Lemonade

Solvency and Financial Condition Report 2025

Lemonade Insurance N.V.

CONTENTS

Introduction

This report is the Solvency and Financial Condition Report (**"SFCR"**) of Lemonade Insurance N.V. for the reporting period that ended December 31, 2025, pursuant to Articles 51, 53 and 54 of Directive 2009/138/EC (as amended, the **"Directive"**) – as implemented in Article 3:73c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, **"DFSA"**) and the lower rules and regulations promulgated thereunder – and Chapter XII Section 1 and Annex XX of Delegated Regulation (EU) 2015/35 (as amended, the **"Delegated Regulation"** and, together with the Directive, the **"Solvency II"/ "Solvency II Regulations"**) and relevant EIOPA Guidelines, in particular 'Guidelines on reporting and public disclosure' (EIOPA-BoS-15/109) as issued by the European Insurance and Occupational Pensions Authority (**"EIOPA"**).

Lemonade Insurance N.V. (**"the Company"**) is required to submit Quantitative Reporting Templates (**"QRTs"**) to its supervisor, the Dutch Central Bank (De Nederlandsche Bank, **"DNB"**); the figures presented in this report are in line with these QRTs.

This Report includes reporting of the Solvency II valuation undertaken as of December 31, 2025 and the associated capital position for the Company.

Other than in the case of the Annual Report, or as otherwise specified, amounts presented herein are unaudited.

Presentation of information

The figures reflecting monetary amounts in the SFCR are presented in thousands of Euros (€ thousand) unless otherwise stated.

In case IFRS figures are disclosed, the figures are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (**"IFRS-EU"**).

Cautionary statement regarding forward looking statements

This SFCR may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to Lemonade Insurance N.V.'s future business, financial condition, results of operations performance, and strategy.

Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates" "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates" or words of similar meaning.

Such statements are based on Lemonade Insurance N.V. 's management views and assumptions as of the date of this SFCR and, by nature, involve known and unknown risks and uncertainties. Therefore, undue reliance should not be placed on them.

Actual financial condition, results of operations, performance, or events may differ materially from those expressed or implied in such forward-looking statements, due to several factors including, without limitation:

- general economic and political conditions;
- future financial market performance and conditions, including fluctuations in exchange and interest rates;
- frequency and severity of insured loss events, and increases in loss expenses;
- persistency levels;
- changes in applicable rules and regulations; and
- general competitive factors, in each case on a local, regional, national and/or global basis.

Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including climate-related catastrophic events.

Please refer to Part C – "Risk Profile" of this SFCR for a description of certain important risks and uncertainties that may affect Lemonade Insurance N.V.'s business and/or results of operations.

Lemonade Insurance N.V. assumes no obligation to update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

Executive summary

Scope of the report

This SFCR contains both quantitative and qualitative information. The main focus of this report is on the Solvency II Balance Sheet, its relation to IFRS and on the Solvency Capital Requirement and Minimum Capital Requirement. Material differences between Lemonade Insurance N.V.'s financial statements based on IFRS-EU and the Delegated Regulation Solvency II are discussed in Chapter D. Valuation for Solvency Purposes.

Basis of presentation

This report is prepared in accordance with the requirements of the Solvency II Directive and Delegated Regulation (in particular Articles 51, 53 and 54 of the Solvency II Directive (as implemented in Dutch law)), Chapter XII Section 1 and Annex XX of the Delegated Regulation, and relevant EIOPA Guidelines, in particular, 'Guidelines on reporting and public disclosure' (EIOPA-BoS-15/109) as issued by EIOPA.

The figures reflecting monetary amounts in the SFCR are presented in Euro (€) being the functional currency of Lemonade Insurance N.V. unless otherwise stated. Lemonade Insurance N.V. discloses monetary amounts in thousands of euros for disclosing purposes. All values are rounded to the nearest thousand Euro unless otherwise stated. The rounded amounts may therefore not add up to the rounded total in all cases. All ratios and variances are calculated using the underlying amount rather than the rounded amount.

This SFCR may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to Lemonade Insurance N.V.'s future business, financial condition, results of operations performance, and strategy. No undue reliance should be placed on these forward-looking statements and Lemonade Insurance N.V. assumes no obligation to update or revise any of these forward-looking statements.

In case IFRS figures are disclosed, the figures are prepared in accordance with the IFRS-EU.

The 2025 SFCR of Lemonade Insurance N.V. has been prepared and disclosed under the responsibility of the Lemonade Insurance N.V.'s Management Board and was approved by the Management Board on April 08, 2026.

Summary

The 2025 SFCR provides Lemonade Insurance N.V.'s stakeholders with insight into:

A. Business and performance

Lemonade Insurance N.V. is a non-life insurer that forms part of the Lemonade Group (as defined in section A.1.1. Profile of the Lemonade Group). Lemonade Insurance N.V. was granted its licence as a non-life insurance Company by DNB on May 20, 2019, and has since launched its products in Germany, the Netherlands, France and the United Kingdom (**"UK"**).

Lemonade Insurance N.V. offers Contents and Personal Liability insurance in Germany and Buildings Contents and Personal Liability insurance in the Netherlands, Renters, Homeowners, and Landlords insurance in France, and Contents and Buildings insurance in the United Kingdom.

In 2020, Lemonade Agency B.V., a member of the Lemonade Group, received a licence to act as an authorized agent (*gevolmachtigd agent*) with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, **"AFM"**). As of November 1, 2020, Lemonade Agency became operational and is acting as an agent for Lemonade Insurance N.V. in the European markets.

During 2025 Lemonade Insurance N.V. had € 29,2 million of earned premium and incurred € 20.1 million of undiscounted gross loss and loss adjustment expenses. The Company is confident that as the book matures, and further scale is reached, the loss ratio will follow a similar improvement trajectory as observed in our US portfolio.

The Lemonade Group intends to continue expanding its operations through its Dutch subsidiary into additional EU countries and by launching new products in existing markets. During the reporting year, Lemonade Insurance N.V. continued to enhance its product range in its existing markets by launching Buildings insurance in The Netherlands.

Full details on Lemonade's business and performance are described in chapter A. Business and performance.

B. System of governance

Lemonade Insurance N.V. has implemented a system of governance in line with applicable rules and regulations. The Management Board composition in 2025 included Mr. Ron Voortman as Chair, Mr. Ori Hanani as Deputy Chair, Ms. Emmanuelle Barralis as Management Board member, and Mr. Sarvesh Ramachandran as Management Board member.

General governance

Lemonade Insurance N.V.'s Management Board is charged with the overall management of the Company and is responsible for achieving Lemonade Insurance N.V.'s goals, developing the strategy and its associated risk profile, and overseeing the development of Lemonade Insurance N.V.'s earnings. Lemonade Insurance N.V.'s Management Board is supported in its work by experts within the Lemonade Group.

Within the Management Board there is a clear segregation of duties between first line and second line functions and areas of responsibility.

Lemonade Insurance N.V.'s Supervisory Board oversees the performance of the Management Board, in addition to the Company's business and strategy. It is also responsible for advising the Management Board. The Supervisory Board counts four members as of December 31, 2025. The majority of the members of the Supervisory Board are independent and operate independently in accordance with the Principles and requirements of DNB's Suitability Policy Rule 2012 (*Beleidsregel geschiktheid 2012)*. Given the members' different professional and educational backgrounds, ages and range of knowledge and experience, the Supervisory Board has a broad-based membership. The following Supervisory Board committees exist:

- Audit and Risk Committee; and
- Remuneration Committee;

These committees are exclusively comprised of Supervisory Board members and deal with specific issues related to Lemonade Insurance N.V.'s financial accounts, risk management, the remuneration policy and executive appointments.

In addition to the corporate bodies, described above, the Company has in place a number of key functions, as required under Solvency II (as implemented in Dutch law). These key functions are described below, in the section 'control environment'.

Risk management

Lemonade Insurance N.V.'s risk management framework is designed and implemented to identify and manage potential events and risks that may affect the Company's operation in any way. It is aimed to identify and manage operational, financial & solvency, compliance and financial reporting risks on both an individual and aggregate risks level within Lemonade Insurance N.V. The objective is to ensure the Company is measurably operating within its risk tolerance and ideally within its risk appetite. The risk management framework is based on industry best practice and includes well-defined risk governance structures, such as the:

- Supervisory Board;
- Management Board;

- Underwriting and Risk Committee, and
- Capital Management & Investment Committee.

Control environment

In addition to the risk management framework, Lemonade Insurance N.V.'s Solvency II control environment is implemented in line with the industry standard "three lines of defense"-approach. Mandatory functions consist of a compliance, actuarial, risk and internal audit function. The internal control system serves to facilitate compliance with applicable laws, regulation and administrative processes. It also enables Lemonade Insurance N.V. to be in control of its operations with an adequate control environment including appropriate control activities for key processes.

- **Actuarial function -** The actuarial function has end-to-end accountability for the adequacy and reliability of reported technical provisions, including policy setting and monitoring of compliance regarding actuarial risk tolerance and risk transfer.
- **Internal Audit function -** Lemonade Insurance N.V.'s Internal Audit function is independent and objective in performing its duties including evaluating the effectiveness of Lemonade's internal control system.
- **Compliance and Risk Management function -** The Risk function is responsible for coordinating the overarching risk management activities and for identifying potential risks, and the Compliance function is accountable for identifying the relevant laws, regulations and standards applicable to Lemonade Insurance N.V. and translating these into compliance obligations.

Please refer to section B. System of Governance for a detailed description of Lemonade Insurance N.V.'s system of governance.

C. Risk profile

Lemonade Insurance N.V. accepts and manages risk for the benefit of its customers and other stakeholders. The Company's risk management and control systems are designed to ensure that these risks are managed effectively and efficiently and are aligned with Lemonade Insurance N.V.'s strategy. The targeted risk profile is determined by customers' needs, the Company's competence to manage the risk, its preference for risk as well as by the availability of sufficient capacity and capital to take the risk. Lemonade Insurance N.V. is exposed to underwriting, market, credit, liquidity and operational risks.

As of December 31, 2025, the Solvency Capital Requirement amounted to € 18,620 thousand which is above the Minimum Capital Requirement, according to the Directive.

Solvency Risk	Capital requirement (€ thousand)
Market risk	€2,924
Counterparty default risk	€2,258
Health underwriting risk	€45
Non-life underwriting risk	€15,016
Diversification benefit	-€2,969
BSCR	€17,274
Operational risk	€1,346
LAC DT	not applied
SCR	€18,620

The UK branch is no longer treated as a ring-fenced fund ('**RFF**') for purposes of the SCR calculation. Accordingly, there is no adjustment due to RFF/MAP in the Standard Formula SCR and the UK business diversifies with the remainder of the undertaking.

D. Valuation for solvency purposes

Lemonade Insurance N.V. values its Solvency II balance sheet items on a basis that reflects their economic value. Where the fiscal fair value is consistent with Solvency II requirements, the Company follows this for valuing assets and liabilities other than technical provisions. The fiscal value is also the starting point for the IFRS balance sheet.

The reconciliation of Excess Assets over Liabilities (Solvency II basis) and Shareholder's Equity (IFRS-EU basis) is mainly due to revaluation differences regarding gross technical provisions and related reinsurance recoverables.

Full details on the reconciliation between Lemonade Insurance N.V.'s economic balance sheet based on Solvency II and consolidated financial statements based on IFRS-EU are described in chapter D. Valuation for solvency purposes.

E. Capital management

The risk appetite target for the Solvency II ratio (Eligible own funds divided by Solvency Capital Requirement or if higher Minimum Capital Requirement) of Lemonade Insurance N.V. is set at 135% of the binding capital requirement. The lower limit risk tolerance Solvency II ratio is 110% of the Solvency Capital Requirement. As of December 31, 2025, the Solvency Capital Requirement ratio was 198% in excess of the lower limit risk appetite target.

Solvency II key figures for Lemonade Insurance N.V. are presented as of December 31, 2025, in the following table:

Eligible own funds to meet SCR	36,809
Standard Formula SCR	18,620
Solvency II ratio to SCR	198%

Own Funds are classified into different tiers, indicating their quality and availability to fully absorb losses. As at 31 December 2025, eligible own funds to meet the SCR amounted to € 36,809 thousand and consisted of € 36,743 thousand of unrestricted Tier 1 capital and € 66 thousand of Tier 3 capital. Eligible own funds to meet the MCR amounted to € 36,743 thousand, reflecting the exclusion of the Tier 3 amount from MCR eligibility. In addition, a restricted own-funds item of € 1,003 thousand in respect of a non-transferable deposit is deducted in the own-funds calculation. With respect to the own funds of the Company, the liability calculation does not include the use of the Volatility Adjustment.

During 2025, there were no instances in which the estimated Solvency ratio was below the minimum tolerated Minimum Capital Requirement and the Solvency Capital Requirement levels.

Full details on the Company's available and eligible own funds are described in section E.1 Own funds. Lemonade Insurance N.V.'s Standard Formula Solvency Capital Requirement and Minimum Capital Requirement are described in section E.2.1 Solvency Capital Requirement respectively E.2.2. Minimum Capital Requirement.

A. Business and performance

A.1 Business

This chapter of the SFCR contains general information on Lemonade Insurance N.V., the Lemonade Group (as defined below), a simplified organizational structure and Lemonade Insurance N.V.'s financial performance over 2025.

A.1.1 Profile of the Lemonade Group

The Lemonade group – the group of companies under common control of Lemonade, Inc. (the **"Lemonade Group"** or the **"Group"**) – was founded in August 2015 by Daniel Schreiber and Shai Wininger, with the mission to harness technology and social impact to be the world's most loved insurance company.

The Lemonade Group is rebuilding insurance from the ground up on a digital substrate and an innovative business model. By leveraging technology, data, artificial intelligence, contemporary design, and social impact, the Group believes it is making insurance more delightful, more affordable, and more precise. To that end, it has built a vertically-integrated company with wholly-owned insurance carriers in the United States and Europe, including the UK, and the full technology stack to power them.

The Lemonade Group commenced operations in September 2016, with the launch of its homeowners, condo and renters insurance policies in New York State through its New York domiciled, fully regulated carrier – Lemonade Insurance Company – and its agency, Lemonade Insurance Agency LLC. As Lemonade Group customers move up the economic ladder and through lifecycle events, their insurance needs evolve to higher value products: renters typically acquire more property and frequently upgrade to successively larger homes. Growing households often need car, pet, and life insurance, and additional coverage. These progressions regularly trigger orders of magnitude jumps in insurance premiums, and within states that offer all of Lemonade's "suite of products" - Renters, Home, Car, Pet, and Life - Lemonade Group sees a growing proportion of customers with multiple Lemonade policies and sees ripe opportunities for the business.

In mid 2019, the Lemonade Group – through Lemonade Insurance N.V. (the **"Company"**)– expanded its operations into the European Union (**"EU"**) and holds an EU licence, which enables it to sell in 30 countries across Europe. The Company commenced operations in Germany in 2019, and in the Netherlands and France in 2020. In October 2022, the company began selling insurance in the UK on a cross border basis under the UK's Temporary Permission Regime. The Company expanded its offerings to include Buildings insurance in both France and the UK in April and July, respectively. The Lemonade Group also registered two UK branches: (i) Lemonade Insurance N.V., UK Branch and its affiliate (ii) Lemonade Agency B.V., UK Branch. In May and June 2023 respectively, Lemonade Group received a third country authorization in the UK for both of these registered branches allowing the Company to operate on a permanent basis in the UK market.

A.1.2 Lemonade Group strategy - providing 21st century insurance

Lemonade Group has been designed to combine advanced technology capabilities with insurance expertise to deliver a customer-centric insurance experience. Its strategy is focused on addressing key pain points in the traditional insurance model through digital, end-to-end products and services. These include simplifying the policy purchase and servicing experience, reducing claims handling times through automation, and minimizing complex or time-consuming interactions with the insurer throughout the life of the policy.

Lemonade Group leverages artificial intelligence (**"AI"**) and machine learning across underwriting, claims handling, customer service, and fraud detection, together with behavioral economics principles embedded in its business model, including its Giveback program. These technologies are designed to enhance underwriting precision, improve operational efficiency, and support risk management. Lemonade Group believes that aligning its financial incentives with those of its customers, including through behavioral economics elements, may contribute to reduced fraud and improved customer trust. While AI for Lemonade Group is deployed across its global operations, the scale of deployment reflects the relative size of its business in each geography, with the majority of activity currently occurring in the United States.

A.1.3 Corporate social responsibility

A.1.3.1 The Lemonade Giveback program

Giveback (the **"Giveback"**) is a distinctive feature of Lemonade Group business model, whereby Lemonade Group may donate funds to causes its customers care about. After customers purchase a policy, they are asked to select, from a pre-vetted list, a charitable cause to support. The amount of any Giveback is determined based on a review of financial performance and applicable regulatory requirements. The Giveback is paid only if payment is authorized by the Management Board in its sole discretion and consistent with its duty of care. The Giveback is not a contractual obligation to any customer or charitable organization.

Lemonade Insurance N.V. will adhere to the relevant Lemonade Group policies relating to the Giveback, as verified by its Underwriting Risk Committee and/or the Capital Management and Investment Committee, before recommending the Giveback for Management Board approval. In any case, no approval for a Giveback will be given before Lemonade Insurance N.V. has ascertained that the Giveback does not conflict with Solvency II and regulatory capital requirements in any way. In July 2025, the Company donated 86 thousand Euros to 22 charities in Europe and the UK through the Giveback program.

A.1.3.2 The Lemonade Foundation

The Lemonade Foundation is a nonprofit founded and initially funded by Lemonade Insurance N.V.'s ultimate parent company, Lemonade, Inc.

In 2020, Lemonade, Inc., by a unanimous vote of its Board and shareholders, issued 500,000 shares of common stock as the initial endowment of the Lemonade Foundation, a 501(c)(4) social welfare organization established under Arizona law in the United States. By contributing approximately 1% of its common stock to the Lemonade Foundation, the Company seeks to promote charitable giving and other community-centric activities with a nexus to its community. This is in addition to the Company's embedded Giveback program, through which donations may be made to causes selected by customers, subject to applicable approvals and financial considerations.

In 2023, the Foundation launched a blockchain-based insurance product designed to benefit vulnerable farmers, with a goal of helping protect subsistence farmers against the effects of climate variability. Thousands of families in Kenya have been covered under this product. The initiative was launched as part of the Lemonade Foundation Crypto Climate Coalition, in cooperation with strategic partners including Hannover Re, Pula, Chainlink, Avalanche, Etherisc and DAOstack.

While the Lemonade Foundation was founded and funded by Lemonade, Inc., and Lemonade's founders currently serve as its directors, the Foundation is structured as an independent legal entity and is not owned or controlled by Lemonade or its shareholders.

A.1.3.3. B-Corp Certification

Social impact forms part of Lemonade's legal mission and business model. The term "Certified B Corp" does not refer to a particular form of legal entity, but instead refers to companies that are certified by B Lab, an independent nonprofit organization, as meeting certain standards of social and environmental performance, accountability, and transparency.

Lemonade's status as a Certified B Corp reflects its commitment to integrating social impact considerations into its governance and operations. The Company believes that aligning incentives and values through elements of its business model, including its social impact initiatives, supports long-term relationships with customers and other stakeholders.

A.1.4 Name, details, and legal form of the undertaking

Lemonade Insurance N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under its registered address at Spuistraat 112a, 1012 VA Amsterdam, Netherlands with registration number 73227420.

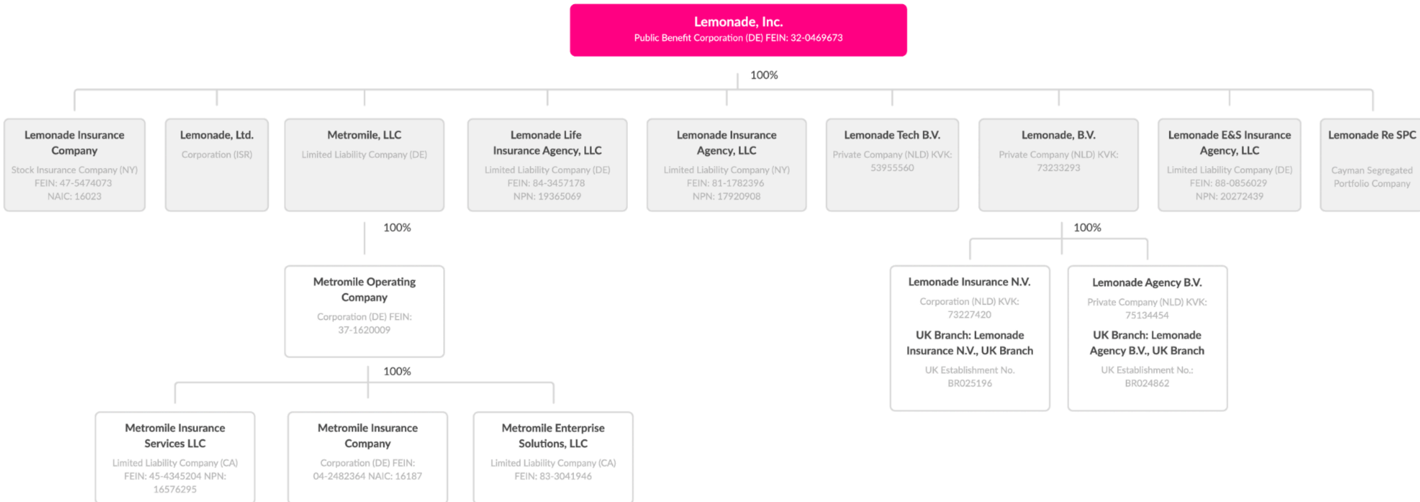
Lemonade Insurance N.V. was granted its license as a non-life insurance company (as meant in Article 2:27 of the DFSA) by the DNB on May 20, 2019 and has launched in Germany, the Netherlands, France and the UK since. During May 2023 the UK branch establishment of Lemonade Insurance N.V.; Lemonade Insurance N.V., UK Branch, received third country branch authorisation (under Part 4A of the Financial Services and Markets Act 2000) from the Prudential Regulation Authority (**"PRA"**) in the UK. This allows the company to operate in the UK market on an indefinite basis. Lemonade Insurance N.V., UK Branch is also subject to financial conduct regulation by the Financial Conduct Authority (**"FCA"**) in the UK.

Lemonade Insurance N.V. is a wholly owned subsidiary of Lemonade B.V., which in turn is directly and wholly owned by Lemonade, Inc. Lemonade B.V. is an insurance holding company within the meaning of Article 212 Solvency II, as implemented in Article 1:1 DFSA.

As such, the sub-group comprised of Lemonade B.V. as parent and Lemonade Insurance N.V. as subsidiary is an EU sub-group within the meaning of Article 213(2)(b) of Solvency II, as implemented in Article 3:285 (2) DFSA.

Lemonade B.V. is also the direct shareholder of Lemonade Agency B.V. (**"Lemonade Agency"**). Lemonade Agency has received a license to act as an authorized agent (*gevolmachtigd agent*) with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, **"AFM"**). As of November 1, 2020, Lemonade Agency became operational and is acting as an agent for Lemonade Insurance N.V. in the European markets. Prior to that, over the reporting period, Lemonade Insurance N.V. handled these responsibilities. Lemonade also registered the establishment of two UK branches: (i) Lemonade Insurance N.V., UK Branch (**"NV U.K."**) and its affiliate (ii) Lemonade Agency B.V., UK Branch (**"BVA U.K.'**') with Companies House in the UK. Following the establishment of the respective branches, we filed the application of Lemonade Insurance N.V. for Part 4A approval and third country branch authorisation to undertake general insurance activities in the UK and the application of Lemonade Agency B.V. for Part 4A approval and third country branch authorisation to undertake insurance intermediary activities in the UK. In May 2023 and June 2023 respectively Lemonade Insurance N.V., UK Branch, and Lemonade Agency B.V., UK Branch received Part 4A approval and third country branch authorisation to operate in the UK on an indefinite basis.

The simplified group structure is depicted below.



A.1.5 Authorizations

Lemonade Insurance N.V. is licensed for the following classes of non-life insurance prescribed in Annex I (Classes of Non-Life Insurance) to Solvency II (as implemented in the *Bijlage branches* of the DFSA):

Class 1 (accident)
Class 7 (goods in transit)
Class 8 (fire and natural forces)
Class 9 (other damage to goods)
Class 13 (general liability)
Class 16 (miscellaneous financial losses)

Next to being authorised to operate in its home country the Netherlands, Lemonade Insurance N.V. is authorised to do business in Germany and France on a freedom of services basis, in accordance with the relevant provisions of Solvency II. In May 2023, the Company's UK branch establishment, Lemonade Insurance N.V., UK Branch received third country branch authorisation from the Prudential Regulation Authority in the UK having previously began selling contents insurance in the UK in October 2022 on a cross border basis under the UK's Temporary Permission Regime (**"TPR"**).

A.1.6 Name of the Supervisory Authority responsible for the financial supervision of the Undertaking

Lemonade Insurance N.V.

Name: De Nederlandsche Bank N.V. (DNB)
Visiting address: Frederiksplein 61, 1017 XL, Amsterdam
Phone number (general): +31 800 020 1068
Phone number (business purposes): +31 20 524 9111
Email: info@dnb.nl

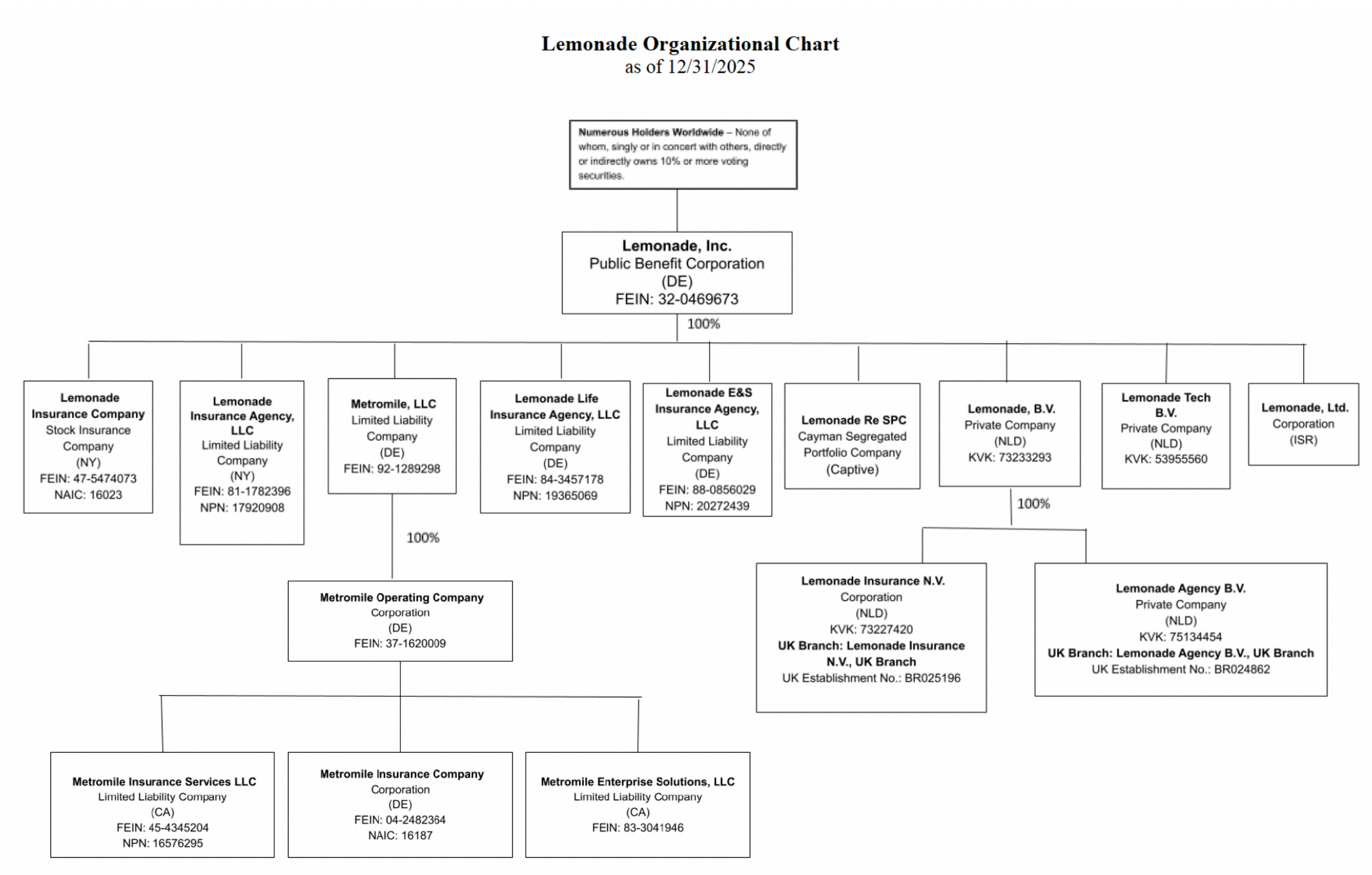
Lemonade Insurance N.V., UK Branch

Name: Prudential Regulation Authority (PRA)
Visiting address: 20 Moorgate, London EC2R 6DA
Phone number (general): +44 020 3461 4444
Phone number (business purposes): +44 020 3461 4878
Email: enquiries@bankofengland.co.uk

A.1.7 Name and contact details of the external auditor of the undertaking

Name: Ernst & Young
Visiting address: Cross Towers, Antonio Vivaldistraat 150, 1083 HP Amsterdam
Phone number: +31 88 407 1000

A.1.8 Group structure



A.1.9 Qualifying holdings

A 'qualifying' holding is a direct or indirect holding in Lemonade Insurance N.V. which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking. As of December 31, 2025, no individual and the following organisations held a qualifying holding in Lemonade Insurance N.V.: Lemonade B.V., Lemonade Inc.

A.1.10 Material lines and geographical areas of business

It is Lemonade Insurance N.V.'s objective to build a beloved insurance company that customers trust and choose because it is simple, ethical, tech-driven, and socially conscious. During 2025, the Company was active in the German, Dutch, French and British markets. Lemonade Insurance N.V. intends to provide insurance products in other EU member states.

Lemonade Insurance N.V. offering in the European market include Homeowners, Landlords, Renters, Building, Contents and Personal Liability products, with a basic layer covering common perils for each specific market and a flexible way for the customers to choose additional coverages as required. Standard perils covered under such policies include:

- fire, smoke and explosion;
- theft, burglary and vandalism;
- water damage caused by burst pipes or leaking appliances;
- hail, storm, lightning, flood and other natural catastrophes; and
- bodily, financial and property damages of third parties.

The Company's insurance product is based on simple, straightforward, and clear policy language. The objective is for customers to be able to easily understand and control their coverage.

Customers are demonstrating an appetite for digital adoption, but the insurance market is still very traditional and many incumbents are not offering significant innovation.

A.1.11 Significant business developments or other events

In 2025, the Company has grown significantly by diversifying its distribution channels as well as launching additional Home insurance products in the UK and the Netherlands. This diversification strategy will support in optimising its acquisition cost. In 2025 the Company also focused on profitability, by enhancing its pricing and risk selection practices.

A.1.12 Expectations for 2026

In 2026 the company will prepare for further expansion of its product range in existing markets and focus on enhancing its distribution presence. As the company scales, further usage of data science models is expected allowing for better predictability of risk and (Gen)AI models will be applied to deliver further efficiency and automation of the operation. This in combination with further growth and diversification of the portfolio is expected to support improving profitability. The Lemonade Group will continue to support Lemonade Europe by facilitating the growth of the company and ensuring adequate solvency positions at all times.

A.2 Underwriting performance

In 2025 Lemonade Insurance N.V. wrote € 40,831 thousand in premium and earned € 29,214 thousand in premium. The Company experienced € 20,147 thousand of undiscounted incurred loss and (Allocated) Loss Adjustment Expenses (**"ALAE"**). The Company used a number of benchmarks including industry loss development and claim reporting patterns to ensure that its reserves were set at an adequate level. The loss and ALAE ratio is improving year on year and the Company is confident that as the book becomes more mature and gains scale the loss and ALAE ratio will drop to a sustainable level similar to its US experience. In this paragraph, we highlight the key contributors to the underwriting performance by line of business and area of origin, where earned premium is partially coming from business written in the prior year.

	EU		UK	
(€ thousand)	2025	2024	2025	2024
Written premium	12,224	8,735	28,608	9,837
Earned premium	10,162	6,699	19,052	4,606
Claims incurred	7,999	6,188	12,148	2,421

	Fire		Liability		Accident	
	2025	2024	2025	2024	2025	2024
Written premium	36,323	15,789	4,360	2,694	149	88
Earned premium	25,616	9,456	3,479	1,808	118	41
Claims incurred	16,532	6,654	3,603	1,940	12	14

A.3 Investment performance

During the year, the Company's investment portfolio consisted of liquid cash held in bank accounts and highly rated European and UK government bonds.

Investment income for the year was as follows:

EUR'000	2025	2024
Interest from bank balances	256	370
Interest from government bonds	590	64
Total investment income	**846**	**434**

The increase in interest income from government bonds in 2025 reflects the acquisition of additional government bonds during the year. This was partially offset by lower interest income from bank balances, as a greater proportion of assets was invested in government bonds.

A.4 Performance of other activities

Not applicable.

A.5 Any other information

All relevant information is covered in the previous sections.

A.6 Major Developments

Beyond the evolving European regulatory landscape, the Company is also monitoring significant geopolitical developments that impact its European operational infrastructure. Specifically, Lemonade continues to assess the risks associated with the ongoing political, economic, and military instability in Israel, as well as the prolonged conflict in Ukraine and the broader implications of shifting trade dynamics, including the introduction of tariffs and protectionist measures between the United States and the European Union.

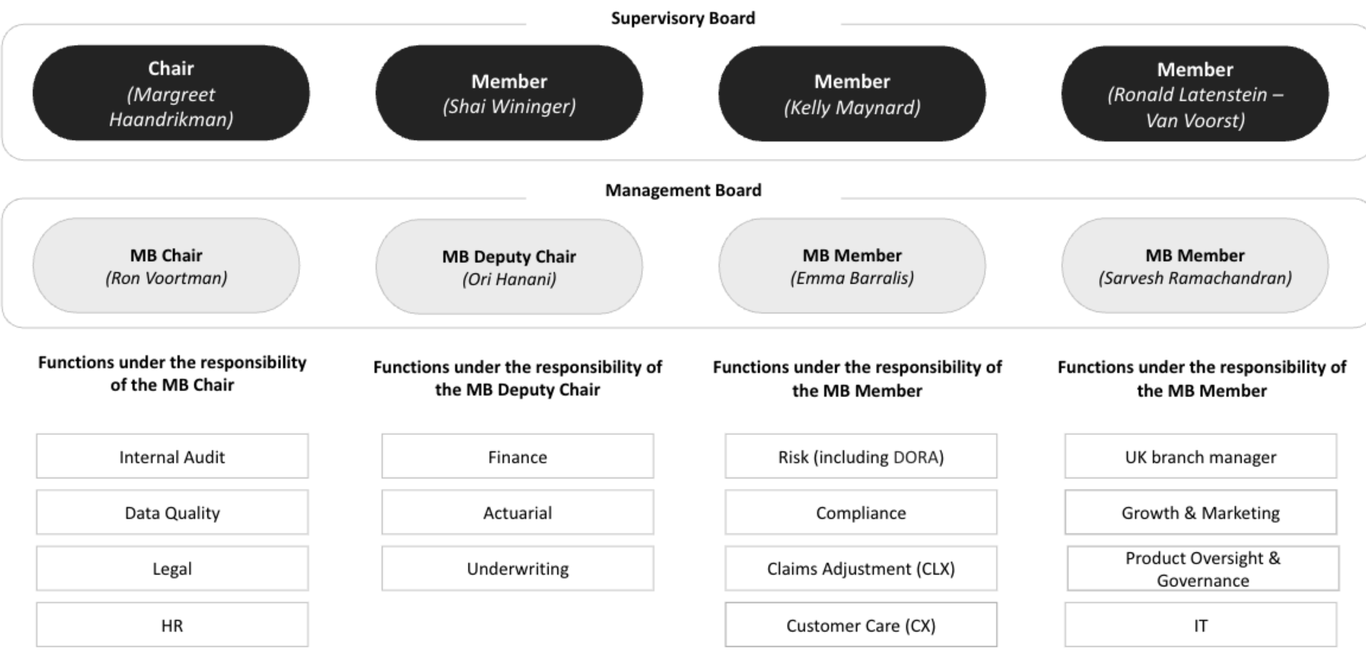
These developments have the potential to contribute to macroeconomic volatility, including inflationary pressures, supply chain disruptions, and fluctuations in financial markets. Such conditions may indirectly influence the Company's operating environment, including claims costs, investment performance, and customer behavior.

Notwithstanding the above, the Company's fully digital operating model, limited reliance on physical infrastructure, and global technology platform mitigate direct exposure to these geopolitical risks. To date, no material adverse impact on the Company's operations or financial position has been observed. The Company continues to monitor these developments closely and maintains appropriate governance and risk management processes to respond to any emerging risks in a timely and effective manner.

B. System of governance

B.1. General information on the system of governance

During 2025 Lemonade Insurance N.V. had a management board consisting of four members in accordance with Article 3:15 of the DFSA (the **"Management Board"**) and a supervisory board consisting of four members in accordance with Article 3:19 DFSA (the **"Supervisory Board"**), of which three members are formally independent.



B.1.1. Supervisory Board and Supervisory Board committees

The Articles of Association of the Company specify that the Supervisory Board must consist of a minimum of three members. Only candidates found to meet the 'fit and proper assessment' under the DFSA are eligible for appointment. In addition, Lemonade Insurance N.V. has prepared and implemented a detailed job profile for members of its Supervisory Board.

The Supervisory Board of Lemonade Insurance N.V. currently has four members:

- **Margreet Haandrikman (chair)**
- **Shai Wininger**
- **Kelly Maynard**
- **Ronald Latenstein van Voorst**

The Supervisory Board is responsible for exercising supervision of the Management Board and the general course of affairs within Lemonade Insurance N.V. and the enterprise connected with it. When performing their duties, the Supervisory Board members are guided by the interests of Lemonade Insurance N.V. and the enterprise connected with it.

The Supervisory Board is informed by the Management Board on all relevant matters but also has a duty to request information in case this is deemed necessary. The majority of the members of the Supervisory Board are independent and operate independently in accordance with the Principles and requirements of DNB's Suitability Policy Rule 2012 (*Beleidsregel geschiktheid 2012*). The Supervisory Board has a diverse membership considering the members' different professional and educational backgrounds, ages and range of knowledge and experience.

As set out in Lemonade Insurance N.V.'s governing documents, the Supervisory Board meets at least four times a year and more often if required. It has two committees: a Remuneration Committee and an Audit and Risk Committee. Further details on the Supervisory Board committees and their role and responsibilities are set out below.

B.1.1.1 The Audit and Risk Committee

The Audit and Risk Committee (**"ARC"**) of the Supervisory Board met four times during 2025. The attendance rate at these meetings was 100%.

The Audit and Risk Committee is composed of three members of the Supervisory Board: Ronald Latenstein Van Voorst (Chair), Margreet Haandrikman and Kelly Maynard. The Management Board, the external auditor, Compliance, Risk, Actuarial and Internal Audit attend the meetings as needed. The Audit and Risk Committee is responsible for preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of Lemonade Insurance N.V.'s financial reporting and the effectiveness of Lemonade Insurance N.V.'s internal Risk Management and control systems, including monitoring the Management Board with regard to:

- relations with, and compliance with recommendations and following up of comments by, the internal and external auditors;
- the integrity of all financial statements and regulatory reports and assessment of the estimations taken to produce them;
- the capital and funding of Lemonade Insurance N.V.;
- activities of the Risk Management, Compliance, Finance and Actuarial function holders, including risks related to fraud management;
- the application of information and communication technology by Lemonade Insurance N.V., including risks relating to cybersecurity and digital operational resilience;
- Lemonade Insurance N.V.'s tax policy;

- Lemonade Insurance NV’s internal transfer pricing agreements;
- the internal and external auditor’s adequacy and independence;
- the internal audit plan;
- the internal audit budget and resource plan;
- the performance of statutory reporting requirements, as well as other financial reporting requirements and professional accounting requirements; and
- the nomination of the external auditor.

Important items on the Audit and Risk Committee’s agenda during 2025 were financial and actuarial reports including solvency II as well as capital requirements, operational and compliance risk, organizational roles and responsibilities, the annual accounts including external audit findings, and the Internal Audit reports and planning. The chair held one-on-one meetings with both the internal and external auditor.

B.1.1.2 The Remuneration Committee

The Remuneration Committee of the Supervisory Board met three times during 2025. The attendance rate at these meetings was 92%. One member was unfortunately absent during the last meeting, however the subjects of that meeting were discussed and approved extensively during prior email conversations.

The Remuneration Committee is composed of four members of the Supervisory Board: Kelly Maynard (Chair), Ronald Latenstein Van Voorst, Margreet Haandrikman and Shai Wininger (Observing member).

The committee carries out its duties and responsibilities with adherence and compliance with relevant European and Dutch rules and regulations in the area of remuneration.

The Remuneration Committee is responsible for preparatory work for the Supervisory Board's decision-making regarding the determination of the remuneration and the remuneration policy of Lemonade Insurance N.V.

The third Supervisory Board meeting in 2025 was attended by the VP People Operation to discuss remuneration connected to a skills framework in general. The AMS People Ops Manager and the Director of People Infrastructure attended one remuneration meeting, as the meeting pertained to Management Board and Key Staff remuneration in terms of company equity.

The committee solicits support and advice from departments such as Risk, Internal Audit and Compliance. Where needed, the committee is authorised to call in the expertise of independent legal and appoint subject matter experts. All recommendations will be gradually implemented.

B.1.2. Management Board

The Management Board is responsible for managing Lemonade Insurance N.V. The members of the Management Board are, in performing their duties, guided by the interests of the Company and the enterprise connected with it, which includes the interests of customers, shareholders, employees and society at large. The Management Board is accountable to the Supervisory Board and the general meeting of shareholders (the **"General Meeting"**) with regard to the performance of its duties.

The Articles of Association of the Company specify that the Management Board must consist of a minimum of two members. Only candidates found to meet the 'fit and proper assessment' under the Dutch Financial Supervision Act are eligible for appointment. In addition, Lemonade Insurance N.V. has prepared and implemented a detailed job profile for members of its Management Board.

The Management Board composition in 2025 is as follows:

- Mr. Ron Voortman as Chair,
- Mr. Ori Hanani as Deputy Chair,
- Ms. Emmanuelle Barralis as Management Board member, and
- Mr. Sarvesh Ramachandran as Management Board member.

Within the Management Board there is a clear segregation of duties between first line and second line functions and areas of responsibility.

As Chairman of the Management Board Mr. Ron Voortman has maintained the responsibility over internal audit, data quality, HR and Legal.

Mr. Ori Hanani serves as the Management Board Deputy Chair, with the responsibility for the Finance, Actuarial and Underwriting function. Given his role as SVP of Insurance within the Lemonade group, Mr. Ori Hanani is also responsible for all relevant insurance related functions. This ensures direct influence and commitment from controlling stakeholders and the Lemonade Group.

Ms. Emmanuelle Barralis serves as the Management Board Member and is responsible for Risk and Compliance as well as all Customer Facing departments and sits close to the teams in Amsterdam.

During 2025 Mr. Sarvesh Ramachandran was responsible for oversight of the UK branch in the board. He was responsible for all distribution and marketing efforts across Europe, IT and Product Oversight and Governance. Mr. Ramachandran resigned from the Management Board effective 4th of January 2026. To ensure continuity, the Company has implemented a plan to redistribute his portfolio and responsibilities among the remaining members of the Management Board.

The Management Board typically meets monthly and more often if required. The Management Board has six committees.

B.1.2.1 Committees of the Management Board

In order to organize subject matter expert support and guarantee continuity and consistency for Lemonade Insurance N.V. six supporting committees were established:

- Underwriting and Risk Committee
- Capital Management and Investment Committee
- Compliance, Privacy and Security Committee
- Product Oversight and Governance Committee
- UK Branch Management Committee
- AI Responsibility Committee

These committees consist of members from Lemonade Insurance N.V., from the larger Lemonade Group and from external support providers. A committee advises and supports the Management Board in its decision making process. Any formal decision making will be done by the Management Board.

B.1.2.1.1 The Underwriting and Risk Committee

The Underwriting and Risk Committee (**"URC"**) is chaired by the Deputy Chair of the Management Board, Ori Hanani, and met four times during 2025. The objectives of the Underwriting and Risk Committee are to:

- review the strategy and provide oversight of the active underwriting operations of Lemonade Insurance N.V.;
- assist the Management Board in overseeing the integrity and effectiveness of Lemonade Insurance N.V.'s Risk Management System, including by reviewing and evaluating the risks to which Lemonade Insurance N.V. is exposed, as well as monitoring and overseeing the guidelines and policies that govern the processes by which Lemonade Insurance N.V. identifies, assesses and manages its exposure to risk;
- report and advise the Management Board on the Digital Operational Resilience of Lemonade, and
- advise and support the Management Board on decisions to be taken.

B.1.2.1.2 The Capital Management and Investment Committee

The Capital Management and Investment Committee (**"CMIC"**) is chaired by the Deputy Chair of the Management Board, Ori Hanani, and met four times during 2025. The objectives of the Capital Management and Investment Committee are to:

- monitor whether Lemonade Insurance N.V. has adopted and adheres to a rational and prudent investment policy;
- monitor whether the Management Board's investment and capital management actions are consistent with the attainment of Lemonade Insurance N.V.'s investment policy;
- monitor the selection, performance and compensation of Lemonade Insurance N.V.'s investment advisors; and
- advise and support the Management Board on decisions to be taken.

B.1.2.1.3 The Compliance, Privacy and Security Committee

The Compliance, Privacy and Security Committee (**"CPSC"**) is chaired by the Management Board Member, Emmanuelle Barralis, and met four times during 2025. The objectives of the CPSC are to:

- provide oversight related to the security and compliance activities and obligations of Lemonade Insurance N.V.;
- oversee Lemonade Insurance N.V.'s privacy and security programs;
- oversee Lemonade Insurance N.V.'s disaster recovery and business continuity plans; and
- ensure that all persons with operational and oversight responsibilities act in accordance with the Company's objective and in compliance with applicable laws, regulations and administrative provisions;
- assist and guide the Management Board in relation to the establishment and maintenance of a proper framework and policies for the prevention, handling, management and monitoring of compliance risk; and
- advise and support the Management Board on decisions to be taken.

B.1.2.1.4 The Product Oversight and Governance Committee

The Product Oversight and Governance Committee (**"POGC"**) was chaired by the Management Board member, Sarvesh Ramachandran, and met twice during 2025. The objectives of the Product Oversight and Governance Committee are to:

- advise and support the Management Board on product development and product review and to verify that products continue to be aligned with the interests, objectives and characteristics of the target market; and
- advise and support the Management Board on decisions to be taken.

Following Mr. Sarvesh Ramachandran's resignation, Mr. Ron Voortman will take over as Chair of the Product Oversight and Governance Committee going forward.

B.1.2.1.5 UK Branch Management Committee

During 2025, the UK Branch Management Committee (**"BmCo"**) consisted of the;

- UK Head of Branch; Sarvesh Ramachandran (Senior Management Function (SMF 19)),
- UK Head of Compliance and EU Risk & Compliance Sr. Manager, Elske Hartholt (SMF 16),
- Chair of the Management Board, Head of EU, Ron Voortman,
- Chief Financial Officer Europe, Hagar Franco Rosen, and
- other senior stakeholders as appropriate.

The UK BmCo is supported by Senior Management and functional experts from across the European business. The UK BmCo reported to the Management Board through Mr. Ramachandran.

Following Mr. Sarvesh Ramachandran's resignation, the Company has submitted the application to appoint Mr. Ori Hanani, Deputy Chair of the Management Board of Lemonade Insurance N.V., as SMF 19 on an interim basis.

During this interim period, the SMF 19's Prescribed Responsibilities (PRs) have been formally allocated to the SMF 16, Ms Elske Hartholt, with the interim SMF 19 (Mr. Ori Hanani) focusing on the execution of the function. This ensured the PRs remained with an approved SMF whilst we awaited the regulatory approvals. Mr. Ori Hanani's was approved as SMF 19 by both FCA and PRA on 23 February 2026.

During 2025 the work of the UK BmCo focused on continued review and assurance of the ongoing fair value of the Lemonade Contents and Home Insurance products in the UK, the growth and performance of the UK business, and regulatory engagements. The UK BmCo met four times during 2025.

B.1.2.1.6 AI Responsibility Committee

The AI Responsibility Committee (**"AIRC"**) is chaired by the Chairman of the Management Board, Ron Voortman, and met twice in 2025. The objectives of the AIRC are to:

- advise the Company's board on matters of "Responsible AI";
- establish guidelines and principles for ensuring responsibility in AI models;
- collaborate with AI developers;

- review reporting on evaluation of potential modeling issues;
- inform the Company's board on AI activities, risks and other issues, and
- enhance the Responsible AI practices over time.

B.1.3. Key functions

Lemonade has implemented the following four key functions: Internal Audit, Actuarial, Risk, and Compliance. Lemonade Insurance N.V. has organized its key functions in accordance with the applicable Solvency II regulations (as implemented in the DFSA).

All key functions are able to carry out their duties objectively and free from undue influence and do not simultaneously perform conflicting activities.

They have been given appropriate standing in the organization and can report relevant findings directly to the Supervisory Board and the Management Board (as appropriate).

The responsibilities per function are detailed below:

- **Internal Audit function-** The responsibilities of the Internal Audit function include the evaluation of the adequacy and effectiveness of the internal control system and other elements of system governance. The resulting findings are reported to both the Management Board and the Supervisory Board on a regular basis.
- **Actuarial function-** The Actuarial function is responsible for the coordination and monitoring of the evaluation of technical provisions, including methodology, assumptions and data. The Actuarial function supports the Risk function.
- **Risk function-** In addition to coordinating the overarching Risk Management activities, the Risk function is responsible for identifying potential risks and recommending appropriate countermeasures to the Management Board. The Risk function also has reporting responsibilities. Relevant risks are, where appropriate, represented qualitatively and quantitatively, internally and externally, and all significant risks classified and shown as an exposure figure.
- **The Compliance function-** The Compliance function is responsible for risk control, i.e. the identification, assessment, monitoring and reporting of compliance risks, namely risks of incurring legal or regulatory sanctions, significant financial loss or damage to reputation resulting from Lemonade Insurance N.V.'s failure to comply with laws or regulation.

The responsibilities, resources, reporting and escalation lines and other main organizational aspects of these key functions are described in their respective charters that are reviewed regularly. All key functions are available within our organization.

B.1.4 General Meeting of shareholders

At least one general meeting of shareholders is held per year. The main purpose of General Meetings is to decide on matters as specified in Lemonade Insurance N.V.'s Articles of Association and under Dutch law, such as the adoption of the financial statements. In December 2025, the General Meeting formally decided on the resignation of Mr. Sarvesh Ramachandran from his position within the Company. The Articles of Association also outline the procedures for convening and holding General Meetings and the decision-making process.

For the sake of completeness, Lemonade B.V. is the sole shareholder of Lemonade Insurance N.V. The management board of Lemonade B.V. consists of two members: Mr. Shai Wininger (who also serves as a member of the Supervisory Board of Lemonade Insurance N.V. and President of the Lemonade Group) and Mr. Daniel Schreiber, who serves as the CEO of the Lemonade Group.

B.1.5 Remuneration practices

Lemonade Insurance N.V. has implemented a Remuneration Policy, incorporating the relevant European and Dutch rules and regulations in the area of remuneration. The Remuneration Policy applies to all employees of the Company and all other persons that work under the responsibility of the Company.

The Remuneration Policy is reviewed periodically by the Company's Remuneration Committee to ensure that it reflects the latest regulatory requirements and any changed business processes and circumstances.

B.1.5.1 Guiding principles

In setting its Remuneration Policy, Lemonade Insurance N.V. has used the following guiding principles:

- the remuneration practices of the Company are established, implemented and maintained in line with the Company's business and Risk Management strategy, its risk profile, objectives, Risk Management practices and the long-term interests and performance of the Company as a whole and incorporates measures aimed at avoiding conflicts of interest;

- all remuneration arrangements promote sound and effective Risk Management and do not encourage risk taking that exceeds the risk tolerance limits of the Company;

- the Company's Remuneration Policy is tailored to the size and organization of the Company and to the nature, scope and complexity of its activities;

- alignment with market position and practice but within the boundaries of the incentive policy of Lemonade, avoiding adverse risk taking.

- the Company's remuneration practices do not contain incentives to take more risks than acceptable in view of the Company's solidity.

B.1.5.2 Balanced mix between fixed and variable remuneration

As a general rule, Lemonade Insurance N.V. requires that remuneration components shall be balanced so that each staff member's fixed remuneration represents a sufficiently high proportion of that staff member's total remuneration, in order to avoid staff being overly dependent on variable remuneration and to allow the Company to operate a fully flexible bonus policy, including the possibility of paying no variable remuneration.

B.1.5.3 Performance targets

If and when the Company decides to give variable remuneration, it will agree each year with relevant staff members on qualitative and quantitative performance targets. The performance-measurement system underlying the award of variable remuneration will have three parts:

- one part relates to the targets to be achieved at Lemonade Group level;
- one part relates to targets applicable to the relevant business unit; and
- one part relates to targets at an individual level.

Performance against these targets will be assessed for all three parts. A balanced allocation will also be made between short-term and long-term targets and between quantitative and qualitative targets. In setting and assessing the targets, the focus is on long-term value creation, with a focus on the customers' interests, serving the best interests of the various stakeholders and managing risk.

The performance targets at the individual level will be set by translating the stakeholder's targets into what they mean for the individual and what he or she has to achieve to meet them. These individual targets will be set using the same criteria as for the business and the Lemonade Group. As well as the clearly defined commercial results, these will include agreed development goals in such areas as leadership, customer focus and employee involvement.

In the case of negative performance on non-financial criteria, especially in case of unethical or non-compliant behaviour, positive results on financial criteria are cancelled out. In such cases, variable remuneration may be reduced to zero.

B.1.5.4 Remuneration awarded to Management Board members

For each member of the Management Board, the Supervisory Board determines an appropriate and adequate remuneration with consideration for talent retention and long term commitment, reflecting the specific roles and responsibilities of the individual. The Supervisory Board proposes the remuneration of the members of the Management Board to the Company's General Meeting. The remuneration of the members of the Management Board is determined by the General Meeting in accordance with Lemonade Insurance N.V.'s Articles of Association.

Each year, the Supervisory Board reviews total compensation levels to ensure they remain competitive and provide proper, risk-based incentives to members of the Management Board. To ensure members of the Management Board are compensated in accordance with the desired market positioning, alignment to the desired market position needs to be addressed over time, in accordance with applicable rules, regulations and codes.

Now that the company reaches the next level of maturity, the Supervisory Board aims to plan scenario analysis, which is in line with the proportionality principle to determine the long-term effect on the level and structure of compensation granted to members of the Management Board.

B.1.5.5 Remuneration awarded to Supervisory Board members

The remuneration of the members of the Supervisory Board is set by the General Meeting in accordance with Lemonade Insurance N.V.'s Articles of Association. Their remuneration is independent of the Company's results. Members of the Supervisory Board will not be remunerated in the form of stock options, shares or equivalent instruments.

B.1.5.6 Pension scheme

Lemonade Insurance N.V. does not offer supplementary pension or early retirement schemes for the members of the Management Board or the Supervisory Board.

For its European staff members, Lemonade Agency B.V. offers a Defined Contribution Pension Plan, with a fixed employee contribution of 3.5% and a sliding scale Employer Contribution.

B.1.5.7 Remuneration disclosure

The company confirms that no natural person working under its responsibility receives a total remuneration of €1 million or more.

Subject to the limited exemptions allowed under the Remuneration policy and applicable legislation, the Company does not grant Staff members variable remuneration exceeding 20% of their fixed annual remuneration. This bonus cap applies to all Staff members, unless an exemption as set out in article 1:121 (2)(3)(4) DFSA is applicable.

In exceptional circumstances, it may be possible to award individual Staff members with remuneration of at maximum 100% of their fixed annual remuneration, as long as the average of the individual ratios between fixed remuneration and variable remuneration of the Staff members whose remuneration is not or not exclusively captured by the applicable Insurer CLA does not exceed 20% (article 1:121 (2) DFSA). In derogation from the 20% bonus cap, a higher variable remuneration (up to a maximum of 100% (article 1:121 (3) DFSA) or, with shareholder consent, 200% (article 1:121 (3) DFSA) of their annual fixed remuneration) may be awarded to Staff members mainly working (i.e. for at least 50% of their working hours) outside the Netherlands.

B.2. Fit and proper requirements

Lemonade Insurance N.V. has implemented various policies and charters containing provisions aiming to ensure that the people who effectively manage Lemonade Insurance N.V. and the people fulfilling key functions are fit and proper (i.e. individuals in integrity sensitive positions).

Further to these policies, persons (including temporary staff) in integrity-sensitive positions must at all times fulfil the following requirements:

- their professional qualifications, knowledge and experience are adequate to enable sound and prudent management (**"fit"**); and
- they are of good repute and integrity (**"proper"**).

Fitness is attained by an adequate diversity of necessary qualifications, knowledge, relevant experience and professional and personal skills so that the Company is managed and overseen in a sound and prudent manner. Ascertaining whether someone is "proper" in the view of the Company entails an assessment of that person's honesty and financial soundness, based on relevant evidence regarding their character, personal behaviour and business conduct including any criminal, financial, tax or supervisory aspects regardless of jurisdiction.

Lemonade Insurance N.V. has implemented formal position profiles for its Management Board and Supervisory Board members. Further to these position profiles, all Board members must individually possess the appropriate skills and experience that may be expected from a Board member of an undertaking subject to financial supervision, such as Lemonade Insurance N.V.. Any Board member must have appropriate knowledge of the markets in which Lemonade Insurance N.V. operates, the products and services offered by the Company, the corporate culture of the Company and the rules and regulations to which the Company is subject. In addition, the profiles impose specific requirements in the areas of education, knowledge, skills, abilities, personal characteristics and prior (executive) experience.

Furthermore, the Management Board and Supervisory Board must at all times collectively possess appropriate qualifications, experience and knowledge of:

- insurance and financial markets;
- responsible AI and digital literacy;
- business strategy and business models;
- systems of governance;
- financial and actuarial analysis; and
- the applicable regulatory framework and requirements.

Lemonade Insurance N.V. has implemented a process for assessing fit and proper qualifications for employees in integrity sensitive positions in its Fit and Proper Policy. This process consists of, among other things, gathering relevant documents and information from the prospective appointee, interviews, information gathering from referees and previous employers, background checks and external objective assessments (where appropriate).

Members of Lemonade Insurance N.V.'s Management Board and Supervisory Board are required to pass integrity and suitability screenings with DNB. In an early stage of the hiring process and preferably at the time a position has become vacant, an approval request is put forward to DNB. All of Lemonade Insurance N.V.'s Management Board members and Supervisory Board members have passed integrity and suitability screenings by DNB prior to their appointment.

All people holding integrity-sensitive functions are assessed against their performance objectives, leadership behaviours and any other requirements from their job profiles during the annual performance cycle and specifically during the year-end appraisal.

B.3 Risk management system including the own risk and solvency assessment

B.3.1 Risk management system

The Company's risk management system (**"RMS"**) is a key element of the overall system of risk governance of the Company and its corporate culture. The RMS is a framework which is designed and applied to manage risk across Lemonade Insurance N.V.. The RMS sets out the company's risk management objectives, core risk management principles and overall risk strategy. Its objective is to allocate risk responsibilities across all business activities and to inform the Company's business strategy. In general, the company endeavours to identify, monitor, manage and mitigate risk through the use of internal authorization procedures, by setting appropriate risk limits, by using risk limit monitoring systems and through adherence to contingency plans.

The Management Board will consider the strategic development roadmap with a three (3) to five (5) year horizon – directed by the following key principles:

- Take a customer centric approach – the Company should take a fair, transparent and simple approach to build customer confidence in the Company and its products.
- Have a conservative risk appetite – the risk the Company is willing to take in order to meet its strategic objectives is limited in amount and type.
- Be sustainable – the Company will be building a long-term sustainable business model backed and supported by industry leading reinsurers.

For Lemonade Insurance N.V., the risk management framework involves;

- Defining the risk categories and the methods to measure those risks;
- Outlining how Lemonade Insurance N.V. manages each relevant category, area of risks and any potential aggregation of risks;
- Describing the connection with the overall solvency needs assessment as identified in the forward-looking assessment of own risks, the regulatory capital requirements and the risk tolerance limits;
- Specifying risk tolerance limits within all relevant risk categories in line with the overall risk appetite;
- Describing the frequency and content of regular stress tests and the situations that would warrant ad hoc stress tests; and
- Continuously improving and adjusting our risk dashboard for better risk awareness.

The framework is based on the internationally accepted standard COSO ERM and lays the foundation for managing risk throughout Lemonade Insurance N.V..

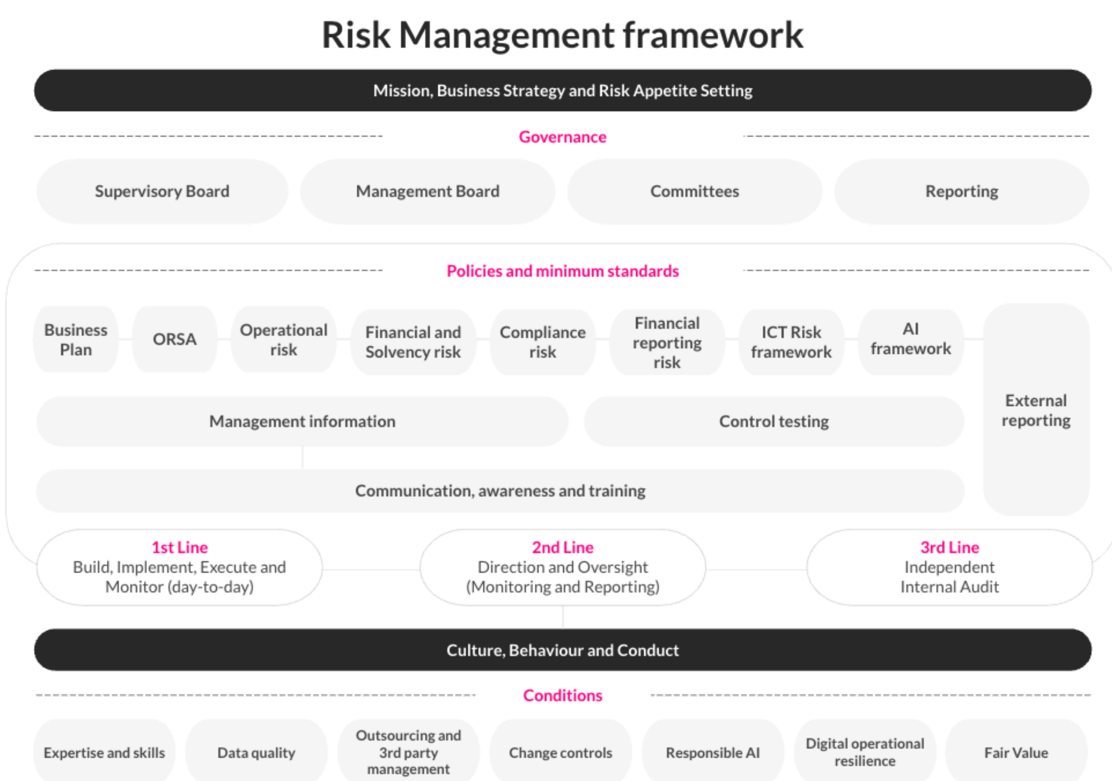
B.3.2 Risk profile- Risk appetite and indicators

B.3.2.1 Business Plan

The basis for the Risk Management framework is the strategy and planning of the business for the upcoming period detailing country expansion, customer growth and loss forecasts. The business strategy forms the basis for the risk tolerance statements, specified in financial terms and translated into operating guidelines to operate within risk appetite. In general terms, Lemonade is taking a conservative approach towards Risk and is conducting its operations and development strategy in a way that will minimise the risk exposure. Lemonade believes that to protect the unique quality that the brand is offering, it has to be conservative in its risk appetite; Lemonade gives paramount importance to identifying, measuring and mitigating risks inherent to its activity.

B3.2.2 Risk Control Self Assessment ("RCSA")

Lemonade performs an annual risk control self-assessment to indicate changes in risk and risk mitigating control levels for risks identified in a prior period or Own Risk and Solvency Assessment (**"ORSA"**), and any potential emerging risks on both financial and non-financial domains. The risk self-assessment is conducted by the first line and evaluates risks according to quantitative and qualitative measures rating the risks with regard to their potential impact and likelihood after



consideration of the effectiveness of controls. The risk ratings are reflected within the Company's risk dashboard (**"Risk Dashboard"**) across the following categories;

- Operational Risks (strategic, preventable and external risks)
- Financial (market risk, including interest risk, credit risk, including counterparty risk and underwriting risk, including pricing risk), Solvency and Regulatory Reporting Risk
- Compliance Risk

More detailed information is provided on Underwriting, Market, Operational, Liquidity & Credit (counterparty default), Operational, IT, Legal & Compliance risk in note 4 in the financial statements.

The Company will, on an annual basis, detail the risk profile and related mitigating controls taking into account risk events in the prior period and failures in controls and mitigation measures (if any).

B3.2.3 Risk Dashboard

The risks included within the Risk Dashboard refer to both 'Inherent' risk (i.e. the risk of doing business within a certain industry) and remaining 'Residual' risk (i.e. the risk that remains after mitigating controls are implemented). After identification of the risks, the implemented current controls and the residual risks, an appropriate risk response is to be defined by designing future controls to be implemented to ensure the risks are within risk appetite. Lemonade's technology and product structure allow the Company to control growth and exposure and make real-time adjustments when needed. The Company has adopted a low-risk appetite for risk level after mitigation.

Relevant managers, together with the Company's Risk and Compliance function, will measure the potential impact of risk on a frequency and severity basis and – together – will ensure sufficient mitigation measures have been put in place by Management where necessary. In cases where the level of the risk exceeds the Company's predetermined risk appetite, a risk mitigation process will be activated.

Risk status is monitored by the second line and reported periodically to operational management. The Audit and Risk Committee is informed on the risk profile of Lemonade Insurance N.V. on a quarterly basis during the Audit and Risk Committee meeting wherein the Quarterly Risk Report including the Risk Dashboard is presented.

The full risk management methodology is formalised in the Risk Management policy detailing the various tools, procedures and periodic monitoring action items.

B.3.3 Implementation of risk management system

B.3.3.1 Strategic alignment

The Risk function is responsible for advising the Management Board and the Supervisory Board on the risk status of the Company. The Management Board will make sure that the Company's risk management strategy is aligned with the Company's overall corporate objectives, strategy and current circumstances. The Management Board takes the Company's risk management strategy into consideration in all its relevant decision making. Furthermore, Risk is responsible to raise awareness on the risks of the organisation within the 1st line and oversee mitigation actions of risks identified to ensure the Company operates within risk appetite.

The Risk function operates independent of the Company, therefore the following safeguards are implemented:

- persons engaged in the performance of risk management are not supervised by those responsible for the performance of the operating units of the Company;
- persons engaged in the performance of risk management are not involved in the performance of activities within the operating units of the Company;
- the Risk function is remunerated in accordance with the Company's remuneration framework, which provides that persons engaged in the risk management function are remunerated based on objectives linked to risk management which are independent from the performance of the Company's operating units;
- The Risk function uses both quantitative and qualitative criteria to assess the risks posed to the Company, which is an independent process to the business. Upon request thereto from the Risk function, the Management Board shall grant the Risk function or its delegates access to the books and records of the Company necessary to perform the Risk function. The Risk function is a member of all relevant committees/meetings in order for it to perform/address specific tasks/issue for client's best interest;
- any conflicting duties are properly segregated; and
- The Risk function is subject to an appropriate independent review to ensure that decisions are being arrived at independently.

B.3.3.2 Reporting

The Risk function – together with Compliance – reports on a quarterly basis to the Management Board on matters of compliance and risk, including in particular whether appropriate remedial measures have been taken in the event of any deficiencies. Risk related reports are key for management to monitor the level of risk control. This integrated risk overview contains at least the following:

- Early warning statements: a statement to signal any risk/trends at an early stage in order to take timely actions.
- Bullet point report: this elaborates on high-level operational and compliance risk areas and the required actions to be taken.
- Audit action points report: this report shows the follow up status of all the Company audit action points. These action points arise from audits in which the Company is both directly but also indirectly involved.
- An operational events/incidents report: this report gives insight into the number and status of events and incidents within the Company's organisation.

The objective of these risk reports is to ensure appropriate awareness on current risk levels, (potential) new risks, open action items and other aspects to ensure the Company operates within Risk Appetite. If needed, the Risk function will meet on an *ad hoc* basis with the respective functions to ensure risk events are appropriately addressed.

The Risk function has various tools in place to monitor the risk profile of Lemonade Insurance N.V. ; the Company’s risk register, risk dashboard, and the risk control matrix. The risk register records risk events whenever these occur with an appropriate level of detail on the risk event, an impact assessment, key employee involvement, internal resolution timelines and actual resolution time. On a weekly basis, unresolved risk events outside of the internal resolving timelines are monitored, and appropriate actions are undertaken if deemed required.

B.3.4 ORSA

The Company’s ORSA objective is to demonstrate the Company is sufficiently capitalised under various stress scenarios and to detail the various management actions in place to address adverse developments. In general an ORSA is performed at least once a year, and consists of a risk self-assessment by first line managers and executive directors challenged by second line (Risk, Compliance, and Actuarial) managers and by the non-executive directors. An update of the ORSA will be performed regularly and in specific circumstances when the risk profile of the Company is significantly impacted.

The ORSA is reviewed and approved by the Management Board and the Supervisory board is notified of the results during the Supervisory Board meeting.

On the basis of the 2025 ORSA, the Company detailed the amount of required capital injections needed in order to achieve its planned growth, while remaining adequately capitalised. Management actions in case of negative stress scenarios have been formulated and tested, providing confidence that the Company will be sufficiently capitalised both now and also in future years.

B.4 Internal control system

B.4.1 Three lines of defence

Lemonade Insurance N.V. has implemented the market standard "three lines of defence" approach to internal control as follows:

- The first line of defence includes management and operational units which are responsible for establishing effective internal controls and for executing control procedures on a day-to-day basis.
- The second line of defence includes control functions which set control policies and undertake monitoring and surveillance of business operations.
- The third line of defence includes Internal Audit which provides independent challenges to the effectiveness of the Company's internal controls and other elements of the Company's system of governance.

The overall responsibility for the establishment of an effective system of internal controls and governance practices lies with the Management Board.

B.4.2. Implementation of the compliance function

Compliance, as a second line of defence control function, is responsible for identifying the relevant laws, regulations and standards applicable to Lemonade Insurance N.V. and translating these into compliance obligations. Compliance is positioned independently from the business it supervises. Its role, amongst others, is to assist management to implement mitigation activities and provide advice on compliance risk matters.

It is further responsible for establishing the methodology and process for compliance risk assessments, independently monitoring compliance and reporting on compliance risk and control issues to management, Lemonade Insurance N.V.'s Compliance Committee and the Management Board.

Compliance operates within the context of the Company's broader risk management framework.

Compliance has a reporting line to the Management Board and to the Management Board member responsible for Compliance and Risk Management. Compliance reports on a regular basis to the Management Board and the Compliance, Privacy and Security Committee – and to the Management Board member responsible for Compliance and Risk Management on a more frequent basis – on compliance related matters such as compliance breaches, complaints relating to compliance matters, etc.

The independent position of Compliance is safeguarded by independent reporting to the Management Board, unrestricted access to senior management and frequent meetings with the Management Board Chair and the chairperson of the Compliance Committee, as the need arises.

Compliance prepares and provides reports on a structural basis. For example, Compliance – together with Risk – reports on a quarterly basis to the Management Board on matters of compliance and risk, including in particular whether appropriate remedial measures have been taken in the event of any deficiencies.

In addition, Compliance reports material compliance incidents to the Management Board, the Risk function or such other functions as appropriate without delay. Material compliance incidents are defined as events resulting from a failure to comply with applicable compliance-related rules and regulations. It refers to events that have had – or could have – an adverse effect on Lemonade Insurance N.V.'s integrity and/or reputation, leading to material damage to the Company, its officers, directors and staff and/or the Lemonade Group and/or which could result – or have resulted – in financial loss and/or regulatory sanctions.

The annual Compliance Plan for Lemonade Insurance N.V. is approved by the MB following the Compliance, Privacy and Security Committee.

B.5 Internal Audit Function

B.5.1 Implementation of the internal audit function

Internal Audit is responsible for the evaluation of the overall effectiveness of the internal controls of the organisation of the Company, including the Risk Control environment. Within the context of the Lemonade Insurance N.V.'s internal control and compliance framework, Internal Audit is responsible for:

- evaluating the adequacy and effectiveness of the Company's internal control system and other elements of the system of governance;
- evaluating whether such internal control systems remain sufficient and appropriate for the Company's business;
- performing its tasks in an objective manner, independent from the Company's operational functions; and
- reporting any findings and recommendations to the Management Board and the Audit and Risk Committee, which shall determine what actions are to be taken with respect to each of the internal audit findings and recommendations and shall ensure that those actions are carried out.

Internal Audit provides assurance to the Management Board on how effectively the Company assesses and manages its risks, including the manner in which the Company's safeguards operate. This assurance task covers all elements of the Lemonade Insurance N.V.'s risk management cycle. As part of this responsibility, the Internal Audit reviews the Risk function. To ensure effective coordination of activities between the two functions, it is essential that they leverage a common language of risk and control.

The audit plan of the Internal Audit function is approved in the Audit and Risk Committee. Audit objectives are defined from a risk perspective.

The Internal Audit function has been insourced in 2024 and is now managed internally.

B.5.2 Independence of the internal audit function

Internal Audit shall be objective and independent from the operational functions. The independent position of Internal Audit is safeguarded by independent reporting to the Management Board and Supervisory Board, unrestricted access to senior management and frequent meetings with the chair of the Supervisory Board and the chair of the Audit and Risk Committee.

The actual performance of the audits and the assessments are the sole responsibility of the Internal Audit function itself, which will act on its own initiative and not be subject to any external influence. Internal Audit is permitted to advise other units on controls to be performed, provided that the giving of such advice does not jeopardise its independence.

Internal Audit will take measures in order to mitigate the risk of any conflicts of interest. No person who has been involved in the Company's business activities or functions during the timeframe covered by an audit may function as Internal Audit for the relevant activity or function.

B.6 Actuarial function

The Actuarial function is responsible for the coordination and monitoring of the evaluation of technical provisions, including methodology, assumptions and data. The Actuarial function supports the Risk function. The Actuarial function will assist with the calculation and modelling of the underwriting risks and contribute actuarial methodology to the calculation of capital (own funds) and risk capital requirements.

In summary, the Actuarial function's responsibilities include:

- coordinating the calculation of technical provisions

- ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions
- understanding the individual model components, their interdependencies and the way the model depicts and takes account of the resultant diversification effects;
- developing and regularly reviewing the reserving methodology (stochastic simulation, deterministic approach, etc.);
- assessing the sufficiency and quality of the data used in the calculation of technical provisions
- comparing the current assumptions with those for the previous year and those for the previous year with the actual figures to calculate the technical provisions (best estimate comparison), and identify the reasons for the variances;
- expressing an opinion on the reserving and the underwriting guidelines (e.g. the consistency between the underwriting guidelines and pricing, or the financial effect of changes in the general business conditions);
- expressing an opinion on the reinsurance covers, to include a review of the consistency of the reinsurance program with the Company's risk appetite, the impact of a cover on financial volatility and the effect of covers under a range of stress scenarios (e.g. a catastrophe event or the reinsurer's financial strength being inadequate);
- analysing the interdependencies between reinsurance programs, reserving and the underwriting guidelines;
- analysing the appropriateness of premiums and the technical provisions, taking account of changes in the underwriting strategy or the market environment (e.g. inflation risks or legal changes);
- expressing an opinion on the main risk factors and their influence on profitability in the next financial year; and
- assessing and validating the appropriateness, quality and completeness of the (internal and external) data and IT systems used.

The Actuarial function submits an annual report to the Management Board, to enable the Management Board to form an opinion on the appropriateness of the calculation of the technical provisions, the underwriting guidelines and the reinsurance guideline. The report also provides detailed explanations of changes in the assumptions and the reasons for the changes (best estimates compared to experience values). The Actuarial function presents and discusses the annual report in a Supervisory Board meeting.

Actuarial is positioned sufficiently independently from the business and other key functions, to avoid conflicts of interest occurring.

This independent position is safeguarded by independent reporting, unrestricted access to senior management as well as (committee) meetings of the Head Actuary with the Company's Chair of the Management Board.

To ensure the independence of the Actuarial function and avoid (perceived) conflicts of interest, the Company has implemented a number of safeguards:

- persons engaged in the performance of Actuarial duties are not supervised by those responsible for the performance of the operating units of the Company;
- persons engaged in the performance of Actuarial duties are not involved in the performance of activities within the operating units of the Company;
- remuneration of the Head Actuary (and other Actuarial representatives) is in accordance with the Company's remuneration framework, which provides that persons engaged in the Actuarial function are remunerated based on objectives which are independent of the performance of the Company's operating units;
- any conflicting duties are properly segregated; and
- Actuarial is subject to an appropriate independent review by Internal Audit to ensure that decisions are being arrived at independently.

B.7 Outsourcing

Lemonade Insurance N.V. ("the Company") utilizes both internal group entities and specialized external providers to support its operations. Notably, the Company has successfully localized its supporting structure: a large part of the supporting functions provided by the Lemonade Group are now situated within the European Union, further aligning our operational footprint with our regional regulatory environment.

DORA Compliance and ICT Services

- With the application of the Digital Operational Resilience Act (DORA), the Company has enhanced its oversight to include a specialized ICT Third-Party Risk Management framework. DORA defines ICT Services broadly as digital and data services provided through ICT systems on an ongoing basis, including cloud computing, software development, and data analysis, but excluding traditional analogue telephone services.

- The Company distinguishes between critical and non-critical ICT third-party service providers: (1) Critical or Important Functions (CIFs)- Disruption of these services would materially impair the Company's financial performance, soundness, or continuity. (2) Standard ICT Services- All other ongoing digital services necessary for operations.
- To ensure full compliance, the Company has issued DORA Amendments to both critical and non-critical ICT vendors. These amendments ensure that all ICT contracts now include mandatory provisions regarding access, data integrity, exit strategies, and the obligation of providers to assist in the event of an ICT incident. Furthermore, the Company maintains a comprehensive Register of Information (ROI) of all contractual agreements with ICT third-party providers, which is submitted to the DNB annually.
- The Company's Outsourcing Policy remains compliant with Solvency II (Articles 41(3) and 49), Commission Delegated Regulation (EU) 2015/35, and the Dutch Financial Supervision Act (Wft), the Prudential Regulatory Authority's (UK) Rule Book for Solvency II Firms, and takes into account the impact of outsourcing on its business and the relevant reporting and monitoring arrangements.
- This policy ensures that third-party arrangements do not impair the quality of governance or unduly increase operational risk. For all outsourcing arrangements, written service level agreements (SLAs) are in place, explicitly defining:
  - Roles and Responsibilities: Clear duties for both the Company and the provider.
  - Regulatory Compliance and Cooperation: The service provider's commitment to comply with all applicable laws, regulatory requirements and guidelines as well as policies approved by Lemonade Insurance N.V. and the commitment to cooperate with supervisory authorities and grant unrestricted rights of access and audit.
  - Reporting Obligations: Requirements for providers to report developments impacting service delivery and to provide regular performance reports.
  - Continuity and Exit: Notice periods for termination and robust exit strategies to ensure service continuity for policyholders without detriment to quality.
  - Data Protection: Rigorous standards for the protection, return, and secure deletion of Company data, preserving authenticity and confidentiality.
  - Sub-outsourcing: Strict conditions under which a provider may sub-contract services supporting critical or important functions.

B.8 Any other information

All relevant information is covered in the previous sections.

C. Risk profile

This section is outlined as follows. The first subsection describes the risk assessment and measurement that applies to all risk types, and in particular the Solvency Capital Requirement (**"SCR"**). The second subsection discusses the Solvency ratio, and the general approach to sensitivity analysis and stress testing. The third subsection outlines the identification and approach to Risk Concentrations.

In subsections C.1 through C.5, more detailed information is provided on Underwriting, Market, Operational, Liquidity & Credit (counterparty default) risk respectively.

Risk Assessment and Measurement: Solvency Capital Requirement

The assessment of Lemonade Insurance N.V.'s Risk Profile forms part of the Risk Management framework, which is discussed in section B.3. Within this framework, risk policies provide specific operating guidelines for Lemonade's risk governance and risk tolerance statements. Lemonade Insurance N.V. complies with the risk policies of Lemonade Inc. The Lemonade risk policies are tailored to fit local circumstances and therefore entail additional restrictions to the Inc policies.

Within the Risk Management Framework, risks are identified and quantified using the Solvency II Standard Formula. The Standard Formula (**"SF"**) contains separate modules for Market Risk, Counterparty Default Risk, Underwriting Risk, Operational Risk and Risk aggregation.

The SCR of Lemonade Insurance N.V. is the minimum level of own funds required in accordance with Solvency II legislation, to absorb unexpected developments in all risk exposures of Lemonade Insurance N.V.' combined. It serves to ensure that obligations to policyholders can be met with a very high degree of certainty. When available own funds are in excess of the aggregate SCR, Lemonade Insurance N.V. will be able to meet obligations to policyholders with a likelihood of at least 99.5% over a period of one year.

The table below shows the components of the SF model of Lemonade Insurance N.V. and the amounts of the main risk types, including the (Absolute) Minimum Capital Requirement (**"(A)MCR"**).

Solvency Risk	Capital requirement (€ thousand)
Market risk	2,924
Counterparty default risk	2,258
Health underwriting risk	45
Non-life underwriting risk	15,016
Diversification benefit	(2,969)

Solvency Risk	Capital requirement (€ thousand)
BSCR	17,274
Operational risk	1,346
Adjustment due to RFF	0
LAC DT	not applied
SCR	18,620
(A)MCR	4,655

Mitigating effects of diversification between risks are taken into account in the aggregate SCR. Diversification exists as the degree to which different risks are related to one another and is, in many cases, limited. As a result, the likelihood of severely adverse developments of all risks occurring within the same year is extremely remote. The UK branch is no longer treated as a ring-fenced fund for purposes of the SCR calculation. Accordingly, there is no adjustment due to RFF/MAP in the Standard Formula SCR and the UK business diversifies with the remainder of the undertaking.

Solvency Ratio and Sensitivity Analysis

The Solvency ratio is the main indicator of the ability of Lemonade Insurance N.V. to meet all its obligations to policyholders and other stakeholders, as and when they fall due. It is defined as follows:

Solvency Ratio = Own Funds / SCR

The own funds are the assets of the Company, valued according to Solvency II principles, in excess of all obligations to policyholders as well as other liabilities that are not subordinated. Own funds, the SCR respectively the Minimum Capital Requirement (**"MCR"**) and Solvency ratio as of December 31, 2025, are shown below.

	Eligible own funds (€ thousand)	Capital Requirement (€ thousand)	Solvency ratio
SCR Ratio	36,809	18,620	198%
MCR Ratio	36,743	4,655	789%

The current Solvency Ratio (i.e. regarding the SCR) of 198% indicates that own funds are in excess of the minimum required capital level as specified in Lemonade Insurance N.V.'s Capital Management policy. Further details about this policy and the composition of the own funds can be found in chapter E.

Sensitivity analyses have been performed with regards to the assumptions and methodologies used for the premium and claims provision. While the results are sensitive to the assumptions and methodologies used, the impact on the SCR ratio is small and does not affect the (A)MCR ratio.

Extreme Weather, Climate Change and other Extreme Event Scenarios

Lemonade Insurance N.V. develops extreme event scenarios on an annual basis as part of the Own Risk and Solvency Assessment (ORSA). The ORSA process is further discussed in section B.

In the extreme event scenarios, the impact is determined over a multiyear period. Scenarios considered are for example a severe economic development such as extreme weather events due to climate change and extreme growth scenarios.

For each scenario, the potential impact on key financial metrics is assessed such as net earnings, own funds, SCR and solvency ratio as part of the ORSA procedure. Based on these scenarios management can undertake mitigating actions to reduce the perceived impact.

Risk Concentration

A concentration of risk for Lemonade Insurance N.V. has either of the following elements;

- A relatively high density of policyholders in a specific area.
- A relatively high exposure to a single risk. For example, counterparty risk with allocation of cash to a single counterparty.

The potential occurrence of risk concentrations is further discussed below in the specific sections on each of the main risk types. Lemonade Insurance N.V. separates its key risk categories in accordance with regulatory requirements under Solvency II and with a view to its activities as follows:

- Underwriting Risk;
- Market Risk;
- Operational Risk;

- Liquidity Risk; and
- Credit Risk.

C.1. Underwriting risk

C.1.1. Description of the measures used to assess underwriting risks

Underwriting risk is the risk of having unsuitable (including unfair bias) or not adhering to underwriting criteria or inaccurate (external) risk assessment data leading to the Company underwriting policies that are outside the risk appetite and/or do not provide fair value and/or put consumer outcome at risk. Risk of not adhering to new regulations with regards to Underwriting limiting the company to conduct its business in any or all countries it operates in.

The SCR for non-life underwriting risk amounts to €15,016 thousand before diversification benefits and ring fenced fund adjustment, which is mostly driven by the non-life underwriting catastrophe risk and premium and reserve risk, driven by growth of the portfolio. The SCR is partially reduced by the current reinsurance program, which is described in C.1.3.

C.1.2. Risk Concentrations

Concentrations of underwriting risk arise in case a Catastrophic event causes a large number of claims in a concentrated region. Concentration Risks identified by Lemonade Insurance N.V. with a potential material impact on own funds are extreme weather and climate change related. An example would be a concentration of insured properties within close proximity of a river which in the event of flooding due to extreme weather could lead to increased claims.

C.1.3. Risk mitigation techniques used for underwriting risks

By limiting the sum insured that can be underwritten per policy, the risk of major losses is mitigated. In line with the risk tolerance as set by the board, appropriate reinsurance is secured in order to de-risk the balance sheet, reduce the required capital and increase the financial stability of the European operation. Lemonade Insurance N.V. only retains a limited share of exposure through the quota share programme in place and exposure to larger losses are protected through excess of loss reinsurance.

The effectiveness of the reinsurance program is monitored annually by the Actuarial function holder and reported in the Actuarial function holder report.

C.1.4. Risk sensitivity for underwriting risks

The main underwriting risk Lemonade Insurance N.V. is exposed to is climate change and/or extreme weather risk, i.e. the risk that an extreme weather event or climate change event occurs in an area with a large concentration of property insurance policyholders that will claim and receive a benefit from their policy.

Lemonade Insurance N.V. will monitor the concentration risk in relation to extreme weather and/or climate change and will not take on risks that are beyond its risk appetite and that are not sufficiently covered by existing reinsurance contracts.

C.2. Market risk

Market risk is the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets and liabilities.

The SCR for market risk amounts to€2,924 thousand, before diversification benefits and ring fenced fund adjustment. Lemonade Insurance N.V. is exposed to currency risk and interest rate risk regarding liabilities (i.e. net technical provisions) and government bonds only, other than bonds it does not invest its funds but keeps its cash in a current account in the bank.

To align with the SCR in QRT S.25.01 we only discuss Counterparty default risk (as defined in the Delegated Regulation) in section C.5. (i.e. Credit risk).

Prudent person principle

In adherence to the prudent person principle as defined in Article 132 sub 2, and related sections of Solvency II, our investment strategy remains resolute in prioritizing the security, quality, liquidity, and profitability of our portfolio to safeguard the interests of our policyholders and beneficiaries. We meticulously invest in strong government bonds, a class of assets whose risks we can competently identify, measure, monitor, manage, control, and report. This approach aligns with our commitment to fulfilling the overall solvency needs of our organization, taking into account our specific risk profile, approved risk tolerance limits, and business strategy. Our investment choices are designed to cover the Minimum Capital Requirement and the Solvency Capital Requirement effectively, ensuring these assets are not only secure but also readily available. In managing our asset portfolio, we continuously evaluate the nature and duration of our liabilities, ensuring that our investments are conducted in the best interests of our stakeholders. Furthermore, our governance structure is equipped to manage conflicts of interest, with an unequivocal dedication to prioritizing the welfare of our policyholders and beneficiaries above all.

C.3. Operational risk

C.3.1. Description of the measures used to assess operational risk

Operational risk is defined as the prospect of loss resulting from inadequate or failed procedures, systems, policies or any event that disrupts business processes.

The risks are categorised as follows:

- Strategic;
- Preventable; and,
- External.

The identified risks are collated and monitored via the internal Risk Dashboard, wherein an additional level of granularity to the background, mitigating controls and other details are specified. The risks include addressing both 'Inherent' risk (i.e. the risk of doing business within a certain domain) and remaining 'Residual' risk (i.e. the risk that remains after mitigating controls are implemented) after mitigating controls are implemented and operating effectively. The time horizon for looking at the risk indicators is aligned with the ORSA cycle.

The SCR for Operational Risk is determined using the SF under Solvency II, and amounts to€1,346 thousand. It is based on volumes of premiums and technical provisions. Additional measures have been developed internally for the day-to-day management and assessment of Operational risks.

Amongst others, the following types of operational risks are identified by Lemonade Insurance N.V. across its business;

C.3.1.1 ICT risk

Any reasonably identifiable circumstance in relation to the use of network and information systems, - including a malfunction, capacity overrun, failure, disruption, impairment, misuse, loss or other type of malicious or non-malicious event - which, if materialised, may compromise the security of the network and information systems, of any technology-dependant tool or process, of the operation and process' running, or of the provision of services, thereby compromising the integrity or availability of data, software or any other component of ICT services and infrastructures, or causing a breach of confidentiality, a damage to physical ICT infrastructure or other adverse effects.

C.3.1.2 Regulatory Non-compliance risk

Risk of regulatory intervention or reputational damage due to non-adherence to regulatory requirements or a compliant, consumer oriented culture. This limits the Company's ability to conduct business in any or all countries it operates in. There is also a risk of regulation change impeding the Company's income streams or conflicting interpretations of new legislation across European supervisory authorities.

C.3.1.3 Financial crime

Risk of not having sufficient protection against financial crime that could lead to financial damage to the Company or to any of its customers. This includes mainly any kind of criminal conduct relating to money or to financial services or markets, including any offence involving; fraud or dishonesty; or misconduct in, or misuse of information relating to, a financial market; or handling the proceeds of crime; or the financing of terrorism.

Operational risks are inherent to the industry and business wherein Lemonade Insurance N.V. operates, examples of operational risks are data breaches, system malfunctioning, business interruption, IT security breaches, and or processing errors. If these events occur, they could lead to reputational damage, financial loss and/or non-compliance with laws and regulations, thereby hindering the operational effectiveness of the Company. In order to mitigate such events, Lemonade Insurance N.V. monitors its risk profile continuously and in line with the RMS as presented in section B. In general terms, the Company intends to take a conservative approach towards risk management and conduct its operations and development strategy in a way that will minimise the risk exposure.

C.3.2. Risk Concentrations

Operational risk concentration can occur where specific risk exposures are in excess of operational risk appetite as agreed by management. The RMS ensures that the internal control environment of Lemonade Insurance N.V. is maintained at a sufficient level including policies, procedures and risk control matrices to ensure operational effectiveness of controls in place. The following elements dominate the material operational risks:

- legal, regulatory, conduct & compliance; and
- processing.

C.3.3. Risk mitigation techniques used for operational risks

Operational risks at Lemonade Insurance N.V. are mitigated by maintaining a strong risk control framework and culture. Please refer to section B. for a detailed description of the compliance risk framework. All operational risks that are assessed as exceeding the set risk tolerance levels require management to determine a risk response in terms of accepting, controlling, transferring or avoiding risks.

C.3.4. Risk sensitivity for operational risks

Given the relatively small amount of the SCR for Operational Risk, no specific sensitivities have been determined.

C.4. Liquidity risk

C.4.1. Description of the measures used to assess liquidity risk

Liquidity risk refers to the risk of loss to the Company as a result of assets not being available in a form that can immediately be converted into cash or the securing of such assets at excessive cost (whether through borrowing or overdraft arrangements, for example) and therefore the consequence of not being able to pay its obligations when due.

Stress testing for Liquidity Risk

Lemonade Insurance N.V. has applied the following scenarios to stress test the liquidity positions and assumptions of the business plan;

During the annual Own Risk and Solvency Assessment (ORSA) the Company applied the following scenarios to stress test the liquidity positions and assumptions of the business plan;

- ‘Base’ scenario wherein the growth of users and premium follows the expected business plan pattern;
- ‘Onerous’ wherein the loss ratio is deteriorating with 30%-pt every year, and the sales growth is 1/3rd compared to the base scenario;
- ‘Severe growth’ scenario, in this scenario sales increase by 60% compared to the base scenario. Note that this would possibly improve loss ratios as well, however those are kept equal to the base scenario;
- ‘Reduced reinsurance’ scenario wherein no global quota-share is in place for all European countries as of the next renewal, and the reinsurance benefit of the CAT XOL is decreased by 25%, i.e. significantly more of the exposure is retained on our own books;
- ‘Climate change - transitional’ scenario wherein we need to see emission reductions greater than we have observed during the great economic depressions during this and last century in order to remain in a world where the temperature increase remains below 2 degrees Celsius. This would mean harsh economic measures if governments are actually going to comply with the Paris agreement. Therefore, sales are limited to the average as projected over the prior period and a 3% increase in content loss ratio each year.
- ‘Climate change - physical’ scenario wherein climate related events occur spread over Europe, increasing the content loss ratio gross of reinsurance with 10% for all years in line with the frequency increase as previously observed by the European Severe Weather Database (~8%-10% per year). On top of that there is one major event equal to 70% of the diversified SCR for Windstorm + Flood catastrophe in the first plan year;
- ‘One-off losses’ scenario wherein the Company faces a one-off expense loss of 20% of the Company’s projected revenue in 2026;

- ‘Counterparty default’ scenario wherein the reinsurance recoverables depreciate by 20% in all years and all counterparty credibility ratings (banks and reinsurers) drop 1 level in 2025;
- ‘Business continuity problems’ scenario wherein operating costs other than the MGA fee increase by 25% and at the same time new sales drop by 25%;
- ‘No Group support’ scenario wherein suddenly no capital injections are forthcoming from 2027 onwards

C.4.2. Risk Concentrations

The described stressed liquidity scenario can be regarded as a concentration with respect to liquidity risk. The liquidity risk policy requires that sufficient liquid assets are available in this scenario.

C.4.3. Risk sensitivity for liquidity risks

Given the above mentioned stress scenarios, no other specific sensitivities have been determined.

C.4.4. Risk mitigation techniques used for liquidity risks

Liquidity risks at Lemonade Insurance N.V. are mitigated by maintaining high solvency levels combined with having all cash in current accounts with banks and all investments solely in liquid government bonds.

C.4.5. Expected Profits in Future Premiums (EPIFP)

Expected profits included in future premiums (EPIFP) amounted to €1,860 thousand as at 31 December 2025. This amount represents the present value of expected future profits arising from existing non-life contracts within their contract boundaries and reflected in the Solvency II technical provisions. EPIFP does not represent cash currently available to the Company and is therefore not considered as part of the liquidity risk assessment. Given its size relative to the Company’s liquid assets and available own funds, and taking into account the liquidity stresses considered in the ORSA, management considers the related liquidity risk to be appropriately managed.

C.5. Credit risk (counterparty default risk)

C.5.1. Description of the measures used to assess credit risk

Counterparty default risk is the risk of loss to the Company if the counterparty to a financial instrument or reinsurance agreement fails to meet its contractual obligations. Lemonade Insurance N.V. is exposed to counterparty default risk on reinsurance as well as outstanding balances on current accounts with its bank.

The SCR for counterparty default risk amounts to€2,258 thousand before diversification benefits.

C.5.2. Risk Concentrations

Concentration within Counterparty Default risk could occur in case relatively high amounts are outstanding with a single counterparty, or if default risks of many counterparties are highly correlated. An important measure to avoid concentration within Counterparty Default risk is to select creditworthy counterparties and diversify and limit exposure to individual issuers. Lemonade Insurance N.V. implemented a policy to limit the exposure to a single counterparty. Exposures are monitored and any potential violations of exposure limits are reduced if required. As a result, no Risk Concentrations within Counterparty Default Risk have been identified as of December 31, 2025.

C.5.3. Risk sensitivity for credit risks

Stress testing and sensitivity analysis for credit risk is performed in the form of scenario analysis as described in section C.4.1.

C.5.4. Risk mitigation techniques used for credit risks

Credit risks at Lemonade Insurance N.V. are mitigated by ensuring (reinsurance) counterparties have a sufficiently high rating with external credit agencies.

D. Valuation for solvency purposes

Chapter D discloses the valuation for Solvency purposes and the differences with the IFRS valuation in the annual report. The balance sheet is that of Lemonade Insurance N.V., in alignment with Solvency II regulation concerning disclosure of QRT 02.01. The overall balance sheet under Solvency II and under IFRS statutory reporting is shown below. The IFRS balance sheet column has been reclassified from the presentation used under IFRS in the financial statements to the categories used in the balance sheet QRT.

(€ thousand)	IFRS	Reclassification	Revaluation	Solvency II
Deferred acquisition costs	0	0	0	0
Intangible assets	0	0	0	0
Deferred tax assets	109	0	-43	66
Property, plant & equipment held for own use	0	0	0	0
Investments (e.g. Property, Equities, Bonds)	24,451	0	(0)	24,451
Loans and mortgages	0	0	0	0
Reinsurance recoverables	7,353	6,116	(2,473)	10,996
Receivables (insurance)	0	6,260	0	6,260
Reinsurance receivables	0	1,398	(0)	1,398
Receivables (trade, not insurance)	866	(0)	0	866
Cash and cash equivalents	25,385	0	0	25,385
Any other assets, not elsewhere shown	7,428	(6,297)	0	1,131
Total assets	65,593	7,477	(2,516)	70,553
Technical provisions - non-life	21,775	(538)	(5,584)	15,653
Best estimate	0	0	0	14,616
Risk Margin	0	0	0	1,036
Deferred tax liabilities	0	0	0	0
Payables (insurance)	0	0	0	0

Reinsurance payables	0	7,514	0	7,514
Payables (trade, not insurance)	5,838	0	(52)	5,786
Any other liabilities, not elsewhere shown	3,288	501	0	3,789
Total liabilities	30,901	7,477	(5,636)	32,742
Excess of assets over liabilities	34,691	0	3,120	37,812

The difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities is explained in paragraph E.1.3.

D.1. Assets

The overview in the table below shows the value of assets by material asset class under Solvency II and IFRS statutory reporting.

	IFRS	Reclassification	Revaluation	Solvency II
Investments **D.1.1.**	24,451	0	0	24,451
Cash and cash equivalents **D.1.1.**	25,385	0	0	25,385
Reinsurance recoverables **D.1.2.**	7,353	6,116	(2473)	10,996
Deferred tax assets **D.1.3.**	109	0	(43)	66
Receivables (insurance) **D.1.4.**	0	6,260	0	6,260
Reinsurance receivables **D.1.4.**	0	1,398	0	1,398
Receivables (trade, not insurance) **D.1.4.**	866	0	0	866
Any other assets, not elsewhere shown **D.1.4.**	7,428	(6,297)	(0)	1,131
Total assets	65,593	7,477	(2,516)	70,553

In this paragraph the valuation under Solvency II is described per main asset class. Where the valuation method or classification differs between IFRS and Solvency II, a qualitative and quantitative explanation is provided per asset category.

In accordance with Solvency II regulations, figures are based on fair value. To ensure consistency with the annual report of Lemonade Insurance N.V., fair value under IFRS and market value under Solvency II is the same.

D.1.1. Investments and cash and cash equivalents

The Company invests its funds in a combination of cash held in bank accounts and European government bonds. There are no material valuation differences between IFRS and Solvency II.

As of December 31, 2025 the cash and cash equivalents are composed of cash at banks, which are subject to an insignificant risk of changes in value other than FX risk and are presented net of outstanding bank overdrafts and therefore approximate their fair value.

The Company's government bonds are recorded at fair value through OCI under IFRS and measured in accordance with Solvency II valuation principles. The valuation methodology follows market-based inputs where available, ensuring compliance with the prudent person principle and internal investment guidelines.

D.1.2. Reinsurance recoverables

On both the IFRS and Solvency II balance sheet (i.e. QRT S.02.01) the gross and ceded technical provisions are presented separately. Reference is made to section D.2.4. for a description of the valuation under Solvency II.

D.1.3. Deferred tax assets

Current income tax

As of December 31, 2025, there are temporary differences between SII value of the assets and liabilities and their tax base, therefore a deferred tax balance has been reported. This position may be revised in future years. The differences between the value of deferred tax assets under Solvency II and IFRS arise mainly due to temporary differences between the IFRS valuation of technical provisions and insurance and reinsurance contract assets and liabilities and their tax base valuation.

D.1.4. Receivables and any other assets (not elsewhere shown)

Receivables and other assets represent services rendered in the ordinary course of business and are presented at amortised cost. All receivables and any other assets are due in less than one year. On the statutory balance sheet the policyholders receivables are mapped under other assets, while for Solvency

II they are considered part of the insurance receivables. A reclassification is made between reinsurance receivables and payables. For Solvency II a revaluation is made for premiums revenue that has been recognised but is not expected to have been received yet.

As of December 31, 2025, the carrying amounts of trade receivables approximated their fair values due to the short-term maturities of these assets.

D.2. Technical provisions

D.2.1. Technical provisions analysed by material line of business

The table below shows the Solvency II and IFRS (statutory) insurance liabilities as of December 31, 2025.

(€ thousand)	IFRS	Reclassification	Revaluation	Solvency II
Technical provisions - non-life **D.2.**	21,775	(538)	(5,584)	15,653
Best estimate	0	0	0	14,616
Risk Margin	0	0	0	1,036
Total gross technical provisions	**21,775**	**(538)**	**(5,584)**	**15,653**

The technical provisions relate to non-life insurance only, more specifically lines of business;

- Class 1 (accident)
- Class 8 (fire and natural forces)
- Class 13 (general liability).

General description of the reserving methodology and underlying assumptions

The technical provision for non-life insurance is updated quarterly by calculating a best estimate claims reserve, premium reserve and risk margin. The calculation of the claims provision and the premium provision is described in the next sections.

Claims provision

The best estimate claims provision is calculated with standard triangle reserving techniques. Figures concerning paid and incurred claims, claims handling expenses and salvage and subrogation are updated at product and country portfolio level, given the relatively small size of the portfolio. Analyses at line-of-business level are intended to be introduced once the portfolio size is sufficient to produce meaningful results. For both the paid and incurred amounts, three related methods are applied:

- a development factor method, consisting of the linked ratio method and a method to calculate an appropriate tail factor, and

- the Bornhuetter-Ferguson method, which takes into account an initial expectation of the ultimate claim mount and the outcomes of the development factor method, and
- the Initial Expected Loss Ratio Method.

In general, incurred and paid claims data, benchmark payment patterns and Lemonades experience globally are used to set development factors for determining the best estimate claims reserve. For the initial expected loss ratio pick in newly launched countries or products, Lemonade utilises loss ratio input from the earlier launches or partners. Although markets behave differently, in general initially above average loss ratios are expected until the book matures. Based on the current experience in its European markets, Lemonade believes these picks are reasonable. As the portfolio matures Lemonade Insurance N.V. will continue to refine its measures based on experience. In order to determine a claims reserve, the results of the various methods are compared with each other. For each accident quarter, the result which is considered most appropriate is chosen. The best estimate claims cash flows are based on the selected ultimate claim amounts and accompanying payment patterns.

Finally, these cash flows are discounted using the term structure of risk-free interest rates (excluding VA and matching adjustment) as prescribed under Solvency II for the valuation of underwriting liabilities.

During 2025 no material changes have taken place with regards to the claims provision methodology.

Premium provision

In order to determine the premium provision, both a gross and ceded premium provision are calculated. The best estimate of the premium provision consists of an estimate of the future cash outflows minus the future benefits (premiums) for the existing contracts within the contract boundary in line with Article 18 of the Delegated Acts. The contract boundary is assumed to be the next main premium expiration date after the valuation date as all contracts have a contract period of 1-year.

The cash flows in the premium provision must be split into gross cash flows and ceded cash flows related to reinsurance. The outgoing gross cash flows are all costs incurred by the Company up to the contract boundary for a policy and claims incurred by Lemonade Insurance N.V. for claims up to the contract boundary for the policy. All gross incoming cash flows are premiums up to the contract boundary. All outgoing reinsurance cash flows are premiums ceded to the reinsurer. This is additional to the unearned reinsurance premium reserve (already paid ceded premiums). Incoming reinsured cash flows are ceding commissions or payments of claims received from the reinsurer by the Company up to the contract boundary.

The expected combined ratio (i.e. loss ratio plus expense ratio) per country is updated based on annual budget figures. The expenses include maintenance expenses, first expenses and claims handling expenses, and are based on a going-concern situation. The combined ratio is used to split the premium provision by type of cash flow.

Risk Margin

The risk margin calculation is based on a cost of capital method applied to a projection of the Standard Formula SCRs associated with non-Life, as described in the Delegated Regulation. The SCRs which are relevant are the non-hedgeable risks (1) premium and reserve risk, (2), catastrophe risk, (3) operational risk and (4) counterparty default risk (through reinsurance contracts and cash balances). Per future year an approximation of SCR for the individual or sub-risks in (sub)modules is used, as the size of the projected SCR - for cash flows after the first year - is expected to be minimal. This risk driver approach is a simplification relative to recalculating the expected SCR at each point in time in the future. This simplification does not lead to a material misstatement of the risk margin and is in line with the current nature, size and complexity of the Company's risks.

The risk margin is calculated at portfolio level. Allocation to lines of business is based on the relative share of each line of business to the total SCR.

D.2.2. Level of uncertainty

Lemonade Insurance N.V. distinguishes between two sources of uncertainty with regard to the level of the technical provisions. These sources are model risk and process risk. The uncertainty associated with these risks has been mitigated as described below.

Process Risk

The process risk is mitigated using the Risk Control Framework wherein the Financial Reporting risks are included which are designed to provide reasonable assurance on the reliability of financial reports. Key controls within these processes are designed, implemented and reviewed as part of the Risk Control Matrix (RCM) which is subject to the three lines of defence structure as described in detail in section B.

Model Risk

The second risk that Lemonade Insurance N.V. has identified in relation to the technical provisions is model risk. The valuation of technical provisions is based on a combination of benchmark data and experience data for model settings and parameter estimates which reflect unknown future developments and therefore give rise to uncertainty. Due to the limited time of operating in Europe, the datasets are (very) small and therefore are subject to high variation and uncertainty. To ensure the model applied is correct, Actuarial, in its role as the second line of defence, performs an independent review of the technical provisions as described in the previous phase. Additionally, Actuarial calculated sensitivities to the provisions, which show the impacts to be negligible for the solvency ratio.

D.2.3. Differences between Solvency II valuation and IFRS valuation

There are three main differences in the valuation methodology between Solvency II and the statutory accounts:

- In the statutory accounts the loss component represents the part of the fulfilment cash flows that isn't anticipated to be covered by insurance premiums and is calculated based on all future expected cash flows including the Risk adjustment on LRC. The Solvency II premium reserve is based on all future expected cash flows (premiums, claims and expenses) within the contract boundary and differentiates in the size of the unearned premium and corresponding LAT (Liability adequacy test) reserve;
- In Solvency II a risk margin is held on top of the best estimate reserves. In the statutory accounts a risk adjustment is added to the reserves, where this risk adjustment exclude items such as operational risk which are included in the Solvency II Risk Margin;
- Both Solvency II and statutory accounts apply discounting of future expected cash flows. Solvency II uses the EIOPA risk-free interest rate for EUR (excluding VA and other transitional measures), while statutory accounts use both the EIOPA risk-free interest rate for EUR and GBP. In the statutory accounts, discounting is applied to monthly cashflows whereas in Solvency II, discounting is applied to annual cashflows.

This has an increasing effect of € 5,584 thousand on the gross technical provisions under IFRS compared with SII (see column revaluations in the table in section D.2.1.).

D.2.4. Recoverables form reinsurance contracts

The table below shows the Solvency II and IFRS (statutory) reinsurance recoverables as of December 31, 2025.

(€ thousand)	IFRS	Reclassification	Revaluation	Solvency II
Reinsurance recoverables **D.2.4.**	7,353	6,116	(2,473)	10,996

The recoverables from reinsurance are calculated by applying the ceded reinsurance percentages to the best estimate claims and premium reserves. In addition, a default rate is applied to take into account the possibility that the reinsurer will not pay.

Differences in valuation between Solvency II and IFRS result from valuation methodology differences as explained for the insurance liabilities, see section D.2.3.

D.3. Other liabilities

The break-out in the table below shows the value of the other liabilities by material liability class under Solvency II and IFRS.

(€ thousand)	IFRS	Reclassification	Revaluation	Solvency II
Deferred tax liabilities **D.3.1.**	0	0	0	0
Payables (insurance) **D.3.2.**	0	0	0	0
Reinsurance payables **D.3.2.**	0	7,514	0	7,514
Payables (trade, not insurance) **D.3.2.**	5,838	0	(52)	5,786
Any other liabilities, not elsewhere shown **D.3.2.**	3,288	501	0	3,789

D.3.1. Deferred tax liabilities

As of December 31, 2025, no deferred tax liabilities were recognised under Solvency II. Temporary differences identified at that date gave rise to deferred tax assets rather than deferred tax liabilities. Accordingly, no balance has been reported in this section.

D.3.2. Payables and any other liabilities (not elsewhere shown)

These amounts represent liabilities for services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The (intercompany) payables and other liabilities are presented as current liabilities unless payment is not due within 12 months after the reporting period. The other liabilities, not elsewhere shown, include the accrual on taxes, licences and (professional) fees.

As of December 31, 2025, the carrying amounts of other payables approximated their fair values due to the short-term maturities of these liabilities. A reclassification is made between reinsurance receivables and payables, and receivables and payables (trade, not insurance).

D.4. Alternative methods of valuation

Alternative methods of valuation are used for assets and liabilities for which no quoted market prices exist in active markets for the same or similar assets and liabilities. This concerns the following assets and liabilities; the gross and ceded technical provisions. For these assets and liabilities we refer to section D.2., for information regarding these alternative methods of valuation.

D.5. Any other information

All relevant information is covered in the previous sections.

E. Capital Management

E.1. Own Funds

E.1.1. Objective, policies and processes for managing own funds

Capital management is aimed at preventing breaches of statutory solvency requirements, taking into account (i) the composition of the Lemonade Insurance N.V.'s own funds and (ii) planning in relation to the future composition of its capital (both equity and debt).

The Capital Management Policy (**"CMP"**) sets out measures the Company may enact in the event that its solvency ratio declines rapidly or falls below a critical limit.

For the next three years, no dividend distribution is expected, nor any repayment on capital provided by the sole (indirect) shareholder. There are no capital instruments or profit-sharing schemes that require capital repayment, nor any premium refunds, other than the discretionary Giveback program explained in section A.

Should in the following years a capital withdrawal or dividend distribution be prudent, the solvency ratio and internal solvency targets will be taken into account. In any case, the Company will not distribute dividends unless its own funds exceed 150% of SCR.

Internal safety margin (buffer)

The internal minimum risk tolerance solvency ratio for Lemonade Insurance N.V. as formulated in the risk appetite is 110% of the SCR or (if higher) 110% of the MCR. The lower limit desired risk appetite solvency target is 135% of the SCR or (if higher) 135% of the MCR. These internal safety margins on top of the statutory solvency requirements in its own funds requirement are set by Lemonade Insurance N.V. to prevent frequent breaches of statutory solvency requirements.

This buffer is estimated to be sufficient given that the main risk for the Company, in the absence of reinsurance, is CAT risk due to the nature of the products sold; however, this is mitigated by the Excess of Loss and Quota Share reinsurance covers in place, and by the high level of liquid assets available to promptly meet claims arising from such events.

The safety margin has also taken into account the Company's low risk profile, the volatility of the solvency ratio under normal conditions and in stress situations and the expectations of stakeholders, such as shareholders and policyholders.

Key figures

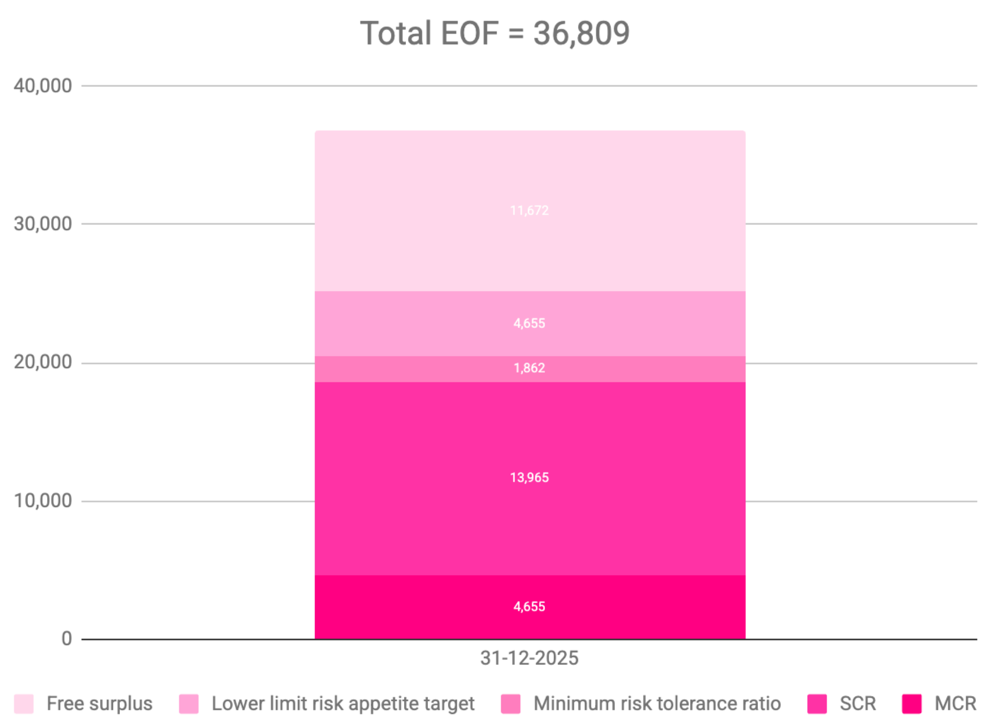
Eligible own funds of Lemonade Insurance N.V. equaled 198% of the SCR and 789% of the MCR. Both ratios being greater than 100%, evidences Lemonade Insurance N.V.'s ability to meet policyholder obligations when they fall due, even under stressed conditions. Solvency II key figures are presented in the following table:

Eligible own funds to meet SCR	36,809
Standard Formula SCR	18,620
Solvency II ratio to SCR	198%
Eligible own funds to meet MCR	36,743
Standard Formula MCR	4,655
Solvency II ratio to MCR	789%

Details on own funds are described in the next section. Lemonade Insurance N.V.'s SCR and MCR are described in section E.2.

E.1.2. Own Funds – quality and amount

The table below shows how the eligible own funds of Lemonade Insurance N.V. relate to the different capital targets.



The table below details the capital position of Lemonade Insurance N.V.. With respect to the capital position, Solvency II requires insurers to categorise own funds into the following three tiers with differing qualifications as eligible available regulatory capital:

- Tier 1 capital consists of Ordinary Share Capital, Share Premium and Reconciliation reserve.
- Tier 2 capital consists of ancillary own funds and basic Tier 2. Ancillary own funds consist of items other than basic own funds which can be called up to absorb losses. Ancillary own fund items require the prior approval of the supervisory authority. Lemonade Insurance N.V. has no ancillary own fund items.
- Tier 3 consists of Deferred tax assets.

The rules impose limits on the amount of each tier that can be held to cover capital requirements with the aim of ensuring that the items will be available if needed to absorb any losses that might arise.

Total eligible own funds to meet the	**SCR**	**MCR**
Tier 1 capital - unrestricted	36,743	36,743
Tier 1 capital - restricted	-	-
Tier 2 capital	-	-
Tier 3 capital	66	-
Total	36,809	36,743

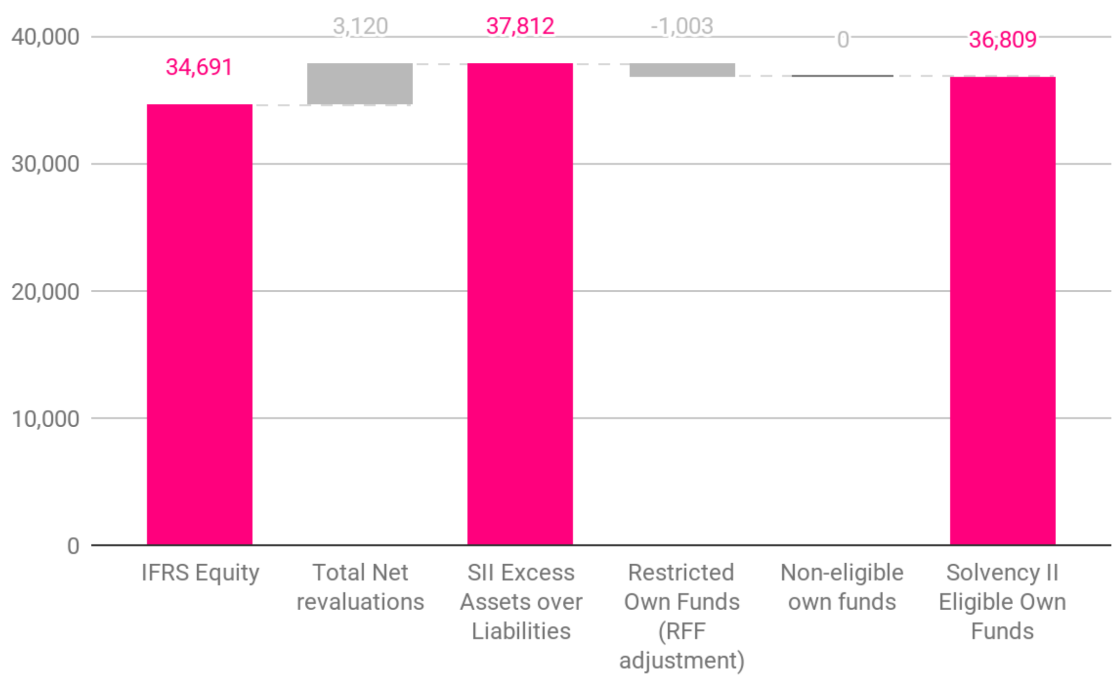
A further breakdown of the unrestricted Tier 1 (**"u-T1"**) capital and total Eligible own funds is detailed in the table below.

(€ thousand)	**u-T1 capital**
Ordinary share capital - gross of own shares	45
Share premium account related to ordinary share capital	47,938
Reconciliation reserve	-11,240
Unrestricted Tier 1 Eligible own funds	36,743
Tier 3 capital	66
Eligible Own Funds	36,809

The ordinary share capital and share premium amount to € 48 million. The reconciliation reserve is determined as excess of assets over liabilities, less the adjustment for restricted own-funds items, and less other basic own-fund items including ordinary share capital and share premium. The reconciliation reserve originates from losses during the year.

E.1.3. Difference between equity as shown in the financial statements and the Solvency II value excess of assets over liabilities

Below mentioned graph shows the reconciliation between statutory IFRS equity and Solvency II excess assets over liabilities and Solvency II own funds.



Main reasons for the differences in valuation between IFRS equity and Solvency II equity (i.e. excess assets over liabilities) are described in section D.2.3. To reconcile from Solvency II excess assets over liabilities to eligible own funds (**"EOF"**), the following movements are taken into consideration:

- Subordinated liabilities – not applicable for Lemonade;
- Foreseeable dividends and distributions – not applicable for Lemonade;
- Restricted own-funds – applicable for the Company;
- Deductions for participations in financial and credit institutions – not applicable for Lemonade;

- Tiering limitations – In accordance with the Delegated Regulation the EOF is divided into tiering components. There are boundary conditions related to the size of these components. Excess of these limits results in capping of EOF. For Lemonade, capping does not apply as of December 31, 2025 for the SCR, for the MCR tier 3 capital is not counted.

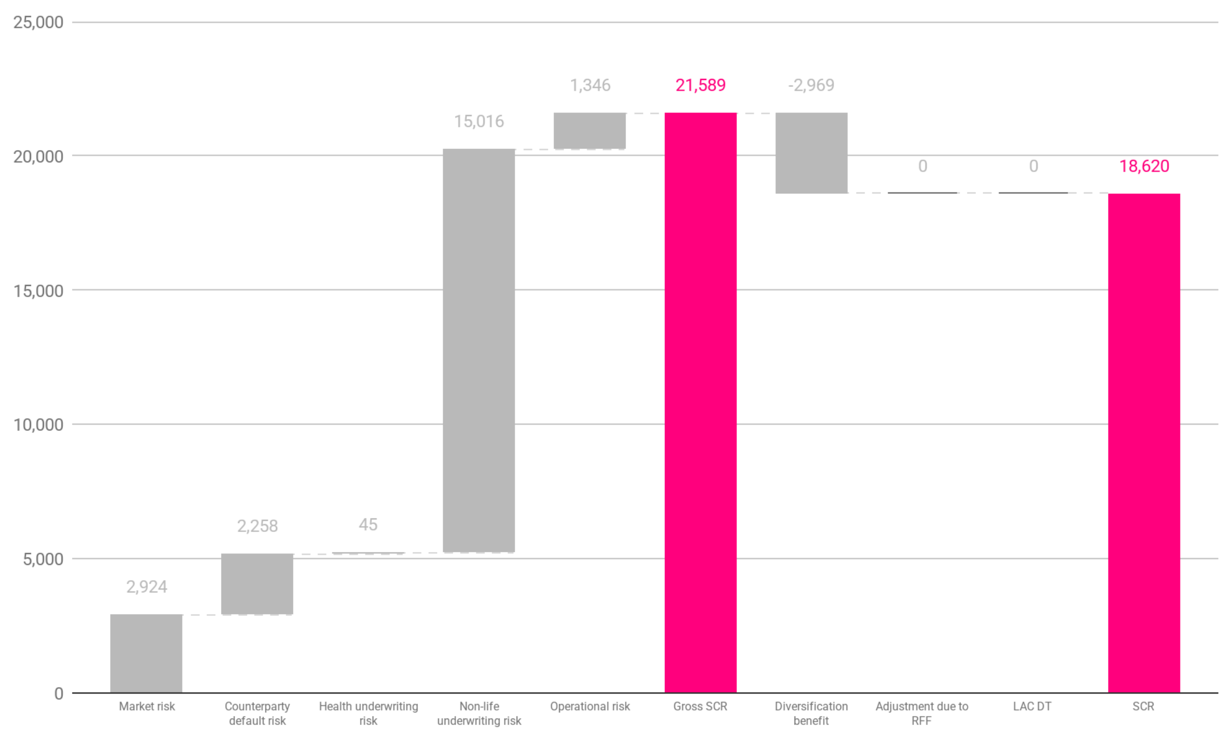
E.2. Solvency Capital Requirement and Minimum Capital Requirement

Lemonade reports its SCR in line with the SF specifications. As of December 31, 2025, the SCR amounts to € 18,620 thousand above the MCR of € 4,655 thousand, according to Directive 2009/138 EU article 129.1.(d).

The Company has one restricted own-funds item in the form of a non-transferable deposit. This item gives rise to a deduction in the own-funds calculation / reconciliation reserve. It does not give rise to a separate RFF adjustment in the SCR calculation.

E.2.1. Solvency Capital Requirement

The graph below provides an overview of the SCR by risk categories. Each risk category is split into risk types. The amounts as provided in the table are including diversification within the risk category. Therefore, the amount with diversification benefit contains diversification amounts between the risk categories only.



No simplified calculations or undertaking specific parameters have been used for the SCR components. Refer to chapter C on risk Profile for a further discussion on the SCR amounts by Risk Type.

E.2.2. Minimum Capital Requirement

The linear MCR of € 1,552 thousand has been determined based on past years net written premium and net best estimate technical provisions. However, the MCR contains a minimum of 25% and a maximum of 45% of the SCR, as stipulated in article 292(2)(g) of the Delegated Regulation. Applying the MCR floor, the combined MCR becomes € 4,655 thousand. This is above the absolute floor the MCR of € 4,000 thousand.

(€ thousand)	MCR components
Linear MCR	1,552
SCR	18,620
MCR cap	8,379
MCR floor	4,655
MCR combined	4,655
Absolute floor of the MCR	4,000

E.3. Use of duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

This is not applicable for Lemonade Insurance N.V., since the Company does not have any equities on the balance sheet.

E.4. Differences between internal model and standard formula.

Lemonade Insurance N.V. does not use a (Partial) Internal Model to calculate its SCR.

E.5. Non-compliance with the MCR and the SCR

During 2025, there were no instances in which the estimated Solvency ratio was below the required MCR and the SCR level. To ensure that Lemonade Insurance N.V. maintains adequate solvency levels, actual and expected capital positions are monitored against capitalization zones that are defined in the Company's CMP. Several activities are performed to monitor and assess the future development of Lemonade Insurance N.V.'s solvency position, such as the annual Business Plan process and periodic management reporting. Decisions to return capital to shareholders are based on solvency assessments that consider the impact of the decisions on the current and projected solvency position.

Any solvency position is subject to risks, and Lemonade Insurance N.V. therefore constantly monitors such risks. These are quantified to determine the impact on the current and the projected solvency position. The CMP provides actions that need to be performed as soon as the identified risks could cause the projected solvency ratio to fall within a particular capitalization zone.

E.6. Any other information

There is no other information regarding the capital management of the Company that is deemed material to report.

Glossary

A

Actuarial The actuarial function of the Company

AFM Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*)

AI Artificial Intelligence

AIRC The Company's AI Responsibility committee

ALAE Allocated Loss Adjustment Expenses

(A)MCR (Absolute) Minimum Capital Requirement

ARC The Audit and Risk committee of the Supervisory Board of the Company

C

Capital Management and Investment Committee The Company's capital management and investment committee

CEO The Company's chief executive officer

Chair The chair of the Company's Board of Management

CLA The Company adheres to the Collective Labour Agreement *(Collectieve Arbeidsovereenkomst)* for the Insurance industry as the Company is a full member of the Dutch Association of Insurers *(Verbond van Verzekeraars)*

CMP Capital Management Policy of the Company

Cohort A group of policyholders who express a preference for the same cause (or alternatively the group of policyholders that have not expressed a preference for a specific cause) under the Giveback program

Company Lemonade Insurance N.V.

Compliance The compliance function of the Company

CPSC The Company's compliance, privacy and security committee

Compliance Function The Company's compliance function

CLX - Claims Experience team The claims handling team of the Company

CX - Customer Care & Sales Support The customer care and sales support function of the Company

D

DPO - Data Protection Officer The Company's data protection officer

Delegated Regulation Delegated Regulation (EU) 2015/35

Deputy Chair The Deputy Chair of the Management Board

Directive Directive 2009/138/EC

DFSA Dutch Financial Supervision Act (*Wet op het financieel toezicht*)

DNB The Dutch Central Bank (*De Nederlandsche Bank*)

DORA Digital Operational Resilience Act

E

EIOPA European Insurance and Occupational Pensions Authority

EIOPA-BoS-15/109 Guidelines on reporting and public disclosure

EIOPA-BoS-14/166 Guidelines on the valuation of technical provisions

EOF Eligible own funds

EPIFP Expected Profits in Future Premiums

EU European Union

F

FCA The British Financial Conduct Authority

Finance The finance function of the Company

G

Giveback or Giveback program The corporate giving program of the Company

Growth/Marketing The growth/marketing function of the Company

H

HR The human resource function of the Company

I

IFRS International Financial Reporting Standards

IFRS-EU International Financial Reporting Standards as adopted by the European Union

Internal Audit The internal audit function of the Company

IT The information technology function of the Company

L

Legal The legal function of the Company

Lemonade Agency Lemonade Agency B.V.

Lemonade Agency B.V., UK Branch The UK Branch of Lemonade Agency B.V.

Lemonade B.V. A holding company, which is directly and wholly owned by Lemonade, Inc.

Lemonade, the Lemonade Group or Group The group of companies affiliated with Lemonade, Inc., the ultimate parent

Lemonade Insurance N.V. A public limited liability company *(naamloze vennootschap)* incorporated under the laws of the Netherlands, in this document also referred to as 'the Company'

Lemonade Insurance N.V., UK Branch The UK Branch of Lemonade Insurance N.V.

M

MB The Company's management board

MCR Minimum Capital Requirement

O

ORSA Own Risk and Solvency Assessment

P

PRA the Bank of England's Prudential Regulation Authority

Product Oversight and Governance The product oversight and governance function of the Company

Product Oversight and Governance Committee The Company's product oversight and governance committee

Q

QRTs Quantitative Reporting Templates

R

RCM The Company's Risk Control Matrix

Remuneration Committee The remuneration committee of the Supervisory Board of the Company

Risk The risk management function of the Company

Risk Dashboard Reflects the risk ratings of several categories as a result of the self-assessment of the Company.

Risk Function The Company's risk function

RMS The Company's risk management system

S

SCR Solvency Capital Requirement

SF The standard formula under Solvency II for identification and quantification of risk exposures

Solvency II or Solvency II Regulations The Directive, the Delegated Regulation (EU) 2015/35 and the lower rules and regulations promulgated thereunder

SII 2020 review Commission Delegated Regulation (EU) 2026/269, amending the Commission Delegated Regulation (EU) 2015/35 (Solvency II), which will come into force on the 28th of January 2027

SB The Company's Supervisory Board

T

TPR Temporary Permissions Regime of the PRA

U

UK The United Kingdom

Underwriting The underwriting function of the Company

Underwriting Risk Committee The Company's underwriting and risk committee

V

VA Volatility Adjustment