Review of Group Operations
Half Yearly Financial Statements - 30 June 2025

Commentary

The Directors present the unaudited consolidated interim results of MAPFRE Middlesea p.l.c..

The Group has in the half year ending 30 June 2025 registered a profit before tax of €14.24 million against the comparative of €12.18 million. The profit after tax and non-controlling interests, allocated to shareholders, amounted to €6.97 million as compared to €6.03 million in 2024.

The Company's non-life business saw premium written registering a strong growth from the already improving levels of June 2024. Technical performance has yielded a significantly improved insurance service result in these six months derived from all lines of business with the exception of Health. Motor remained registering a lower claim frequency with negligible movements in claim cost averages. Large losses had a softer impact on the technical performance than in the comparative period. During the year the impact, as expected, was mainly in the Motor line of business whilst in 2024 these were mainly affecting other classes including Property and General Liability. Investment income excluding the dividend received from the subsidiaries MAPFRE MSV Life p.l.c. of a net €1.50 million and BEE Insurance Management of a net of €1.00 million, was generally in-line with comparative with improved realised income and lower unrealised gains.

MAPFRE MSV Life p.l.c. insurance and investment sales levels reached expectations registering a satisfactory growth in the first six months of the year, diversifying in its product suite to increase its offering in a highly competitive market. Investment returns have been positive and showing improvements against comparative income with realized income yielding a satisfactory return partly mitigated by negative unrealized movements. Profit for MAPFRE MSV Life p.l.c. was marginally above the comparative.

The Group is compliant with the regulatory capital requirements as stipulated by the MFSA which are in line with the Solvency II requirements and continues to maintain its healthy Solvency position as a result of the attained positive results.

Preliminary Statement of Interim Results 30 June 2025

Financial highlights for the half year

- **General Business Gross Premium written** increased by 10.8% from €55.22 million in 2024 to €61.19 million as at the 30 June 2025.
- **Long term Gross business Written** by the Group registered a growth of 2.9% to €117.26 million compared to €113.99 million in the comparative period of 2024.
- The Group registered a **Profit after taxation** for the 6 months ended 30 June 2025 of €9.82 million, of which €6.98 million attributable to shareholders, compared with a profit after taxation of €8.83 million for the same period last year of which €6.03 million attributable to shareholders.
- **Net Insurance, Investment and Reinsurance contract Assets and Liabilities** at 30 June 2025 marginally increased by 0.3% to €2.21 billion compared to the 31 December 2024 net liabilities.
- **Total assets** increased by 0.3% and totaled €2.46 billion as at 30 June 2025, as compared to the total assets of €2.45 billion at 31 December 2024.
- **Total Equity** of the Group attributable to shareholders amounted to €98.67 million as at 30 June 2025, up from €96.35 million at 31 December 2024, with MAPFRE Middlesea p.l.c. having paid a dividend for financial year 2024 of €4.8 million outweighed by the results for the half year. The net asset value per share stands at €1.07 as at June 2025.
- Both insurance companies in the Group are compliant with the regulatory **solvency requirements** under Solvency II regime as at June 2025.

Outlook

Whilst acknowledging these results to be satisfactory and meeting set targets in the evolution of the new three-year strategic plan, the Directors look at the second half of 2025 with cautious optimism cognizant of the inherent risks underlying the nature of business the Group operates and the impacts these might have on results.

In line with Company policy, the Board of Directors do not propose to pay an interim dividend for the half year ended 30 June 2025 (2024 – nil).

Condensed Statement of Profit or Loss for the half year ended 30 June

	Group	
	6 months to 30 June 2025 €'000	6 months to 30 June 2024 €'000
Insurance revenue	**77,731**	70,445
Insurance service expenses	**(58,441)**	(51,986)
Net expenses from reinsurance contracts held	**(5,973)**	(5,415)
Insurance service result	**13,317**	13,044
Interest revenue calculated using effective interest method	**2,251**	2,806
Other investment revenue	**35,752**	37,970
Net credit impairment losses	**(7)**	(16)
Net investment income	**37,996**	40,760
Net change in investment contract liabilities	**853**	(7,131)
Finance expense from insurance contracts issued	**(35,870)**	(33,324)
Finance income from reinsurance contracts held	**383**	704
Net financial result	**(34,634)**	(39,751)
Net insurance and investment results	**16,679**	14,053
Other income	**1,047**	1,131
Other operating expenses	**(3,485)**	(3,006)
Profit before tax for the half year	**14,241**	12,178
Tax expense	**(4,422)**	(3,348)
Profit for the half year	**9,819**	8,830
Attributable to:		
- owners of the Company	**6,973**	6,030
- non-controlling interests	**2,846**	2,800
	9,819	8,830
Earnings per share attributable to owners of the Company	**7c6**	6c6

Condensed Statement of Comprehensive Income for the half year ended 30 June

	Group	
	6 months to 30 June 2025 €'000	6 months to 30 June 2024 €'000
Profit for the half year	**9,819**	8,830
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss		
Net change in fair value of debt securities measured at FVOCI	**142**	(26)
Total other comprehensive income, net of tax	**142**	(26)
Total comprehensive income for the half year	**9,961**	8,804
Attributable to:		
- owners of the Company	**7,115**	6,004
- non-controlling interests	**2,846**	2,800
Total comprehensive income for the half year	**9,961**	8,804

Preliminary Statement of Interim Results 30 June 2025

Condensed Statement of Financial Position

	Group	
	June 2025	December 2024
	€'000	€'000
ASSETS		
Intangible assets	**35,184**	34,411
Property, plant and equipment	**17,044**	17,115
Right-of-use assets	**2,222**	1,702
Investment properties	**106,096**	105,806
Investment in associated undertakings	**5,397**	5,226
Other investments	**2,158,740**	2,159,560
Deferred income tax asset	**2,501**	2,532
Insurance contract assets	**7,080**	7,080
Reinsurance contracts assets	**11,856**	11,815
Trade and other receivables	**34,170**	24,457
Current income tax receivable	**1,529**	2,290
Cash and cash equivalents	**80,059**	81,899
Total assets	**2,461,878**	2,453,893
EQUITY		
Capital and reserves attributable to owners of the Company	**98,667**	96,346
Non-controlling interests	**88,515**	87,169
Total equity	**187,182**	183,515
LIABILITIES		
Deferrred income tax liabilities	**14,370**	14,340
Provisions for other liabilities and charges	**868**	889
Insurance contracts liabilities	**2,008,128**	2,027,446
Investment contract liabilities	**205,744**	179,685
Reinsurance contracts liabilities	**17,699**	17,073
Derivative financial instruments	**-**	6,816
Lease liabilities	**2,326**	1,790
Other payables	**22,278**	19,899
Current income tax liabilities	**3,283**	2,440
Total liabilities	**2,274,696**	2,270,378
Total equity and liabilities	**2,461,878**	2,453,893

These condensed financial statements were approved by the Board on 28 July 2025 and were signed on its behalf by:

Martin Galea
Chairman

Etienne Sciberras
President & CEO

Statement of Changes in Equity
for the half year ended 30 June

Group

	Attributable to owners of the Company						
	Share capital €'000	Share premium account €'000	Other reserves €'000	Profit & loss account €'000	Total €'000	Non-controlling interests €'000	Total €'000
Balance as at 1 January 2024	19,320	688	637	67,524	88,169	82,694	170,863
Comprehensive income							
Profit for the half year	-	-	-	6,030	6,030	2,800	8,830
Other comprehensive income:							
Net change in fair value of debt securities measured at FVOCI	-	-	(26)	-	(26)	-	(26)
Total other comprehensive income, net of tax	-	-	(26)	-	(26)	-	(26)
Total comprehensive income	-	-	(26)	6,030	6,004	2,800	8,804
Transactions with owners							
Dividends for 2023	-	-	-	(4,500)	(4,500)	(1,000)	(5,500)
Total transactions with owners	-	-	-	(4,500)	(4,500)	(1,000)	(5,500)
Balance as at 30 June 2024	**19,320**	**688**	**611**	**69,054**	**89,673**	**84,494**	**174,167**
Balance as at 1 January 2025	19,320	688	800	75,538	96,346	87,169	183,515
Comprehensive income							
Profit for the half year	-	-	-	6,973	6,973	2,846	9,819
Other comprehensive income:							
Net change in fair value of debt securities measured at FVOCI	-	-	142	-	142	-	142
Total other comprehensive income, net of tax	-	-	142	-	142	-	142
Total comprehensive income	-	-	142	6,973	7,115	2,846	9,961
Transactions with owners							
Write-back of prior year dividends	-	-	-	6	6	-	6
Dividends for 2024	-	-	-	(4,800)	(4,800)	(1,500)	(6,300)
Total transactions with owners	-	-	-	(4,794)	(4,794)	(1,500)	(6,294)
Balance as at 30 June 2025	**19,320**	**688**	**942**	**77,717**	**98,667**	**88,515**	**187,182**

Statement of cash flows
for the half year ended 30 June

	Group	
	6 months to 30 June 2025	6 months to 30 June 2024
	€'000	€'000
Cash flows from operating activities		
Cash used in operations	**(846)**	(30,697)
Dividends received	**11,333**	8,513
Interest received	**14,715**	13,960
Tax paid	**(2,737)**	(5,762)
Net cash generated from/(used in) operating activities	**22,465**	(13,986)
Cash flows from investing activities		
Purchase of investment property	**(581)**	(455)
Disposal of investment property	**317**	-
Purchase of financial investments	**(494,868)**	(683,576)
Disposal of financial investments	**481,037**	716,067
Purchase of property, plant and equipment and intangible assets	**(3,916)**	(3,845)
Net cash (used in)/generated from investing activities	**(18,011)**	28,191
Cash flows fom financing activities		
Dividends paid to owners of the Company	**(4,794)**	(4,500)
Dividends paid to non-controlling interests	**(1,500)**	(1,000)
Cash used in financing activities	**(6,294)**	(5,500)
Net movement in cash and cash equivalents	**(1,840)**	8,705
Movement in cash and cash equivalents		
Cash and cash equivalents at beginning of year	**81,899**	47,975
Cash and cash equivalents at end of half-year	**80,059**	56,680

Notes to the Condensed Financial Statements
For the half year ended 30 June 2025

1. MAPFRE Middlesea p.l.c. is authorized by the Malta Financial Services Authority to carry on long term and general business of insurance under the Insurance Business Act, 1998.

2. Basis of preparation

These condensed financial statements are being published in accordance with Chapter 5 of the Capital Markets Rules of the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005. These statements have been extracted from the Group's unaudited financial statements as approved by the Board on 28 July 2025 and have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS34). They do not include all information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2024. The accounting policies applied in these condensed financial statements are the same as those applied by the group in its financial statements for the year ended 31 December 2024.

Related party transactions with other members of the MAPFRE Middlesea Group were at a similar level to the comparable period.

Statement pursuant to Capital Markets Rule 5.75.3 issued by the Malta Financial Services Authority

We confirm that to the best of our knowledge:

- the condensed interim financial statements for the Group give a true and fair view of the financial position as at 30 June 2025, financial performance and cash flows for the period then ended, in accordance with accounting standards adopted for use in the EU for interim financial statements (*IAS 34 ' Interim Financial Reporting'*) for the Group; and
- the commentary includes a fair review of the information required in terms of Capital Markets rule 5.75.2.

Martin Galea
Chairman

Etienne Sciberras
President & CEO