Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A.

Solvency and Financial Condition Report

31/12/2025

Executive summary

The Solvency and Financial Condition Report (hereinafter, "the Report") forms part of the reporting requirements for supervisory purposes established by Directive 2009/138/EC of the European Parliament and of the Council of 25th November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (hereinafter "Solvency II Directive") and the Delegated Regulation (EU) 2015/35 of 10th October 2014, which supplements it, which have been transposed into Spanish law by Law 20/2015 of 14th July 2015 on the Regulation, Supervision and Solvency of Insurance and Reinsurance Entities ("LOSSEAR"), and Royal Decree 1060/2015 of 20th November 2015 on the Regulation, Supervision and Solvency of Insurance and Reinsurance Entities which implements it ("ROSSEAR"). .

Delegated Regulation (EU) 2015/35 and the ROSSEAR regulate the content to be included in the Solvency and Financial Condition Report.

A. Business and performance

Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. (hereinafter "the Company", or "Solunion") is a non-life business insurance company, which is the exclusive social purpose of the practice of insurance and reinsurance operations in the credit and suretyship line of business as well as other supplementary, ancillary or related businesses as soon as they are permitted by the insurance legislation.

The Company is a jointly-controlled company consisting of a joint venture between the Allianz Trade Group (formerly known as Euler Hermes) and MAPFRE groups –each of which holds 50% of its share capital through Euler Hermes Luxembourg Holding S.à.r.l. and MAPFRE, S.A. respectively– comprising the businesses of credit insurance and the supplementary services of both groups in Spain and Latin America, and it is the parent of a series of subsidiaries in these businesses in Argentina, Chile, Colombia, Spain, Mexico, Panama and Peru. In December 2017, shareholders extended the agreement scope to include joint development of Suretyship insurance.

The result of the technical account at December 31st, 2025 amounted to EUR 23,023 thousand (EUR 21,023 thousand in 2024), which, combined with the result of the non-technical account of -1,623 EUR thousand (EUR 4,436 thousand in 2024) generated profit before tax of EUR 21,399 thousand (EUR 25,460 thousand in 2024).

In 2025, the volume of earned premium in direct insurance amounted to EUR 185,973 thousand (EUR 175,663 thousand in 2024). The strong performance of the international business has resulted in total reinsurance premiums accepted of 154,152 EUR thousand (EUR 154,713 thousand in 2024).

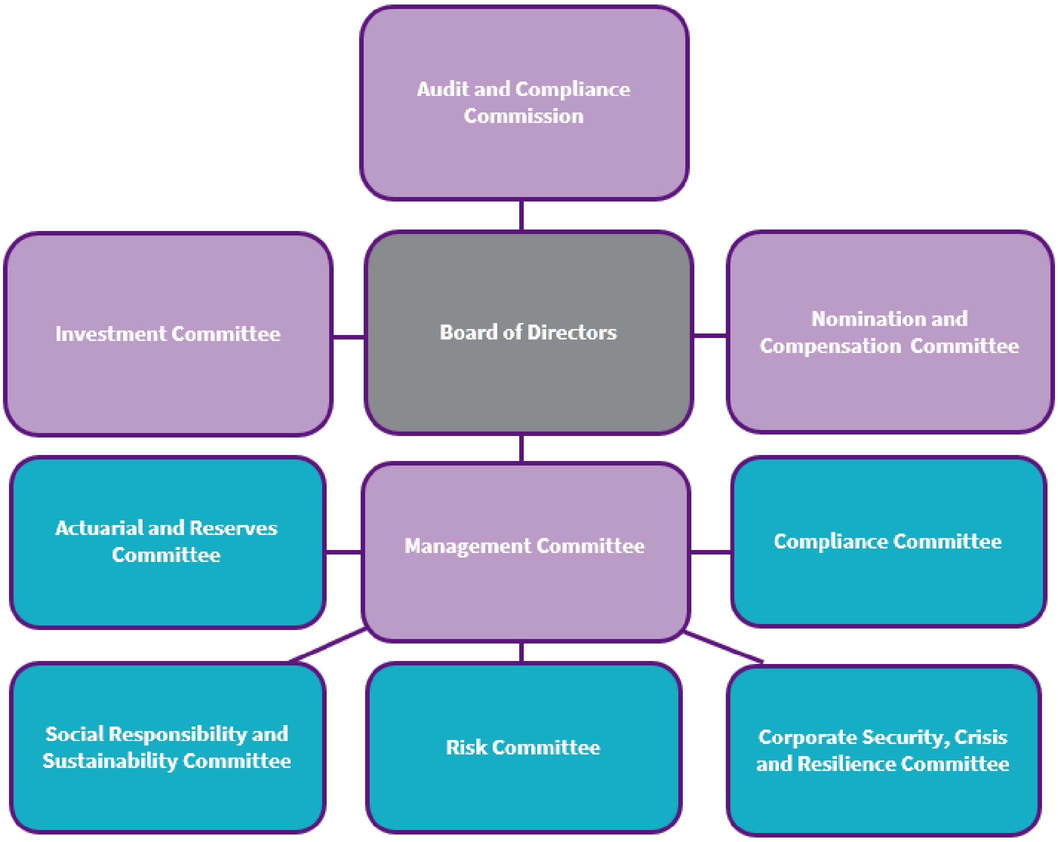
The loss ratio to premiums written net of reinsurance has been located in 52.9% including as claims the payments and variation of provisions of claims.

B. System of Governance

Solunion has the following bodies of governance: The General Meeting, Supervision Committee, Board of Directors and its support committees (Audit and Compliance Commission, Investment Committee and Nomination and Compensation Committee) and the Management Committee.

In the performance of its powers in the risk management Government, the Management Committee has the Risk, Actuarial and Reserve, Compliance, Social Responsibility and Sustainability and Corporate Security, Crisis and Resilience Committee's support.

The Company's governance structure as at 31st December 2025 is set out below:



The governing bodies enable appropriate commercial and operating strategic management, and for a timely and proper response to any incidence that should arise at different levels of the organisation and its business and corporate environment.

With the aim of ensuring that the Company has an adequate structured, it has a series of policies that regulate fundamental functions (Risk Management, Regulatory Compliance, Internal Audit and Actuarial) and ensure that such functions meet the requirements defined by the Supervisor and are compliant with the governance guidelines set by the Company. Section B in the Report includes information on these Key Functions.

The executives and Company members that perform Key Functions fulfil the fit and proper requirements established in insurance regulations and by the Company. Fit requirements relate to employees possessing the professional qualifications, experience and knowledge necessary for their position, while proper requirements relate to the absence of negative circumstances that might affect one's performance. To facilitate compliance therewith, the Company has a Fit and Proper Policy.

The Board of Directors of Solunion is ultimately responsible for ensuring the effectiveness of the of the Risk Management System, for establishing the risk profile and tolerance limits, as well as for approving the main risk management strategies and policies within the framework of risk management established by the Group.

The Company has adopted, for risk management, the “three Lines of Defence” model, which encompasses:

a) The managers of the "First Line of Defence" assume the risks and have the controls necessary to ensure that risks do not surpass the established limits.

b) The Internal Control System and the areas of the “Second Line of Defence,” (Actuarial, Compliance, Internal Control and Operational Risk, Risk Management and Internal Audit) perform supervision independently of risk management activities of the First Line of Defence within the framework of the policies and risk limits established by the Board of Directors.

c) Internal Audit is the “Third Line of Defence”, and independently guarantees the adequacy and efficacy of the Internal Control system and of other elements of the Corporate Governance System.

Within this framework, Solunion's structure is comprised of Areas, which, in their respective frameworks, perform a number of independent supervisory activities within the scope of their respective areas with regard to assumed risks.

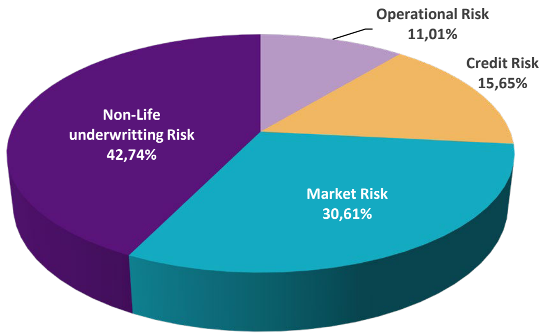
This governing structure reflects the requirements set out in the Solvency II Directive in relation to the system for management of business risks, so that the Company establishes its own implementation and development strategy of the Risk Management and Internal Control Area, and the Board of Directors defines the reference criteria and establishes and/or validates its organisational structure.

C. Risk profile

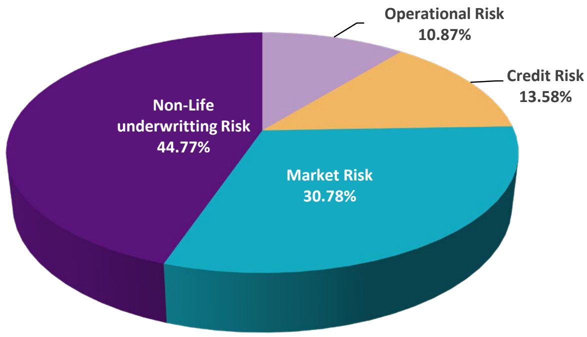
Solunion calculates the Solvency Capital Requirement (hereinafter SCR) in accordance with the requirements of the standard formula, methodology established by the Solvency II regulations.

The following is the composition of the Company's SCR, which is based on the risks set out in the standard formula methodology and the percentage of regulatory capital required for each of them:

2025



2024



The Company's risks profile has remained constant over the previous year; in both 2025 and 2024, the risk with the greatest impact is Non-Life Underwriting, with the submodule of catastrophic credit and surety risk due to recession risk, which is charged to Solunion for 100% of the premium underwritten, contributing the most in 2025 and 2024.

That is followed by Market risk, mainly due to the Company's positions in its related undertakings, as high exposure to the same is found in countries outside the European Economic Area. Lastly, there are the Credit and Operational risk.

In addition to the risks mentioned, the Company has performed an internal process of identification of significant risks that might pose a threat for fulfilment of the strategic plan, the credit rating targets or that may prevent continued maintenance of the capitalisation level the Company deems appropriate for its risk profile.

With respect to significant concentrations of risk, the Company has policies that set limits on risk diversification. Similarly, limits are laid down in its Liquidity Risk and Investment Risk Management Policy for ensuring adequate diversification by issuer, country and sector of market risk. In addition, in fiscal year 2025 the Company has revised the Risk Appetite Framework, the objective of which is to establish the level of risk that Solunion is willing to assume in order to carry out its business objectives without significant deviations, even in adverse situations.

Conversely, Solunion has also realized a series of stress tests and scenario analyses for assessment of the resilience of the Company and the business model to adverse events. The results of these analyses show that the Company would continue to meet with capital requirements of Solvency even in adverse circumstances.

Based on the outcome of these stress tests and sensitivity analyses, the Company will continue to have sufficient own funds to comply with the SCR. The solvency ratio is kept at acceptable values so as not to put the Company's solvency at risk at any time.

D. Valuation for solvency purposes

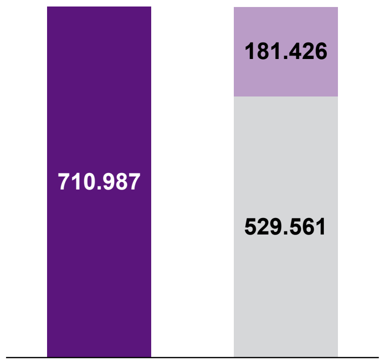
The total value of assets under Solvency II regulations amounts to EUR 710,987 thousand, while the value measured in accordance with accounting regulations would amount to EUR 787,459 thousand. This difference mainly relates to the lower value of recoverable reinsurance amounts as a result of valuation in accordance with market economic criteria under Solvency II regulations, the zero valuation of goodwill under these regulations, prepaid fees and other acquisition costs, receivables from insurance and reinsurance operations, deferred tax assets and, to a lesser extent, investments in related companies, intangible assets and other assets.

The total value of liabilities under Solvency II amounts to EUR 529,561 thousand, compared to EUR 631,138 thousand according to accounting regulations. These differences correspond mainly to the technical provisions, deferred tax liabilities and other acquisition costs of the reinsurance commissions.

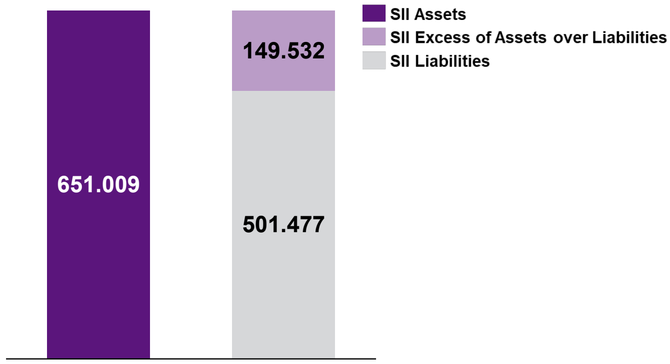
The main difference in valuation criteria in both the assets and the liabilities between the two regulations lies in technical Provisions, as these are measured according to market economic criteria under Solvency II.

D.2 offers information on actuarial methodologies and assumptions used in the calculation of technical provisions, best estimate and risk margin.

2025



2024



Data in thousands of euros

The total excess of assets over liabilities amounts to EUR 181,426 thousand under Solvency II, reducing by EUR 25,105 thousand with respect to accounting criteria.

During the year there have been no significant changes in the valuation criteria for assets and liabilities that would result in a significant change in the amount of own funds. However, the future premium has been included in the calculation of the best estimate of technical provisions.

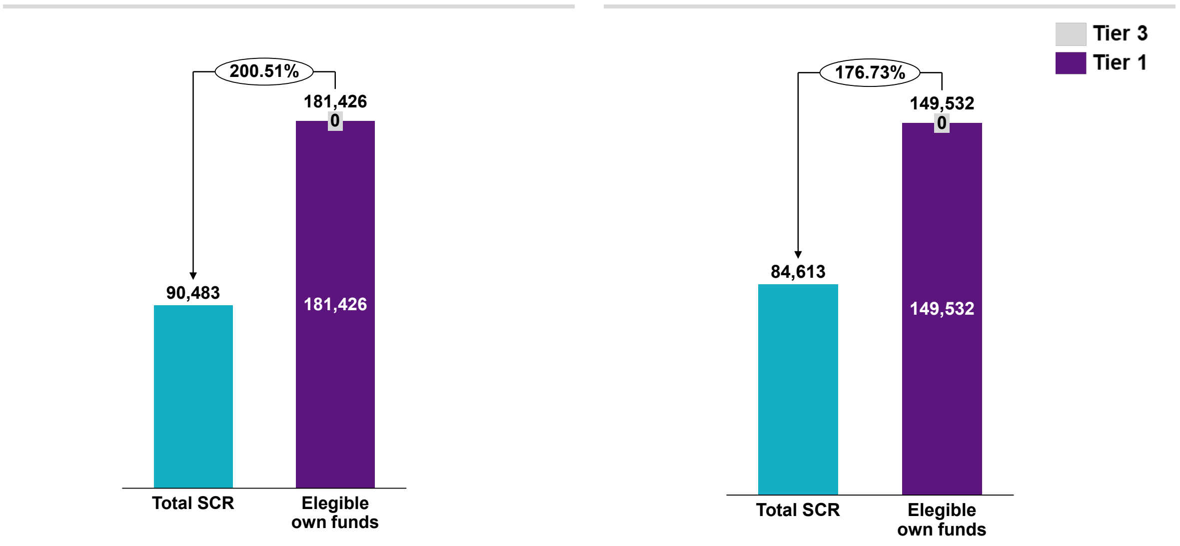
E. Capital management

Solunion maintains solvency levels within the limits established by the regulations and in its Risk Appetite and has a medium-term capital management plan.

The company's solvency ratio, which denotes the share of its own funds available to meet the SCR, is 200.51%, while the share of its own funds available for meeting the minimum capital requirement (hereafter “MCR”), reaches 802.03%. Therefore, the Company is in a suitable situation to be able to face future commitments taking into account the capital requirements established by the Solvency regulations II. For calculating the solvency ratio, the Company has not applied the adjustment for volatility, nor the transitional measure about technical provisions by the Solvency II regulation.

The Company's solvency ratio for SCR coverage in the years of study is as follows:

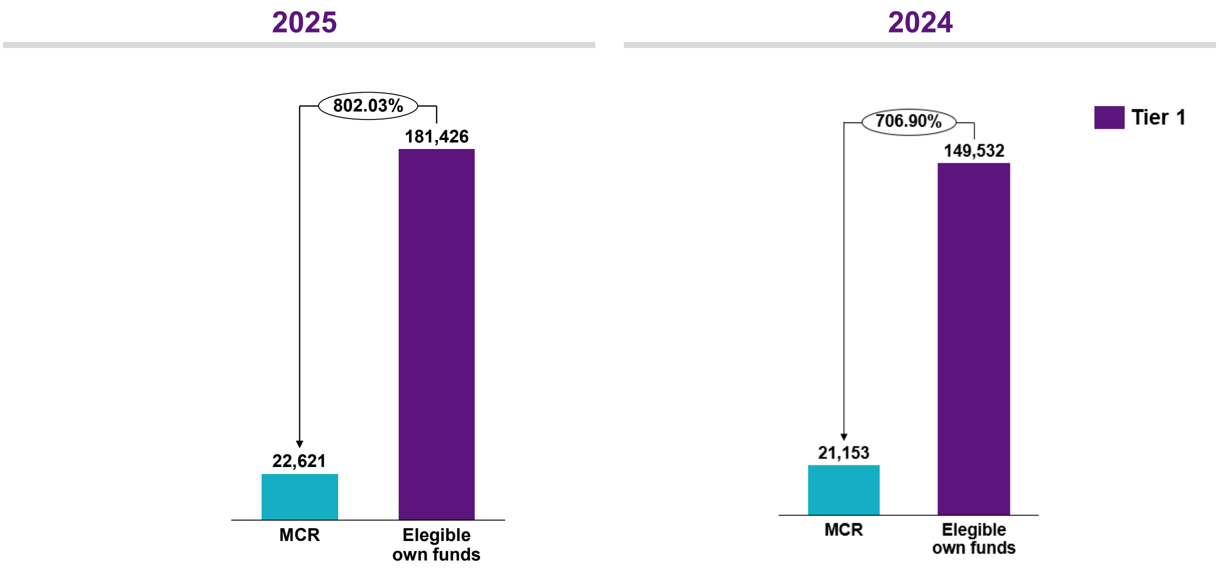
2025 **2024**



Data in thousands of euros

The Solvency Capital Requirement increased by 6.94% and eligible own funds by 21.33% compared to the previous year, bringing the Solvency Capital Requirement coverage ratio to 200.51%.

The solvency ratio of the Company for the coverage of the MCR is:



Data in thousands of euros

The Company maintains an excess of capital of EUR 181,426 thousand, with eligible own funds that cover 8.02 times the regulatory solvency requirement, which corresponds to the to the own funds that the Company should have to limit the probability of ruin to one case per 200 years, or what is the same, that the Company is still in a position to fulfil with its obligations against the policyholders and beneficiaries of insurance in the following twelve months, with a probability of 99.5 percent.

The coverage ratio on the Minimum Capital Requirement has been increased by 95 basic points, which mainly due to an increase in the eligible own funds, which were 21.33% higher than in the previous year and ,as well as the slight increase in the minimum required capital.

For calculating the solvency ratio, the Company has not applied the adjustment for volatility, nor the transitional measure about technical provisions by the Solvency II regulation.

At December 2024, the amount of the Company's MCR was EUR 21.153 thousand, in December 2025 this amount has been increased up to EUR 22,621 thousand. This increase is mainly due to the fact that in both cases the result is equal to the minimum limit of the combined MCR, which is obtained as the 25% of the SCR, amount that in 2025 has increased by EUR 5,870 thousand.

This level of capital is configured as the minimum level of security below which the financial resources of the Company should not descend.

A. Business and performance

A.1. Business

The accounting data in this section come from the Annual Accounts of the Company that have been prepared in accordance with the Accounting Plan of Insurance Entities.

A.1.1. Corporate name, legal form and activity

Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. is a company with the sole corporate purpose of carrying out insurance and reinsurance transactions in credit and suretyship lines of business, and transactions supplementary, ancillary or related to this object to the extent allowed by insurance legislation.

The Company was incorporated in Spain and its office is located in Madrid (Spain), Avenida del General Perón nº 40.

The Company is a jointly-controlled company consisting of a joint venture between the Allianz Trade Group (formerly known as Euler Hermes) and MAPFRE groups –each of which holds 50% of its share capital through Euler Hermes Luxembourg Holding S.à.r.l. and MAPFRE, S.A. respectively– comprising the businesses of credit insurance and the supplementary services of both groups in Spain and Latin America, and it is the parent of a series of subsidiaries in these businesses in Argentina, Chile, Colombia, Spain, Mexico and Panama. In December 2017, shareholders extended the agreement scope to include joint development of Suretyship insurance.

Supervision

The Directorate General of Insurance and Pension Plans (Spanish Supervisory Authority, hereinafter DGSFP) is the party responsible for the financial supervision of Solunion, as it is based in Spain.

The DGSFP is located in Madrid (Spain) and its website iswww.dgsfp.mineco.es.

External auditor

The firm auditing the individual and consolidated Annual Accounts of the Company as at 31st December 2025 is KPMG Auditores S.L., a Spanish company with a registered office in Madrid, Paseo de la Castellana 259 C-Torre de Cristal, with tax identification number B-78510153 and registered in the Official Register of Auditors (ROAC) under number S0702.

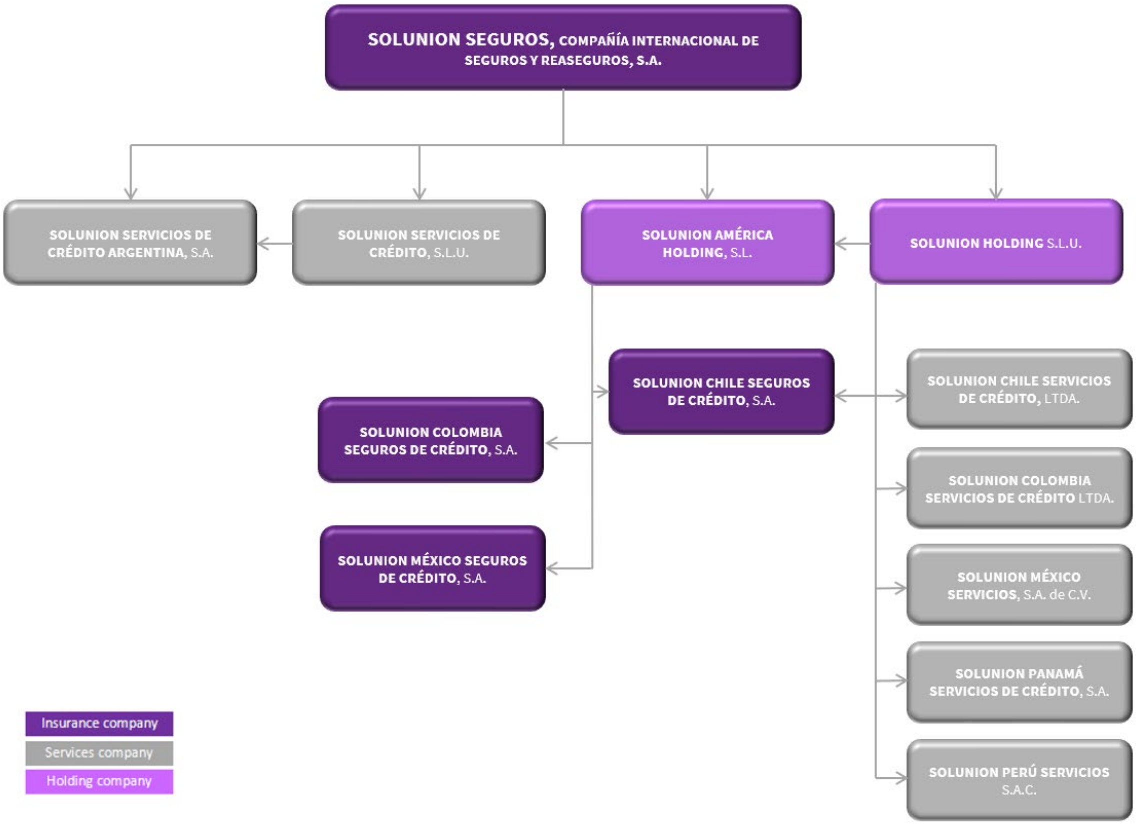
Holders of qualifying holdings

The following table reflects the individuals or corporate persons who directly or indirectly hold qualified investments in the Company:

Name	Legal form	Type of Shareholding	Location	Percentage of ownership
Euler Hermes Luxembourg Holding S.à.r.l.	Limited Company	Direct	Luxembourg	50%
Mapfre, S.A.	Limited Company	Direct	Spain	50%

Details of the undertaking's position within the legal structure of the Group

The following is the organizational structure indicating the Company's position within the Solunion Group's legal structure:



Lines of business

The Company identifies the following line of business established by the Solvency II regulation.

- **Credit and Suretyship insurance:** consists of insurance obligations other than life assurance:
    - Direct Insurance (Modality 9)
    - Accepted proportional reinsurance (Modality 21)
    - Accepted non-proportional reinsurance (Modality 28)

Geographic areas

The most significant countries, in which the Company operates, in addition to Spain, are México, Colombia, Chile, Italia and Peru, as described in Appendix S.04.05.21.

A.1.2. Events with significant impact

The following significant events took place during 2025, with a significant effect on the Company:

Significant events of the year

In January 2025, Solunion presented its new 2025–2027 Strategic Plan to address the current complex socioeconomic context. The Plan will enable the Company to drive profitable growth and continue evolving as an increasingly technology-driven organization that offers a distinctive and competitive service. The strategy is built around six pillars of action: technology as a strategic asset, profitability of commercial activity, talent consolidation, efficient management of financial resources, evolution of the direct surety model, and geographic consolidation.

Additionally, in 2025, the credit rating agency S&P Global confirmed Solunion's long-term financial strength rating of "A+" with a stable outlook.

In its report, S&P Global highlights, among other aspects, the company's leadership in credit insurance and surety in Spain and Latin America, with broad geographic diversification across 16 countries; its exceptional capital and solvency, well above the 99.99% confidence level according to S&P's model; and the strategic backing of its two shareholders, Allianz Trade and Mapfre, which provide a robust commercial network, strong technical expertise, and extensive proportional and non-proportional reinsurance coverage.

Furthermore, the international rating agency AM Best has upgraded Solunion's Long-Term Issuer Credit Rating to "a+" (Excellent) and has reaffirmed the company's Financial Strength Rating of "A" (Excellent), both with a stable outlook.

According to AM Best, these ratings reflect Solunion's balance sheet strength, which the agency considers "very strong". It also highlights the company's "adequate operating performance, neutral business profile, and sound enterprise risk management".

The report states that Solunion has achieved "consistently positive net results in recent years" and underscores the company's ability to take risk-mitigation measures when necessary, even in a complex economic environment.

For the sixth consecutive year, Solunion has received the Top Employer certification in Spain, an award granted by the Top Employers Institute after an exhaustive evaluation process that analyzes areas such as people strategy, work environment, talent acquisition, learning, well-being, and diversity and inclusion, among others.

The company has also obtained the efr (family-responsible company) certification in Peru and renewed it in Spain, Mexico, Colombia, Chile, Argentina, and Panama. The efr seal, awarded by Fundación Másfamilia, recognizes Solunion's commitment to work-life balance management, promoting and implementing effective measures that ensure all employees can maintain a healthy balance between their personal and professional lives.

Actualidad Económica, one of Spain's leading economic journalism publications, has once again included Solunion in its ranking of the 100 Best Companies to Work For in Spain, where it ranks 26th this year.

In addition, Solunion has reaffirmed its commitment to diversity by renewing its signature of the Diversity Charter. This initiative is part of the company's Diversity, Equity and Inclusion Plan, which promotes concrete actions related to equal opportunities, inclusion of LGTBI groups, generational, functional and cultural diversity, as well as ongoing awareness across the entire workforce.

In this regard, the company has received the Mástalentosenior distinction from Fundación Másfamilia in the Excellence category, the highest level awarded by the organization, recognizing companies that lead in responsible, inclusive, and sustainable management of senior talent in Spain. The report highlights Solunion's generational diversity, the quality of its development, health and well-being policies, and the high level of satisfaction and pride among its teams.

Corporate matters

During fiscal year 2025, no significant corporate events occurred that should be mentioned.

Main activities in 2025

- General matters

  The year 2025 was marked by high volatility, largely driven by changes in the commercial strategy and political relations of the new U.S. administration with the rest of the world. Pressure from tariff measures forced the renegotiation of global trade agreements, creating an environment of uncertainty and instability. Despite this, from the third quarter onward, a relative stabilization was observed as new bilateral agreements were finalized, although global tension persisted due to multiple ongoing armed conflicts and a progressive increase in insolvencies worldwide. In this context, the global economic system continued to show resilience, similar to what was observed in 2024, with moderate but positive growth. Most advanced economies maintained contained expansions, while several emerging economies faced greater pressures, particularly those with high exposure to foreign trade or dependence on commodities.

- New products and services

  During fiscal year 2025, design, development, and implementation work was carried out on a new digital services platform called *Estratify*, aimed at offering advanced solutions based on business information analysis and decision-support tools, initially targeted at the Spanish market. This project involved the comprehensive development of new technological and functional capabilities, including the definition of the service model, technological architecture, and configuration of the various modules that make up the platform. By year-end, the initial development of the solution had been completed, including the main functional definition, technological development, and operational configuration tasks, leaving the platform ready for market launch in the following fiscal year.

- Commercial action

  Fiscal year 2025 reflects sustained growth in line with the positive trend of recent years, consolidating a 4% increase in our portfolio. The multichannel strategy remains a key element for Solunion: although broker channel activity fell below expectations, we maintained a positive dynamic thanks to a comprehensive approach across all channels. The banking distribution network played an especially relevant role, contributing decisively to the achievement of objectives and standing out in the generation of new business. With the continued support of our shareholders' networks, we are advancing in the consolidation of a diversified and robust distribution model. Among the year's most notable initiatives, Solunion continues to firmly commit to the specialization of the commercial network, a strategic pillar that enables us to sustain solid growth aligned with our expectations. This is complemented by excellent satisfaction levels recorded among our policyholders, significantly improving satisfaction indicators. Our brokers also continue to rate us very positively, once again granting us outstanding scores. Another significant step forward has been the implementation of a homogeneous operating model for the entire commercial network, enabling a uniform way of working across all business units. This translates into greater efficiency in day-to-day tasks and allows more focus on commercial activity, thus driving organic growth and preparing us to face the challenges of 2026 with greater agility. All of this is supported by an ambitious and continuous training plan aimed at equipping our teams with new capabilities and enhancing existing ones.

- Risk underwriting

  Despite this context, the underwriting policy remained consistent across nearly all Solunion markets, and the Credit strategy in Chile was improved, aligning it with the one applied in Spain thanks to the positive evolution of Chile's economic data and outlook, as well as Spain's resilience. The evolution of covered exposure followed this strategy, showing growth compared to December 2024.

  Despite such a volatile environment, the quality of the covered portfolio improved notably in the last quarter, and the Credit teams are continuously monitoring the potential factors described above that may impact insolvency levels.

- Information and technology systems

  In 2025, Solunion launched its new strategic plan, which includes technology as the company's first strategic pillar. Accordingly, several workstreams were activated during the year to simplify and modernize the company's systems. Key initiatives included the conceptualization of a new policyholder portal, the API-driven transformation of the business core, and the implementation of new capabilities for policy, billing, and claims management within the Fénix credit insurance management platform. In parallel, the renewal of communication lines for all Solunion entities in LATAM was completed, optimizing communication costs while increasing network resilience and significantly improving performance.

Economic matters

The result of the technical account at December 31st, 2025 amounted to EUR 23,023 thousand (EUR 21,023 thousand in 2024), which, combined with the result of the non-technical account of, EUR -5,060 thousand (EUR 4,436 thousand in 2024) generated profit before tax of EUR 21,399 thousand (EUR 25,460 thousand in 2024).

In 2025 the volume of earned premium in direct insurance amounted to EUR 185,973 thousand (EUR 175,663 thousand in 2024). The strong performance of the international business has resulted in total reinsurance premiums accepted of EUR 154,152 thousand (EUR 154,713 thousand in 2024).

The loss ratio to premiums written net of reinsurance has been located in 52.9% including as claims the payments and variation of provisions of claims.

A.2. Underwriting performance

Quantitative figures on the Company's business and underwriting results in 2025 and 2024 by line of business, as shown in figure S.05.01.02, indicate that the Company ended the year with gross written premiums of EUR 334,597 thousand (EUR 316,123 thousand in 2024), of which the net amount was EUR 28,518 thousand (EUR 27,711 thousand in 2024). The variation in gross written premiums with respect to the previous year has resulted in an increase of 5.84%.

Also, the gross claims rate in direct and proportional accepted reinsurance business fell to EUR 167,809 thousand (EUR 159,865 thousand in 2024), and after discounting the effect of reinsurance corresponding to EUR 153,352 thousand (EUR 146,792 thousand in 2024) the net claims amount to EUR 14,457 thousand (EUR 13,073 thousand in 2024), which represented an increase of net claims of 10.59% compared to the previous year.

The technical result has amounted to EUR 23,023 thousand (EUR 21,023 thousand in 2024).

By geographic area of the Company, as shown in figure S.04.05.21 of the Appendix, the following countries, in addition to Spain, most important in volume of gross earned premiums in the year 2025 were Mexico, Colombia, Chile, Italy and Peru. The gross earned premiums for these countries amounted to EUR 107,159 thousand (EUR 104,078 thousand in 2024), which represented an increase of 2.96% compared to the previous year.

A.3. Investment performance

A.3.1. Information on income and expense arising from investments:

The following table presents quantitative information on investments' income and expense, which correspond to investments in the available-for-sale portfolio:

	Finance income and expense		Net gain or loss	
	2025	2024	2025	2024
FINANCIAL ASSETS	**4,442**	**3,763**	**290**	**34**
Financial investments in capital	-	-	-	-
Shareholdings in investment funds	-	-		
Fixed income securities	4,226	3,232	290	34
Other assets	216	531	-	-
FINANCIAL LIABILITIES	**(3)**	**(10)**	**-**	**-**
Deposits received on ceded reinsurance	-	-	-	-
Other liabilities	(3)	(10)	-	-
TOTAL	**4,439**	**3,753**	**290**	**34**

Data in thousands of euros

The financial result amounts to EUR 4.729 thousand in 2025 (EUR 3,787 thousand in 2024), this represents 16,58% (13.67% in 2024) of the net written reinsurance premiums (EUR 28.518 thousand in 2025, EUR 27.711 thousand in 2024).

Some of the following situations influenced investment performance t in the Company are discussed below:

The year 2025 was marked by political tensions, both geopolitical and domestic. The tariffs implemented by the Trump administration represented the most significant impact on the global economy. These measures reached their peak in April, intensifying the renewed trade war between the United States and China, as the Chinese government retaliated. The European Union also increased tariffs in response. Ongoing armed conflicts were another source of concern, with the persistence of the war in Ukraine and the escalation of military operations in the Middle East, as Israel launched its first airstrikes on Iranian territory. Regarding political tensions at the national level, the EU showed signs of weakness, as both Germany and France experienced major governmental instability, with France seeing three prime ministers resign within a twelve-month period.

Globally, economic growth is estimated to have remained roughly stable at 3%. Among advanced economies, the United States likely experienced slower growth than in 2024 (+2.1% versus +2.8%). The eurozone and the United Kingdom can be considered moderately resilient in the context of the trade crisis (both likely growing by +1.4% in 2025), although the region continues to lag behind others. In Asia, China proved more resilient than expected, likely recording stable growth of +5%. Finally, economic growth in Latin America likely increased to +2.5% in 2025 (compared with +1.8% the previous year).

Most central banks continued the trend seen in 2024, lowering their policy rates as inflation finally cooled. The Fed kept rates around 4.5% until mid-year and then reduced them to 3.75% in December. The ECB was active during the first part of the year, bringing its deposit rate from 3% at the end of 2024 to 2% in June 2025, and keeping it unchanged thereafter. The global fiscal landscape is more diverse. The United States is taking advantage of loose financial conditions and high deficits to stimulate growth, while France remains stuck in political gridlock, struggling to cut spending to manage a deficit close to 5.1% of GDP. In Germany, attention has shifted toward a historic spending push, with a projected deficit of 4.75% of GDP for 2026, as the government seeks a structural reorientation toward defense and infrastructure.

We estimate that corporate insolvencies increased by 6% in 2025, marking a record for the fourth consecutive year. While major economies such as the United States and China drove this rise with increases of 9%, Western Europe likely experienced a more moderate increase (6%). Among large companies worldwide, 327 major insolvencies were recorded during the first three quarters of 2025—equivalent to one case every 20 hours—heightening the risk of domino effects.

A.3.2. Information about any gains and losses recognised directly in equity:

The following is the quantitative information regarding income and expenses arising from investments broken down by type of asset and liability recognized directly in equity at the end of the 2025 and 2024 exercises, as its shows in the financial statements:

	2025	2024
FINANCIAL ASSETS	**683**	**1,937**
Financial investments in capital	-	-
Shareholdings in investment funds	675	351
Fixed income securities	8	1,586
Other assets	-	-
FINANCIAL LIABILITIES	-	-
Deposits received on ceded reinsurance	-	-
Other liabilities	-	-
TOTAL	**683**	**1,937**

Data in thousands of euros

Investments in 2025 have had a positive effect on equity with recognized income of 683 thousand euros from investment fund shares and fixed income securities (1,937 thousand euros in 2024).

A.3.3. Information on asset securitisation

Solunion does not invest in this type of assets.

A.4. Performance of other activities

A.4.1. Other income and expense

During 2025, the Company has incurred the following "other" significant income and expenses other than those arising from the underwriting activity and from the return on investment:

	2025	2024
Income from property, plant and equipment and from investments	4,294	7,670
Expense on property, plant and equipment and investments	(882)	(222)
Other income	25	11
Other expenses	(5,060)	(3,023)
NON-TECHNICAL RESULT	**(1,623)**	**4,436**

Data in thousands of euros

The result from activities other than the exclusively insurers is EUR 1,623 thousand at the end of the year 2025, the Income from property, plant and equipment and from investments mainly are due to the dividends distribution by the Solunion Group's companies, and the other expenses item are mainly due to the amortization of goodwill.

A.4.2 Lease contracts

Operational leases

The Company is lessee of operating leases in the offices in which it provides its services and in which its registered office is located. Theses leases are entered into with related parties, and the contract ends on 30st April 2028.

Expense accrued in 2025 in operating leases amounted to EUR 1,104 thousand (EUR 1,068 thousand in 2024).

Future minimum payments to be made on non-cancellable operating leases at 31st December of the last two years were as follows:

	Up to one year		From one to five years		More than five years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Buildings and other constructions	1,037	745	1,223	112	-	-	2,260	858
TOTAL	**1,037**	**745**	**1,223**	**112**	**-**	**-**	**2,260**	**858**

Data in thousands of euros

Finance lease

The Company does not have this type of lease.

A.5. Any other information

There is no other relevant information other than that included in the above sections.

B. System of governance

B.1. General Information on the system of governance

Solunion's system of governance, which is presented in detail below, aims to ensure sound and prudent management under a common operational and organisational model for the Group that establishes hierarchical and functional relationships, a common risk governance structure, Key Functions and written corporate governance Policies that include fit and proper requirements to be met by directors, executives and Key Functions. The Policies derived from the Solvency II regulations are reviewed on an annual basis, although modifications may be approved in them or in the rest of the internal regulations at any time when it is deemed convenient.

B.1.1 System of Governance

The system of governance of Solunion has the following characteristics:

1. Operational structure comprising three levels (Shareholders, holding company and business units).
2. Organizational structure according to objectives-based operating model.
3. Common risk management governance structure for Solunion:
4. Key Functions of system of governance: (i) Risk management, (ii) Compliance, (iii) Actuarial and (iv) Internal Audit, which make up a Three-Line of Defense system.
5. Written corporate governance policies.
6. Adaptation of local bodies of administration and representation of Solunion Latin America companies to the regulation of their respective countries.
7. Directors, executives and individuals with Key Functions of Solunion must be persons of acknowledged commercial and professional propriety and possess adequate knowledge and experience to enable sound and prudent management of Solunion, in accordance with the company's fit and proper policy.

The governing bodies of Solunion are regulated by the shareholders' agreement entered into by the shareholders, the articles of association and the mandatory standards established by the legislation applicable to each of the Group companies.

The Company has the following bodies for its individual government, whose main functions and competences are detailed below:

- **General Meeting**: This is the highest governing body, and it has the power to decide on any matter relating to Solunion. It may give instructions to the Company's governing body or subject to its authorisation the adoption by the governing body of decisions or arrangements on management matters relating to the Company.

  The General Meeting comprises the shareholders of Solunion and its meetings may be ordinary, for the sole purpose of approving company management, the financial statements of the previous year and deciding on the application of profit, or they may be extraordinary.

- **Supervision Committee:** This is the non-executive body through which Solunion shareholders: (i) are periodically informed by the CEO of Solunion on financial data, the situation in Commercial and Risk, Information, Claims and Collection matters, and the most significant matters of Solunion; and (ii) issue guidelines on management matters submitted for their consideration, to be submitted to the pertinent governing bodies as necessary.

  It consists of the Chairman and Vice-Chairman of Solunion as the shareholders' representatives. The Solunion Corporate Affairs Director shall act as Secretary. It shall meet at least monthly, except in months when meetings of the Board of Directors are held or in August, notwithstanding its capability to meet whenever it is deemed appropriate or to receive information in writing outside meetings.

- **Board of Directors**: this is the body responsible for directing, managing and representing the Company, and for overseeing the performance of Solunion management. It has full powers of representation, disposition and management. Its decisions are mandatory for the Company, except in matters attributed to the General Meeting, and it designates and removes members of Company committees, including the Management Committee.

  It comprises an odd number between six and twelve directors as determined by the General Meeting, and it will select from its own members a Chairman and Vice-Chairman and appoint a non-director Secretary. Members of the Board of Directors must meet the requirements of Solunion's fit and proper policy, are appointed for a term of three years. They may be re-elected up to the age of 70.

  The position of Director of the Company is remunerated, under the conditions established by the General Shareholders' Meeting, and is incompatible with holding executive positions or functions in Solunion.

  The Board of Directors shall meet at least four times a year to receive information on accounting, administration, finance, technical and statistical matters relating to the previous calendar quarter, and provided it is necessary to decide on matters under its competence. It shall have achieved quorum when half plus one of its members are in attendance, notwithstanding the adoption of resolutions via a written vote outside a meeting, and resolutions are adopted by an absolute majority of directors in attendance, except for matters that require a qualified majority under the Charter.

  Board supporting committees

  The Board has supporting committees to address certain management matters relating to the following: Audit and Compliance, Investment, Nomination and Compensation.

  - **Audit and Compliance Commission**: It shall have the responsibilities set down in the Charter for advising and making recommendations to the Board on the following:

    a) preparation of financial statements,

    b) the nomination of accounts auditors and independent experts and the performance of their functions,

    c) reporting and financial policy processes,

    d) internal audit operation and functions,

    e) the organisation and effectiveness of internal control and risk management systems,

f) oversight of the performance of Solunion's Key Functions, and

g) compliance matters, including the identification and assessment of compliance risk and the prevention and correction of illegal or fraudulent conduct.

It comprises three members of the Board of Directors, two of whom must be independent directors, elected in consideration of their financial or accounting experience, and one of them shall be designated in consideration of their knowledge and experience in accounting or auditing, or both. They shall be elected for a three-year term, and it shall designate a Chairman, who shall be an independent director. The Secretary shall be the Secretary of the Board of Directors.

It shall meet at least four times a year, and whenever necessary to decide on matters under its competence, and decisions shall be adopted by a simple majority of the members in attendance.

It has the status of Audit Committee for the purposes of the Third Additional Provision of Law 22/2015 of Accounting and Auditors.

- **Investment Committee**: will have the responsibilities set out in its Charter to provide guidelines in all matters relating to management of financial assets and advises and offers recommendations to the Board of Directors on investment matters.

  It comprises four members of the Board of Directors elected for three years, including a Chairman and Vice-Chairman.

  It shall meet at least four times a year, once a quarter, and whenever necessary to decide on matters under its competence, and decisions shall be adopted by a simple majority of the members in attendance.

- **Nomination and Compensation Committee**: will have responsibilities set out in its Charter to coordinate Solunion's Nomination and Compensation Policy, and it advises and offers recommendations to the Board of Directors on matters of compensation and benefits for senior executives of Solunion and matters related to: governance, recruitment and selection of candidates for key executive positions and managers of Key Functions, compensation policies and plans and yearly allocation and payment programmes.

  It comprises four members of the Board of Directors elected for three years, including a Chairman and Vice-Chairman.

  It shall meet at least two times a year, once every six months, and whenever necessary to decide on matters under its competence and decisions shall be adopted by a simple majority of the members in attendance.

- **Management Committee:** The Company's Management Committee assists the CEO in overseeing the management of the Business Units and the effective ordinary management of the global operations of Solunion in their strategic, operational and coordinating aspects.

  It comprises the Chief Executive Officer (CEO) of Solunion, who chairs it, and the Corporate Directors of Finance and Administration (CFAO), Risk, Information, Claims and Collection (RICC), and Commercial and Marketing Marketing and for Operations (Chief Operating Officer-COO) of Solunion, who have the status of being full members and with voting rights. The Corporate Directors for Communication, for People, Sustainability, Media and Procurement, for

Legal and Compliance, for Internal Audit, the Allianz Trade for Multinationals Director in the Solunion

Region and the Director of Corporate Affairs of Solunion will be standing guests; person will be able to be invited in order to report on specific topics within their field.

The appointment of the members of the Solunion Management Committee, who must meet the requirements set down in the Fit and Proper Policy of Solunion, will be made by the Board of Directors, with a prior favourable report from the Nomination and Compensations Committee.

In general, it will meet once a month and as many times as necessary and on an extraordinary basis in order to deal with matters that are submitted to its consideration by any of its full members. It may adopt decisions in writing without a meeting.

Support Committees of Company Management Committee

The Company's Management Committee shall have the support of the Risk, Actuarial and Reserves, Compliance, Social Responsibility and Sustainability and Security and Environment Committees for the performance of its duties relating to governance of risk management.

- **Risk Committee:** it is responsible for gathering and analyzing information on the Risk Management System and, in particular, on compliance with the Risk Appetite. It is composed of the full members of the Executive Committee, the Head of the Actuarial Function (non-voting), and the Head of the Risk Management Function (non-voting).
  It has the powers and responsibilities established in its governing rules, which include: (i) Being aware of/being informed of the results of the activities carried out by the Head of the Risk Management Function regarding the Function, the Risk Management System, and the Internal Control System, analyzing and discussing the improvement proposals submitted by said Function Holder. (ii) Continuously monitoring the Solvency II Policies, reviewing and approving changes resulting from their updates. (iii) Analyzing risk events that have occurred and newly identified operational risk factors to include them in the Internal Control and Operational Risk Framework and/or in the specific Policies, establishing the necessary corrective measures and monitoring their implementation. (iv) Being informed, at least quarterly, by the Head of the Risk Management Function about the evolution of the risk indicators relevant to Solunion and the compliance or non-compliance with the established risk tolerance limits, and adopting the necessary measures to address any deviations. (v) Analyzing the quantitative results of the Solvency Capital Requirement obtained through the application of the standard formula and its potential impact on the Solvency ratio. (vi) Being informed of any decisions or potential risks that could affect the solvency position of the Group. (vii) Reviewing the Solvency II documents required for supervisory purposes prior to their approval by the Executive Committee and their submission to the Board of Directors for approval. (viii) Reviewing the Annual Report on the Effectiveness of Solunion's Internal Control System and that of its Group for approval by the Executive Committee. (ix) Participating in the supervision process of the Own Risk and Solvency Assessment ("ORSA process").

- **Actuarial and Reserves Committee:** advises and issues recommendations to the Management Committee on the Actuarial Function and Policy and is made up of full members of the Management Committee, the Corporate Risk Management Function Holder (without voting rights) and the Corporate Actuarial Function Holder (without voting rights).

It has competencies for supervising the Actuarial Function and Policy within the Group, as well as for establishing the technical provisions within the framework of the Policies and rules approved by the Board of Directors.

- **Compliance Committee:** is in charge of verifying the functioning of the Compliance Function, watching over the correct application of the general principles and directives in compliance matters within the Group and giving support on the matter for the Corporate Compliance Head, and is made up of the members of the Management Committee, the Corporate Director of People, Sustainability, Resources and Strategy, the Director of Corporate Affairs and the Corporate Compliance Function Holder (without voting rights).

  It has competencies for: (i) obtaining information on the management of the compliance risk assigned within the framework of its competencies and of learning of any relevant incident on compliance matters that affect or could affect the Group's activity; (ii) supervising the functioning of the Channel for Denouncements of an Ethical Nature and learning of the denouncements that are filed through it in order to examine them; (iii) receiving advice from the Corporate Compliance Head on compliance with the regulations affecting the Group, the possible repercussions of modifications to the legal framework in Solunion's operations and the determination and evaluation of the compliance risk; and (iv) settling questions which, due to their complexity, are brought to it for their interpretation by the Corporate Compliance Head (without voting rights).

- **Social Responsibility and Sustainability Committee:** is responsible for verifying and ensuring the correct application of the principles and general guidelines for action in the area of Social Responsibility and Sustainability in the Group, and is made up of the Corporate Directors of People, Sustainability, Resources and Strategy; Finance and Administration; for Risks, Information, Claims and Collection (RICC); Legal and Compliance; and Communication; the Chief Security Officer (CSO), and the Social Responsibility and Sustainability Head (without voting rights).

- **Corporate Security, Crisis and Resilience Committee:** is in charge of verifying and ensuring the correct application of the general principles and guidelines for action in the area of Comprehensive Security, Cybersecurity, Business Continuity and Digital Operational Resilience in the Group. It is made up of Solunion's CEO, who chairs, and the Corporate Directors of Finance and Administration; Operations (Chief Operating Officer -COO); Legal and Compliance; and the Chief Security Officer (CSO) (without the voting rights). Depending on the matter to be addressed, the Corporate Director of People, Sustainability, Procurement and the Security Officers of the Business Units may be invited. The Corporate Deputy Director General for Security and the Corporate Director for Coordination, Entities and Businesses of Mapfre will be standing guests.

B.1.2. Key Functions

In order to ensure that the government system has an adequate structure, the Company has Policies that regulate the Key Functions (Risk Management, Compliance, Internal Audit and Actuarial) and ensure that these functions follow the requirements defined by the Supervisor and they are faithful to the lines of government established by the Company and the Group. The Board of Directors of the Company approved the latest revision of the Actuarial Function Policy at its meeting held on 11th March 2025, Compliance Policy at its meeting held on 18th June 2025, the Internal Audit Policy, approved on 29th September 2025, and the Risk Management Policy, in its meeting held on 11th March 2025. These policies are reviewed annually.

These policies establish the operational independence of these Key Functions and their direct line of reporting to the governing body, which gives them the necessary authority in the exercise of their functions. The governing body is informed, at least annually, by the areas of the Company responsible for carrying them out. The information and advice to the Board of Directors on the part of the Key Functions is expanded in the sections related to each of them.

The names of individuals responsible for Key Functions have been reported to the Dirección General de Seguros y Fondos de Pensiones.

The Key Functions have the necessary resources for the proper performance of the functions entrusted in their respective Policies.

B.1.3. Relevant General Meeting of Shareholders and Board of Directors resolutions related to the Governance System

During fiscal year 2025, no significant corporate events occurred that should be mentioned.

B.1.4. Balances and remuneration to the members of the administrative, management or supervisory body

The following table shows the remuneration received in the last two years by key management personnel, consisting of eight men and four women as of 31 December 2025, and seven men and three women as of 31 December 2024.

	2025	2024
Short-term remuneration	**2,947**	**2,285**
Salaries	2,583	2,051
Fixed allocations	140	119
Per diems	-	-
Life insurance	32	31
Other	192	84
Medium-term remuneration	**391**	**290**
Post-employment remuneration	**51**	**66**
Defined contribution	43	29
Years of service award	8	37
TOTAL	**3,389**	**2,641**

Data in thousands of euros

Remuneration paid to the members of the Administrative body and employees of the Company is determined in accordance with prevailing regulations as well as the Company's remuneration policy, the latest revision of which was approved by the Board of Directors on June 18th, 2025.

Solunion's Remuneration Policy aims to link remuneration to the level of responsibility and degree of contribution of each employee to Solunion's results, as well as to apply individual management criteria based on merit.

The overall objective of the Company's remuneration policy is to define guidelines that are effective meaning that they are aligned with the global strategy and business objectives, the risk management policy and the tolerance to such risks approved by Solunion- to foster sound and prudent management of the business and effective risk management.

Its objectives include:

- Supporting Solunion's business strategy by attracting and retaining talent.
- Incentivising employees' contribution to the Company's objectives.
- Promoting sound and effective risk management through establishment of requirements on remuneration aimed at prudent and appropriate management of business and to avoid remuneration mechanisms that foster excessive risk-taking by Solunion.
- Avoiding conflicts of interest.

Remuneration systems may include both fixed and variable components. In addition, individual and collective performance standards that may be the basis for any right or variable component of remuneration are reviewed on a yearly basis.

In addition, in financial year 2025 and within the framework of the executive remuneration policy, expenses for the medium-term incentive plan, which will run from 1st January 2025 to 31 December 2027, have accrued in the amount of 391 thousand euros.

During 2025, the company also proceeded with the payment of the achievements under the medium-term incentive plan corresponding to the 2022–2024 period, amounting to EUR 586 thousand, corresponding to 60% achievement, with the remaining 40% deferred over the next three years in accordance with Solunion's Remuneration Policy.

Additionally, in 2025, the company also proceeded with the payment of the achievements under the medium-term incentive plan corresponding to the 2019–2021 period, amounting to EUR 59 thousand, corresponding to 13.3% achievement, with no outstanding amounts remaining to be paid in the coming years in accordance with Solunion's Remuneration Policy.

Payment of incentives was subject to compliance of certain corporate and specific objectives, and their permanence in the group. At the end of each exercise, an assessment of the fulfilment of the objectives is made by registering the amount earned in the income statement with credit to a provision account.

B.1.5 Additional information

There is no other relevant additional information not mentioned in the previous sections.

B.2. Fit and proper requirements

The Company has a fit and proper policy, the latest revision of which was approved by the Board of Directors on September 29th, 2025, which facilitates application of regulatory requirements and ensures a high level of fit and proper requirements throughout the Group for those who effectively direct the Solunion Group or perform other key functions, as well as other categories of staff whose professional activities have a significant impact on the Solunion Group's risk profile (the "Identified Staff").

The Identified Staff comprises those individuals who effectively direct the Solunion Group or perform other key functions, as well as other categories of personnel whose professional activities have a significant impact on the Group's risk profile, and includes:

a) The members of the Board of Directors of Solunion Seguros and the local governing bodies of each insurance Business Unit.

b) The Corporate Chief Executive Officer, the members and permanent invitees of Solunion's Executive Committee, and the Country Managers of the insurance Business Units.

c) Solunion's Regional Directors.

d) The Holders of the Key Functions of Risk Management, Compliance, Actuarial, and Internal Audit.

Those who effectively direct the Group or perform other key functions must be persons of recognized commercial and professional honour and possess adequate knowledge and experience to make possible the sound and prudent management of Solunion. Further, fit and proper procedures must apply for evaluation of other personnel in accordance with internal rules and regulations, both when under consideration for a specific position and on a permanent basis. The following principles shall apply to ensure fulfilment of these objectives

a) This Policy applies to the members of the Identified Staff.

b) The Fitness and Propriety of the members of the Board of Directors of Solunion and the local Governing Bodies of the Business Units shall be governed, in addition, by the criteria established by their shareholders and the applicable rules.

c) The Fitness and Propriety of an individual shall be assessed when they become part of the Identified Staff, during periodic reviews, and whenever situations arise that may cast doubt on their Fitness or Propriety.

As regards Fitness, the qualifications, knowledge and experience required depend on the Position.

d) Members Board of Directors and of Local Governing Bodies: must possess adequate experience and knowledge and, as a whole, must have sufficient knowledge and professional experience in at least the following areas: (i) insurance and financial markets; (ii) strategies and business model; (iii) governance system; (iv) financial and actuarial analysis; and (v) regulatory framework.

e) Members of the Management Committee and local Management Committees of the Business Units and their standing guests shall possess necessary qualification, knowledge and experience to carry out the responsibilities of each Committee and the specific tasks assigned in the Board of Management.

f) Key Function Holders: must possess adequate knowledge and experience to fulfil the tasks assigned to him by the Policy of the respective Key Function, if any, and applicable law.

The people subject to this Policy must have an accredited, personal, commercial and professional reputation based on reliable information about their personal behaviour, their professional conduct and their reputation, including any criminal, financial and supervisory aspects that are pertinent to these effects, and to act under the Solunion Code of Ethics and Conduct and meet the following requirements:

1. Personal, commercial, and professional propriety:

   a) The personal trajectory of respect for commercial and other laws that regulate economic activity and business life, as well as good commercial, financial, and insurance practices.

b) Lack of criminal records for crimes against patrimony, money laundering, against the socioeconomic order and the Public Treasury and Social Security and sanctions for infringement of the regulatory rules for the insurance, banking, or stock market activities, or consumer protection.

c) Lack of relevant and justified investigations, both in the criminal and administrative spheres, on any of the facts mentioned in section b) above.

d) Not be disqualified from holding public or administrative or management positions in financial or insurance entities.

e) Not be disqualified under Spanish bankruptcy regulations or equivalent in other jurisdictions.

2. Capacity and compatibility:

a) Not being involved in causes of incompatibility, incapacity, or prohibition under current legislation and internal regulations.

b) Not being in an insurmountable conflict of interest situation under current legislation and internal regulations.

c) Not having incurred in circumstances that could give rise to the appointment or participation in the entity's administrative body that could put the interests of the entity or the Solunion Group at risk.

In the case of ongoing procedures or investigations, the Compliance Area will analyse the circumstances of each case to determine its impact on propriety.

<u>Process to ensure fitness and propriety.</u>

Adequate assessment processes will be necessary during recruiting and the regular and specific reviews to ensure Fitness and Propriety.

To assess the Fitness and Propriety in a recruitment process of members of Management Committees or Key Function Holders it will be required.

a) Job description/Fitness requirements definition for the position

Aptitude will be assessed based on the job description and the Fitness requirement definition, and the tasks and key responsibilities associated with the position defined by the People, Sustainability, Procurement and Strategy Area.

b) Curriculum vitae

All candidates must submit their current curriculum vitae at the beginning of the recruiting process.

c) Background checking

The final candidate for a position within a Management Committee or Key Function Holder must be subject to a background check by the People, Sustainability, Procurement and Strategy Area, comprising of:

- The submission by the candidate of copies of his required qualifications.

- The filling by the candidate of a Declaration of Fitness and Propriety stating their personal, professional or business circumstances, following the template established by the Corporate Affairs Area and, where appropriate, the submission of a criminal records certificate presented not later than three months after the date of issue.

- A reference checks.

In the case of members of the Solunion Board of Directors or local Administration Bodies and Key Function Holders, the Corporate Affairs Area will be responsible for collecting from candidates the curriculum vitae, the Declaration of Fitness and Propriety, and, where appropriate, the criminal records certificate.

As regards Fitness, in the assessment by the People, Sustainability, Procurement and Strategy Area of practical and professional experience, special attention should be paid to the nature and complexity of the positions held, the competencies and decision-making powers and responsibilities assumed, as well as the number of people in charge, the technical knowledge gained on the sector and the risks they must manage. In any case, the criteria of knowledge and experience will be applied by assessing the nature, size and complexity of the activity of each entity and the specific functions and responsibilities of the position assigned to the person evaluated. If the final candidate had a specific lack of knowledge, competencies or skills, it shall be considered whether this lack can be solved through specific professional training, and if so, such training must be provided.

Regarding Propriety, if the evaluation reveals any situation that could affect the Property, it will be reported to the Compliance Area to analyse the circumstances of each case to determine its impact on the Propriety.

If, after the evaluation, the candidate does not meet the requirements of Fitness and Propriety, may not be appointed or hired for the position. If a periodic or specific review shows that the evaluated person can no longer be considered Fit or Proper for the position, the corresponding decision will be taken under the regulations.

In the case of members of the Board of Directors or local Governing Bodies, the Fitness of the candidates will be evaluated according to the Fitness requirements legally required in each Business Unit.

A person's Fitness and Propriety shall be assessed on a regular basis, to ensure ongoing Fitness and Propriety of the person for his position taking into account situations that may affect its Propriety.

Without prejudice to the regular reviews, the members of the Identified Staff must report their entity of any supervened circumstance that could affect their Propriety.

The specific reviews will be carried out when situations arise that give rise to doubts regarding a person's Fitness or Propriety of a person, such as: relevant breach of the Solunion Code of Ethics and Conduct; failure to submit required self-disclosure statements (e.g. statements of accountability or disclosure of security trading); investigation or any other procedure possibly leading to a conviction of a criminal, disciplinary or administrative offence relevant to the Business Unit or the person's position, or administrative sanctions for non-compliance with any financial services legislation.

Participants in the evaluation of the Fitness and Propriety and their responsibilities will be as follows:

- The Corporate Affairs Area will be responsible for:
  - To review and keep the Fit and Proper Policy updated.

  - To have the templates of the Declaration of Fitness and Propriety for the recruitment and annual review processes updated.
  - To obtain the necessary documentation for the evaluation of candidates for members of the Solunion Board of Directors or local Governing Bodies and Key Function Holders.
  - To update the information on Propriety for the regular reviews.

- The People Area will be responsible for:
  - To draft the definitions of the Fitness requirements of the positions subject to the Policy, except for members of the Board of Directors and the local Governing Bodies, which shall be determined by the applicable regulations.
  - To carry out the assessment of the Fitness and Propriety of the Identified Staff in the recruitment processes and the regular and specific reviews.
  - To communicate to the Compliance Area the situations that may affect the Propriety of Senior Management and Holders of Key Functions that are revealed in assessment processes.
- To submit to the Nomination and Remuneration Committee the proposed appointments of the members of the Identified Staff.
- The Compliance Area will be responsible for:
  - To analyse and determine the impact of situations that may affect the Propriety of Senior Management and Holders of Key Functions that are revealed in assessment processes.
  - To promote the realization by the People, Sustainability, Procurement and Strategy Area of a specific review when it becomes aware, through the Impulse Channel or by any other means, of situations that may affect the Propriety of the members of the Identified Staff.

B.3. Risk Management System, including the own risk and solvency assessment

B.3.1 Governance framework

The risk management system is a set of strategies, processes and information procedures necessary to identify, measure, monitor, manage and notify on a continuous basis the risks to which the Company is or may be exposed, and their interdependencies.

The fundamentals governing the performance of the Risk Management Function at Solunion are as follows:

1. Fit and Proper

   The head of the Risk Management Function must have adequate knowledge and experience to perform the tasks of the Function and be a person of recognised commercial and professional honour to enable the sound and prudent management of Solunion and in accordance with the Code of Ethics and Conduct, for which purpose he/she must comply with the requirements set out in the Fit and Proper Policy.

2. Status and authority

   The Risk Management Function is unique and any activity carried out within its scope is subject to the coordination of the Group Risk Officer in his capacity as Head of the Risk Management

Function. The Group Risk Officer will report functionally to Solunion's Corporate Director of Finance and Administration and hierarchically, in his capacity as Head of the Risk Management Function, to the Board of Directors. The local Risk Management Officers will report to the local Finance and Administration Directors and to the Corporate Head of Risk Management and Internal Control.

The Risk Management Function is supported by the Risk Management Policy in order to be able to carry out the tasks related to its competencies with complete independence, so that it may communicate on its own initiative with all persons in the organisation and have unrestricted access to any information relevant to the performance of its responsibilities, and all Group personnel must provide it with support and collaboration.

3. Operational independence

In the exercise of its responsibilities, the Risk Management Function is free from any undue or inappropriate influence, control, incompatibility or limitation that could compromise its ability to perform its duties in an objective, impartial and independent manner.

The Risk Management Function operates under the ultimate responsibility of Solunion's Board of Directors, to which it shall report periodically on matters within its scope, and its hierarchical dependence in Solunion's organisational structure shall not hinder or prevent its holder from reporting to the management body. To this end, the Risk Management Function is empowered to propose to the Secretary of the Board the inclusion in the agenda of the meetings of the Audit and Compliance Committee of the matters within the scope of the Function that it deems appropriate, as well as to appear and present them directly.

Annually, the Head of the Function shall issue a declaration of independence reflecting the terms under which he/she has carried out his/her work and, if applicable, any conflict of interest that may have arisen in the performance of his/her activity and the safeguards and procedures followed to mitigate or eliminate it.

4. Segregation of responsibilities

In order to prevent conflicts of interest that could arise if the tasks entrusted to the Function could compromise its independence, Solunion's organisational structure establishes a segregation of responsibilities between the performance of the activities of the Risk Management System (detailed in section 3.3.3. of the Policy) and the tasks assigned to him as Group Risk Officer, and its review and monitoring, and controls any interference that limits the scope, analysis and pronouncement of the Risk Management Function with respect to the tasks for which it is responsible.

The Group Risk Officer is responsible for the following activities related to the areas for which he is responsible:

- As for the responsibility for the Corporate Risk Management Area, it is in charge of coordinating, together with the Corporate Risk Management Manager, the Solvency II regulatory calculations, obtaining the quarterly Risk Appetite and Tolerance reports, carrying out the ORSA exercise and the rest of the tasks related to this corporate area.

  The Group Risk Officer is limited to ultimately reviewing the results of these activities and tasks, with the responsibilities described in section 3.3.3. of the Policy, without in any case actively participating in their implementation.

- As for the responsibility of the Corporate Internal Control Area, it is in charge of coordinating, together with the Corporate Internal Control Manager, the monitoring of the Internal Control Framework, the application of the internal control system assessment methodology, the achievement of the action plans related to internal control, as well as the rest of the responsibilities of the Internal Control Framework and Solunion's operational risk.

The Group Risk Officer is limited to ultimately reviewing the results of these activities and tasks, with the responsibilities described in section 3.3.3. of the Policy, without in any case actively participating in their implementation.

- As regards the responsibility for the Corporate Actuarial Area, it is in charge of coordinating, together with the Head of the Actuarial Function, the process of calculation of technical provisions and the rest of the tasks related to this corporate area. As established in the Actuarial Function Policy, the Actuarial Function has total operational independence.

  The Group Risk Officer is limited to performing a final review of the calculation process and the review process, with the responsibilities described in the Policy, without in any case taking an active role in their execution.

Should any situation arise during its duties of coordinating the areas that could give rise to a conflict of interest, the Risk Management Function shall submit it to the Risk Committee for resolution or take the appropriate measures to prevent a conflict of interest from arising.

The Corporate Risk Management and Internal Control Area will take appropriate measures to address potential conflicts of interest should additional tasks or activities be added to those entrusted to the local Risk Management Areas.

5. Management involvement

The Solunion’s Management is involved in the overall treatment and supervision of the risks and the setting down of the general lines of control and mitigation. In this way, the responsibility for risk management falls on the Board of Directors, supported by the Management Committee which is in charge of the operational management, for which:

1. Regarding the establishment and monitoring of the Group's Risk Appetite by management:

   a. The Board of Directors approves the Policies that regulate the risks to which Solunion is subject and establishes the general solvency ratios and the minimum coverages that have to be adopted and sets down the risk appetite which the Company is willing to accept in the form of three major blocks, namely:

      - for the investment and liquidity risk;
      - for the insurance risks (including commercial underwriting and risk and reinsurance underwriting);
      - for the operational, business continuity, compliance, strategic, reputational cybersecurity and sustainability risks.

   b. The Management Committee supervises the margins in the Company, it performs a monitoring of the limits established by the Board of Directors, taking the appropriate decisions in order to comply with them, it keeps the Board of Directors informed on these matters and advises it on its decisions.

2. The Board of Directors defines Risk Appetite in the following terms:

   a. Critical Zone Maximum level of Risk Tolerance that Solunion is willing to admit..

   b. Surveillance Zone: Maximum level of Risk Appetite that Solunion is willing to admit.

c. Safety Zone: Level of risk that Solunion considers admissible without mitigating actions being taken.

This definition of the Risk Appetite is made in accordance with the objectives set out in Solunion's Capital Management Policy:

- Provide the Company and the Group with a procedure to verify that the Eligible Own Funds comply with the applicable requirements.
- Ensure that the projections of Eligible Own Funds consider the continued compliance with the requirements applicable throughout the period considered.
- Establish a process of identification and documentation of the circumstances for loss absorbing capacity of the Eligible Own Funds.
- Ensure that the Company has a Medium-Term Capital Management Plan, which will consider at least the following elements:

  a) the compliance with Solvency regulations applicable throughout the projection period considered, paying particular attention to known future regulatory changes, and the maintenance of solvency levels compatible with the established in the Risk Appetite;

  b) issuance of proposed Eligible Own Funds instruments;

  c) the repayments, both contractual at maturity, and those that may be made on a discretionary basis before maturity, in relation to the elements of the Eligible Own Funds;

  d) the results of the projections in the Own Risk and Solvency Assessment ("ORSA"); and

  e) the expected dividends and their effect on the Eligible Own Funds.

3. The head of the Risk Management Function shall report regularly to the Board of Directors on the development and monitoring of the risks relevant to Solunion and on the monitoring of compliance or non-compliance with the Risk Tolerance Limits established for all relevant risk categories.

6. Three Lines of Defence Model

Risk management is structured in accordance with the “Three Lines of Defence” defined by ECIIA and FERMA, such that:

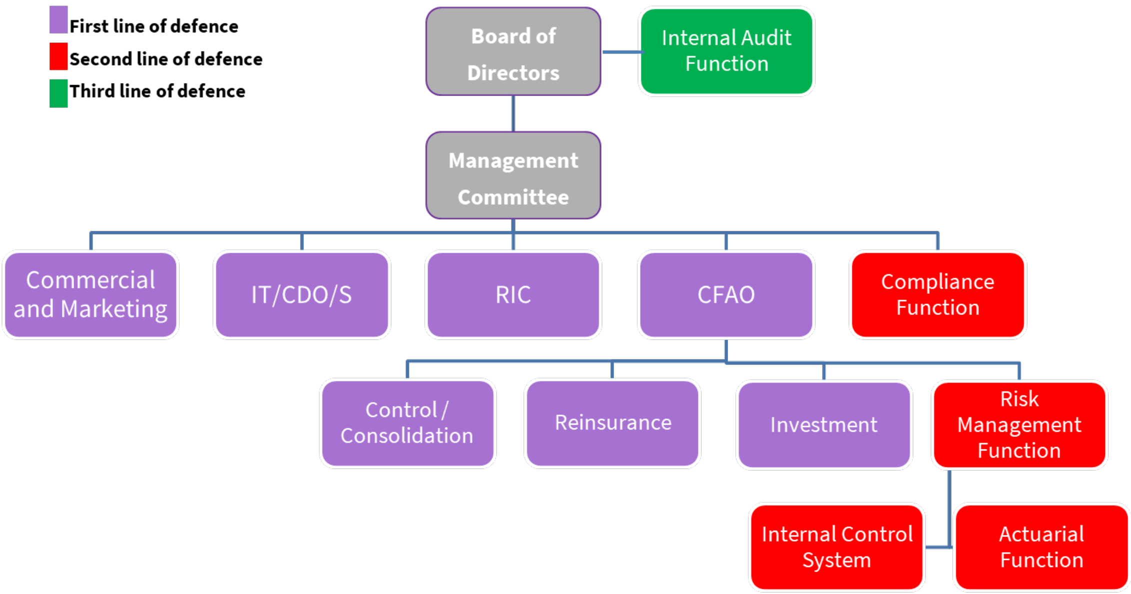
a. The “First Line of Defence” is made up of the operational managers who take on the risks and possess the controls.

b. The Actuarial, Compliance and Risk Management Functions, as well as the Internal Control System, dependent on the latter, form the "Second Line of Defence", which supervises the First Line of Defence according to the Policies and limits determined by the Board of Directors, and informs to the Management Committee.

c. The “Third Line of Defence” consists of Internal Audit which, from its independence, guarantees the suitability and effectiveness of the internal control system and the Corporate Governance.

The Lines of Defence perform the assigned tasks in strict compliance with applicable legislation and the Group's internal regulations.

The location of the Risk Management Function in Solunion's organizational structure and within the Three Lines of Defense model during fiscal year 2025 has been:



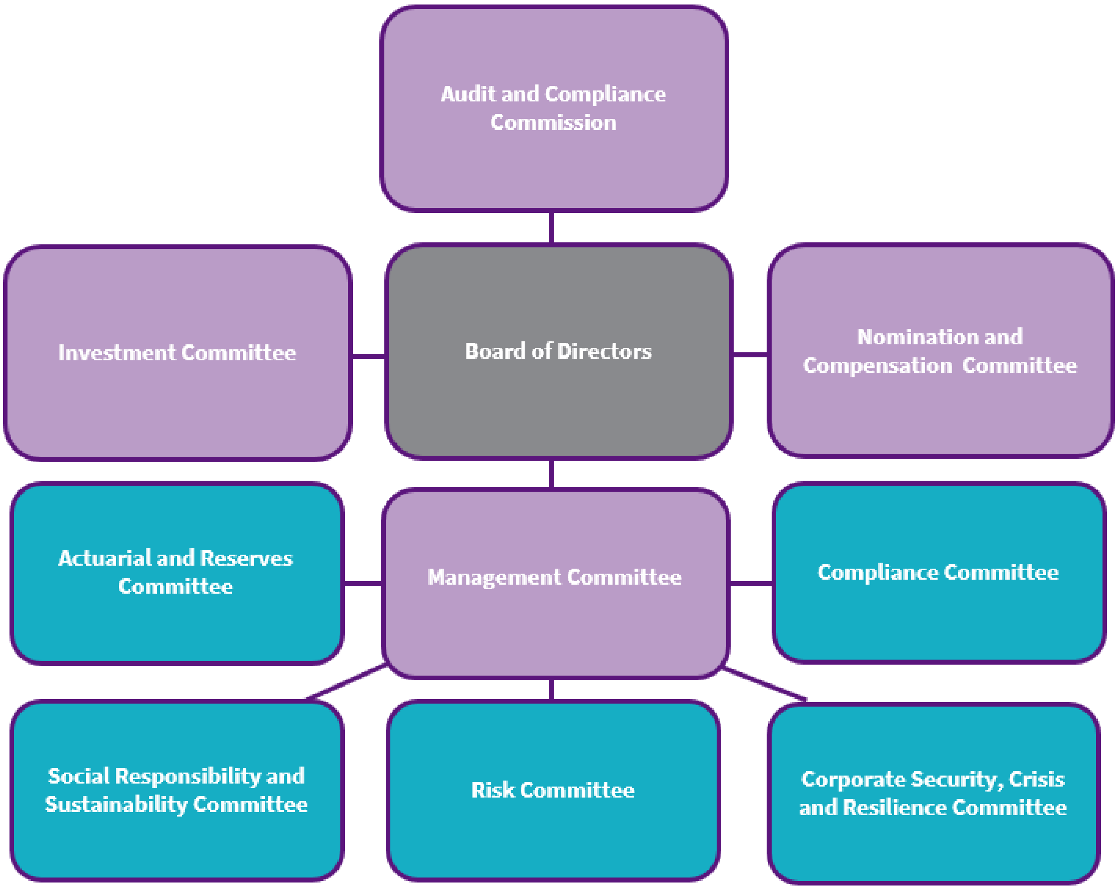
7. Structure and adequate means

Solunion must establish sufficient resources for adequate risk control and management.

The Lines of Defence are made up of professionals with a level of training and/or experience that guarantees an appropriate level of competence and prudence in risk assumption and management decisions in their areas of action, for which management policies and, where appropriate, assumption limits must be established with respect to the risks identified.

This prudent risk-taking, based on the diligence required of a prudent businessman under commercial law, is subject to the condition that the return on the risks assumed is sufficient to provide a return on the capital employed for this purpose.

The following diagram shows the governance structure of risk management in Solunion:



The governing bodies of Solunion have the following powers over the risk management system, in accordance with the Code of Good Governance:

- Board of Directors:
  - Approval or authorisation of the risk identification, management and control policies of the risks to which Solunion is subject.
  - Establishment of the general solvency ratios and the minimum coverage to be adopted and setting of the Risk Appetite that the Company is willing to assume.
  - Appointment of the Head of the Risk Management Function.
  - Analysis of the information that it has to receive regularly regarding the situation and evolution of the risks and on the decisions of the Management Committee and the Head of the Risk Management Function, in order to verify its proper management and control.
  - Adoption of measures that will allow situations regarded as inadequate to be corrected.

  In the Risk Management attributions, it will be supported by the Audit and Compliance Commission, the Investment Committee, the Nomination and Compensation Committee and by the Management Committee.

- Management Committee:

- Responsibility for implementation of policies and standards on Risk Management.
- Collect information on the development of the Functions and the Policies of the Second Line of Defence.
- Information on Risk Management to the Board of Directors and escalation of proposals for action.
- Operational decisions made within framework of policies and standards approved by Board of Directors.

In the performance of its duties relating to the governance of Risk Management, Solunion's Management Committee will be supported by the Risk, Actuarial and Reserves, Compliance, Social Responsibility and Sustainability, and Security and Environment Committees.

- Risk Committee:

Made up of full members of the Management Committee, Head of the Group's Actuarial Area (without voting rights) and the Head of the Risk Management Function (without voting rights) and, it will be in charge of collect and analyse information on the Risk Management System and, in particular for complying with the Risk Appetite.

It has, among others, competencies for: (i) To know/be informed of the results of the activities of the Head of the Risk Management Function on the Risk Management Function, the Risk Management System and the Internal Control System, analysing the proposals for improvement made by the Head of the Risk Management Function; (ii) checking, at least quarterly, the evolution of the relevant risk indicators for Solunion and compliance or non-compliance with the risk tolerance limits established in the Risk Appetite Framework for all relevant risk categories, and adopt the necessary measures to remedy any possible deviations; (iii) continuously monitoring the Solvency II Policies, reviewing and approving changes resulting from its reviews before submitting them for approval by the Board of Directors and (iv) take appropriate measures to avoid conflicts of interest in the coordination tasks of the Risk Management Function.

The Head of the Risk Management participates in all meetings of the Audit and Compliance Committee dealing with matters within its scope, may attend the other Committees of the Board of Directors of Solunion and of the local Risk Committee, and it will inform the Risk Committee of any decision or potential risks that could affect the Group's solvency situation.

- Actuarial and Reserves Committee:

Made up of full members of the Management Committee, the Head of Risk Management (without voting rights) and the Head of the Actuarial Area (without voting rights), and it will be in charge of ensuring compliance of the Actuarial Policy within the Group, along with analysing the establishing of the Technical Provisions within the framework of Policies and rules approved by the Board of Directors.

- Compliance Committee:

Made up of full members of the Management Committee the Corporate Director for People, Sustainability, Procurement and Strategy, the Director of Corporate Affairs - and for the Head of Compliance Function in the Group (without voting rights), it will be in charge of collect and analyse information concerning off the Compliance Policy within the framework of this Policy and rules approved by the Board of Directors.

- Social Responsibility and Sustainability Committee

  The Social Responsibility and Sustainability Committee is responsible for verifying and ensuring the correct application of the principles and general guidelines for action in the area of Social Responsibility, Sustainability and Business Continuity in the Group, and is made up of the Corporate Directors of People, Sustainability, Procurement and Strategy, Finance and Administration, Legal and Compliance, Communication, the Chief Security Officer (CSO) and by the Head of the Social Responsibility and Sustainability Area.

- Corporate Security, Crisis and Resilience Committee

  The Corporate Security, Crisis and Resilience Committee is in charge of verifying and ensuring the correct application of the general principles and guidelines for action in the area of comprehensive security, cybersecurity, Business Continuity and Digital Operational Resilience in the Group, and is made up of the CEO of Solunion, who chairs, and the Corporate Directors of Finance and Administration, Legal and Compliance, the Chief Operating Officer (COO) and the Chief Security Officer (CSO) (without the voting rights). Depending on the matter to be addressed, the Corporate Director of People, Sustainability, Procurement and Strategy and the Security Officers of the Business Units may be invited. The corporate General Sub-director for Security and the Corporate Director for Coordination, Entities and Businesses of Mapfre's will be standing guests.

Given that risk management is a local responsibility, notwithstanding the companies being a part of a business group and its integration in an organisational structure directed by the Group's corporative structure, each business unit has a local risk committee that will oversees compliance with all the Group's risk management standards, guidelines and policies.

It will comprise the heads of each corporate area of each unit and it will be tasked with overseeing the functioning of the Risk Management System and advising the local Management Committee for relevant decision making.

These risk committees will be under the supervision of the Corporate Risk Committee.

The risk management function enables adequate oversight of risks through the adoption of decisions that facilitate the identification, measurement, supervision, management and monitoring of the same. This function encompasses Solunion's internal control process, which is included in the framework of internal control and operational risk, which is the Policy of the Internal Control Function. In addition, the Risk Management Function coordinates the assessment and oversight of the Company's main risks (Top Risk Assessment).

B.3.2. Risk management objectives, policies, and processes

The aim of this Risk Management Policy is:

a) Regulate Solunion's Risk Management System, for which purpose it comprises the strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report on an ongoing basis the risks to which, on an individual and aggregate level, it is or may be exposed the Company.

b) Regulate Solunion's Risk Management Function, which is responsible for monitoring the strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report on an ongoing basis the risks to which, at an individual and aggregate level, the Group's companies are or may be exposed. The Function encompasses Solunion's Internal Control process, included in the Internal Control and Operational Risk Framework, and ensures that the Risk Policy is applied consistently throughout the Group.

c) Preserve the Group’s solvency and to facilitate the development of its business by means of: (i) definition of the strategy with regard to the risks taken on; (ii) the inclusion of risk analysis within the decision taking processes; (iii) the establishment of a general guideline, certain basic principles and a general framework of risk management that will facilitate its consistent application in the group; and (iv) the dissemination of the Risk Management Policy among managers and employees in order to achieve a risk management culture that will guarantee its effectiveness.

The Risk Management Policy of Solunion will apply to all companies belonging to the Group after adaptation to local regulations and approval by the respective management bodies.

As noted above, the risk function is tasked with risk supervision. The procedures are as follows:

- Identification: Solunion analyses the risks to which the entity is subject by means of a Major Risks Assessment which is carried out annually and approved by the Board of Directors with the aim of identifying new risks and verifying existing risks, both in terms of their nature and their assessment.

  To enable management and control of risks, each has its own policy, which prevails in its area over the general Policy, describes in an exact way the risk that is being referred to and determines the scope of application, establishes a supervision system that will permit the identification, measurement, supervision, management and monitoring of the risks included in it, instigates measurements for guaranteeing adequate information for the Areas having the risk under their responsibility; and considers the possibility of conducting a stress test for the risks whose nature permits this.

- Measurement: for measurement of risks, the Risk Management Function establishes rules for setting the of parameters in accordance with both external and internal regulations, for measuring risks, the technical means that will permit the capital needs to be calculated in line with the set of risks, and that the measurement of the risks is correct.

- Limits to the risk appetite: The Board of Directors of Solunion defines the risk appetite of the Risk Management System and sets both the limits to be applied to risk taking and the necessary measures for the Risk Committee to verify, at least once a year, that the Limits are effective and appropriate for the Group.

  Basing itself on a criterion of proportionality that has to rule over the Risk Management System, for entities joining the Group the Management Committee will be able to agree to the temporary setting of different limits from those established on a general basis, until those companies can become fully integrated into the Risk Management Policy

  The limits applied to risk assumption are set out in the “Risk Appetite Framework”.

- Supervision: risk managers in each area of the Company are responsible for ensuring that the actions taken are consistent with the established technical standards and that the risks taken within the limits defined in the Risk Management System.

Supervision that risks are within limits of risk appetite is performed by the Risk Management Function and the other functions of the Second Line of Defence in their respective areas.

- Management and mitigation: risk managers in each area of each Business Unit First Line of Defence must take the necessary measures in their respective areas to mitigate risks to which the company is exposed, in accordance with the applicable policy and subject to the Appetite and Tolerance Limits to the Risk.

  Supervision that necessary mitigation measures are being taken will be the responsibility of the other functions of the second line of defence in their respective areas, which will inform to the Risk Management Function.

- Monitoring: areas in the second line of defence provide, at least annually, unless the nature of the risk means that it can be done less frequently, with information that allows adequate monitoring of the control of risks within the Appetite and Tolerance Limits.

  Without prejudice to the foregoing, the information must be submitted immediately in the case of risks that: (i) exceed the established limits; (ii) may cause losses equal to or greater than said limits; or (iii) may compromise the solvency requirements of each Business Unit, or of the Group as a whole, or the continuity of the business.

  The Internal Risk and Solvency Assessment Reports shall include the monitoring of material risks that may affect the Business Units or the Group as a whole. They shall also identify any material exposure to climate change risks and, where appropriate, the impact of long-term climate change scenarios on the balance sheet shall be assessed.

- Breach of limits: when a risk exceeds the established limits, the Company's governing bodies may adopt measures aimed at:

  - Authorising an excess beyond the risk limit, in which case sufficient documentation and notification of the governing bodies and the Risk Management Function is essential, along with the reason for such authorisation and an indication of any additional risk taken owing to the same. If the excess surpasses the limits set by the Group's parent, the governing bodies, the Corporate's Risk Management and Internal Control Area and the Group's governing bodies are notified.

  - Promote the adoption of the necessary measures to bring the risk back to the accepted limits.

  - Contract additional protection that allows for adjusting the risk to established limits, subject to an assessment of the consequences of breach by the supplier of such protection and its impact on operational risks.

  - Raise additional capital resources as necessary to keep the risk taken within established risk limits.

In addition, the Risk Appetite Framework sets out specific measures for each indicator in the event of non-compliance.

The Risk Management Function will regularly report any breaches of the Risk Appetite and Tolerance Limits to the Board of Directors and the Management Committee.

To define and manage each of its risks, Solunion has established a framework of policies that have been approved by the Company's Board of Directors.

The strategies, objectives, and informing procedures for the key risks to which the Company is exposed, reflected in the Risk Appetite Framework approved by the Company's Board of Directors or equivalent body establishes the degree of risk the Company is prepared to assume to reach its business objectives with no relevant deviations, including in adverse situations.

Details are shown below of the main risks faced by Solunion with respect to their identification, measurement, management, monitoring and notification.

Type of Risk	Description	Measurement and management	Monitoring and notification
General	Refers to the Company's Solvency level.	Standard formula	Quarterly
Investment Risk	Risk that Solunion does not comply with the asset protection granted by the investment policy and includes the Market SCR.	Standard formula Specific indicators	Quarterly
Liquidity Risk	Risk that Solunion will not be able to realise investments and other assets in order to meet its financial obligations as they fall due.	Standard formula Specific indicators	Quarterly
Underwriting risk	Risk that Solunion does not conduct an adequate underwriting policy and includes the Non-Life Underwriting SCR.	Standard formula Specific indicators	Quarterly
Constitution of Technical Provisions	Risk due to insufficient reserves for Solunion to meet its commitments.	Standard formula Specific indicators Control in the calculation of technical provisions External validation	Quarterly Quarterly Monthly Annual
Reinsurance risk	This is the risk of loss resulting from fluctuations in the creditworthiness of counterparties in terms of reinsurance within one year and includes the Counterparty SCR.	Standard formula Specific indicators	Quarterly
Operational Risk	Includes risks arising from failures or inadequacies of systems, people, internal processes or external events and includes the Operational SCR.	Standard formula Specific indicators Dynamic qualitative analysis of processes Recording and monitoring of operational risk events	Quarterly Quarterly Annual Continuo
Security Risk	Risks arising from non-compliance with the Security Policy	Specific indicators	Continuo
Business Continuity Risk	Refers to the possibility that future events could have adverse consequences for the achievement of Solunion's economic and business objectives or the financial position of Solunion.	Specific indicators Business continuity plans	Continuo Annual
Cybersecurity risk	Risks arising from non-compliance with the Information Security and Cybersecurity Policy that may exploit vulnerabilities in Information Systems.	Specific indicators	Continuo

Type of Risk	Description	Measurement and management	Monitoring and notification
Strategic Risk	Risk of non-achievement of the Company's strategic objectives	Specific indicators Monitoring of the Strategic Plan	Quarterly Continuo
Compliance Risk	Risk of loss arising from legal/regulatory sanctions or reputational losses due to non-compliance with applicable laws and regulations, internal and/or external, and administrative requirements.	Specific indicators Monitoring and recording of significant events	Quarterly Continuo
Reputational Risk	Risks arising from the materialisation of events that impact the Company's image in the eyes of the market and stakeholders.	Specific indicators	Quarterly
Sustainability Risk	Risk of negative impact of environmental, social and governance factors	Specific indicators	Annual
Information and Communication Technologies (ICT) Risk	Risk related to any reasonably identifiable circumstance associated with the use of networks and information systems that may compromise the security of such networks and information systems, or any tool or process dependent on technology.	Specific indicators Monitoring and recording of significant events	Annual

All calculations arising from the standard formula must be updated in any year in which a significant change in the risk profile is detected.

Generally, as mentioned previously, the Board of Directors must be periodically informed of the risks to which the Company is exposed.

B.3.3. Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA), which is a key element of Solvency II, will form an integral part of the business strategy and will be continuously taken into account in the entity's strategic decisions.

The objective of the ORSA Policy is to:

1. Establish the ORSA principles within Solunion.
2. Describe the existing processes and procedures for carrying out the forward-looking internal assessment of the company's own risks.
3. Ensure that, in performing the ORSA, the link between the risk profile, the approved risk tolerance limits, and the overall solvency needs is taken into consideration.
4. Set out the methods and methodologies followed in conducting the ORSA.

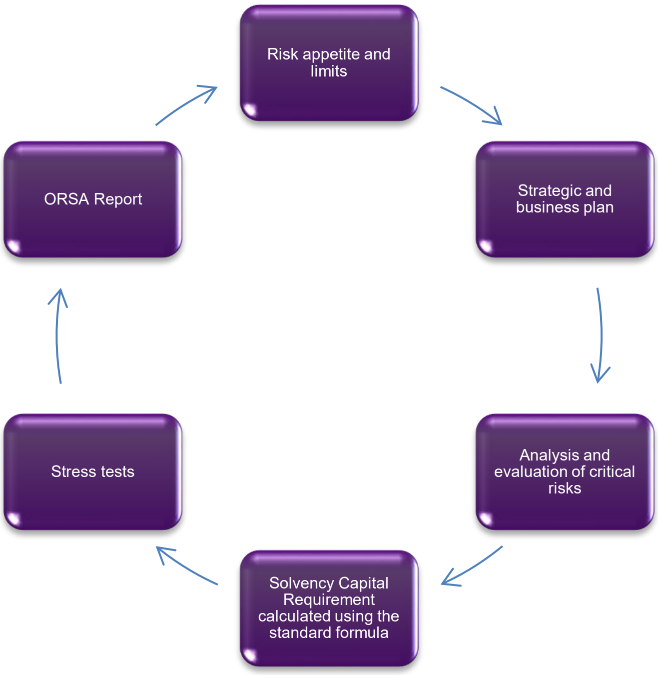
The ORSA process is integrated and is part of the Risk Management System, and it has mechanisms to identify, measure, monitor, manage and report the risks in the short and long term of the Company, during the period envisaged in the strategic plan, as well as the sufficiency of capital resources according with the understanding of their real solvency needs.

To this end, it contemplates all the significant risks or potential sources of risk to which the Company is exposed, and facilitates undertaking initiatives aimed at its management and mitigation.

The process of critical risk assessment of Solunion aims to ensure that the Company's critical risks are identified, assessed, managed, mitigated and monitored.

In addition to supporting risk management, this process also ensures that Solunion is capable of meeting external regulatory requirements, that is, both the Solvency II requirements and local regulatory requirements.

At an overall level, the ORSA process is organised around the following components:



This process is detailed below:

1. Risk appetite and limits.

The first step is to establish a risk strategy that clearly defines a risk appetite for the achievement of business objectives. The risk strategy should be revised at least yearly, simultaneously with changes in the business strategy.

The Board of Directors of Solunion defines the risk appetite, which becomes part of the risk management system, and sets both the limits to be applied to risk taking and the necessary measures for the Risk Committee to verify, at least once a year, that the limits are effective and appropriate for the Company.

2. Business plan.

The solvency capital needs are calculated so was to be sufficient in order to face all the risks that current impact the business or that may impact it in the future, using as the reference the period covered by the Business Plan (2026 to 2030).

3. Analysis and evaluation of critical risks.

An assessment of critical risks is made in order to identify, assess and, as appropriate, mitigate potential risks to obtain a set of critical risks to be monitored and controlled on a yearly basis.

The process of critical risk assessment includes all risks categories and it is designed in order to:

- Identify the main critical risks.
- Assess and define critical risks (assessment of residual risks).
- Establish a risk appetite that is acceptable for each critical risk.
- Identify and prioritise mitigation activities.
- Guide the preparation of reports and the approval of critical risks.
- Control the development of risk exposure and mitigation plans.

4. Standard formula of solvency capital requirement

This formula is used to calculate solvency capital needs with a methodology and principles established by EIOPA in the framework of Solvency II for all market, counterparty, assurance and operating risks.

Solunion calculates the Solvency Capital Requirement (SCR) in accordance with the principles, assumptions and parameters established by EIOPA in the standard formula.

According to the nature, complexity and proportionality, it is considered that the Company does not significantly depart from the assumptions applied in calculation of the standard model, thus justifying its use. Hence, it would not be deemed necessary to replace the subset of parameters used with specific Company parameters or apply an internal model.

5. Stress testing.

Once the projection is made of the Solvency Capital Requirement for the base scenario – that is, the 2026-2030 business plan, to complete the solvency forecast – the Company has applied diverse stress scenarios for the years 2026-2030, the results of which are set out in the ORSA Report.

6. ORSA report.

The ORSA report presents the results of the Own Risk and Solvency Assessment obtained by Solunion. It also sets out and documents the Company's overall solvency needs according to the risk exposures and capital requirements using the standard calculation defined by the regulatory implementations of Solvency II at the date of issue of that Report. The documentation related to the process is approved by the Board of Directors and duly recorded.

The ORSA is prepared and approved annually, however, this frequency may change in the event of any significant change in the risk profile.

It should be noted that, at the issue date of this report, the 2025 ORSA Report has not yet been issued, so the point of reference is the 2024 ORSA.

B.3.4. Results of the risk-free rate extrapolation, matching adjustment and volatility adjustment

As of 31 December 2025, Solunion does not apply any risk-free interest rate extrapolation, nor does it apply volatility or matching adjustments to the EIOPA risk-free interest rate curve for the purposes of performing its Solvency II calculations.

B.4. Internal control system

B.4.1. Internal control

Solunion has an operational risk and internal control framework whose latest review was approved on June18th, 2025 by the Solunion Board of Directors. The framework sets out the most important actions to be implemented to maintain an optimal internal control system.

The Internal Control and Operational Risk Framework constitutes the Internal Control System Policy, whose scope of action is limited to the treatment of operational risks derived from the Technical or Internal Operational Standards of each department, Area or Business Unit, and establishes a general operating model that is materialised in a set of principles, guidelines and policies of a global nature implemented at all levels of Solunion so that they are applied continuously and homogeneously. The Framework defines and assigns responsibilities and establishes an organisational structure for internal control based on the 'Three Lines of Defence' model.

The Internal Control System supports the rest of the Functions and Areas in the management of risk identification, so that the principles, methodology or internal control cycle included in this Internal Control and Operational Risk Framework are common to the group and can be used by other Functions, Areas or Policies (Compliance, Investments, etc.) to measure, manage, evaluate, mitigate and deal with their own risks.

Solunion conceives internal control as a system whose performance requires the involvement and commitment of all members of the organisation, and in no case as an isolated organisational area created for the purpose of controlling the Company's performance with regard to the risks to which it is exposed.

The main objective of the Internal Control Principles is to establish the management approach, general requirements and minimum standards that Solunion follows in its Internal Control System.

Likewise, the principles are established taking into account the Company's philosophy, the provisions of the applicable legal regulations and the objectives to be pursued by the Internal Control System as set out in the best practice frameworks for Internal Control and Risk Management in the market.

These principles are

- Effectiveness and efficiency of operations.
- Reliability and integrity of financial and non-financial information.
- Adequate risk management in accordance with strategic objectives.
- Compliance with internal policies and procedures.

- Effective and efficient articulation of the system as an instrument for continuous improvement.

By its nature, Internal Control involves everyone, regardless of the professional level they occupy in the organisation. In order for the Internal Control System to meet the established objectives effectively and efficiently, a Governance Model has been formally established, defining the general functions to be carried out by each of the defined profiles, and stressing the involvement in the performance of the system and the in-depth knowledge of the risks by the Company's Management.

From the organisational point of view, the Internal Control area is structured in a system of Three Lines of Defence, in which each area, depending on the line in which it is located, assumes different responsibilities and functions:

- **First Line of Defence**: Operational areas, business lines or support units. They are responsible for the application of internal control procedures in every process in which they intervene and for which they are responsible and manage the risks that originate in these processes.

- **Second Line of Defence**: Risk Management and Internal Control Area It is a body that is independent from areas for the implementation of the internal control system with responsibility for defining applicable policies and procedures, coordinating and supervising evaluation and control activities, launching action plans and generating management reporting for different areas and governing bodies.

  The Second Line of Defence also includes the Compliance Function and the Actuarial Function, which ensure that the controls are consistent with the control objectives and comply with the Policies and procedures on which they are based.

- **Third Line of Defence**: Internal audit, as an independent evaluator tasked with overseeing the correct functioning of the internal control system, compliance with policies and procedures and final evaluation of the effectiveness of the action plans and initiatives launched.

The definition of internal control and the different elements mentioned in the management framework are based on the COSO Report, according to which there is a direct relationship between the objectives that the Company wishes to achieve (in terms of efficiency and operational effectiveness; confidence in accounting and financial records; and conformity with external and internal rules and regulations), the components of the internal control system (which represent what the organization needs to achieve the objectives), and its organizational structure (operative units, legal entities, etc.) sets out a common internal control model that companies can use to evaluate and check their own control systems.

By means of compliance with risk management policies and procedures, adequate treatment is performed of risk, ensuring that the risks taken on by Solunion remain at an acceptable level and, hence, it is possible to ensure the achievement of the Company's strategic objectives.

Different internal and external events will be assessed, allowing for acting according to the impact such events represent at a business, operational and organisational level. For risk treatment, necessary measures will be selected and applied to control and mitigate the assessed risks.

Ultimate responsibility in Internal Control at Solunion lies with the Company's Board of Directors.

- It is ultimately responsible for the efficiency of the Internal Control System.

- It carries out the approval of this Internal Control and Operational Risk Framework and its successive versions.

- Defines and establishes the Operational Risk Appetite in Solunion.

Nevertheless, as a general rule, the Management Committee is the executive body that is periodically informed of the results of risk assessment and controls, and to which any significant matters related to internal control are escalated. Therefore, the Management Committee has decision-making authority for any matter related to risk management and control in Solunion, approval of the Operational Risk and Internal Control Framework and possible modifications to the same, reporting and action plans launched to mitigate the Company's risk exposure or to implement improvements in the internal control function.

The Management Committee will regularly inform the Board of Directors on matters deemed critical in the area of control and it may also escalate to the Board any decisions as it deems necessary.

The Internal Control Function is supported by the Corporate Internal Control and Operational Risk Area for the development of the activities and guidelines indicated in the Internal Control Framework. This area reports to the Corporate Head of Risk Management and Internal Control.

The Corporate Risk Management and Internal Control Area prepares an Annual Report on the Effectiveness of Internal Control Procedures that sets out the Company's current situation at the date of the analysis of risks and controls, allowing for updating the risk and control map. This map also serves as the basis for the following internal control cycle.

The Annual Report on the Effectiveness of Internal Control Procedures for the year 2024 which shows the results of the analysis and the action plans to improve mitigation of the most significant risks was presented to the Board of Directors, on June 18st, 2025. At the date of issue of this report, the annual Report corresponding to the year 2025 has not yet been issued. The risk and control evaluation is being carried out without any relevant facts being identified for the Company.

B.4.2. Compliance function

The compliance function identifies risks of external and internal non-compliance that may occur as a result of the Solunion's activity, advises on the identified risks, alerts on possible non-compliance and monitors the measures adopted for its correction, with the aim of achieving a comprehensive compliance environment, taking into account Magnanimity, which constitutes the guiding principle of Solunion’s values and is based on the Group’s firm commitment to conducting all its activities and business in accordance with strict standards of ethical behaviour and in compliance with the legal, regulatory and administrative provisions applicable to it.

The Company has a compliance policy, the latest revision of which was approved by the Board of Directors on June 18th, 2025, and which describes the compliance function in the Company.

The Policy states that, in accordance with the principle of decentralisation and to achieve coordinated implementation, the compliance function has teams that are proximate to business processes in order to assist all members of the organisation in fulfilling their responsibilities, and it is structured pursuant to specific regulatory requirements to which it is subject and to the principle of proportionality according to volume.

Effective management of compliance risk protects the Group’s solvency, integrity and reputation, and enables it to achieve its strategic objectives and attain sustainable and profitable growth. Therefore, the dissemination of the Compliance Policy among all managers and employees, and adherence to it, will help raise awareness of the importance for Solunion of integrating compliance with internal and external regulations into the activities they carry out in order to reduce compliance risk.

The head of the compliance function is responsible for reporting the monitoring of compliance risk to the Solunion CEO.

The process of compliance risk management enables determination and assessment of compliance risk, establishment of minimum parameters for the identification, measurement, mitigation, monitoring and reporting of compliance risk exposure and identification of compliance risks:

- Compliance risk identification: the identification process allows the set of compliance risks affecting the Company to be outlined, which forms the Compliance Universe.

- Compliance risk evaluation: an assessment of compliance risk consists of a quantification of the impact and probability of each of the identified risks.

- Compliance risk mitigation: mitigation of compliance risks is the response to compliance risk. Mitigation strategies should reduce the impact and/or probability of occurrence of identified compliance risks.

- Compliance risk monitoring: the monitoring of compliance risks is the ongoing process of assessing whether the designed compliance risk controls are adequate and operate effectively and in line with the established compliance objective.

- Compliance risk exposure information: compliance reports on the management process of this risk will include at least the results of the assessment of the compliance risk, compliance risks that may generate losses, the results of monitoring activities and the status of mitigation and rectification actions.

B.5. Internal audit function

As discussed in the Risk Management System section, Internal Audit is the risk management model's Third Line of Defence and should provide an independent guarantee of the adequacy and effectiveness of the internal control system as well as other elements of the governance system.

The Internal Audit Policy, whose latest annual review was approved by the Audit and Compliance Committee and the Board of Directors on September 29st 2025, aims to establish the responsibilities and powers of the Internal Audit Function within the Solunion Group, the principles on which its structure is based, the framework governing the relationships between the Internal Audit Function and Solunion's governing bodies, and the dissemination of information regarding the Internal Audit Function throughout the Solunion Group.

B.6. Actuarial function

The company has an Actuarial Function Policy whose last review was approved by the Board of Directors on March 11st, 2025, which describes the Actuarial Function in the Company.

The Actuarial Area is responsible for coordinating and reviewing the mathematical, actuarial, statistical and financial calculations of the best estimate used in the calculation of capital requirements.

Responsibility for the actuarial quantifications and other predictive models, as well as the preparation of the technical documentation associated with these valuations, lies directly with the Actuarial Areas of the First Line of Defence.

The Actuarial Function shall establish the general principles and guidelines for intervention, taking into account best practices, with the aim of coordinating and standardising the guidelines for the performance of actuarial calculations and the local requirements applicable to each Business Unit.

The Actuarial Function ensures compliance with the general principles and guidelines for actuarial valuations, taking into account the local requirements applicable to each Business Unit, and when irregularities are detected in certain quantifications or when the general guidelines set by the Group are not being followed, it shall be responsible for promoting corrective actions.

The Actuarial Function shall advise the Actuarial or Financial Area of the Company in the fulfilment of its responsibilities.

The head of the Actuarial Function shall prepare and submit a report at least annually to the Actuarial and Reserves Committee, which shall forward it to the Management Committee and the latter, in turn, to the Board of Directors. The objective of this document shall report on the results of the performance of its functions, the adequacy of the level of technical provisions and shall also express an opinion on the Underwriting Policy, reinsurance arrangements, and the contribution to the effective implementation of the risk management system. In the event that deficiencies are identified, the report shall include recommendations as to how they can be addressed, including a timetable setting out when they need to be corrected.

B.7. Outsourcing

Information on current outsourcing arrangements

Solunion has an Outsourcing Policy, whose last review was approved by the Solunion's Board of Directors on June 18nd, 2025, that establishes principles of management for the outsourcing of activities that enables the Company to manage its own suppliers map in accordance with methodology in place for outsourcing.

The existing governance structure ensures that the Company has sufficient control over critical functions, activities or services which have been outsourced, in the terms established in the Solvency II Directive and local enacting legislation.

This relationship is underpinned by an outsourcing contract and the activity is supervised by the CFAO of the Solunion Group, who is the responsible for overseeing the correct operation of the outsourced function.

By outsourcing the mentioned functions, other important activities and services, the Company streamlines its processes, as it can exploit the knowledge and specialisation of its suppliers and very often benefit from positive synergies.

B.8. Any other information

The Company's governance system reflects the requirements established in the Solvency II Directive on the system for management of risks inherent to its activity. It employs its own strategy for implementing and carrying out the Risk Management and Internal Control Area, where it is the responsibility of the Solunion Management Committee to define the reference criteria and establish/validate its organisational structure.

Its structure is based on the related regulatory requirements, as well as the principle of proportionality related to its business size and the nature/complexity/size of the risks assumed by the Company.

C. Risk profile

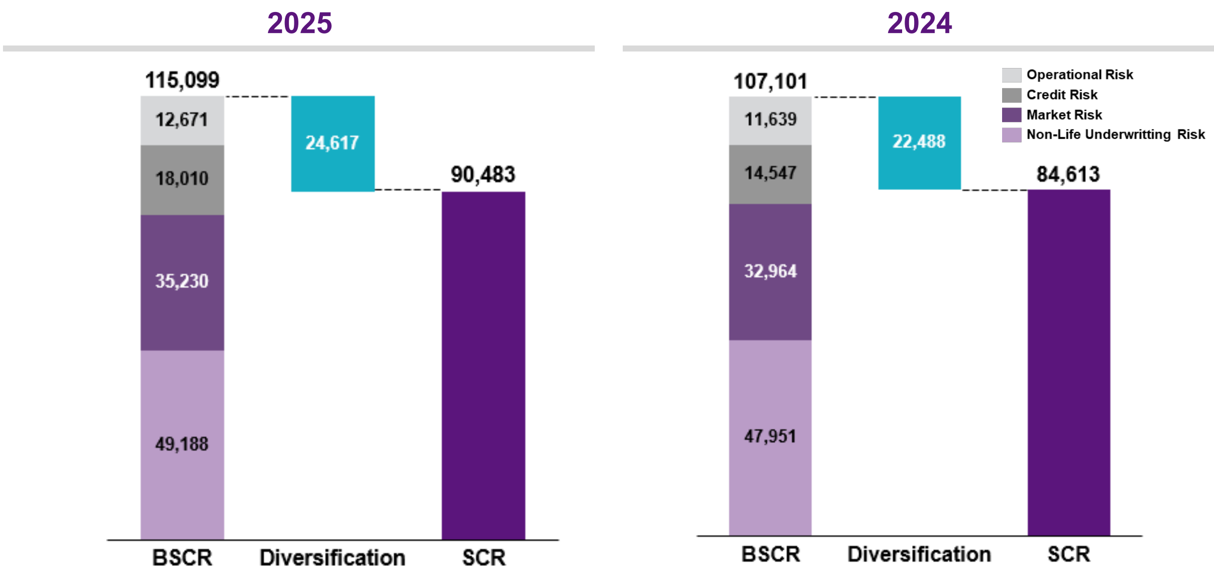
After the entry into force of Solvency II regulations, the Company calculates its SCR in accordance with standard formula requirements. For the main risk categories, this total SCR is considered an excellent measurement tool for determining the Company's risk exposure, as it recognises the capital charge corresponds to key risks (such as underwriting, market, and credit risk). As explained below in sections C.4 and C.6, the Company's exposure to other risks not included in the SCR calculation using the standard formula (risk of liquidity, technical provisions, business continuity, compliance, reputational and outsourcing) are not considered significant, since the Company applies effective measures to manage and mitigate them.

As indicated in regulations, the SCR corresponds to the Company's equity for limiting the probability of bankruptcy to one case per 200 years, or that the Company is still 99.5% able to meet its commitments to insurance beneficiaries and policyholders during the following year.

After the analysis carried out, it is concluded that the risk modules of the standard formula that apply to Company are the following:

- Market risk
- Non-Life Underwriting risk
- Counterparty Risk
- Operational risk

The following graphs shows the risks that make up the risk profile of Solunion based on the regulatory capital required (reported in template S.25.01.21 of the Appendix) (SCR calculation is explained in section E.2 of this report):



* BSCR: SCR Components before Diversification.
Data in thousands of euros

These graphs show that the Company's risk profile remains constant; for both 2025 and 2024, the risk with the highest impact was Non-Life Underwriting risk, which accounts for 42.73% of the total SCR (44.77% in 2024), followed by Market risk, which accounts for 30.60% of the total SCR (30.78% in 2024).

The Company does not apply adjustment for loss absorbency of deferred taxes in 2025 and 2024 due to the Company's adaptation to the temporary limits of recoverability approved in the Delegated Regulation 2019/981.

With regard to the measures used to assess the main risks within the Company, there were no significant risks in 2025.

Other significant risks to which the Company is exposed are considered in Section C.6.

The degree of exposure risk by risk is described below, as well as the mitigation and mitigation techniques the Company employs to minimise it.

C.1 Underwriting Risk

C.1.1 Exposure to the risk

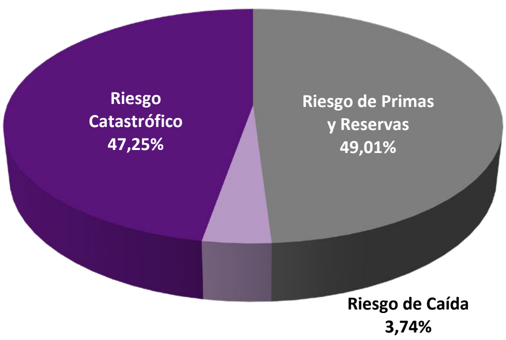
Underwriting Risk is defined as the risk of loss or adverse value changes in the commitments arising from insurance activities, due to incorrect pricing hypotheses and constitution of provisions.

It is also subdivided into the following risk sub-modules:

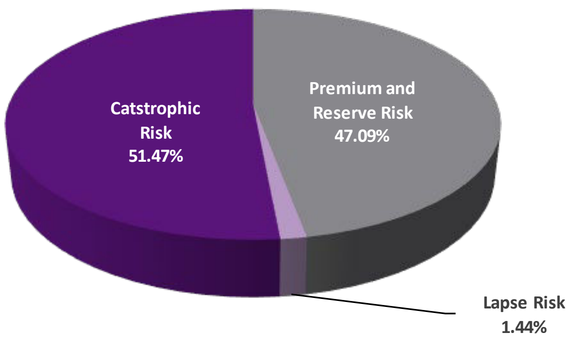
- Premium and reserve risk: the risk of loss or of adverse change in the value of insurance liabilities, due to fluctuations in relation to the timing, frequency and severity of insured events, and in the timing and amount of claim settlements.
- Lapse risk: as the expected benefits included in future premiums of existing insurance contracts are recognised in the eligible own funds of insurance and reinsurance entities, the non-life underwriting risk module should take into account the downside risk associated with insurance and reinsurance contracts.
- Catastrophic risk: CAT risks arise from extreme or irregular events that are not adequately reflected by mandatory capitals for premium and reserves risk. Therefore, it could be said that it is the risk of loss or adverse value changes of the liabilities derived from insurance, due to a notable uncertainty of the pricing hypotheses and constitution of provisions corresponding to extreme or exceptional events.

Underwriting Risk is included under the SCR Standard Formula calculation and entails 42.73% (44.77% in 2024) of the total SCR before diversification and taking into account the capacity of loss absorbing. The composition of the underwriting risk is detailed below:

2025



2024



The module with the greatest impact in 2025 is the one corresponding to the catastrophic risk, which represents 47.25% of the underwriting risk SCR before diversification (51.47% in 2024).

The most significant component of this module is the recession risk, which generates a capital load of 100% of the expected premium in the next 12 months after the mitigating effect of reinsurance agreements. This is followed by premium and reserve risk, which represents 49.01% (47.09% in 2024).

Exposure to lapse risk is residual at 3.74% of the underwriting risk SCR (1.44% in 2024).

C.1.2 Risk management and mitigation techniques

The Company minimises underwriting risk thanks to a number of measures:

- **Establish directives, limits, and exclusions in underwriting risk**:

  The Company establishes authorisation and exclusion limits for reducing undesired Underwriting Risk in its manual or policies, as well as the maximum acceptable exposure to specific risk concentrations.

- **Sufficient reserves or technical provisions set aside**:

  Claim handling and the sufficiency of technical provisions are basic principles of insurance company management. Technical provisions are calculated by the Company's actuarial teams and their amounts are validated by an independent third party not involved in the calculations. The establishment of technical provisions is regulated by specific policies.

- **Reinsurance utilization**:

  Solunion uses the reinsurance technique in order to balance the risk distribution contained in its portfolio and optimise its capital through: (i) an increase in its underwriting capacity and available capital, (ii) stabilisation of its financial results and reduction of its losses, (iii) and protection of its equity.

  At December 2025, the Company had reinsured 91.01% of its premiums and 89.25% of its technical provisions.

  At a minimum annual frequency, reinsurance management procedures are reviewed and updated if applicable in the Reinsurance Policy.

  Note that the Company´s Actuarial Area expresses its opinion about the Underwriting Policy, the sufficiency of the rates and the technical provisions, as well as the adequacy of the reinsurance coverages contracted in the Report issued with a minimum annual frequency.

  To mitigate catastrophic risk specific reinsurance coverage is contracted. Additionally, there are reports that define the catastrophic exposure to which the Company is exposed, to estimate the scope of losses should a catastrophic event occur. Catastrophic risk underwriting is done based on the above information, the economic capital available, as well as the reinsurance mitigation capacity contracted.

  Through its Reinsurance Area, the Company 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.

Once its reinsurance needs have been defined, the Company communicates them to the reinsurers to jointly plan the optimal structure and conditions for assignment contracts.

- **Setting a sufficient premium**:

  Premium sufficiency is of special importance, and its determination is supported by specifically designed IT applications, as well as by actuarial calculations.

C.1.3 Concentration

Solunion applies limits that allow it to control the level of concentration of underwriting risk and use reinsurance contracts in order to reduce the underwriting risk derived from concentrations or accumulations of guarantees that exceed the maximum acceptance levels.

The greater exposures to underwriting risk are derived from the man-made catastrophes in the credit and suretyship risk. To mitigate this risk specific supplementary reinsurance coverages are contracted.

C.1.4 Transfer of risk to special purpose entities

The Company does not transfer underwriting risks to special purpose entities.

C.2 Market Risk

C.2.1 Exposure to the risk

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

Solunion investment strategy is based on prudent policy and characterised by a high proportion of fixed-income securities with high credit ratings.

The following is a breakdown of the Company’s investments with exposure to Market risk:

	2025		2024	
Asset category	**Market value**	**Market value**	**Market value**	**Portfolio composition**
Real estate investments	**46**	**0.0%**	**46**	**0.02%**
Financial Investments	**237,824**	**100.0%**	**205,874**	**99.98%**
Fixed-income securities	182,892	76.9%	157,294	76.40%
Equity securities and investment funds	7,777	3.3%	5,469	2.66%
Holdings in Group companies	47,155	19.8%	43,111	20.94%
Total	**237,870**		**205,920**	

Data in thousands of euros

As of December 31st, 2025 99.98% (99.98% in 2024) of all Company investments were financial investments whose breakdown is reflected in the previous table.

The sub-models existing within the investment risk to which the Company is exposed are listed below:

- Equity risk: sensitivity of the value of the assets, liabilities, and financial instruments to changes in the level or the volatility in the value of the equity and participations in Group companies.

- Concentration risk: additional risks to which an insurance or reinsurance company is exposed as a consequence of a lack of asset portfolio diversification or significant exposure to noncompliance risk of a securities issuer or a group of connected issuers.

- Interest rate risk: sensitivity of the value of the assets, liabilities, and financial instruments to changes in the temporary structure of interest rates or the volatility of the interest rates.

- Spread risk: sensitivity of the value of the assets, liabilities, and financial instruments to changes in the level or the volatility of credit differentials with regard to the time structure of risk-free interest rates.

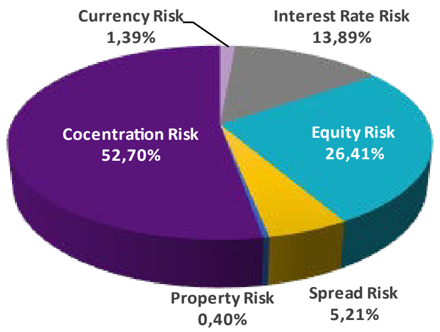
- Currency risk: sensitivity of the value of the assets, liabilities, and financial instruments to changes in the level or the volatility of the currency exchange rates.

- Property risk: sensitivity of the value of the assets, liabilities, and financial instruments to changes in the level or the volatility of the market prices of the real estate property.

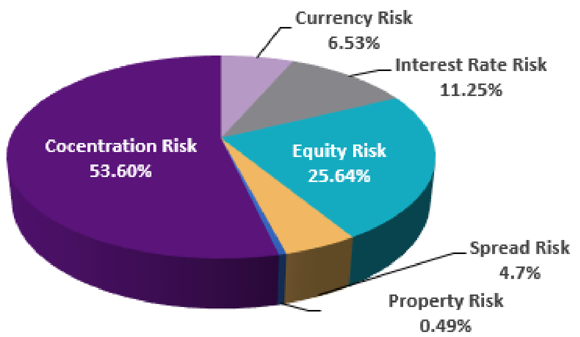
The SCR market risk entails 30.61% (30.78% in 2024) of the total SCR before diversification and taking into account the loss absorbing capacity.

The composition of the market risk is detailed below:

2025



2024



The assets and liabilities denominated in foreign currency as of December 31st, 2025 and 2024 are as shown below:

ASSETS	Euros		Dollars				TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024
Deposits other than cash equivalent assets	**1,328**	**907**	**4,599**	**3,335**	**-**	**-**	**5,927**	**4,242**
Reinsurance Share in Technical Provisions	**226,304**	**209,736**	**209,649**	**170,243**	**-**	**-**	**435,953**	**379,979**
Loans and receivables	**6,015**	**6,474**	**23,617**	**12,672**	**9**	**2**	**29,641**	**19,148**
Reinsurance Deposits Accepted	93	93	4,962	4,346	2	2	**5,057**	**4,441**
Credit for reinsurance operations	5,922	6,381	18,655	8,326	7	-	**24,584**	**14,707**
TOTAL ASSETS	**233,647**	**217,117**	**237,865**	**186,250**	**9**	**2**	**471,521**	**403,369**

LIABILITIES	Euros		Dollars				TOTAL	
	2025	2024	2025	2024	2025	2024	2024	2024
Reinsurance operation debts	**14,713**	**9,612**	**7,692**	**11,475**	**-**	**-**	**22,405**	**21,087**
Debts for reinsurance operations	94	94	5,030	4,527			**5,124**	**4,621**
Technical provisions for benefits	14,619	9,518	2,662	6,948			**17,281**	**16,466**
Reinsurance Deposits Ceded	**255,238**	**234,270**	**233,252**	**188,549**	**(15)**	**(15)**	**488,475**	**422,804**
TOTAL LIABILITIES	**269,951**	**243,882**	**240,944**	**200,024**	**(15)**	**(15)**	**510,880**	**443,891**

Data in thousands euros

C.2.2 Risk management and mitigation techniques

The main method Solunion uses to mitigate market risk is following the Principle of Prudence and it establishes certain concentration limits when making investments, i.e. Risk Appetite, which is defined by the Board of Directors.

The Investment Committee defines the investment limits applicable, checking that they meet the diversification and dispersion limits.

Additionally, for each risk sub-model:

- Share investments are subject to the maximum limit of the investment portfolio, and issuer limits.
- Spread and concentration risks are mitigated by the high proportion of fixed income securities with credit ratings classified as degree of investment, and through issuer diversification.
- The Investment Risk Management and Liquidity Risk Policy establish an asset exposure limit for currency coverage in order to minimise foreign currency risk. It also looks for a correlation between the currencies in which the assets and liabilities are denominated. There is a list of assets in which it is permitted to invest, others that are not permitted and others for which prior approval is required from the Investment Committee.
- The modified duration is an interest rate risk management variable, which is conditioned by the limits established and approved by the Board of Directors of the Company.

C.2.3 Concentration

The greatest concentration of investments is the European Public Debt.

C.3 Credit risk

C.3.1 Exposure to the risk

Credit Risk is the risk of loss or adverse modification of a financial situation arising from fluctuations in the solvency of values issuers, counterparties, and any other debtors to which insurance and reinsurance entities are exposed, materializing as counterparty non-compliance, differential, or market risk concentration.

Three types of credit risk exposures are distinguished:

a. Exposure to which reinsurers are exposed: counterparty risk is generated mainly because of Solunion's heightened exposure in reinsurance agreements. The exposure level of reinsurance recoverables is affected by the heightened level of transfer defined in the reinsurance structure. (Reinsurers)

b. Exposure to banks, savings banks, credit cooperatives, financial entities, and other similar entities. Their exposure to Credit Risk is measured by their economic value. (Financial entities)

c. Fixed income securities, derivative instruments, and other financial investments not considered fixed income. Its exposure to Credit Risk is measured at its economic value, once possible mitigating factors have been deducted. (Investments)

Credit Risk is included under the SCR Standard Formula calculation.

- Such as spread and concentration risk, under Market Risk in the section C.2.
- Such as credit risk or counterparty noncompliance. This module distinguishes between two types of exposure:
  - Type 1 exposure: in which entities generally have credit ratings and includes reinsurance contracts, SWAPS and cash in banks among others.
  - Type 2 exposure: includes accounts receivable from intermediaries, and policyholder debts, among others.

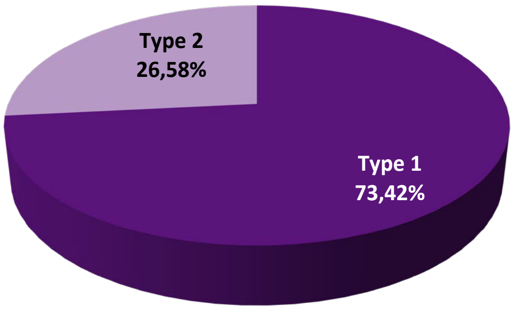
The following is a table reflecting the exposure to Credit Risk at December 31st, 2025 and 2024:

	2025	2024
Type 1 Expositions	412,264	405,543
Type 2 Expositions	33,377	10,042
TOTAL	445,641	415,585

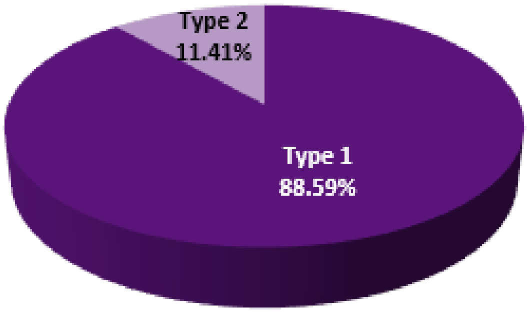
Data in thousands of euros

The Credit risk SCR represents 15.65% in 2025 (13.58% in 2024) of the total SCR before diversification and taking into account the loss absorbing capacity. The composition of the credit risk is detailed below:

2025



2024



C.3.2 Risk management and mitigation techniques

The policy followed for Credit risk management sets limits in line with the counterparty's or investment instrument's risk profile, as well as exposure limits related to the counterparty's rating. A risk exposure monitoring and notification system is also set up.

The Company's strategy for reinsurance counterparties is to cede the business to reinsurers with proven financial capacity. The transfer of Solunion is mainly directed to the reinsurers of the shareholders Allianz Trade and Mapfre and aims to benefit from its wide capacity and high credit quality.

The Company's Credit Risk investment policies are based on the application of criteria of prudence based on the issuer's solvency. Fixed-income investments are subjected to limits by the issuer and seek out geographic similarity between the issuers of assets and commitments.

The chief principles which must be met which inspire the management of the use of reinsurance and other risk-reduction techniques within the Company are:

- The principle of optimizing capital consumption.
- The principle of optimizing conditions.
- Counterparty solvency principle.
- The effective transferability of risk principle.
- The principle for matching risk transfer level.

C.3.3 Concentration

In relation to reinsurance, the highest concentration is found in reinsurers of the group.

C.4 Liquidity risk

C.4.1 Exposure to the risk

The Liquidity risk is the risk that the insurance and reinsurance companies might not be able to realise its investments and other assets in order to meet its financial obligations at expiration.

The liquidity risk is not included in the calculation of SCR standard formula. The exposure to liquidity risk is considered low, taking into account the prudent investment strategy included in the Investment Policy, which is characterized by a high proportion of fixed-income securities with high credit quality that are quoted in liquid markets. Additionally, liquidity risk in the face of extreme events is minimized with the use of reinsurance as a technique to reduce concentrations to underwriting risk and the selection of reinsurers with a high credit quality. However, in the current environment of uncertainty, appropriate management of this risk is even more necessary.

The Company has an Investment and Liquidity Risk Management Policy, which represent the framework of reference for handling Liquidity Risk. The Company's Policy is based on maintaining sufficient cash to cover any situations arising because of its commitments with policyholders and creditors.

At December 31st, 2025, the balance of cash and cash equivalents amounted to EUR 5,927 thousand (EUR 4,242 thousand in the previous year), which is equivalent to 2.43% of total investments and cash equivalents (2.02% in 2024).

Additionally, the majority of fixed-income investments have high credit ratings and are traded on organised a financial market, which grants a great deal of leeway for action in the face of potential liquidity tensions.

The Investment and Liquidity Risk Management Policy foresees the possibility at any moment of the need for large quality liquid amounts and forecasted cash entries sufficient to cover expected cash balances for the whole year.

C.4.2 Risk management and mitigation techniques

Liquidity risk is managed mainly by maintaining cash balances high enough to cover any incidence derived from the obligations facing the insurers and creditors, i.e. having a cash volume that, as a whole, ensures compliance with the limits established in the Investment and Liquidity Risk Management Policy.

Likewise, the Investment and Liquidity Risk Management Policies establish liquidity risk limits for the investment portfolio and the correlation with liabilities, with regard to the short-term nature of its technical liabilities as well as management of the foreign currency investment.

C.4.3 Concentration

No risk concentrations have been identified in relation to liquidity risk.

C.4.4 Expected benefits included in future premiums

In calculating the best estimate of technical provisions, the expected benefits included in future premiums have been taken into account (as a lower value of the best estimate in case of be positive or higher value in case of expected losses). At December 31st, 2025, the amount of these expected benefits was EUR 3,164 thousand, net of reinsurance.

C.5 Operational risk

C.5.1 Exposure to the risk

Operational Risk is the risk of loss arising from the inadequacy or errors in internal processes, personnel, systems, or external events.

Operational Risk is included under the SCR Standard Formula calculation. The Operational Risk model reflects those not previously included in the above modules. It includes legal risks, but not those arising from making strategic decisions, or reputational risk.

The Operational risk SCR represents 11.01% (10.87% in 2024) of the total SCR (before diversification). Below is a table reflecting the results based on earned premiums and technical provisions:

	2025	2024
Operational risk module	**12,671**	**11,639**
30% BSCR	23,344	21,892
Maximum premiums and provisions	9,995	9,482
Accrued premiums risk	12,671	11,639
Technical provisions risk	12,671	11,639

Data in thousands of euros

The most critical inherent operational risks to which Solunion is exposed are included in the Annual Report on Internal Control Effectiveness.

C.5.2 Risk management and mitigation techniques

The identification and evaluation of operational risks and business processes are managed by the Solunion's Risk Management an Internal Control area, which creates Risk Maps for the Company, in which analyses on the importance and probability of occurrence of different risks are performed. The analysis is carried out through a computer platform dedicated to the evaluation, identification and monitoring of the risks that exist in the whole business.

This Risk Map is also used for handling control activities (process manuals, inventories of risk-associated controls, and the evaluation of their effectiveness), as well as corrective measures established to mitigate/reduce risks and/or the control environment.

The operational risk management model is based on a qualitative dynamic analysis of the Company's processes, so that each area/department manager identifies and evaluates the potential risks affecting business processes behind the scenes. Management Planning and Control, Management Risk Function, Strategic Marketing, Development of Products, Operational Marketing, Commercial Underwriting, Underwriting of Risks, Policy Administration, Claims, Claims and Collections Administration, Collections, Reinsurance, Technical Provisions, Investments, Quality and Service, People Organisation, Sustainability, Procurement and Strategy, Customer Balance Management, Legal, Compliance, Communication, Technology and Systems and Security.

This analysis considers the self-assessment of risks, the documentation of manuals of internal controls in which the controls associated with risks are identified, the evaluation of the effectiveness of the controls and the management of corrective measures established to mitigate or reduce the risks and / or improve the control environment.

C.5.3 Concentration

No risk concentrations have been identified in relation to operational 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 Corporate Risk Management and Internal Control area promotes among the areas the identification of the material risks that could affect the Company's performance throughout the period contemplated in its business plan.

- **Macroeconomic environment:**

The current macroeconomic environment is characterised by moderate global growth and a high level of uncertainty. Inflation is beginning to stabilise, approaching the targets of the main central banks, which is allowing monetary policy to become more flexible. However, growth remains insufficient to offset the negative impacts of recent years.

Among the main macroeconomic risks are high global debt, persistent inflation and geopolitical tensions. Debt sustainability is a concern, particularly in a context of more restrictive monetary policies and foreseeable unexpected public spending needs—such as defence—which may affect both public deficits and debt levels. Geopolitical tensions, such as the war in Ukraine and trade disputes arising from tariff policies, also represent significant risks.

The situation of insurance undertakings may be affected by the above. Monetary easing could translate into a boost to the real economy, enabling growth in insurance activity. However, geopolitical and trade uncertainty could generate inflationary pressures, as well as tensions in investments and exchange rates. To mitigate this situation,

Solunion applies prudent risk selection and pricing, together with an investment policy characterised by a significant proportion of fixed-income assets whose returns are linked to local inflation or to the official interest rate set by central banks. This allows the Group to maintain sufficient resources to meet policyholder obligations even in scenarios of unforeseen inflation.

- **Socio-political and geopolitical risks**

In recent years, geopolitical tensions have increased. Russia’s invasion of Ukraine, tensions arising from changes in trade policies, the conflict between Israel and Palestine, and the rise in cyberattacks are examples of this.

Geopolitical tensions affect international trade (for example, due to energy dependence on unreliable third countries or excessive concentration of production), economic conditions, financial fragmentation and capital flows, which may lead to a decline in the valuation of financial assets and in insurance activity in the affected geographical areas.

Other factors negatively impacting the sociopolitical environment include the rise of disinformation and false information. Their improper use can distort electoral processes, enable governments and political parties to monopolise public discourse, and increase social polarisation.

In addition, the increase in social inequalities and economic disparities between countries are phenomena that influence sociopolitical risk. In recent years, these have been exacerbated by climate crises (which cause investment losses, widen economic gaps between nations, and affect both countries' economic stability and citizens' quality of life) and by the orientation of medical research towards more privileged groups (perpetuating inequalities, as only part of the population benefits from advances in early-diagnosis medical and technological developments).

It cannot be ruled out that insurance activity and the valuation of the financial investments backing it may be affected by the above. A prudent selection of investments, focused on countries where risks are underwritten, together with efficient management of capital surpluses, are appropriate tools that help mitigate the financial effects of these risks.

- **Cybersecurity risk**

Cybersecurity risk is the risk relating to the threats inherent in the use and application of information and communication technologies which, if manifested, may compromise the confidentiality, integrity and availability of information and systems.

Solunion develops security management in conjunction with Mapfre's Corporate Security Directorate. As of the date of this Report, Solunion has not recorded any significant information security incidents.

The Company's Security Management continuously monitors the measures implemented to mitigate these risks and reminds its employees to follow good security practices.

Solunion has taken out a Cyber Risk Insurance Policy to cover claims arising from cybersecurity incidents, privacy breaches and cyber extortion.

- **Technical Provisions risk:**

The Constitution of Technical Provisions is made considering the best estimated assessment, as is required under the Solvency II framework.

The Group Actuarial Function is in charge of the constitution reserves risk management as established the Actuarial Function Policy and the establishment of Technical Provisions Policy and the Reserves Committee ensures compliance with it.

The sufficiency of technical provisions is one of the fundamental factors to maintain Solunion's solvency and the basis for meeting the obligations acquired with the policyholders.

To guarantee and meet the sufficiency level of the provisions, there must be a monitoring system that guarantees reliability of the process for establishing technical provisions.

The Actuarial Area coordinates the calculations and guarantees sufficiency of provisions. Therefore, it is responsible for overseeing risk management for insufficient reserves.

In addition, the calculations are subject to independent review on at least an annual basis.

- **Business Continuity risk:**

The Business Continuity risk is the one that Solunion assets support due to the possibility that future events may lead to adverse to meeting the financial and business goals, or the Group's financial situation.

This risk is discussed in the Business Continuity Policy, the purpose of which is to define the processes to follow before, during and after an incident that causes or can cause interruption in Company operations so as to reduce the impact on the business to a minimum.

To handle this risk, business continuity plans are developed, which include a sufficient set of procedures to adequately respond, from the moment in which the disaster is reported until return to normalcy. For this, the areas, internal departments, suppliers and services of the Company are taken into account and must be updated and revised continuously to include possible significant changes.

- **Compliance risk:**

Risk that Solunion may suffer legal or regulatory sanctions, material financial losses or reputational losses due to non-compliance with general and regulatory regulations and the internal rules and regulations set out in the Code of Ethics and Conduct.

Monitoring Compliance risk allows us to verify if the risk mitigation activities are working properly and identify new risks that affect compliance.

Compliance incidents are defined as events that could have a material financial or reputational impact on the Group.

The business processes report to the Group's Head of Compliance any indication of the existence of a compliance incident and provide updated information on the status until it is resolved.

- **Reputational risk:**

Key risk that affects to the Company reputation, bearing in mind the expectations of the interest groups and the market sensitivity.

The following measures are carried out to mitigate the risk:

- In all areas of activity of Solunion, continue promoting ethical and socially responsible behaviour to reflect the principles that guide the actions of all employees, brokers and suppliers.
- Involve all employees, brokers and suppliers in the importance of preserving the Company's good image.
- Keep the crisis and reputational risk management procedures up to date.

- **Sustainability risk:**

Sustainability risk is defined as any condition or event arising from non-financial, environmental, social or corporate governance factors (ESG factors) that, if they occur, could have an impact on the Company's activity, on the value of the investment or on the value of the liability. This risk is regulated in the Social Responsibility and Sustainability Policy and is monitored by the Safety and Environment and Social Responsibility and Sustainability Committees.

In this line, the actions carried out in 2025 focused in:

In the insurance business:

- Collaboration and transparency between insured and insurer to facilitate better risk assessment and pricing.
- Updating and revising underwriting policies that already included the incorporation of environmental, social and governance criteria in business strategy decision-making to make them more restrictive and better regulate the scaling-up process.
    - Underwriting restrictions in the coal and oil industries, and comprehensive analysis of operations in Metals and Mining, Oil and Gas, Utilities (Electricity, Water, Gas, Public Services), Construction and Engineering, Pharmaceuticals and Biotechnology, Agriculture, Livestock and Fisheries, Food and Beverages, Forestry and Pulp and Paper, Human Rights, Defence, Prohibited Weapons, weapons in high-tension areas, sanctions and taxation.
    - Underwriting of individual coal-fired power plant and coal mine operations is not accepted.
- Inclusion of ex post ESG and reputational controls in risk underwriting.

Own operations:

- Assessment according with materiality of our adverse impacts to contribute to their mitigation.
- Assessment according to the materiality of our positive impacts to contribute to their maximisation.
- Prevention and Compliance Measures in the area of Human Rights.
- Monitoring of Sustainability Master Plan 2022-2025.
- Inclusion of ESG criteria in our investments.

- Design and approval of the 2026–2027 Sustainability Master Plan.

C.7 Any other information

C.7.1 The most significant concentrations of risk.

Solunion applies a system of procedures and limits enabling it to control the degree of concentration of insurance risk. The Company employs reinsurance contracts to reduce insurance risk arising from the concentration or accumulation of guarantees well over maximum acceptance limits.

In relation to market risk, the Company applies the limits established in the Investment Policy, which ensures sufficient diversification by issuer, country, and activity sectors.

There are no future concentrations of risk expected during the activity-planning period apart from the aforementioned.

C.7.2 Sensitivity analysis

The purpose of the sensitivity scenarios is to analyze the impact on the solvency ratio of changes in the risk profile. To analyze its impact in terms of the solvency ratio, the sensitivities are performed in both directions, that is, by increasing and decreasing the exposure to risk.

The method used to obtain the results consists of:

- Establish a starting situation related to the economic balance, capital required solvency (SCR) and solvency ratio, at a given date.
- Select the initial variables that would be affected by the application of stressed hypotheses that have been defined for the different tests or scenarios.
- Determine the final effect on the solvency of the Company, through the new values of the affected variables.

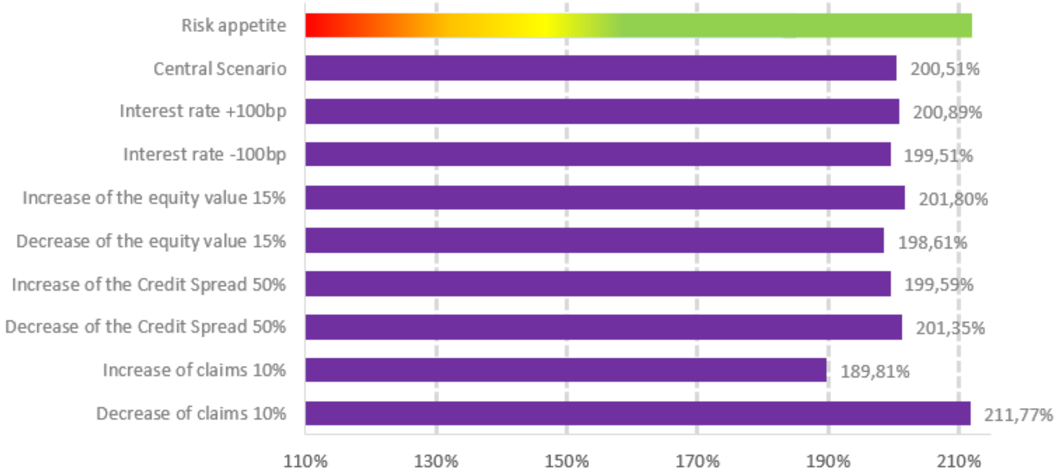
Eight sensitivity scenarios involving movements in both the Company's balance sheet and the calculation parameters have been proposed. These movements are summarized in:

- *Effect on interest rates*: variations in interest rates imply changes in the valuation of assets and liabilities. A rise of the curve will imply a decrease of the value of the asset but also of the obligations of the Company, which in this case, are the technical provisions.

- *Effects on the valuation of the equity*: it supposes an increase and decrease of its valuation in the balance sheet of the Company and consequently, of the requirements of capital by equity risk.

- *Effect of variations in the credit spread:* it implies variations in the shock applied in the calculation of spread risk and consequently the capital requirements for this risk.

- *Effects on claims*, these variations suppose variations in the value of the gross and ceded technical provisions.



The sensitivities with the greatest impact in terms of eligible capital and capital consumption for the Company are the following:

- Increase of claims: this sensitivity leads to a decrease in the results of the results of the Company while at the same time increases the volume of technical provisions. These impacts are a decrease in the permissible own funds which, together with higher capital consumption, negatively impact on the solvency ratio.
- Decrease of equity: the structure of the company's portfolio of assets, with a great weight of the value of the participations in the group's companies, makes that any change in its valuation have a direct impact on its own funds and on the consumption of capital in market risk (in particular, equity risk and concentration risk).

Included in the annual ORSA process, a sensitivity study is conducted in terms of risk exposure and capital requirements as of the closing date of exercise. This annual procedure reflects the impact on the solvency ratio, if the fundamental risk parameters had changed.

C.7.3 Other matters

Off-balance-sheet positions

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

Transfer of risk to special-purpose entities

The Company does not transfer risk to special-purpose entities.

D. Valuation for Solvency Purposes

D.1. Assets

Information on asset valuation

This heading includes a description, for every type of asset, of methods and main hypotheses used for both valuations for the purposes of Solvency II and for the purposes of the financial statements. In the event that there were significant differences among the bases, methods and main valuation hypotheses of both balances, a quantitative and a qualitative explanation will be provided for them.

The valuation of the majority of the assets is based on the fair value in accordance with the delegated regulation. The determination of the fair value of the financial and non-financial instruments is carried out with the valuation methodology described in article 75 and the following of the Delegated Regulation 2015/35 and articles 9 and 10.

It is important to consider that the model balance sheet as of December 31st, 2025, presented is adjusted to Solvency II regulations, and therefore it was necessary to reclassify the heading included under "Accounting value" since each model structures its balance sheet differently. Thus, under certain headings differences in classification arose between the data included in the financial statements and those reflected under "Accounting value."

The valuation of each category of tangible assets is described below. The figures correspond to the balance sheet at the end of 2025 that has been reported in template S.02.01.02 of the Appendix.

	2025		
	Accounting Value	**Valuation changes**	**Solvency II Value**
Goodwill	**0**	**-**	**0**
Deferred acquisition costs	**20,863**	**(20,863)**	**0**
Intangible assets	**119**	**(119)**	**0**
Deferred tax assets	**7,102**	**15,847**	**22,949**
Assets and rights to reimbursement for long-term remuneration to the personnel	**3,757**	**-**	**3,757**
Property, plant & equipment held for own use	**881**	**15**	**896**
Investments (other than assets that are held for "index-linked" and "unit-linked" funds)	**232,239**	**5,585**	**237,824**
Property (other than for own use)	-	-	-
Participations	43,270	**3,885**	47,155
Bonds	181,192	**1,700**	182,892
Public debt	117,238	**1,100**	118,338
Private debt	63,954	**600**	64,554
Investment Funds	7,777	**-**	7,777
Insurance other than life insurance, and health similar to insurance other than life insurance	**435,953**	**(57,703)**	**378,250**

	2025		
	Accounting Value	**Valuation changes**	**Solvency II Value**
Accepted reinsurance deposits	**5,057**	**-**	**5,057**
Credits for direct insurance and coinsurance operations	**46,580**	**(37,707)**	**8,873**
Reinsurance operation credits	**24,584**	**20,050**	**44,634**
Other credits	**2,816**	**-**	**2,816**
Cash and cash equivalents	**5,927**	**-**	**5,927**
Any other assets, not elsewhere shown	**1,581**	**(1,577)**	**4**
TOTAL ASSETS	**787,459**	**(76,472)**	**710,987**

Data in thousands of euros

The following are the valuations of significant assets for Solvency II purposes, as well as the qualitative explanations of the main valuation differences between the Solvency II criteria and those used for the preparation of the Annual Accounts as of December 31st, 2025. The valuation corresponding to those headings that do not present differences between the criteria established in the Accounting Regulation and Solvency II are detailed in the Annual Accounts of the Company as of December 31st, 2025.

D.1.1. Goodwill

In accordance with Solvency II criteria, goodwill was valued at zero, in accordance with Article 12 of Delegated Regulation 2015/35. Unlike under the Solvency II regulation, according to the Accounting Plan for Insurance Companies, goodwill is value at its cost adjusted in line with accumulated amortisation and any possible impairment. The above goodwill represents the excess amount paid during a business combination for the fair value of identifiable assets acquired and the liabilities and contingencies assumed.

D.1.2. Deferred acquisition costs

For purposes related to the Solvency II balance sheet, “Deferred acquisition costs” are presented at 0 value, since the cash flows considered during the valuation of the technical provisions includes the total amount of expenses associated to the evaluated insurance contracts, including those arising from acquisition costs. On the contrary, in the presentation that is made in the regulation applicable to the Balance sheet under PCEA are disaggregated in this heading.

D.1.3. Intangible assets

As regards the Solvency II balance sheet, recognition of intangible assets unrelated to goodwill must be recognised at a value other than 0 only if they may be sold separately, and the Company may demonstrate the existence of a market value for the same or similar assets.

The Company recognises software under this heading, as well as, the agreement signed with Mapfre Global Risks, Compañía Internacional de Seguros y Reaseguros, S.A. in the month of December 2017, under which it undertakes to develop the necessary actions to ensure that its clients of the Suretyship line of business subscribe new insurance policies with Solunion as of January 1st, 2018, thus leaving Mapfre Global Risks operate in the Suretyship line of business.

Due to a reorganization of the Mapfre Group carried out through a structural modification operation through the complete spin-off of Mapfre Global Risks (Order ECE/328/2019, of March 6th), the rights derived from said agreement have been assumed by MAPFRE España Compañía de Seguros y Reaseguros, Sociedad Anónima at the end of 2025, the amount of this intangible assets reduced by its accumulated amortization is EUR 119 thousand.

For this heading, which it considers does not meet the conditions established in the above Solvency regulations for market value recognition, and therefore they are presented at a zero value.

Under PCEA guidelines, intangible assets are measured at cost less their accumulated amortisation and, where applicable, less the possible impairment, as opposed to the abovementioned Solvency II criteria.

D.1.4. Deferred tax assets

According to the Solvency II regulations, the deferred taxes corresponding to all the assets and liabilities that are recognized for tax or Solvency purposes are recognized and valued. Deferred taxes are measured under Solvency II as the difference between the values assigned to assets and liabilities for solvency purposes, and their assigned values as recognised and valued for tax purposes.

The Company has recognised deferred tax assets with an accounting value of EUR 7,102 thousand in 2025, whereas in the Solvency II economic balance sheet the amount is EUR 22,949 thousand.

In accounting terms, deferred taxes correspond to the temporary differences that arise as a result of the differences between the tax valuation of assets and liabilities and their book values.

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

Deferred tax liabilities Solvency II	Value
Deferred acquisition costs	5,216
Intangible assets	30
Credits for direct insurance and co-insurance operations	9,427
Risk Margin	1,174
TOTAL	**15,847**

Data in thousands of euros

The deferred tax assets generated from the best estimate of the ceded technical provisions, amounting to 14,426 thousand euros, and those generated from the accrued interest on investments, amounting to 394 thousand euros, are presented netted within the liability item “Deferred tax liabilities” (section D.3.4).

D.1.5. Pension benefit surplus

The Company does not have a surplus resulting from long-term remuneration to the personnel.

D.1.6. Property, plant & equipment for own use

In accordance with Solvency II criteria, property, plant & equipment held for own use must be measured at fair value. For the purposes of determining the fair value of property for own use, the market value is taken to be the value of the appraisals carried out periodically by authorised independent valuers, as established by the supervisory bodies. All other items of property, plant and equipment other than buildings are measured at acquisition cost adjusted for accumulated depreciation and, where applicable, the accumulated amount of any impairment losses.

Under PCEA regulations, property, plant, and equipment for own use is recognised at acquisition or production cost, corrected by the accumulated amortisation, and where applicable, the accumulated amount of impairment losses.

Under the IFRS 16 leases standard, which came into force in January 2019, there is a significant change in the measurement criteria for assets and liabilities in the economic balance sheet to reflect the impact of the application of this standard.

In this regard, this item does not present any valuation differences. The valuation difference between the Solvency II criteria and the PCEA has arisen from the recognition of a higher value of the real estate assets on the Solvency II Balance Sheet, amounting to 15 thousand euros. This estimate is based on appraisal reports prepared by independent experts. In total, the amount is 896 thousand euros in the Economic Balance Sheet and 881 thousand euros in the Statutory Balance Sheet.

D.1.7. 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 standard 13 “Fair Value Measurement”.

IFRS 13 defines fair value as the price received in exchange for an asset or paid for transferring a liability during an orderly transaction between market participants at the valuation date. In a fair value valuation, the transaction should take place in the main asset or liability’s market, and where this does not exist, in the most advantageous market. Valuation techniques appropriate to the circumstances for which there is sufficient data to conduct a fair value measurement must be used, maximizing the use of relevant observable variables while minimizing the use of variables which cannot be observed.

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 data, or listed prices for instruments which are similar to those being appraised, or other valuation techniques in which all the significant variables are based on observable market data; Level 3 uses specific variables for each case. Nonetheless, it must stress the slight relevance of assets included in the last level.

Although the observable market transactions or information may not be available for all assets and liabilities, in any case the purpose 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 this heading, and based on the Solvency II balance sheet, the following investments are included:

D.1.7.1 ***Property (other than for own use)***

Solunion does not hold any real estate assets other than those intended for its own use.

D.1.7.2 <u>Shares in related companies</u>

In accordance with Article 212 of the Solvency II directive of the ROSSEAR, all affiliated companies that are either subsidiaries or have a participation or a relationship that could be considered a dominant or significant influence have been considered as subsidiaries.

Wherever possible, participations in related undertakings 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 participations and subsidiaries were valued using the adjusted equity method, considering the solvency valuation specifics indicated for each investment or subsidiary.

Under PCEA, participations in related party equity are valued at cost, and where applicable, at the accumulated amount of impairment losses. As a result of the difference in the valuation criteria of these shares, an increase was revealed in the valuation of participations on the Solvency II balance sheet in the amount of EUR 3.885 thousand, vs. PCEA stipulations.

D.1.7.3 ***<u>Bonds and obligations</u>***

Bonds are classified as follows:

- Public debt:

  This sub-category includes those issued by central governments or organs forming part of a government structure. This includes instruments issued by autonomous or local administrations in European Union member states, which are considered similar to the debt instruments issued by their central governments.

- Private debt:

  Within this subcategory have been included those emissions made by institutions that cannot be included in the category of government issuers,

Bonds are valued at fair value or amortised cost depending on the category in which they were designated according to PCEA / IAS 39. It will be necessary to recalculate the public and private debt items valued at amortized cost to adjust them to their fair value. On the other hand, they will be valued at fair value for the purposes of the Solvency II financial balance sheet, regardless of the accounting portfolio in which they are classified.

In the financial statements of the Company, investments are included under the heading “Financial assets available for sale” whose valuation differs in value by the amount of EUR 1,700 thousand, which have been disclosed and are due to the accrual of the deferred interest.

D.1.8. Reinsurance recoverables

In the Solvency II Economic Balance Sheet, the calculation of the reinsurance recoverables amounts is in accordance with the calculation of the technical provisions for the direct business, which means that these amounts will be recorded at their best estimate, considering additionally the temporary difference between recoveries and direct payments, as well as the expected losses due to non-compliance of the counterparty.

When determining the value of the amounts to be recovered from reinsurance from the amounts considered in the technical provisions, the following aspects have been considered:

- The expected value of potential reinsurance default based on its credit quality and the time horizon of the expected payment patterns.

- Expected reinsurance collection patterns based on historic experience.

The recoverable amounts of reinsurance contracts are calculated consistently with the limits of the underlying covered contracts, and treaty by treaty without taking into account approximations.

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

The classification among the different reinsurance businesses and the development of reinsurance claims are based on the hypotheses and assumptions made for direct insurance and accepted reinsurance regarding the technical provisions.

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

- Development of direct and accepted reinsurance business claims, to which reinsurance contracts are linked.

- Possibility of facing the future payments that the reinsurer has.

- Reinsurance payment pattern.

The estimate of the reinsurance amounts includes an adjustment for the probability of default of the reinsurers, to reflect the expected losses. This adjustment has very little impact due to the creditworthiness of Solunion's reinsurers.

Under PCEA, technical provisions for cessions to reinsurers are listed under assets on the balance sheet, and are calculated in accordance with the reinsurance contracts written and using the same criteria applied to direct business accepted reinsurance to be addressed later in this report

D.1.9. Deposits to cedants

In the Solvency II balance sheet, the value of the potential recovery of deposits held by grantors is directly linked to estimations and projections for future cash flows, which might be subject to a number of factors of uncertainly, which are mainly the following:

- The possibility of facing the future payments that the transferor has.

- Historic experience on the effective time horizon of these recoveries, as well as the possibility of offsetting these balances with totally different ones, generated by other types of transactions or contracts.

PCEA and Solvency II valuations coincide; therefore, there were no valuation differences.

D.1.10. Insurance and intermediaries receivables

In accordance with the criteria of Solvency II economic balance sheet, when determining the value of Loans with policyholders and intermediaries, the time effect implicit in the loans is irrelevant. The obligatory estimates of possible loan default with insurers related to bills pending payment are considered to correctly reflect their economic value, which only include rights related to invoices effectively issued and presented for collection.

As outlined in the section D.2 covering Technical Provisions, future cash flows from invoices pending issue corresponding to insurance obligations within the limits of the contractual framework are considered as part of the calculation of technical provisions. Thus, the calculation of the Best Estimate of Liabilities (BEL) already takes into account the incoming cash flows, and the instalment premium receipts are removed from 'Credits from direct insurance and coinsurance operations.

The valuation differences between the Solvency II criteria and those established under PCEA regulations arise from the existence of policies with instalment premium payments. Under PCEA, the Provision for Unearned Premiums is determined, and an asset is recognised for the outstanding instalment premiums receivable.

D.1.11. Reinsurance receivables

This heading includes loans arising as a result of reinsurance ceded transactions.

In the Solvency II economic balance sheet, when determining the value of amounts receivable from reinsurance transactions, the expected value of potential default by the reinsurer is considered, based on its credit quality and the time horizon of the recoveries.

The value of potential reinsurance collections is directly linked to estimates and projections for future cash flows which might be subject to a number of factors of uncertainly, which are mainly related to the possibility of meeting the counterparty's future payment commitments.

PCEA and Solvency II valuations coincide; therefore, there were no valuation differences.

D.1.12. Receivables (trade, not insurance)

This heading records commercial loans that are not due to insurance transactions and therefore have not been contemplated in the previous sections, for the purposes of the economic balance of Solvency II they have been valued taking into account their fair value.

PCEA and Solvency II valuations coincide; therefore, there were no valuation differences.

D.1.13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits in current accounts, deposits held at call with banks, and other short-term highly liquid investments which are easily convertible in certain cash amounts, whose value is subject to insignificant risk of change.

In the Solvency II Economic Balance Sheet, cash has been valued in accordance with IFRS, which is the methodology that by default establishes for this heading the valuation methodology for the purposes of Solvency II.

PCEA and Solvency II valuations coincide; therefore, there were no valuation differences.

D.1.14. Any other assets, not elsewhere shown

The item "Other assets, not included in other items" collects those assets not collected in other preceding sections and has been valued according to the IFRS at fair value.

Due to the varied nature of this line, below you will find a list of the assets that have been grouped together in this item:

- Commissions and other granted accrued reinsurance expenses are contemplated during the valuation of technical provisions, as they include the entirety of the associated expenses.
- Other: depending on the nature of the assets, they may need to be revalued at market value.

D.1.15. Additional information

There is no other additional information to be highlighted.

D.2. Technical provisions

Information on technical provision valuation

Following are the technical provision valuations using Solvency II criteria (hereinafter, "Solvency II Provisions"), including qualitative explanations for the main differences arising from their valuations using Solvency II and those used in preparing the financial statements based on the PCEA, as well as the ROSSEAR, which establishes the applicable criteria to be applied (hereinafter, "Accounting provisions" - under "Accounting value") at 31st December 2025.

	2025		
	Accounting Value	**Valuation changes**	**Solvency II Value**
Technical provisions calculated as a whole	-	-	-
Best Estimate (BE)	-	-	422,372
Risk margin (RM)	-	-	4,697
Other technical provisions	-	-	-
TOTAL TECHNICAL PROVISIONS	488,474	(61,405)	427,069

Data in thousands of euros

As mentioned above, Solunion is an insurance and reinsurance Company that operates in the Credit and Suretyship line of business.

In general terms, the main difference between the two valuation methods is the criteria framework under which each regulation falls. While under Solvency II technical provisions are measured using market economic criteria, for financial statements, annual technical provisions are calculated based on accounting standards. The most significant differences were as follows:

With regard to the valuation of technical provisions, the Company, following the PCEA, establishes its accounting provisions according to ROSSEAR.

Under Solvency II, following Directive 2009/138/CE and the ROSSEAR articles on the valuation of provisions for solvency purposes, the value of technical provisions for Non-Life insurance is determined using two procedures:

- Technical provisions calculated as a total: this methodology is applied when future cash flows associated to insurance obligations may be replicated using financial instruments with a directly observable market value.

  In this case, the value of technical provisions coincides with the market value of these financial products used for replicating future cash flows; it is unnecessary to make a determination between best estimate and risk margin.

- For all other cases, the technical provisions are calculated as the sum of two parts: the best estimate plus the risk margin.

In the case of Solunion, the technical provisions of the insurance that use Non-Life techniques are obtained as the sum of the best estimate and the risk margin.

D.2.1. Best estimate and risk margin

Best estimate

The best estimate of the (*Best Estimate Liabilities*, hereafter BEL) commitments of the Non-Life business will be calculated separately from pending claim Provision and premium Provision.

a) Best estimate of the pending claims provision

Provision of claims refers to the projection of claims flows that occurred prior to the valuation date, whether or not they were declared. Future flows should include payments for claims and administration expenses related to said claims.

Reserves are provided both in gross and transferred and are separated by currency.

The best estimate for the pending claims Provision is based on the following principles:

- This corresponds to claims taking place prior to the valuation date, regardless of whether they have been declared or not.
- It is calculated by the current value of expected future cash flows associated to 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 contemplate the expected losses arising from non-payment.
- 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 difference between the final cost of claims and effective payments made, net of their potential recovery or collection.

The Provision for pending claims calculated for use in the financial statements include: the Provision for claims pending settlement and payment; the Provision for claims pending declaration; and the Provision for internal claim settlement expenses.

The Provision for settling pending claims is calculated using statistical methods and therefore includes claims pending settlement or payment, as well as those not yet declared.

The above statistical calculation meets the requirements established in prevailing legislation (Article 43 of ROSSP). Regarding the Provision for internal expenses arising from settlement of claims, the calculation is based on applying methodologies which permit the best possible quantification of this type of risk.

We conclude that the calculation of the best estimate of claims pending Provision based on Solvency II criteria present the following differences with respect to claims Provisions calculate based on financial statement requirements:

- While under Solvency II technical provisions are measured using market economic criteria, for financial statements, annual technical provisions are calculated based on accounting standards.
- The consideration of all cash flow sources.
- The credit risk adjustment to recoverable reinsurance amounts.
- The financial discount of cash flows.

b) <u>Best estimate of the premiums Provision</u>

The Premium provision refers to the projection of the flows of losses that will occur after the valuation date during the period of time up to expiry of the contract. The future flows must include future flows due to losses, administration expenses associated with those losses, administration expenses of management of the policies, future premiums deriving from current policies.

The best estimate for the premium Provision is based on the following principles:

- It corresponds to future claims, or those which take place subsequent to the valuation date, corresponding to the remaining claim coverage period.
- This is calculated as the current value of expected cash flows associated to the portfolio in force, 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 considers the time value of money based on the consideration of the claim inflows and outflows.

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

- Current portfolio, that includes the following headings:
  - Expected loss ratio. Two methodologies may be used to calculate the current value of benefits payments:
    - The frequency and average cost method: claims are calculated as the result of exposure based on frequency hypotheses and final average costs.

  - Loss ratio method: the expected loss ratio arising from applying the final claim ratio to gross PPNC acquisition expenses.

- The expenses attributable to the current portfolio: acquisition (without commissions), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

- Premiums pending collection corresponding to in-force policies as of the valuation date.

- Future business that includes the following headings:

  - Premiums corresponding to policies which have not yet been renewed but include company commitments to renew (this is the case for tacit renewals or those for pluri-annual policies with annual guaranteed premium payments). For this calculation, the future behaviour of policyholders is applied with a prudent assumption that the in force portfolio is maintained in the future with an estimated probability of cancellation equal to zero.

  - Expected claims corresponding to future premiums using the same methodologies for claims in force may be used.

  - The expenses attributable to future premiums (charged expense-to-premium ratio applying future premiums): acquisition expenses (including commissions), administration, chargeable to services expenses, investment expenses, as well as other technical expenses.

In calculating the best estimate of the technical provisions for the Credit line of business, the expected benefits included in the future premiums have not been taken into account (as a lower value of the best estimate in case of be positive or higher value in case of losses expected). The Company does not consider future business due to its business characteristics, since nearly all its portfolio should be subject to a detailed analyses of the risk limits granted under the contact.

In the calculating of the best estimate for the Suretyship line of business of the technical provisions, the expected benefits included in future premiums have been taken into account (as a lower value of the best estimate in case of be positive or higher value in case of expected losses). At December 31st, 2025, the amount of these expected benefits was EUR 1,232 thousand, gross of reinsurance.

Under PCEA, this provision is recognised under the unused premium Provision, which is calculated on a policy-by-policy basis, reflecting the tariff premium earned during the year which may be charged to future years, deducting the security surcharge, in accordance with the Spanish regulation, and complemented by the prevailing risk provision calculated segment-by-segment, where applicable. This provision supplements the unearned premium reserve for the amount that the latter does not reflect the valuation of risks and expenses to be covered for the coverage period that has not yet elapsed at the closing date. It is calculated in accordance with the Spanish regulation.

Contract limits

As outlined in the Solvency II Directive, in order to consider the future premiums established in the contracts when calculating the best estimate, it is necessary to take into account the limits of the contracts.

The obligations arising from the contract, including those which correspond to the insurance or reinsurance company's unilateral right to renew or increase its limits and corresponding premiums, will be included in its text, except for:

- Commitments provided by the Company after the date during which it has the unilateral right to:
  - Cancel the contract.
  - Reject premiums payable related to the contract.
  - Modify its premiums or services 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 which have already been paid, unless the policyholder may be forced to pay future premiums, and as long as the Contract:
  - Does not establish an indemnity for a specific undetermined event which may adversely affect the reinsured party.
  - Does not include a financial guarantee for coverage provided.

As a conclusion, it can be indicated that the best estimate of the premiums Provision calculated according to the criteria established in Solvency II presents the following differences with respect to the premiums Provision as required on the Annual Accounts:

- The application of the concept of contractual limits, which involves the consideration of future business. Under the PCEA, future premiums must be taken into account if they contemplate the corresponding technical note.
- The consideration of all cash flow sources. In general, under Solvency II, the premium Provisions for profitable products included in a portfolio in force are less than the Provision for unearned premiums (PPNC) reflected on financial statements. In cases of premium inadequacy, the premium provision will be comparable to the PPNC plus the prevailing risk provision (without taking the discount effect into account). For future business, the Solvency II premium Provision for profitable products will be negative.
- The credit risk adjustment to recoverable reinsurance amounts.
- The financial discount of cash flows.

Risk margin

This is a part of the technical provisions used for guaranteeing that the value of the provisions equals the amount that the Company would need to cover and meet the insurance and reinsurance commitments.

The risk margin conceptually equals the cost of providing a quantity of eligible own Funds equal to the SCR needed to support the commitments by insurances throughout its terms and until its final settlement. To calculate the risk margin, the hypothesis of transferring the best estimate for the Company's current business to a theoretical insurance agency known as reference unit (hereafter RU) the SCR of which is called SCR_{RU}.

The rate used to determine the cost of providing this amount of eligible own funds is called the capital cost rate. Solunion has used the 6 percent rate set by the Delegated Regulation of the European Commission 2015/25.

There are several simplifications for calculating the risk margin:

- Level 1: details how to approximate the underwriting, counterparty, and market risks.
- Level 2: it is based on the hypothesis that the future solvency capital requirements are proportional to the "best estimate" of the technical provisions for the year in question.
- Level 3: consists of using the modified duration of the liabilities to calculate the current Solvency Capital Requirements and all futures in a single step.
- Level 4: calculates the risk margin as a percentage of the best estimate of the net technical provisions for reinsurance.

Solunion calculates the risk margin with the methodology described as Level 2.

Degree of uncertainty regarding to the amount of technical provisions

The value of the technical provisions is directly linked to the estimations and projections for future cash flows which might be subject to a number of factors of uncertainly, which are mainly the following:

- The probability that the obligation will materialise with regard to future cash flows.
- The moment the obligation materialises.
- Potential amount of the future cash flows.
- The risk-free interest rate.

The first three factors are generally estimated based on expert opinions, or using market data and, their derivation and impacts on technical provisions being duly documented.

The Credit and Surety lines of business are closely linked to the state of the economy and can have significant impacts on the frequency and severity of claims. On the other hand, the volume and timing of payments and recoveries may be impacted by legislative changes related to the insolvency law.

Actuarial methods and hypotheses used when calculating technical provisions

The Company uses commonly accepted actuarial methodologies for calculating technical provisions under Solvency II. The combinations of methods used for the actuarial estimates are adequate, applicable and relevant to the risk profile of Solunion.

The methods used by de Company to estimate claims based on the selection of factors for the development of frequencies and severity are the follows:

- Deterministic Chain Ladder Method.
- Deterministic Bornhuetter Fergusson Method.
- Mack Bootstrap Stochastic Method.

The following two key hypotheses were used during the calculation of the technical provisions:

- Economic hypotheses, which are contrasted against available financial and macroeconomic indicators which mainly include:

  - Interest rate structure broken down by the commitment currencies.

  - Exchange rates.

  - Market trends and financial variables.

- Non-economic hypotheses, which are mainly obtained from generally-available data based on the Company or external sector/market sources:

  - Realistic administration, investment, acquisition, etc. expenses which are incurred throughout the duration of the contracts.

  - Portfolio lapse.

  - The frequency and severity of claims based on historical data.

  - Legislative changes.

Additionally, it is worth noting that under accounting regulation, Management's actions and policyholder behaviour are not included when calculating technical provisions, while under Solvency II, 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.

The Company employs an effective Actuarial Function which guarantees the appropriateness and coherence of the underlying methodologies and models used, as well as the hypotheses used in these calculations.

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

The Company has not used the transitional measures for managing long-term guarantees established in Delegated Regulation 2015/35 and Directive 2009/138/EC, which include reconciliation and volatility adjustments, transitional adjustment in the structure of risk-free interest rates, and the transitional deduction include in Article 308 *quinquies* of Directive 2009/138/EC.

For this reason, the template relating to the impact of the long-term guarantee measures and the transitional measures, as set out in Annex I of the technical specifications of 30 April 2014, is not included.

D.2.2.a. Marriage adjustment

Solunion has not used this adjustment.

D.2.2.b. Volatility adjustment

Solunion has not used this adjustment.

D.2.2.c. Transitory temporary structure of interest rates without risk

Solunion has not used this transitory temporary structure of interest rates without risk.

D.2.2.d. Temporary deduction on technical provisions

Solunion has not carried out this transitory deduction.

D.2.3. Significant changes in hypotheses used when calculating technical provisions

There have been no significant changes in relation to the assumptions used in the calculation of technical provisions.

D.3. Other liabilities

Below are detailed the valuations of other liabilities for the purposes of Solvency II, as well as the qualitative explanations of the main valuation differences between the Solvency II criteria and those used to prepare the Annual Accounts (column "Book Value") as of December 31st, 2025. The valuation corresponding to those headings that do not differ between the PCEA and Solvency II criteria is detailed in the annual accounts of the Company of 2025.

	2025		
	Accounting Value	Valuation changes	Solvency II Value
Total technical provisions	488.474	(61.405)	427.069
Provisions other than technical provisions	1.032	-	1.032
Pension and similar obligations provision	4.336	-	4.336
Deposits received on ceded reinsurance	5.124	-	5.124
Deferred tax liabilities	7.127	22.920	30.047
Debts for insurance and coinsurance operations	66.332	(21.849)	44.483
Reinsurance operation debts	17.280	(13.685)	3.595
Other debts and payables	13.499	-	13.499
Any other liabilities, not elsewhere shown	27.934	(27.558)	376
TOTAL LIABILITIES	631.138	(101.577)	529.561
SURPLUS OF ASSETS VS. LIABILITIES	156.321	25.105	181.426

Data in thousands of euros

D.3.1. Provisions other than technical provisions

The value of the liabilities is directly linked to estimations and projections for future cash flows, which might be subject to a number of factors of uncertainly, which are mainly the following:

- The probability that the obligation will materialise with regard to future cash flows.
- The moment the obligation materialises.
- Potential amount of the future cash flows.
- The risk-free interest rate.

The first three factors are generally estimated based on expert opinions within the area linked to the obligation, in environments with little statistical experience, or using market data.

In the Solvency II balance sheet, 'Non-current commitments to employees" are included under "Other non-technical provisions" and were valued based on the same criteria as that used for the Company's financial statements.

The amount under "Other non-technical provisions" in the 2025 financial year includes the amount of EUR 1,032 thousand corresponding to liabilities for tenure bonuses (EUR 921 thousand in 2024).

The valuation established by PCEA coincides with that established under Solvency II, so there are no valuation differences.

D.3.2. Pension benefit obligations

The PCEA/IAS 19 uses an adequate approximation for the valuation of liabilities for pensions on the balance sheet at market value. The amount is determined by the current value of estimated future cash flows.

The valuation established by PCEA coincides with that established under Solvency II, so there are no valuation differences.

D.3.3. Deposits from reinsurers

This heading includes amounts of deposits held by the Company to cover ceded and receded reinsurance technical provisions.

In the Solvency II balance sheet, the valuation of deposits received from reinsurance transactions is considered to have to be performed at the amount at which they may be transferred or settled between duly-informed interested parties carrying out transactions in mutually-independent conditions.

PCEA and Solvency II valuations coincide; therefore, there were no valuation differences.

D.3.4. Deferred tax liabilities

Deferred tax liabilities are valued analogous to that indicated in deferred tax Assets. Solunion has deferred tax Liabilities for a "Solvency II value" of EUR 30,047 thousand and a "book value" of EUR 7,127 thousand in 2025.

The difference between the Solvency II Value and the accounting Value of deferred tax Liabilities is mainly explained by the following Balance sheet items:

Deferred tax liabilities Solvency II	Value
Property (other than for own use)	4
Best estimate of net technical provisions for Reinsurance	**2.100**
Best estimate of ceded technical provision	-14.426
Best estimate of gross technical provision	16.525
Debts arising from insurance and reinsurance operations	**8.884**
Commissions and other accrued acquisition expenses of ceded reinsurance	**6.919**
Accrued commissions	6.889
Accrual of investments (deferred tax liability)	424
Other assets (deferred tax asset)	-394
Receivables from reinsurance operations	**5.012**

TOTAL	**22.920**

Data in thousands of euros

The deferred tax assets and liabilities generated from the best estimate of technical provisions are presented netted under the item “Deferred tax liabilities,” amounting to 14,426 and 16,525 thousand euros, respectively; as well as the deferred tax assets and liabilities generated from the accrual of investment interest, amounting to 394 and 424 thousand euros, respectively.

D.3.5. Insurance & intermediaries payables

This heading includes borrowings arranged as a result of transactions performed with insurers other than those related to claims pending settlement, as well as those related to cash balances with Company intermediaries arising from transactions performed.

For the purposes of the Solvency II balance sheet, the valuation is considered consistent with those under PCEA, valued at the amount at which they may be transferred or settled between duly-informed interested parties carrying out transactions in mutually-independent conditions and “and no adjustment will be required for Solvency II purposes, except for those amounts corresponding to deferred commissions and other acquisition expenses, which will be reflected within the assumptions used in the best estimate of the technical provisions.

D.3.6. Reinsurance payables

Collects those debts with reinsurers as a consequence of the current account relationship established with them due to reinsurance operation ceded and retroceded.

The valuation differences between the Solvency II criteria and those established under PCEA regulations arise from the estimates and projections of future cash flows that may be generated as a result of the transfer of cash flows from premiums corresponding to invoices pending issuance.

The calculation of the best estimate of reinsurance recoverables (reinsurance BEL) takes into account the outflows corresponding to instalment-based premium receipts.

D.3.7. Payables (trade, not insurance)

This section includes other payables unrelated to the insurance activity. For the purposes of the Solvency II balance sheet, the valuation is considered consistent with those under PCEA, valued at the amount at which they may be transferred or settled between duly-informed interested parties carrying out transactions in mutually-independent conditions.

D.3.8. Any other liabilities, not elsewhere shown

For the purposes of the Solvency II economic balance sheet, the Commissions and other accrued acquisition expenses of the ceded reinsurance are considered in the valuation of the Technical Provisions when including all the associated expenses, so they are not included in this section.

On the contrary, under the PCEA this section mainly includes said Commissions and other accrued acquisition expenses of the reinsurance assigned, as opposed to the valuation criteria according to Solvency II.

On the other hand, this heading includes the amount of any other liabilities not already included in other items of the economic balance sheet, whose value for solvency purposes coincides with that indicated by the PCEA.

D.3.9. Additional information

There is no other significant information to be highlighted.

D.4. Alternative methods for valuation

The Company does not have material assets for which alternative valuation methods have been used.

D.5. Any other information

During the year there were no significant changes in the valuation criteria of the assets and liabilities.

E. Capital management

E.1. Own Funds

The Company has the appropriate structure and processes in place for the management and oversight of its own funds, with a medium-term capital management plan and solvency levels maintained within the limits established by the regulations and by its Risk Appetite Policy.

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

Solunion Seguros, Compañía Internacional de Seguros y Reaseguros S.A. has a Capital Management Policy whose last revision was approved by the Board of Directors on June 18h, 2025.

The principal objectives of this Policy are the following:

- Provide the Company and Group with a procedure to check that the eligible own funds meet the applicable requirements.
- Ensure that the projections of eligible own funds contemplate the continuous compliance with applicable requirements throughout the period contemplated.
- Establish an identification and documentation process for funds with limited availability, as well as the circumstances in which own funds may absorb losses.
- Ensure that the Company has a medium-term Capital Management Plan.

The Medium-term Capital Management Plan considers the following elements:

- The compliance with Solvency regulations applicable throughout the projection period considered, paying particular attention to known future regulatory changes, and the maintenance of solvency levels compatible with the established in the Risk Appetite.
- Issuance of proposed eligible Own Funds instruments.
- the repayments, both contractual at maturity, and those that may be made on a discretionary basis before maturity, in relation to the elements of the Eligible Own Funds
- the result of the projections in the Own Risks and Solvency Assessment ("ORSA"); and
- the expected dividends and their effect on Eligible Own Funds.

The Risk Management Area must submit the medium-term Capital Management Plan to the Board of Directors. This Plan is part of the ORSA Report. The projected period covers five years and is aligned with the budget preparation approach.

The Company has not used the transitional measure on technical provisions provided for in the final nineteenth provision of Law on the Management, Supervision and Solvency of Insurance and Reinsurance Entities.

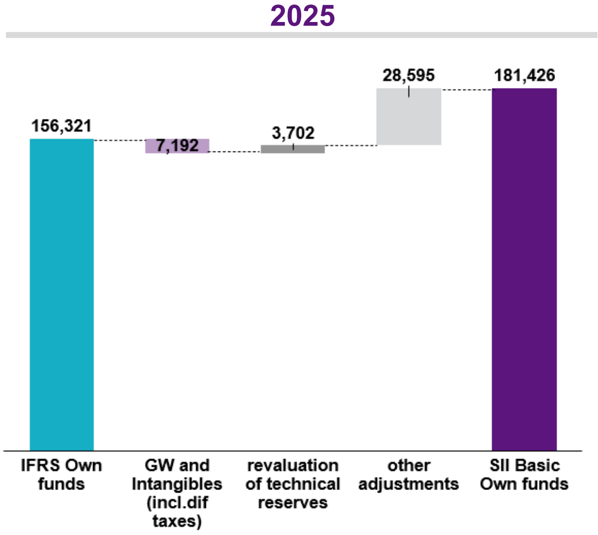
In fiscal year 2025 there have been no significant changes regarding the objectives, policies and processes used for the management of own funds.

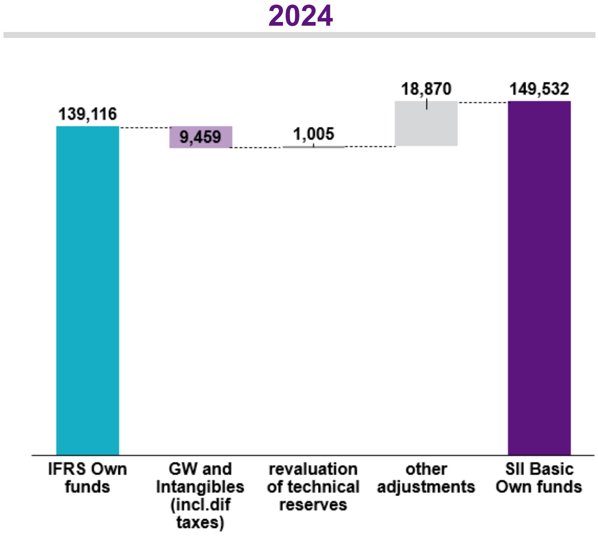
E.1.2 Structure, amount, and quality of own shares

Structure, amount, and quality of own shares

In figure S.23.01.01 of the Appendix, the structure, amount and quality of the basic and complementary own Funds are shown, as well as the Company's coverage ratio, i.e. the level of own funds within the SCR, and the MCR.

Below is a comparison of the company's own funds at the end of 2025 and 2024 and an explanation of the origin of the changes in the value of the Solvency II own funds:





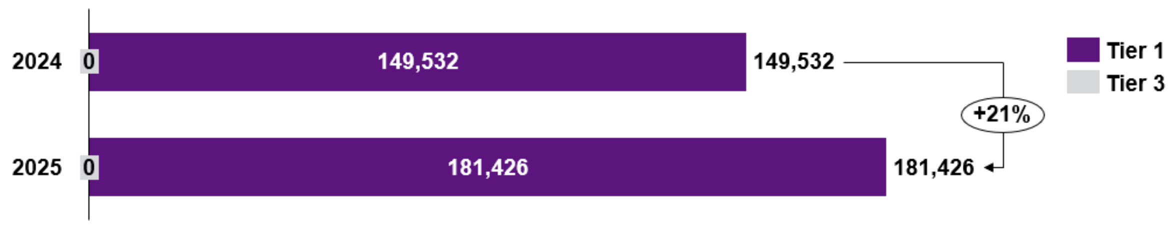
Data in thousands of euros

The Changes in Goodwill and intangible assets are lower those produced in 2024, this decrease was generated by the amortization of Intangible Assets.

As for revaluation of the BEL and other adjustments item, the increase is generated by changes in value between the Solvency II framework and Accounting in technical provisions, deferred taxes and the other items of assets and liabilities that are not shown in other balance sheet headings.

The available capital structure follows the regulatory requirements regarding the quality of capital and coverage limits. In accordance with the regulations, Own Funds are classified as Level 1, 2 and 3, with Level 1 being the highest quality.

The Company´s available own funds on the basis of its classification are:



Data in thousands of euros

As of December 2025, the company has its not restricted tier 1 own basic funds by an amount of EUR 181,426 thousand (EUR 149,532 thousand in 2024). These own funds have the maximum availability for absorbing losses. They are comprised of:

- ordinary paid-in share capital
- issue premium in relation to ordinary capital paid and
- conciliation reserve

Additionally, as of December 2025 the Company does not have Tier 3 basic own funds composed of net deferred taxes that arise from the valuation of the balance according to Solvency II criteria.

All own funds are considered basic. Complementary own funds have not been computed.

The eligible amount of own funds to cover SCR and MCR, broken down by levels.

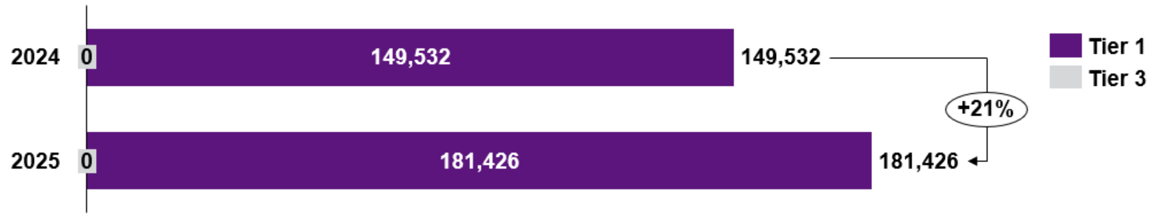
The SCR corresponds to the own funds that the Company should have to limit the probability of ruin to one case per 200 years, or what is the same, that the Company is still in a position to fulfil with its obligations against the policyholders and beneficiaries of insurance in the following twelve months, with a probability of 99.5 percent.

Once the own funds have been classified, the LOSSEAR in Article 73 establishes eligibility limits for them, to cover the solvency capital required and the minimum capital required.

For the SCR coverage, the following quantitative limits are established:

- The regulation dictates that there must be at least 80% of the Admissible Own Funds classified as Tier 1.
- With respect to Tier 3, they are not fully eligible to cover the regulatory capital, but may represent a maximum of 15% of the SCR.
- The sum of Tier 2 and 3 will not represent more than 50% of the SCR.

The Company's own funds are included in Tier 1 and Tier 3, and, depending on the eligibility thereof, the eligible own funds for SCR coverage amount to:



Data in thousands of euros

The Minimum Compulsory Capital (MCR) corresponds to the amount of the eligible basic own funds below which the policyholders and beneficiaries would be exposed to an unacceptable level of risk in the case that the Company continued its activity.

The MCR is the level of capital that is set as the minimum level of security below which financial resources should not be lowered.

The Tier 1 eligible own funds are equivalent to the basic ones. However, those at Tier 3 are equivalent the amount of net deferred taxes, so the resulting admissible amount to cover the SCR is EUR 181,426 thousand (EUR 149,532 thousand in 2024) 21% higher than the previous year.

With regard to the MCR coverage, the following quantitative limits are established:

- The admissible amount of the elements of Tier 1 will be equal to at least 80% of the MCR.

- The admissible amounts of the Tier 2 elements will not exceed 20% of the MCR.

Given the classification of the Company's own funds, the admissible amount to cover the MCR is EUR 181,426 thousand (EUR 149,532 thousand in 2024). The following table shows the detail:

Data in thousands of euros

Availability, subordination and duration of significant Own Fund items used to evaluate their quality

The Company's basic, restricted Level 1 funds hold the characteristics indicated in Article 93.1.a) and b) of Directive 2009/138/EC and they are fully disbursed and available to absorb losses. However, the Tier 3 own funds are not fully eligible to cover the regulatory capital, as they do not have sufficient availability to absorb losses if necessary.

Difference between equity on the financial statements and surplus assets vs. liabilities for Solvency II purposes

When valuing assets and liabilities for the purposes of Solvency II, different criteria is used from that employed for the preparation of the financial statements. The above criteria differences lead to differences between the equity on the financial statements and surplus assets vs. liabilities for Solvency II purposes.

The quantitative and qualitative explanations are reflected under Sections D.1 Assets, D.2 Technical Provisions, and D.3 Other liabilities on this Report.

E.1.3 Management of deferred tax assets and liabilities and deferred tax loss absorption capacity

Management of deferred tax assets and liabilities

In accordance with Article 15 of Delegated Regulation (EU) 2015/35, the valuation of deferred tax assets and liabilities results from the difference between the values assigned to the assets and liabilities recognised and measured in accordance with the criteria set out in Solvency II and their valuation for tax purposes.

In addition, a positive value is only assigned to deferred tax assets where it is probable that there will be a future taxable profit against which the deferred tax asset can be utilised, taking into account the restrictions on the timing of offsetting.

The main balance sheet items giving rise to deferred tax assets in Solunion were as follows:

	Solvency II
DEFERRED TAX ASSETS	**22,949**
Deferred tax assets: Intangible assets	*30*
Deferred tax assets: Prepaid commissions and other acquisition costs	*5,216*
Deferred tax assets: Risk Margin	*1,174*
Deferred tax assets: Receivables from direct insurance and coinsurance operations	*9,427*
Accounting deferred tax assets	*7,102*

Data in thousands of euros

The main balance sheet items giving rise to deferred tax liabilities in Solunion were as follows:

	Solvency II
DEFERRED TAX LIABILITIES	**30,047**
Deferred tax liabilities: Investments in real estate (other than for own use)	*4*
Deferred tax liabilities: Best estimate of net technical provisions for reinsurance	*2,100*
Deferred tax liabilities: Accrued commissions and other acquisition expenses of ceded reinsurance	*6,920*
Deferred tax liabilities: Payables from insurance and reinsurance operations	*8,884*
Deferred tax liabilities: Receivables from reinsurance operations	*5,012*
Accounting deferred tax liabilities	*7,127*

Data in thousands of euros

The Company will adhere to the tax bases projected in the Business Plan approved by the Board of Directors to recognise deferred tax assets in excess of the deferred tax liabilities in the Economic Balance Sheet for Solvency II purposes.

The value of deferred assets included in the Solvency II economic balance sheet is EUR 22,949 thousand and EUR 30,047 thousand correspond to deferred tax liabilities.

At 31 December 2025, the Company has no Tier 3 Basic Own Funds, consisting of net deferred taxes, which arise from the balance sheet valuation according to Solvency II criteria. In 2024, as in 2025, the amount under this item was 0.

Loss absorbing capacity of deferred taxes

The Company in compliance with the temporary recoverability limits approved in Delegated Regulation 2019/98 does not apply adjustment for loss absorbency of deferred taxes in 2025 and 2024.

E.1.4 Other information

Essential items on the Reconciliation Reserve

The amount of the Company's Reconciliation Reserve is EUR 101,812 thousand and it is composed mainly of "Other items of basic own funds" and of "Surplus of assets vs. liabilities." A breakdown is shown below:

	2025	2024
Surplus of assets vs. liabilities	181,426	149,532
Treasury shares (included as assets on the balance sheet)		-
Dividends, distributions and foreseen costs		-
Other elements of basic own funds	79,614	79,614
Adjustments for own fund items restricted by FDL and CSAC		-
Total reconciliation reserves	**101,812**	**69,918**

Data in thousands of euros

Items deducted from Own Funds

The Company has not deducted any items for the calculation of Own Funds.

Own Funds issued and instruments redeemed

No new own funds were issued during the fiscal year, and there were no redemptions of instruments.

Transitional measures

The Company has not considered items of its Own Funds to which the transitional provisions contemplated in Article 108 ter, sections 9 and 10 of Directive 2009/138/EC have been applied.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1. Amount and valuation methods of Solvency Capital Requirement

SCR amounts and Minimum Capital Requirements

The SCR by risk models has been calculated using the Solvency II standard formula methodology as of December 31st, 2025 and that is listed in Section C Risk Profile. Additionally, figures S.25.01.21 and S.28.01.01 of the Appendix contain more detailed information on the regulatory capitals.

The Company's total SCR included in Appendix S.25.01.21 amounts to EUR 90,483 thousand, corresponding to the level of own funds required by the supervisory authorities from the insurance and reinsurance companies for the purpose of absorbing significant losses and offering the policyholders and insurance beneficiaries a reasonable guarantee that the payments will be made upon maturity. For SCR calculation, no specific parameters have been used.

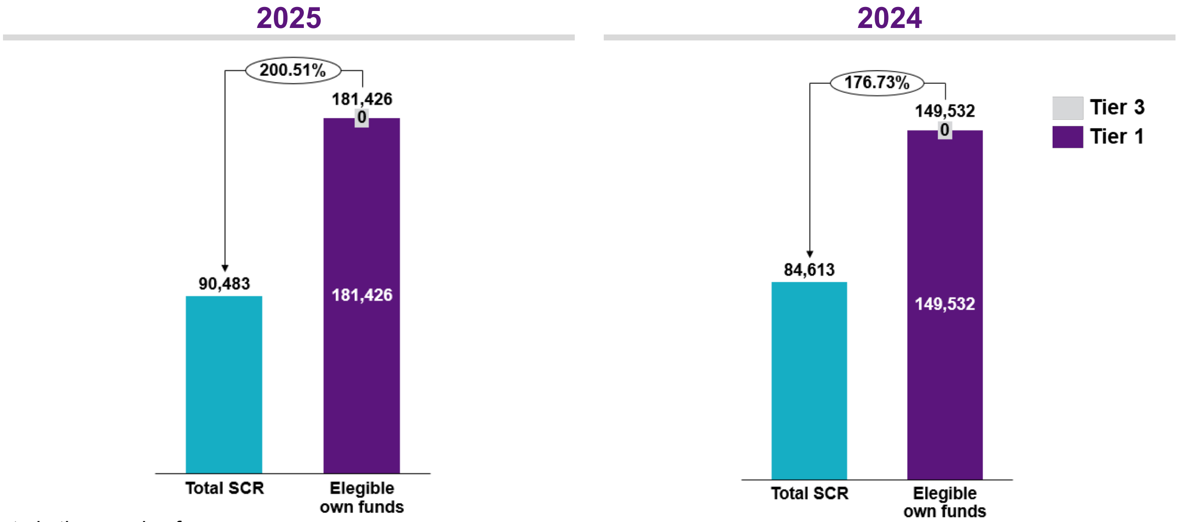
As detailed in Section C, Solunion's risk profile is affected mainly by non-life underwriting risk to which catastrophic credit and bonding risk mainly contribute due to the recession risk. Second is market risk to which Concentration risk is the highest due to the impact of the shares in group companies. Third is credit risk, which is generated mainly because of Solunion's heightened exposure in reinsurance agreements.

The exposure level of reinsurance recoverables is affected by the heightened level of transfer defined in the reinsurance structure.

As of December 2025, the amount of the SCR is EUR 90,483 thousand, which implies an increase in the capital charge of EUR 5,870 thousand; this is mainly due to the increase in Credit Risk.

For the calculation of the credit SCR, the simplification of the risk-mitigation effect of reinsurance agreements, as set out in Article 107 of the Delegated Regulation, has been used. No undertaking-specific parameters have been applied

The Solvency ratio of the Company is shown below; this ratio measures the relationship between eligible own funds and the SCR to absorb extraordinary ones arising from an adverse scenario of one case every 200 years.



Data in thousands of euros

This ratio amounts to 200.51%, which means that it is within the risk appetite safety zone established for the Company and approved by the Board of Directors.

<u>Data used by the Company in calculation of the MCR Solvency</u>

The Company calculated Minimum Solvency Capital Requirements (MCR) as indicated in Article 248 Delegated Regulation 2015/35. This amount is the capital amount that guarantees the minimum level of security, under which financial resources should never drop and has a value of EUR 22,621 thousand at the end of 2025. The results of the Solunion MCR are included in Appendix S.28.01.01.

To obtain the MCR, the linear MCR should be calculated, the value of which is EUR 11,442 thousand. It was obtained applying the factors corresponding for each business line to the different elements used in their calculation:

Best net reinsurance estimate and technical provisions calculated as a whole, where appropriate.

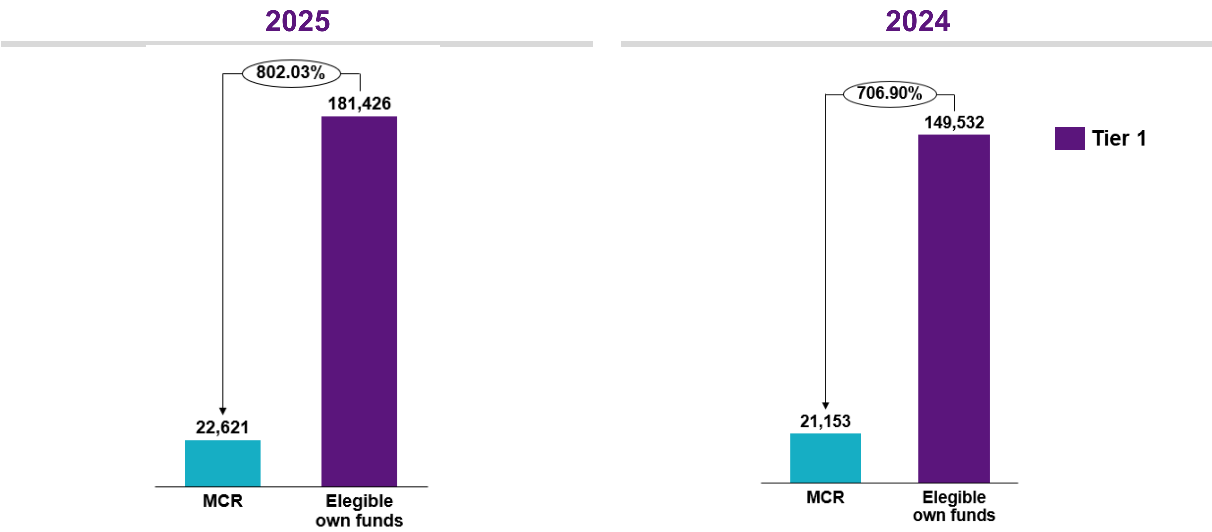
- Premiums earned net of reinsurance in the last 12 months.

Likewise, the combined MCR is EUR 22,621 thousand, that is obtained by applying the maximum and minimum limits to the linear MCR, 25% and 45% of the SCR.

Since the combined MCR is higher than the MCR’s absolute limit (which is EUR 4,000 thousand), the amount of the combined MCR is considered as the amount of MCR, which is, therefore, EUR 22,621 thousand.

As of December 2024, it was EUR 21.153 thousand; this increase is mainly due to the fact that in both cases the result is equal to the minimum limit of the combined MCR, which is obtained as 25% of the SCR, an amount that in 2025 has increased by EUR 1,468 thousand.

The Company´s solvency ratio, which measures the ratio between eligible own funds and the MCR, amounts to 802.03% (706.90% in 2024).



Data in thousands of euros

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

Solunion did not use this option when performing its solvency valuation.

E.4. Differences between the Standard Formula and any internal model used

The Company does not use Internal Models in the calculation of their Solvency needs, it is governed by the Solvency II Standard Formula.

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

At December 31st, 2025, the Company had sufficient SCR and MCR with eligible Own Funds; therefore, it was considered unnecessary to adopt any other action or corrective measure.

E.6 Any other information

There is no other significant information on capital management not included in previous sections.

Appendices

List of forms reported (Data in thousands of euros):

S.02.01.02 – Balance sheet

S.05.01.02 – Premiums, loss ratio, and expense by business line

S.04.05.21 – Premiums, loss ratio, and expense by country

S.17.01.02 – Technical provisions for non-life

S.19.01.21 – Non-life claims

S.23.01.01 – Equity

S.25.01.21 – Obligatory solvency capital – for companies that use the standard form

S.28.01.01 – Obligatory minimum capital – Life or non-life insurance or reinsurance activity

S.02.01.02

Asset	C0010 Solvency II Value	
Intangible assets	-	R0030
Deferred tax assets	22,949	R0040
Pension benefit surplus	3,757	R0050
Property, plant & equipment held for own use	896	R0060
Investments (other than assets held for index-linked and unit-linked contracts)	237,824	R0070
Property (other than for own use)	-	R0080
Holdings in related undertakings, including participations	47,155	R0090
Equities	-	R0100
Equities – listed	-	R0110
Equities – unlisted	-	R0120
Bonds	182,892	R0130
Government Bonds	118,338	R0140
Corporate Bonds	64,554	R0150
Structured notes	-	R0160
Collateralized securities	-	R0170
Collective Investments Undertakings	7,777	R0180
Derivatives	-	R0190
Deposits other than cash equivalents	-	R0200
Other investments	-	R0210
Assets held for index-linked and unit-linked contracts	-	R0220
Loans and mortgages	-	R0230
Loans on policies	-	R0240
Loans and mortgages to individuals	-	R0250
Other loans and mortgages	-	R0260
Reinsurance recoverables from:	378,250	R0270
Non-life and health similar to non-life	378,250	R0280
Non-life excluding health	378,250	R0290
Health similar to non-life	-	R0300
Life and health similar to life, excluding health and index-linked and unit-linked	-	R0310
Health similar to life	-	R0320
Life excluding health and index-linked and unit-linked	-	R0330
Life index-linked and unit-linked	-	R0340
Deposits to cedents	5,057	R0350
Insurance and intermediaries receivables	8,873	R0360
Reinsurance receivables	44,634	R0370
Receivables (trade, not insurance)	2,816	R0380
Own shares (held directly)	-	R0390
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-	R0400
Cash and cash equivalents	5,927	R0410
Any other assets, not elsewhere shown	4	R0420
Total assets	**710,987**	R0500

Data in thousands of euros

Liability	C0010 Solvency II Value	
Technical provisions - non-life	427,069	R0510
Technical provisions - non-life (excluding health)	427,069	R0520
Technical provisions calculated as a whole	-	R0530
Best Estimate	422,372	R0540
Risk margin	4,697	R0550
Technical provisions - health (similar to non-life)	-	R0560
Technical provisions calculated as a whole	-	R0570
Best Estimate	-	R0580
Risk margin	-	R0590
Technical provisions - life (excluding index-linked and unit-linked)	-	R0600
Technical provisions - health (similar to life)	-	R0610
Technical provisions calculated as a whole	-	R0620
Best Estimate	-	R0630
Risk margin	-	R0640
Technical provisions - life (excluding health and index-linked and unit-linked)	-	R0650
Technical provisions calculated as a whole	-	R0660
Best Estimate	-	R0670
Risk margin	-	R0680
Technical provisions - index-linked and unit-linked	-	R0690
Technical provisions calculated as a whole	-	R0700
Best Estimate	-	R0710
Risk margin	-	R0720
Contingent liabilities	-	R0740
Provisions other than technical provisions	1,032	R0750
Pension benefit obligations	4,336	R0760
Deposits from reinsurers	5,124	R0770
Deferred tax liabilities	30,047	R0780
Derivatives	-	R0790
Debts owed to credit institutions	-	R0800
Financial liabilities other than debts owed to credit institutions	-	R0810
Insurance & intermediaries payables	44,483	R0820
Reinsurance payables	3,595	R0830
Payables (trade, not insurance)	13,499	R0840
Subordinated liabilities	-	R0850
Subordinated liabilities not in Basic Own Funds	-	R0860
Subordinated liabilities in Basic Own Funds	-	R0870
Any other liabilities, not elsewhere shown	376	R0880
Total liabilities	**529,561**	R0900
Excess of assets over liabilities	**181,426**	R1000

Data in thousands of euros

S.05.01.02

		C0090	C0160	C0200
	Line of business for: accepted non-proportional reinsurance	Credit and Suretyship insurance	Property	TOTAL
	Premiums written			
R0110	Gross - Direct Business	186,197		186,197
R0120	Gross - Proportional reinsurance accepted	153,167		153,167
R0130	Gross - Non-proportional reinsurance accepted		985	985
R0140	Reinsurers' share	308,382	1,358	309,740
R0200	Net	30,982	(373)	30,609
	Premiums earned			
R0210	Gross - Direct Business	182,801		182,801
R0220	Gross - Proportional reinsurance accepted	150,811		150,811
R0230	Gross - Non-proportional reinsurance accepted		985	985
R0240	Reinsurers’ share	304,721	1,358	306,079
R0300	Net	28,891	(373)	28,518
	Claims incurred			
R0310	Gross - Direct Business	64,320		64,320
R0320	Gross - Proportional reinsurance accepted	103,489		103,489
R0330	Gross - Non-proportional reinsurance accepted		-	-
R0340	Reinsurers’ share	153,352	-	153,352
R0400	Net	14,457	-	14,457
	Changes in other technical provisions			
R0410	Gross - Direct Business	(951)		(951)
R0420	Gross - Proportional reinsurance accepted	702		702
R0430	Gross - Non- proportional reinsurance accepted			-
R0440	Reinsurers’ share	632		632
R0500	Net	(881)		(881)
R0550	**Expenses incurred**	4,268	-	4,268
R1200	**Other Expenses**			
R1300	**Total expenses**	4,268		4,268

S.04.05.21		C0010	C0020	C0020	C0020	C0020	C0020
		Spain	Mexico	Colombia	Chile	Italy	Peru
	Premiums written						
R0020	**Premiums written - Direct Business**	186,197	-	-	-	-	-
R0021	**Premiums written - Proportional reinsurance accepted**	4,351	30,447	29,434	19,248	18,451	8,854
R0022	**Premiums written - Non-proportional reinsurance accepted**	-	426	177	199	-	131
	Premiums earned						
R0030	**Premiums earned - Direct Business**	182,801	-	-	-	-	-
R0031	**Premiums earned - Proportional reinsurance accepted**	3,918	31,813	27,714	20,627	17,405	8,667
R0032	**Premiums earned - Non-proportional reinsurance accepted**	-	426	177	199	-	131
	Claims incurred						
R0040	**Claims incurred - Direct Business**	64,320	-	-	-	-	-
R0041	**Claims incurred - Proportional reinsurance accepted**	711	34,589	12,794	6,674	7,033	21,913
R0042	**Claims incurred - Non-proportional reinsurance accepted**	-	-	-	-	-	-
	Expenses incurred						
R0050	**Expenses incurred - Direct Business**	71,980	-	-	-	-	-
R0051	**Expenses incurred - Proportional reinsurance accepted**	6,663	10,809	8,859	5,959	-	2,295
R0052	**Expenses incurred - Non-proportional reinsurance accepted**	-	145	56	58	-	35

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		C0020	C0030	C0040	C0050	C0060	C0070
		Direct business and accepted proportional reinsurance					
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
R0010	Technical provisions calculated as a whole						
R0050	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						
R0060	Gross - Total						
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						
R0150	Net Best Estimate of Premium Provisions						
	Claims provisions						
R0160	Gross - Total						
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						
R0250	Net Best Estimate of Claims Provisions						
R0260	Total Best estimate - gross						
R0270	Total Best estimate - net						
R0280	Risk margin						
	Amount of the transitional on Technical Provisions						
R0290	TP as a whole						
R0300	Best estimate						
R0310	Risk margin						
	Technical provisions - total						
R0320	Technical provisions - total						
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total						
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total						

S.17.01.02		C0080	C0090	C0100	C0110	C0120	C0130
		Fire and other damage to property insurance	General liability insurance	Credit and Suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
R0010	Technical provisions calculated as a whole						
R0050	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						
R0060	Gross - Total			126,504			
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			115,417			
R0150	Net Best Estimate of Premium Provisions			11,087			
	Claims provisions						
R0160	Gross - Total			295,868			
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default			262,834			
R0250	Net Best Estimate of Claims Provisions			33,034			
R0260	Total Best estimate - gross			422,372			
R0270	Total Best estimate - net			44,121			
R0280	Risk margin			4,697			
	Amount of the transitional on Technical Provisions						
R0290	TP as a whole						
R0300	Best estimate						
R0310	Risk margin						
	Technical provisions - total						
R0320	Technical provisions - total			427,069			
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total			378,251			
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total			48,818			

S.17.01.02

		C0140	C0150	C0160	C0170	C0180
		Accepted non-proportional reinsurance				Total non-life commitments
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
R0010	Technical provisions calculated as a whole					
R0050	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					
R0060	Gross - Total					126,504
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default					115,417
R0150	Net Best Estimate of Premium Provisions					11,087
	Claims provisions					
R0160	Gross - Total					295,868
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default					262,834
R0250	Net Best Estimate of Claims Provisions					33,034
R0260	Total Best estimate - gross					422,372
R0270	Total Best estimate - net					44,121
R0280	Risk margin					4,697
	Amount of the transitional on Technical Provisions					
R0290	TP as a whole					
R0300	Best estimate					
R0310	Risk margin					
	Technical provisions - total					
R0320	Technical provisions - total					427,069
R0330	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total					378,251
R0340	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total					48,818

S.19.01.21

	Gross Claims Paid (non-cumulative)														
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100			C0170	C0180	
		Development year														
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		In current year	Sum of years (cumulative)	
R0100	Prior	91,707	138,457	11,662	(14,707)	(3,877)	(4,418)	(899)	(1,494)	(504)	(663)	(1,957)	Prior	(1,957)	213,308	R0100
R0160	N - 9	14,647	55,552	8,048	289	(1,189)	(205)	226	(126)	(132)	(264)		N-9	(264)	76,846	R0160
R0170	N - 8	13,351	51,737	7,562	87	(1,073)	(658)	30	(279)	(314)			N-8	(314)	70,442	R0170
R0180	N - 7	15,319	70,947	4,954	(365)	1,226	(435)	148	(55)				N-7	(55)	91,740	R0180
R0190	N - 6	21,249	69,056	3,630	(1,954)	(638)	612	(564)					N-6	(564)	91,391	R0190
R0200	N - 5	21,575	27,451	499	(1,181)	(913)	(311)						N-5	(311)	47,120	R0200
R0210	N - 4	9,198	28,720	3,409	1,026	(195)							N-4	(195)	42,158	R0210
R0220	N - 3	17,130	61,092	1,972	(497)								N-3	(497)	79,696	R0220
R0230	N - 2	24,302	89,849	7,603									N-2	7,603	121,754	R0230
R0240	N - 1	26,044	78,819										N-1	78,819	104,863	R0240
R0250	N	25,555											N	25,555	25,555	R0250
													Total	107,820	964,874	R0260

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Gross undiscounted Best Estimate Claims Provisions

		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290			C0360	
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		Year end (discounted data)	
R0100	Prior	-	85,547	39,954	4,042	3,604	255	59	192	177	67	11	Prior	8	R0100
R0160	N - 9	10,401	39,926	9,883	3,168	520	222	192	629	664	628		N-9	435	R0160
R0170	N - 8	6,637	21,925	12,604	1,994	701	666	659	998	1,287			N-8	932	R0170
R0180	N - 7	75,081	28,727	4,825	2,282	1,554	1,277	1,193	1,497				N-7	1,137	R0180
R0190	N - 6	78,987	18,027	5,914	4,258	2,923	1,773	1,679					N-6	1,333	R0190
R0200	N - 5	89,340	22,799	12,854	9,037	4,100	2,252						N-5	1,862	R0200
R0210	N - 4	94,609	28,330	11,889	9,155	4,708							N-4	4,028	R0210
R0220	N - 3	115,196	28,558	18,555	10,485								N-3	9,328	R0220
R0230	N - 2	150,914	38,356	23,355									N-2	21,377	R0230
R0240	N - 1	174,125	44,035										N-1	41,588	R0240
R0250	N	219,667											N	213,841	R0250
													Total	295,869	R0260

S.23.01.01

		C0010	C0010	C0020	C0030	C0050
		Total	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35					
R0010	Ordinary share capital (gross of own shares)	40,149	40,149			
R0030	Share premium account related to ordinary share capital	39,465	39,465			
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings					
R0050	Subordinated mutual member accounts					
R0070	Surplus funds					
R0090	Preference shares					
R0110	Share premium account related to preference shares					
R0130	Reconciliation reserve	101,812	101,812			
R0140	Subordinated liabilities					
R0160	An amount equal to the value of net deferred tax assets	-				-
R0180	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					
R0220	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					
	Deductions					
R0230	Deductions for participations in financial and credit institutions					

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		C0010	C0020	C0030	C0040	C0050
		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
R0290	Total basic own funds after deductions	181,426	181,426			-
	Ancillary own funds					
R0300	Unpaid and uncalled ordinary share capital callable on demand					
R0310	Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand					
R0320	Unpaid and uncalled preference shares callable on demand					
R0330	A legally binding commitment to subscribe and pay for subordinated liabilities on demand					
R0340	Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC					
R0350	Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC					
R0360	Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC					
R0370	Supplementary member calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC					
R0390	Other ancillary own funds					
R0400	Total ancillary own funds					
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	181,426	181,426	-	-	-
R0510	Total available own funds to meet the MCR	181,426	181,426	-	-	-
R0540	Total eligible own funds to meet the SCR	181,426	181,426	-	-	-
R0550	Total eligible own funds to meet the MCR	181,426	181,426	-	-	-

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		C0010	C0020	C0030	C0040	C0050
		Total	**Tier 1 - unrestricted**	**Tier 1 - restricted**	**Tier 2**	**Tier 3**
R0580	**SCR**	90,483				
R0600	**MCR**	22,621				
R0620	**Ratio entre fondos propios admisibles y SCR**	200.51%				
R0640	**Ratio entre fondos propios admisibles y MCR**	802.03%				

		C0060
	Reconciliation reserve	
R0700	**Excess of assets over liabilities**	181,426
R0710	**Own shares (held directly and indirectly)**	
R0720	**Foreseeable dividends, distributions and charges**	
R0730	**Other basic own fund items**	79,614
R0740	**Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds**	
R0760	**Reconciliation reserve**	101,812
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	
R0790	**Total Expected profits included in future premiums (EPIFP)**	90,483

S.25.01.21

		C0030	C0040	C0120
		Gross solvency capital requirement	**USP**	**Simplifications**
R0010	**Market risk**	35,230	35,230	
R0020	**Counterparty default risk**	18,010	18,010	
R0030	**Life underwriting risk**	-	-	
R0040	**Health underwriting risk**	-	-	
R0050	**Non-life underwriting risk**	49,188	49,188	
R0060	**Diversification**	(24,617)	(24,617)	
R0070	**Intangible asset risk**	-	-	
R0100	**Basic Solvency Capital Requirement**	77,811	77,811	

	Calculation of Solvency Capital Requirement	C0100
R0130	**Operational risk**	12,671
R0140	**Loss-absorbing capacity of technical provisions**	
R0150	**Loss-absorbing capacity of deferred taxes**	-
R0160	**Capital requirement for business operated in accordance with Art, 4 of Directive 2003/41/EC**	
R0200	**Solvency Capital Requirement excluding capital add-on**	90,483
R0210	**Capital add-on already set**	
R0211	**of which, capital add-ons already set - Article 37 (1) Type a**	
R0212	**of which, capital add-ons already set - Article 37 (1) Type b**	
R0213	**of which, capital add-ons already set - Article 37 (1) Type c**	
R0214	**of which, capital add-ons already set - Article 37 (1) Type d**	
R0220	**Solvency capital requirement**	90,483
	Other information on SCR	
R0400	**Capital requirement for duration-based equity risk sub-module**	
R0410	**Total amount of Notional Solvency Capital Requirements for remaining part**	
R0420	**Total amount of Notional Solvency Capital Requirements for ring fenced funds**	
R0430	**Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios**	
R0440	**Diversification effects due to RFF NSCR aggregation for article 304**	12,671

S.28.01.01

	Linear formula component for non-life insurance and reinsurance obligations	2025	C0020	C0030
R0010	MCR^{NL}Result	11,442	2025	
			Net best estimate (of reinsurance/SPV) and TP calculated as a whole	Net written premiums (of reinsurance) in the last 12 months
R0020	Medical expense insurance and proportional reinsurance			
R0030	Income protection insurance and proportional reinsurance			
R0040	Workers' compensation insurance and proportional reinsurance			
R0050	Motor vehicle liability insurance and proportional reinsurance			
R0060	Other motor insurance and proportional reinsurance			
R0070	Marine, aviation and transport insurance and proportional reinsurance			
R0080	Fire and other damage to property insurance and proportional reinsurance			
R0090	General liability insurance and proportional reinsurance			
R0100	Credit and Suretyship insurance and proportional reinsurance		44,122	30,759
R0110	Legal expenses insurance and proportional reinsurance			
R0120	Assistance and proportional reinsurance			
R0130	Miscellaneous financial loss insurance and proportional reinsurance			
R0140	Non-proportional health reinsurance			
R0150	Non-proportional casualty reinsurance			
R0160	Non-proportional marine, aviation and transport reinsurance			
R0170	Non-proportional property reinsurance			985

	Linear formula component for life insurance and reinsurance obligations	C0040		
		2025	C0050	C0060
R0200	MCR (L) Result		2025	
			Net best estimate (of reinsurance/ SPV) and TP calculated as a whole	Net total capital at risk (of reinsurance/ SPV)
R0210	Obligations with profit participation - guaranteed benefits			
R0220	Obligations with profit participation - future discretionary benefits			
R0230	Index-linked and unit-linked insurance obligations			
R0240	Other life (re)insurance and health (re)insurance obligations			
R0250	Total capital at risk for all life (re)insurance obligations			

	Overall MCR calculation	C0070
		2025
R0300	Linear MCR	11,442
R0310	SCR	90,483
R0320	MCR cap	40,717
R0330	MCR floor	22,621
R0340	Combined MCR	22,621
R0350	Absolute floor of the MCR	4,000
R0400	Minimum Capital Requirement	22,621

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Informe Especial de Revisión Independiente del Informe sobre la Situación Financiera y de Solvencia de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A. correspondiente al ejercicio terminado el 31 de diciembre de 2025

A los Administradores de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A.

Objetivo y alcance de nuestro trabajo

Hemos realizado la revisión, con alcance de seguridad razonable, de los apartados D y E y anexos contenidos en el Informe adjunto sobre la situación financiera y de solvencia de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A., al 31 de diciembre de 2025, preparado conforme a lo dispuesto en la Ley 20/2015, de 14 de julio, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras, en su normativa de desarrollo reglamentario y en la normativa de la Unión Europea de directa aplicación, con el objetivo de suministrar una información completa y fiable en todos los aspectos significativos, conforme al marco normativo de Solvencia II.

Este trabajo no constituye una auditoría de cuentas ni se encuentra sometido a la normativa reguladora de la actividad de la auditoría vigente en España, por lo que no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Responsabilidad de los Administradores de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A.

Los Administradores de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A., son responsables de la preparación, presentación y contenido del informe sobre la situación financiera y de solvencia, de conformidad con la Ley 20/2015, de 14 de julio, de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras, y su normativa de desarrollo y con la normativa de la Unión Europea de directa aplicación.

Los Administradores también son responsables de definir, implantar, adaptar y mantener los sistemas de gestión y control interno de los que se obtiene la información necesaria para la preparación del citado informe. Estas responsabilidades incluyen el establecimiento de los controles que consideren necesarios para permitir que la preparación de los apartados D y E y anexos del informe sobre la situación financiera y de solvencia, objeto del presente informe de revisión, esté libre de incorrecciones significativas debidas a incumplimiento o error.

Nuestra independencia y control de calidad

Hemos realizado nuestro trabajo de acuerdo con las normas de independencia y control de calidad requeridas por la Circular 1/2017, de 22 de febrero, de la Dirección General de Seguros y Fondos de Pensiones, por la que se fija el contenido del informe especial de revisión de la situación financiera y de solvencia, individual y de grupos, y el responsable de su elaboración, y por la Circular 1/2018, de 17 de abril, de la Dirección General de Seguros y Fondos de Pensiones, por la que se desarrollan los modelos de informes, las guías de actuación y la periodicidad del alcance del informe especial de revisión sobre la situación financiera y de solvencia, individual y de grupos, y el responsable de su elaboración, modificada por la Circular 1/2021, de 17 de junio, de la Dirección General de Seguros y Fondos de Pensiones.

Nuestra responsabilidad

Nuestra responsabilidad es llevar a cabo una revisión destinada a proporcionar un nivel de aseguramiento razonable sobre los apartados D y E y anexos contenidos en el informe adjunto sobre la situación financiera y de solvencia de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A., correspondiente al 31 de diciembre de 2025, y expresar una conclusión basada en el trabajo realizado y las evidencias que hemos obtenido.

Nuestro trabajo de revisión depende de nuestro juicio profesional, e incluye la evaluación de los riesgos debidos a errores significativos.

Nuestro trabajo de revisión se ha basado en la aplicación de los procedimientos dirigidos a recopilar evidencias que se describen en la Circular 1/2017, de 22 de febrero, de la Dirección General de Seguros y Fondos de Pensiones, por la que se fija el contenido del informe especial de revisión de la situación financiera y de solvencia, individual y de grupos, y el responsable de su elaboración, y en la Circular 1/2018, de 17 de abril, de la Dirección General de Seguros y Fondos de Pensiones, por la que se desarrollan los modelos de informes, las guías de actuación y la periodicidad del alcance del informe especial de revisión sobre la situación financiera y de solvencia, individual y de grupos, y el responsable de su elaboración, modificada por la Circular 1/2021, de 17 de junio, de la Dirección General de Seguros y Fondos de Pensiones.

Los responsables de la revisión del informe sobre la situación financiera y de solvencia han sido los siguientes:

- Revisor principal: María Lidón Ballesteros Rul, de KPMG Auditores, S.L. que actúa como revisor principal, quien ha revisado los aspectos de índole financiero contable, y es responsable de las labores de coordinación encomendadas por las mencionadas circulares.
- Profesional: Ana Díez García, de KPMG Asesores, S.L que actúa como profesional del revisor principal y quien ha revisado todos los aspectos de índole actuarial.

Los revisores asumen total responsabilidad por las conclusiones por ellos manifestadas en el informe especial de revisión.

Consideramos que la evidencia que hemos obtenido proporciona una base suficiente y adecuada para nuestra conclusión.

Conclusión

En nuestra opinión los apartados D y E y anexos contenidos en el informe adjunto sobre la situación financiera y de solvencia de Solunion Seguros, Compañía Internacional de Seguros y Reaseguros, S.A., al 31 de diciembre de 2025, han sido preparados en todos los aspectos significativos conforme a lo dispuesto en la Ley 20/2015, de 14 de julio, así como en su normativa de desarrollo reglamentario y en la normativa de la Unión Europea de directa aplicación, siendo la información completa y fiable.

KPMG Auditores, S.L.
Inscrito en el R.O.A.C. n.º S0702

María Lidón Ballesteros Rul
Inscrito en el R.O.A.C.: 22.439

KPMG Asesores, S.L.

Ana Díez García
Inscrito en el I.A.E. N.º Colegiado: 4.246

27 de marzo de 2026

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

KPMG AUDITORES, S.L.

2026 Núm. 01/26/02469
SELLO CORPORATIVO 30.00 EUR

Sello distintivo de otras actuaciones