

**SOLVENCY
AND FINANCIAL
CONDITION REPORT (SFCR)
2025**

**Fortegra Europe
Insurance Company SE**

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INTRODUCTION

This report is the Solvency and Financial Condition Report (SFCR) of Fortegra Europe Insurance Company SE, for the reporting period ended December 31, 2025, pursuant to Articles 51, 53, 54, 256 and 256a of the Solvency II Directive 2009/138/EC, as amended and Articles 290 to 298 and 359 to 364 of Delegated Regulation (EU) 2015/35, as amended. The report has been prepared in accordance with the Solvency II Regulations governing insurance company reporting, and is solely intended to fulfil the requirements thereof.

Pursuant to Article 51 of the Directive, certain information provided in this report is incorporated by reference to the Annual Report. There are, however, certain RSR requirements that have not been reported publicly elsewhere, and they are included in this report. This report includes reporting of the Solvency II valuation undertaken at December 31, 2025. Those results are also presented in the Quantitative Reporting Templates (QRTs).

Cautionary statement regarding forward looking statements

This report may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the Company's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties' therefore undue reliance should not be placed on them.

Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors, including, but not limited to, general economic and political conditions and competitive situation, future financial market performance and conditions, including fluctuations in exchange and interest rates, frequency and severity of insured loss events, and increases in loss expenses, changes in laws, regulations and standards, the impact of acquisitions and disposals, including related integration issues, and reorganisation measures, and general competitive factors, in each case on a local and/ or global basis.

Many of these factors may be more likely to occur, or more pronounced, because of catastrophic events, or terrorist-related incidents.

EXECUTIVE SUMMARY

Pursuant to the Solvency II Regulations, the following is a summary overview of each of the sections required in the report. Please refer to each of those sections in their entirety, including in each case the materials incorporated by reference therein.

A. Business and performance

Fortegra Europe Insurance Company was formed at the beginning of 2018 with primary activities being underwriting of non-life insurance. It was then authorised by the Malta Financial Services Authority to carry on business of insurance on 29 March 2018, and accepts risks on the following Solvency II lines of business:

- Other Motor insurance;
- Fire and other damage to property insurance;
- Miscellaneous financial loss;
- Assistance

The Company transacted the first insurance business in November 2018. For the year ended 31 December 2025, insurance revenue amounted to €150.5 million (2024: €141.7 million).

The Company registered a profit before tax of €13.2 million (2024: profit €2.5 million) and total comprehensive income of a loss €5.5 million (2024: Profit €4.8m)

The increase in profit before tax is attributed to a decrease in insurance expenses, as 2024 experienced a worsening of insurance expenses from the prior year amounting to €17.3 million.

Recognized as a quality market for Managing General Agents (MGAs) and underwriters, Fortegra Group excels through its rigorous program business underwriting, advanced AI and data science applications, and a steadfast commitment to consistent claims management.

Fortegra's underwriting approach ensures it effectively meets the evolving needs of agent partners and policyholders, cementing its market leadership.

Reading this report along with the quantitative reporting templates is recommended. The table below shows the standard formula solvency position as at December 31, 2025:

€'000	2025	2024
Eligible own funds	37,186	64,378
Solvency capital requirement (SCR)	30,299	48,199
Solvency II Surplus	6,887	16,179
Solvency ratio	122.7%	133.6%
Minimum capital requirement (MCR)	9,645	13,405



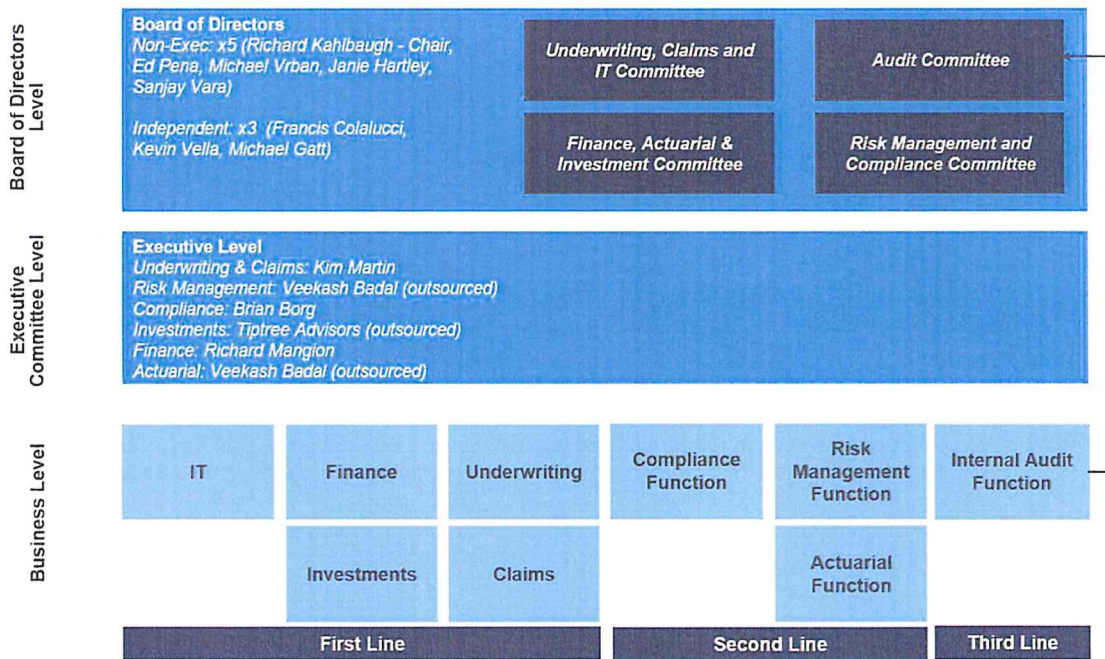
About Fortegra Group

For more than 45 years, Fortegra, via its subsidiaries, has underwritten risk management solutions that help people and businesses succeed in the face of uncertainty. As a multinational specialty insurer whose insurance subsidiaries have at least an A.M. Best Financial Strength Rating of A- (Excellent).

B. System of governance

The Company has established a strong governance system that ensures sound and prudent management appropriate to its nature, scale, and complexity. This governance structure assures that the Board, its Committees, key function holders, and senior executives are collectively fit and proper, knowledgeable, and experienced in managing insurance business and all related areas for which an insurance undertaking is responsible.

The Company operates via a Board of Directors and separate Board Committees:



C. Risk profile

The Board of Directors and the Risk Management Function review the risk profile of the Company periodically. The main risk types to which the Company is exposed to are:

- Underwriting Risk
- Market Risk
- Asset Liability Management Risk
- Counterparty Default Risk



- Credit Risk
- Liquidity Risk
- Operational Risk

The nature of such risks and their impact on the Company's risk profile under various scenarios are, in each case, set forth in Section C hereof, including by reference to the documents incorporated therein.

D. Valuation for solvency purposes

The Company's value for solvency assessment is derived from its IFRS accounts, which are adjusted in accordance with Solvency II regulations.

In the forthcoming years, the most notable differences between the balance sheet reported in the financial statements and the solvency valuation will primarily result from two factors: the revaluation of technical reserves to comply with the Solvency II technical provisions and the removal of deferred acquisition costs.

These costs will be replaced by projected future cash flows incorporated into the Solvency II technical provisions.

E. Capital management

The Company has two main capital objectives: to maintain sufficient capital to ensure that it can continue its operations and support new business growth and to meet the requirements of its policyholders and regulators. To achieve these objectives, the Company aims to hold capital more than its regulatory capital requirement, known as the SCR, and to maintain a solvency ratio above 120%.

To ensure it meets its future solvency needs, the Company analyses its capital requirements for each projected year and continuously assesses whether its eligible capital would comply with Solvency II regulations within the Own Risk and Solvency Assessment ("ORSA").

As at 31st December 2025, the coverage ratio was 122.7%, with eligible own funds of €41,277k and an SCR of €37,186k. The company's MCR was €9,645k.

The Company has continuously complied with both the MCR and the SCR since gaining regulatory approval, as confirmed by regulatory reporting. The Company's Board regularly reviews the ratio of eligible own funds over the SCR and MCR. It prepares solvency projections over a multi-year period as part of the business planning process.

A. BUSINESS AND PERFORMANCE

A.1 Business

<i>Name of the undertaking:</i>	Fortegra Europe Insurance Company SE
<i>Company number:</i>	SE 17
<i>Date of original incorporation:</i>	29th March 2018
<i>LEI code:</i>	9845007440E61NE6D195
<i>Registered office address:</i>	Office 13, SOHO Office, The Strand, Fawwara Building Triq I-Imsida, Gzira, GZR 1401 Malta
<i>Regulatory bodies:</i>	Malta Financial Services Authority (“MFSA”)
<i>Name of external auditor:</i>	Deloitte

The Company was originally formed at the in 2018 and is authorised and supervised by the Malta Financial Services Authority located in Malta to transact insurance business.

The Company is a wholly owned subsidiary of Fortegra Europe Holdings SE, with Fortegra Financial Corporation (“Fortegra Group”) being its ultimate parent company.

Supervisory authorities

The Company is authorised under the Insurance Business Act 1998 of the laws of Malta to carry out general business of insurance and is regulated by the Malta Financial Services Authority of Triq I-Imdina, Zone 1, Central Business District, Birkirkara, CBD 1010, Malta.

This authorization enables the Company to engage in a range of insurance activities classified under Solvency II, which establishes a comprehensive framework for the financial stability and risk management of insurance businesses.

The Company is committed to adhering to the stringent regulatory standards set forth by the MFSA to ensure the protection of policyholders and the overall integrity of the insurance market.



Classes of Business

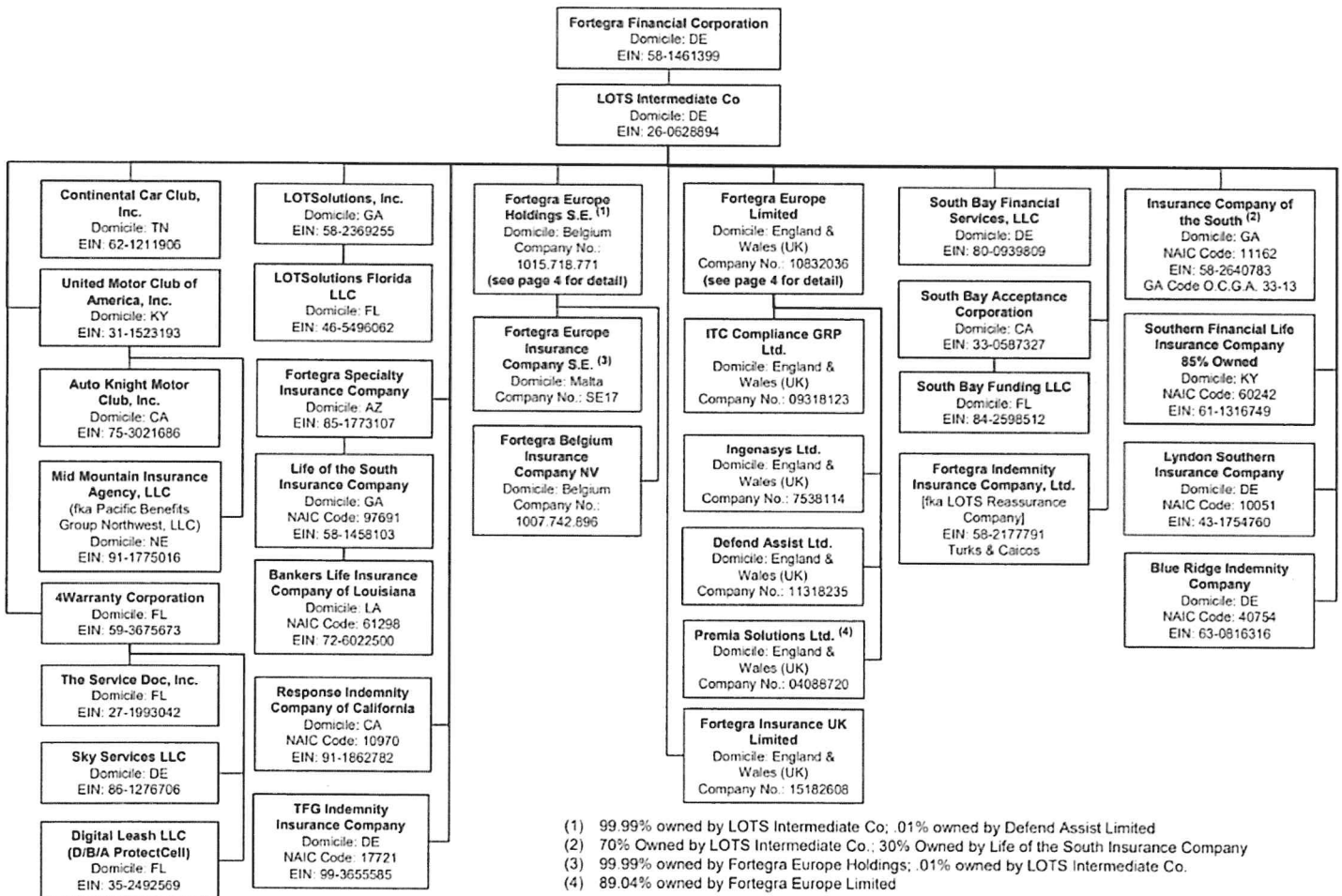
The Company is authorised by the MFSA to carry on the business of insurance.

The following are the main product and policy types that the Company wrote during the year:

- Other Motor insurance.
- Fire and other damage to property insurance.
- Miscellaneous financial loss.
- Assistance

Group structure

The following chart presents an overview of the legal structure of the Fortegra Group:



(1) 99.99% owned by LOTS Intermediate Co.; .01% owned by Defend Assist Limited
 (2) 70% Owned by LOTS Intermediate Co.; 30% Owned by Life of the South Insurance Company
 (3) 99.99% owned by Fortegra Europe Holdings; .01% owned by LOTS Intermediate Co.
 (4) 89.04% owned by Fortegra Europe Limited

A.2 Underwriting performance

The Company saw continued growth during the year with increased volumes across the majority of its business lines: Guaranteed Asset Protection, Other Motor Insurance products (Tyre & Wheel insurance, SMART insurance (dents & scratches), Auto Extended Warranty, Car Hire Excess insurance, Roadside Assistance) and Household Insurance products (Mobile Phone & Gadget cover, Furniture Insurance).

Additionally, the Company reinsured a portion of its EU-exposed business, further derisking its net balance sheet.

	2025 €'000	2024 €'000
Insurance revenue	150,532	141,687
Insurance service expenses	(124,487)	(134,628)
Net expenses from reinsurance contracts held	(14,407)	(5,339)
Insurance service result	11,638	1,720
Reinsurance contract assets	48,752	66,470
Insurance contract liabilities	147,069	154,609

A.3 Investment performance

The Board has approved an investment strategy that focuses on minimising risks, in line with the Investment Management Policy, the Company only invests in assets whose risks can be properly identified, measured, monitored, controlled, and reported. Moreover, such assets should meet the specific risk profile, approved risk tolerance limits, and the business strategy of the Company. It is the Company's policy that the funds are invested in a range of instruments and credit institutions to provide for their safety, liquidity, and return.

	2025 €'000	2024 €'000
Net investment income	6,614	2,601

A.4 Performance of other activities

The Company's income is solely generated from the underwriting performance of its policies and the performance of its investments. Similarly, expenses are solely derived from the Company's technical and operational costs.

A.5 Any other information

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

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

The company has a governance structure in place to ensure the proper business management commensurate with its nature, scale, and complexity. This structure ensures that the Board, its Committees, key function holders, and senior executives are fit and proper, knowledgeable, and experienced in managing the insurance business.

The governance structure also covers all interconnected areas for which an insurance undertaking should be responsible.

The Board and its committees are responsible for ensuring that governance and risk management policies and procedures are in place and that they are being implemented effectively. They also oversee the performance of key function holders and senior executives.

The Risk Management Framework is designed to identify, assess, and manage organisational risks. It is regularly reviewed and updated to remain effective and relevant.

Overview of the Board and its Committees

The Board is responsible and accountable for the Company's performance and strategy while ensuring that the organisation complies with all legal, statutory, regulatory, and administrative requirements.

Moreover, the Board drives and monitors the system of governance to ensure that the Company's established functions, controls and systems are effective and in line with the Company's policies and regulatory requirements. This is achieved through established policies, processes, key function holders, committee meetings, and board meetings.

Board of Directors

The Board is responsible for setting out the general direction of the Company, the goal being of achieving sound and prudent management. Sound and prudent management entails an effective risk management function and the implementation of adequate internal control practices in a consistent manner throughout the organisational structure.

The Board has established a variety of policies to cover all controls and processes. These policies are reviewed at least once a year or whenever there are significant changes to the business structure or any processes. This ensures that they remain current and accurately reflect the controls that the Board intends to implement and maintain.



The Board meets at least four times every year or more frequently if required by the business, or if any circumstance material arises at any point in time.

The Board possesses the required diversity of knowledge, skills, and experience to perform their role effectively and fulfil the Solvency II criteria to collectively possess the appropriate qualification, experience, and knowledge about at least:

- Insurance and financial markets.
- Business strategy and business model.
- System of governance.
- Financial and actuarial analysis.
- Regulatory framework and requirements.

The Company has established a fit and proper policy. The purpose of this policy is to ensure that no individual is appointed to or confirmed in a relevant role unless they have been appropriately assessed by the Company and deemed fit and proper according to regulatory requirements.

When evaluating the suitability of relevant individuals for their roles within the Company, the following criteria are considered.

Board of Directors & Committee Responsibilities

The Board appointed various committees to assist it in its governance role. However, it still retains the ultimate responsibility for these delegated functions. Each committee has its own terms of reference and the reporting of each of the established committees is directly to the Board of the Insurance Company.

B.2 Fit and proper requirements

The Company is committed to ensuring all staff have the skills, knowledge, and experience needed for their roles. This is outlined in the company's operating documentation, policies, and procedures.

Assessment of fitness and propriety

During the hiring process, the Company evaluates whether a candidate is fit and proper to undertake the required role. This applies to all staff members, including Committee members, senior management, and other certification functions. To determine the fitness and propriety of a candidate, the Company considers their honesty, integrity, reputation, competence, capability, and financial soundness.

Additionally, staff members should have the necessary qualifications to perform their duties effectively. In significant areas of responsibility, senior management and certification functionaries should have the qualifications required to provide sound and prudent company management. The

Company has established appropriate policies and processes to assess and ensure ongoing compliance with fitness and propriety requirements.

Technical and professional development

All employees' training needs are assessed regularly thereafter (including if their role changes). Appropriate training and support are provided to satisfy any relevant training needs, and the quality and effectiveness of such training is reviewed regularly.

All employees' competence is reviewed regularly and frequently, and appropriate action is taken to ensure they remain competent. Maintaining competence will consider, where relevant, such matters as technical knowledge and its application.

- Skills and expertise; and
- Changes in the market to products, legislation, and regulation.

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

Governance structure

The Board is responsible for ensuring the Risk Management System's effectiveness and for determining the Company's Risk profile and tolerance limits. Further to this, the Board is also responsible for approving the Risk Management Strategies and policies within the Risk Management Framework.

The risk management function facilitates the application of the Risk Management System. Its functions include the coordination of the strategies, processes and procedures that are necessary to continually identify, measure, monitor, manage and report all the risks to which the Company is exposed to, or may be exposed to.

Risk management objectives, policies, and processes.

The main components of the Board's approach to Risk Management are as follows:

Risk appetite

The Board sets risk appetite for the various risk categories and appropriate measures and controls is selected and agreed for each of the risk categories. This enables regular reporting and assists in monitoring the Company's risks. The risks and controls will be refined as the business grows. Risk appetite is measured in terms of:

- Those activities and associated risk exposures within a given period of time that the Company is prepared to accept, those it will avoid, those to be transferred via insurance/reinsurance or other contracts and those requiring mitigation through control.

- The ranking of risks within the risk register, i.e., management's view as to whether the risk is adequately controlled or if further work is required to mitigate the risk to improve the resultant risk score.
- Internal Capital Assessment

Internal Capital Assessment

A key component of the Risk Management Framework is the ICA. This assessment is used to calculate the capital required for each risk category. Capital requirements are modelled at the 99.5% confidence level with a 1-year horizon, i.e., to represent a worst-case scenario of a 1-in-200-year event. The capital analysis of the risks contained within the risk register is completed at least annually during the ORSA.

Strategic planning

The strategic planning process is an annual process in which the strategy is reviewed and operating plans for future years are formulated. This process considers the risk profile as recorded within the risk register, together with the current risk policies and ICA requirements.

The business objectives are determined, key challenges identified and core assumptions agreed. Scenario analysis is used to help shape strategic options at an early stage, stress tests are applied to challenge key assumptions behind strategic objectives and the plan, and operating plan objectives are analysed in detail to identify and assess associated risks.

Risk Register

Risk register details are retained indefinitely and include details of risk identification and assessment, risk appetite, key controls, and remedial actions proposed and implemented. The following records are of particular importance:

- Risk register
- Risk Management Framework Policy, including approval of changes.
- Strategic Planning documents
- Compliance exceptional reports
- Internal audit plans and reports
- Board reports and minutes.

The Company aims to:

- Identify the risks and what could affect the business and processes going forward.
- Communicate risks that crystallise to the members of the Board.
- Ensure that controls are identified for each operational risk.

Monitoring and controlling risk

Key monitoring and control activities are undertaken. The Risk Management function has the following objectives:

- To explain the underlying approach to risk management, whilst giving key aspects of the risk management process, and identifying the main reporting procedures.
- To embed a culture of risk awareness.
- To make all relevant stakeholders accountable for managing risk in line with their roles and responsibilities.
- To identify, prioritise, measure, manage, monitor, and treat all critical risks in a consistent and effective manner.
- To report using appropriate and reliable risk management tools (including key risk indicators, risk, and control self-assessments) to support risk-based decision making and capital assessment.
- To comply with all relevant legislation, regulatory requirements, guidance, and codes of practice.
- To provide senior management and the Board with timely and dependable assurance that the organisation is managing significant risks to its business; and
- To enable the Board to review, refresh and approve the Risk Management Strategy annually, as well as to make any significant change to the business' operating model environment.

Capital is estimated in line with the budget for the following year and is reviewed throughout the year according to risk development, to ensure compliance with the established Risk Appetite limits.

Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) is crucial to the risk management system. The Company must evaluate its short- and long-term risks as an insurance company and determine the funds needed to cover them. The ORSA process assesses the company's overall solvency needs, considering its risk profile, risk tolerance, and business plan. It allows the Company to identify, quantify, monitor, manage, and report any risks they may face.

The ORSA considers all key risks facing the business, including those not in the SCR, such as liquidity, reputation, and regulatory risks, as well as those in the SCR. Both internal and external risks are evaluated.

The company performs the full Own Risk and Solvency Assessment (ORSA) process at least once a year. The Risk Management department produces a report based on the Capital Model output and considers the future business plan. Although some structures and analysis supporting the ORSA process are ongoing parts of the risk management framework, management believes an annual review cycle is appropriate, given the nature and scale of the company's risks. If there is a significant change in risk profile, a full ORSA process is conducted, and a report is generated as soon as possible.

These changes may impact the risk environment both internally and externally. Such changes can include significant events that can potentially modify the company's overall risk profile.

Internal Triggers

- any significant changes in our overall business strategy or material deviations from our planned course of action.
- setting up new product lines or discontinuing existing products may impact our business.
- significant investment strategy or asset allocation changes may affect our financial standing.
- any significant changes to our reinsurance program may impact our risk exposure.
- any portfolio transfers that may impact our customers or stakeholders.
- any change in mandate that may affect our business operations.

External Triggers

- any significant legal or regulatory changes affecting our operations.
- changes in credit ratings.
- significant global or market-changing events could affect operations, risks, and solvency profile.
- any significant event in the financial market could result in a major decline in the value of our investment portfolio.

If a fundamental change occurs, we may initiate a complete ORSA process. The Risk Management team will evaluate the impact of the change in the risk profile, advise management whether a full ORSA process is required, and produce a complete set of documentation.

The Board can request the Risk Management team to initiate the full ORSA process, even if the Risk Management team decides it is unnecessary.

The board reviews the Own Risk and Solvency Assessment (ORSA) report to guide critical business decisions, including:

- Setting the company's strategy and determining its risk appetite.
- Approving the business plan for the company.
- Implementing necessary risk mitigation actions.
- Identifying and assessing potential material risks related to the business strategy or business plan.
- Challenging the results of the standard formula Solvency Capital Requirement (SCR) calculation.
- Evaluating the company's short- and long-term capital position.

The Company prepares a multi-year projection of its SCR position, which is recorded in the ORSA report and shared with the regulator as required.

B.4 Internal control system

The company is equipped with a comprehensive and effective internal control system encompassing all activities, including those carried out by third party service providers, to ensure well-ordered and efficient operations.

Due to its nature, Internal Control involves all people, irrespective of their hierarchical level within the organization, who collectively contribute to providing reasonable assurance on the achievement of the objectives regarding:

- Operations objectives: effectiveness and efficiency of operations, differentiating the insurance operations (underwriting, claims, reinsurance, and investment) as support operations and functions (human resources, administration, commercial, legal, IT, etc.).
- Information objectives: trustworthiness of information (financial and non-financial, both internal and external) regarding its reliability, timeliness, or transparency, among others.
- Compliance objectives: compliance with applicable laws and regulations.

The Company adopted Three Lines of Defense Model as part of its control environment and risk management system. The main elements of the Three Lines of Defense Model as it pertains to the Company may be summarised as follows:

- First line: the first level of the control environment is the business operations which perform day- to-day risk management activity.
- Second line: these are the oversight functions of the Company, such as Risk and Compliance, and include financial controls. These functions set direction, define policy, and provide assurance.
- Third line: Internal Audit is the third line of defense. Internal Audit offers an independent challenge to the levels of assurance provided by business operations and oversight functions.

There is a regular flow of information across the three lines of defense and from the three lines to the governing Committees. Likewise, executive decisions and directions flow opposite from the governing Committees.

B.5 Internal Audit function

The Board has established an Internal Audit function, which serves as the third line of defense for the company. The Internal Audit operates independently of all operational activities.

The primary role of Internal Audit is to assist the Board and Executive Management in safeguarding the organization's assets, reputation, and sustainability. It achieves this by evaluating whether all significant risks are identified and accurately reported by management and the Risk function to the Board and Executive Management. Additionally, it assesses whether these risks are adequately controlled and challenges Executive Management to improve the effectiveness of governance, risk



management, and internal controls.

The Audit Committee oversees the Internal Audit function. It is responsible for approving an annual audit activity program, supervising the execution of internal audits, and ensuring that all significant issues reported by Internal Audit are satisfactorily addressed.

The Company utilizes specialised resources from the broader Fortegra Group to conduct Internal Audit activities, supplemented by external specialists when necessary. This approach helps maintain the independence of the function and provides the business with a wider range of skills for conducting audits than what is typically available from internal staff.

B.6 Actuarial function

The Actuarial function ensures that the Company applies sound actuarial techniques consistently to manage its assumed risks. This enables the Company to understand, monitor, report on, and manage its insurance underwriting risk profile, assess its capital needs and deployment strategies, and fulfil its obligations to shareholders, policyholders, and regulators.

The Company has established a practical actuarial function that is appropriate to the nature, scale, complexity, and profile of its exposed risks. It ensures that the actuary meets the necessary criteria for fitness and propriety in performing the actuarial function.

The Actuarial function operates independently and is free from undue influence by other parties. It establishes and maintains the necessary procedures, processes, and systems that allow the Company to accurately estimate its policyholder obligations, assess potential insurance and reinsurance exposures, and evaluate its capital requirements in accordance with applicable laws and recognized industry standards.

Additionally, the Actuarial Function is responsible for coordinating the calculation of technical provisions, reviewing the appropriateness of the methods, models, and assumptions used in these calculations, and evaluating the sufficiency and quality of the data utilized to determine the technical provisions.

B.7 Outsourcing

The Outsourcing Policy establishes the general principles, tasks, processes, and responsibilities in the event of outsourcing of a critical and/or important business function. The scope of this Policy is to establish the standards for implementing outsourcing arrangements for any key, critical, important operational function, in full compliance with legislative and regulatory requirements.

Any outsourced key function or critical function must be notified to the regulators.



The Board retains ultimate responsibility for discharging any obligations related to the outsourced activity or function and must exercise due care in the selection of the service providers, ensuring that they are fit and proper and that any risk generated by the outsourced activity is managed effectively. The Board also remains fully responsible for any sub-outsourcing by the service provider. Furthermore, the Board must ensure that any sub-outsourcing would be notified prior to becoming effective.

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

B.8 Any other information

None.

C. RISK PROFILE

The company calculates its Solvency Capital Requirement (SCR) using the standard formula. For the main risk categories, the standard formula is considered an appropriate risk measurement tool for determining risk exposure, as it recognises the capital charge corresponding to key risks (such as underwriting, market, counterparty, and operational risk).

Exposure to other risks not included in the Standard Formula SCR is not considered significant, as effective measures are in place for the management and mitigation of such risks.

C.1 Underwriting risk

The Company has identified several insurance risks that fall under the responsibility of the Chief Underwriting Officer. These risks include Underwriting Concentration, Reserve Risk, Underwriting Fraud or Error, Lack of Underwriting Expertise, Data Quality Risk, Delay Risk, Unintentional Coverage Risk due to Policy Wording, and Catastrophe Risk.

While some of these risks are standard for any insurance company, others arise from the Company's strategy to focus on insurance business underwritten through MGAs. To manage these risks, the Company has implemented several mitigations and controls, including but not limited to:

- Limitations: line size limits
- Monthly meetings with MGAs and Third-Party Administrators (TPAs) to discuss ongoing matters and address any issues.
- Periodic specialized audits of MGAs and TPAs
- Quota Share reinsurance coverage along with Excess of Loss reinsurance to address specific risks and catastrophic events.
- Binder control checks
- Investigation of unexpected deviations
- Reserve reviews
- Treaty and Facultative Reinsurance in place

C.2 Market risks

Market Risk

Market risk refers to the possibility of the investment manager underperforming investments under their management, which can negatively affect the Company's capital and liquidity. This may lead to inadequate funds being available for the payment of claims. Another risk is fluctuations in the level and volatility of market prices of assets, liabilities, and financial instruments, such as Foreign Exchange (FX) rates or interest rates, which may result in realised losses on the investment



portfolio.

The Company has established Service Level Agreements and outsourcing contracts with the investment manager to manage this risk.

These agreements are monitored by the Finance Department and reported to management, the Board, and relevant Board Committees. Additionally, the Board and Management oversee the Investment Manager and investments by receiving regular reports on investment performance.

Internal auditors and external regulators also oversee the investment function by conducting audits and S2 reporting.

Asset Liability Management Risk

Asset Liability Management (ALM) risk occurs when the amount, currency, timing or duration of the Company's assets and liabilities do not match, resulting in a mismatch. To ensure adequate liquidity and solvency, it is essential to match the relevant assets to its liabilities by duration and currency.

The Company faces various investment risks that affect its ability to meet its liabilities. These risks include liquidity, concentration, counterparty credit, and market risks such as interest and exchange rates. To manage these risks, the Company maintains a high-quality liquid portfolio that includes cash for daily operational needs. The liquid position is managed through risk appetite tolerances, including parameters for internal cash management and investments managed externally by investment managers.

All these risks are assessed half-yearly or annually as part of the capital modelling process, including stress and scenario testing. The Company monitors the duration of the matching of assets to liabilities and presents it to the relevant Committee annually as part of the Own Risk and Solvency Assessment (ORSA) document.

C.3 Counterparty Default Risk

Credit risk refers to the possibility that counterparties may not be able to pay the total amount due on time. The Company faces credit risk in several areas, including corporate bonds, potential failures of bank counterparties, the reinsurers' share of insurance liabilities, amounts due from reinsurers for claims that have already been paid, and amounts owed by insurance contract holders and intermediaries.

In some cases, counterparties may not have credit ratings, which raises the likelihood of default. However, the risk is mitigated due to the diverse nature of the Company's policyholders and intermediaries.



To manage credit risk, the Company has established a risk appetite that specifies the minimum credit rating required for engaging in business with a counterparty. If a counterparty's credit rating changes after a debt has been accrued, the Company assesses an appropriate response on a case-by-case basis. In the event of a downgrade, the Company minimizes the outstanding balances and may prohibit further debt accrual with that counterparty.

It is important to note that the existence of reinsurance arrangements does not relieve the Company of its obligations as a primary insurer. If a reinsurer fails to pay a claim, the Company is still responsible for making the payment to the policyholder.

The creditworthiness of reinsurers is regularly evaluated by reviewing their financial strength before finalizing any contracts. Moreover, the reinsurance purchasing strategy is updated based on the reinsurers' recent payment history.

C.4 Liquidity risk

Liquidity risk refers to the possibility that insurance and reinsurance undertakings may be unable to realise investments and other assets to meet their financial obligations as they become due.

Liquidity risk is not factored into the SCR Standard Formula calculation. The exposure to liquidity risk is deemed to be low, given the conservative investment policy, which includes holding investments in cash and cash equivalent assets. Consequently, investment risk is limited.

Management and mitigation techniques

Key controls in place are:

- Cash flow monitoring and reporting.
- Claim movements reports.
- Claim settlement statements from business partners using in cash flow planning.

C.5 Operational risk

Operational risk poses a significant concern for the Company and encompasses multiple dimensions. These risks include challenges related to human resources, internal fraud, reliance on third parties, IT operations, and distribution.

Moreover, risks exist due to dependence on third parties for regulatory reporting and development.

The primary sources of operational risk include internal and external fraud, legal actions, unexpected cost inflation, changes in employment laws, improper market practices, non-



compliance with regulations, project overruns or failures, subpar performance or failure of outsourced providers, business disruptions and system failures, loss of key personnel, and pandemics.

The Company maintains risk registers for each major business function to effectively manage these risks. It also employs comprehensive procedure manuals and a structured programme to test its processes and systems. Furthermore, all key functions are required to contribute to the maintenance of a risk register, which is regularly reviewed and scrutinised by the Risk Function. Significant issues are escalated to the Board and the relevant Committee.

Management and mitigation techniques

Key controls in place are:

- Data back-up and recovery
- Emerging risk process
- Business continuity plan
- Training and development programme
- Conduct risk controls.
- Sanction process
- Business change management

C.6 Other material risks

Non-compliance risk

Non-compliance risk refers to the potential for incurring losses due to legal or regulatory penalties, or damage to reputation resulting from failure to comply with laws, regulations, rules, internal and external standards, or administrative requirements applicable to its activities.

This risk is mitigated by the compliance function, which provides guidance on adherence to laws and regulations. It also includes an evaluation of how potential changes in the legal environment may affect the Company's operations, along with the identification and assessment of compliance risks.

Legal risk

Legal risk is defined as the event arising from changes in regulations, laws, or administrative procedures that may adversely affect the Company.

In recent years, the regulatory framework governing the insurance industry has been extended with new regulations at both international and local levels. Furthermore, it should be noted that the Company operates in a complex environment under increasing regulatory pressures, not only within the insurance sector but also across the fields of technology, corporate governance, and criminal corporate responsibility, among others.



This risk is primarily mitigated through the efforts of the compliance function and the support of legal counsel.

Cybersecurity risk

Cyber risks refer to threats associated with security in the use of information and communication technologies, cyberspace, and the transfer, processing, and storage of electronic data. Such cyber risks can compromise:

- The confidentiality, integrity, and availability of both the information managed and the systems that store, process, and/or transmit it.
- The continuity of business operations and the services provided to clients.
- In extreme instances, the physical security of both the facilities and personnel.

The Company depends on the ForteGra Group IT infrastructure and the various IT systems employed by its key service providers. ForteGra Financial Corporation is tasked with ensuring IT compliance with PCI, SOX, and regulatory requirements, while implementing policies and procedures designed to safeguard the Company against IT risks, including unauthorised access to information, data integrity concerns, and emerging cybersecurity threats.

Group risk

The Company has not assumed any additional capital requirements for group risk, due to the simplicity of the Group structure and the risk mitigations in place.

The Company considers the operational risk capital requirement to be sufficient to adequately cover group risk. Given the Group's structure and the current state of the business, group risk is deemed immaterial.

Strategic risk

The Company aims to establish an appropriate framework to limit the potential for strategic risk arising from unsuitable business decisions, their implementation, or a lack of consideration for the broader markets in which the Company operates.

The Company sets a high-level business strategy, which is translated into a three-year financial business plan, a volume plan by distribution channel, and a detailed one-year budget. Performance against both the budget and volume plan is reviewed quarterly.

C.7 Any other information

None.

D. VALUATION FOR SOLVENCY PURPOSES

In Solvency II, assets and liabilities are valued using a market-consistent approach. The Company also prepares a complete set of accounting figures according to IFRS.

Balance Sheet (€'000)	IFRS	Solvency 2
Investments	98,708	98,708
Cash and cash equivalents	16,340	16,340
Deferred acquisition costs	1,914	-
Insurance receivables	-	16,959
Other assets	19,344	21,259
Reinsurance recoverable	48,752	71,625
<i>Total Assets</i>	185,058	224,890
Technical provisions	(147,069)	(132,080)
Insurance payables	(3,829)	(50,787)
Deferred tax liability	-	(1,008)
Other liabilities	-	(3,829)
<i>Total Liabilities</i>	(150,898)	(187,704)
<i>Net Assets / Own Fund</i>	34,160	37,186

D.1 Assets

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

Deferred acquisition costs

This comprises assets for insurance acquisition cashflows related to advance commissions, whereas under Solvency II, reserving expenses are not deferred but are considered fully in the technical provisions.

Insurance and intermediaries receivables

Insurance and intermediaries receivables represent the amounts past due for payments by insurers and other insurance-linked business.

These payments are not included in the cash inflows of technical provisions.

The equivalent items are not presented under insurance and intermediary receivables but are instead included within Insurance contract liabilities under IFR17.

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Reinsurance best estimates

The "best estimate" for reinsurance is based on the following principles:

- It relates to future claims recoverable, or those which take place subsequent to the valuation date, within the remaining claim coverage period.
- It is calculated as the present value of expected cash flows associated with the current portfolio, in accordance with contract boundaries.
- Projected cash flows will include payments for benefits and related expenses: administration, acquisition, claim management, and investment management.
- The best estimate considers the time value of money based on an analysis of claim inflows and outflows.

Bonds

Bonds represent amounts held in rated government bonds and corporate bonds - these are shown at Fair Value Through Profit or loss (FVTPL).

Cash and cash equivalents

Cash includes cash in hand. For the purposes of the Solvency II balance sheet, cash and cash equivalents have been valued in accordance with IFRS.

D.2 Technical provisions

Below are the main differences between the valuation of technical provisions under Solvency II and IFRS, and a breakdown of Solvency II technical provisions by class of business.

€'000	Solvency II Value	IFRS Accounting Value
Technical provisions non-life	-	147,069
Best estimate (BE)	129,640	-
Risk margin	2,440	-
Total technical provisions	132,080	147,069

€'000	Best estimate	Risk margin	Total
Other motor insurance	68,698	1,313	70,011
Fire and other damage to property insurance	18,284	346	18,630
Miscellaneous financial loss	42,658	781	43,439
Total non-life obligations	129,640	2,440	132,080

The Solvency II Directive 2009/138/EC stipulates that the value of technical provisions shall be equal to the sum of a best estimate and a risk margin. To calculate the solvency ratio, the Company



does not make use of matching and volatility adjustments, or transitional measures for technical provisions.

Best estimate of the provision for claims outstanding

The "best estimate" for the provision for claims outstanding is based on the following principles:

- Considering all claims which have been incurred prior to the valuation date, regardless of whether they have been reported or not.
- It is calculated as the present value of expected future cash flows associated with the claim incurred. Projected cash flows will include payments for benefits and related expenses.
- Should there be any liabilities transferred to a counterparty, the recoverable amounts are adjusted to factor in the expected losses due to default of the counterparty.
- The best estimate considers the time value of money based on the consideration of the claim inflows and outflows.

The claim provisions in the financial statements include the provision for outstanding claims reported. The claim provisions calculated based on Solvency II criteria present the following differences with respect to those calculated based on financial statement requirements:

- The consideration of all cash flow sources.
- The counterparty default risk adjustment to reinsurance recoverable amounts; The financial discount of cash flows.

Best estimate of the provision for premiums

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

- It relates to future claims, or those which take place subsequent to the valuation date, within the remaining claim coverage period.
- It is calculated as the present value of expected cash flows associated with the current portfolio, in accordance with contract boundaries.
- Projected cash flows will include payments for benefits and related expenses: administration, acquisition, claim management, and investment management.
- Should there be any liabilities transferred to a counterparty, the recoverable amounts are adjusted to consider the expected losses due to default of the counterparty.
- The best estimate considers the time value of money based on an analysis of claim inflows and outflows.

As indicated previously, the calculation of this provision is comprised of the cash flows corresponding to two portfolios:

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Current portfolio which includes the following:

- Expected claims. Two different methods may be used to calculate the present value of benefit payments:
 - o The frequency and average cost method: claims are calculated as the result of exposure based on frequency assumptions and final average costs.
 - o Loss ratio method: the expected claims arising from applying the ultimate loss ratio to Unearned Premium Reserve (UPR), gross of acquisition expenses.
- Expenses attributable to the current portfolio: acquisition (no commissions), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

Future business which includes the following:

- Premiums for policies, which have not yet been renewed but include company commitments to renew. This calculation includes the future behaviour of the policyholders based on the application of an estimated lapse ratio.
- Expected loss ratio relating to future premiums. The same methods indicated for the current portfolio may be used.
- Expenses attributable to future premiums (charged expense-to-premium ratio applied to future premiums): acquisition expenses (including commissions), administration, chargeable to benefits, investment expenses, as well as other technical expenses.

Under IFRS, this provision is recognised under the insurance contract liabilities. Insurance contract liabilities consist of three components under the general measurement model which is often referenced as the Building Blocks Approach (BBA) - probability-weighted mean present value of future cash flows (expected PV of cash flows), Risk Adjustment (RA) for non-financial risk and Contractual Service Margin (CSM).

The contractual service margin is a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit that will be recognised as services are provided in the future. The contractual service margin is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of insurance contracts is onerous.

Risk margin

The risk margin is the cost of providing the capital to cover the SCR over the lifetime of the liabilities. It is intended to ensure that the value of the technical provisions is equivalent to the amount that an insurer would be expected to take over and meet the insurance obligations. The calculation of the risk margin complies with the technical specifications set in Articles 37 to 39 of the Delegated Acts.

Degree of uncertainty associated with the amount of technical provisions

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

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

These factors are estimated based on expert opinions within the area or using market data.

D.3 Other liabilities

Insurance and intermediaries payables

For the purpose of the Solvency II balance sheet, the valuation is the amount at which these payables may be transferred or settled between duly informed interested parties carrying out transactions under mutually independent conditions. The difference between the IFRS value and the Solvency II value relates to reclassification of insurance related payables within insurance contract liabilities and reinsurance contracts assets held under IFRS 17.

Reinsurance payables

For the purpose of the Solvency II balance sheet, the valuation is the amount at which these payables may be transferred or settled between duly informed interested parties carrying out transactions under mutually independent conditions. The difference between the IFRS value and the Solvency II value relates to reclassification of insurance related payables within insurance contract liabilities and reinsurance contracts assets held under IFRS 17.

Payables (trade, not insurance)

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

Deferred tax liabilities

Deferred taxes are measured under Solvency II as the amounts reported in the audited financial statements as adjusted by the tax impact (at different applicable rates) on the difference between the values assigned to assets and liabilities for solvency purposes and their carrying values as recognised in the financial statements and valued for tax purposes. Under IFRS, deferred taxes are calculated on all temporary differences using a principal tax rate

The differences between the Solvency II and IFRS value of the deferred tax liabilities arose due to Solvency 2 own funds being greater than IFRS own funds, so there are extra own funds on a Solvency 2 basis. Therefore, a Solvency 2 deferred tax liability exists at year end.



D.4 Alternative methods for valuation

No alternative valuation methods have been used.

D.5 Any other information

There is no other significant information regarding the valuation of assets and liabilities that has not been included in the preceding sections.

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E. CAPITAL MANAGEMENT

E.1 Own funds

The Company's objective for capital management is to ensure it has sufficient own funds to meet the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR), while also maintaining a buffer that supports its growth ambitions as outlined in the business plan.

The Board reviews the ratio of eligible own funds to the SCR and MCR at least quarterly. Additionally, the Company prepares solvency projections for the next three years as part of its business planning process. The Company primarily invests its eligible own funds in high-quality fixed-income securities and cash held in bank accounts.

Currently, the Company has no plans to change its investment policy or to modify how it manages its own fund items. Its capital management principle is to maintain a cover rate of 120% of the Solvency Capital Requirement. The required regulatory capital is calculated quarterly, and both the CFO and CRO ensure regular, timely, and effective monitoring of the capital positions.

Internal Reporting of Capital Positions:

The CFO and CRO provide regular and effective internal reports on capital positions to the Board and senior management.

External Reporting of Capital Positions:

The Company produces the following in accordance with Solvency II requirements:

- Quantitative Reporting Template ("QRT").
- Solvency and Financial Condition Report ("SFCR").
- ORSA Report.

Structure, amount and quality of own funds

As of 31 December 2025, the unrestricted basic own funds of the Company consist of ordinary share capital, additional capital contributions, and a reconciliation reserve.

€'000	2025	Change in the year	2024
Ordinary share capital	6,055	-	6,055
Reconciliation reserve	(4,138)	(18,916)	23,054
Other own funds – capital contributions	35,269	-	35,269
<i>Total available own funds</i>	37,187	(27,191)	64,378

Difference between the equity in the financial statements and Own Funds for Solvency II purposes

The main adjustments resulting from the reconciliation of equity in the financial statements and own funds under Solvency II are as follows:

(€'000)	2025
Net Assets (IFRS)	34,160
Deferred acquisition costs	(1,914)
Insurance receivables	16,959
Other assets	1,915
Reinsurance recoverable	22,873
Technical provisions	14,989
Insurance payables	(46,958)
Other liabilities	(4,838)
Own Funds	37,186

E.2 Solvency Capital Requirement & Minimum Capital Requirement

A breakdown of the SCR and Minimum Capital Requirements ("MCR") and the eligible capital are displayed in the following tables:

€'000	2025	2024
Eligible own funds	37,186	64,378
Solvency capital requirement (SCR)	30,299	48,199
Solvency II Surplus	6,887	16,179
Solvency ratio	122.73%	133.6%
Minimum capital requirement (MCR)	9,645	13,405

According to the Solvency II Directive, all unrestricted basic Tier 1 own funds are eligible to cover the SCR. To calculate the SCR, the Company did not use any simplifications for any of its risk modules.

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The standard formula is used to calculate the SCR; the table below shows the components of the SCR:

€'000	2025	Change in the year	2024
Underwriting risk	19,305	(14,292)	33,597
Premium & reserving risk	17,327	(11,163)	28,490
Catastrophe risk	5,150	(6,685)	11,835
Lapse risk	1,133	(1,776)	2,909
Diversification credit	(4,305)	5,332	(9,637)
Market Risk	7,237	(5,083)	12,320
Counterparty risk	7,457	(834)	8,291
Operational risk	4,448	(323)	4,771
Diversification credit	(7,139)	(3,641)	(10,780)
Deferred tax	1,008	1,008	-
Solvency capital requirement	30,299	(17,900)	48,199
Minimum capital requirement	9,645	(3,760)	13,405

The ratio of eligible own funds to MCR is 386%

The loss absorbing capacity of deferred tax ("LACDT") of the Company is calculated using the Company's effective tax rate, and is capped at the deferred tax liability arising on the pre-stress Solvency II balance sheet.

E.3 Material changes to the SCR and MCR over the reporting period

The main factor contributing to the capital requirements is Non-Life Insurance Risk, which amounts to €19.3 million before considering diversification.

This figure is primarily driven by a €17.3 million charge for Premium and Reserve Risk, which is associated with unearned premiums and anticipated future business as outlined in the Company's business plan. Notably, Non-Life Insurance Risk decreased by 43% in the year, indicating an expected decline in business volumes and increased reinsurance to reduce capital requirements.

Market risk decreased by 41% over the year as the company improved the average credit quality of its investment portfolio and returned capital to shareholders in the form of dividends. The MCR is €9.6 million, a 28% decrease from the previous year as the company lowered its underwriting risk through reinsurance and reduced expected premium volumes.

E.4 Any other information

The Company has continuously complied with the MCR and the SCR throughout the reporting period.

No other information.

F. Templates

The following reporting templates are provided as appendices to this document, as required by the regulations:

Template Code	Template name
SE.02.01.16.01	Balance sheet
S.05.01.01.01	Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)
S.17.01.01.01	Non-Life Technical Provisions
S.23.01.01.01	Own Funds
S.23.01.01.02	Reconciliation reserve
S.25.01.01.01	Basic Solvency Capital Requirement
S.25.01.01.02	Calculation of Solvency Capital Requirement
S.28.01.01.01	Linear formula component for non-life insurance and reinsurance obligations
S.28.01.01.02	Background information
S.28.01.01.05	Overall MCR calculation

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SE.02.01.16.01 - Balance sheet

Rows		Columns	
		Solvency II value	Statutory accounts value
		C0010	C0020
Assets	AR0009		
Goodwill	R0010		
Deferred acquisition costs	R0020		1,913,738.99
Intangible assets	R0030		
Deferred tax assets	R0040		
Pension benefit surplus	R0050		
Property, plant & equipment held for own use	R0060		
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	98,708,360.84	98,708,360.84
Property (other than for own use)	R0080		
Holdings in related undertakings, Including participations	R0090		
Equities	R0100		
Equities - listed	R0110		
Equities - unlisted	R0120		
Bonds	R0130	98,708,360.84	98,708,360.84
Government Bonds	R0140	25,136,896.35	25,136,896.35
Corporate Bonds	R0150	73,571,464.49	73,571,464.49
Structured notes	R0160		
Reinsurance recoverables from:	R0270	71,625,801.43	48,752,404.26
Non-life and health similar to non-life	R0280	71,625,801.43	48,752,404.26
Non-life excluding health	R0290	71,625,801.43	48,752,404.26
Health similar to non-life	R0300		
Deposits to cedants	R0350		
Insurance and intermediaries receivables	R0360	16,959,275.96	19,344,384.89
Reinsurance receivables	R0370		
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		
Cash and cash equivalents	R0410	16,339,252.73	16,339,252.73
Any other assets, not elsewhere shown	R0420	21,258,123.88	0.00
Total assets	R0500	224,890,814.85	185,058,141.71
Liabilities	AR0509		
Technical provisions - non-life	R0510	132,079,821.01	147,069,160.40
Technical provisions - non-life (excluding health)	R0520	132,079,821.01	147,069,160.40
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540	129,640,196.66	
Risk margin	R0550	2,439,624.35	
Other technical provisions	R0730		
Contingent liabilities	R0740		
Deferred tax liabilities	R0780	1,008,808.90	
Derivatives	R0790		
Financial liabilities other than debts owed to credit institutions	R0810		
Debts owed to non-credit institutions	ER0811		
Insurance & intermediaries payables	R0820	50,786,776.92	3,829,000.00
Reinsurance payables	R0830		
Payables (trade, not insurance)	R0840		
Subordinated liabilities	R0850		
Non-negotiable instruments held by credit institutions resident domestically	ER0851		
Non-negotiable instruments held by credit institutions resident in the euro area other than domestic	ER0852		
Non-negotiable instruments held by credit institutions resident in rest of the world	ER0853		
Non-negotiable instruments held by non-credit institutions resident domestically	ER0854		
Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic	ER0855		
Non-negotiable instruments held by non-credit institutions resident in rest of the world	ER0856		
Subordinated liabilities not in Basic Own Funds	R0860		
Subordinated liabilities in Basic Own Funds	R0870		
Any other liabilities, not elsewhere shown	R0880	3,829,000.00	0.00
Total liabilities	R0900	187,704,406.83	150,898,160.40
Excess of assets over liabilities	R1000	37,186,408.01	34,159,981.31

S.05.01.01.01 - Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional re

Rows		Line of Business for: non-life insurance and reinsurance obligations (direct business and			Total
		Other motor insurance	Fire and other damage to property insurance	Miscellaneous financial loss	
		C0050	C0070	C0120	
					C0200
Premiums written	AR0109				
Gross - Direct Business	R0110	102,061,436.78	1,270,281.05	60,558,857.21	163,890,575.05
Gross - Proportional reinsurance accepted	R0120				
Gross - Non-proportional reinsurance accepted	R0130				
Reinsurers' share	R0140	78,514,026.86	740,635.06	49,688,692.56	128,943,354.48
Net	R0200	23,547,409.92	529,645.99	10,870,164.66	34,947,220.57
Premiums earned	AR0209				
Gross - Direct Business	R0210	69,708,083.12	15,561,007.84	63,013,720.30	148,282,811.26
Gross - Proportional reinsurance accepted	R0220				
Gross - Non-proportional reinsurance accepted	R0230				
Reinsurers' share	R0240	51,687,767.98	4,709,977.54	34,944,857.74	91,342,603.26
Net	R0300	18,020,315.14	10,851,030.30	28,068,862.56	56,940,208.00
Claims incurred	AR0309				
Gross - Direct Business	R0310	40,868,966.93	12,742,423.53	33,223,041.19	86,834,431.65
Gross - Proportional reinsurance accepted	R0320				
Gross - Non-proportional reinsurance accepted	R0330				
Reinsurers' share	R0340	22,878,654.50	5,619,850.02	20,951,100.78	49,449,605.31
Net	R0400	17,990,312.43	7,122,573.50	12,271,940.41	37,384,826.35
Expenses incurred	R0550	7,350,694.32	124,668.47	3,491,305.53	10,966,668.32
Administrative expenses	AR0609				
Gross - Direct Business	R0610				
Gross - Proportional reinsurance accepted	R0620				
Gross - Non-proportional reinsurance accepted	R0630				
Reinsurers' share	R0640				
Net	R0700				
Investment management expenses	AR0709				
Gross - Direct Business	R0710				
Gross - Proportional reinsurance accepted	R0720				
Gross - Non-proportional reinsurance accepted	R0730				
Reinsurers' share	R0740				
Net	R0800				
Claims management expenses	AR0809				
Gross - Direct Business	R0810				
Gross - Proportional reinsurance accepted	R0820				
Gross - Non-proportional reinsurance accepted	R0830				
Reinsurers' share	R0840				
Net	R0900				
Acquisition expenses	AR0909				
Gross - Direct Business	R0910	36,892,667.79	721,373.10	15,013,306.10	52,627,346.99
Gross - Proportional reinsurance accepted	R0920				
Gross - Non-proportional reinsurance accepted	R0930				
Reinsurers' share	R0940	32,224,070.40	630,086.66	13,113,441.28	45,967,598.33
Net	R1000	4,668,597.39	91,286.45	1,899,864.82	6,659,748.66
Overhead expenses	AR1009				
Gross - Direct Business	R1010	2,682,096.93	33,382.02	1,591,440.71	4,306,919.66
Gross - Proportional reinsurance accepted	R1020				
Gross - Non-proportional reinsurance accepted	R1030				
Reinsurers' share	R1040				
Net	R1100	2,682,096.93	33,382.02	1,591,440.71	4,306,919.66
Balance - other technical expenses/income	R1210				
Total technical expenses	R1300				10,966,668.32

S.17.01.01.01 - Non-Life Technical Provisions

Rows	Direct business and accepted proportional reinsurance			Total Non-Life obligation
	Other motor insurance	Fire and other damage to property Insurance	Miscellaneous financial loss	
	C0060	C0080	C0130	
Technical provisions calculated as a whole	R0010			
Direct business	R0020			
Accepted proportional reinsurance business	R0030			
Accepted non-proportional reinsurance	R0040			
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	R0050			
Technical provisions calculated as a sum of BE and RM	AR0057			
Best estimate	AR0058			
Premium provisions	AR0059			
Gross - Total	R0060	63,741,888.06	16,792,350.90	37,945,086.21
Gross - direct business	R0070	63,741,888.06	16,792,350.90	37,945,086.21
Gross - accepted proportional reinsurance business	R0080			
Gross - accepted non-proportional reinsurance business	R0090			
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0100	35,074,873.43	8,167,056.44	22,067,928.16
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	35,074,873.43	8,167,056.44	22,067,928.16
Recoverables from SPV before adjustment for expected losses	R0120			
Recoverables from Finite Reinsurance before adjustment for expected losses	R0130			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	35,064,520.67	8,164,685.52	22,060,011.76
Net Best Estimate of Premium Provisions	R0150	28,677,367.38	8,627,665.38	15,885,074.45
Claims provisions	AR0159			
Gross - Total	R0160	4,956,558.89	1,492,127.74	4,712,184.87
Gross - direct business	R0170	4,956,558.89	1,492,127.74	4,712,184.87
Gross - accepted proportional reinsurance business	R0180			
Gross - accepted non-proportional reinsurance business	R0190			
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	2,814,725.34	847,347.90	2,675,950.48
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	2,814,725.34	847,347.90	2,675,950.48
Recoverables from SPV before adjustment for expected losses	R0220			
Recoverables from Finite Reinsurance before adjustment for expected losses	R0230			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	2,814,085.56	847,155.26	2,675,342.66
Net Best Estimate of Claims Provisions	R0250	2,142,473.33	644,972.48	2,036,842.20
Total Best estimate - gross	R0260	68,698,446.95	18,284,478.64	42,657,271.08
Total Best estimate - net	R0270	30,819,840.71	9,272,637.87	17,921,916.65
Risk margin	R0280	1,312,518.13	345,773.64	781,332.57
Amount of the transitional on Technical Provisions	AR0289			
TP as a whole	R0290			
Best estimate	R0300			
Risk margin	R0310			
Technical provisions - total	AR0319			
Technical provisions - total	R0320	70,010,965.07	16,630,252.28	43,438,603.65
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	37,878,606.23	9,011,840.77	24,735,354.42
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	32,132,358.84	9,618,411.51	18,703,249.23
Line of Business: further segmentation (Homogeneous Risk Groups)	AR0349			
Premium provisions - Total number of homogeneous risk groups	R0350	16	13	18
Claims provisions - Total number of homogeneous risk groups	R0360	16	13	18
Cash-flows of the Best estimate of Premium Provisions (Gross)	AR0368			
Cash out-flows	AR0369			
Future benefits and claims	R0370	57,247,927.48	16,228,672.32	36,870,354.37
Future expenses and other cash-out flows	R0380	9,304,146.12	563,678.58	3,481,199.94
Cash in-flows	AR0389			
Future premiums	R0390	2,810,185.55	0.00	2,406,468.09
Other cash-in flows (Incl. Recoverable from salvages and subrogations)	R0400			
Cash-flows of the Best estimate of Claims Provisions (Gross)	AR0409			
Cash out-flows	AR0409			
Future benefits and claims	R0410	4,845,036.32	1,458,554.87	4,606,160.71
Future expenses and other cash-out flows	R0420	111,522.58	33,572.87	106,024.16
Cash in-flows	AR0429			
Future premiums	R0430			
Other cash-in flows (Incl. Recoverable from salvages and subrogations)	R0440			
Percentage of gross Best Estimate calculated using approximations	R0450			
Best estimate subject to transitional of the Interest rate	R0460			
Technical provisions without transitional on interest rate	R0470			
Best estimate subject to volatility adjustment	R0480			
Technical provisions without volatility adjustment and without others transitional measures	R0490			
Expected profits included in future premiums (EPIFP)	R0500			

S.23.01.01.01 - Own funds

Rows		Columns				
		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	AR0009					
Ordinary share capital (gross of own shares)	R0010	6,055,455.00	6,055,455.00			
Share premium account related to ordinary share capital	R0030					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-4,137,679.99	-4,137,679.99			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					0.00
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	35,268,633.00	35,268,633.00			
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	AR0219					
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					
Deductions	AR0229					
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	37,186,408.01	37,186,408.01			0.00
Ancillary own funds	AR0299					
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds	AR0499					
Total available own funds to meet the SCR	R0500	37,186,408.01	37,186,408.01			0.00
Total available own funds to meet the MCR	R0510	37,186,408.01	37,186,408.01			
Total eligible own funds to meet the SCR	R0540	37,186,408.01	37,186,408.01			0.00
Total eligible own funds to meet the MCR	R0550	37,186,408.01	37,186,408.01			
SCR	R0580	30,299,392.77				
MCR	R0600	9,645,044.24				
Ratio of Eligible own funds to SCR	R0620	1.2273				
Ratio of Eligible own funds to MCR	R0640	3.8555				

S.23.01.01.02 - Reconciliation reserve

Rows		Columns
		Value
		C0050
Reconciliation reserve	AR0699	
Excess of assets over liabilities	R0700	37,186,408.01
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	41,324,088.00
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-4,137,679.99
Expected profits	AR0769	
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

Mark Giorgio
Director
Deloitte Audit Limited
MC

S.25.01.01.01 - Basic Solvency Capital Requirement

Rows		Columns		
		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	7,236,539.09	7,236,539.09	
Counterparty default risk	R0020	7,457,426.72	7,457,426.72	
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	19,304,625.29	19,304,625.29	
Diversification	R0060	-7,138,873.77	-7,138,873.77	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	26,859,717.33	26,859,717.33	

S.25.01.01.02 - Calculation of Solvency Capital Requirement

Rows		Columns	
		Value	
		C0100	
Adjustment due to RFF/MAP nSCR aggregation	R0120		
Operational risk	R0130	4,448,484.34	
Loss-absorbing capacity of technical provisions	R0140		
Loss-absorbing capacity of deferred taxes	R0150	-1,008,808.90	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160		
Solvency Capital Requirement excluding capital add-on	R0200	30,299,392.77	
Capital add-ons already set	R0210		
of which, capital add-ons already set - Article 37 (1) Type a	R0211		
of which, capital add-ons already set - Article 37 (1) Type b	R0212		
of which, capital add-ons already set - Article 37 (1) Type c	R0213		
of which, capital add-ons already set - Article 37 (1) Type d	R0214		
Solvency capital requirement	R0220	30,299,392.77	
Other information on SCR	AR0399		
Capital requirement for duration-based equity risk sub-module	R0400		
Total amount of Notional Solvency Capital Requirements for remaining part	R0410		
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430		
Diversification effects due to RFF nSCR aggregation for article 304	R0440		
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450		
Net future discretionary benefits	R0460		

Mark Giorgio
 Director
 Deloitte Audit Limited
 MG

S.28.01.01.01 - Linear formula component for non-life insurance and reinsurance obligations

		Columns	
		MCR components	
		C0010	
Rows			
MCRNL Result	R0010		9,645,044.24

S.28.01.01.02 - Background information

		Columns	
		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Rows			
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050		
Other motor insurance and proportional reinsurance	R0060	30,819,840.71	18,565,526.14
Marine, aviation and transport insurance and proportional reinsurance	R0070		
Fire and other damage to property insurance and proportional reinsurance	R0080	9,272,637.87	5,585,732.98
General liability insurance and proportional reinsurance	R0090		
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	17,921,916.65	10,795,961.45
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

S.28.01.01.05 - Overall MCR calculation

		Columns	
		Value	
		C0070	
Rows			
Linear MCR	R0300		9,645,044.24
SCR	R0310		30,299,392.77
MCR cap	R0320		13,634,726.75
MCR floor	R0330		7,574,848.19
Combined MCR	R0340		9,645,044.24
Absolute floor of the MCR	R0350		2,700,000.00
Minimum Capital Requirement	R0400		9,645,044.24

Mark Giorgio
 Director
 Deloitte Audit Limited *MG*

Independent auditor's report

to the directors of
Fortegra Europe Insurance Company SE

Opinion

We have audited the following relevant elements of the Solvency and Financial Condition Report ("SFCR") prepared by Fortegra Europe Insurance Company SE (the Company) as at 31 December 2025:

- the 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR of the Company as at 31 December 2025, ('the Narrative Disclosures subject to audit'); and
- Company templates SE.02.01.01, S.17.01.01, S.23.01.01, S.25.01.01, S28.01.01 ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the SFCR'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information which comprises:

- the 'Executive summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the SFCR; and
- Company's templates S.05.01.01.

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the Insurance Business Act (Cap. 403) and the Insurance Rules issued thereunder, the Commission Delegated Regulation (EU) 2015/35 and the Commission Implementing Regulation (EU) 2023/895 (hereafter referred to as "the relevant legislation").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the relevant elements of the SFCR in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor's report (continued)

to the directors of
Fortegra Europe Insurance Company SE

Emphasis of Matter – Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the SFCR, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the SFCR, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the SFCR or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in relation to these matters.

Responsibilities of the Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions contained in the relevant legislation referred to above. In accordance with section 8.9 of Chapter 8 of the Insurance Rules, the Directors are responsible for having in place appropriate systems and structures to meet the Company's public disclosure requirements in relation to the SFCR and for the approval of the SFCR.

The Directors are also responsible to have the necessary internal controls to enable the preparation of the SFCR which is free from material misstatement, whether due to fraud or error. The Directors are responsible for overseeing the Company's financial reporting process.

The Directors satisfy themselves that, throughout the financial year in question, the Company has complied in all material respects with the requirements of the relevant legislation as applicable to the Company. The Directors are also required to sign a Declaration Form, in accordance with paragraph 8.6.2 of Chapter 8 of the Insurance Rules and Annex IV to the said Chapter, for submission with the SFCR to the competent authority.

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion on the Narrative Disclosures subject to audit that the Company shall disclose and on the Templates subject to audit, in accordance with paragraph 8.10.2 of Chapter 8 of the Insurance Rules and Annex V to the said Chapter, confirming that the said relevant elements of the SFCR have been prepared in all material respects in accordance with the relevant legislation. Such audit is to be made in accordance with paragraph 8.10.2 and Annex V of Chapter 8 of the Insurance Rules and with International Standards on Auditing.

Independent auditor's report (continued)

to the directors of

Fortegra Europe Insurance Company SE

Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report (continued)

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the SFCR.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant elements of the SFCR, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the relevant elements of the SFCR or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the relevant elements of the SFCR, including the disclosures, and whether the relevant elements of the SFCR represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent auditor's report (continued)

to the directors of

Fortegra Europe Insurance Company SE

Restriction on use and distribution of our Report

This report is made solely for the exclusive use of the Directors of the Company in accordance with our engagement letter dated 10 November 2025. However, we acknowledge that a copy of our report will be provided to the Malta Financial Services Authority ("MFSA") for the use of the MFSA solely for the purposes set down by Chapter 8 of the Insurance Rules issued under the Insurance Business Act (Cap. 403). Except for the MFSA's obligations under its Memoranda of Understanding for regulatory collaboration and co-operation, our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any duty of care, or any other responsibility and/or liability to anyone other than the Company, for our audit work, for this report or for the opinions we have formed.

This report was drawn up on 7 April 2026 and signed by:



Mark Giorgio as Director

In the name and on behalf of

Deloitte Audit Limited

Registered auditor

Central Business District, Birkirkara, Malta.