their nominal amount. A general allowance in the amount of anticipated defaults was deducted from the receivables from real estate rentals and from prepaid premiums collected via third parties.

Property and equipment and inventories

Property and equipment is recognized at cost and depreciated on a straight-line basis over the standard operating useful life.

Inventories are determined by carrying out physical inventory checks. They are valued at cost and reduced by appropriate write-downs to account for storage risk and impaired marketability.

Current bank balances, checks and cash on hand

Current bank balances, checks, and cash on hand are recognized at cost. This equates to the nominal amount. Balances are documented in the form of bank statements and cash records. Payment orders that have been issued but not executed as of the reporting date are deducted from the balances for the purposes of the carrying amounts reported on the balance sheet.

Bank balances denominated in foreign currency are translated using the middle spot rate as of the reporting date, disregarding both historical cost convention and the realization principle, provided the balances have maturities of no more than one year. Items denominated in foreign currency with longer maturities are valued using the transaction exchange rate or the middle spot rate as of the reporting date where the resulting value is lower than the cost.

Other assets

Other assets are recognized at their nominal amount, which equates to their cost.

Prepaid expenses and accrued income

Prepaid expenses and accrued income are recognized at nominal value and mainly consist of interest receivables that are not yet due from interest-bearing securities and from loans.

This item also includes reinsurance commissions that have been granted but not yet incurred in inward ATE business from the United Kingdom. The litigation cost risk for ongoing court proceedings is insured in this business. An insurance premium only arises if the policyholder wins. The commission expense therefore does not arise until the related court proceedings have been concluded. The term of this portion of the prepaid expenses and accrued income (€46,879 thousand; December 31, 2024: €0 thousand) is more than one year on average.

Deferred tax assets and liabilities

If differences arise between the carrying amounts in the HGB financial statements and those in the tax base and these differences are expected to reverse in subsequent years, deferred taxes are recognized in respect of these differences using separate entity-specific tax rates applicable in the country in which the registered office of the entity concerned is situated. This also includes differences for which the timing of the reversal is not yet precisely known or depends on action by the entity concerned, and differences that would only reverse in the event of any liquidation. The deferred tax assets and liabilities expected to result from the reversal effects are netted separately for each tax jurisdiction. They are recognized on the balance sheet only if there is a net liability. Net deferred tax assets are not recognized.

The calculation of deferred taxes is based on a tax rate of between 26.3 percent and 31.3 percent for Germany, 23.0 percent for Austria, and 22.5 percent for Portugal. There are no deferred tax matters in other countries where ARAG maintains permanent establishments.

When the tax rate was calculated for Germany, the gradual reduction in the rate of corporate income tax from 2028 stipulated by the German Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location of July 18, 2025 (reduction from 15 percent to 10 percent in annual steps of 1 percentage point) was taken into account.

Deferred taxes mainly result from differences in the valuation of shares, investment fund shares/units, and bearer bonds, of technical provisions, of provisions for pensions and other post-employment benefits, and of other line items on the balance sheet. Including the tax group subsidiaries ARAG Allgemeine Versicherungs-AG and Interloyd Versicherungs-AG, there was an excess of deferred tax assets over deferred tax liabilities in Germany. It has not been recognized because the option available under section 274 (1) sentence 2 HGB has not been exercised. At the branches outside Germany, deferred taxes amounted to a liability of €3,975 thousand (December 31, 2024: €4,040 thousand). This figure was netted with deferred tax assets of €2,578 thousand (December 31, 2024: €2,487 thousand), resulting in the recognition of a net deferred tax liability of €1,397 thousand (December 31, 2024: €1,553 thousand).

Equity

The Company's fully paid-up share capital is reported as called capital. The capital reserves consist of capital receipts from external sources in accordance with section 272 (2) no. 4 HGB that are not derived from its earnings. The revenue reserves comprise the statutory reserves and the other revenue reserves. The single-entity financial statements are prepared before appropriation of profit.

Unearned premiums

Gross unearned premiums for direct insurance business are calculated pro rata on the basis of the premiums and lapses/cancellations posted, less the installment surcharges. The non-transferable income components are deducted from the unearned premiums.

The gross unearned premiums for inward reinsurance business are recognized in accordance with the information provided by the primary insurer. This includes insurance

premiums written but not yet earned from ATE business from the United Kingdom. An accrual is recognized for these in the full amount until the related court proceedings – for which litigation costs are insured – have been concluded.

Based on instructions issued by the German tax authorities in 1974, the non-transferable income components are deducted from the unearned premiums as this reflects common accounting practice in Germany and its application is required by the principles for ensuring proper accounting. This 'deduction of costs' is not carried out for ATE business from the United Kingdom. In this business, the reinsurance commissions that do not arise until the related court proceedings have been concluded but were billed in advance are recognized under prepaid expenses and accrued income.

To mitigate the risks from movements in exchange rates, the assets and liabilities from the reinsurance treaties that have been in place with ARAG Legal Expenses Insurance Company Limited since January 1, 2024 are aggregated in a hedge within the meaning of section 254 HGB. Of the total amount of unearned premiums, a sum of €147,349 thousand (2024: €50,428 thousand) was included in the hedge. The hedge was recognized using the gross hedge presentation method and taking account of the prohibition on offsetting expenses and income. The hedged item and the hedge – a furnished cash deposit – contained in the technical provisions are combined in a single contract and inextricably linked. This ensures matching maturities and that the currency risk is hedged.

The reinsurers' share of the unearned premiums is determined in accordance with the contractual agreements.

Provision for outstanding claims

The provision for outstanding claims in relation to direct insurance business is recognized separately by event year for claims reported in the financial year concerned and for claims that have occurred up to the balance sheet date but have not yet been reported. The provision for outstanding claims is generally determined individually and measured according to specific requirements.

If there is a high number of open claims with similar risks, group-based valuation approaches are used if individual valuation would be difficult or involve a disproportionate amount of effort.

General provisions are recognized for claims incurred but not reported and reopened claims on the basis of empirical values. The empirical values are based on time series of reported claims and claim payments, which are projected for the future using actuarial methods for each claim year.

Claim settlement payments yet to be made were recognized separately when measuring the provision for outstanding claims. This provision is valued in accordance with prudent business practice, taking into account the ongoing need to satisfy the obligations under insurance contracts. Valuation is based on values as of the balance sheet date. The principles set forth in the decree from the German Federal Ministry of Finance (BMF) dated February 2, 1973 were also taken into account for valuation on the HGB balance sheet.

The claims provisions for inward reinsurance business are recognized in accordance with the information provided by the primary insurer. If the amounts stated by the primary insurer are clearly insufficient, additional reserves are recognized. They are estimated using actuarial forecasting methods.

In 2025, a new reinsurance treaty was concluded for business from the United Kingdom. Entry of all existing primary insurance contracts into the treaty with effect from January 1, 2025 resulted in a portfolio entry of €41,218 thousand before the deduction of costs. To mitigate the risks from movements in exchange rates, the assets and liabilities from this hedged item are aggregated in a hedge within the meaning of section 254 HGB. Of the total amount of the provision for outstanding claims, a sum of €165,722 thousand (2024: €153,880 thousand) was included in the hedge. The hedge was recognized using the gross hedge presentation method and taking account of the prohibition on offsetting

expenses and income. The hedged item and the hedge – a furnished cash deposit – contained in the technical provisions are in each case combined in a single contract and inextricably linked. This ensures matching maturities and that the currency risk is hedged.

The portions relating to outward reinsurance business are calculated in accordance with the stipulations in the reinsurance treaties.

Provision for performance-based and non-performance-based bonuses and rebates

The provision was recognized at nominal value in accordance with the arrangements agreed with the policyholders in the insurance policies concerning the refund of premiums in travel insurance.

Equalization provision

The equalization provision for the direct insurance and inward reinsurance business is recognized and valued in accordance with section 341h HGB in conjunction with section 29 RechVersV. For the annual adjustment amounts, the calculated equalization provision is allocated between the Company headquarters and the branches according to gross premiums earned in each class of insurance.

The calculation is carried out separately for the direct insurance business and for the inward reinsurance business, in each case broken down by class of insurance.

Miscellaneous technical provisions

Miscellaneous technical provisions are recognized in the required settlement amount determined in accordance with prudent business practice.

The lapse provision (reported under miscellaneous technical provisions) for discontinuation and reduction of risk in direct insurance business was calculated using a lapse rate based on empirical values in the year under review.

Provisions for pensions and other post-employment benefits

Provisions for pensions and other post-employment benefits are calculated using actuarial principles in accordance with the projected unit credit (PUC) method on the basis of the Heubeck 2018 G mortality tables.

For organizational units in other countries, local mortality tables are used that accurately reflect life expectancy outside Germany.

In addition to current circumstances, future trends in salaries, pensions, and staff turnover are taken into account. The discount rate used is the estimated average interest rate for the past ten years published by Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) for an assumed residual maturity of 15 years. The rate was not published until January 2026. In 2024 and 2025, a discount rate was applied for the valuation as of December 31 based on the average for the past ten years. This rate as of the reporting date was 2.05 percent (December 31, 2024: 1.90 percent). The interest rate used was forecast at the end of the year using market data as of October 1, 2025 and was determined in accordance with RückAbzinsV. The estimation differences are only minor and do not give rise to a materially different valuation.

The addition of interest was recognized under other expenses. By contrast, expenses and income from changes in the discount rate are recognized in expenses for pension and other post-employment benefits and allocated to the functional areas of the Company as part of the allocation of costs.

As of December 31, 2025, the difference between the application of the ten-year average and the seven-year average (2.21 percent; December 31, 2024: 1.97 percent) caused an increase in the provision for pensions and other post-employment benefits of €4,260 thousand (December 31, 2024: increase of €1,444 thousand).

The following actuarial parameters were used to calculate the obligations: pension age: earliest possible age under the German Pension Age Reform Act (RVAGAnpG); annual

increase in salaries: 2.50 percent; annual increase in pension benefits: 2.10 percent, for Austria: 2.00 percent.

The level of staff turnover taken into account reflects the generally observable age-dependent average for the industry and has only a minor impact on the settlement value.

Assets from reinsurance (plan assets) are offset against the defined benefit obligation. The fair value of the assets corresponds to the settlement amount of the offset liabilities (€742 thousand; December 31, 2024: €765 thousand).

The option pursuant to section 28 (1) of the Introductory Act to the German Commercial Code (EGHGB), which permits provisions for pensions and other post-employment benefits not to be recognized for legacy entitlements, has not been exercised.

Securities intended to cover defined benefit obligations are offset at fair value (€993 thousand; December 31, 2024: €976 thousand) against the present value of the obligation. As the cost was higher than the fair value, there was no amount that was not allowed to be distributed as a dividend pursuant to section 268 (8) sentence 3 HGB. In any case, this matter does not affect the distributable dividend because sufficient distributable reserves are available.

In Italy, there are obligations to pay medical expenses for employees leaving the Company upon reaching retirement age, obligations for additional pension benefits for long-serving employees, and obligations to convert severance payments into pension entitlements. The obligations were measured on the basis of actuarial principles using the life expectancy taken from gender-specific table A62, staff turnover until the age of 65 of 3.00 percent, and a discount rate of 2.05 percent (2024: 1.90 percent).

Provisions for taxes

Provisions for taxes are recognized in the anticipated settlement amount determined in accordance with prudent business practice.

Miscellaneous provisions

The miscellaneous provisions are generally recognized in the amount that is necessary to settle the obligation according to prudent business practice. Their residual maturity is generally less than one year.

Miscellaneous provisions with a maturity of more than one year are discounted using the discount rate published by Deutsche Bundesbank for their term to maturity.

Specific accounting policies are applied to the following key miscellaneous provisions:

Provisions for early retirement obligations

Provisions for early retirement obligations are recognized for those persons with whom individual contractual agreements have been reached. The provisions were calculated in accordance with actuarial principles on the basis of the Heubeck 2018 G mortality tables, applying a discount rate of 2.21 percent (seven-year average; 2024: 1.97 percent) and future salary increases of 2.50 percent per year.

Provisions for pre-retirement part-time employment agreements

In 2025, a provision in accordance with the pre-retirement part-time employment agreement for the private insurance industry was recognized – in line with the relevant IDW accounting principle – using a maturity-matched discount rate of 2.21 percent (2024: 1.97 percent). Credit balances on employee working hours account models are protected against insolvency in accordance with the German Pre-Retirement Part-Time Employment Act (AltTZG) by means of a fixed liability guarantee from a German commercial bank.

Long-service provision

A long-service provision was recognized in the year under review for long-service awards to be paid to employees. The provision was calculated using the PUC method taking into account death rates pursuant to the Heubeck 2018 G mortality tables and applying a

discount rate of 2.21 percent (seven-year average; 2024: 1.97 percent) in accordance with section 253 (2) HGB. The calculation also included staff turnover at an average rate of 1.50 percent and salary increases at a rate of 2.50 percent. The earliest possible pension age under RVAGAnpG was selected as the final age.

Deposits from reinsurers

Deposits received from reinsurers are accounted for at the nominal value of the collateral received. Their residual maturity is less than one year.

Other liabilities

The liabilities from direct insurance business and the liabilities from reinsurance business are valued at their nominal amount in euros. Liabilities denominated in foreign currency are translated using the exchange rate on the date of the transaction. They are translated again as of the reporting date using the closing rate. If the liabilities have a term of more than one year, they are only reported at the amount translated using the closing rate if this is required under the parity principle. All non-interest-bearing liabilities are valued at the higher of their nominal amount or settlement value. Miscellaneous liabilities are recognized at their settlement value.

Deferred income and accrued expenses

Deferred income and accrued expenses are recognized at their settlement value.

Currency translation

Receivables and liabilities that are due in less than one year and denominated in foreign currency are recognized using the middle spot rate as of the reporting date, disregarding both the historical cost convention and the realization principle.

Income and expenses are recognized using the transaction exchange rate on the date of the relevant inflow or outflow.

Fair value disclosures pursuant to section 54 RechVersV

Fair values of land, land rights and buildings, including buildings on third-party land

All land and buildings are valued using the income capitalization approach on the basis of the market rents calculated as of the reporting date. Valuation reports are prepared internally and by third parties to determine the fair values. These reports satisfy the requirements of section 55 (3) RechVersV. Each year, new valuation reports are prepared or the existing reports are revised internally based on updated underlying data. In line with the recommendation of the German Insurance Association (GDV), the internal adjustment is carried out using the simplified income capitalization approach.

Fair values for investments in affiliated companies and equity investments

The shares and equity investments are generally valued using the income capitalization approach.

Shares in fund management companies that invest in infrastructure funds and private-equity funds are treated for valuation purposes as alternative investment funds (AIFs) within the meaning of section 1 (3) of the German Investment Code (KAGB) and are therefore not subject to individual measurement using internal methods. Instead, the net asset value (NAV) communicated by the investment management company is used as the fair value. This NAV is derived from the previous quarter. If there is a high level of calls for contributions and repayments of capital in the last quarter of the year, the value is substituted by the NAV calculated for Solvency II purposes in accordance with article 75 of Directive 2009/138/EC. Other exceptions relate to companies that are no longer actively operating or that are no longer profitable for an extended period but still have a high intrinsic value. Instead, these companies are valued using ARAG SE's share in equity. If equity investments and shares are acquired close to the reporting date, the carrying amount is used as the fair value.

Fair values for equities, investment fund shares/units, bearer bonds, and other fixed-income securities

The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

For institutional investment fund shares/units, the redemption price calculated by the investment management company in a fund look-through is used as the fair value. Equities within the funds are recognized at their quoted market price, whereas fixed-income securities within the funds are recognized at their market value. The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

Shares/units in infrastructure funds, real estate funds, and private-equity funds are recognized at their reported NAVs.

The fair values of fixed-income securities are determined using their quoted market prices and the valuation method for this balance sheet line item described above.

Fair values of miscellaneous investments

The market values of securities that are not exchange-traded (registered bonds, promissory notes) are calculated on the basis of the swap curve. This involves determining the discount rate on the swap curve corresponding to the maturity of the security being valued. Any spreads resulting from the structure of the individual security (maturity, collateral, credit rating, etc.) are taken into account as appropriate. The remaining investments are recognized at quoted market price or market value.

Fair values broken down by asset class

The fair values broken down by asset class are shown under 'Balance Sheet Disclosures – Assets' in the notes to the financial statements.

V. Balance Sheet Disclosures – Assets

Changes in asset items A., B., I. to III. in the reporting year

(€'000)	Carrying amount Dec. 31, 2024	Currency translation differences	Additions	Disposals	Reclassifications	Reversals of write-downs	Write-downs	Carrying amount Dec. 31, 2025	Fair value pursuant to sec. 54 RechVersV	Hidden reserve/ undisclosed liability Dec. 31, 2025
A. Intangible assets										
1. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	3,190	0	1,911	0	0	0	2,000	3,101	3,101	0
2. Goodwill	0	0	0	0	0	0	0	0	0	0
Total for A.	3,190	0	1,911	0	0	0	2,000	3,101	3,101	0
B. I. Land, land rights and buildings, including buildings on third-party land	39,991	0	46	2,889	0	0	766	36,382	50,490	14,108
II. Investments in affiliated companies and equity investments										
1. Shares in affiliated companies	519,173	0	61,795	90,570	907	4,579	907	494,976	1,107,782	612,806
2. Lending to affiliated companies	6,998	- 462	13,400	0	0	0	0	19,936	19,945	8
3. Equity investments	17,661	0	907	0	- 907	0	0	17,661	88,196	70,534
Total for B. II.	543,832	- 462	76,102	90,570	0	4,579	907	532,574	1,215,922	683,349
III. Miscellaneous investments										
1. Equities, investment fund shares/units, and other variable-yield securities	729,028	0	90,732	1,586	0	0	716	817,458	929,440	111,981
2. Bearer bonds and other fixed-income securities	956,148	- 1,315	185,920	115,568	0	2,189	3,033	1,024,340	1,005,159	- 19,182
3. Loans secured by mortgages or land charges and fixed-income receivables	0	0	0	0	0	0	0	0	0	0
4. Miscellaneous lending										
a) Registered bonds	44,000	0	45,000	10,000	0	0	0	79,000	76,794	- 2,206
b) Promissory notes and loans	105,940	0	17	26,014	0	0	0	79,943	78,719	- 1,224
c) Sundry lending	67	0	6	37	0	0	0	36	36	0
5. Bank deposits	35,461	- 295	57,185	32,321	0	0	0	60,030	60,030	0
Total for B. III.	1,870,644	- 1,610	378,860	185,526	0	2,189	3,749	2,060,807	2,150,177	89,369
IV. Deposits with ceding insurers	307,642	- 12,375	841,102	816,920	0	0	0	319,449	319,449	0
Total for B.	2,762,109	- 14,447	1,296,110	1,095,905	0	6,768	5,422	2,949,213	3,736,038	786,825
Total	2,765,298	- 14,447	1,298,021	1,095,905	0	6,768	7,422	2,952,314	3,739,139	786,825

Land and buildings

Write-downs of €0 thousand (2024: €1,029 thousand) were recognized on land in the year under review owing to anticipated permanent asset impairment.

Reversals of write-downs of €0 thousand were recognized in the reporting year (2024: €0 thousand) due to the reason for the lower carrying amount no longer applying.

Land and buildings with a carrying amount of €27,176 thousand (December 31, 2024: €27,820 thousand) were used for the Company's own business operations.

Investments in affiliated companies and equity investments

Write-downs of €907 thousand were recognized in the reporting year (2024: €0 thousand). Reversals of write-downs of €4,579 thousand were recognized in the reporting year (2024: €4,509 thousand) due to the reason for the original write-downs no longer applying.

Shares in affiliated companies and equity investments with a shareholding of at least 20.0 percent that are intended to serve the Company's own operations by establishing a lasting relationship were as follows:

List of shareholdings

Name and registered office of company (%/€'000)	Shareholding	Equity	Net income/loss for the year
Shares in affiliated companies			
Agencia de Seguros ARAG S.A., Barcelona (figures from the last available financial statements [for the year ended Dec. 31, 2024])	100.00%	220	47
ALIN 1 GmbH & Co. KG, Düsseldorf	100.00%	42,552	12,581
ALIN 1 Verwaltungs-GmbH, Düsseldorf	100.00%	40	2
ARRAG 2000 Grundstücksgesellschaft eGmbH, Düsseldorf	50.90%	62,381	2,202
ARRAG Allgemeine Versicherungs-AG, Düsseldorf	100.00%	70,323	1,150
ARRAG International Holding GmbH, Düsseldorf	100.00%	167,323	20,791
ARRAG IT GmbH, Düsseldorf	100.00%	4,334	142
ARRAG Krankenversicherungs-AG, Munich	94.00%	123,234	13,700
ARRAG Legal Services B.V., Leusden	100.00%	311	- 3
ARRAG Legal Solutions Inc., Toronto	100.00%	6,021	185
ARRAG Liegenschaftsverwaltungs- und Beratungsgesellschaft mbH, Düsseldorf	100.00%	163	6
ARRAG Liegenschaftsverwaltungs- und Beratungs-GmbH & Co. Immobilien KG, Düsseldorf	50.00%	5,624	195
ARRAG NORDIC AS, Oslo	100.00%	24,677	5,256
ARRAG Service Center GmbH, Düsseldorf	80.00%	627	109
ARRAG Services Australia Pty Ltd., Sydney	100.00%	296	- 875
ARRAG Services Spain & Portugal S. L., Barcelona (figures from the last available financial statements [for the year ended Dec. 31, 2024])	100.00%	664	6
ARRAG-France Assistance et Règlement de Sinistres Automobiles et Généraux S.A.R.L. (ARRAG F), Versailles	100.00%	19	0
Cura Versicherungsvermittlung GmbH, Düsseldorf	100.00%	6,656	2,384
Justix GmbH, Düsseldorf (operations discontinued)	100.00%	896	8
SolFin GmbH, Düsseldorf	75.10%	601	262
ARRAG UK Holdings Limited, Caerphilly	100.00%	59,789	373
Associates			
AXA-ARRAG Rechtsschutz AG, Zurich	29.17%	60,667	26,329
Miscellaneous equity investments			
Jusperta GmbH, Düsseldorf	33.33%	25	148

Equities, investment fund shares/units, and other variable-yield securities

In the reporting year, write-downs of €0 thousand had to be recognized in line with the strict principle of lower of cost or market value (2024: €0 thousand).

Applying the discretionary principle of lower of cost or market value, write-downs amounting to €716 thousand (2024: €141 thousand) were recognized. No reversals of write-downs

due to the reasons for the recognition of the original write-down no longer applying were recognized in 2025 or in 2024.

As of the reporting date, application of the discretionary principle of lower of cost or market value resulted in undisclosed liabilities (netted) of €0 thousand (December 31, 2024: €0 thousand).

The portfolio of investments contains the following investment funds of which more than 10.0 percent is held by the Company:

Disclosures pursuant to section 285 no. 26 HGB

Fund (€'000)	Type of fund	Investment objective	Carrying amount Dec. 31, 2025	Market value Dec. 31, 2025	Difference	Dividend in 2025
ARRE	Mixed fund	Increased income	659,271	767,750	108,479	2,941
Universal Invest AI – SE	Mixed fund	Increased income	145,650	148,546	2,896	0
Total			804,921	916,296	111,375	2,941

Rights of redemption for investors

ARRE

Investors have the right to request from the company the redemption of the investment fund units/shares on any stock market trading day. The investment management company is required to take back the investment fund units/shares at the applicable redemption price for the account of the fund. The depositary bank is responsible for accepting the return. The redemption of investment fund units/shares can be suspended if exceptional circumstances are deemed to warrant doing so in the interests of the investors. Investors must be informed in such case without undue delay. They must also be informed about the resumption of redemption without undue delay.

Universal Invest AI – SE

Investors have the right to request from the company at any time the redemption of the investment fund units/shares in accordance with the relevant provisions in the general terms and conditions of investment. The investment management company is required to take back the investment fund units/shares at the applicable redemption price for the account of the fund. The depositary bank is responsible for accepting the return. The redemption of investment fund units/shares can be suspended if exceptional circumstances are deemed to warrant doing so in the interests of the investors. Investors must be informed in such case without undue delay. They must also be informed about the resumption of redemption without undue delay.



Bearer bonds and other fixed-income securities

Bearer bonds with a carrying amount of €798,128 thousand (December 31, 2024: €723,958 thousand) were classified as permanent investments and treated as fixed assets at ARAG SE.

In the reporting year, write-downs of €3,033 thousand had to be recognized in line with the strict principle of lower of cost or market value (2024: €95 thousand).

Applying the discretionary principle of lower of cost or market value, write-downs amounting to €0 thousand (2024: €0 thousand) were recognized. Reversals of write-downs were recognized in an amount of €2,189 thousand (2024: €2,601 thousand) because there was a recovery in value.

As of the reporting date, application of the discretionary principle of lower of cost or market value resulted in undisclosed liabilities (netted) of €19,182 thousand (December 31, 2024: €14,390 thousand).

Loans secured by mortgages or land charges and fixed-income receivables, and other investments

No write-downs to a lower fair value were necessary in the year under review or the previous year.

Registered bonds

No write-downs to a lower fair value were necessary in the reporting year or the previous year.

Measured on the basis of the theoretical market value relative to the swap curve, the registered bonds recognized at their nominal amounts less any amounts redeemed temporarily gave rise to an undisclosed liability (netted) of €2,206 thousand as of December 31, 2025 (December 31, 2024: €830 thousand).

Promissory notes and loans, and sundry lending

No write-downs to a lower fair value needed to be recognized in the reporting year (2024: €0 thousand).

Measured on the basis of the theoretical market value relative to the swap curve, the promissory notes and loans temporarily gave rise to an undisclosed liability of €1,224 thousand as of December 31, 2025 (December 31, 2024: €2,880 thousand).

Receivables from reinsurance business

The balance of €67,857 thousand (December 31, 2024: €48,120 thousand) arose from current business. The amounts recognized are the outstanding balances.

Rating class

(€'000)	Dec. 31, 2025
AA-	201,613
A+	772,367
A	29,277,589
A-	3,650,766
BBB+	956,282
Not rated (intragroup)	13,632,601
Not rated	19,365,921

Miscellaneous receivables

All items under miscellaneous receivables are due within one year.

Miscellaneous receivables mainly comprise balances from intragroup clearing transactions, from claims settlement assistance for primary insurance partners, and from pending purchase transactions (payments on account).

Prepaid expenses and accrued income

Prepaid expenses and accrued income consist of accrued rights to interest in the income period before the balance sheet date.

This item also comprises cash payments made before the balance sheet date that are treated as an expense in the subsequent year.

At €46,879 thousand, the main item within prepaid expenses and accrued income stemmed from the neutralization of reinsurance commissions that have been granted and billed but have not yet been paid or incurred for ATE business from the United Kingdom. The insurance relates to litigation costs for ongoing proceedings. An insurance premium is only earned in such cases if the policyholder wins the proceedings. Recognition of the expense and payment of the reinsurance commission are dependent on the premiums earned.

VI. Balance Sheet Disclosures – Equity and Liabilities

Equity

Equity

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Total equity	561,197	544,322
of which		
1. Subscribed capital		
Share capital	100,000	100,000
2. Capital reserves pursuant to section 272 (2) no. 4 HGB		
Capital reserves as of Jan. 1	81,773	81,773
Withdrawals from capital reserves	0	0
Appropriation to capital reserves	0	0
Capital reserves as of Dec. 31	81,773	81,773
3. Revenue reserves		
a) Statutory reserves		
Brought forward as of Jan. 1	10,000	10,000
Withdrawals	0	0
Appropriation to revenue reserves	0	0
Appropriation from profit	0	0
Balance as of Dec. 31	10,000	10,000
b) Other revenue reserves		
Brought forward as of Jan. 1	302,300	300,400
Withdrawals from revenue reserves	0	0
Appropriation to revenue reserves	0	0
Additions approved by the Annual General Meeting	30,200	1,900
Appropriation from current net retained profit	0	0
Balance as of Dec. 31	332,500	302,300
	342,500	312,300
4. Net retained profit		
Net retained profit as of Jan. 1	50,249	21,923
Appropriation of profits: dividend	- 20,000	- 20,000
Appropriation of profits: appropriation to revenue reserves	- 30,200	- 1,900
Profit brought forward	49	23
Net income for the year	36,875	50,226
Appropriation to statutory reserves (section 150 (2) AktG)	0	0
Appropriation to other revenue reserves	0	0
Net retained profit as of Dec. 31	36,924	50,249

The subscribed capital has been fully paid up by the shareholders. It is divided into 62,500 ordinary shares, each representing €1,600 of the nominal amount of the subscribed capital.

The capital reserves consist exclusively of amounts that shareholders have contributed to the equity of the Company in accordance with section 272 (2) no. 4 HGB.

The full amount of the statutory reserves has been recognized pursuant to section 150 (2) of the German Stock Corporation Act (AktG).

Technical provisions

Provision for outstanding claims

The provision for outstanding claims in relation to direct insurance business, including the portion of the provision for settlement expenses, amounted to €1,158,418 thousand as of January 1, 2025. The reversal of unused claims provisions for outstanding claims gave rise to a profit of €21,987 thousand in 2025 (2024: profit of €28,272 thousand). The profit/loss on settlements from reversals of unused claims provisions for inward reinsurance business amounted to a loss of €4,625 thousand (2024: loss of €12,413 thousand). However, these are mainly not out-of-period income and expenses as inward reinsurance business includes UK and Canadian ATE policies, under which premiums and claim payments are generally allocated to past event years once an insured legal dispute has concluded.

Equalization provision

In accordance with the calculation requirements specified in RechVersV, there was an addition to the equalization provision in a total amount of €9,163 thousand on the basis of the trends in claims and premiums (2024: €17,242 thousand). As a result, the equalization provision amounted to €134,634 thousand as of the balance sheet date (December 31, 2024: €125,471 thousand).

Other provisions

Provisions for pensions and other post-employment benefits

Since 2010, this item has also included the offsetting of pension benefit entitlements under reinsurance in accordance with section 246 (2) sentence 2 HGB. These entitlements constitute plan assets. The breakdown of this item as of December 31, 2025 was therefore as follows:

Defined benefit obligations

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Amount required to settle the vested entitlements	209,628	217,265
of which offsettable against pension insurance assets	742	765
of which offsettable against securities	992	976
Remaining amount	207,894	215,524

The settlement value includes a shortfall in pension funds used to cover pension commitments to employees. The shortfall was caused by the previous long period of low interest rates and amounted to €128 thousand as of December 31, 2025 (December 31, 2024: €151 thousand). This shortfall has been determined in accordance with actuarial principles and reported as a pension obligation.

Provisions for taxes

In 2025, provisions for taxes of €3,289 thousand (December 31, 2024: €5,155 thousand) had to be recognized for income tax payments whose amount or timing is not yet known.

A provision of €2,830 thousand (December 31, 2024: €10,098 thousand) was recognized for miscellaneous taxes and for tax amounts identified by tax audits that have not yet been pursued.

Miscellaneous provisions

The Company had the following miscellaneous provisions as of the reporting date:

Miscellaneous provisions

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Severance payments (other countries)	2,267	2,760
Severance payments (Germany)	324	507
Pre-retirement part-time employment	2,284	3,079
Supervisory Board and Advisory Council remuneration	973	836
Compensation claims for agents leaving the Company	1,642	1,511
Purchase invoices not yet received	6,155	7,066
Contributions to employers' liability insurance association	42	31
Performance-based remuneration	8,997	8,704
Bonuses	3,843	1,613
Costs for the annual financial statements	2,526	2,275
Long-service obligations	4,391	4,174
Commissions	26,751	22,875
Litigation costs	356	357
Bonuses	5,304	5,405
Vacation entitlement and flextime obligations	7,776	9,607
Early retirement	2,955	1,725
Sundry other provisions	12,249	13,708
Total	88,835	86,230

Deferred income and accrued expenses

Deferred income and accrued expenses did not contain any discounts on registered bonds pursuant to section 341c (2) sentence 1 HGB.

VII. Income Statement Disclosures

Insurance business

(€'000)	Direct insurance business					Inward reinsurance business					Outward reinsurance business		Total insurance business	
	Legal insurance	Emergency assistance insurance	Other (misc. financial losses)	Total 2025	Total 2024	Legal insurance	Emergency assistance insurance	Other (misc. financial losses)	Total 2025	Total 2024	Total 2025	Total 2024	Total 2025	Total 2024
Gross premiums written	1,013,185	92,046	7,522	1,112,753	1,019,253	504,490	32,477	46,883	583,850	523,190	0	0	1,696,603	1,542,443
Gross premiums earned	999,014	91,690	7,563	1,098,267	1,006,438	438,689	23,564	32,966	495,219	472,602	0	0	1,593,486	1,479,040
Net premiums earned	0	0	0	0	0	0	0	0	0	0	1,060	1,128	1,592,427	1,477,912
Claims incurred	571,692	51,525	1,309	624,526	543,696	222,955	21,348	3,671	247,974	240,901	456	-1,143	872,956	783,454
of which payments for claims	471,459	48,506	1,162	521,127	475,737	187,035	20,868	17,037	224,941	80,581	658	574	745,410	555,744
Insurance business operating expenses	414,500	40,511	4,271	459,282	430,172	206,861	3,546	10,554	220,961	211,386	0	0	680,243	641,557
of which front-end fees	142,770	33,861	267	176,898	162,824	1,348	260	35	1,643	1,340	0	0	178,541	164,163
of which administrative expenses	271,730	6,650	4,004	282,384	267,348	205,512	3,287	10,519	219,318	210,046	0	0	501,701	477,394
Change in the equalization provision	0	-790	1,010	220	-2,074	-4,189	-4,410	-784	-9,383	-15,169	0	0	-9,163	-17,242
Miscellaneous underwriting income and expenses	1,954	128	0	2,082	2,117	0	0	0	0	0	0	0	2,082	2,117
Underwriting result	14,776	-1,264	2,994	16,506	31,614	4,683	-5,740	17,958	16,901	5,147	-1,515	14	31,892	36,775
Technical provisions:														
Unearned premiums	201,459	7,324	3,613	212,396	197,984	182,238	12,407	13,124	207,769	105,997	-170	0	419,995	303,982
Provision for outstanding claims	1,238,720	21,681	1,327	1,261,728	1,158,418	493,877	2,988	10,592	507,457	497,947	-602	-1,716	1,768,583	1,654,648
Equalization provision and similar provisions	0	12,162	0	12,162	12,382	102,676	19,012	784	122,472	113,089	0	0	134,634	125,471
Miscellaneous technical provisions	988	0	0	988	1,689	0	0	0	0	0	0	0	988	1,689

A significant proportion of the business undertaken by the international branches (36.4 percent; 2024: 36.4 percent) is inward reinsurance business. The policies held and the risks assumed in this business are included in the above figures. The related policies are not included in the tables below (insurance portfolio).

Gross premiums written in the direct insurance business in Germany amounted to €600,069 thousand in 2025 (2024: €549,351 thousand). Premiums in direct business of €505,430 thousand (2024: €460,761 thousand) were written in other member states of the European Community and in other countries that have signed up to the Agreement on the European Economic Area (EEA). Direct business in non-EEA countries (United Kingdom) came to €7,254 thousand (2024: €9,141 thousand). Casualty and property insurance accounted for the entirety of gross premiums written in the inward reinsurance business.

The breakdown of the direct insurance portfolio (number of policies) as of the end of the reporting year was as follows:

Number of insurance policies with a term of at least one year

Direct insurance business (No.)	Dec. 31, 2025	Dec. 31, 2024
Germany	2,094,161	2,004,478
International	3,380,568	3,285,565
Total	5,474,729	5,290,043

Source of insurance business by premiums written

Direct insurance business (€'000)	Dec. 31, 2025	Dec. 31, 2024
Germany	600,069	549,351
International	512,684	469,902
Total	1,112,753	1,019,253

Interest from discounting

Interest income of €66 thousand (2024: €5 thousand) and interest expenses of €210 thousand (2024: €205 thousand) arose from the discounting of provisions with a maturity of more than one year.

Effect of exchange rates

Other income included income of €20,155 thousand from currency translation (2024: €2,817 thousand). Losses from currency translation of €15,999 thousand (2024: €2,844 thousand) were included in other expenses.

Profit/loss on settlements

The net profit on settlements from the 2024 claims reserve (total) came to a profit of €17,361 thousand in 2025 (2024: profit of €15,858 thousand), which was 1.1 percent (2024: 1.5 percent) – in direct business 1.9 percent (2024: 2.6 percent) – relative to the corresponding initial reserve.

Miscellaneous underwriting income

Miscellaneous underwriting income comprises income from pre-court and court proceedings to collect past due receivables in the insurance business.

Reinsurance balance

From the reinsurers' perspective, the balance of premiums ceded to reinsurers, the reinsurers' share of gross expenses for claims incurred, and reinsurance commissions came to €1,515 thousand (2024: minus €14 thousand).

Net extraordinary income/expense

No extraordinary income or expenses arose in the reporting year.

Income taxes

The income taxes reported in the income statement included the following: expense of €30,658 thousand (2024: expense of €24,207 thousand) related to the year under review and income of €5,510 thousand (2024: expense of €3,453 thousand) related to prior years.

This item also included income of €156 thousand (2024: income of €1,205 thousand) that resulted from a change in net deferred taxes.

VIII. Other Disclosures

Miscellaneous financial commitments and contingent liabilities pursuant to sections 251 and 285 no. 3a HGB

As of the reporting date, ARAG SE had financial commitments that had to be reported in accordance with section 285 no. 3a HGB. Their breakdown was as follows as of December 31, 2025:

Other disclosures – unpaid contributions

(€'000)	Dec. 31, 2025
ARAG IT GmbH	1,495
Foyer-ARAG S.A., Leudelange/Luxembourg	25
Private-equity and infrastructure funds (investments)	1,291
Total obligation to pay in capital	2,811

There were no known miscellaneous financial commitments arising outside the insurance business that were significant to the assessment of the Company's financial position. ARAG SE is a partner in ARAG 2000 Grundstücksgesellschaft eGmbH and is jointly and severally liable for the obligations of this partnership without limitation on the basis of

its entire assets. The probability of ARAG SE being held liable for such obligations is extremely remote, because the company had an equity ratio of 88.1 percent as of December 31, 2025 (€62,381 thousand), had financial resources of €6,183 thousand, and generated net income for the year of €2,202 thousand. The subsidiary ARAG UK Holdings Limited was granted a loan of £20,000 thousand in order to improve its equity position. The loan has not yet been disbursed but is due to be disbursed in the short term. The second-tier subsidiary HELP Forsikring AS was granted a subordinated loan of NOK 140,000 thousand to fund its business expansion. NOK 100,000 thousand had been drawn down under this loan by December 31, 2025. The remainder of NOK 40,000 thousand is due to be disbursed over the course of 2026.

Collateral was pledged to secure the obligations arising from two quota share reinsurance treaties with two Canadian primary insurers. Securities with a fair value of €58,289 thousand (December 31, 2024: €72,057 thousand) and two bank accounts with a total credit balance equivalent to €12,982 thousand (December 31, 2024: €2,245 thousand) were pledged to the two primary insurers and are not available to cover any underwriting risk other than the underwriting risk for which they are designated as collateral.

None of the unpaid contributions have been called up. The unpaid contributions will not be called up in the short or medium term. The unpaid contribution of ARAG IT GmbH is likely to be called up by the end of 2026.

Investment agreements have been concluded with various private-equity and infrastructure funds through the affiliated company ALIN 1 GmbH & Co. KG. The capital contributions will be called up on a schedule set by the target fund. The required liquidity will be made available to the subsidiary a little in advance of the call-ups. This was done in the past by making timely contributions to the capital reserves of ALIN 1 GmbH & Co. KG. As of December 31, 2025, there were outstanding investment obligations of €8,585 thousand and US\$ 487 thousand in total. The administrative structure of the private-equity and infrastructure investments is currently being transferred to a fund of funds structure. The outstanding investment obligations are therefore no longer expected to be called up directly.

Commissions and other remuneration for insurance agents, staff costs

Commissions and other remuneration for insurance agents, staff costs

(€'000)	2025	2024
Commissions of all types for insurance agents within the meaning of section 92 HGB for direct insurance business	283,005	265,113
Other remuneration for insurance agents within the meaning of section 92 HGB	24,662	20,494
Wages and salaries	230,945	214,395
Social security and other employee benefit expenses	46,136	40,648
Pension and other post-employment benefit expenses	17,805	10,763
Total expenses	602,554	551,412

An additional sum of €204,410 thousand was incurred for commissions in the inward reinsurance business (2024: €197,372 thousand).

Employees

The average number of employees in 2025 was 3,444 (2024: 3,265).

Of the total number of employees, 1,487 were from the headquarters in Düsseldorf (2024: 1,383) and 1,958 from the international branches (2024: 1,881).

Supervisory Board and Management Board remuneration

In the year under review, the Company's Supervisory Board received remuneration of €900 thousand (2024: €750 thousand). The remuneration for members of the Management Board came to €6,441 thousand in 2025 (2024: €6,092 thousand). Remuneration for former members of the Management Board and their surviving dependants amounted to €3,348 thousand in 2025 (2024: €3,142 thousand). A provision of €49,548 thousand was recognized for current pensions and vested pension entitlements of former members of the Management Board and their surviving dependants (December 31, 2024: €51,552 thousand).

Part of the Management Board remuneration was charged on to other Group companies that are under the same management.

Auditor's fees

A total net fee (excluding VAT) of €592 thousand (2024: €673 thousand) was agreed with the auditor for the audit of the 2025 single-entity financial statements. This amount was expensed in 2025. Other auditor's fees of €91 thousand were incurred for business advisory services. As the Company is not entitled to offset input VAT, the VAT is also recognized as an expense.

Group affiliation

ARAG Holding SE indirectly holds a majority interest in ARAG SE. ARAG SE is therefore a dependent company within the meaning of section 17 (1) AktG in relation to ARAG Holding SE.

The Company is included in the consolidated financial statements of ARAG Holding SE, Düsseldorf. These consolidated financial statements cover both the largest and the smallest group of companies within the Group. The consolidated financial statements are published by Bundesanzeiger Verlag GmbH in the Company Register, where they can be inspected. The Company does not prepare its own consolidated financial statements, as the consolidated financial statements of ARAG Holding SE have an exempting effect pursuant to section 291 HGB.

Governing bodies of the Company

The members of the Company's governing bodies are as follows:

Supervisory Board

The employees have a right of codetermination pursuant to section 1 (1) of the German One-Third Participation Act (DrittelbG), under which a third of the members of the Supervisory Board must be employee representatives.

Shareholder representatives:

Dr. Dr. h. c. Paul-Otto Faßbender	Chairman; Chairman of the Management Board of ARAG Holding SE, attorney, Düsseldorf
Professor Dr. Tobias Bürgers	(Deputy Chairman) (since April 30, 2025); Attorney, Munich
Gerd Peskes	Deputy Chairman (until April 30, 2025); Wirtschaftsprüfer (German Public Auditor), Essen
Professor Dr. Claudia Eckert	University professor, Munich
Dr. Michael Pielorz	Attorney, Heiligenhaus

Professor Dr. Fred Wagner	University professor, Mönchengladbach
Dr. Sven Wolf	Member of the Management Board of ARAG Holding SE, Krefeld
Professor Dr. Christian Zwirner	Wirtschaftsprüfer (German Public Auditor) and tax consultant, Saarbrücken
Employee representatives:	
Kirsten Rose	Deputy Chairwoman; Chairwoman of the Works Council of ARAG SE, Duisburg
Marco Hoogendam	Staff attorney at ARAG SE, Amersfoort, Netherlands
Wolfgang Platen	Chairman of the Works Council of ARAG Allgemeine Versicherungs-AG and Interlloyd Versicherungs-AG, Mönchengladbach
Anja Wolter	Deputy Chairwoman of the Works Council of ARAG SE, Duisburg



Advisory Council

Rainer Gebhart	Chairman; Deputy Chief Executive Officer of WWK Lebensversicherung a. G., Rosenheim
Dr. Ulrich Hilp	Deputy Chairman; Member of the Management Board of RheinLand Holding AG, Düsseldorf
Professor Emeritus Dr. Walter Ackermann	University professor, Arbon, Switzerland
Professor Dr. rer. publ. Christoph Frei	Titular professor for History of Political Ideas and International Relations at the University of St. Gallen, St. Gallen, Switzerland
Werner Gremmelmaier	Member of the Management Board of uniVersa Lebensversicherung a. G., Nuremberg
Dr. Cathrin Müller-Brosch	Chancellor of Robert-Schumann-Hochschule Düsseldorf, Neuss
Volker Steck	Chief Executive Officer of Helvetia Versicherungen/ Directorate for Germany, Königstein im Taunus
Carl-Ludwig Thiele	Attorney, former member of the Executive Board of Deutsche Bundesbank (ret.), Osnabrück
André Wüstner	Federal Chairman of the German Army Association (DBwV), Montabaur

Management Board

Dr. Renko Dirksen	Chairman of the Management Board; Responsibilities: Central Group Functions
Dr. Matthias Maslaton	Responsibilities: Group Sales, Products and Innovation
Wolfgang Mathmann	Responsibilities: Group Finance and Controlling
Dr. Shiva Meyer	Responsibilities: Group People and Infrastructure
Hanno Petersen	Responsibilities: Group IT and Operations
Dr. Joerg Schwarze	Responsibilities: Group Risk Management and Internal Audit

IX. Report on Post-Balance Sheet Events

In 2026, the way in which ARAG SE and Foyer S.A. cooperate in the Luxembourg market was changed. The aim was to reduce the level of complexity from a corporate-law and regulatory perspective. Going forward, Foyer S.A. is fully responsible under corporate law for the legal insurance operating business while ARAG SE continues to be involved in the Foyer Group's legal insurance business in Luxembourg through a long-term quota-share reinsurance treaty. In connection with this, ARAG SE sold its entire 10 percent equity investment in Foyer-ARAG S.A. to Foyer S.A. A long-term 10 percent quota-share reinsurance treaty was concluded in respect of the legal insurance risks at the same time.

X. Appropriation of Profit

The breakdown of net retained profit – prior to the resolution on the appropriation of profit – was as follows:

Net retained profit	
(€'000)	2025
Net income for the year	36,875
Appropriation to other revenue reserves	0
Profit brought forward from 2024	49
Net retained profit	36,924

It is proposed that this net retained profit be used to pay a dividend of €25,000 thousand to the shareholders. An amount of €11,900 thousand is to be appropriated to other revenue reserves. The remaining sum of €24 thousand is to be carried forward to the next period.

Düsseldorf, March 18, 2026

ARAG SE

The Management Board

Dr. Renko Dirksen
(Chairman of the Management Board)

Dr. Matthias Maslaton

Wolfgang Mathmann

Dr. Shiva Meyer

Hanno Petersen

Dr. Joerg Schwarze



Further Information

I. Independent Auditor's Report

To ARAG SE, Düsseldorf

Report on the audit of the annual financial statements and of the management report

Audit Opinions

We have audited the annual financial statements of ARAG SE, Düsseldorf, which comprise the balance sheet as at December 31, 2025, and the income statement for the financial year from January 1 to December 31, 2025, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of ARAG SE for the financial year from January 1 to December 31, 2025. In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit

opinion on the management report does not cover the content of those parts of the management report listed in the "Other information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ❶ Measurement of investments
- ❷ Measurement of claims provisions

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

❶ Measurement of investments

① In the Company's annual financial statements investments amounting to EUR 2,949,212,665 (88.5% of total assets) are reported in the balance sheet. The individual investments are measured in accordance with German commercial law at the lower of cost and fair value. Pursuant to § 341b Abs. 2 Satz 1 HGB, certain investments held by insurance undertakings that are intended to serve the business on a permanent basis may be measured in accordance with the provisions applicable to fixed assets. In this case, the carrying amounts of assets are only written down to their lower fair value if impairment is expected to be permanent (less strict principle of lower of cost or market value), and impairment losses that are merely temporary are carried forward to subsequent periods as hidden liabilities. Determining that investments are intended to serve the business on a permanent basis presupposes the intention and ability to hold them permanently. The market price of the respective investment – if available – is used for the purpose of determining the fair value. Investments that are not measured on the basis of stock exchange prices or other market prices (e.g. properties, unquoted shares in affiliated companies and equity investments investment funds and illiquid bonds) are associated with increased risk regarding measurement due to the necessity

of using model-based calculations. The executive directors are required to exercise judgment and make estimates and assumptions in this context, including with respect to the possible effects of macroeconomic factors including changes in interest rates on the measurement of investments. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of investments.

Due to the material significance of the amounts of the investments for the assets, liabilities and financial performance of the Company, the extent of hidden liabilities carried forward in application of the less strict principle of lower of cost or market value, and the scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of investments was of particular significance in the context of our audit.

② Given the significance of investments for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the models used by the Company together with our internal specialists for investments. Thereby, we based our assessment on our valuation expertise with regard to investments, and our industry expertise and experience, among other things. In addition, we evaluated the design and effectiveness of the controls established by the Company for the purpose of measuring investments and recording the earnings from investments. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of investments. In this context, we also assessed the executive directors' assessment as to the impact of macroeconomic factors including changes in interest rates on the measurement of investments. Among other things, we also examined the underlying amounts recorded and their recoverability on the basis of the documentation made available, and we evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. With respect to the assessment of hidden liabilities, we examined the extent to which the requirements for intention and ability to hold the investments permanently was met, and the extent to which impairment was not permanent. Furthermore, we assessed the valuation reports obtained by the Company (including the measurement parameters

used and the assumptions made) for its material properties. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the investments are substantiated and sufficiently documented.

③ The Company's disclosures relating to investments are contained in the "Accounting policies" and "Notes to the assets side of the balance sheet" sections of the notes to the financial statements.

④ Measurement of claims provisions

① In the annual financial statements of the Company gross technical provisions ("claims provisions") amounting to EUR 1,769,185,086 (53.1% of total assets) are reported under the "Provisions for unsettled claims" balance sheet item. Insurance companies are required to recognize technical provisions to the extent necessary in accordance with prudent business judgment to ensure that they can meet their obligations from insurance contracts on a long-term basis. Defining assumptions for the purpose of measuring the technical provisions requires the Company's executive directors, in addition to complying with the requirements of German commercial law and regulatory law, to make estimations of future events and to apply appropriate measurement methods. The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and assumptions made by the executive directors. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of the claims provisions.

Due to the material significance of the amounts of these provisions for the assets, liabilities and financial performance of the Company as well as the scope for judgment on the part of the executive directors and the associated estimation uncertainties, the measurement of the claims provisions was of particular significance in the context of our audit.

② Given the significance of the claims provisions for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the methods used by the Company together with our internal measurement specialists. Thereby, we based our assessment on our industry expertise and experience, among other things, and considered recognized methods. We also evaluated the design and effectiveness of the controls established by the Company for the purpose of calculating and recording claims provisions. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of the claims provisions. Among other things, we also reconciled the data on which the calculation of the settlement amount was based with the underlying documentation. Therewith, we assessed the results of the Company's calculations of the amount of the provisions with reference to the applicable legal requirements and evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the claims provisions are substantiated and sufficiently documented.

③ The Company's disclosures relating to claims provisions are contained in the "Accounting policies" and "Notes to the liabilities side of the balance sheet" sections of the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- the statement on corporate governance pursuant to § 289f Abs. 4 HGB included in the section "Corporate Governance Statement" of the management report (disclosures on the proportion of women)

- the Solvency II coverage ratio contained in the “Overall picture of the risk situation” section of the management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Company's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group, as defined in ISA [DE] 600 (Revised), to provide a basis for our opinions on the annual financial statements and on the management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.



- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on April 30, 2025. We were engaged by the supervisory board on July 04, 2025. We have been the auditor of ARAG SE, Düsseldorf, without interruption since the financial year 2025.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Sack.

Düsseldorf, 15 April 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(German Public Auditor)

pp. Ansgar Zientek
Wirtschaftsprüfer
(German Public Auditor)

II. Report of the Supervisory Board

In the year under review, the Supervisory Board carried out the tasks required of it by law, the articles of incorporation, and rules of procedure. It continually monitored and advised the Management Board with regard to its running of the Company and was directly involved in all decisions of fundamental importance to the Company. The Management Board provided the Supervisory Board with regular, timely, and comprehensive written and oral reports on the economic situation and the performance of the Company and its subsidiaries, business policy going forward, corporate planning, the risk situation, risk management, and significant individual transactions. The Management Board explained variances between the actual course of business and plans and targets individually, and these were noted and scrutinized by the Supervisory Board. Where management action required the approval of the Supervisory Board by law or other regulations, the Supervisory Board received the necessary information on the matter from the Management Board in the form of reports. The Supervisory Board discussed these reports extensively at its meetings, deliberated on them with the Management Board, and made the necessary decisions.

The Supervisory Board held four ordinary meetings last year, at which it was able to satisfy itself that the Management Board was running the Company properly and appropriately. The Supervisory Board also convened once, immediately following the Annual General Meeting, for the constitutive meeting of the Supervisory Board and its committees. Furthermore, the committees for human resources, for finance, and for accounting and audit matters each held four ordinary meetings. In addition, the Finance Committee held one extraordinary meeting and adopted nine resolutions in a written procedure. The Human Resources Committee adopted one resolution in a written procedure.

The meetings were held in person. The Chairman of the Supervisory Board received reports on the business performance of the Group and its individual companies in regular meetings with the Chairman of the Management Board. The Chairman of the Supervisory Board was updated daily on key developments. The Supervisory Board was provided with regular written controlling reports detailing premiums written, external claim payments, and commissions.

The work of the Supervisory Board in 2025 was dominated by the economic situation and regulatory requirements and the related impact on the Company's business and operations.

Supervisory Board meetings in 2025 dealt with a report on the examination of ARAG's safeguards against cyberattacks in light of the regulatory requirements – applicable from 2025 – of the Digital Operational Resilience Act (DORA), implementation of sustainability reporting, the profitability of the product groups with the highest sales, and an analysis of the claims trend and proposed action. The Supervisory Board received reports on the status and outcome of the Bundesbank audit that was carried out in relation to foreign trade and compliance with EU sanctions. Dr. Dr. h. c. Paul-Otto Faßbender was re-elected as Chairman of the Supervisory Board. Dr. Joerg Schwarze was reappointed as a member of the Management Board and the rules of procedure of the Management Board were revised.

The Supervisory Board also discussed the deployment of artificial intelligence at ARAG and the impact of US policies. In addition, the Supervisory Board was informed about initiatives to deal with arrears and to improve customer satisfaction. It also drew an interim conclusion on the acquisition of DAS UK.



Other key focuses of the Supervisory Board meetings in 2025 were regular reports on the business performance of the Company, including that of its international branches and equity investments, and on the performance of the capital markets and matters of significance for the Company. The quarterly results under the German Commercial Code (HGB) and the year-end forecasts were also presented. The Supervisory Board approved the strategic plan for 2026 to 2028 and approved an update to the general investment policy. In addition, it adopted the development plan for the Supervisory Board in 2026 and discussed the appropriateness of Management Board remuneration, the structure of the remuneration systems, and management statistics.

At the ordinary meetings of the Supervisory Board, the Chairman of the Supervisory Board provided information on the work of the committees that have been formed to deal with human resources, finance, and accounting and audit matters.

The single-entity financial statements, which were prepared by the Management Board in accordance with the commercial-law accounting regulations for insurance companies, and the management report were, together with the bookkeeping system, audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, which issued an unqualified opinion. The auditor had been elected by the Annual General Meeting on April 30, 2025 and engaged to carry out the audit.

All of the members of the Supervisory Board received the aforementioned documents, the annual report, the proposal for the appropriation of profit, and the auditor's report in good time before the Supervisory Board meeting on April 30, 2026. At the meeting, the Management Board also provided additional oral explanations of the documents.

The auditors who had signed the auditor's report participated in the discussion of the documents by the Supervisory Board and the Accounting and Audit Committee, reported on the key findings of the audit, and were available to provide additional information.

The Accounting and Audit Committee had discussed these documents in detail prior to the meeting of the Supervisory Board and had recommended to the Supervisory Board that the financial statements and the management report be approved. PwC presented its audit planning in detail to the Supervisory Board.

The Supervisory Board reviewed the financial statements, management report, and proposal for the appropriation of profit. There were no objections to be raised on the basis of the concluding findings of its review. Having carried out its own review and having taken into account the report of the Accounting and Audit Committee, the Supervisory Board agreed with the findings of the audit of the financial statements and management report by the auditor. The Supervisory Board approved the single-entity financial statements and management report and thereby adopted them. It also agreed with the Management Board's proposed appropriation of profit. The Supervisory Board proposes to the Annual General Meeting that it formally approve the acts of the Management Board members.

The report submitted by the Management Board pursuant to section 312 of the German Stock Corporation Act (AktG) concerning relationships with affiliated companies was also reviewed. The review encompassed the completeness and accuracy of the details in the report on the basis of the right to inspect the books and papers of the Company and on the basis of the reports and information submitted by the Management Board. The review did not give rise to any objections.



The independent auditor also audited the report submitted by the Management Board pursuant to section 312 AktG and issued the following audit opinion:

“Following our audit and evaluation exercising all due care and diligence, we confirm that

1. the factual disclosures in the report are accurate;
2. the consideration paid by the Company for the transactions listed in the report was not inappropriately high or disadvantages were compensated;
3. there are no circumstances in respect of the measures specified in the report that would justify an opinion materially different from the opinion of the Management Board.”

The Supervisory Board agrees with this opinion. Following the concluding findings of its review, the Supervisory Board has not expressed any reservations regarding the concluding statement by the Management Board in the report on relationships with affiliated companies.

The Supervisory Board would like to express its thanks and appreciation for the work of the Management Board and all employees in 2025.

Düsseldorf, April 30, 2026

ARAG SE

The Supervisory Board

Dr. Dr. h. c. Paul-Otto Faßbender
(Chairman)

Professor Dr. Tobias Bürgers
(Deputy Chairman)

Gerd Peskes

Marco Hoogendam

Wolfgang Platen

Dr. Sven Wolf

Professor Dr. Christian Zwirner

Kirsten Rose
(Deputy Chairwoman)

Professor Dr. Claudia Eckert

Dr. Michael Pielorz

Professor Dr. Fred Wagner

Anja Wolter



III. Credits

Publisher

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Thanks

We would like to thank our colleagues and partners for their invaluable support in preparing this report.

Note

Figures in this report are rounded, which may give rise to differences of ± one unit (currency, percent) in some computations.

You can find the latest information about the Group and our products on our website **www.ARAG.com**.

