

Solvency and Financial
Condition Report
31st December 2025

 **mapfre** Middlesea

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Executive Summary

The Solvency and Financial Condition Report is aligned with the requirements of Directive 2009/138/EC (Solvency II Directive) and the Commission Delegated Regulation (EU) 2015/35.

Business and Performance

Mapfre Middlesea p.l.c (also 'the Company' or 'MMS' used interchangeably through the document) is a composite insurance company with primary activities being underwriting of non-life and group life risks. It accepts risks on the following Solvency II lines of business:

- Medical expense insurance
- Income protection insurance
- Motor vehicle liability insurance
- Other Motor insurance
- Marine, Aviation and Transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Assistance
- Miscellaneous financial loss
- Other life insurance

MMS does not underwrite any risks, that are situated outside Malta unless there is a specific Maltese interest.

Mapfre Middlesea is a subsidiary of **Mapfre S.A.** and forms part of the Mapfre Group, composed of Mapfre, S.A. and various companies operating in the insurance, asset management, property, investments, and services industries. Within the Mapfre Group, a number of Corporate Functions exist which assist and oversee subsidiaries. The ultimate controlling company within the Group is FUNDACIÓN Mapfre, a non-profit institution domiciled in Madrid at Paseo de Recoletos 23.

The insurance service result for MMS amounted to €16.8 million at 31st December 2025 (2024: €12.3 million). Net insurance finance expenses amounted to €0.3 million (2024: €0.6 million) which, together with investment income and other revenue and other operating expenses, resulted in a profit before taxes of €16.9 million, up from €10.5 million in 2024.

During 2025, insurance revenue totalled €109.7 million (2024: €99.9 million), with total written premium increasing by 9.6%, mainly in the Health, Property and Travel business. Motor increased marginally, mainly through tariff increases to counter inflationary pressures.

MMS's net combined ratio at 82.3% shows a significant improvement of 4.1 percentage points compared to 86.4% in the previous year. Motor saw an improvement compared to the previous year as a result of increased tariffs, lower frequency and better run-off, partly offset by a higher impact from large losses. Prior year claims saw a favourable net run-off in all lines of business other than Travel, Marine and Property.

Internal expenses increased by 4.0% over the previous year, mainly driven by staff-related costs.

System of Governance

MMS's Governing bodies as at 31st December 2025 are set out below:

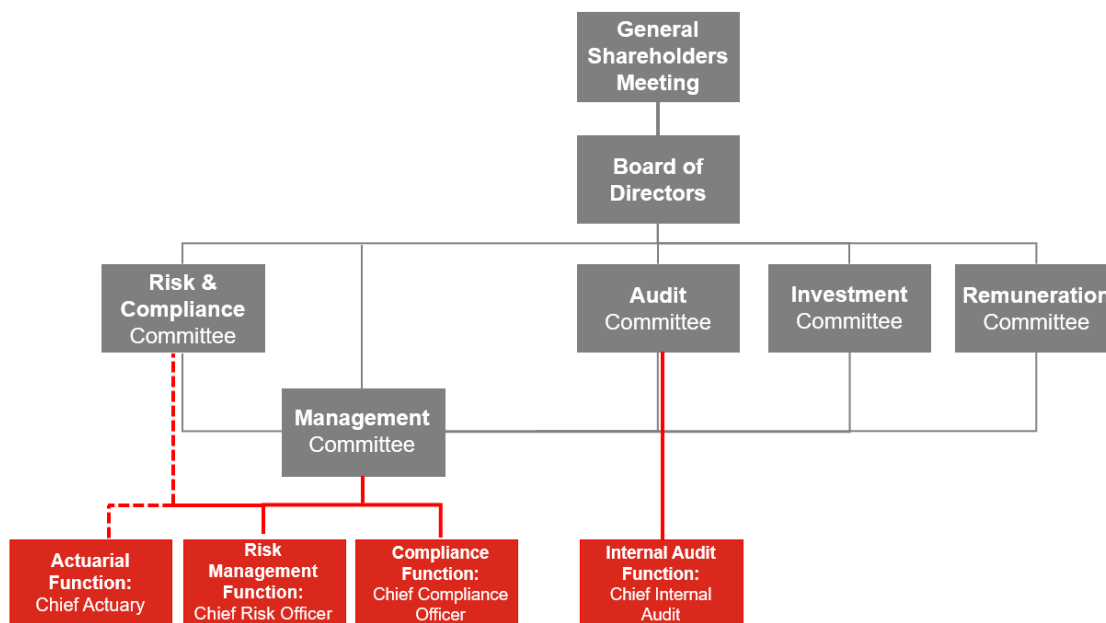
- Shareholders' Annual General Meeting
- Board of Directors
- Audit Committee
- Risk and Compliance Committee
- Investment Committee
- Remuneration Committee
- Management Committee

Additionally, the following committees supplement the list above:

- Security, Crisis and Resilience Committee
- Product Oversight Governance (POG) Committee
- Pricing and Reserving Committee
- Mapfre Malta Steering Committee

MMS is also supervised by the EMEA Regional Management Committee, which is directly responsible for the supervision of the management of the Business Units in the region concerned, except for the reinsurance unit, and the promotion of all global and regional corporate projects.

MMS's organisational chart showing the main governing bodies and the Key Functions is set out below:



These governing bodies allow for the adequate strategic, commercial and operational management and allow MMS to provide an adequate and timely response to events that may arise at any level within the organisation and within its business and corporate environment.

In order to ensure that MMS’s system of governance has an adequate structure, MMS has a number of policies that govern the key functions (Risk Management, Compliance, Internal Audit and Actuarial).

These policies help to ensure that the functions follow the requirements and are compliant with the lines of governance established by MMS and by the Mapfre Group.

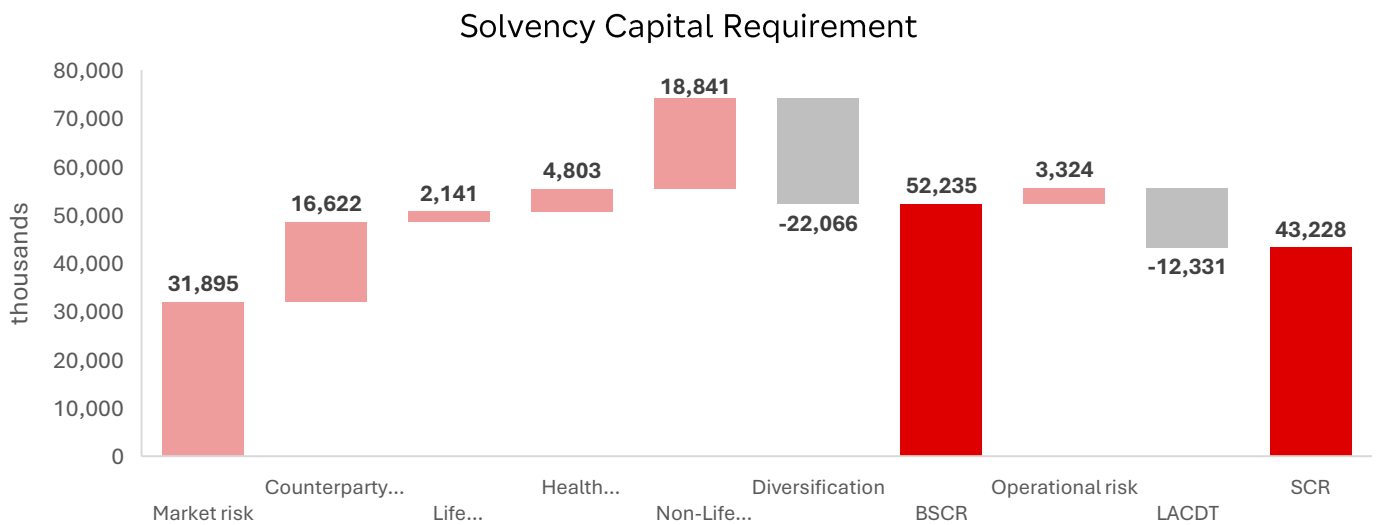
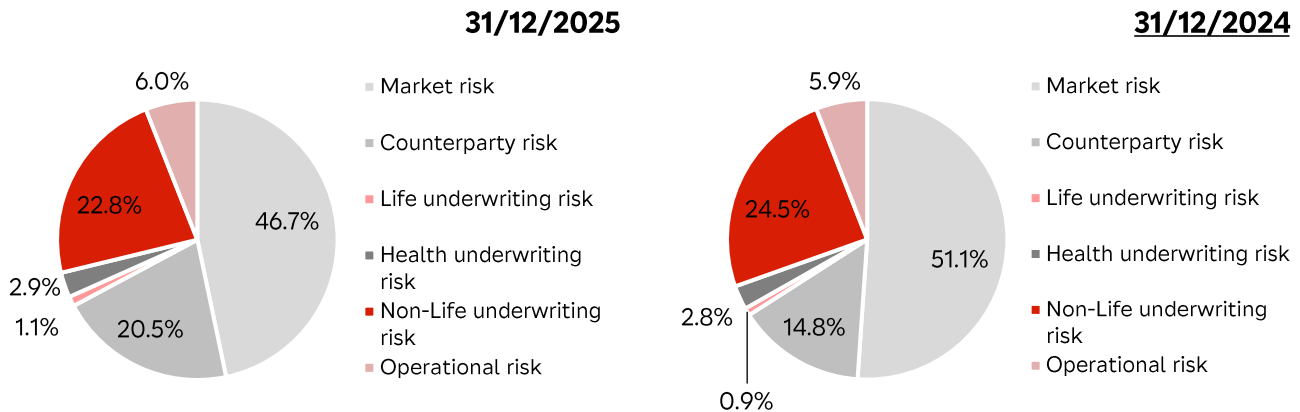
MMS’s Board of Directors is ultimately responsible for ensuring the effectiveness of the Risk Management System. In relation to MMS’s policies and strategies, it approves, reviews periodically and monitors the Risk Management System, the risk appetite and limits, and the solvency of the Company. Regarding the Risk Management System, the three lines of defence model has been adopted.

Within this framework, MMS has a structure composed of areas that, in their respective technical expertise, independently monitor the risks assumed.

Risk profile

MMS calculates its Solvency Capital Requirement (hereinafter SCR) using the standard formula.

The following reflects the composition of MMS’s risk profile based on the risks included under the standard formula methodology as well as the regulatory capital necessary for each risk:



MMS's risk profile is skewed towards market risk, due to MMS's strategic investment in Mapfre MSV Life p.l.c (MMSV). This risk is followed by non-life underwriting risk and counterparty default risk.

Other material risks to which MMS is exposed to include cyber risk, strategic initiatives and projects, significant expenses increase, inflation and natural or man-made catastrophes. Additional information on these risks is provided in Section C.6.

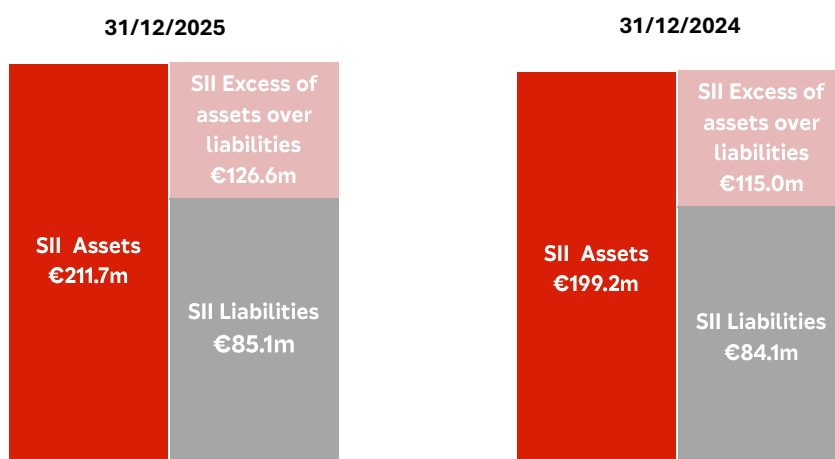
Recent geopolitical tensions arising from the 2026 Middle East conflict have contributed to elevated uncertainty globally. While the situation continues to evolve, the Company is monitoring potential implications on market volatility, investment exposures, and operational resilience.

MMS also analyses the sensitivity of its solvency position with respect to certain severe but plausible events, the results of which show that MMS complies with regulatory capital requirements even under the adverse circumstances considered.

Valuation for solvency purposes

The Solvency II (SII) value of assets amounts to €211.7 million, whereas the accounting value (IFRS value) is equal to €182.4 million. The difference between Solvency II and MMS's accounting figures are explained by their different valuation approaches, mainly arising from intangible assets and reinsurance recoverables.

The Solvency II value of liabilities amounts to €85.1 million, whereas the IFRS value is equal to €90.9 million. The main difference between Solvency II value and the IFRS value arose from the different valuation criteria used for the calculation of technical provisions.



Figures in thousand euro

The total excess of assets over liabilities for Solvency II purposes amounted to €126.6 million, which represented an increase of 38.4% over the IFRS value of equity. As at 31st December 2025 the total excess of assets over liabilities increased by €11.6 million compared to the end of last year.

There were no significant changes in the valuation criteria for assets and liabilities throughout the year.

Capital Management

MMS has the appropriate structure and processes necessary to manage and oversee its own funds and has a policy and a medium-term capital management plan to maintain the solvency levels within the limits established by the legislation and by MMS's own risk appetite.

The following table provides a breakdown of MMS's solvency ratio or SCR coverage ratio.

	31/12/2025	31/12/2024
Solvency Capital Requirement (SCR)	43,228	40,100
Own funds eligible for SCR coverage	120,615	110,230
Solvency ratio (SCR coverage)	279.0%	274.9%

Figures in thousand euro

MMS's Solvency Capital Requirement amounted to €43.2 million. The SCR corresponds to the own funds that MMS must hold to limit the likelihood of bankruptcy to a 1 in 200 probability, or that MMS is 99.5% confident to be able to meet its commitments to insurance policyholders during the following year.

As at 31st December 2025 the eligible own funds to cover the SCR amount to €120.6 million (2024: €110.2 million), of which €119.0 million (2024: €108.6 million) are classified as unrestricted Tier 1 and €1.7 million (2024: €1.9 million) are classified as Tier 3. Tier 1 capital has the characteristics set out in Article 93(1)(a) and (b) of Directive 2009/138/EC, fully paid up and available to absorb losses.

The solvency ratio amounts to 279.0% (274.9% in 2024) and reflects the proportion between eligible own funds and the SCR. It shows that MMS has a high capacity to absorb extraordinary losses arising from an adverse scenario and is within the Risk Appetite established for MMS and approved by its Board of Directors.

To calculate the solvency ratio, MMS does not use matching and volatility adjustments, or transitional measures for technical provisions provided by Solvency II regulations.

The Solvency II regulation also establishes a Minimum Capital Requirement (MCR), which is the minimum level of security under which financial resources must never fall. MMS's MCR amounted to €13.2 million and the eligible own funds to cover it are equal to €119.0 million, resulting in an MCR coverage ratio of 902.1%.

Additionally, the Solvency II review published in 2025 introduces targeted amendments aimed at enhancing insurers' resilience while simplifying compliance for smaller or less complex entities. These changes focus on refining capital requirements, improving risk-management expectations, and ensuring the framework remains proportionate and supportive of long-term investment. These amendments are not expected to have a material impact on MMS's calculations.

A. Business and Performance

The accounting information in this section follows from MMS's financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

A.1. Business

A.1.1. Company Businesses

Mapfre Middlesea p.l.c. (also 'the Company' or 'MMS' used interchangeably throughout the document) is an insurance company specialising in the underwriting of non-life and group life business.

MMS underwrites risks that are exclusively located in the Maltese territory.

The registered address is: Mapfre Middlesea p.l.c.
Middlesea House
Floriana, Malta

MMS is a subsidiary of Mapfre S.A. with registered address: Mapfre S.A.
Carretera de Pozuelo 52
Majadahonda, Spain

and is part of the Mapfre GROUP, composed of Mapfre S.A. and various companies operating in insurance, asset management, property investments and service industries.

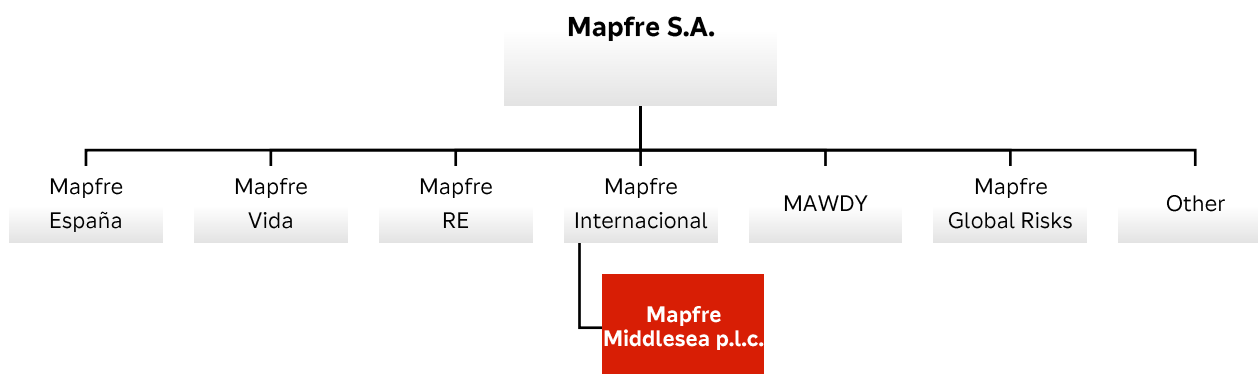
The ultimate controlling company within the Group is FUNDACIÓN Mapfre, a non-profit institution domiciled in Madrid at Paseo de Recoletos 23 (Spain).

The following table shows the companies that hold qualifying investments in MMS:

Name	Type of interest	Location	Percentage of ownership (*)
Mapfre Internacional, S.A.	Limited liability	Spain	55.83%
Bank of Valletta p.l.c.	Limited liability	Malta	31.08%

(*) The ownership interest and voting rights are the same.

An organisational chart is presented below showing the position held by MMS within the simplified legal structure of the Mapfre Group:



MMS is the parent company of a number of subsidiaries with main activities being insurance, financial and assistance services. Annex I to this report provides details of these companies.

Mapfre Group presents a consolidated report for the Group and individual reports for the insurance and reinsurance companies belonging to the Group.

Supervision

The Malta Financial Services Authority (hereinafter 'MFSA') is responsible for the financial supervision of MMS. The MFSA is located at: Triq l-Imdina, Zone 1

Central Business District
Birkirkara, CBD 1010

and its website is <https://www.mfsa.mt/>.

The Dirección General de Seguros y Fondos de Pensiones (DGSFP) is responsible for the financial supervision of the Mapfre Group since Mapfre S.A. is located in Spain. The DGSFP is located at Paseo de la Castellana, 44, Madrid and its website is <https://dgsfp.mineco.gob.es/>

External Audit

On 24th March 2026, KPMG Malta issued an unqualified audit opinion on the individual and consolidated financial statements prepared by MMS as at 31st December 2025.

KPMG Malta is located at: Portico Building
Marina Street
Pieta', PTA 9044.

Lines of business

Although a composite insurer, MMS is primarily a general business insurer and accepts risks for the following lines of business:

- Medical expense insurance
- Income protection insurance
- Motor vehicle liability insurance
- Other motor insurance
- Marine, aviation, and transport insurance
- Fire and other damage to property insurance

- General liability insurance
- Assistance
- Miscellaneous Financial Loss
- Other life insurance

Geographic areas

MMS does not underwrite any risks that are situated outside Malta unless there is a specific Maltese interest.

During 2025, the Mapfre SA Group's business activities were developed through an organisational structure comprised of four Business Units (Insurance, Reinsurance, Global Risks and MAWDY), and five Regional Areas: Iberia (Spain and Portugal), Brazil, LATAM South-Central (Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela, the Central American Subregion, and the Dominican Republic.), North America (United States and Puerto Rico) and EMEA (Europe and Middle East) as well as Mexico as a strategic country. The Reinsurance and Global Risks Units are integrated into the legal company Mapfre RE.

A.1.2. Events with material repercussions

The insurance service result amounted to €16.8 million at 31st December 2025 (2024: €12.3 million). Net insurance finance expenses amounted to €0.3 million (2024: €0.6 million) which, together with investment income and other revenue and other operating expenses, resulted in a profit before taxes of €16.9 million, up from €10.5 million achieved in 2024. Insurance revenue increased due to organic growth and tariff increases, particularly, in Health and Motor. Claim frequency in Motor improved, whilst that of Health deteriorated. The impact of large losses increased compared to the previous year, most significantly in Motor, whilst a net favourable run-off was registered in the underlying claims data used in actuarial claims projections, compared to an unfavourable run-off the previous year. An improvement in the combined ratio was thus registered when compared to the previous year.

During 2025, insurance revenue totalled €109.7 million (2024: €99.9 million), with total written premium increasing by 9.6%, mainly in the Health, Property and Travel business. Motor increased marginally, mainly through tariff increases to counter inflationary pressures.

MMS's net combined ratio at 82.3% shows a significant improvement of 4.1 percentage points compared to 86.4% in the previous year. Motor saw an improvement compared to the previous year as a result of the increase in tariffs, lower frequency and better run-off, partly offset by a higher impact from large losses. Prior year claims saw a favourable net run-off in all lines of business other than Travel, Marine and Property.

Internal expenses increased by 4.0% over the previous year, mainly driven by staff-related costs.

The profit or loss account shows a net investment income of €4.8 million compared to the previous year's €2.6 million. A net dividend of €1.5 million was received from Mapfre MSV Life p.l.c. during 2025 (2024: €1.0 million) and €1.0 million net dividend from the subsidiary BEE Insurance Management Ltd., with higher non-group dividend and interest income earned compared to 2024.

A.2. Underwriting results

Below is a comparison of the quantitative information regarding the activity and underlying results for 2025 and 2024 by line of business.

	Line of Business for: non-Life insurance and reinsurance obligations (direct insurance and proportional accepted reinsurance)																		Total		
	Medical expense insurance		Income Protection insurance		Motor vehicle liability insurance		Other motor insurance		Marine, aviation and transport insurance		Fire and other damage to property insurance		General liability insurance		Assistance		Miscellaneous financial loss				
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Premiums written																					
Gross - Direct Business	22,763	18,038	1,282	1,162	20,396	21,848	29,789	27,144	3,356	2,945	21,916	20,058	7,723	7,262	3,827	3,266	9	14	111,061	101,736	
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted																					
Reinsurers' share	109	104	33	3	1,406	1,348	385	336	441	311	16,069	14,941	468	492	86	1	4	8	19,001	17,544	
Net	22,654	17,934	1,248	1,159	18,990	20,500	29,404	26,808	2,915	2,634	5,847	5,117	7,256	6,770	3,741	3,265	5	5	92,060	84,192	
Premiums earned																					
Gross - Direct Business	21,472	17,037	1,220	1,183	20,015	21,034	29,232	26,132	3,177	2,919	20,738	19,279	7,498	7,065	3,778	3,264	8	42	107,136	97,954	
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted																					
Reinsurers' share	109	104	33	3	1,406	1,348	347	336	410	327	15,219	15,025	483	482	86	1	4	(25)	18,096	17,600	
Net	21,363	16,934	1,186	1,180	18,609	19,685	28,885	25,796	2,767	2,592	5,520	4,254	7,015	6,582	3,692	3,264	4	66	89,040	80,354	
Claims Incurred																					
Gross - Direct Business	11,047	8,456	461	582	12,219	11,555	8,910	8,670	703	1,931	4,062	4,201	958	1,496	2,177	2,282	-	-	40,538	39,172	
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Non-proportional reinsurance accepted																					
Reinsurers' share	59	7	-	1	214	43	156	33	-	(2)	2,567	3,160	(13)	1	-	-	-	-	2,983	3,244	
Net	10,988	8,448	461	580	12,005	11,511	8,754	8,637	703	1,933	1,495	1,041	971	1,495	2,177	2,282	-	-	37,555	35,929	
Expenses incurred	8,036	6,742	601	687	8,069	8,404	10,441	9,636	1,014	1,061	2,360	2,078	2,958	2,765	1,970	1,328	8	14	35,456	32,715	
Balance – other technical expenses/income																				-	-

	Line of Business for: non-Life insurance and reinsurance obligations (direct insurance and proportional accepted reinsurance)																		Total		
	Medical expense insurance		Income Protection insurance		Motor vehicle liability insurance		Other motor insurance		Marine, aviation and transport insurance		Fire and other damage to property insurance		General liability insurance		Assistance		Miscellaneous financial loss				
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Total technical expenses																				35,456	32,715

	Line of Business for: life insurance obligations			
	Other life insurance		Total	
	2025	2024	2025	2024
Premiums written				
Gross	2,499	1,910	2,499	1,910
Reinsurers' share	249	222	249	222
Net	2,250	1,688	2,250	1,688
Premiums earned				
Gross	2,556	1,968	2,556	1,968
Reinsurers' share	249	222	249	222
Net	2,308	1,746	2,308	1,746
Claims incurred				
Gross	1,370	777	1,370	777
Reinsurers' share	80	132	80	132
Net	1,290	645	1,290	645
Expenses incurred				
	666	570	666	570
Balance – other technical expenses/income				
			-	-
Total expenses				
			666	570
Total amount of surrenders				
	-	-	-	-

Figures in thousand euro

The preceding tables only present the columns to the lines of business in which MMS operates. These can be highlighted through the following points:

- MMS closed the year with gross written premiums amounting to €113.6 million (2024: €103.6 million), experiencing an increase of 9.6% over 2024.
- Total gross claims incurred amounted to €41.9 million (2024: €40.0 million), experiencing an increase of 4.9% over 2024.
- The profit after tax for 2025 stood at €11.6 million (2024: €7.2 million), showing an increase of 62.6% over 2024.

A.3. Investment performance

A.3.1. Information on income and expenses arising from investments

The following tables present quantitative information regarding income and expenses from investments:

Financial Income	2025	2024
INVESTMENT INCOME		
Investment properties	787	821
Income from the held-to-maturity portfolio	-	-
Income from the fair value through / available-for-sale portfolio	525	356
Income from the fair value through profit or loss portfolio	315	179
Dividend from Group companies	3,415	1,323
Other financial income	1	1
TOTAL INVESTMENT INCOME	5,043	2,680
REALISED AND UNREALISED GAINS		
Net realised gains	-	-
Investment properties	-	-
Held-to-maturity investment portfolio	-	-
Available-for-sale investment portfolio	-	-
Fair value through profit or loss portfolio investments	-	-
Other	-	-
Net unrealised gains	-	-
Increase in the fair value of the trading portfolio and profits from derivatives	4	71
Other	-	-
TOTAL GAINS	4	71
OTHER FINANCIAL INCOME FROM THE INSURANCE BUSINESS		
Gains on investments on behalf of policyholders bearing the investment risk	-	-
Gains on exchange	-	1
Other	-	-
TOTAL OTHER FINANCIAL INCOME FROM THE INSURANCE BUSINESS	-	1

TOTAL INCOME FROM THE INSURANCE BUSINESS	5,047	2,752
FINANCIAL INCOME FROM OTHER BUSINESSES	-	-
TOTAL FINANCIAL INCOME	5,047	2,752

Figures in thousand euro

Financial Expenses	2025	2024
INVESTMENT EXPENSES		
Investment properties	21	15
Expenses from the held-to-maturity portfolio:	-	-

Financial Expenses	2025	2024
Expenses from the available-for-sale portfolio:	-	-
Expenses from the trading portfolio:	-	-
Other financial expenses	178	136
TOTAL INVESTMENT EXPENSES	199	151
REALIZED AND UNREALIZED LOSSES		
Realized losses	-	-
Investment properties	-	-
Held-to-maturity investment portfolio	-	-
Available-for-sale investment portfolio	50	-
Fair value through profit or loss portfolio investments	9	-
Other	-	-
Unrealized losses	-	-
Decrease in the fair value of the trading portfolio and losses on derivatives	-	-
Other	-	-
TOTAL LOSSES	59	-
OTHER FINANCIAL EXPENSES FROM THE INSURANCE BUSINESS		
Losses on investments on behalf of policyholders bearing the investment risk	-	-
Losses on exchange	-	-
Other	-	-
TOTAL OTHER FINANCIAL EXPENSES FROM THE INSURANCE BUSINESS	-	-

TOTAL EXPENSES FROM THE INSURANCE BUSINESS	258	151
FINANCIAL EXPENSES FROM OTHER BUSINESSES	-	-
TOTAL FINANCIAL EXPENSES	258	151

TOTAL INCOME FROM THE INSURANCE BUSINESS	5,047	2,752
TOTAL EXPENSES FROM THE INSURANCE BUSINESS	258	151
FINANCIAL RESULT FROM THE INSURANCE BUSINESS	4,789	2,601
TOTAL FINANCIAL INCOME FROM OTHER BUSINESSES	-	-
TOTAL FINANCIAL EXPENSES FROM OTHER BUSINESSES	-	-
TOTAL FINANCIAL RESULT FROM OTHER BUSINESSES	-	-
TOTAL FINANCIAL RESULT	4,789	2,601

Figures in thousand euro

Total net investment income for the year amounted to €4.8 million (2024: €2.6 million). A gross dividend of €2.3 million was received from MMSV in 2025, compared to €1.2 million in 2024.

Property income declined due to rental rate adjustments and a higher void factor. The revaluation of investment property resulted in a fair value loss of €0.3 million compared to a loss of €0.2 million in 2024.

Equities measured at fair value through profit or loss delivered a positive performance, with gains in fair value and higher dividend income.

During the year, additional funds were transferred to Mapfre Inversión, the Group's Investment Management company, and invested in sovereign and corporate bonds, all designated as fair value through other comprehensive income (FVOCI) investments. This contributed to an improvement in effective interest income.

A.3.2. Information regarding losses and gains recognized under equity:

The following table presents the quantitative information on gains and losses arising from investments, broken down by asset type and recognised directly in equity during 2025 and 2024:

Investments	Gains recognised in equity		Losses recognised in equity		Net difference	
	2025	2024	2025	2024	2025	2024
I. Investment properties	-	-	-	-	-	-
II. Financial investments	57	164	-	-	57	164
Available-for-sale portfolio(2022) /FVOCI(2023)	57	164	-	-	57	164
III. Investments in associates accounting for using the equity method	-	-	11	5	(11)	(5)
IV. Deposits established for accepted reinsurance	-	-	-	-	-	-
V. Other investments	-	-	-	-	-	-
Overall performance	57	164	11	5	46	159

Figures in thousand euro

Bonds remain the only assets classified as fair value through other comprehensive income following the adoption of IFRS 9. During the year, interest rates eased, allowing bond prices to recover part of the losses incurred in previous periods, though still mostly below par. Although interest rates edged up, due to the short-term nature of the portfolio, the gains recorded during the year primarily reflect the natural price converging towards par value as these instruments approach maturity. Newly acquired bonds, also purchased below par, are expected to deliver improved returns compared to older holdings, given their more favourable purchase yields.

A.3.3. Information about asset securitization

MMS did not have any securitisation investments in this or the comparative year.

A.4. Performance of other activities

A.4.1 Other income and expenses in the non-technical account

During the year, MMS has recognized material income and expenses apart from those deriving from the insurance business and investments:

Other activities	2025	2024
Other income	-	-
Other expenses	4,000	3,764

Figures in thousand euro

Other expenses relate to administrative expenses which are allocated to shareholders and therefore to the non-technical account.

A.4.2 Lease Agreements

Finance leases

MMS has no finance leases in which it acts the lessor.

Operating leases

MMS leases out commercial property to a number of tenants with current lease terms ranging from 1 year to 20 years to expiry, with di fermo periods not exceeding 5 years.

Conversely, MMS leases the premises from which it operates from third parties, as well as company cars used by management.

A.5. Any other information

There is no additional information that has not been included in the preceding sections.

B. System of Governance

B.1. General Information on the system of governance

The structure, composition and functions of Company's governing bodies are defined in the *Institutional and Business Principles*, in the *Policy defining the foundations and organisational principles* and in internal regulations regarding Mapfre subsidiaries' Board of Directors, approved by the Mapfre, S.A. Board of Directors; together with its bylaws and the Regulations of the Board of Directors.

In addition to the structure of the Group, in which MMS is integrated, it has additional governing bodies which:

- i) Allow for adequate strategic, commercial, and operational management of MMS;
- ii) Enable MMS to appropriately respond in a timely manner to any issues that might arise throughout its different organisational levels and business and corporate environment, and;
- iii) Are considered appropriate with regards to the nature, volume, and complexity of the risks inherent to its activity.

The policies derived from the Solvency II regulations are reviewed on an annual basis, although changes may be approved at any time when deemed appropriate.

B.1.1 System of Governance

The following outlines the main functions and responsibilities of MMS's governing bodies:

- **Shareholders Annual General Meeting:** This is the highest governing body, as its decisions bind all shareholders. The Company holds an Annual General Meeting but both ordinary and extraordinary meetings can be called in accordance with the Memorandum & Articles of the Company.
- **Board of Directors:** The body in charge of managing, administering, and representing the Company and has the ultimate decision-making and supervisory responsibility. It establishes the roles of the Management Committee and its Delegated Committees, designating its members, where necessary.
- **Audit Committee:** The main role of this committee is to assist the Board of Directors in discharging its responsibilities relating to accounting and financial reporting, ensuring adequate systems of internal control, and in managing its relationships with internal and external auditors.
- **Risk and Compliance Committee:** The main role of this committee is to assist the Board of Directors in providing leadership, direction, and oversight with regards to MMS's risk and regulatory policies and procedures related to risk management, regulatory compliance, anti-financial crime, and overall internal control framework.
- **Investment Committee:** The main role of this committee is to advise the Board of Directors on the key investment policies. This committee is responsible for securing the safety, yield and marketability of the investment portfolio, to oversee the management of the investment

portfolio and ensure compliance with all policies, and report to the Board of Directors on the performance of the investment portfolio.

- **Remuneration Committee:** This committee is responsible for ensuring that the Company has coherent remuneration policies and practices which are observed, and which attract and retain executives and directors who can create value and support MMS's mission statement.
- **Management Committee:** This committee is the body responsible for directly supervising MMS's management and for promoting all its strategic projects. It provides regular reports on its proposals, actions, and decisions to MMS's Board of Directors.

Additionally, as part of the system of governance, MMS has the following committees:

- **EMEA Regional Management Committee,** which is the body that directly supervises the management of the Business Units in the region, with the exception of the Reinsurance Unit (understood as Mapfre RE, Compañía de Reaseguro, S.A. and its subsidiaries), as well as the promotion of all global and regional corporate projects.
- **Security, Crisis and Resilience Committee:** The main role of this management committee is to direct and provide oversight to the Security and Environment function within MMS.
- **Product Oversight Governance (POG) Committee:** This is a key decision-making body in terms of the Product Oversight and Governance Arrangements of the Company. In this respect, the POG Committee is responsible for the governance oversight related to development, approval, and launch of new products; development and approval of significant adaptations or alterations to existing products; and deciding on remedial action to be taken in terms of the POG Arrangements.
- **Pricing and Reserving Committee:** The main aim of this committee is to take necessary measures to improve performance and profitability of the company, to monitor and review the pricing of each line of business and to monitor the MMS claims' reserving methodologies.

Mapfre Malta Steering Committee: This is set up to oversee and manage the consolidated activity of the Mapfre Group of companies in Malta including its liquidity and strategy, to ensure synergies between the Malta companies and to be the sole reference point for the EMEA Regional Committee.

MMS has a management model underpinned by control and supervision at all levels both locally and at corporate level. This allows a broad delegation of authority in the execution and development of the responsibilities assigned to each function, ensuring that material decisions are analysed in-depth by all the senior executive teams before and after their execution.

B.1.2. Key functions

In order to ensure that the governance system has an adequate structure, MMS has policies which regulate the key functions (Risk Management, Compliance, Internal Audit, and Actuarial). These policies ensure that the key functions follow the requirements defined by the regulator and that they are in accordance with the governance structures established by MMS and by the Mapfre Group. MMS's Board

of Directors approved the Actuarial, Risk Management, Compliance and Internal Audit policies which are subject to review on an annual basis. The last update of the Risk Management policy was on 28th July 2025, the Compliance policy on 29th September 2025, and the Actuarial policy and Internal Audit policy on 30th April 2025.

Key functions operate with operational independence thereby ensuring that, in the exercise of their responsibilities, they are free from any undue or inappropriate influence, control, incompatibility or limitation whilst exercising their responsibilities. The key functions report to the Board of Directors which delegates the authority necessary to support its relevant committees and functions. The Board of Directors and/or the relevant committees receive reports regularly from the areas responsible at MMS. The information and advice provided to the Board of Directors by the key functions is detailed in their respective sections. The names of the parties responsible for the key functions have been communicated to the MFSA.

The key functions have sufficient resources to perform the functions assigned to them under their respective policies.

B.1.3. Relevant General Meeting of Shareholders and Board of Directors Agreements

There were no significant changes to MMS's governance structure during 2025.

B.1.4. Remuneration

Remuneration paid to the members of MMS's governing bodies and employees is determined in accordance with current regulations and the Company's Compensation Policy which was approved by the Board of Directors and was last reviewed on 30th April 2025.

The main purpose of the Compensation policy is to establish adequate remuneration, which is based on the post or position, as well as performance, and to instil motivation to achieve the objectives in line with MMS's strategy. At the same time, the policy also aims to foster effective risk management, making it unattractive to assume risks that exceed MMS's tolerance level and to avoid conflicts of interest. The main principles of the Compensation policy are the below:

- Ensure that the structure and overall amount of remuneration is in line with the Company's financial situation and best market practices, and that it is competitive with comparable entities, both nationally and internationally.
- Establish remuneration based on the role/job position, taking into account objective criteria relating to performance, merit, technical knowledge, and professional skills, ensuring at all times that remuneration systems and practices are not discriminatory on the basis of sex, age, culture, religion, or race, and guaranteeing equal pay for jobs of equal value.
- Promote and be compatible with adequate and effective risk management, and not offer incentives to take risks that exceed tolerance limits. In this regard, the risks to be considered shall include long-term sustainability risks (environmental, social, and governance). Measures to avoid potential conflicts of interest shall also be incorporated.
- Establish an appropriate balance between fixed and variable components of remuneration to avoid excessive reliance on variable components. Variable components shall be sufficiently flexible to allow for modulation to the extent that it is possible not to pay variable remuneration.
- Promote medium- to long-term business and social sustainability, as well as the alignment of staff remuneration with the culture and strategic objectives of the Company and with the

Purpose, Vision, and Values set out in the Mapfre Group's Institutional and Business Principles approved by the Board of Directors of Mapfre, S.A.

- Ensure transparency and clarity in the structure, criteria, and components of compensation, as well as flexibility in the structure and adaptability to different groups and market circumstances.
- Ensure compliance with applicable regulations.

Based on the aforementioned policy, employee remuneration is comprised of five components: fixed remuneration, variable remuneration, recognition programs, social benefits and in-kind benefits.

The remuneration system for Directors has the following characteristics:

- Transparent reporting in the remuneration paid to Directors.
- It provides an incentive to reward dedication, qualifications, and responsibility, without constituting an obstacle to the duty of loyalty.
- It consists of a fixed amount for its membership on the Board of Directors and, as appropriate, delegated bodies or advisory committees, which may be higher for people with positions within these or acting as their chairpersons. This remuneration may be supplemented by non-monetary compensation such as life insurance in the event of death, health insurance, bonuses on products marketed by Mapfre Group companies and others in line with those established in general for the company's employees.
- It does not include variable components or those linked to share value.
- Directors are reimbursed for traveling expenses and other costs undertaken in order to attend company meetings or in the performance of their responsibilities.

The remuneration system for the senior executives is based on the following criteria:

- It is established in accordance with the functions, level of responsibility and professional profile, based on the criteria for the Mapfre Group senior executives.
- A balanced ratio between fixed and variable components of remuneration and long-term performance orientation.
- Senior executives may not receive the remuneration assigned to Directors in their capacity as such.
- It is configured with a medium- and long-term vision, which promotes strategic performance in addition to the achievement of short-term and long-term results.
- It is consistent with the strategy, interests and long-term sustainability of the Company and its Group.
- It takes into account market trends and faces these trends with the strategic approach of the Company, being effective for attracting and retaining the best professionals.

Executive directors, in their capacity as members of the Group's management team, are beneficiaries of (i) defined contribution pension commitments to cover retirement, permanent disability and death contingencies, commitments externalised through life insurance and (ii) social benefits and allowances established for MMS's senior management. The conditions of contribution and consolidation of the economic rights in their favour and social benefits and allowances are detailed in their respective contracts. Additionally, executive directors, like the rest of MMS's employees, are beneficiaries of the

Mapfre Employment System Pension Plan, savings insurance and mixed savings insurance, and social benefits and other benefits. The main characteristics are included in the Collective Agreement of Mapfre Grupo Asegurador.

B.1.5 Additional information

In the normal course of business operations, a number of transactions took place between MMS and its parent company. These transactions related to sales of insurance contracts and other services and purchases of products and services.

B.2. Fit and proper requirements

MMS's Aptitude and Integrity Policy was approved by the Board of Directors and was last reviewed on 30th April 2025. This policy establishes the applicable Key Personnel requirements, as follows:

- They should have the appropriate know-how, skills and up-to-date professional experience sufficient to perform their duties. To this end, they must have training of the appropriate level and profile and practical experience derived from their previous occupations for sufficient periods of time, in particular in administrative, management, control, or advisory functions in financial institutions subject to supervision by the competent authorities, or in functions of similar responsibility in public or private entities of a size, complexity, and requirements similar to those of the Company.

Likewise, MMS's Board of Directors must have:

- Collectively: possess the appropriate qualifications, experience, and knowledge in at least the following areas: such as (i) insurance and financial markets, (ii) strategies and business models, (iii) system of governance, (iv) financial and actuarial analyses; and (v) regulatory framework.
- Individually: certify a level of training and experience appropriate to the professional profile, specifically in the insurance and financial services area, as well as with practical experience acquired from previous positions held during a sufficient period of time.

Key Personnel and, where applicable, Outsourced Personnel must have proven personal, professional, and commercial honourability based on trustworthy information on their personal and professional conduct and their reputation, covering any criminal, financial, and supervisory aspects considered pertinent.

When outsourcing a key function, the Company will adopt all necessary measures to ensure that the responsible persons to perform the outsourced function meet the applicable aptitude and good repute requirements.

Company Designation Procedures

Parties proposed for executing Key Personnel roles requiring notification to Supervisory Authorities must provide a truthful and complete statement regarding their personal, professional, or business endeavours. Locally this is based on the personal questionnaire requirements stipulated by the regulator.

The aforementioned parties must ensure that their statements are continually updated, and must communicate any relevant changes in their situations, and participate in regular updates when required to do so by the Company's governing body, including the re-evaluation of any fit and proper requirements.

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

B.3.1 Governance framework

The Risk Management System is integrated into MMS's organisational structure according to the three lines of defence model described in Section B.4.1 of this report, so that all the organisation's employees are assigned responsibilities for compliance with the control objectives.

The Board of Directors of MMS is ultimately responsible for ensuring the Risk Management System's effectiveness. In relation to Mapfre's policies and strategies, it approves, periodically reviews and monitors the Risk Management System, risk appetite and risk limits, and the solvency of the Company.

In order to perform its Risk Management System, the Board of Directors of MMS is supported by the Risk and Compliance Committee.

Within this framework, the Company has the Risk Management Function, which ensures the operation of the Risk Management System, relying on the actuarial and compliance functions, as well as other assurance functions.

The Group's Corporate Risk Office provides oversight and monitors all aspects related to the management of risks within all Mapfre subsidiaries. This is done by setting group guidelines, policies, tolerance, and reporting structures.

MMS's Risk Management Function facilitates the application of the Risk Management System. In the development of its functions, it coordinates the strategies, processes, and procedures necessary to continuously identify, measure, monitor, manage and report on the present or emerging risks to which the Company may be exposed to, as well as their interdependencies.

MMS's Risk Management Function reports to the Risk and Compliance Committee (and the Board of Directors) any risk exposures, taking into account their interdependencies, and compliance with established limits, including the Own Risk Assessment.

B.3.2 Risk management objectives, policies, and processes

The main objectives of the Risk Management System are the following:

- To promote a solid culture and an effective system of risk management.
- To ensure that risk analysis is part of the decision-making process.
- To preserve MMS's financial solvency and strength contributing to the Group's positioning as a trusted global insurer.

The Risk Management System is based on the integrated management of every business process, and on the adaptation of risk levels in the established strategic objectives.

To implement an effective risk management approach, MMS has formulated a set of Risk Management policies, also in line with Solvency II requirements. One of these policies is the Risk Management Policy, which serves as a framework for the management of risks and, in turn, for the development of policies regarding specific risks.

Each policy aims to:

- Set general guidelines, basic principles, and a general action framework for the type of risk concerned, ensuring coherent application in the Company.

- Assign responsibilities, strategies, processes and the reporting procedures required to identify, measure, monitor, manage and report the risks included within their scope.
- Establish reporting structures and communication channels for the business area responsible for the risk.

In the Risk Appetite Policy, approved by the Board of Directors, the Company establishes the level of risk that it is willing to assume in order to carry out its business objectives without relevant deviations, even in adverse situations. This level, articulated in its limits and sub-limits by type of risk, defines the Company's risk appetite and is established in the Risk Appetite Policy and in the specific risk policies, which detail the risk assessment process established, as well as the metrics established for this purpose.

In order to ensure compliance with said limits, the capital is generally established on an estimated basis based on the budgets for the following year, and it is reviewed periodically throughout the year based on the evolution of risks.

For the metrics that quantify the Company's aggregate risks, tolerance levels are established and risk exposure is monitored through a measurement scale based on the distance of the risk level from its maximum limit: (i) green zone: risk that can be assumed and maintained without restrictions; (ii) amber zone: risk that has reached a level of exposure sufficient to cause large potential losses and requires monitoring and control measures; and (iii) red zone: risk that exceeds the maximum acceptable tolerance for the Company and requires the immediate adoption of control and mitigation measures to bring it back below that limit.

The Governing Bodies of MMS receive information regarding the quantification of the main risks to which MMS is exposed to and the capital resources available to confront them, as well as information regarding compliance with Risk Appetite limits and other specific risk policies.

The Board of Directors decides the actions to be taken with respect to identified risks and is immediately informed of any risks that:

- Exceed the established risk limits, due to its development.
- Could lead to losses that are equal to or higher than the established risk limits; or
- May put compliance with the solvency requirements or continuity of operation of the Company at risk.

A breakdown of the processes for the identification, measurement, management, monitoring, and reporting of risks, by type, is set out below:

Type of Risk	Measurement and management	Monitoring and reporting
Underwriting risk Covers the following risks: - Premium risk - Reserve risk - Catastrophic risk - Reinsurance Mitigation	Standard formula	Quarterly
Market risk Covers the following risks:	Standard formula	Quarterly

Type of Risk	Measurement and management	Monitoring and reporting
<ul style="list-style-type: none"> - Interest rate - Equity - Property - Spread - Concentration - Currency 		
<p>Credit Risk</p> <p>Reflects any possible losses arising from unexpected default by counterparties and debtors</p>	Standard formula	Quarterly
<p>Operational risk</p> <p>Risk of possible losses deriving from the inadequacy or malfunction of internal processes, personnel or systems, or from external events (excluding the risks deriving from strategic decisions and reputational risks)</p>	Standard Formula	Quarterly
	Dynamic qualitative analysis of the risks using processes (Riskm@p)	Annual
	Recognition and monitoring of operational risk events and incidents	Continuous
<p>Liquidity Risk</p> <p>Risk that MMS might not be able to realise its investments and other assets in order to meet its financial commitments at maturity</p>	Liquidity position Liquidity indicators	Ongoing Monthly
<p>Compliance risk</p> <p>Risk of losses due to legal/regulatory penalties or reputation losses arising from the failure to comply with laws and regulations, or with applicable administrative requirements.</p>	Monitoring and recognition of significant events	Ongoing
	Compliance Management Framework	Ongoing
<p>Strategic and Corporate Governance Risk</p> <p>Covers the following risks:</p> <ul style="list-style-type: none"> - Business ethics and good corporate governance - Organisational structure - Alliances, mergers, and acquisitions - Market competition 	Application of Mapfre Group's Institutional and Business Principles and of the Policy for defining the foundations and principles of the Mapfre Group.	Ongoing
	Strategy Meetings	Quarterly

All of the calculations derived from the standard formula are updated when there is a material change in the risk profile. The Board of Directors is regularly informed of the risks to which MMS is exposed to.

B.3.3 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (hereinafter ORSA) is an integrated process in MMS's Risk Management System. The ORSA is a mechanism that identifies, measures, monitors, manages, and reports any short or long-term risks identified by the Company throughout the period reflected in the strategic plan. It is also used to measure the sufficiency of capital resources based on the understanding of the actual solvency needs. Based on these objectives, it includes all the significant

and potential sources of risk the Company faces and facilitates the taking of initiatives for their management and mitigation.

The Risk Office is responsible for the ORSA report preparation, the submission of a draft report to the Board of Directors for approval and for coordinating the various contributions made by the areas or departments involved in the process.

The ORSA report is prepared annually, unless an extraordinary event occurs which could impact MMS's risk profile or solvency position. In this case, MMS would be required to undergo an additional self-assessment (Extraordinary ORSA) and update the sections affected by changes in the risk profile and go through the same approval process.

The ORSA process is coordinated with the strategic planning process, forms an integral part of the business strategy and is taken into account in the strategic decision making in such a way as to guarantee the relationship between business strategy and global solvency levels. To this end, the ORSA process: i) considers the results of the procedures for identifying material and emerging risks, and risk control; and ii) develops projections of global solvency needs and stress tests that may pose a risk to the achievement of the Company's strategic or solvency objectives. The Corporate Risk Office coordinates stress tests to check the level of losses arising from the risks to which the Group may be exposed to. The Risk Office of MMS carries out the stress tests it deems appropriate for managing its business.

The Risk Office also carries out capital management activities, and verifies:

- The adequate classification of the eligible capital in accordance with the applicable regulations.
- The feasibility of distributable dividends for continuous compliance with the Solvency Capital Requirement.
- Continuous compliance with eligible capital in projections.
- The amounts and deadlines for the various eligible capital items capable of absorbing losses.

The Risk Office is responsible for the preparation and submission for approval by the Company's Board of Directors of the Medium-Term Capital Management Plan, encompassing the results from projections included in the ORSA.

Section E.1.1 of this report includes more detailed information on capital management.

B.4. Internal Control System

B.4.1. Internal Control

MMS has an Internal Control Policy which is approved and reviewed annually by the Board of Directors. This policy establishes the actions that must be developed in order to maintain an optimal and effective Internal Control System.

The implementation of the Internal Control System in Mapfre has been based on the broad and exhaustive application of the COSO¹ standard. According to COSO, there is a direct relationship between the objectives that the company expects to achieve, the components of the internal control system (which represent what the organisation needs to achieve the objectives), and its organisational structure (operating units, legal companies, etc.).

MMS's Internal Control System involves all personnel, irrespective of their position within the organisation, who collectively contribute to provide reasonable assurance regarding the achievement of the Company's objectives, mainly regarding:

- Operational objectives: effectiveness and efficiency of operations, differentiating insurance operations (mainly underwriting, claims, reinsurance, and investments) from the support operations and functions (human resources, administration, commercial, legal, IT, etc.).
- Reporting objectives: reliability of information (financial and non-financial, both internal and external) regarding its accuracy, timeliness, and transparency, among others.
- Compliance objectives: compliance with applicable laws and regulations.

The Internal Control System is integrated into the organisational structure under the three lines of defence model, by assigning responsibilities and ensuring compliance with the internal control objectives. According to this model, there is:

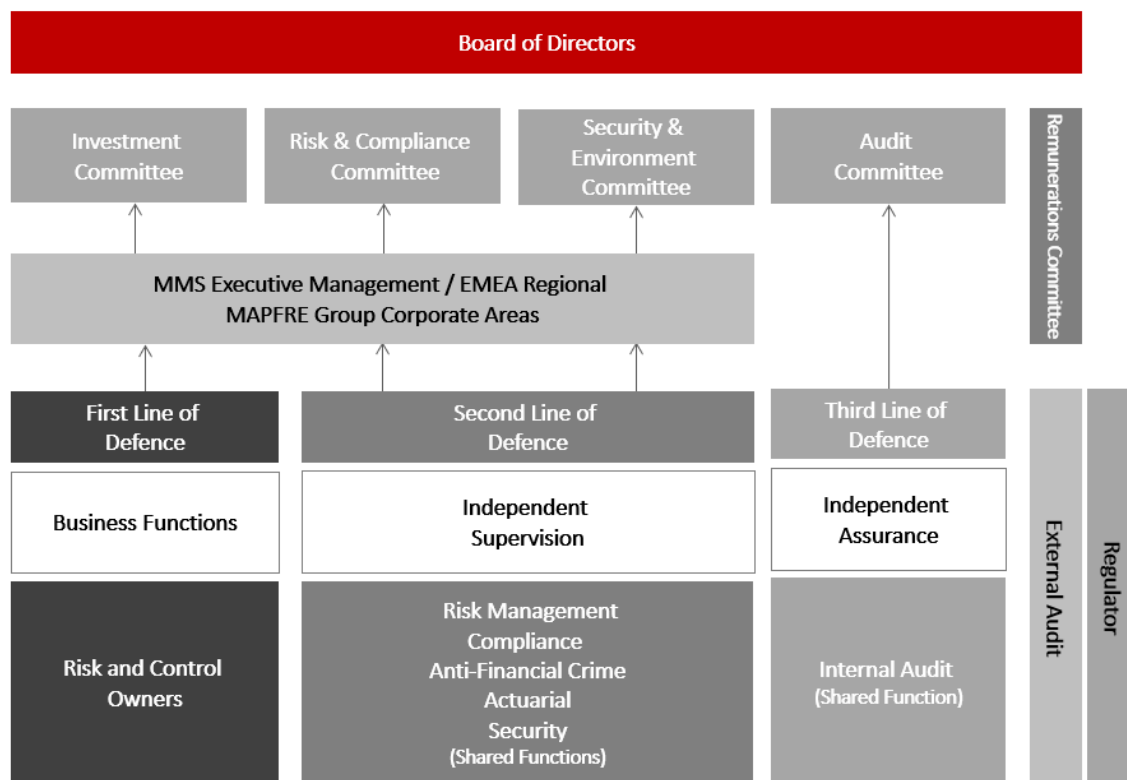
1. The first line of defence consists of employees and management in business, operational and supporting areas that are responsible for maintaining effective control of activities carried out as an inherent part of their day-to-day work. Therefore, these units are responsible for managing the risks, design and apply the control mechanisms that are necessary to mitigate the risks associated with the processes that they carry out and to ensure that they do not exceed established limits.

The front-line areas have reference models and operational management models that detail, in the internal control dimension, the responsibilities assigned to them in the various risk control procedures.

2. The second line of defence constituted by the key functions, i.e. Risk Management, Compliance and Actuarial functions, who ensure the operation of the internal control relying on other assurance functions,.
3. The third line of defence is Internal Audit, which provides an independent assessment of the effectiveness of the Internal Control System, and communicates potential deficiencies in a timely

¹ Committee of Sponsoring Organisations of the Treadway Commission

manner to those responsible for taking corrective measures, including executives and governing bodies, as appropriate.



MMS's Internal Control System is integrated and organised around five components: Control Environment, Risk Assessment, Control Activities, Information and Communication and Supervision Activities, and consists of mechanisms and controls that are present in all activities of the organisation, being fully integrated into its organisational structure.

B.4.2. Compliance Function

The Compliance Function aims to enable MMS to operate within the framework of regulatory compliance, in order to achieve a global compliance environment. For this purpose, it assumes the responsibility of advising the Board of Directors on compliance with the laws, regulations and administrative provisions that affect MMS and also compliance with internal regulations. It also performs an identification and assessment of the impact of any changes in the legal environment affecting MMS's operations and conducts the identification and assessment of non-compliance risk.

The structure of MMS's Compliance Function is established based on the specific applicable regulatory requirements, as well as the principle of proportionality related to its business volume, and the nature and complexity of the risks accepted by the Company.

MMS employs its own strategy for implementing and carrying out the Function, in accordance with the reference criteria shared by the Corporate Compliance Office.

B.5. Internal audit function

MMS's governance structure is based on the three lines of defence model, with the Internal Audit Function as the third line of defence. This function provides an independent opinion in respect of the effectiveness of the Internal Control System, as well as other elements of the System of Governance. Its main function is to strengthen governance, risk management and control processes. Internal Audit contributes to the overall stability and sustainability of the organization by providing reasonable assurance on its operational efficiency, reliability of its reports, compliance with laws and/or regulations, safeguarding of assets and its ethical culture.

In ensuring the principle of independence, MMS's Internal Audit Unit (IAU) reports to the Audit Committee, a board delegated committee. The Internal Audit Policy and bylaws updated and approved by the Board of Directors annually, establishes functions, and attributes of the MMS Internal Audit Unit. It also includes the rights and obligations of MMS's Internal Auditors as well as their Code of Ethics, which sets out the rules of conduct of the auditors based on integrity and honourability, objectivity, confidentiality, and competence.

The Group's Internal Audit Bylaw is a formal document that defines the purpose, mandate, authority and independence of Internal Audit. The Internal Audit Charter establishes the responsibility and position of the Internal Audit activity within the organization, including the nature of the Internal Audit Director's functional relationship with the Board or Audit Committee; authorizes his or her access to records, personnel and assets relevant to the performance of the work; and defines the scope of Internal Audit activities.

Additionally, one of the objectives of this document is to communicate the main activities of internal audit, treatment of audit reports and its recommendations, and any other general circumstances related to internal audit activities, which must be exclusively carried out by MMS's Internal Audit Unit.

The policy and charter are reviewed at least annually. All changes that are made in these revisions are approved by the corresponding MMS governing bodies.

B.6. Actuarial Function

The MMS Actuarial function is responsible for preparing mathematical, actuarial, statistical and financial calculations. These allow the Company to determine prices and technical provisions. Additionally, the Actuarial Function participates in risk modelling which is used as a basis for the calculation of MMS's capital requirements in close collaboration with the Risk Office.

MMS's Chief Actuary who was appointed by the Board of Directors, is the maximum authority and ultimate responsibility for the Actuarial Unit and ensures the compliance with the applicable Solvency II aspects, among other things.

MMS's Chief Actuary reports to both the hierarchical superior in the Company and, functionally, to the Corporate Actuarial Office. The Actuarial Function for MMS falls within the Mapfre Malta Actuarial Unit, a shared function with MMSV. The Corporate Actuarial Office sets the general principles and guidelines, which take into account the best statistical and actuarial practices within the Mapfre Group, in order to coordinate and unify the Group's actuarial calculations.

The Corporate Actuarial Office ensures compliance with the general actuarial calculation principles and guidelines, promoting corrective actions in cases in which irregularities are detected, or when the general guidelines established by the Area have not been followed.

Considering the above, the Corporate Actuarial Office supports the Actuarial function as required, by collaborating in order to fulfil their corresponding individual unit responsibilities.

B.7. Outsourcing

MMS's Outsourcing Policy was approved by MMS's Board of Directors and was last reviewed on 30th April 2025. The policy is in line with the Group Outsourcing Policy approved by the Mapfre S.A. Board, establishing the general principles, tasks, processes, and the assignment of responsibilities in the event of the outsourcing of a critical or important function and/or activity. In addition to the Outsourcing policy the Board of Directors of MMS reviewed the Cloud Outsourcing Policy on 30th April 2025.

The basic principle established by the Outsourcing Policy is that the Company will continue to have full responsibility for meeting all obligations arising from the functions or activities susceptible to being outsourced, in the same manner as if they were to be performed internally.

It is to be noted that no Key Functions were outsourced during 2025.

B.8. Any other information

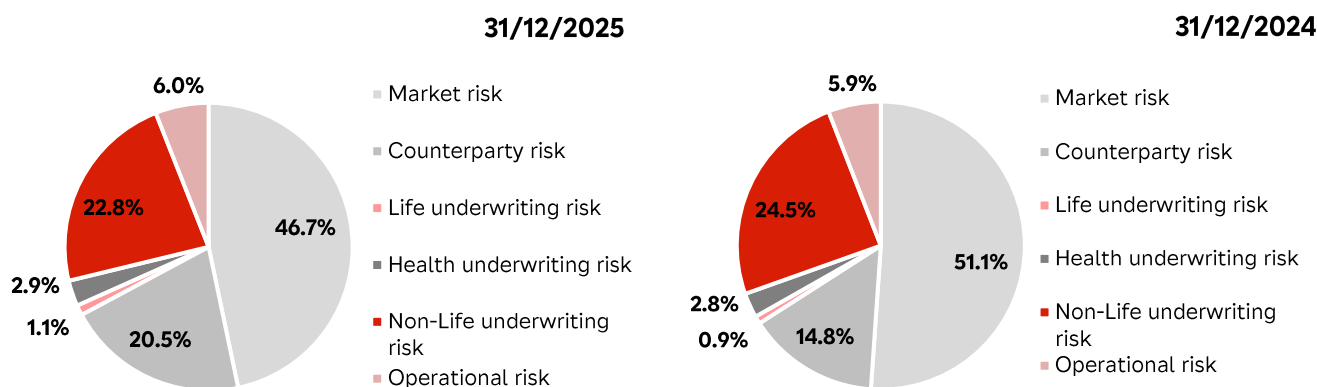
There is no additional information that has not been included in the preceding sections.

C. Risk profile

MMS calculates its Solvency Capital Requirement (SCR) using the standard formula as explained in Section E.2. The standard formula is considered an appropriate risk management tool for determining the Company's risk exposure, as it recognises the capital charge corresponding to the key risks (such as underwriting risk, market risk, counterparty default risk and operational risk).

As explained in sections C.4 and C.6, the exposure to other risks not included in the standard formula SCR (such as liquidity risk) is not considered significant, as MMS has effective measures in place for the management and mitigation of such risks.

The following charts show the composition of MMS's SCR based on the risks included under the standard formula methodology as at 31st December 2025 and 2024. Further information on the SCR calculation can be found in Section E.2. of this report:



From the above, it can be observed that MMS's risk profile mainly comprises of market risk (due to MMS's strategic investment in Mapfre MSV Life p.l.c.), representing 46.7% of the total SCR. This risk is followed by non-life underwriting risk and counterparty default risk (22.8% and 20.5% of the total SCR respectively).

The relative share of market risk and non-life underwriting risk decreased in 2025, while the relative share of counterparty default risk increased, resulting mainly from an increase in the probability of default for Mapfre reinsurance exposures. However, in absolute terms, market risk increased mainly due to an increase in the MMSV participation value. Further information is available in section E.2.1.

In 2025, there were no significant changes with respect to the measures used to assess MMS's main risks.

Other material risks to which MMS is exposed to include those derived from cyber risk, strategic initiatives and projects, significant expenses increases, inflation and natural or man-made catastrophes. Additional information on these risks is provided in Section C.6.

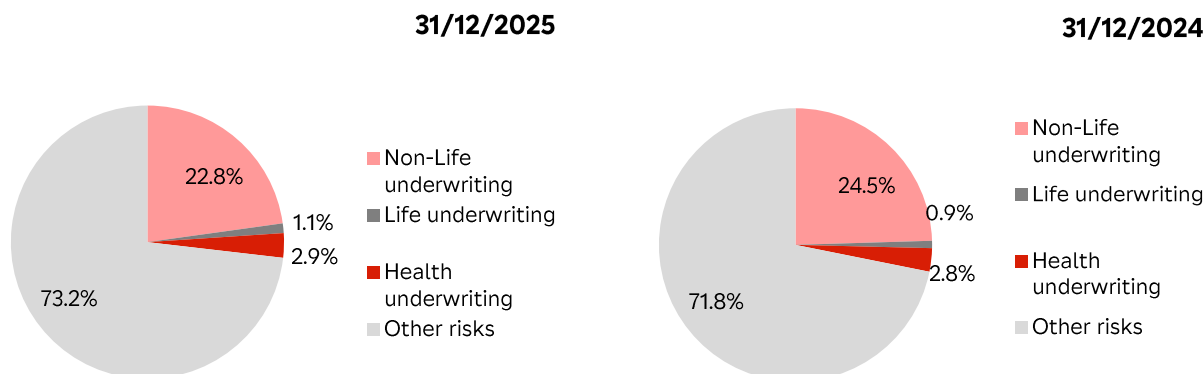
A description of the main risk categories, the exposure to the risks, their management and mitigation techniques, and possible concentrations are indicated below.

C.1. Underwriting risk

Underwriting risk is the risk of loss or adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions.

Exposure

As at 31st December 2025, underwriting risk represents 26.8% of all of the risk modules included in the SCR. The following charts present details by module and any changes when compared to the previous year:



Management and mitigation techniques

MMS minimises underwriting risk through the following measures:

- **The establishment of policies, limits, and exclusions in underwriting risk:**

The various insurance products sold by MMS outline the cover provided and are all subject to terms, conditions, limitations and exclusions. These are generally subject to domestic and international market standards and practices, and also reflect the reinsurance agreements entered into. Notwithstanding, MMS's Underwriting Policy sets out the insurance products that can be sold or written by MMS. Furthermore, the internal Underwriting Guidelines provide further detail in assisting the Underwriting and Commercial teams on the prudent acceptance or otherwise of a risk, thus controlling and reducing undesired Underwriting Risk.

- **Setting of a sufficient premium:**

MMS gives importance to premium sufficiency, which is supported by actuarial calculations.

- **Adequate allocation of the technical provisions:**

Claims handling and the sufficiency of technical provisions are basic principles of insurance management. IFRS Technical provisions are calculated by MMS's Finance department with the involvement of the Actuarial Unit. These are audited by the independent auditor's actuaries. The establishment of technical provisions is regulated by a specific Group Policy,

adopted by MMS. The best estimate liabilities calculations are performed by the Actuarial Unit and submitted to the Corporate Actuarial Office.

- **Use of Reinsurance:**

The Technical department of MMS is responsible for correctly identifying the appropriate level of risk transfer for its previously defined risk limits, and for defining/designing the types of reinsurance agreements based on its risk profile and appetite, with help from the Mapfre RE technical advisors.

Once its reinsurance needs have been defined, MMS communicates them to Mapfre RE to jointly plan the optimal structure and conditions for ceding contracts.

As at 31st December 2025, MMS had ceded 17.0% of its premiums and 10.1% of its Solvency II technical provisions² to reinsurance.

Reinsurance arrangements are reviewed at least annually.

The Actuarial Function issues an annual report expressing its opinion of the underwriting policy, the sufficiency of rates and the technical provisions, and adequacy of reinsurance arrangements.

Concentration

MMS's insurance risk is highly diversified through the different products offered. MMS is currently writing business in Malta but also has passporting rights to provide services in several countries outside Malta. However, MMS does not actively write business outside of Malta. It only provides cover to Maltese customers with overseas interests. Hence, MMS is largely exposed to insurance risk in one geographical area.

MMS applies acceptance limits, which allow it to control the degree of concentration of insurance risk. MMS employs reinsurance contracts to reduce insurance risk arising from the concentration or accumulation of risks exceeding maximum acceptable limits. This is also facilitated by the purchase of reinsurance on a risk-by-risk basis.

The highest exposures to underwriting risk arise from natural and man-made catastrophes. To mitigate catastrophe risk, specific reinsurance coverage is purchased, to manage MMS's net retained exposure. This is reviewed at least on an annual basis and the terms purchased is based on a technical analysis of possible different scenarios, carried out by Mapfre RE, the Group's reinsurance business unit. MMS management carry out validation of the terms offered by Mapfre RE, and these are then approved by the Board of Directors.

Transfer of risk to special-purpose entities

MMS does not transfer underwriting risk to special-purpose entities.

² Including Risk Margin

C.2. Market Risk

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

Exposure

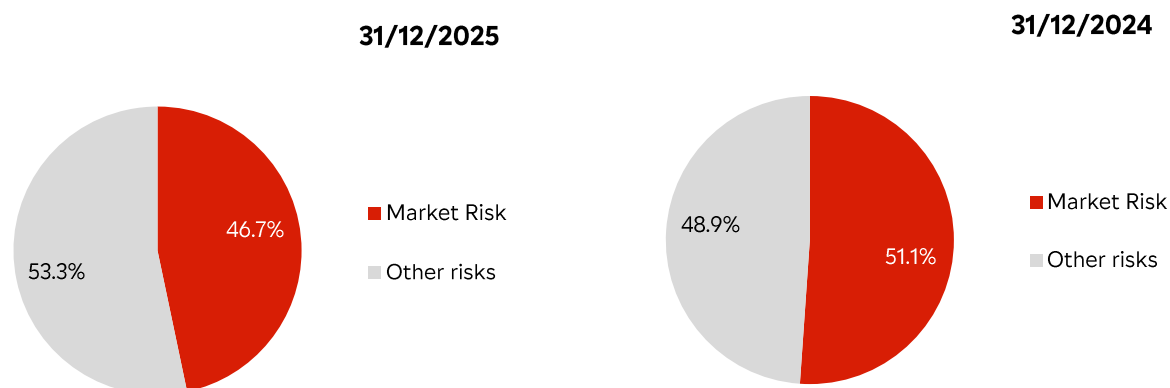
The following is a breakdown of MMS's investments by asset category³:

Investments	Investments at 31/12/2025	(%) Investments	Investments at 31/12/2024	(%) Investments
Property investments	13,516	8.3%	13,709	9.0%
Financial investments	148,825	91.7%	138,321	91.0%
Strategic participations	119,385	73.5%	116,601	76.7%
Fixed income	22,492	13.9%	16,528	10.9%
Equity	2,949	1.8%	2,692	1.8%
Mutual funds	-	-	-	-
Holdings in related companies	-	-	-	-
Deposits other than cash equivalents	4,000	2.5%	2,500	1.6%
Hedging derivatives	-	-	-	-
Other investments	-	-	-	-
Total	162,341	100%	152,030	100%

Figures in thousand euros

As at 31st December 2025, 73.5% of total investments relates to strategic participations, listed in Annex I. The main exposure pertains to MMS's investment in Mapfre MSV Life p.l.c., representing 97.3% of the strategic participations. Furthermore, 13.9% of the investments were fixed income securities, of which 44.2% correspond to Government bonds.

As at 31st December 2025, market risk represents 46.7% of all of risk modules included in the SCR. The changes compared to last year are presented in the following charts:



³ After look-through of Collective Investment Schemes

Management and mitigation techniques

MMS mitigates its exposure to market risk through a prudent investment policy, characterised by investment-grade fixed-income securities and the establishment of general and specific exposure limits.

These limits are established in the Investment Plan, which is approved by the Board of Directors and is reviewed on an annual basis.

MMS's investment portfolio assumes a degree of market risk, in accordance with the following:

- Modified duration is the variable aspect of the management of interest rate risk, and is conditioned by the limits established in the MMS's Investment Plan and the Asset and Liability Management (ALM) policy approved by the Board of Directors.
- Spread and concentration risks are mitigated by the high proportion of fixed-income securities with investment-grade and through issuer diversification.
- Equity investments are subject to the maximum limit of the investment portfolio and issuer limits.
- Strategic equity risk is managed through MMS's ability to exercise control in terms of strategic direction, policy framework and operational structure of its main subsidiary, MMSV. MMS has the right to select, appoint and remove the key management personnel of MMSV and approve its business plan and capital expenditure.
- Currency risk is minimised through currency matching with respect to the currencies in which the assets and liabilities are denominated.
- Property risk is monitored, and it is ensured that the risks lie within the investment policy for property investments.

Concentration

For market risk, MMS applies the limits established in the Investment Plan, which ensures sufficient diversification by issuer, country and activity sectors.

Mapfre MSV Life p.l.c. is the most important strategic investment held by MMS whilst MMS's property investment allocation is mainly concentrated in a single exposure.

C.3. Credit Risk

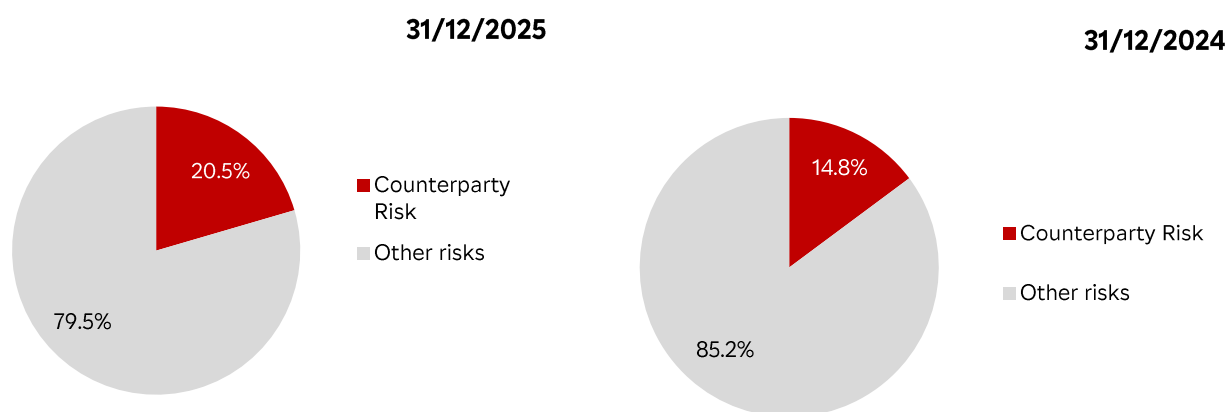
Credit risk is the risk of loss or adverse change in the financial situation, resulting from fluctuations in the credit standing of issuers of securities, counterparties, and any debtors to which insurance and reinsurance undertakings are exposed to, in the form of counterparty default risk, or spread risk, or market risk concentration.

Credit Risk is included under the SCR Standard Formula calculation as:

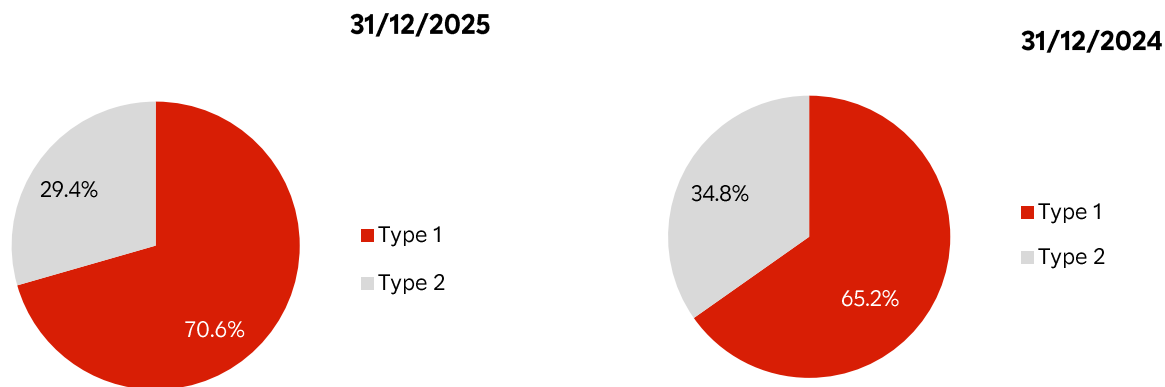
- Spread and concentration risk under the Market Risk module (section C.2 of the report).
- Counterparty default risk is broken down into two types of exposures:
 - Type 1 exposures: which include, among others, reinsurance contracts, swaps and cash at bank where a credit rating is usually available for the counterparty.
 - Type 2 exposures: which includes intermediaries' receivables and policyholders debtors, among others.

Exposure

Counterparty default risk at 31st December 2025 represents 20.5% of all of the risk modules included in the SCR.



The following charts show the solvency capital requirement results for the two types of exposures:



Type 1 counterparty default risk exposure increased to 70.6% in 2025 exposure driven by an increase in the probability of default for Mapfre reinsurance exposures.

Management and mitigation techniques

MMS's Credit Risk Management Policy establishes exposure limits according to the counterparty's credit rating, as well as a system of identification, measurement, vigilance, management and mitigation, as well as of monitoring and notifying the exposure to this risk.

MMS's strategy with regards to reinsurance is to cede business to reinsurers of proven financial capacity. Generally, MMS uses entities having a credit rating of at least "High" (credit quality step of 2). The Mapfre Group Security Committee monitors exposure to reinsurance counterparties.

The main principles, which are taken into consideration when purchasing reinsurance and/or implementing other risk mitigation techniques within MMS are:

- Optimisation of capital consumption.
- Optimisation of conditions.
- Solvency of the counterparties.
- Effective transferability of risk.
- Suitability of the risk transfer level.

Concentration

The highest concentration in relation to cash exposure is to Bank of Valletta, while the highest concentration in relation to reinsurance is to reinsurers within the Mapfre Group.

The financial strength of MMS's two main counterparties i.e. Bank of Valletta and the Mapfre Group means that the credit risk stemming from these positions remains low. Exposures to intermediaries is not concentrated in a single exposure but spread across a number of intermediaries.

The strong financial credentials of both Bank of Valletta and the Mapfre Group are very important in times of financial stress stemming from economic and geopolitical factors which contribute to market volatility.

C.4. Liquidity Risk

Liquidity risk is the risk that insurance and reinsurance undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due.

Exposure

Liquidity risk is not included in the SCR Standard Formula calculation.

Exposure to liquidity risk is considered low taking into account the expected inflows and outflows of cash flows and the prudent investment strategy established in the Investment Policy.

In extreme events, liquidity risk is minimised through the use of reinsurance as a risk mitigation technique to reduce the potential impact arising from a concentration of underwriting risk.

Management and mitigation techniques

MMS has a Liquidity Risk Management Policy and an Asset and Liability Management Policy, which together represent the framework of reference for handling liquidity risk. The Liquidity Risk Management Policy is based on maintaining sufficient cash balances, other high-quality liquid assets, availability of credit lines and expected cash inflows to comfortably cover the commitments arising from MMS's obligations towards its policyholders and creditors at maturity.

As at 31st December 2025, the cash and cash equivalents balance amounted to €10.6 million (2024: €11.4 million). MMS also held €4.0 million placed in 91-day local Treasury Bills. These represent 36.4% of total financial investments and cash balances⁴.

Additionally, the majority of fixed-income investments have investment-grade ratings and are traded on organised financial markets, which provide comfort with respect to the ability to crystallise assets to cover any commitment arising from MMS's obligations. MMS is confident that its liquidity position will enable it to withstand any liquidity pressures.

Concentration

No liquidity risk concentrations have been identified.

Expected profits included in future premiums

The calculation of best estimate of the technical provisions considers the gross expected profits from future premiums (as a reduction in the best estimate when positive, or a higher value in case of expected losses). As at 31st December 2025, the amount of these expected profits totalled €2.1 million.

⁴ Excluding strategic participations

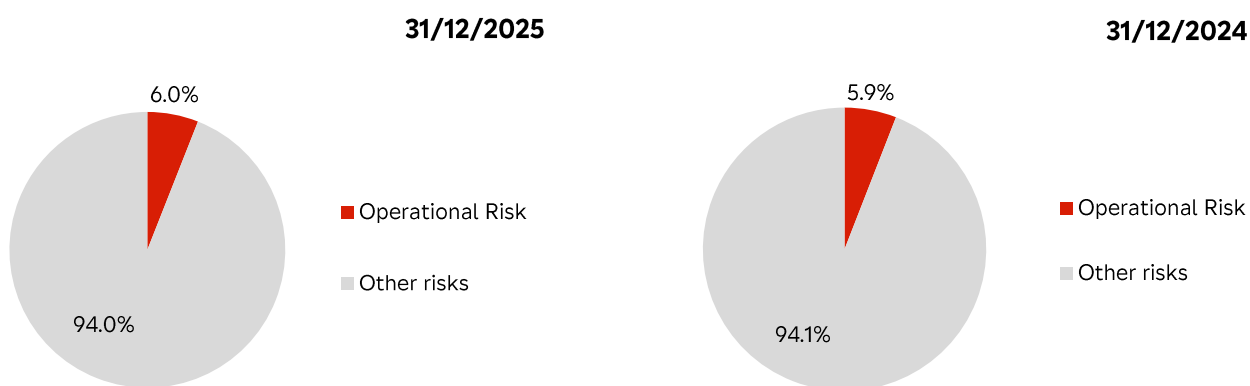
C.5. Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events.

Operational risks are both quantitative and qualitative in nature. In this regard, MMS measures the quantitative aspect through the calculation of the standard formula. On the other hand, the qualitative aspect is evaluated through various risk assessments as described below.

Exposure

As at 31st December 2025, operational risk represents 6.0% of all the risk modules included in the SCR.



Management and mitigation techniques

MMS has systems for monitoring and controlling operational risk, although the possibility of suffering operational losses cannot be excluded given the difficulty of forecasting and quantifying this type of risk.

The operational risk management model established is based on a qualitative dynamic analysis of processes, so that the managers of each area/department can identify and evaluate the potential risks affecting both the core business and support processes.

The analysis encompasses the self-assessment of risks, documentation of internal control handbooks identifying controls associated to risks, evaluations on controls effectiveness, and the use of corrective measures established to mitigate/reduce risks and/or improve the control environment.

Concentration

No risk concentrations have been identified in relation to operational risk, except for the dependency on the Core IT Systems. A prolonged unavailability of these systems could have a negative impact on operations, but this possibility is considered remote, since there are proven mechanisms for business continuity that would mitigate the risk.

C.6. Other material risks

In addition to the quantitative treatment of Solvency II risks, and as part of the annual risk identification process, at the beginning of each year the Risk Office promotes among the main areas or departments the identification of material risks that may affect the progress of the Company throughout the period covered by its business plan, as well as the emerging risks that both the insurance industry and MMS may face in the longer term (5-10 years).

Geopolitical tensions have continued to intensify, and at the time of the Material Risk Identification exercise, geopolitical risk was already elevated following the US and Venezuela incident. The assessment indicates that this remains a significant risk, although it does not fall within the top five risks for MMS. However, the potential for further escalation, particularly in relation to the ongoing situation involving Israel, the United States and Iran, as well as the possible repercussions on Saudi Arabia and Dubai, remains a concern.

The Company will continue to closely monitor the evolving situation and will assess any material developments, emerging vulnerabilities or stress testing outcomes that may indicate pressures on solvency, liquidity or operational continuity.

C.6.1 Material risks

Top risks that have been identified at the beginning of 2026 as risks that the Company faces in the period covered in its business plan and that could affect the company results:

Cyber Risk

Cyber risk remains high due to the increasing frequency and sophistication of cyberattacks, heightened regulatory requirements and the growing reliance on digital infrastructure. In 2026, cyber threats have evolved further with the use of AI in phishing campaigns, including highly convincing deepfake-based emails and voice recordings impersonating senior executives. Whereas traditional phishing attempts were often identifiable through poor language and formatting, AI-generated messages now appear credible and tailored, significantly increasing the likelihood of successful attacks. These developments, coupled with persistent ransomware activity and other AI-driven threats, elevate the overall risk profile and require continuous vigilance.

A successful cyber breach could result in financial losses, reputational damage, operational disruption, and regulatory penalties. To manage this risk, the company maintains daily monitoring through the Corporate Security Office (CSO), invests continuously in security controls, and performs regular vulnerability assessments coordinated at Group level and addressed locally. Additional proactive measures include strengthening security protocols, enhancing employee cybersecurity awareness through training, and conducting ongoing risk assessments to identify and mitigate emerging threats. Through a robust cybersecurity framework and sustained oversight, the company aims to ensure regulatory compliance, protect sensitive data, and safeguard long-term operational resilience against an evolving threat landscape.

Strategic initiatives and projects

The Company faces increased risk arising from deviations in the planning, development, implementation and allocation of resources across strategic initiatives and projects. This risk is amplified by the current volume and complexity of projects being undertaken, particularly

large-scale system initiatives such as the implementation of the Company's Core system. Management has noted that the number of concurrent projects place increased pressure on timelines, resource capacity and delivery quality. Given identified gaps within ongoing system projects and the likelihood that delays would require additional resources to complete work on time, the overall impact and probability of deviation remain high.

Significant expenses rise

The risk of significant expenses increases has remained in the top 5 risks in 2026. Although the ratio of expenditure to premiums has improved, cost optimisation remains challenging and requires continuous monitoring at departmental level. Inflationary pressures have eased overall, which helps contain the situation, however, second-order effects continue to impact the value chain, particularly through rising repair costs that are partly driven by climate-related factors. The Company continues to prioritise cost optimisation as a key strategic initiative, supported by ongoing efforts to enhance operational efficiency across processes. Additionally, initiatives aimed at reducing technology-related expenditure through increased automation are being pursued, although system fragmentation persists and contributes to operational inefficiencies and higher costs.

Inflation

Inflation followed a downward trend over the past year, resulting in a modest reduction in required price adjustments. Government subsidies on energy costs continue to play a stabilising role, however, their removal would result in a significant increase in operating expenses. Any upward adjustment in expenditure would not be felt uniformly, as existing supplier contracts limit price changes until renewal cycles allow for revisions. Although inflationary pressures have eased, underlying inflation is expected to gradually return. The overall impact largely depends on how quickly the Company can implement mitigating measures to counter inflationary effects. For suppliers, contractual agreements provide temporary cost stability, while on the claims side, inflation may lead to increased costs; however, any necessary pricing or process adjustments would follow established governance mechanisms, including POG and system updates.

Natural or man-made catastrophes

The risk of natural or man-made catastrophes remains a factor from the previous year. Events such as extreme weather, natural disasters, industrial accidents, or large-scale disruptions pose significant threats to operational stability and financial performance.

A major structural fire in a concentrated area, for example, could affect multiple buildings simultaneously and lead to significant losses. Moreover, ongoing infrastructure development aimed at reducing traffic congestion may unintentionally elevate flood risk and hinder emergency accessibility, thereby increasing the potential severity of events. Exposure to man-made catastrophes is also increasing, particularly due to the required revision to Malta's building codes, which may heighten vulnerability to structural failures and other man-made hazards.

To effectively manage these risks, the company utilizes established risk management frameworks, including scenario analysis, and stress testing. These tools provide valuable insights into potential exposures, improve resilience, and ensure the company can withstand and adapt to evolving risk conditions. By continuously refining its risk assessment methodologies and response strategies, the company aims to enhance its ability to mitigate the impact of catastrophic events and safeguard long-term operational sustainability.

C.6.2. Emerging risks

Emerging risks are expected or possible risks, or changes in the current risk profile due to future events whose impacts are unknown or subject to great uncertainty. Given that the risk landscape is constantly evolving, it is important: i) to identify the factors that both the insurance industry and the Company may face in the long-term (5-10 years); ii) to know the degree of preparation the Company has; and iii) to be able to adapt in order to reach the objectives and achieve success in business results.

The main emerging risks identified in 2026 are listed below:

1. Technological Disruption, Emerging Technologies and the Risk of Falling Behind

The rapid pace of technological innovation, particularly in areas such as artificial intelligence, creates a growing risk of technological disruption and the possibility of falling behind industry standards. Emerging technologies often evolve faster than regulatory frameworks, which introduces uncertainties around compliance, data protection, security vulnerabilities, and increasing implementation and maintenance costs. At the same time, inflated expectations around AI may result in overinvestment or the misallocation of resources if the anticipated benefits are overstated. There is also a strategic risk that the company may fail to keep pace with technology adopted by competitors or the wider market, which could affect efficiency, customer experience, and long-term competitiveness. Careful evaluation of new technologies, strong oversight, and disciplined investment planning are therefore essential to mitigate this risk.

2. Uncertain Impacts of Autonomous Vehicles and the Shift Toward Cyber-Based Liability

The long-term impact of autonomous vehicles remains uncertain, particularly as advancements in automation may fundamentally reshape the motor insurance landscape. As vehicles move closer to full autonomy, traditional motor liability insurance could become less relevant, since responsibility for accidents may shift away from drivers and toward manufacturers, software providers, or system operators. This creates the potential for a transition from conventional motor liability products to insurance models that are increasingly driven by cyber risk, technology failure, and system vulnerabilities. The evolving regulatory environment, the pace of technological adoption, and the unclear distribution of liability all contribute to this emerging risk, which may require significant adjustments to product design, pricing, and long-term business strategy.

3. Regulatory & Structural Exposure from Evolving National Requirements

The evolving national regulatory landscape is creating increased structural exposure for the insurance sector, particularly in areas linked to construction and building safety. The potential introduction of compulsory Employers' Liability insurance for construction workers would expand mandatory coverage requirements and could materially increase exposure to workplace injury claims within a high-risk sector. At the same time, the expansion of direct rights of action under Contractors' Insurance would allow third parties to pursue claims directly against insurers, which may increase the frequency and complexity of litigation. In addition, the growing number of high-rise buildings, combined

with aging structures and deteriorating long-term maintenance, heightens fire risk and places greater pressure on underwriting, pricing, and risk-selection processes.

4. Consumer, Cultural & Demographic Shifts

Shifts in consumer expectations, cultural norms, and demographic patterns are creating an emerging risk that may affect how products and services are designed, delivered, and consumed. Changes in the local population structure can influence attitudes toward financial protection, digital engagement, and preferred service channels, leading to a transformation in how customers interact with insurers. These developments are driving demand for more personalised, technology-enabled services, faster response times, and greater transparency across the customer journey. Failure to adapt to these evolving preferences may affect customer satisfaction, competitiveness, and long-term market relevance.

The Company's Own Risk and Solvency Assessment (ORSA) report dated 31st December 2025 includes further information regarding the analysis of those risks and monitoring and/or mitigation measures.

C.7. Any other information

C.7.1. Sensitivity analysis of significant risks

MMS performs sensitivity analyses of the solvency ratio involving certain macroeconomic variables, including:

- An increase/decrease in interest rates
- Appreciation of the euro
- Decrease in the valuation of the equities
- Increase in the spread of corporate and sovereign exposures.

The sensitivity of the solvency ratio to the changes in these variables is shown below:

	31/12/2025	Percentage points Change
Solvency Ratio (SR)	279.0%	
SR In the event of a 100 basis point increase in the interest rate	280.6%	+1.59 p.p.
SR In the event of a 100 basis point decrease in the interest rate	266.9%	-12.16 p.p.
SR in the event of a 10% appreciation of the euro	278.4%	-0.61 p.p.
SR In the event of a 25% decrease in equities	277.9%	-1.16 p.p.
SR In the event of a 50 basis point increase in corporate spreads	278.1%	-0.89 p.p.
SR In the event of a 50 basis point increase in corporate and sovereign spreads	277.2%	-1.85 p.p.

p.p. percentage points

The outcome of these sensitivities shows that MMS will continue to comply with the solvency capital requirements in the scenarios assessed.

The method applied to obtain results consisted of:

- Establishing a benchmark based on the balance sheet, solvency capital required (SCR) and the solvency ratio at a determined date.
- Based on this cut-off point, select the initial variables that would be affected by the application of the stress assumptions that have been defined for the various tests or scenarios.
- Determining the final effect on MMS's solvency based on new values for the variables in question.

C.7.2. Other issues

Off-balance-sheet positions

There are no significant exposures to the above risks arising from off-balance sheet positions.

D. Valuation for solvency purposes

D.1. Assets

The following are the main differences between the measurement of assets under Solvency II (“Solvency II Value”) and IFRS 17 (“Accounting Value”) as at 31st December 2025.

It is important to note that the balance sheet presented is in-line with the Solvency II regulations, and therefore, it was necessary to re-classify data included under certain headings in the financial statements to different headings as presented under “Accounting Value” in the table below:

Assets	Solvency II Value 2025	Accounting Value 2025
Goodwill		-
Deferred acquisition costs		-
Intangible assets	-	11,080
Deferred tax assets	1,653	1,223
Pension benefit surplus	-	-
Property, plant & equipment held for own use	5,810	5,810
Investments (other than assets held for index-linked and unit-linked contracts)	162,341	115,214
Property (other than for own use)	13,516	13,519
Holdings in related undertakings	119,385	76,507
Equities	1,873	1,873
Equities - listed	1,873	1,873
Equities - unlisted	-	-
Bonds	22,321	22,068
Government Bonds	9,929	9,900
Corporate Bonds	12,392	12,168
Structured notes	-	-
Collateralized securities	-	-
Collective Investments Undertakings	1,247	1,247
Derivatives	-	-
Deposits other than cash equivalents	4,000	-
Other investments	-	-
Assets held for index-linked and unit-linked contracts and other collective investment schemes	-	-
Loans and mortgages	-	-
Loans on policies	-	-
Loans and mortgages to individuals	-	-
Other loans and mortgages	-	-
Reinsurance recoverables from:	7,112	11,122
Non-life and health similar to non-life	7,112	11,125
Non-life, excluding health	7,275	11,125
Health similar to non-life	(163)	-
Life and health similar to life, excluding health and index-linked and unit-linked and other collective investment schemes	-	(3)
Health similar to life	-	-
Life, excluding health and index-linked and unit-linked and other collective investment schemes	-	(3)

Assets	Solvency II Value 2025	Accounting Value 2025
Life index-linked and unit-linked and other collective investment schemes	-	-
Deposits to cedants/Deposits for Accepted Reinsurance	-	-
Insurance and intermediaries receivables	21,472	20,679
Reinsurance receivables	291	-
Receivables (trade, not insurance)	730	730
Own shares (held directly)	-	-
Amounts due in respect of own funds items or initial fund called up but not yet paid in	-	-
Cash and cash equivalents	10,559	14,559
Any other assets, not elsewhere shown	1,710	1,963
TOTAL ASSETS	211,678	182,380

Figures in thousand euro

Below are the explanations of the key asset valuation differences in the table above.

Intangible assets

Under IFRS, intangible assets are measured at cost less their accumulated amortisation and where applicable, possible impairment. MMS recognises computer software as intangible assets. Computer software mainly represents amounts capitalised relating to the development of MMS's IT system by related companies forming part of the Mapfre Group.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use to the specific software. These costs are amortised using the straight-line method over their useful lives, not exceeding a period of seven years.

Under Solvency II, an intangible asset other than goodwill is only recognised at a value not equal to zero if it can be sold separately and the undertaking can demonstrate the existence of a market value for the same or similar assets. MMS considers that computer software does not meet the conditions established in the Solvency II regulations for market value recognition and therefore is reported as a zero value.

Deferred tax assets

Under IFRS, deferred taxes are calculated on all temporary differences using a principal tax rate of 35%, with the exception of investment property and freehold and other property, for which deferred income taxes may be calculated using a principal tax rate of 8% or 10% of the carrying amount. MMS recognised a net deferred tax liability on its closing IFRS balance sheet at a carrying amount of €1.5 million.

Deferred taxes are measured under Solvency II as the amounts reported in the audited financial statements as adjusted by the tax impact (at different applicable rates) on the difference between the values assigned to assets and liabilities for solvency purposes, and their carrying values as recognised in the financial statements and valued for tax purposes. MMS recognised a net deferred tax asset on the Solvency II balance sheet of €1.7 million.

The differences between the Solvency II and Accounting Value of deferred tax mainly arose due to the different valuation criteria used for the following items:

Difference in Deferred Tax	Value
Intangible assets	3,878
Participations	(609)
Reinsurance recoverables	1,347
Insurance and intermediaries' receivables	(277)
Reinsurance receivables	(102)
Technical provisions	(1,793)
Reinsurance payables	689
Total	3,133

Figures in thousand euro

Due to the nature of the deferred tax assets held by MMS, there are no specific expiration dates for them.

Investments (other than assets held for index-linked and unit-linked contracts)

All investments must be measured at fair value on the Solvency II balance sheet, regardless of the accounting portfolio under which they are classified. The determination of fair value is performed by following the same procedures and methodology used for determining fair value based on IFRS 13 "Fair Value Measurement".

IFRS 13 defines fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In a fair value valuation, the transaction should take place in the asset or liability's main market, and where this does not exist, in the most advantageous market, using valuation techniques that are appropriate for the circumstances and for which there is sufficient information available, maximising the use of relevant observable input and minimising the use of unobservable input.

In order to increase the coherence and comparability of the fair value measurements, IFRS 13 establishes a fair value hierarchy making it possible to classify the valuation technique variables used to determine fair value in three different levels:

Level 1 corresponds to unadjusted quoted prices on active markets;

Level 2 uses observable inputs (either prices quoted in active markets for instruments similar to the one being assessed, or other assessment techniques in which all the significant variables are based on observable market data); and

Level 3 uses specific references for each case, although assets included in this level are generally not relevant.

Although not all assets and liabilities may have available observable market transactions or information, the objective of a fair value appraisal is always the same: estimate the price for an orderly transaction for selling or transferring the liability between market participants at the valuation date in present market conditions.

Under "Investments", based on the Solvency II balance sheet, the following investments valuation differences apply:

- **Holdings in related undertakings**

Holdings in related companies are either subsidiaries or companies in which there is an investment that can be considered to represent a dominant or significant influence in the business.

Wherever possible, investments in related companies are measured at their listed prices on active markets as regards the Solvency II balance sheet. However, due to the absence of quoted prices on active markets, the assets were valued using the adjusted equity method, considering the solvency valuation specifics indicated for each holding or subsidiary.

Under IFRS, investments in subsidiaries are valued at cost less impairment, which differs from Solvency II criteria.

Due to the difference in valuation criteria, an increase of €42.9 million was recorded for these investments on the Solvency II balance sheet when compared to the IFRS balance sheet.

- **Bonds**

Under IFRS, accrued interest receivable from investment in bonds is accounted for as “Any other assets, not elsewhere shown”, whilst the Solvency II value of the bonds is equal to the market value.

- **Deposits other than cash equivalents**

Under Solvency II, Investments in short term securities are classified under “Deposits other than cash equivalents”, whilst under IFRS these are classified under “Cash and cash equivalents”.

Reinsurance recoverables

The calculation of the reinsurance recoverables is in line with the calculation of technical provisions for direct insurance, which means that these amounts must be recognised at their best estimate, also considering the timing difference between collection and direct payments, as well as the expected losses from the counterparty default.

When determining the recoverable value of the amounts of reinsurance arising from amounts considered in technical provisions, MMS takes into account the following:

- The expected value of potential reinsurance default based on creditworthiness and the time horizon of expected payment patterns.
- Expected reinsurance collection patterns based on past experience.

For reinsurance recoverables extending beyond the established payment period outlined in reinsurance contracts in force, a renewal of current contractual terms is considered, with no substantial modification in contracted cost or coverage.

The classification among the different lines of business and the development of reinsurance claims are based on the assumptions made for gross technical provisions.

The value of the potential recovery of reinsurance arising as a result of technical provisions for direct insurance is directly linked to estimates and projections for future cash flows which might be subject to a number of factors of uncertainty, which are mainly the following:

- Direct insurance and reinsurance claims, which are linked to reinsurance contracts.
- The reinsurer's ability to meet future payment commitments.
- Reinsurance payment pattern.

Under IFRS, technical reserves for cessions to reinsurers are calculated in accordance with the reinsurance contracts entered into as applied to the gross technical provisions

Insurance and intermediaries receivables

Under IFRS, receivables from intermediaries are deemed to be arising out of a business contract and therefore measured under IFRS 9. They are recorded at amortised cost net of expected credit losses. Receivables from insured are measured under IFRS17 and netted off with Insurance contract liabilities as per contract group to which they pertain.

Under Solvency II, balances included under insurance and intermediaries' receivables mainly relate to premiums due net of commissions that are either not past their payment date or past their payment date net of any impairment provision against them. The collection of such amounts has not been included in the cash flows for the calculation of technical provisions.

Reinsurance receivables

Under Solvency II, Reinsurance receivables include "due" and "past due" amounts receivable from reinsurers by way of claim recoveries on claims paid by the Company. The collection of such amounts has not been included in the cash flows for the calculation of reinsurance recoverables.

Under IFRS, these balances are considered under the Reinsurance contract assets.

Any other assets, not elsewhere shown

The €0.25 million difference between the IFRS value and the Solvency II value relates to the accrued interest receivable from investments in bonds, which under IFRS is accounted for under "Any other assets, not elsewhere shown".

D.2. Technical provisions

Following are the main differences between the valuation of technical provisions under Solvency II and IFRS 17:

Technical provisions	Solvency II Value 2025	Accounting Value 2025
Technical provisions - Non-Life	69,664	74,768
Technical provisions - Non-Life (excluding health)	59,167	63,942
Technical provisions calculated as a whole	-	
Best Estimate	56,194	
Risk margin	2,973	
Technical provisions - health (similar to Non-Life)	10,497	10,826
Technical provisions calculated as a whole	-	
Best Estimate	10,248	
Risk margin	249	
Technical provisions - Life (excluding index-linked and unit-linked)	952	969
Technical provisions - health (similar to Life)	-	-
Technical provisions calculated as a whole	-	
Best Estimate	-	
Risk margin	-	
Technical provisions - Life (excluding health and index-linked and unit-linked)	952	969
Technical provisions calculated as a whole	-	
Best Estimate	835	
Risk margin	117	
Technical provisions - index-linked and unit-linked	-	-
Technical provisions calculated as a whole	-	
Best Estimate	-	
Risk margin	-	
Other technical provisions	-	-
TOTAL TECHNICAL PROVISIONS	70,616	75,737

Figures in thousand euro

In general terms, the main difference between both valuations is the criteria framework under which each regulation falls. While under Solvency II, technical provisions are measured using market economic criteria, for financial statements, technical provisions are calculated based on accounting standards. The Solvency II Directive stipulates that the value of technical provisions shall be equal to the sum of the best estimate and the risk margin.

The movement between Non-Life IFRS and Solvency II technical provisions is as follows:

	€000s
Insurance contract liabilities and reinsurance contract assets	64,615
Less Group Life component	(969)
Add back Deferred acquisition cost component	12,768
Insurance and Reinsurance balances	(3,625)
IFRS 17 Technical Provisions (Net)	72,789
Risk Adjustment	(696)
Non-performance Risk	(49)
Loss component	-
Add back Discounting LIC	1,346
IFRS 17 Technical Provisions without RA and NPR (Net)	73,391
Elimination of margin for prudence	-
Elimination of 100% UPR (net of RI)	(42,912)
Future premiums – unaccepted contracts	1,148
Net premium provision – claims component only on in-force business and future premiums	22,225
Additional expenses	7,599
Events not in data	199
Discounting (Claims and Premiums)	(2,346)
Risk Margin	3,222
Any other Adjustments	27
Solvency II Technical Provisions (Net)	62,553

Figures in thousand euro

The breakdown of non-life technical provisions under Solvency II, by line of business is shown below.

Line of business	Best estimate (Net)	Risk Margin	Technical provisions (Net)
Medical expense insurance	9,393	246	9,639
Income protection insurance	1,019	3	1,022
Motor vehicle liability insurance	20,614	862	21,476
Other motor insurance	14,724	740	15,464
Marine, aviation and transport insurance	1,583	120	1,703
Fire and other damage to property insurance	4,973	835	5,807
General liability insurance	5,446	313	5,759
Assistance	1,579	103	1,682
Miscellaneous financial loss	1	1	2
Total	59,330	3,222	62,553

Figures in thousand euro

The following are the qualitative explanations of the valuation differences between the Solvency II and IFRS frameworks:

D.2.1. Best estimate and risk margin

Best estimate

The Best Estimate of Liabilities (BEL) in the Non-life and Health similar to Non-Life businesses are calculated separately for the claims provision and premium provision.

a) Claims provision

The claims provision is based on the following principles:

- It takes into account all claims, which have incurred prior to the valuation date, regardless of whether they have been reported or not.
- It is calculated as the present value of expected future cash flows associated with the commitments. Projected cash flows include payments for services and related expenses (claims and investment management).
- Should there be any commitments transferred to a counterparty, the recoverable amounts are adjusted to factor in the expected losses due to default of the counterparty.
- The best estimate considers the time value of money based on the consideration of the claim inflows and outflows.
- From a methodological point of view, it is determined as the final cost of claims and effective payments made, net of their potential recovery or collection.

IFRS 17 has introduced greater alignment between the Solvency II claims provision and the Accounting liability for incurred claims. Large losses have been valued as at 31st December 2025 using estimation techniques where credible data volume allows appropriate use of actuarial standard techniques.

The best estimate for claims provisions calculated based on Solvency II criteria present the following similarities and differences with respect to those calculated based on financial statement requirements:

Similarities

- Solvency II and IFRS 17 require that the claims provision, including large losses, is reported on a best estimate basis. Estimation techniques are used where there is sufficient data. Where data volumes are too low or risks insufficiently homogeneous, case estimates are used. The use of case estimates applies only to certain large losses.
- Both standards require the allowance for the risk of non-recoverability of reinsurance cash-flows.
- The consideration of all expected future cash-flow sources is included in the estimations under both methodologies. The present value of estimated future cash flows is calculated using the risk-free yield curve as at 31st December 2025.

- Thus, the Solvency II gross of reinsurance claims provision is equal to the gross liability for incurred claims before addition of the risk adjustment.

Differences

- The counterparty default risk adjustment to reinsurance recoverable amounts is calculated using prescribed factors set out in the Solvency II regulations. Separate, internally derived factors are determined to derive the adjustment to the accounting cash-flows.

b) Premium provision

The premium provision is based on the following principles:

- It relates to future claims, or those which take place subsequent to the valuation date, within the remaining claim coverage period.
- It is calculated as the present value of expected cash flows associated with the current portfolio, in accordance with contractual limits.
- Projected cash flows include payments for services and related expenses (administration, acquisition, claim management, and investment management).
- Should there be any commitments transferred to a counterparty, the recoverable amounts are adjusted to contemplate the expected losses arising from non-payment.
- The best estimate takes into account the time value of money of expected future cash flows, which are based on an analysis of claim inflows and outflows.

The calculation of this provision is comprised of the flows corresponding to two portfolios:

- Current portfolio, which consists of the following items:
 - Expected claims. The loss ratio method is used to calculate the present value of expected benefit payments which is explained below:
 - Loss ratio method: the expected claims arising from applying an ultimate loss ratio to unearned premium reserves (gross of acquisition expenses).
 - Events Not in Data (ENIDs) are also considered. ENIDs are events where the Company has no experience of their likely impact, but which may happen in the future. MMS has identified such possible losses and estimated the cover limits and the probability of such events occurring. The estimated impact was calculated on a gross basis and also net of potential reinsurance recovery. The allowance for ENIDs has been derived as a factor which is applied to the earned premium.
 - Expense attributable to the current portfolio: acquisition expenses (without commissions), administration, claims management expenses, as well as other technical expenses.
- Future business, which includes the following:

- Premiums for policies which have not yet been renewed but include MMS's commitments to renewal terms. This calculation includes allowance for the future behaviour of policyholders through the application of an estimated lapse ratio.
- Expected loss ratio relating to future premiums, using the same methods indicated for the current portfolio.
- Expenses attributable to future premiums (charged expense-to-premium ratio applied to future premiums): acquisition expenses (including fees), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

Under IFRS, this provision is recognised under the liability of remaining coverage, which is calculated on a policy-by-policy basis, reflecting the premium rate on a pro-rata temporary basis for the unearned period of such policies to which a loss component is added for group of contracts deemed to be onerous from initial recognition or become onerous thereafter. This provision supplements the unearned premiums reserve with an amount by which the future contractual cash flows arising from such reserve exceed the same reserve where applicable.

Contractual boundaries

When calculating the best estimate under Solvency II, the contractual boundaries must be taken into account in order to consider future premiums arising from commitments in force. Depending on the margins on product premiums, the inclusion of the limits of the contract will generate an increase in the best estimate (if the contracts are not profitable) or a reduction in the same (if they are profitable).

The obligations arising from the contract, including those which relate to the insurance/reinsurance company's unilateral right to renew or increase its limits and the corresponding premiums are included, except for:

- Commitments provided by the Company after the date on which it has the unilateral right to:
 - Cancel the contract.
 - Reject premiums payable under the contract.
 - Modify the premiums or benefits to which it is bound by virtue of the contract, so that the premiums clearly reflect the risks.
- All obligations which do not correspond to premiums already paid, unless the policyholder may be forced to pay future premiums, provided the contract:
 - Does not establish an indemnity for a specified uncertain event which may adversely affect the reinsured party.
 - Does not include a financial guarantee for the benefits.

The premium provision calculated based on Solvency II criteria present the following differences with respect to those calculated based on IFRS:

- The application of the concept of contractual limits, which involves the consideration of future business. Under IFRS, future premiums must be taken into account only if included in the corresponding technical note.

- The consideration of all cash flow sources. In general, under Solvency II, the premium provision for profitable products included in a portfolio in force is less than the liability for remaining coverage reflected in the financial statements. In cases of premium insufficiency, the premium provision is comparable to the provision for unearned premiums plus the provision for current risks (without taking the discount effect into account). For future business, the Solvency II premium provision for profitable products will be negative.
- The counterparty default risk adjustment to recoverable reinsurance amounts.
- The financial discount of cash flows.

Risk margin

The risk margin is conceptually equivalent to the cost of supplying eligible own funds and the SCR necessary to support insurance commitments during their entire period of validity and until they are definitively settled. The interest rate used in determining the cost of supplying the amount of eligible own funds is known as the cost-of-capital rate. MMS uses the 6% rate prescribed by Solvency II regulations.

There are a number of simplified methods to calculate risk margin:

- Level 1: explains how to approximate underwriting, counterparty, and market risks.
- Level 2: this is based on the assumption that the future solvency capital requirement will be proportional to the "best estimate" of technical provisions during the year in question.
- Level 3: this consists of using the modified duration of liabilities to calculate the current and future solvency capital requirement in one single step.
- Level 4: calculates the risk margin as a percentage of the best estimate of technical provisions net of reinsurance.

MMS calculates the risk margin using Level 2 simplification.

The Financial Statements require that a risk adjustment is added to the liability for incurred claims. The risk adjustment is derived from the Solvency Capital Requirement components allowing for the lower accounting confidence levels of 65% and 85% for non-life and life business respectively.

Actuarial methods and assumptions used when calculating technical provisions

The main actuarial technique used by MMS when calculating technical provisions under Solvency II falls under generally accepted actuarial practice making use of deterministic methods for calculating the ultimate loss ratio based on a selection of factors to develop frequencies and average costs.

MMS considers that the methods used are appropriate.

The following two key assumptions are used:

- Economic assumptions, which are compared against available financial and macroeconomic indicators which mainly include:

- Interest rate structure.
- Exchange rates.
- Market trends and financial variables including allowance for future claim inflation where significant.
- Non-economic assumptions, which are mainly obtained from generally available data based on MMS's and/or the Mapfre Group's past experience, or external sector/market sources:
 - Realistic administration, investment, acquisition, etc. expenses that will be incurred throughout the duration of the contracts.
 - Lapse rates.
 - The frequency and severity of claims based on past data.
 - Legislative changes.

For Life Insurance:

The following two key assumptions are used:

- Economic assumptions, which are compared against available financial and macroeconomic indicators which mainly include:
 - Interest rate structure broken down by the currencies in which the commitments are denominated.
 - Exchange rates.
 - Market trends and financial variables.
- Non-economic assumptions, which are mainly obtained from generally available data based on MMS and/or the Mapfre Group's past experience, or external sector/market sources:
 - Realistic administration, investment, acquisition, etc. expenses that will be incurred throughout the duration of the contracts.
 - Mortality.

Also, it is worth noting that under the IFRS 17 standard, in line with Solvency II, management actions and policyholder behaviour are also included when calculating technical provisions, whereby companies may establish a comprehensive plan covering future decisions considering the necessary time frame to calculate their best estimates, including a probability analysis of when policyholders might exercise certain rights included in their insurance policies.

Following generally accepted actuarial practice, MMS employs an effective actuarial methodology which combines the appropriateness and consistency of the underlying methods and models used, as well as the assumptions used in these calculations.

Degree of uncertainty associated with the amount of technical provisions

The value of the technical provisions is directly linked to estimates and projections for future cash flows which might be subject to a number of factors of uncertainty. The key elements of uncertainty are:

- The probability that the obligation will materialize with regard to future cash flows including the likelihood of a policy renewing or lapsing mid-term.
- The timing of the claim.
- Potential amount of future cash flows which depend on claim size, inflation rate, court judgement etc.
- Claim frequency, which depends on the propensity to claim.
- The risk-free interest rate.
- Other external influences.

These factors are generally estimated based on expert opinions within the area or market data, and their calculation and impact on the technical provisions are duly documented and processed.

The liabilities are discounted using the risk-free discount rates published by EIOPA.

D.2.2. Measures designed for managing long-term guarantees

MMS does not make use of any long-term guarantee measures.

D.2.2.a. Matching adjustment

MMS does not make use of any matching adjustment.

D.2.2.b. Volatility adjustment

MMS does not make use of any volatility adjustment.

D.2.2.c. Transitional measure on the risk-free interest rates

MMS does not make use of any transitional measures on the risk-free interest rates.

D.2.2.d. Transitional measure for technical provisions

MMS does not make use of any transitional measures on technical provisions.

D.2.3. Significant changes in the assumptions used when calculating technical provisions

MMS did not make any further changes with regards to the assumptions used to calculate technical provisions when compared to the previous reporting period.

D.2.4. Other technical provisions

MMS does not have any other technical provisions.

D.3. Other Liabilities

Following are the main differences between the measurement of other liabilities under Solvency II and IFRS 17:

Other Liabilities	Solvency II Value 2025	Accounting Value 2025
Total technical provisions	70,616	75,737
Contingent liabilities	-	-
Provisions other than technical provisions	-	-
Pension benefit obligations	838	838
Deposits from reinsurers	-	-
Deferred tax liabilities	-	2,702
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debt owed to credit institutions	2,052	2,052
Insurance & intermediaries payables	173	-
Reinsurance payables	1,968	-
Payables (trade, not insurance)	3,390	3,390
Subordinated liabilities	-	-
Subordinated liabilities not in basic own funds	-	-
Subordinated liabilities included in basic own funds	-	-
Any other liabilities, not elsewhere shown	6,026	6,204
TOTAL LIABILITIES	85,063	90,923
EXCESS OF ASSETS OVER LIABILITIES	126,615	91,457

Figures in thousand euros

Deferred tax liabilities

As mentioned earlier, MMS recognised a net deferred tax liability on its closing IFRS balance sheet at a carrying amount of €1.5 million. MMS recognised a deferred tax asset on the Solvency II balance sheet at €1.7 million, resulting from the offsetting of deferred taxes and liabilities since taxes are paid to the same tax authority.

Insurance and intermediaries payables

Under IFRS 17, Insurance and intermediaries payables are classified under “Any other liabilities, not elsewhere shown”.

Reinsurance payables

Under Solvency II, Reinsurance payables mainly include amounts payable to reinsurers by way of ceded premiums less commission. The payment of such amounts has not been included in the cash flows for the calculation of technical provisions.

Under IFRS, the payment of these amounts has been included under Reinsurance contract assets.

D.4. Alternative methods for valuation

MMS's investment property is valued at appraisal value, determined by external, independent and qualified architects.

D.5. Any other information

There have been no significant changes in the Solvency II valuation criteria for assets and liabilities during the year.

Finance and operating leases

Finance and operating leases are described in Section A.4.2 of this report.

D.6. Annexes

A) Assets

Template S.02.01.02 detailing quantitative asset disclosures as at 31st December 2025:

Assets	Solvency II Value 2025	Solvency II Value 2024
Intangible assets	-	-
Deferred tax assets	1,653	1,890
Pension benefit surplus	-	-
Property, plant & equipment held for own use	5,810	5,679
Investments (other than assets held for index-linked and unit-linked contracts)	162,341	152,029
Property (other than for own use)	13,516	13,709
Holdings in related undertakings, including participations	119,385	116,601
Equities	1,873	1,659
Equities — listed	1,873	1,659
Equities — unlisted	-	-
Bonds	22,321	16,407
Government Bonds	9,929	8,980
Corporate Bonds	12,392	7,427
Structured notes	-	-
Collateralised securities	-	-
Collective Investments Undertakings	1,247	1,154
Derivatives	-	-
Deposits other than cash equivalents	4,000	2,500
Other investments	-	-
Assets held for index-linked and unit-linked contracts	-	-
Loans and mortgages	-	-
Loans on policies	-	-
Loans and mortgages to individuals	-	-
Other loans and mortgages	-	-
Reinsurance recoverables from:	7,112	7,619
Non-Life and health similar to non-life	7,112	7,619
Non-Life excluding health	7,275	7,736
Health similar to non-life	(163)	(116)
Life and health similar to life, excluding health and index-linked and unit-linked	-	-
Health similar to life	-	-
Life excluding health and index-linked and unit-linked	-	-
Life index-linked and unit-linked	-	-
Deposits to cedants	-	-
Insurance and intermediaries receivables	21,472	18,278
Reinsurance receivables	291	289

Assets	Solvency II Value 2025	Solvency II Value 2024
Receivables (trade, not insurance)	730	850
Own shares (held directly)	-	-
Amounts due in respect of own fund items or initial fund called but not yet paid in	-	-
Cash and cash equivalents	10,559	11,408
Any other assets, not elsewhere shown	1,710	1,114
Total assets	211,678	199,156

Figures in thousand euro

B) Technical provisions

B.1 Template S.02.01.02 detailing quantitative technical provisions at 31st December 2025:

Liabilities	Solvency II Value 2025	Solvency II Value 2024
Technical provisions — non-life	69,664	68,909
Technical provisions — non-life (excluding health)	59,167	60,473
Technical provisions calculated as a whole	-	-
Best Estimate	56,194	57,505
Risk margin	2,973	2,969
Technical provisions — health (similar to non-life)	10,497	8,435
Technical provisions calculated as a whole	-	-
Best Estimate	10,248	8,219
Risk margin	249	216
Technical provisions — life (excluding index-linked and unit-linked)	952	653
Technical provisions — health (similar to life)	-	-
Technical provisions calculated as a whole	-	-
Best Estimate	-	-
Risk margin	-	-
Technical provisions — life (excluding health and index-linked and unit-linked)	952	653
Technical provisions calculated as a whole	-	-
Best Estimate	835	565
Risk margin	117	88
Technical provisions — index-linked and unit-linked	-	-
Technical provisions calculated as a whole	-	-
Best Estimate	-	-
Risk margin	-	-

Figures in thousand euro

Life and Non-Life technical provisions by line of business as at 31st December 2025 are shown below. Columns corresponding to lines of business in which MMS does not operate have been omitted.

B.2 Templates **S.12.01.02** and **S.17.01.02** detailing Life and Non-Life technical provisions by line of business at 31st December 2025.

B.2.1 Template **S.12.01.02** – Life and Health SLT Technical Provisions as at 31st December 2025

	Other life insurance		Total (Life other than health insurance, incl. Unit-Linked)
	Contracts without options and guarantees	Contracts with options or guarantees	
Technical provisions calculated as a whole	-		-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	-		-
Technical provisions calculated as a sum of BE and RM			
Best Estimate			
Gross Best Estimate		835	835
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re — total		835	835
Risk Margin	117		117
Technical provisions — total	952		952

Figures in thousand euro

B.2.2 Template S.17.01.02 – Non-Life Technical Provisions as at 31st December 2025

	Direct business and accepted proportional reinsurance									Total Non-Life obligation
	Medical expense insurance	Income Protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation, and transport insurance	Fire and other damage to property insurance	General liability insurance	Assistance	Miscellaneous financial loss	
Technical provisions calculated as a whole	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Premium provisions										
Gross	7,066	413	8,064	6,609	864	5,440	1,116	595	2	30,168
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	(138)	(27)	(1,239)	(82)	(55)	1,699	(145)	(31)	1	(17)
Net Best Estimate of Premium Provisions	7,204	439	9,303	6,692	919	3,741	1,261	626	1	30,185
Claims provisions										
Gross	2,189	580	14,880	8,042	664	4,310	4,656	953	-	36,274
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	1	3,568	10	0	3,079	471	-	-	7,129
Net Best Estimate of Claims Provisions	2,189	579	11,311	8,032	664	1,232	4,185	953	-	29,146
Total Best estimate – gross	9,255	993	22,943	14,651	1,528	9,750	5,772	1,548	2	66,442
Total Best estimate – net	9,393	1,019	20,614	14,724	1,583	4,973	5,446	1,579	1	59,330
Risk margin	246	3	862	740	120	835	313	103	1	3,222
Technical provisions – total										

	Direct business and accepted proportional reinsurance									Total Non-Life obligation
	Medical expense insurance	Income Protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation, and transport insurance	Fire and other damage to property insurance	General liability insurance	Assistance	Miscellaneous financial loss	
Technical provisions — total	9,501	996	23,806	15,391	1,647	10,585	6,084	1,651	2	69,664
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	(138)	(26)	2,329	(73)	(55)	4,778	326	(31)	1	7,112
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	9,639	1,022	21,476	15,464	1,703	5,807	5,759	1,682	2	62,553

Figures in thousand euro

B.3 Template S.19.01.21 – Non-Life insurance claims

The following template reflects the estimate made by MMS of the cost of claims (those paid and provisions for claims in accordance with the Solvency II valuation principles), as well as how the estimate evolves over time.

Gross Claims Paid (non-cumulative)													
Development year													
Year	0	1	2	3	4	5	6	7	8	9	10 & +	In Current year	Sum of years (cumulative)
Prior											201	201	201
N - 9	15,121	10,181	1,858	627	777	175	103	44	8	5		5	28,899
N - 8	17,885	9,426	2,460	1,891	1,435	167	297	123	700			700	34,383
N - 7	18,707	9,787	2,164	965	493	6,246	878	820				820	40,061
N - 6	21,555	11,366	3,548	3,884	1,110	344	65					65	41,872
N - 5	17,104	8,793	975	547	217	51						51	27,687
N - 4	17,760	10,149	1,414	739	691							691	30,753
N - 3	21,240	11,146	2,001	1,165								1,165	35,552
N - 2	23,051	11,650	1,812									1,812	36,513
N - 1	25,488	10,979										10,979	36,467
N	24,969											24,969	24,969
Total												41,458	337,356

Figures in thousand euro

Gross undiscounted Best Estimate Claims Provisions													
Year	0	1	2	3	4	5	6	7	8	9	10 & +	Year-end (discounted data)	
Prior											445	Prior	322
N - 9	17,270	6,218	3,373	2,440	1,770	-35	415	-237	603	331		N-9	254
N - 8	18,926	8,310	6,333	4,779	943	1,777	271	724	538			N-8	427
N - 7	21,329	11,865	10,490	3,460	1,556	1,158	1,108	795				N-7	651
N - 6	18,382	9,888	3,246	4,768	662	1,382	805					N-6	681
N - 5	12,499	9,064	1,464	3,318	2,425	1,330						N-5	1,160
N - 4	31,221	8,354	1,231	3,086	1,584							N-4	1,421
N - 3	33,744	5,594	3,563	2,566								N-3	2,367
N - 2	27,208	6,485	3,552									N-2	3,362
N - 1	18,167	6,312										N-1	6,117
N	19,712											N	19,511
												Total	36,274

Figures in thousand euro

C) Other liabilities

Template **S.02.01.02** detailing quantitative disclosures of other liabilities at 31st December 2025:

Liabilities	Solvency II Value	Solvency II Value
	2025	2024
Contingent liabilities	-	-
Provisions other than technical provisions	-	-
Pension benefit obligations	838	889
Deposits from reinsurers	-	-
Deferred tax liabilities	-	-
Derivatives	-	-
Debts owed to credit institutions	-	-
Financial liabilities other than debts owed to credit institutions	2,052	1,694
Insurance & intermediaries payables	173	211
Reinsurance payables	1,968	1,216
Payables (trade, not insurance)	3,390	4,809
Subordinated liabilities	-	-
Subordinated liabilities not in basic own funds	-	-
Subordinated liabilities included in basic own funds	-	-
Any other liabilities, not elsewhere shown	6,026	5,744
Total liabilities	85,063	84,125
Excess of assets over liabilities	126,615	115,030

Figures in thousand euro

E. Capital Management

MMS has the appropriate structure and processes for the management and monitoring of its own funds, with a medium-term capital management plan and solvency levels within the limits established in the regulations and in its Risk Appetite Policy.

E.1. Own funds

E.1.1. Own funds objectives, policies and management processes

The main objectives in managing and monitoring MMS's own funds and capital are the following:

- Ensure that eligible capital continually meets applicable regulatory requirements and Risk Appetite.
- Ensure that the projected eligible capital continuously meets the applicable requirements throughout the period covered.
- Ensure that MMS has a medium-term Capital Management Plan.
- Capital management will take into account the results from the Own Risk and Solvency Assessment (ORSA), as well as the conclusions reached during that process.
- Within the framework of the medium-term Capital Management Plan, should it be deemed necessary to obtain new resources, the newly-issued capital instruments should be assessed to determine that they meet the conditions for inclusion within the desired eligible capital quality level.

Should the eligible capital be insufficient at any time during the period under consideration in the three-year projections, the Risk Office should propose future management measures to be taken into account in order to i) rectify this shortfall and ii) maintain solvency margins within the limits established by the applicable regulations and Risk Appetite Policy.

The medium-term Capital Management Plan prepared by the Risk Management Function must at least take into account the following:

- Compliance with applicable solvency regulations throughout the projection period, taking into consideration any known future changes to regulations while maintaining solvency margins aligned with those established in the Risk Appetite Policy.
- All eligible capital instruments envisaged.
- Refunds, both contractual on the due date and those which it is possible to make on request before maturity, relating to elements of eligible capital.
- The results of the ORSA projections.
- Foreseeable dividends and their impact on eligible capital. MMS has carried out an analysis to justify that the distribution of dividends does not compromise the financial or solvency situation or the protection of the interests of policyholders and insured and is carried out in accordance with the recommendations of supervisors in the matter.

During 2025, there have not been any significant changes in the objectives, policies and processes used to manage own funds.

E.1.2. Structure, amount, and quality of own funds

The following reflects the structure, amount and quality of own funds, as well as MMS's coverage ratios:

- Solvency ratio, which is the ratio of Eligible own funds to the SCR.
- Ratio of Eligible own funds to MCR.

Template **S.23.01.01** – Own Funds as at 31st December 2025

	Total		Tier 1–unrestricted		Tier 1 – restricted		Tier 2		Tier 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Commission Delegated Regulation (EU) 2015/35										
Ordinary share capital (gross of own shares)	19,320	19,320	19,320	19,320			-	-		
Share premium account related to ordinary share capital	688	688	688	688			-	-		
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	-	-	-	-			-	-		
Subordinated mutual member accounts	-	-			-	-	-	-	-	-
Surplus funds	-	-	-	-						
Preference shares	-	-			-	-	-	-	-	-
Share premium account related to preference shares	-	-			-	-	-	-	-	-
Reconciliation reserve	98,954	88,332	98,954	88,332						
Subordinated liabilities	-	-			-	-	-	-	-	-
An amount equal to the value of net deferred tax assets	1,653	1,890							1,653	1,890
Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds										
Own funds from the financial statements that should not be represented by the reconciliation reserve and do	-	-								

	Total		Tier 1–unrestricted		Tier 1 – restricted		Tier 2		Tier 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
not meet the criteria to be classified as Solvency II own funds										
Deductions										
Deductions for participations in financial and credit institutions⁹	-	-	-	-	-	-	-	-		
Total basic own funds after deductions	120,615	110,230	118,962	108,340	-	-	-	-	1,653	1,890

Figures in thousand euro

	Total		Tier 1–unrestricted		Tier 1 – restricted		Tier 2		Tier 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Ancillary own funds										
Unpaid and uncalled ordinary share capital callable on demand	-	-					-	-		
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual – type undertakings, callable on demand	-	-					-	-		
Unpaid and uncalled preference shares callable on demand	-	-					-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	-	-					-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-	-					-	-		
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-	-					-	-	-	-

	Total		Tier 1–unrestricted		Tier 1 – restricted		Tier 2		Tier 3	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-	-					-	-		
Supplementary members calls — other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-	-					-	-	-	-
Other ancillary own funds	-	-					-	-	-	-
Total ancillary own funds	-	-					-	-	-	-
Available and eligible own funds										
Total available own funds to meet the SCR	120,615	110,230	118,962	108,340	-	-	-	-	1,653	1,890
Total available own funds to meet the MCR	118,962	108,340	118,962	108,340	-	-	-	-		
Total eligible own funds to meet the SCR	120,615	110,230	118,962	108,340	-	-	-	-	1,653	1,890
Total eligible own funds to meet the MCR	118,962	108,340	118,962	108,340	-	-	-	-		
SCR	43,228	40,100								
MCR	13,188	12,383								
Ratio of Eligible own funds to SCR	279.0%	274.9%								
Ratio of Eligible own funds to MCR	902.1%	874.9%								

Figures in thousand euro

Total		Tier 1-unrestricted		Tier 1 – restricted		Tier 2		Tier 3	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024

	Total	
	2025	2024
Reconciliation reserve		
Excess of assets over liabilities	126,615	115,030
Own shares (held directly and indirectly)	-	-
Foreseeable dividends, distributions and charges	6,000	4,800
Other basic own fund items	21,661	21,898
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	-	-
Reconciliation reserve	98,954	88,332
Expected profits		
Expected profits included in future premiums (EPIFP) — Life business	-	-
Expected profits included in future premiums (EPIFP) — Non- life business	2,124	1,924
Total Expected profits included in future premiums (EPIFP)	2,124	1,924

Figures in thousand euro

Amount of eligible own funds to meet the SCR, classified by tiers

MMS has €120.6 million of eligible own funds as at 31st December 2025 (€110.2 million at 31st December 2024).

As stipulated in the Solvency II regulations, own funds are classified as either basic or ancillary. They are also classified by Tiers (1, 2 or 3), depending on the characteristics, determining their availability to absorb losses.

As at 31st December 2025, the unrestricted basic Tier 1 own funds of MMS totalled €119.0 million (€108.3 million at 31st December 2024). These own funds have the maximum capacity to absorb losses as they meet the requirements of permanence, subordination and sufficient duration, and they consist of:

- Ordinary share capital.
- Share premium related to ordinary share capital.
- Reconciliation reserve, which mainly reflects the movements in the assets and liabilities during the period. This potentially could be the most volatile element within the eligible own funds. However, asset-liability management helps to reduce this volatility as can be observed under Section C.7.1. 'Sensitivity analysis of significant risks'.

In addition, MMS also has basic Tier 3 own funds totalling €1.7 million as at 31st December 2025 (€1.9 million as at 31st December 2024) corresponding to the net deferred tax asset.

All of the own funds of MMS are basic own funds. There are no limitations on their eligibility to cover the Solvency Capital Requirement and they have the maximum availability for absorbing losses.

None of the own fund items required supervisory approval.

The tables included at the beginning of the section indicate the structure, amount and quality of the own funds and include the items considered to determine the reconciliation reserve based on the excess of assets for absorbing losses.

Solvency Capital Requirement (SCR)

The Solvency Capital Requirement (SCR) corresponds to the own funds that MMS must hold to limit the probability of bankruptcy to one case per 200-year event, or that MMS is 99.5% confident to meet its commitments to insurance beneficiaries and policyholders during the following year.

As stipulated in the Solvency II Directive, all the unrestricted basic Tier 1 own funds and Tier 3 own funds are eligible to cover the SCR.

The solvency ratio stands at 279.0% (274.9% in 2024) and determines the relationship between eligible own funds and the SCR calculated using the standard formula. This shows MMS's high capacity to absorb extraordinary losses deriving from a 1 in 200-year event. This ratio falls within the Risk Appetite established and approved by the Board of Directors.

Minimum Capital Requirement (MCR)

The Minimum Capital Requirement (MCR) is the capital amount set as the minimum security level below which financial resources should never fall. Therefore, it is the minimum amount of basic eligible own funds before which policyholders and beneficiaries are exposed to an unacceptable level of risk, should MMS continue with its business.

All the basic unrestricted Tier 1 own funds are eligible to cover the MCR. Since Tier 3 own funds do not have adequate availability in order to absorb losses in case it is necessary, these are not available and eligible to cover the MCR. MMS therefore has €1.7 million in available own funds that are not eligible to cover the MCR.

The ratio of eligible own funds to the MCR amounts to 902.1% (2024: 874.9%).

No additional solvency ratios to the ones included in template S.23.01.01 (i.e. SCR and MCR) are disclosed by MMS.

Difference between Equity in the financial statements and Excess of assets over liabilities for Solvency II purposes

When valuing assets and liabilities for the purposes of Solvency II, different criteria are used from those used when preparing the financial statements. The above criteria differences lead to differences between the equity stated in the financial statements and excess of assets over liabilities for Solvency II purposes.

As at 31st December 2025 the excess of assets over liabilities for Solvency II purposes amounted €126.6m, while equity in the financial statements totalled €91.5 million.

The main adjustments that arise from the reconciliation of equity in the financial statements and own funds under Solvency II may be observed below.

	2025	2024
Equity (statutory accounts)	91,457	84,443
Difference in valuation of assets (*)	32,883	29,386
Intangible assets	(11,080)	(10,574)
Participations	42,879	38,990
Insurance and intermediaries' receivables	793	681
Reinsurance receivables	291	289
Difference in valuation of liabilities (*)	2,275	1,201
Net technical provisions	1,111	(790)
Net deferred taxes	3,132	3,207
Reinsurance payables	(1,968)	(1,216)
Excess of assets over liabilities (Solvency II Value)	126,615	115,030

Figures in thousand euro

(*): Differences in the valuation of reinsurance recoverables and deferred tax assets are included within 'Net technical provisions' and 'Net deferred taxes' respectively.

The quantitative and qualitative explanations are provided in Sections D.1 Assets, D.2 Technical Provisions and D.3 Other liabilities, in this report.

E.1.3. Information regarding deferred taxes

Deferred tax assets on the Solvency II balance sheet amount to €1.7 million, which mainly result from the following items:

- Intangible assets
- Participations
- Net technical provisions
- Insurance and intermediaries' receivables and payables
- Reinsurance receivables and payables

MMS has carried out a recoverability test of the deferred tax assets, and it has recognised €1.7 million of deferred tax assets in the own funds following the availability of probable future taxable profits.

The projections of future benefits are consistent with the assumptions used in the calculation of the best estimate of technical provisions. MMS defined hypotheses regarding loss ratios, administrative expense ratios, acquisition expense ratios and the transfer of risks to reinsurance, among others.

Additionally, MMS has considered:

- The volume of sales from the new business, which is consistent with that defined in the business plan.
- The return on investments is equal to the implicit return in the risk-free interest rate curve.

E.1.4. Other information

Essential items in the reconciliation reserve

The reconciliation reserve includes the component of own funds potentially considered as the most volatile; changes therein are determined by MMS's asset and liability management.

In the tables included at the beginning of the section, the structure, amount and quality of the own funds are indicated, together with the items that have been considered in determining the reconciliation reserve. This is based on the amount of the excess of assets over liabilities for the purpose of Solvency II, with the amount of this excess reaching €126.6 million.

To determine the Reconciliation reserve the following items have been deducted:

- Foreseeable dividends, amounting to €6.0 million.
- Other items of Basic own funds for an amount of €21.7 million, which are considered as independent items of own funds (ordinary share capital, share premium account, and net deferred tax assets).

Items deducted from own funds

MMS did not deduct any items from the own funds.

Own Funds issued and instruments redeemed

MMS did not issue or surrender any own fund instruments during 2025.

Transitional measures

MMS did not consider any basic own-fund items subject to the transitional measures referred to in Article 308b(9) and 308b(10) of Directive 2009/138/EC to be applicable.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1. Solvency Capital Requirement amounts and valuation methods

Template **S.25.01.21** showing the SCR broken down by risk modules and calculated using the standard formula is included below.

	Gross solvency capital requirement		Company-specific parameters	Simplifications
	2025	2024		
Market risk	31,895	31,106		
Counterparty default risk	16,622	11,917		
Life underwriting risk	2,141	1,574	-	Life mortality risk, Life expense risk, Life catastrophe risk
Health underwriting risk	4,803	4,367	-	
Non-Life underwriting risk	18,841	18,579	-	
Diversification	(22,066)	(19,550)		
Intangible assets risk	-	-		
Basic Solvency Capital Requirement	52,235	47,992		

Figures in thousand euro

Calculation of the Solvency Capital Requirement	Amount	
	2025	2024
Operational Risk	3,324	3,017
Loss-absorbing capacity of technical provisions	-	-
Loss-absorbing capacity of deferred taxes	(12,331)	(10,910)
Capital requirement for businesses operated in accordance with Article 4 of Directive 2003/41/EC	-	-
Solvency Capital Requirement excluding capital add-on	43,228	40,100
Capital add-on already set	-	-
of which, capital add-ons already set – Article 37 (1) Type a	-	-
of which, capital add-ons already set – Article 37 (1) Type b	-	-
of which, capital add-ons already set – Article 37 (1) Type c	-	-
of which, capital add-ons already set – Article 37 (1) Type d	-	-
Solvency capital requirement	43,228	40,100
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	-	-
Total amount of the Notional Solvency Capital Requirement for remaining part	-	-
Total amount of the Notional Solvency Capital Requirement for ring-fenced funds	-	-
Total amount of notional Solvency Capital Requirement for matching adjustment portfolios	-	-

Calculation of the Solvency Capital Requirement	Amount	
	2025	2024
Diversification effects due to Ring-Fenced Funds notional SCR for article 304	-	-

Figures in thousand euro

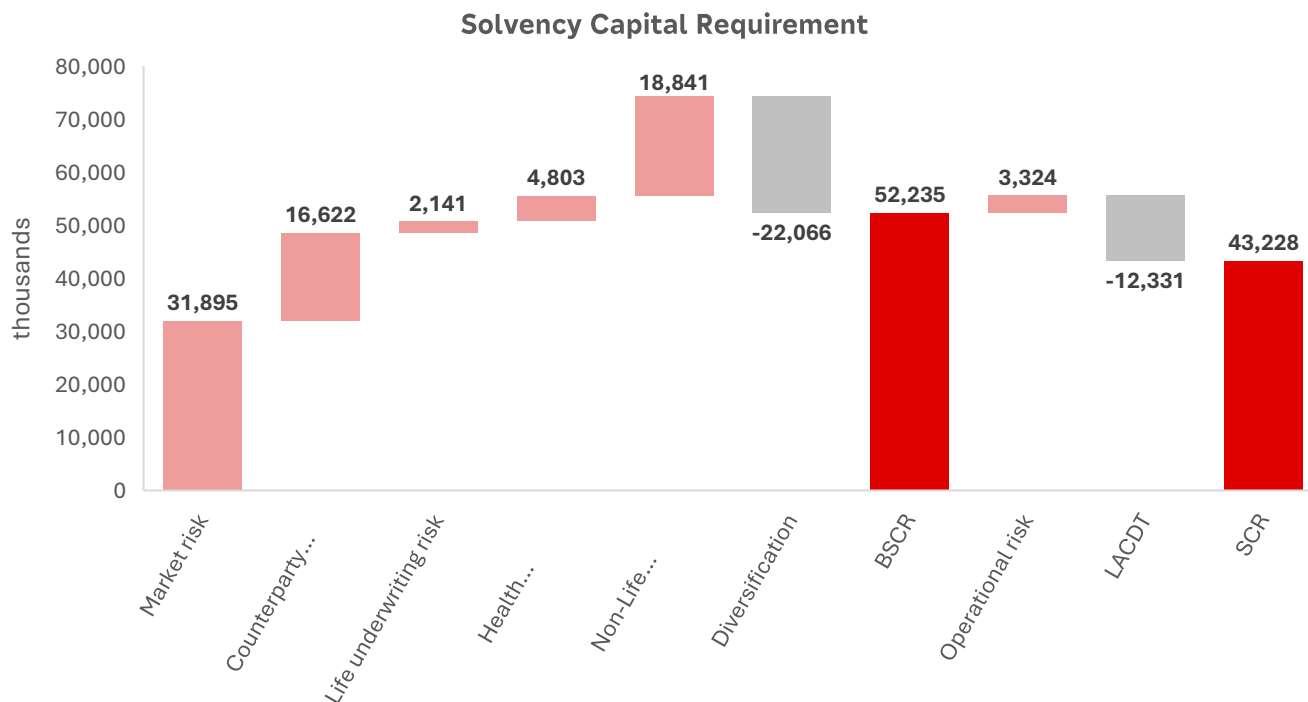
Approach to tax rate	Yes/No	
	2025	2024
Approach based on average tax rate	1-Yes	1-Yes

Calculation of loss absorbing capacity of deferred taxes	LAC DT	
	2025	2024
DTA		
DTA carry forward		
DTA due to deductible temporary differences		
DTL		
LAC DT	(12,331)	(10,910)
LAC DT justified by reversion of deferred tax liabilities	-	-
LAC DT justified by reference to probable future taxable economic profit	(12,331)	(10,910)
LAC DT justified by carry back, current year	-	-
LAC DT justified by carry back, future year	-	-
Maximum LAC DT	-	-

Figures in thousand euro

MMS does not make use of any undertaking-specific parameters and does not have any capital add-on requirements.

The composition of the SCR is set out below; more descriptive information is provided in Section C of this report.



Figures in thousand euro

As at 31st December 2025, MMS's total SCR amount was €43.2 million. As at 31st December 2024, it was equal to €40.1 million and the increase is mainly due to an increase in the market risk and counterparty default risk modules.

To calculate the SCR, MMS used the following simplifications:

- For Life underwriting risk, MMS uses the simplified calculation for the solvency capital requirement for its life business for life mortality risk, life expense risk and life catastrophe risk in accordance with Articles 91, 94 and 96 of the Commission Delegated Regulation 2015/35 respectively.
- For Counterparty default risk, to calculate the risk-mitigating effect on underwriting risk of a reinsurance arrangement, MMS makes use of the simplified calculation of the mitigating effect in accordance with Article 107 of the Commission Delegated Regulation 2015/35.

These simplifications are considered appropriate to the nature, volume and complexity of the associated risks.

There is no capacity to absorb losses through technical provisions. The loss absorbing capacity of deferred taxes totalled €12.3 million (2024: €10.9 million). The assessment of the recoverability of the LACDT factors in the latest approved budget numbers.

As at 31st December 2025, MMS's total MCR amount was €13.2 million (2024: €12.4 million).

The following table shows MMS's MCR and the different components of its calculation, which for the different lines of business are:

- Net (of reinsurance/SPV) best estimate, for life and non-life insurance obligations.
- Net (of reinsurance) written premiums in the last 12 months, for non-life insurance obligations.
- Total capital at risk, net (of reinsurance/SPV) for life insurance obligations.

Template **S.28.02.01** – MCR (life and non-life) as at 31st December 2025

Linear formula component for non-life insurance and reinsurance obligations	2025	2024
MCR(NL) Result	12,194	11,654

	2025		2024	
	Net (of reinsurance/SPV) best estimate and technical provisions calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and technical provisions calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance and proportional reinsurance	9,393	22,654	7,407	17,934
Income protection insurance and proportional reinsurance	1,019	1,248	928	1,159
Workers' compensation insurance and proportional reinsurance	-	-	-	-
Motor vehicle liability insurance and proportional reinsurance	20,614	18,990	21,456	20,500
Other motor insurance and proportional reinsurance	14,724	29,404	14,599	26,808
Marine, aviation and transport insurance and proportional reinsurance	1,583	2,915	2,120	2,634
Fire and other damage to property insurance and proportional reinsurance	4,973	5,847	4,672	5,117
General liability insurance and proportional reinsurance	5,446	7,256	5,730	6,770
Credit and suretyship insurance and proportional reinsurance	-	-	-	-
Legal expenses insurance and proportional reinsurance	-	-	-	-
Assistance and proportional reinsurance	1,579	3,741	1,189	3,265
Miscellaneous financial loss insurance and proportional reinsurance	1	5	4	5
Non-proportional health reinsurance	-	-	-	-
Non-proportional casualty reinsurance	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	-	-	-	-
Non-proportional property reinsurance	-	-	-	-

Linear formula component for life insurance and reinsurance obligations	2025	2024
MCR(L) Result	994	729

	2025		2024	
	Net (of reinsurance/SPV) best estimate and technical provisions calculated as a whole	Net (of reinsurance/special-purpose entities) total capital at risk	Net (of reinsurance/SPV) best estimate and technical provisions calculated as a whole	Net (of reinsurance/special-purpose entities) total capital at risk
Obligations with profit participation – guaranteed benefits	-		-	
Obligations with profit participation – future discretionary benefits	-		-	
Index-linked and unit-linked insurance obligations	-		-	
Other life (re)insurance and health (re)insurance obligations	836		565	
Total capital at risk for all life (re)insurance obligations		1,395,446		1,024,235

Overall MCR calculation	2025	2024
Linear MCR	13,188	12,383
SCR	43,228	40,100
MCR cap	19,453	18,045
MCR floor	10,807	10,025
Combined MCR	13,188	12,383
Absolute floor of the MCR	8,000	8,000

Minimum Capital Requirement	13,188	12,383
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Figures in thousand euro

Notional non-life and life MCR calculation	2025		2024	
	Non-Life activities	Life activities	Non-Life activities	Life activities
Notional linear MCR	12,194	994	11,654	729
Notional SCR excluding add-on (annual or latest calculation)	39,969	3,259	37,740	2,360
Notional MCR cap	17,986	1,467	16,983	1,062
Notional MCR floor	9,992	815	9,435	590
Notional Combined MCR	12,194	994	11,654	729
Absolute floor of the notional MCR	4,000	4,000	4,000	4,000
Notional MCR	12,194	4,000	11,654	4,000

Figures in thousand euro

The MCR is the level of capital that guarantees a minimum level of security below which the number of financial resources should never fall and has a value of €13.2 million. The calculation of the MCR combines a linear formula, based on premiums written and technical provisions, with a floor of 25% and a cap of 45% of the SCR. The MCR is subject to an absolute floor of €8.0 million. The notional combined MCR is equal to €12.2 million for Non-Life activities and €1.0 million for life activities.

Since the combined MCR is higher than the MCR's absolute floor, the amount of the combined MCR is considered to be the Minimum Capital Requirement i.e. the amount of €13.2 million.

E.2.2. Information regarding the Solvency Capital Requirement and the Minimum Required Capital with regard to the loss-absorbing capacity of deferred taxes

MMS has carried out a recoverability test on the deferred tax assets that arise after an instantaneous loss of an amount that is equal to the SCR⁵. MMS has considered probable future taxable profits of €76.2 million to justify the loss-absorbing capacity of deferred taxes.

The projections of future profits are consistent with the assumptions used in the calculation of the best estimate of technical provisions and with MMS's business plans. MMS defined assumptions regarding new business, loss ratios, administrative expense ratios, acquisition expense ratios and the ceded business to reinsurers, among others.

⁵ The amount of SCR is defined in accordance with paragraph 1 of Article 207 of the Delegated Regulation (EU) 2015/35

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

MMS does not use the duration-based equity risk sub-module set out in Article 304 of the Directive 2009/138/EC for the calculation of its solvency capital requirement.

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

MMS does not make use of internal models in its Solvency calculations but follows the Solvency II standard formula.

E.5 Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

As at 31st December 2025, MMS had a good solvency position and was compliant at all times with the MCR and SCR during the reporting period. Therefore, it was considered unnecessary to adopt any other action or corrective measure.

E.6. Any other information

MMS management is regularly monitoring the impact of the current market fluctuations having regard to the solvency position of the Company.

Annex I

The following table presents MMS's subsidiaries as at year-end 2025:

Name of company	Percentage of shares
Euromed Risk Solutions Limited ⁶	100%
BEE Insurance Management Limited	100%
MAPFRE MSV Life plc	50%
Church Wharf Properties Limited	50%

⁶ Held indirectly through BEE Insurance Management Ltd; Currently in liquidation