



STONEFORT
GROUP

We believe every business is unique and deserves a unique solution

2025

Group Solvency and Financial Condition Report

Stonefort Insurance Holdings S.A.



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SUMMARY

Context

This report is the Group Solvency and Financial Condition Report of the Stonefort Group (“SG”)’s (re)insurance entities for the reporting period ended 31 December 2025.

The (re)insurance entities of SG are Stonefort Reinsurance S.A. (“STRe”), Stonefort Insurance S.A. (“STI”) and Stonefort Insurance Holdings S.A. (“SIH”).

This Group SFCR provides public quantitative and qualitative disclosures as required by the Solvency II regulation.

This report is established pursuant to the requirements of the Insurance Law dated 7th December 2015 (the “Insurance Law”), the Solvency II Directive 2009/138/EC (the “SII Directive”), the Delegated Regulation (EU) 2019/981 and the EIOPA Guidelines on Reporting and Disclosure. Where appropriate it contains updated information beyond 31 December 2025.

SG is required to submit the Quantitative Reporting Templates (hereafter QRTs) to its regulatory authority, the Commissariat aux Assurances (“CAA”). A subset of these QRTs, which are required to be publicly disclosed, and which provide quantitative information in accordance with Solvency II as at 31 December 2025, are included in the appendix to this Group SFCR.

Section A “Business and Performance” describes the overall business profile and structure of SG. It also provides insight into the underwriting and investment performance of SG. Section B “System of Governance” explains the organisational governance structure and looks into the role and execution of the Solvency II functions. Section C “Risk Profile” analysis SG’s exposure to financial and non-financial risks and explains the risk mitigation techniques in place. Section D “Valuation for Solvency purposes” elaborates on the differences in presentation and measurement of balance sheets elements between Solvency II and Lux-GAAP statutory rules. Finally, section E “Capital management” discusses the composition of the Eligible Own Funds (EOF) and the calculation of the Solvency Capital Requirement (SCR).

Material changes and events in 2025

The main event in the year 2025 is the fact that a dividend payment of 50 million USD (42.6 million EUR at year-end 2025) is foreseen to be made in 2026 to HOCHTIEF.

Eligible Own Funds

Solvency II requires to hold Eligible Own Funds for covering the SCR. The Eligible Own Funds (EOF) are classified in three tiers depending on whether the own funds items are available to absorb losses on a going concern basis and/or in the case of winding-up as prescribed in the Solvency II Legislation. Tier 1 Own Funds items are the highest-grade capital and Tier 3 Own Funds are the lowest grade capital.

For Stonefort Insurance Holdings S.A. (“SIH”), Stonefort Reinsurance S.A. (“STRe”) and Stonefort Insurance S.A. (“STI”), as of 31 December 2025, 100% of the EOF are unrestricted Tier 1 Own Funds.

Solvency Capital Requirement

The SCR is calculated based on the Standard Formula. At the end of 2025, the calculations were made based on the latest published technical specifications in the Delegated Acts (Delegated Regulation (EU) 2019/981 from March 8th 2019).

Solvency II ratio

The following tables present the Solvency II ratio of SG's operating entities at year-end 2025.

Stonefort Insurance Holdings S.A. (in mEUR)	31/12/2024	31/12/2025
Eligible Own Funds	737.89	714.27
Solvency Capital Requirement (SCR)	230.30	248.51
Solvency II ratio	320%	287%

The Solvency II ratio of SIH decreased between year-end 2024 and year-end 2025, which is due to the SCR increase, coupled to the EOF decrease, over that period. More details are given in section C.

Disclaimer

To the best of the SG's knowledge, the information contained herein is accurate and reliable as of the date of publication. The figures presented in this report are those accounted for as of 28 February 2026 for statutory accounts, on which the Solvency II figures are produced. Statutory figures were unaudited as of that date.

Contact

contact@stonefort.com

A. BUSINESS AND PERFORMANCE

A.1. Business

A.1.1 General information

Stonefort Insurance Holdings S.A., hereinafter "SIH" or "the Holding Company" or "the Company", is a Luxembourg company registered on 16th September 2013 as a "société anonyme". The Holding Company's registered office is 8c, rue Collart, L-8414 Steinfort, Luxembourg.

SIH wholly owns three insurance sector regulated companies. These wholly owned subsidiaries are Stonefort Reinsurance S.A. (STRe), Stonefort Insurance S.A. (STI) and Stonefort Captive Management S.A. (SCM), all regulated by the Commissariat aux Assurances (hereafter CAA).

For Solvency II purposes, SIH (the Holding Company), STRe (a reinsurance undertaking) and STI (an insurance undertaking) form a Luxembourg insurance group, the **Stonefort Group (SG)**, governed by the Grand-Ducal Regulation dated 7 December 2015.

SG's core business is non-life reinsurance, but it also has undertaken primary insurance until 2023. Reinsurance administration services, carried out by SCM, complement these activities.

SIH, STI and STRe together with SCM, are regulated by the CAA:

11, rue Robert Stumper

L-2557 Luxembourg

Tel : +352 22 69 111

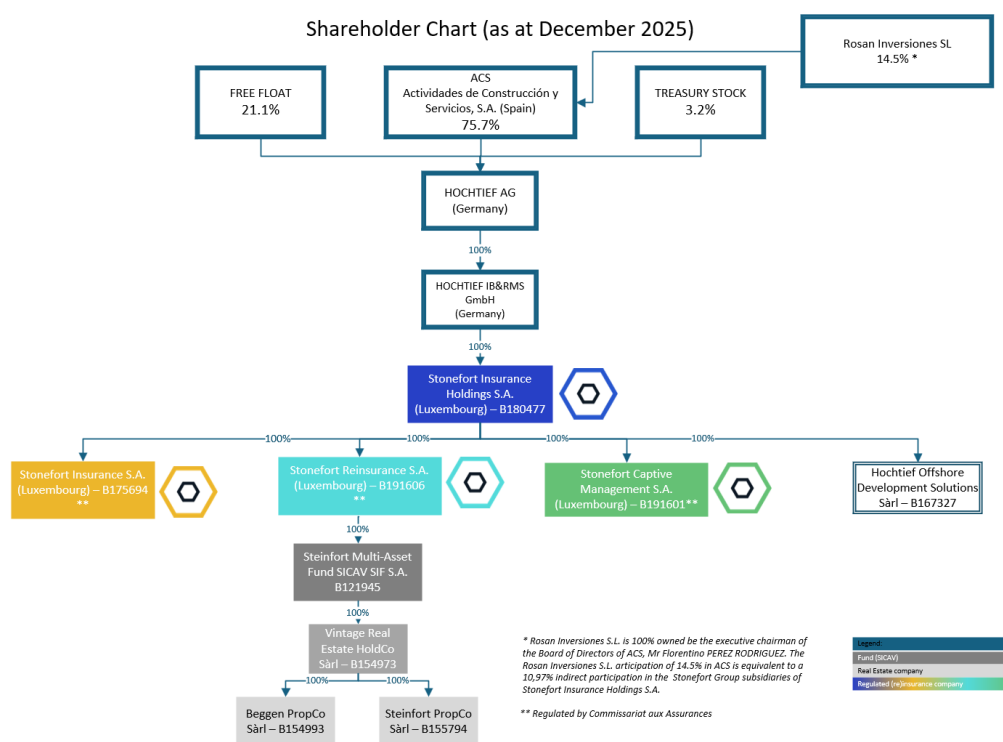
<https://www.caa.lu/>

SG's external auditor for the year ending 31 December 2025 is Deloitte Luxembourg,
 20, Boulevard de Kockelscheuer
 L-1821 Luxembourg
 Tel: +352 45 14 51

A.1.2 Structure of ownership

SIH is wholly owned by HOCHTIEF Insurance Broking and Risk Management Solutions GmbH, a wholly owned subsidiary of the German stock corporation "HOCHTIEF Aktiengesellschaft Germany" listed on the Frankfurt stock exchange, ISIN DE 0006070006 (see shareholder chart below in table 1).

Legal structure of the Group entities as of 31 December 2025 (with no change since):



ACS' participation is higher than 75% since November 2023.

A.1.3 The Company Undertakings

As of 31 December 2025, SIH owns 100% of the following CAA regulated entities and this has not changed as at the date of this report:

Stonefort Reinsurance S.A.:

A reinsurance undertaking created in October 2014 and licensed on 27 January 2015 which underwrites non-life reinsurance business worldwide and is supervised by the Luxembourg Insurance Regulator (CAA). STRe has its registered office at 4 rue de Neuerburg L-2215, Luxembourg, Luxembourg. STRe is rated A- by the rating agency A.M. Best Europe – A.M. Best (EU) Rating Services B.V., 3rd

Floor, NoMA House, Gustav Mahlerlaan 1212, 1081
LA Amsterdam, The Netherlands.

Stonefort Insurance S.A.:

A direct insurance undertaking created in March 2013 to underwrite non-life insurance business and supervised by the Luxembourg Insurance Regulator (CAA). Since August 2023, STI is in run-off and has ceased actively writing new business. The classes of business covered include accident, illness, surety bonds, goods in transit, fire and natural disaster, motor insurance, general and public liability and legal expense for the Luxembourg market and within Europe (primarily Belgium, Norway and Germany) under a freedom of service special license and the UK through a branch office (also in run-off). The registered office of the company is 8D rue Collart L-8414 Steinfort.

Stonefort Captive Management S.A. (SCM):

A “Professionnel du Secteur des Assurances” or PSA created in October 2014 and authorized by the CAA. Stonefort Group organizes since 2023 its group internal operations mainly through SCM as a dedicated centralized support services hub. These operational support services to Stonefort Group entities are effected through Service Level Agreements (“SLAs”) as between SCM and the respective Stonefort Group entities, including the Company.

There are no material differences between the scope of the group used for the consolidated financial statements and the scope for the consolidated data in Solvency II.

All Stonefort Group’s entities, with the exception of SCM, are subject to the Solvency II legislation for both Solo and Group reporting. The accounting and consolidation-based method, like the Lux-GAAP and IFRS consolidation methods, is used to consolidate these Solvency II entities. Solvency II entities are consolidated line-by-line in the Solvency II balance sheet whereas intra-group transactions between Solvency II entities have been eliminated.

A.2. Underwriting Performance

A.2.1 Underwriting income and expenses

The (gross) underwriting income, expenses and claims of SIH are directly derived from the (gross) underwriting income, expenses and claims from both its operating entities STRe and STI.

Given the run-off of STI and the limited remaining materiality of the STI accounts that are being reinsured by STRe, no consolidated figures to illustrate the intra-group retreatments have been produced to show the SIH underwriting income, expenses and claims.

STRe and STI figures can be found in the respective Solo SFCR 2025.

Additionally, given that STRe's figures are reported in USD, getting the SIH performance in EUR would require to convert them to EUR, using the exchange rate EUR/USD of 1.17460 at year-end 2025.

A.2.2 Analysis of the underwriting performance

For identical reasons as explained in section A.2.1, the underwriting performance of SIH is almost exclusively driven by the one from STRe and, once converted to EUR using the YE25 EUR/USD exchange rate of 1.17460, the figures would be very close to the consolidated ones for SIH.

A.2.3 Risk Mitigation Techniques

Stonefort Reinsurance

There were no material risk mitigation techniques purchased or entered during the reporting period.

Stonefort Reinsurance being originally a reinsurance Captive for the Turner Construction group, the aim is intrinsically to support (part of) their risks, without necessarily re-externalizing them. However, some exposures being quite significant, the usage of some risk mitigation techniques could be strategic to avoid too much volatility in the financial results and align with the risk appetite.

The cost of reinsurance will always be balanced with the earnings protection benefit. The company performs a monitoring of the market conditions to identify reinsurance solutions that are economically justified. Where appropriate, the company may utilise quota-share arrangements, excess-of-loss treaties or facultative covers. Alternatives such as reserves strengthening are also considered where they provide a more efficient risk-mitigation outcome. Reinsurers are selected based on financial strength, expertise, regulatory supervision, and alignment of contractual terms, with the objective of limiting counterparty-default risk and ensuring recoverables are fully admissible under Solvency II.

All risk-mitigation arrangements are integrated into the company's Solvency II framework. Their impact is reflected in the calculation of the reinsurance recoverables and in the counterparty-default risk SCR.

Stonefort Insurance

In the context of its run-off activities, Stonefort Insurance relies primarily on its sister company, Stonefort Reinsurance, as its main reinsurer, with the majority of reinsurance arrangements structured on a risk-attaching basis for the remaining in-force programs. This intra-group reinsurance continues to provide the principal risk mitigation framework for the orderly management of existing liabilities.

In parallel, a limited number of legacy programs remain reinsured with external third-party reinsurers. It reflects historical arrangements entered into prior to the cessation of new business.

All risk-mitigation arrangements are integrated into the company's Solvency II framework. Their impact is reflected in the calculation of the reinsurance recoverables and in the counterparty-default risk SCR.

A.3. Investment Performance

A.3.1 Overview

The investment performance of SIH is driven by the results of its wholly owned subsidiaries, STRe and STI. STRe invests primarily through Steinfort Multi-Asset Fund SICAV-SIF (SMAF), which serves as its dedicated investment vehicle. Since January 2024, following the run-off, STI has been managing its own portfolio, focused on European bonds and treasury operations.

The investment objective is to achieve a reasonable return on investment with an acceptable minimum investment risk. The investment activity is driven by an investment policy and a Strategic Asset Allocation (SAA) recommended by the investment team of Stonefort Group and approved by the Boards of STRe and STI.

The SAA is defined separately for STRe and STI according to the business activities, capitalization level and risk appetite. The SAA resulted in the maintenance of a diversified portfolio which covers all major asset classes and is regularly monitored against industry benchmarks. To accomplish this goal, Stonefort Group works closely with its investment advisors and external investment managers.

For convenience, the texts in sections A.3.1, A.3.2, A.3.3, A.3.4 and A.3.5 are written again in this Group SFCR but they are the ones from the respective Solo FY25 SFCRs.

A.3.2 Performance Attribution

Stonefort Reinsurance S.A.

Incorporated in 2006, SMAF is a USD-denominated investment fund that serves as STRe's primary investment vehicle to achieve its investment objectives by optimizing returns while maintaining an appropriate risk profile. As of 31 December 2025, STRe owned all of SMAF's net assets as its sole shareholder.

Market Overview

In 2025, the global markets navigated a challenging macroeconomic and geopolitical environment marked by trade tensions, policy uncertainties, and AI-driven optimism. Despite numerous political turbulences, major asset classes delivered broad-based gains.

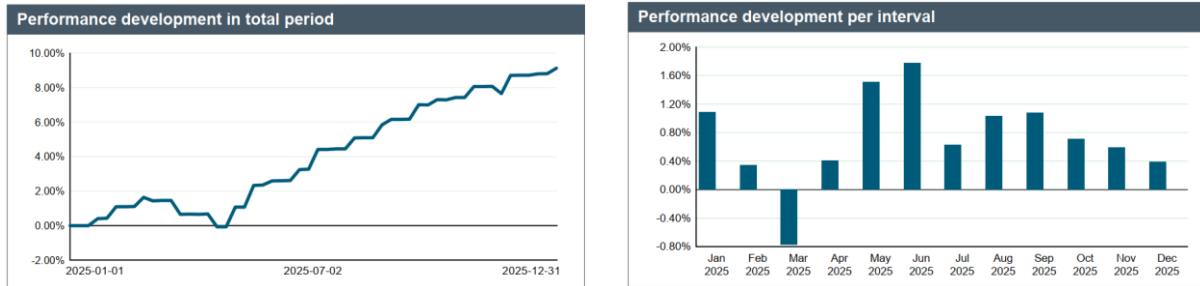
In the US, shifting domestic policies kept investors on the edge, from early-April tariff announcement to the summer passage of the One Big Beautiful Bill and a record long government shutdown near year end. Abroad, the war in Ukraine continued, France saw repeated government reshuffles, Germany ramped up defence and infrastructure spending, and China accelerated its AI development.

US equities and bonds delivered strong gains, supported by AI-driven investments, accommodative monetary and fiscal policy, and resilient corporate earnings. As global investors diversified beyond the US, other regions, especially Emerging Markets (EM), outperformed. The sharp depreciation of the USD against the EUR further enhanced returns on non-US assets.

Performance Review

In 2025, in terms of time-weighted performance, all assets included, STRe's portfolio return was positive +9.11%, driven mainly by the holding in SMAF.

The graphs below show the evolution of performance over the year, as well as the month-by-month performance:



The table below provides a breakdown of performance contributions by asset class (not time-weighted thus slightly different):

Asset Class	Weight as of 31 December 2025	Performance Contribution
Liquidity	4.08%	0.17%
Investment Fund (SMAF)	95.92%	8.94%
TOTAL	100.00%	9.11%

The investment in SMAF drove almost exclusively the investment performance of STRe with a 9.04% investment effect contribution while non-material cash holdings denominated in foreign currencies contributed 0.08% currency effect.

Investment Income and Expenses

Investment income includes dividends, interest, and other receivables, along with both realized and unrealized gains and losses on investments. The table below presents an extract from the annual report.

Stonefort Reinsurance S.A.	2025 (in USD)	2024 (in USD)
Investment income		
▪ Income from participating interest	80,037,438	0
▪ Income from other investments	1,211,405	1,367,865
	81,248,843	1,367,865
Investment charges		
▪ Investment management charges, including interest	(14,728)	(11,699)
	(14,728)	(11,699)

Asset Allocation

STRe's Strategic Asset Allocation ("SAA") is designed to maintain a diversified portfolio across major asset classes and is regularly assessed against industry benchmarks. Within this framework, STRe

collaborates closely with its investment advisors and external asset managers, while any significant adjustments to the allocation or investment approach would require the Board's approval.

The primary objective of STRe's investment portfolio is to generate a reasonable return while maintaining a prudent level of risk. Its investment activities follow an established investment policy and an SAA approved by the Board of STRe. As of 31 December 2025, the SAA in effect since May 2025 targets a long-term expected return of 5.1%, with expected volatility of 8.7% and a 95% Value-at-Risk of 13.4%.

Applying a look-through in SMAF, the table below displays STRe's exposure by asset class as of 31 December 2025:

Asset Class	Exposure as of 31 December 2025	SAA Target
Fixed Income	44.48%	47.60%
Equities	18.41%	22.90%
Intra-Group Loan	23.40%	20.00%
Private Market	4.04%	4.00%
Liquidity	8.15%	4.00%
Real Estate	1.52%	1.50%
TOTAL	100.00%	100.00%

A comparison of the portfolio's year-end positioning (including SMAF look-through) against the SAA indicates a broad alignment across most asset classes. The overweight in Intra-Group Loan is largely offset by the underweight in Equities. It is worth highlighting that a significant portion of the portfolio's liquidities is held in highly liquid short-term US Treasuries, term deposits and money market funds. These instruments provide immediate liquidity when needed, enabling rapid tactical shift into equities under favourable market conditions.

Investment in Securitizations

As of 31 December 2025, STRe held no direct investments in securitizations. Indirect exposure was limited to 15 securitized positions via SMAF, managed under an external mandate. These positions, primarily ABS and MBS, were mostly issued by US government-sponsored entities (Freddie Mac, Fannie Mae, and Ginnie Mae), with some from private issuers. Their total value was approximately USD 3 million, representing less than 0.5% of STRe's investment portfolio.

In relation to risk management, the investment management agreement outlines strict risk limits, permitted instruments, transaction types, and credit quality standards for all holdings, including securitized assets. The external manager also monitors market trends and regulatory developments to ensure ongoing compliance with both EU and non-EU securitization rules.

Stonefort Insurance S.A.

Market Overview

In 2025, the global markets navigated a challenging macroeconomic and geopolitical environment marked by trade tensions, policy uncertainties, and AI-driven optimism. Despite numerous political turbulences, major asset classes delivered broad-based gains.

Despite these challenges, most major asset classes in Europe delivered positive returns, supported by stabilizing monetary policy expectations and improving investor sentiment. Across the continent, the environment was shaped by the continued war in Ukraine, shifting political dynamics in several EU member states, and renewed fiscal commitments to defence, energy transition, and infrastructure. France experienced repeated government reshuffles. Germany accelerated spending on strategic sectors. The broader region faced ongoing debates around fiscal rules and competitiveness.

Meanwhile, the UK also navigated its own policy uncertainties while benefiting from moderating inflation and improving business confidence.

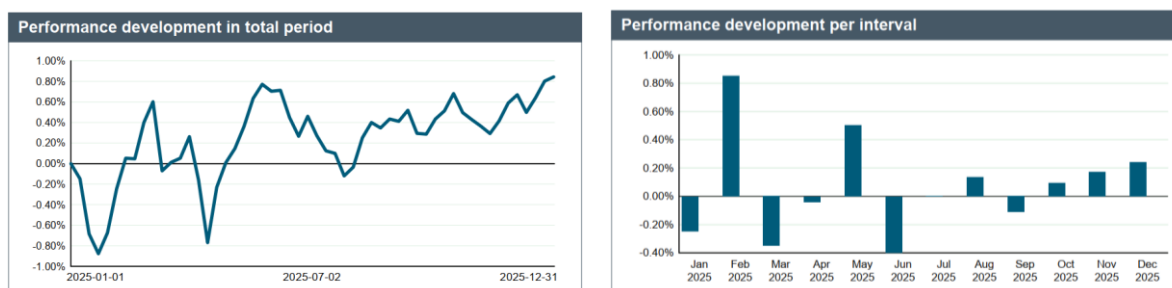
For EUR-denominated investments, short-dated government and corporate bonds performed well as yields remained elevated and volatility in longer maturities persisted. The European Central Bank's gradual shift towards a more neutral stance, having delivered its final cut in June 2025 which provided stability in the front end of the curve, making short-term fixed income attractive for portfolios prioritizing capital preservation and liquidity. Corporate fundamentals in the Investment Grade (IG) segment remained resilient, contributing to steady credit spreads.

Overall, the market backdrop in 2025 supported STI's conservative run-off investment strategy, with short-term EUR bonds and multi-currency liquidity offering a balanced combination of stability, income, and flexibility over the three-to-five-year horizon.

Performance Review

STI's portfolio delivered a positive time-weighted return of +0.85% in 2025 across all asset classes. This performance was mainly driven by the exposure to European sovereign and corporate bonds, which contributed +1.72%. Investment effect contributed +2.57% while currency effect contributed -1.71% to the performance, primarily due to the depreciation of the GBP, which affected the portfolio's GBP liquidity holdings as the currency weakened by 5.4% against the EUR over the year. Nevertheless, the portfolio remains well positioned for run-off, maintaining an appropriate balance between stability and liquidity.

The graphs below show the evolution of performance over the year, as well as the month-by-month performance:



The table below provides a breakdown of performance contributions by asset class (not time-weighted thus slightly different):

Asset Class	Weight as of December 31 st , 2025	Performance Contribution
Bonds	57.53%	1.72%
Liquidity	41.56%	-0.86%
Private Market	0.91%	0.00%
TOTAL	100.00%	0.85%

Investment Income and Expenses

Investment income includes dividends, interest, and other receivables, along with both realized and unrealized gains and losses on investments. The table below presents an extract from the annual report.

Stonefort Insurance S.A.	2025 (in EUR)	2024 (in EUR)
Investment income		
▪ Income from other investments	1,229,042.90	1,584,498.94
▪ Value re-adjustment on investments	(83,643.59)	922,581.06
▪ Gains on the realisation of investments	228,400.00	-
	1,373,799.31	2,507,080.00
Investment charges		
▪ Investment management charges, including interest	(127,746.66)	(99,806.92)
▪ Value adjustments on investments	(43,109.64)	(133,497.23)
▪ Losses on the realisation of investments	-	(651,290.90)
	(170,856.30)	(884,595.05)

Asset Allocation

Since 2024, STI refined its Strategic Asset Allocation (“SAA”) to align with the planned 3-to-5-year run-off horizon. The revised framework prioritizes risk-adjusted returns within a conservative risk profile, a strong focus on liability matching, minimal FX exposure, and a high degree of liquidity.

Based on these objectives, it was recommended, and subsequently approved by the Board, that the SAA remain concentrated in two core asset classes:

- Liquidity: Almost entirely in GBP through cash deposits and money-market instruments to meet short-term technical liabilities and support the Solvency Ratio of the UK branch.
- Bonds: Primarily high quality/IG EUR-denominated short-to-medium-term European sovereign, supranational, and corporate bonds.

The primary objective of STI’s investment portfolio is to maintain a reasonable return with a prudent level of risk throughout the run-off period. Its investment activities follow an established investment policy and an SAA recommended by the Investment function and approved by the Board of STI. As of December 31st, 2025, the SAA in effect since April 2025 targets a short-to-medium-term expected return of 2.9%, with expected volatility of 3.62%. The current SAA targets a combination of 40% Liquidity (30% GBP + 10% EUR) and 60% Bonds (15% sovereign/supranational bonds + 45% corporate bonds). The following table compares the portfolio allocation with the SAA target:

Asset Class	Weight as of December 31 st , 2025	SAA Target
Bonds	57.53%	60%
Liquidity	41.56%	40%
Private Market	0.91%	0%
TOTAL	100.00%	100%

Investment in Securitizations

As of 31 December 2025, STI held no direct or indirect investments in securitizations.

A.4. Performance of other activities

The revenues of Stonefort Captive Management S.A. (SCM) are derived from the services rendered to Stonefort Insurance S.A. (STI), Stonefort Reinsurance S.A. (STRe), Stonefort Multi-Asset Fund SICAV-SIF S.A. (SMAF), Stonefort Insurance Holdings S.A. (SIH) and other third-party companies.

The revenues of SIH are derived from the ones from STI, STRe and SCM.

Stonefort Group does not perform any other activity than those mentioned above.

A.5. Any other information

For STRe, some plus-value of the SMAF investments were realized to generate an income for Stonefort Reinsurance. This investment income is about 80m USD. Part of the investment income, representing approximately 31m USD, was allocated to the PFS, contributing significantly to the overall P&L 2025 of the company under the Lux-GAAP accounting standards. In 2025, the administrative costs amounted to 23.2m USD.

For STI, in 2025, the administrative costs amounted to 2.4m EUR.

B. SYSTEM OF GOVERNANCE

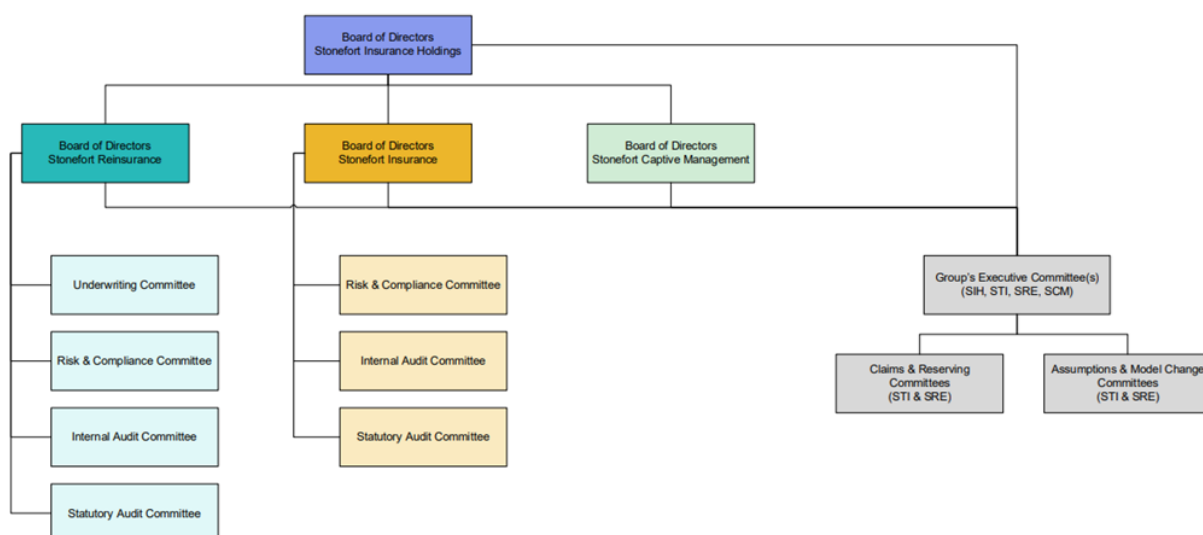
B.1. General information on the system of governance

Stonefort Insurance Holdings S.A. (“SIH”) is committed to maintaining high standards of corporate governance commensurate with the nature, scale and complexity of the Stonefort Group’s activities. SIH’s system of governance is designed to support sound and prudent management, effective oversight, clear accountability and appropriate challenge, while ensuring compliance with applicable legal and regulatory requirements.

The system of governance described in this section explains how SIH ensures effective oversight of the Group and how governance arrangements are embedded across the regulated operating entities. It includes a description of the Boards of Directors, executive management arrangements, governance committees and the Solvency II key functions. Board-level committees operate at the level of the regulated entities (STI and STRe), while Executive Committee-level management sub-committees support executive oversight and escalation across entities. The governance framework is supported by an established “three lines of defence” model applied across the regulated entities: (i) business and operational management as first line, (ii) Risk Management and Compliance as second line providing oversight and challenge, and (iii) Internal Audit as third line providing independent assurance for the regulated entities.

Over recent periods, the Group has continued to enhance its governance framework through refinement to its Group Governance Policy, Delegation of Authority principles and the Terms of Reference of Board and management committees. These enhancements aim to ensure appropriate levels of authority, accountability, oversight and challenge across the Group, and to strengthen the robustness and consistency of governance practices across SIH and its subsidiaries.

SG’s governance architecture:



B.1.1 The Boards of Directors

The Holding Company and the Group’s operating entities are governed by Boards of Directors that are responsible for leadership and control, setting strategic direction, promoting long-term sustainability and exercising oversight over executive management. The Boards operate under defined Terms of

Reference and established governance principles. They receive sufficient and timely information to allow Directors to fulfil their collective and individual responsibilities and to provide effective challenge.

The key responsibilities of a Board typically include:

- setting or approving strategy, key policies and risk appetite (as applicable);
- overseeing the effectiveness of risk management and internal controls;
- ensuring adequate resourcing and appropriate organisational structures;
- overseeing material outsourcing and ensuring appropriate oversight of key outsourced activities; and
- ensuring appropriate dialogue with shareholders on strategy and, where applicable, remuneration.

Boards meet as often as business requires and may also adopt decisions by written circular resolutions where permitted. Conflicts of interest are managed under the applicable policy framework, including disclosure requirements and abstention from deliberation and voting where relevant.

Remuneration (Group framework)

The remuneration system of the Holding Company reflects the Group's compensation approach and sets out governance structures and processes, total compensation elements, and incentive principles.

Staff members may be eligible to receive (depending on responsibilities, grade and location):

- a basic annual fixed salary determined by role, experience and skills;
- ancillary benefits aligned with local practices and legal requirements, designed not to create incentives for excessive risk taking; and
- an individual variable component linked to performance.

Variable remuneration is determined based on a combination of business performance and achievement of individual objectives, with discretion for downward adjustments to reflect exposure to current and future risks, the Group risk profile and the cost of capital. A balanced ratio between fixed and variable remuneration is maintained so that fixed remuneration represents a sufficiently high portion of total remuneration, limiting reliance on variable pay and helping to avoid incentives for excessive risk taking.

Independent directors receive a basic annual fee in respect of Board duties, with further fees for membership and, where appropriate, chairing Board committees. Fees are reviewed periodically considering market data, trends and the scope of duties.

Executive and non-executive directors employed by Stonefort Group and/or HOCHTIEF group entities are not separately compensated in respect of their Board duties.

Functioning and control framework

The Boards retain ultimate responsibility for ensuring that each entity maintains an effective system of internal control and risk management. The Boards review effectiveness through regular reporting and monitoring, and through assurance provided by the Solvency II key functions. The control framework is aligned with the "three lines of defence" model:

- First line: operational management owns and manages risks and controls in day-to-day activities.
- Second line: Risk Management and Compliance provide oversight, challenge, monitoring and reporting.
- Third line: Internal Audit provides independent assurance on governance, risk management and internal controls for the regulated entities, reporting to the appropriate Board level.

Internal Audit – Group/regulated-entity coverage

In 2025, the Stonefort Group applied a “three lines of defence” approach primarily through its regulated operating entities. Oversight and challenge activities were performed by the key functions and governance bodies at the level of STI and STRe, including the Internal Audit Committee process and related reporting. Internal Audit activities were focused on the regulated entities and performed on a co-sourced basis (including specialist Solvency II internal audit work), with coverage including (among other areas) Compliance within the internal audit plan of the regulated entities. SIH, as the holding company, did not constitute a separate internal audit engagement perimeter in 2025. Board oversight of group-level arrangements relies on reporting and assurances obtained through the regulated entities’ governance and key function reporting.

Material transactions with direct or indirect shareholder entities, shareholder controllers, persons who exercise significant influence, board members or senior executives

SIH on 31 December 2025 had not recorded any material transactions with some persons who exercise a significant influence on the Company or members of the Board.

B.1.2 The Stonefort Group’s Executive Committee(s)

Executive management within the Stonefort Group operates under delegated authority from the Boards of Directors, within the limits defined by the Delegation of Authority framework. The Group is supported by the Group’s Executive Committee(s) (hereafter the “ExCo”), serving SIH, STI, STRe and SCM, which provides a consistent executive management forum across the Group by steering day-to-day operations, monitoring performance, supporting the implementation of strategy and ensuring that risks are identified and controlled.

Escalation to and interaction with Stonefort Group’s Executive Committee(s)

The ExCo serves as a key escalation channel within the system of governance: material matters, emerging issues and key decisions are escalated to the relevant Board(s) in line with governance requirements and delegated authority limits.

B.1.3 Board Specialised committees

To support effective governance and oversight of SG Group, specialised committees operate within the governance architecture of the Stonefort Group under defined Terms of Reference and established procedures.

Board committees at regulated entity level

Board-level specialised committees are established at the level of the regulated entities (STI and STRe) to support the respective Boards. In line with the governance structure:

- For STI: Risk & Compliance Committee, Internal Audit Committee and Statutory Audit Committee.
- For STRe: Underwriting Committee, Risk & Compliance Committee, Internal Audit Committee and Statutory Audit Committee.

No separate Board committees are established under the SIH Board with the exception of the Stonefort Group’s Executive Committee(s). Governance at SIH level relies on the SIH Board and ExCo oversight and reporting arrangements.

Investment governance is organised under the SMAF Investment Charter: day-to-day investment and treasury activities are delegated to the Group's Investment & Treasury Department; investment-related matters are escalated to the relevant Board(s) for decision-making in accordance with delegated authority limits.

Decision-making remains the responsibility of the respective Board(s) and authorised executive decision-makers in accordance with the Delegation of Authority framework. Committees support the quality of decisions by providing structured review, challenge and recommendations, and by ensuring appropriate monitoring and follow-up.

B.1.4 The Solvency II key functions

For the regulated entities, within risk governance, the key functions are organised in accordance with Solvency II regulation and play an important role in terms of checks and balances in relation to the decision-making process of the Executive Management. With the exception of the Internal Audit function, the key functions of the Company are serviced through SCM.

The Solvency II key functions are:

- Actuarial function
- Risk Management function
- Compliance function
- Internal Audit function

The internal audit function for the Company is exercised by a non-executive member of the respective Board which control the internal audit services that are outsourced to the Corporate Audit department of the Company's ultimate shareholder, HOCHTIEF AG, in partnership with Ernst & Young, Luxembourg.

The four Solvency II key functions are independently positioned within the Company. The Solvency II key functions participate in the Board specialised committees. All Solvency II key functions have direct communication lines with the Board or via the specialised committees. Executive Management ensures that all monitoring policies issued by control functions are consistent with each other.

Across the Group, the key functions participate in governance forums as appropriate (including relevant committees), and they have direct communication lines to the Boards and/or Board committees. Executive management ensures that policies and monitoring activities issued by the control functions are consistent and coordinated, supporting an integrated and robust control environment.

Looking forward, the Group continues to enhance its governance and assurance framework and will reassess, as appropriate, the internal audit coverage of holding-level activities to ensure continued alignment with regulatory expectations and the Group's operating model.

B.2. Fit & proper requirements

Fit and proper requirements are set for persons who effectively run SG and its regulated subsidiaries, and other key functions that contribute to a sound business operation and promote the stability and integrity of SG and its stakeholders as well as market confidence. These requirements are further detailed in SG's Fit and Proper Policy.

B.2.1 Specific Requirements Concerning Fit and Proper

In accordance with Section 2 – System of governance (Article 72 and 73) of the Law of 7 December 2015 on the insurance sector, individuals who are performing roles where they are considered to effectively run the undertaking or have other key functions (as defined under Solvency II) are required to be assessed for their fitness and propriety at appointment and on an on-going basis by the respective SG entities.

The individuals who are performing a role that is considered to effectively run the undertaking or is any other key function are required to be assessed for their fitness and propriety at appointment and on an on-going basis by SG.

Assessing a person's fitness and propriety includes an assessment of:

- Their honesty, integrity, and reputation.
- Their professional qualifications, knowledge and experience are adequate to enable sound and prudent management; and
- Their financial soundness.

The respective Boards identify the skills and experience that are required at Board level, including the appointments of executive directors or independent or non-executive directors, so as to ensure the relevant diversity, experience, skills, and knowledge required for effective oversight and challenge.

B.2.2 Polices and Process for assessing fitness and propriety

To ensure that SG identifies and recruits appropriate people to perform the roles which are key and/or are considered to effectively run the undertaking, the individual is assessed for:

- Fitness: skills and experience must be adequately matched to the role they are being employed to undertake.
- Propriety: checks are in place to ensure that an individual is honest, of good reputation, has integrity and is financially sound.

An adequate level of screening is applied to all employees. Where an individual performs a role that is required to be approved by the CAA, a criminal record extract is required by the authorities of the country of predominant residence over the last 5 years if different to the individual's current place of residence. Additionally, for individuals performing an executive function subject to a licence or a Solvency II key function role, a declaration of honour confirming the individual has not previously been declared bankrupt is required to be made before a notary.

Fit and Proper assessments are carried out on an annual basis, although it is made clear to individuals that should they consider that they may have incurred a breach of the requirements, it is their responsibility to report this to HR immediately.

B.2.3 Culture and on-going monitoring

Within SG the importance of fitness and propriety is reinforced by the culture set by the Board and this is expressed

through:

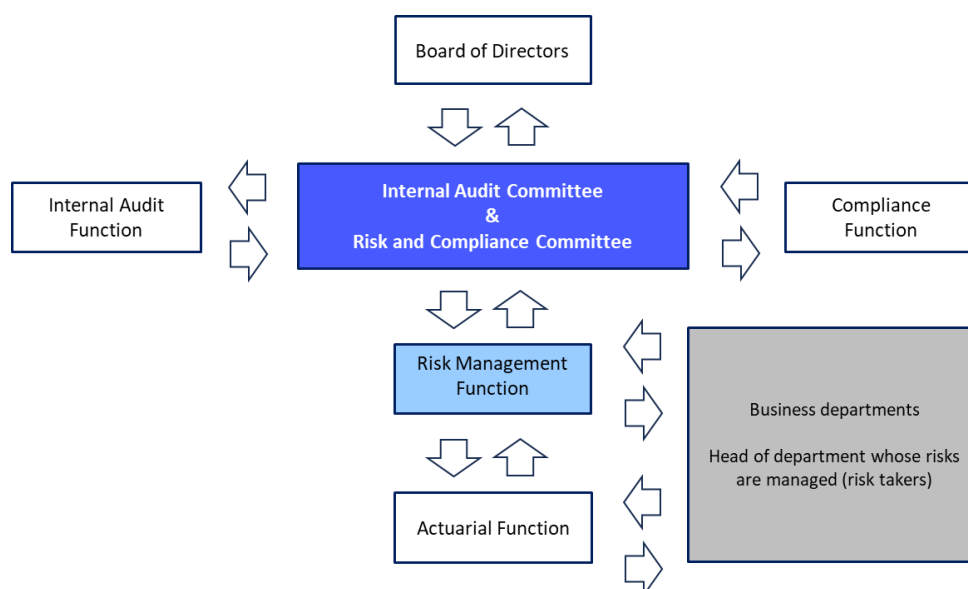
- Mandatory training that all staff need to complete on an annual basis,
- Assessment of fitness to perform the role through the on-going performance management discussions,
- Ability for individuals to report where they consider there are barriers to them being able to perform their role such as not being provided with sufficient time or staff or where they have identified a training need.

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

B.3.1 Risk Management System

Risk governance

Risk management is a core management requirement and integral part of day-to-day operations and of the decision-making process.



1. The *Risk Management function* ensures the effectiveness of the Risk Management System. The Risk Management System includes the policies, processes and reporting required to continuously identify, assess, control, monitor and report on new and evolving risks, on an individual and aggregated basis, and their interdependencies.
2. The *Risk and Compliance Committee* is established to perform an advisory role, issuing opinions, and making recommendations to the Board of Directors (“BoD”) regarding the risk management framework. The committee reviews the implementation of the risk strategy and mitigation actions and monitors risk tolerance and review risk results.
3. The *BoD* carry responsibility for the conduct and oversight of the business and sets strategy and risk appetite. It is responsible for the potential set up of mitigation measures and the validation of the ORSA report
4. The *Internal Control* function is responsible for overseeing the maintenance of the internal control system.
5. The *Internal Audit function* is responsible for independent and objective reviews and assessments of the business activities, operations, financial systems, and internal accounting controls.
6. *All individual employees* play their part in managing risk and staff at all levels are responsible for understanding and implementing risk management principles and practices in their work areas. The department heads are responsible for applying agreed risk management policies and strategies in their area of responsibility and are expected to be involved in the risk management process.

The three lines of defence model is exposed under the section B.1.1.

Risk management process

The risk management process performed by Stonefort Group is presented and briefly explained below:



The four steps of the risk management process i.e., risk identification, risk assessment, risk control and risk monitoring & reporting are carried out for individual risks. For an effective risk management process a continuous exchange of information between the risk owners, the Risk Management function and the BoD must be ensured.

Each step of the risk management process is described hereafter.

Risk Identification

The aim of the risk identification is to obtain a complete overview of all the material risks that the undertaking is exposed to.

This phase is a combination of two approaches:

- 1) The **Top-Down** approach. This approach is also referred to as the “*Top-10 risks assessment*”. This annual exercise of top-10 risks assessment is carried out by the ExCo members in presence of the Risk Management function. These identified risks are considered as the most significant risks for Stonefort Group and of equal importance. They are therefore not classified in the Severity and Frequency Assessment matrix. Together, they give an overall view of the exposure to the greatest macro-risks and allow the identification of the areas where the Risk and Compliance Committee and the BoD should focus with higher priority.
- 2) The **Bottom-Up** approach: Regular workshops and interviews with the different operational teams are organized to identify all kind of risks such as - but not limited to - financial, underwriting, reputational, legal... The risks owners provide the information on the basis of their experience and skills as well as their knowledge of specific features of their business area, such as historical losses, legal framework, Internal Audit findings...; For the pure operational risks, this bottom-up approach is complemented by an incident reporting process.

Risk Assessment

Once the risks have been identified and properly described, a qualitative and/or a quantitative assessment is carried out for each risk individually. This risk assessment serves to complete the overall risk profile of the undertakings.

For the **Top-Down** approach, as mentioned above, the risks being considered of equal importance, the assessment is qualitative and consists of a description of the risk materialization’s consequence. For the top-10 risks, the categorization will systematically be “very high” (red category) and an action plan to mitigate the risk will be put in place, as part of the control phase (see sub-section hereafter).

For the **Bottom-Up** approach, each residual risk is assessed in terms of impact and probability of occurrence. The assessment of the impact (“severity assessment”) is an estimate of the different impacts on the achievement of Stonefort’ objectives. The assessment of the probability of occurrence (“frequency” assessment) is an estimate of the factors that make the risks likely to occur. These can be internal or external factors. This assessment considers the processes and controls that are in place to mitigate the risk. The residual risk assessment is the one resulting from an annual Risk and Control Self-Assessment (RCSA) exercise.

For the operational risks and the Information and Communication Technology (ICT) risks, only the two or three highest, most probably classified as “very high” or “high”, are retained as part of the global Risk Cartography. More specific Risk Cartographies, specific to all identified and assessed operational risks and ICT risks, are performed by the operational risk manager and the CISO respectively. The Severity and Frequency Assessment matrices are aligned.

For the two or three most significant (severe and frequent) operational risks that are integrated to the global Risk Cartography, some stress testing scenarios are developed on an annual basis to quantify how much the materialization of these operational risks could cost and see if the capital that Stonefort Group would need to face them is sufficiently covered by the one calculated using the standard formula (operational risk SCR). These stress tests are performed once a year, prior to the ORSA exercise.

Risk Control

The risk control aims to provide a response to the identified and assessed risk (mitigation technique, risk acceptance, consent to potential losses, risk transfer, withdrawal from the activity causing the risk...).

For the “very-high” (red category) risks, a mitigation action plan must be defined. Additionally, for the most severe and frequent operational risks identified, action plans will be determined to reduce the risks or at least contain them within the defined risk appetite, as holding capital is not the only answer to mitigate these big operational risks.

When a risk is subject to treatment, the risk owners are responsible for suggesting and implementing the necessary mitigation measures. An action plan is defined and presented to the Risk and Compliance Committee together with the department(s) exposed to that risk to put in place the required measures. The Risk Management function coordinates the implementation of action plans.

Risk Monitoring and Reporting

The monitoring is the follow-up of the evolution of the identified risks and the re-evaluation (identification and assessment phases) of the risks on a regular basis, at least annually. The risk monitoring also includes the run of some sensitivities and the monitoring of the implementation of the mitigation measures. Depending on the classification of the residual risk level obtained in the assessment phase, annual sensitivities of the Solvency II ratio will be performed for the “high” and “very high” categories that are not already covered by other stress tests. Ad hoc sensitivities (sensitivity to one specific parameter, all other things remaining similar) or stress tests (alternative business scenario), depending on the context, can be performed on an ad-hoc basis in case of development of a new line of activity, in case of emergence of a new high or very high residual risk or in case of a change in the assessment of an existing one leading to one of these categories.

The continuous reporting of the RMS includes the creation of a structured quarterly Risk Report, available to the BoD and the ExCo, for decision-making and their availability allows to improve risk awareness and integrate all risk aspects into operations and business activities.

In addition to the above, a crisis management system is in place to guarantee the continuity of the Company activities following a critical event (natural disaster, IT disaster, property damage, or

pandemic). The crisis management system comprises various recovery plans, as for example business contingency plan in case of data loss an external data backup is available or a cash contingency plan. Additional disaster recovery plans are under consideration.

B.3.2 The Risk Appetite Framework

The purpose of the Risk Appetite Framework (RAF) is to support the Board to effectively fulfil its risk oversight responsibilities.

In the context of Solvency II, the implementation of a RAF is essential for managing and aligning an insurance or reinsurance company's risk profile with its strategic goals, regulatory requirements, and financial stability.

The RAF helps Stonefort entities to balance risk-taking with financial stability and regulatory compliance. It provides a structured approach to managing, mitigating, and reporting risks, ultimately safeguarding the Group's solvency and enhancing its resilience to adverse conditions.

Approach

The approach describes below is implemented for each (re)insurance entity of Stonefort Group: STI, STRe and SIH. The risk tolerance is adapted to the context of each company.

Dimensions

The RAF is articulated around five dimensions covering key aspects of Stonefort Group's objectives: capital, earnings, liquidity, operations and reputation.

For the earnings dimension, three sub-dimensions are defined: the *underwriting* profitability, the *markets* profitability and the *overall* profitability.

Dimension	Sub-dimension
Capital	
Earnings	UW profitability Markets profitability Overall profitability
Liquidity	
Operations	
Reputation	

Statements and Key Indicators

For each dimension, some qualitative statements and/or Key Indicators (KI) – either Key Risk Indicators (KRI) or Key Performance Indicators (KPI) – are defined.

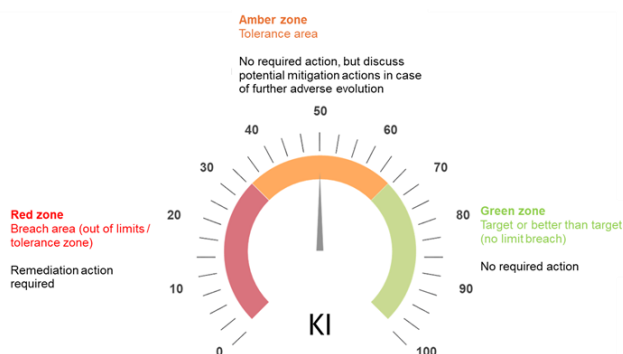
Qualitative statements, target and limits

If a qualitative statement is made, usually, no tolerance level is defined. Any deviation to such a statement is therefore considered as a breach of the risk appetite and remediation action plans must be implemented.

For the KRI and KPI, for which a target level and some limits are defined, a breach must be reported when the monitoring shows that the KI is out of limits and a remediation action must be implemented. Sometimes, the breach can be passive¹, and in that case the remediation action could resume to wait for the breach to resolve naturally or could initiate a change of limit if it continues over many consecutive periods.

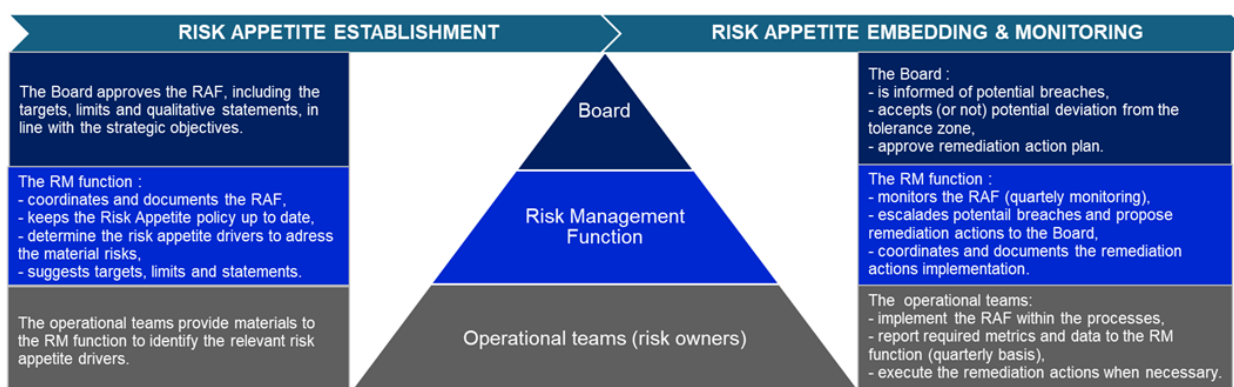
¹ An example of passive breach could be the fact that the market risks SCR would outreach its limits because of a favourable market value increase of SMAF.

The deadline to resolve a breach depends on the context of the breach and is therefore decided by the Board simultaneously to when they approve the remediation action plan.



Roles and responsibilities

The risk appetite process and the linked roles and responsibilities are summarized in the illustration hereafter:



On a quarterly basis, the RAF monitoring results will be presented to the ExCo and to the BoD by the Risk Function.

The need of reviewing aspects of the Risk Appetite can emerge and the review can be initiated either by the Risk Function or directly at the initiative of the Board.

Any change to the RAF will be properly documented as part of the Board's meetings decisions as documented in their minutes.

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

The ORSA exercise is considered as an essential part of the Risk Management System. Its main objective is to ensure that Stonefort Group assesses all the risks inherent in its activity and determines its corresponding capital requirements.

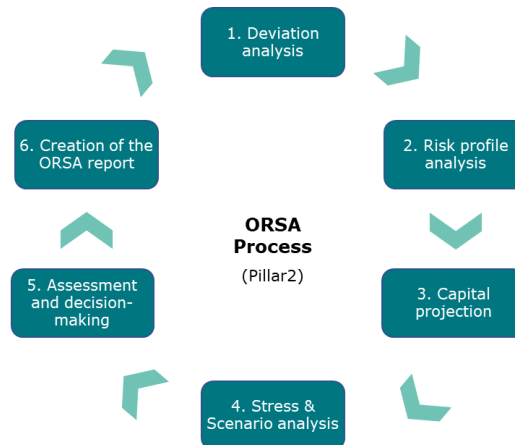
The ORSA exercise shall cover at least the following elements:

- The overall solvency requirement, considering the risk profile, the approved risk tolerance limits and the business strategy of the company.
- Continuous compliance with capital requirements and technical provisions requirements.
- The extend to which the company's risk profile deviates from the assumptions underlying the Standard Formula used by Stonefort Group's undertakings for the calculation of the capital requirements.

The underlying objectives of the ORSA are the following ones:

- to identify and assess the risks that Stonefort Group may face over its 4-year business plan horizon following its business strategy.
- to determine the adequacy of its own funds.
- to ensure that overall solvency requirements are met.
- to ensure the technical provisions can be covered at any time.

The annual set of processes and methodologies performed by Stonefort Group for the ORSA exercise is depicted below:



1. Deviation Analysis

This first step consists in challenging the underlying assumptions of the Standard formula.

The starting point of the deviation analysis is the EIOPA-14-322 document enabling the application of Solvency II Pillar I. This document summarizes the underlying assumptions of the standard formula. These underlying assumptions are compared individually with the risk profile of Stonefort Group and checked for deviations from one another. In addition, it is necessary to examine whether there are further differences between the risk profile of Stonefort Group and the assumptions of the standard formula that are not listed in this document.

If the cumulative effect of the identified deviations leads to a significant underestimation of the risk assessed by the Standard formula, the standard formula is considered not suitable for quantifying the risk of the company in the context of the ORSA process. In this case, measures must be taken to sufficiently cover that deviation, and an adjusted capital requirement must be applied. The results of the deviation analysis are discussed with the Risk and Compliance Committee and the BoD to decide on any potential measures.

Based on the risk profile of Stonefort Group in 2024, the BoD is convinced that the Standard Formula reflects best all the risks of the Stonefort Group and that no additional capital is needed.

2. Risk profile analysis

The overall solvency need for the determined risk profile is calculated based on the Pillar I results, supplemented by the quantitative and/or qualitative assessment of the risks not or insufficiently considered in the standard formula.

3. Capital projection

The future capital needs, the Solvency ratio, and the minimum capital requirements are assessed as part of the ORSA process and aligned to the HOCHTIEF Group forecasting and budgeting process (4-year horizon timeframe). Assumptions of the future development of important risks and the risk profile

are documented in the ORSA report and reflected in the estimation of future capital needs. The projected solvency ratio and overall solvency needs is assessed against the risk appetite (*local capital target and minimum level*) established by the BoD.

The evolution of the Solvency II ratios is obtained by considering the evolution of its two components, the Eligible Own Funds (EOF) and the Solvency Capital Requirement (SCR).

The EOF's projections essentially consist of projecting the best estimate of technical provisions (constituting elements present on both the liability and asset sides of the balance sheet), as well as the investments in market value only on the assets side of the balance sheet. To perform it, the technical and economic assumptions are the ones from the strategic plan, based on the business knowledge and expertise from the different departments.

Other elements that have been considered to project the Solvency II balance sheets are:

- the foreseen share premium reimbursements (when applicable),
- the potential expected (de)investments in SMAF and expected SMAF market value evolution,
- the estimated cash and debts movements,
- the projected technical (re)insurance results,
- the projected overheads,
- the projected payables and receivables.

The SCR projections are made according to the expected evolution of the different components used for the SCR calculations over the projection period: best estimate of technical provisions (claims and premiums) corresponding to the nature of the risks cover, market values of investments (allocation to the different assets types is based on SAA), exposures to counterparty default risks, volume of premiums and reserves (for the operational risk SCR).

4. Stress and Scenario analysis

Stress tests to analyse future risks are performed. In these stress tests scenarios, modifications are made to key risk drivers to determine the sensitivity of capital requirements to adverse scenarios. Should the ORSA model differ from the standard formula, the scenario analysis should be performed under the standard formula and the adjusted ORSA model.

The stress tests scenarios are selected together with the ExCo, presented to the Risk and Compliance Committee and validated by the BoD.

5. Assessment and decision-making

The results of the different stress scenarios are compared with the risk appetite and risk limits regarding the Solvency II ratio, to evaluate if any scenario would lead to a non-compliance with the risk appetite. In this case, the management implements countermeasures that would bring the risk back within appetite.

The actuarial function assesses the continuous compliance with technical provisions.

If the overall risk situation changes significantly, it is necessary to check whether an ad hoc ORSA is required. This changed risk situation should be considered when selecting the stress scenario for an ad hoc ORSA.

6. Creation of the ORSA report

Once the process and results have been approved by the BoD, the Risk Management Function consolidates the ORSA results of each Stonefort Group's operating entity in the Single ORSA report.

The ORSA report is established, including at least:

- The ORSA qualitative and quantitative results and related conclusions.
- The methods and main assumptions used.
- A comparison between the overall solvency needs, the regulatory capital requirements, and the company's own funds.
- An assessment on the adequacy and potential differences to the calculation assumptions used to determine the regulatory capital requirements with the standard formula.

No later than two weeks after the completion of the ORSA and its approval by the BoD, the ORSA report must be submitted to the CAA.

B.4. Internal control system (ICS)

Stonefort Insurance Holdings S.A. (SIH) ensures that the Stonefort Group maintains an internal control system across the Group perimeter to support sound and prudent management, reliable financial and regulatory reporting and compliance with applicable requirements. The framework is implemented in a proportionate manner, considering the nature, scale and complexity of the activities of each entity.

The Group internal control system includes administrative and accounting procedures, operational controls embedded in key processes, structured reporting arrangements and a compliance function. At Group level, control expectations are supported by governance documentation, defined responsibilities and oversight mechanisms, with an operational focus on the entities where business activities are primarily conducted (notably STI and STRe).

The Group's control environment is structured so that operational teams are responsible for day-to-day controls and evidence, while oversight activities provide independent challenge and monitoring through defined minimum control expectations and proportionate review of the control environment. During the reporting period, the Group continued to progress the internal control monitoring framework across the relevant entities through ongoing collection and consolidation of control reporting inputs and escalation through appropriate governance channels, including ExCo where applicable.

B.5. Internal Audit function

As a holding company, SIH ensures that appropriate internal audit arrangements are in place across the Group's regulated (re)insurance undertakings. Internal audit assurance is organised through the internal audit function applicable to STI and STRe, which provides independent assurance on the adequacy and effectiveness of the system of governance, including the internal control system.

In 2025, internal audit work for STI and STRe was performed on a co-sourced basis (including specialist Solvency II internal audit work) in line with the Internal Audit Policy/Charter applicable to STI and STRe and the approved risk-based audit plan(s). Corporate audit work performed by HOCHTIEF (where applicable) is coordinated to support overall audit coverage across regulated and non-regulated areas; however, HOCHTIEF has no role in Solvency II mandated internal audits.

During the reporting period, internal audit activity for STI and STRe was performed in line with the approved audit plan(s). Audit results, key findings and recommendations were reported to the relevant governance bodies and management, and remediation actions were monitored through structured follow-up arrangements with reporting and escalation where necessary.

Looking forward, the Group continues to enhance its governance and assurance framework and will reassess, as appropriate, the internal audit coverage of holding-level activities to ensure continued alignment with regulatory expectations and the Group's operating model.

B.6. Actuarial function

B.6.1 Positioning and structure of actuarial function

The actuarial function is a centralized function established at the level of SIH and the operational activities are provided by SCM.

B.6.2 Responsibilities and duties

The Actuarial Function is a Key Function under Solvency II. This function is responsible for:

- Guaranteeing the appropriate nature of methodologies, the underlying models and cases used to calculate technical provisions.
- Assessing the sufficiency and quality of data used to calculate technical provisions
- Expressing their opinion on the underwriting policy
- Preparing opinion on adequacy of the reinsurance arrangements
- Contribute to the effective implementation of the risk-management system, including risk modelling.

B.6.3 Reporting

The Actuarial Function produces an annual report for the company that highlights the adequacy of technical provisions and underwriting and reinsurance arrangements.

B.7. Outsourcing

Stonefort Insurance Holdings S.A applies a prudent, structured governance framework for outsourcing to maintain operational stability, regulatory compliance, and effective risk management across all entities. Activities or functions are outsourced only where the Company cannot achieve the necessary level of quality or efficiency internally, or where outsourcing provides a clear operational advantage. All outsourced activities—whether performed by intra-group entities or external service providers—must meet the same standards, controls, and quality expectations applied within SIH's own operations.

SIH operates under a formally approved Outsourcing Policy, which outlines the governance principles, decision-making criteria, and procedural requirements applicable to all outsourcing arrangements. The Policy covers:

- **Pre-outsourcing assessment**, including due diligence on service providers, operational and regulatory risk assessment, and confirmation that outsourcing does not impede SIH's ability to fulfil supervisory obligations.
- **Contractual requirements**, establishing clear provisions for service levels, reporting, audit rights, confidentiality, information security, and conditions for sub-outsourcing.
- **Ongoing oversight**, ensuring continuous monitoring of service quality, risk developments, and adherence to contractual and regulatory expectations.
- **Contingency and termination planning**, ensuring that the Company can maintain operational continuity in the event of disruption, insolvency, or termination of the outsourcing arrangement.

In accordance with Solvency II, SIH identifies critical or important outsourcing arrangements, defined as those whose failure could materially affect the Company's operational capacity, regulatory compliance, or ability to meet obligations to clients. Enhanced oversight and governance apply to these arrangements.

SIH relies on both intra-group entities and external service providers. For all critical or important outsourcing arrangements, the Company retains sufficient internal expertise and resources to manage, supervise, and evaluate the outsourced functions, while always ensuring full access for supervisory authorities.

B.8. Any other information

SG has assessed its corporate governance system at the date of this report and concluded that it effectively provides a sound and prudent management of the business, and is proportionate to the nature, scale and complexity of the operations of the Company.

C. RISK PROFILE

This part presents the qualitative and quantitative information about the risk profile of SG. The risk profile and figures of SIH are derived from the ones from STI and STRe but mainly driven by the ones from STRe. Since STI has ceded most of its risks to STRe, the risks underwritten by STI influence the risk profile of STRe.

The table below presents the Solvency II ratio evolution between the year-end figures 2024 and 2025, in EUR.

Stonefort Insurance Holdings S.A. (in mEUR)	31/12/2024	31/12/2025
Solvency II Excess of Assets over Liabilities	737.9	756.8
<i>Foreseeable dividend</i>	-	-42.6
Eligible Own Funds	737.9	714.3
Solvency Capital Requirement (SCR)	230.3	248.5
Solvency II ratio	320%	287%
<i>Target level</i>	230%	230%

The breakdown of the SCR by risk modules is the following:

Stonefort Insurance Holdings S.A. (in mEUR)			
	FY 2024	FY 2025	Difference FY 2025 versus FY 2024
SCR	230	249	18.2
Adj Differed taxes	-81	-88	-6.4
SCR Operational	11	11	0.0
Basic SCR	301	325	24.6
Market Risks	157	170	13.0
Interest Rate Risk	31	18	-12.5
Equity Risk	87	100	13.1
Property Risk	1	1	-0.1
Spread Risk	59	61	1.8
Concentration Risk	55	66	10.4
Currency Risk	15	10	-4.8
Diversification Effect	-91	-86	5.0
Default Risks	18	16	-2.2
Type 1	13	8	-5.1
Type 2	6	9	3.0
Underwriting Health	23	16	-7.4
Premium & Reserve	23	15	-7.4
Cat	1	1	-0.1
Slr	0	0	0.0
Underwriting Non-Life	205	226	21.2
Premium & Reserve	115	126	11.6
Lapse	0	0	0.0
Cat	143	158	15.1

The overall SCR increased from year-end 2024 to year-end 2025, going from 230m EUR to 249m EUR respectively. This increase is mainly explained by:

- the increase of the non-life UW risk SCR, mainly explained by:
 - the CAT risk increase, due to
 - the business increase (earned premiums) in the next 12 months on the SDI program and
 - a strict application of the standard formula: the CAT risk SCR for the proportional and non-proportional liability lines of business are not capped anymore at the realization of 1 event, but their capital requirement is based on the premiums to be earned over the next 12 months period (SBP)
 - the increase of the net Best Estimate of Technical Provisions (on CCIP GL and SDI for the BE claims component, and on the non-proportional property business for the BE premium component)
- the increase of the market risks SCR, due to the volume increase (higher equity exposure), a higher shock (higher SA) and to a higher concentration risk (additional intra-group loan to HOCHTIEF of 75m USD).

These elements are partly compensated by:

- a decrease of the health UW risk SCR because the net claims technical provisions decreased quite significantly due to the integration of the PB AON Benfield on the asset side and this PB AON Benfield is mostly attributed to the CCIP-CORP WC programs.
- an increase of the Loss Absorbing Capacity of Deferred Taxes (LACDT): more negative adjustment, thus reducing the SCR level

Overall, compared to FY 2024, the Solvency II ratio decreased significantly, explained by the increase in SCR coupled to the decrease of EOF.

The EOF decrease is mainly explained by a foreseeable dividend of 50m USD (equal to 42.6m EUR at year-end 2025) that will be paid in 2026 to HOCHTIEF, this decrease being partly compensated by the market value increase of SMAF.

C.1. Underwriting risk

SG takes a conservative approach to underwriting risk, prioritizing the financial security of the Company, adherence to regulatory requirements, and protection of its fronting companies as well as seeking appropriate retrocession with quality providers.

C.1.1 Overview of the exposure to underwriting risk

Underwriting Non-Life risks

Premium Risk is related to future claims, i.e. the risk that the gross premiums received are not sufficient to cover the expenses and losses (incurred and not yet incurred) for claims, or that the profitability will be less than expected.

Reserve Risk is the risk that the final value of claims paid is higher than the technical provisions.

Natural catastrophe risk arises from aggregation or accumulation of risks which may result in increased exposure to natural catastrophe losses (hurricanes, earthquakes or floods). Man-made catastrophe risk arises from the aggregation or accumulation of risks which may result in increased exposure to man-made catastrophe losses (terrorism, explosion, systemic financial losses, latent disease, or pandemic).

There is no lapse risk SCR calculated for SG (nor for its operating companies) as there is no tacit renewal of cover. There may be occurrences of insurance contracts being cancelled mid-term but the impact would be immaterial.

For the premium and reserve risks SCR, a different shock is applied by segment-type defined under the Solvency II framework). For the natural catastrophe risks SCR, capital requirements are generally determined based on weighted sum insured and probable events risk factors established by the Standard Formula. For the man-made catastrophe risks SCR, capital requirements are calculated differently based on the nature of the underlying risk (liability, fire, credit and suretyship...).

For SIH at FY25 and as it was also already the case at FY24, the UW non-life risks SCR is the most important contributor to the BSCR, driven by the catastrophe risk SCR. The premium and reserve risks SCR is also quite significant and principally due to the following lines of business: General Liability, Property (non-proportional reinsurance), casualty (non-proportional reinsurance) and Fire and other damage to property (proportional reinsurance).

Underwriting Health risks

For the UW health risks, the components that are calculated for SIH are the same as the ones calculated for the non-life UW risks SCR module: the premium and reserve risks SCR and the catastrophic risks SCR. The health premium and reserve risks SCR is mainly driven by the line of business “Workers’ compensation insurance and proportional reinsurance”. The health catastrophic risk SCR is quite limited.

C.1.2 Concentration risk

For the non-life programs, the table below shows the breakdown by segment of the premium volume and reserve volume as of 31 December 2025, in million EUR.

Stonefort Insurance Holdings S.A. (in mEUR)	Volume measure Premium Risk	Volume measure Reserve Risk
Insurance and proportional reinsurance		
Motor vehicle liability - S1 :	1.38	1.86
Other motor - S2 :		
Marine, aviation and transport - S3 :	3.53	4.42
Fire and other damage to property - S4 :	24.83	24.85
General liability - S5 :	38.49	109.81
Credit and suretyship - S6 :	1.16	19.84
Legal expenses - S7 :		
Assistance and its proportional reinsurance - S8 :		
Miscellaneous financial loss - S9 :	1.31	1.37
Non-proportional casualty reinsurance		
Casualty - S10 :	21.41	32.21
Marine, aviation and transport - S11 :		
Property S12 :	100.68	77.22

The total non-life premium volume is 192.8m EUR and the total reserve volume is 271.6m EUR.

For the health programs, the table below shows the breakdown by segment of the premium volume and reserve volume as of 31 December 2025, in million EUR.

Stonefort Insurance Holdings S.A. (in mEUR)	Volume measure Premium Risk	Volume measure Reserve Risk
Medical expense insurance and proportional reinsurance - S1 :		
Income protection insurance and proportional reinsurance - S2 :		
Workers’ compensation insurance and proportional reinsurance - S3 :	39.11	17.01
Non-proportional health reinsurance - S4 :	3.79	4.95

The total health premium volume is USD 42.9m EUR and the total reserve volume is 22.0m EUR.

The premium and reserve risk is sufficiently diversified. The premium and reserve risk SCR is:

- 126.4m EUR for the non-life business, which represents 49% of the non-life exposure (premium and reserve), and
- 15.4m EUR for the health business, which represents 24% of the health exposure (premium and reserve).

C.1.3 Risk mitigation

To ensure an optimal management of the underwriting risks, the following measures are taken:

- In the event of fundamental changes to its underwriting guidelines or, indeed, a desire to accept a new type of business, proposals are presented to the Board for discussion and approval.
- Management works closely with the actuarial department to ensure that the technical reserves are maintained at a prudent level. North American casualty business is a challenging class of business where claims have a very long development period before they are fully incurred. It is therefore crucial that the reserves are maintained at an appropriate level to be able to cover all potential deterioration over time.
- The adequacy of the technical reserves is reviewed regularly by external and/or internal actuaries.
- Mitigation of STRe's underwriting risk is also achieved by mean of a geographical diversification.
- The company also attempts to manage the underwriting risk by sharing some risks with the market.

C.1.4 Risk sensitivity

Sensitivities of SIH to the realization of some underwriting risks have been tested though the sensitivities of its (re)insurance entities STRe and STI. The results ca be found in their respective Solo SFCRs 2025.

No specific stress test for SIH has been produced as it can reasonably be expected that the outcomes would be very close to the ones obtained for STRe: the risk profile of STIH is almost exclusively driven by the one of STRe.

Of course, the exchange rate USD/EUR influences the results of SIH and there is also the elimination of any intragroup transactions including intragroup reinsurance and intragroup services agreements to consider, but these do not influence the conclusions of the stress testing exercise.

C.2. Market risk

The market risks are the possibility for the companies to be adversely affected by movements in the market value of its financial assets (and/or in the fair value of its liabilities), arising from financial market changes driven by credit spreads, interest rates, foreign exchange rates or other price risks.

C.2.1 Overview of the exposure to market risk

According to the standard formula, the components of market risks are:

- *Spread risk*: the potential loss of the assets' market value due to the spreads increase.

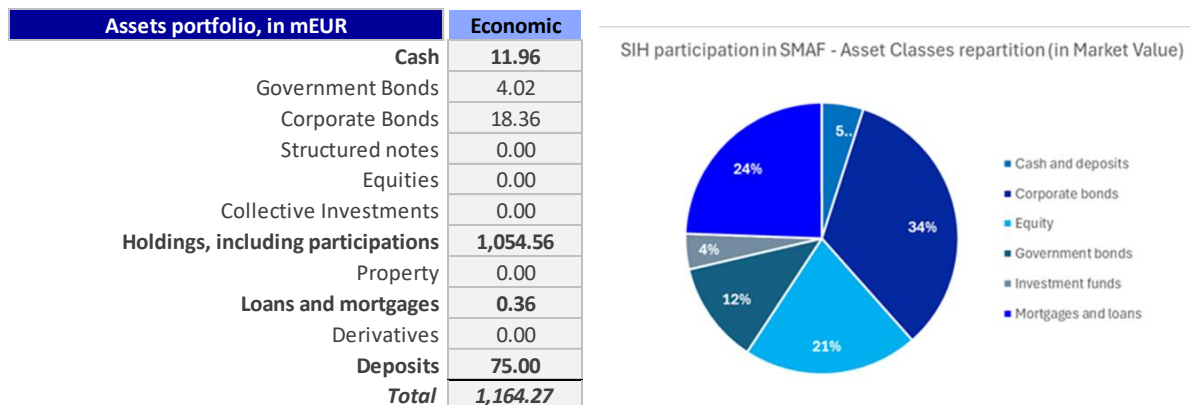
- *Currency risk*: the potential loss of the assets' market value arising from the change in the value of currency exchange rates.
- *Interest rate risk*: the potential loss arising from a drop of the assets' market value and/or from a raise of the technical provisions' fair value, due to a change in the interest rates levels (for SG: the risk is a raise of the interest rates);
- *Equity risk*: the potential loss of the assets' market value arising from lower equities and/or mutual funds prices.
- *Property risk*: the potential loss of the assets' market value due to changes in real estate prices.

For SIH, at FY25 and as it was already the case at FY24, the market risks SCR is the second most contributing component to the BSCR, mostly arising from SMAF exposures.

- The most important factor explaining the market risks SCR is the equity risk SCR.
- Another important factor contributing to the market risks SCR is the concentration risk SCR, arising from excessive exposures to single name issuers.
- Other components are the spreads risks SCR, the interest rates risk SCR and the currency risk SCR. Both spreads and interest rates risk SCRs are due to the bonds exposures.

C.2.2 Concentration risk

In relation to the market risk concentration, SIH holds and maintains a diversified investment portfolio in corporate bonds, governments bonds, securitized loans and mortgages, un-listed equities, mutual funds and short-term deposits. The assets diversification is illustrated below at year-end 2025.



Considering the entire investments portfolio of SIH (direct lines and SMAF participation lookthrough), the company is exposed to the following market risks:

Stonefort Insurance Holdings S.A. (in mEUR)	
Market Risks	
Interest Rate Risk	18.18
Equity Risk	100.49
Property Risk	0.72
Spread Risk	61.18
Concentration Risk	65.75
Currency Risk	9.93
Diversification Effect	-86.35
Market risks SCR	169.90
Average Shock :	14.60%

C.2.3 Risk mitigation

All SIH's assets, either through SMAF or through direct investments, are held in accordance with the Stonefort Group investment policy and comply with the 'prudent person' principle as defined in article 132 of the Directive 2009/138/EC.

The distribution of the credit ratings of investment portfolio (cf. QRT S.06.02 (list of assets)) shows that the portfolio is invested with issuers with credit quality step 1 or 2. This assessment is based on the second highest credit rating and a harmonized rating agencies scale.

Some mitigation techniques for managing the markets risks are:

- a risk appetite defining thresholds for various market risk types such as currency, concentration...
- active portfolio monitoring to ensure alignment with market developments, Strategic Asset Allocation and risk appetite;

the use of hedging techniques or asset re-allocation when appropriate, to mitigate exposures.

C.2.4 Risk sensitivity

It is estimated that a decrease of 10% of the assets market value, with unchanged book value (amortised cost), would bring the Solvency II ratio to about 262% (instead of 287%), considering the reductions on both the EOF and the SCR.

Regarding the investment portfolio, the market risks SCR could become more important in case the equity value would increase or in case of interest rates decrease (higher market values of bonds).

Additionally, the sensitivity of the value of assets and financial instruments to changes in the term structure of inflation rates, or in the volatility of inflation rates, is not explicitly considered in a separate risk sub-module. The inflation risk is assumed implicitly in the calibration of the upward/downward interest rate shocks. The investment strategy mitigates the inflation risk via some investments in index-linked bonds.

C.3. Credit risk

C.3.1 Overview of the risk exposure to credit risk

Counterparty default risk is the risk of losses arising from a debtor's failure to pay or a downgrade of their credit rating.

SIH is exposed to default risk on both the asset and liability side of its balance sheet and its default risk is split into the two components below:

- Type 1 exposures include risk mitigating contracts like reinsurance arrangements, securitisations, derivatives, deposits with ceding institutions, cash at bank.
- Type 2 exposures include diversifiable and unrated exposures such as receivables from intermediaries, policyholder debtors etc. Type 2 exposures are classified under sub-categories "due for less than 3 months" and "due for more than 3 months", the second category being much more charged in capital.

The Counterparty default risk SCR is calculated based on the exposure types and on the rating of the counterparties (the higher rating, the lower default probability).

C.3.2 Concentration risk

At year-end 2025, the most significant exposure of SIH is a cash account of about 74.2m EUR.

Following the implementation at the beginning of 2025 of a reviewed Risk Appetite Framework (RAF), the exposure to BNP Paribas has been reduced to limit the risk of a potential, although very unlikely, bankruptcy of BNP Paribas Group. The exposure at Q3 2025 for example still reached about 153m USD as the partnership and account opening in a new bank took quite some time to implement.

C.3.3 Risk mitigation

SIH is managing as efficiently as possible the credit risk, by having implemented a RAF that considers this dimension, both in terms of amount and rating, and a regular monitoring.

C.3.4 Risk sensitivity

In case of bankruptcy of the Group BNP Paribas, which is highly unlikely, assuming that the company would lose its full exposure of 74.2m EUR (worst case), it would bring the Solvency II ratio to about 259% (instead of 287%), considering the reductions on both the EOF and the SCR.

C.4. Liquidity risk

The liquidity risk is the risk that SIH would not be able to meet its financial obligations to policyholders and other creditors when they become due and payable, at a reasonable cost and in a timely manner.

C.4.1 Overview of the risk exposure to liquidity risk

The liquidity risk is the risk of not being able to realize its investments and other assets to meet its financial commitments when they become due and payable.

Since the liquidity risk is not explicitly covered by the Standard Formula, this risk is continuously assessed as part of the company's Risk Management system and is integrated in the Risk Appetite Framework. Should a liquidity risk be detected, mitigation actions would be taken.

For SIH, the expected profit included in the future premiums is equal to 61.5m EUR.

C.4.2 Concentration risk

No concentration of liquidity risks has been identified.

C.4.3 Risk mitigation

Stonefort Group has, since the end of 2025, a liquidity risk management policy in place, with the following objectives:

- Ensure to always have that sufficient liquidity to meet policyholder and other obligations as they fall due,
- Promote proactive management of liquidity risk over both short-term and long-term horizons,
- Maintain a robust liquidity profile through effective Asset and Liability Management (ALM), stress testing and contingency planning.

C.4.4 Risk sensitivity

The sensitivity of SIH to the liquidity is quite limited, the cash and liquid investments being quite substantial.

C.5. Operational risk

C.5.1 Overview of the risk exposure to operational risk

The operational risk SCR is determined based on the Standard formula. For STRe, the driver is the Best Estimate of technical provisions (gross of reinsurance).

This approach is not risk-based and has, therefore, its limitations. Operational risks not covered by a capital requirement (pillar 1), are covered in the pillar 2: the Risk Management System requires STRe to appropriately assess and monitor these risks.

C.5.2 Concentration risk

No concentration of operational risks has been identified.

C.5.3 Risk mitigation

Mitigation measures are put in place across the company to mitigate the operational risks and incidents.

C.5.4 Risk sensitivity

In the ORSA framework, scenario analyses covering severe but plausible operational events were tested and, considering that all risks won't materialize simultaneously, the capital need determined based on a risk-approach is expected to be lower than the one determined based on the standard formula (10.9m EUR).

C.6. Other risks

Not all quantifiable risks have been explicitly included in the standard formula; furthermore, for some risks, it is generally assumed that the exposure is not sufficiently material and that, therefore, holding capital for them is not necessary.

Strategic, reputational, compliance and some other risks are regularly assessed as part of the company's RM system for internal qualitative analysis with both Top-Down and Bottom-Up approaches. Nevertheless, since there is not a quantitative valuation of those risks, they were not taken into consideration for the capital requirement evaluation (pillar 1). They are however managed under the pillar 2.

Climate Change risk

Climate Change is a very important risk to Stonefort Group. Indeed, STRe is currently offering protection against natural catastrophic risks and is therefore directly exposed to the increasing costs of claims due to climate change. In addition, and more globally, Stonefort Group is potentially exposed to the consequences of climate change risk.

A stress test reflecting the sensitivity of STRe to climate change has been performed. The results of this stress test are presented in the SFCR 2025 of STRe.

Sustainability risks

The proliferation of ESG (Environmental, Social and Governance) funds and general pressure from investors and other capital providers have changed the way the asset allocation decisions are made by some of the largest financial services firms in the world. Stonefort Group seeks to be fully compliant with the required ESG regulations. Stonefort Group adopted an ESG investment policy in 2024, applicable to SMAF, and reviewed its remuneration policy to include objectives related to sustainability into the remuneration structure (10% relates to ESG for upper management).

Inflation risk

The inflation is reflected adequately in the technical provisions of SIH. However, a backtesting should be organized to confront assumptions with actuals (in terms of claims costs for example). For the US business, the inflation is implicitly included in the premium level as the insurance premiums are based on the overall construction costs. Stonefort Group continues to observe the inflation developments and will revise its approach if deemed adequate.

Another risk linked to inflation is the risk of increase of medical costs in the United-States. The medical costs are influenced by the so-called social inflation and increase the medical costs even higher than the general inflation. STRe covers workers compensation business and is thus exposed to the medical inflation. SIH observes this risk carefully and reviews the adequacy of premiums and reserves on a regular basis.

C.7. Other material information regarding the risk profile

There is no other information to be reported.

D. VALUATION FOR SOLVENCY PURPOSES

The Management of SIH does not envisage any substantial change in its evaluation policy in the short to medium term.

In summary, the table below compares the statutory consolidated Balance sheet with the economic one evaluated according to the Solvency 2 technical specifications, as at 31 December 2025.

Stonefort Insurance Holdings S.A. (in mEUR)					
Assets	Statutory	Economic	Liabilities	Statutory	Economic
Investments	912.77	1,151.90	Eligible Own Funds	310.18	756.84
Reinsurance Recoverables	64.98	86.79	Technical Provisions	734.60	387.50
Receivables	67.28	67.28	Debt (payables)	9.75	9.75
Cash & Equivalent	11.96	11.96	Provision for taxation	4.97	162.88
Regularisation Account	3.80	0.45	Regularisation Account	0.45	0.32
Other assets	1.31	0.00	Other liabilities	2.15	1.10
Total	1,062.10	1,318.38	Total	1,062.10	1,318.38

The following chapters will describe the different components in more details.

D.1. Assets

D.1.1 Investments and cash & equivalent

The market valuation of the assets (equities, government bonds and corporate bonds) is done by the financial department. The assets are split by type (Fixed Income, Equities, Participations, Real Estate and cash).

The tables below give the comparison between the statutory value and the economic value for SIH. The column "Economic" gives the value considered to calculate the market risks SCR.

Assets portfolio, in mEUR	Statutory	Economic
Cash and deposits	86.90	86.90
Bonds	22.45	22.45
Equities	0.00	0.00
Participation	815.42	1,054.56
Loans and mortgages	0.36	0.36
Properties	0.00	0.00
Total	925.13	1,164.27

For SIH, the differences between the statutory and the economic values of the assets portfolio are at the level of the SMAF participation. Statutory values are the book value according to Lux-GAAP valuation standard, while Solvency II values are at Market Value. As the Market Value of the participation is higher than the Book Value, unrealized profits are recognized under Solvency II.

D.1.2 Reinsurance recoverables and receivables

The reinsurance recoverables are the second largest asset class in the economic balance sheet of SIH after the investments. The big increase is mainly due to the recognition of a future profit commission in

the ceded reinsurance technical provisions, while under Lux-GAAP, this is an off-balance sheet item. Some other receivables are recognized for the same value in both statutory and economic accounts.

The reinsurance recoverables are the part of the reinsurers in the technical provisions, including potential future due profit commissions. Under Solvency II, they are evaluated based on the fair value of the corresponding technical provisions.

D.1.3 Others

The "Regularisation Account" item contains the Deferred Acquisition Costs (DAC) under Lux-GAAP, but these DAC are removed (valued at 0) under Solvency II, as they are merely a statutory amortisation mechanism and do not lead to another future cash-flow(s): the corresponding premium was already recognized (generally paid) and corresponding commissions as well (and correspondingly paid).

The "other assets" item contains the subrogations and salvages under Lux-GAAP, whereas these are netted from the economic value of the claims technical provisions (liabilities) under Solvency II..

D.2. Technical provisions

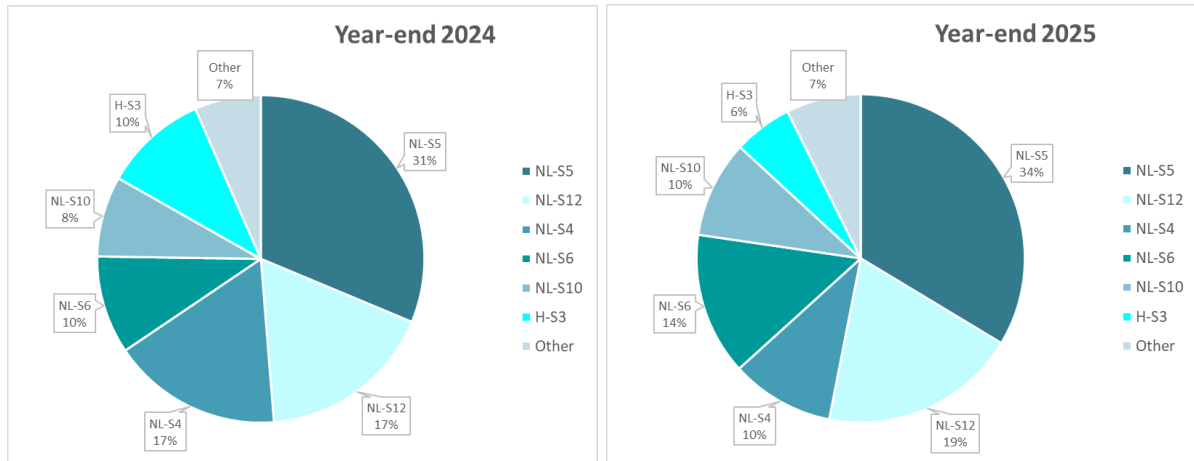
D.2.1 Best Estimate

The valuation of premium and claims provisions referred below are valued as at 31 December 2025.

These estimates are obtained from the estimates calculated for the (re)insurance companies STRe and STI and are retreated to remove the intra-group transactions such as the STI accounts that are reinsured by STRe.

Stonefort Insurance Holdings S.A. (in mEUR)				
Technical Provision Gross	Claim Prov	Bonus Prov	Prem Prov	Tot
Technical Provision - Statutory	443.56	1.48	52.63	497.67
Best Estimate - Economic Undisc	416.64	0.00	1.87	418.51
Best Estimate - Economic Disc	387.94	0.00	-24.30	363.64
Technical Provision, Reinsured part	Claim Prov	Bonus Prov	Prem Prov	Tot
Technical Provision - Statutory	-57.70	-5.63	-0.47	-63.80
Best Estimate - Economic Undisc	-45.01	-48.55	2.39	-91.17
Best Estimate - Economic Disc	-44.17	-45.10	2.42	-86.85
Best Estimate - Economic Disc Adj	-44.15	-45.06	2.42	-86.79
Technical Provision Net	Claim Prov	Bonus Prov	Prem Prov	Tot
Technical Provision - Statutory	385.86	-4.15	52.16	433.87
Best Estimate - Economic Undisc	371.63	-48.55	4.25	327.33
Best Estimate - Economic Disc	343.76	-45.10	-21.88	276.79
Best Estimate - Economic Disc Adj	343.78	-45.06	-21.88	276.85

The Gross Claims & Premiums Best Estimate - Discounted by LoB are given below, for 2024 and 2025:



At year-end 2025, the majority of the technical provisions is coming from the:

- LoB NL-S5 (General liability insurance and proportional reinsurance),
- LoB NL-S12 (Non-proportional property reinsurance),
- LoB NL-S6 (Credit and suretyship insurance and proportional reinsurance),
- LoB NL-S4 (Fire and other damage to property insurance and proportional reinsurance),
- LoB NL-S10 (Non-proportional casualty reinsurance),
- LoB H-S3 (Workers' compensation insurance and proportional reinsurance).

The portfolio at year-end 2025 is quite stable compared to the one at year-end 2024. A “reversal of weights” between the lines of business NL-S6 and NL-S4 can be noticed.

D.2.2 Risk Margin

The risk margin is a part of technical provisions to ensure that the value of technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require to take over and meet the insurance and reinsurance obligations.

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof.

It is evaluated as follows:

$$RM = CoC * \sum_{t \geq 0} \frac{SCR(t)}{(1 + r(t + 1))^{t+1}}$$

With CoC the rate of Cost-of-Capital, $SCR(t)$ the SCR after t years and $r(t + 1)$ the interest rate with maturity $(t + 1)$.

We have calculated the marginal risk assuming that:

- For the underwriting SCR, the Premium and Cat risks are considered only for the next 12 months; we approximate the underwriting reserve SCR for future years by using a proportional approach based on the development of the net best estimate.
- For the Default risk, we only consider the reinsurance default risk and we approximate the Default SCR for future years by using a proportional approach based on the development of the ceded best estimate.
- We approximate the Operational SCR for future years by using a proportional approach based on the development of the gross best estimate.

D.2.3 Total Technical Provisions

The table below gives a comparison between the statutory claims and premium provisions and the economic values including the discounting effect. The difference is due to five effects:

- exclusion of the statutory prudency reserves;
- cash-flows discounting;
- use of future benefits, expenses and acquisition costs on the future premium, included in the contract boundaries, as well as benefits and expenses related to unearned premiums;
- factor adjustment for the default risk of counterparties;
- risk margin.

Stonefort Insurance Holdings S.A. (in mEUR)				
	Economic	Statutory	%	Delta
BE Claims Net	298.73	381.71	-21.7%	-82.99
BE Premium Net	-21.88	52.16	-141.9%	-74.04
BE Net	276.85	433.87	-36.2%	-157.02
BE Claims Ceded	89.21	63.32	40.9%	25.89
BE Premium Ceded	-2.42	0.47	-614.2%	-2.89
BE Ceded	86.79	63.80	36.0%	22.99
BE Claims Gross	387.94	445.04	-12.8%	-57.10
BE Premium Gross	-24.30	52.63	-146.2%	-76.93
BE Gross	363.64	497.67	-26.9%	-134.03
Risk Margin	23.86	0.00	0.00	23.86
Equalization Reserve	0.00	232.27	0.00	-232.27
Technical Provision Gross	387.50	729.93	-46.9%	-342.43

The Solvency II technical provisions are the sum of

- The discounted Best Estimate Liabilities that correspond to the probability-weighted average of future cash-flows, taking account the time value of money (expected present value).
- A Risk Margin that is the present value of the cost of holding capital for non-wedgeable risk.

Details on the methodologies and assumptions, including on the contract boundaries, used to compute the technical provisions and the reinsurance recoverable are presented in the Actuarial Function Holder reports of STRe and STI.

Matching adjustment

SG does not use the matching adjustment referred to the article 77 of the Directive 2009/138/EC.

Volatility adjustment

SSG does not use the volatility adjustment referred to the article 77 of the Directive 2009/138/EC.

Transitional risk-free interest rates

SIH does not use the transitional risk-free interest rate-term structure as referred in the article 308 c of the Directive 2009/138/EC.

Transitional deduction

SIH does not use the transitional deduction referred to the article 308 d of Directive 2009/138/EC.

D.2.4 Uncertainty of Technical Provisions

In line with Article 296 2(b) of the Solvency II Delegated Regulation, STRe & STI disclose below the main sources of estimation uncertainty in their non-life and health technical provisions. Each factor can cause actual cash-flows to deviate (upward or downward) from the booked best estimate; material items are monitored through expert validation on a regular basis by the actuarial team. The main areas of uncertainty can be listed below:

- **Model uncertainty (focus on large losses)**
 - The IBNYR of large losses for some UWYs are modelled with a frequency-and-severity approach supplemented by an expert judgement factor which is used to compensate for caveats in traditional actuarial methods when determining the reserves. This expert-judgement factor has been tracked over the years and has remained consistent in recent periods, directly influencing the TPs.
 - In 2025, one specific identified limitation of the current model is on the Best Estimate Premium Technical Provisions where all the future premiums are expected to be acquired in the following year. For some accounts, like SDI, CCIP or IAM, using a calibrated premium payment pattern, would spread the future paid premiums, better reflecting the expectations with respect to premium payment, while using an earned premium pattern would imply a delayed claims benefit modelling. The use of such premium payment patterns would increase the premium technical provisions for those accounts (due to discounting), while the further delaying of related claims benefits would have a counter effect (still due to discounting).
 -
- **Data limitations**
 - **Data interpolation:** some observed claims data used for the latest diagonal of Claims development triangles is based on 31 October; the final diagonal is projected to 31 December via two-month interpolation. Ongoing November–December claims development is monitored and if needed proper actions are taken.
 - **Incompleteness of data:** some low-volume treaties lack credible development history. Until triangles mature, proxy factors from comparable risks are applied, introducing additional qualitative uncertainty.
- **Claims-cost inflation**
 - Whenever facing a high inflation period (e.g. post-covid peak inflation in the period of 2022 – 2023) Stonefort entities add an additional provision related to excess inflation. However as from 2024 this provision was set back to zero as there was no evidence of excess of inflation to be expected (rather than the one already incorporated in its claims triangles). Considering the eventuality of unpredictable events, excess of inflation could still arise.
- **External environment**
 - **Commercial risks:** STRe book is exposed to US jurisdictions meaning that adverse costs of goods and services (e.g. increased tariffs) could ultimately inflate losses, before being captured in the historical claims data used for reserves setting.
 - **Geopolitical risks:** STRe book could be adversely affected by geopolitical events and/or decisions, leading to increased claims that would only later be captured in the historical claims triangles, while the recent two decades have been globally exempt of such materialization.
 - **Climate-related risk:** Increasing frequency/severity of secondary perils (e.g., convective storms, floods) may widen volatility of our Claims TPs (e.g. storms that affected coverage in Australia early this year).

The actuarial team continuously monitors these (and more) uncertainty sources to reassess and adjust the TPs as circumstances evolve.

D.3. Other liabilities

The "Debt (payables)" item is valued the same way under Lux-GAAP and Solvency II accounting rules.

The "Provision for taxation" item is the provision for deferred taxes, wealth taxation and other local tax-related provisions. Regarding the deferred taxes liabilities (DTL), the Solvency II value is evaluated by applying the marginal tax rate to the delta (*economic versus statutory* values) in investments, in other assets, in net technical provisions and in the equalization provision, i.e. to the Solvency II created value (future profits) or the *reconciliation reserve* (embedded profits). For SIH, this DTL represents the biggest part of the provision for taxation under Solvency II.

The "Regularisation Account" item is mainly about the DAC outwards, which are zeroed under Solvency II.

The "other liabilities" item contains the subrogations and salvages under Lux-GAAP, whereas these are netted from the economic value of the technical provisions (assets, *part of the reinsurers in the TP*) under Solvency II.

D.4. Alternative methods for valuation

SIH does not use alternative valuation methods as described in article 263 of delegated acts regulation.

In addition, SIH does not value its assets nor its liabilities based on the valuation methods that it uses to prepare its financial statements in accordance with article 9, paragraph 4.

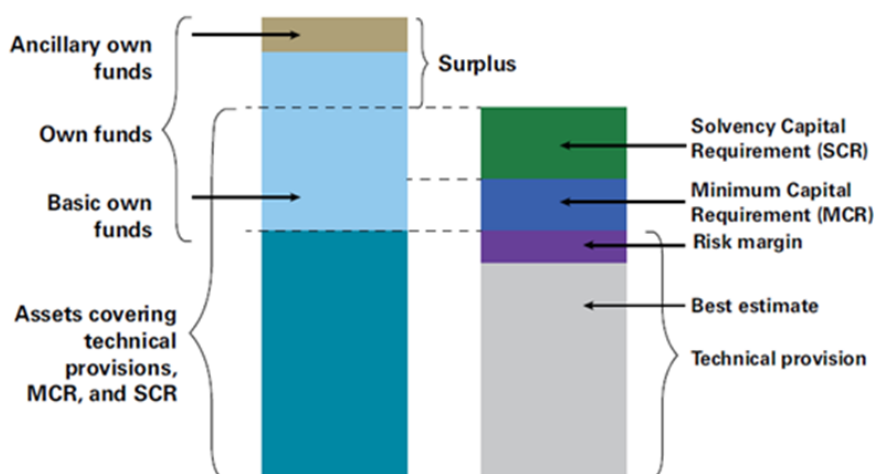
D.5. Any other information

No other information needs to be added to the information described in this section D.

E. CAPITAL MANAGEMENT

E.1. Own funds

The Solvency II balance sheet of Stonefort Insurance Holdings S.A. can be represented as follows:



At year-end 2025, 100% of the Own funds are classified as unrestricted Tier 1 for SIH. Additionally, a foreseeable dividend of 50m USD to be paid in 2026 to HOCHTIEF was considered in the Eligible Own Funds (EOF) figures.

At year-end 2025, the statutory capital of SIH amounted to 310.2m EUR and the EOF to 756.8m EUR, meaning that, the Solvency II added value, post-tax, coming from discounted future profits, was equal to 446.7m EUR.

In 2025, a reinforced capital management policy entered into force. Among others, the policy describes the processes that must be followed in case of capital reduction (such as a dividend upstream) or capital injection.

SIH's strategy is to hold only *unrestricted* Tier 1 Basic Own Funds, i.e. *without any ring-fenced funds*. All items that Stonefort Reinsurance is allowed to consider in its own-funds are deemed to substantially possess the following characteristics (Section 3.1 Own funds classification of the capital management policy):

- the item is available, or can be called up on demand, to fully absorb losses on a going-concern basis, as well as in the case of winding-up (permanent availability) ;*
- in the case of winding-up, the total amount of the item is available to absorb losses, and the repayment of the item is refused to its holder until all other obligations, including insurance and reinsurance obligations towards policy holders and beneficiaries of insurance and reinsurance contracts, have been met (subordination).*

The basic own-funds items considered by SIH is the part of excess of assets over liabilities, constituted of:

- The paid-in ordinary share capital;*
- The related share premium account;*
- The reconciliation reserve, corresponding to the net future gains, discounted and after deferred taxes, evaluated under the Solvency II's framework, as compared to the statutory accounting rules: assets at market value and technical provisions as best estimate increase by a risk margin.*

The basic own-funds are reduced by the foreseeable dividends, distributions and charges (when applicable, which is the case for SIH at year-end 2025, as mentioned above).

E.2. Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Breakdown of the Solvency Capital Requirement by risk module of the Standard Formula

The table below shows the breakdown of the solvency Capital requirement by risk module as of 31 December 2025, in m EUR. The total SCR amounts to 248.5m EUR.

Stonefort Insurance Holdings S.A. (in mEUR)	
SCR	248.51
Adj Differed taxes	-87.86
SCR Operational	10.91
Basic SCR	325.46
Market Risks	169.90
Interest Rate Risk	18.18
Equity Risk	100.49
Property Risk	0.72
Spread Risk	61.18
Concentration Risk	65.75
Currency Risk	9.93
Diversification Effect	-86.35
Default Risks	15.76
Type 1	8.32
Type 2	8.53
Underwriting Health	15.62
Premium & Reserve	15.40
Cat	0.81
Slr	0.00
Underwriting Non-Life	225.89
Premium & Reserve	126.42
Laspse	0.00
Cat	158.25

E.2.2 Minimum Capital Requirement

The table below presents the MCR as of 31 December 2025.

Stonefort Insurance Holdings S.A. (in mEUR)	
MCR	61.75
Cap of 45% SCR	111.83
Floor of 25% SCR	62.13
MCR linear	61.75
MCR Min Absolute	3.90

E.3. Use of the duration-based equity risk sub-module in the calculation of the SCR

SIH does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

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

SIH uses the Standard formula for the calculation of the SCR. This part is not applied to SIH.

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

The Company has not reported any breach in the MCR or significant non-compliance issues with the SCR during the reporting period.

E.6. Any other information

On 2 June 2025, Stonefort Insurance Holdings S.A., the Sole Shareholder of the Company, has resolved to provide all reasonable support to enable Stonefort Insurance S.A. to continue its operations as a going concern. This commitment has been given for a period of at least 12 months.

F. APPENDIX

F.1. Glossary of Terms

BE - Best Estimate: corresponds to the best estimate of insurance liabilities as calculated in accordance with Solvency II principles.

Board – means Board of Directors

CAA – Commissariat aux Assurances: the Luxembourg Insurance Supervisor

EIOPA – European Insurance and Occupational Pensions Authority

IBN(Y/E)R – Incurred But Not (Yet/Enough) Reported: IBNYR is an estimate of the liability for claim-generating events that have taken place but have not yet been reported to the insurer. IBNER is the part of the reserve that shall cover insufficiently reserved Outstanding Claims Reserve (OCR), i.e. adverse development.

The sum of IBNR losses plus incurred losses provides an estimate of the total eventual liabilities for losses during a given period.

MCR – Minimum Capital Requirement: the Minimum Capital Requirement should ensure a minimum level below which the amount of financial resources should not fall. It is calculated in accordance with a simple formula which is subject to a defined floor and cap and is based on the risk-based Solvency Capital Requirement.

ORSA – Own Risk and Solvency Assessment: refers to the processes and procedures for identifying, measuring, monitoring, managing and reporting all of an insurance undertaking's short and long term risks and determining the overall solvency requirements to cover them over the company's Business Plan period. ORSA is a risk assessment tool used for strategic planning purposes. A key deliverable from the process is a comprehensive quantitative and qualitative assessment of the (re)insurance undertaking's own risks. The ORSA report is submitted to the Board for approval.

SCM – Stonefort Captive Management S.A.

SCR – Solvency Capital Requirement: level of eligible own funds that enables a (re)insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and counterparties that payments will be made if liabilities arise. The Solvency Capital Requirement is the economic capital to be held by insurance and reinsurance undertakings to ensure that financial ruin occurs no more often than once every 200 years. The SCR is calculated using either the standard formula or an approved internal model.

SG – Stonefort Group, being Stonefort Insurance Holdings S.A. and its insurance and reinsurance subsidiaries.

SII - Solvency II: a set of European rules applicable to European insurance undertakings whose objective is to ensure that (re)insurance undertakings have sufficient capital to cover the risks to which they are exposed.

SMAF – Steinfort Multi-Asset Fund SICAV-SIF S.A.

SIH – Stonefort Insurance Holdings S.A.

Standard formula: a risk-based mathematical formula used by (re)insurers to calculate their Solvency Capital Requirement under Solvency II. The standard formula is intended for use by most European (re)insurers, although some choose to develop an internal model.

STI – Stonefort Insurance S.A.

STRe – Stonefort Reinsurance S.A.

QRT - Quantitative reporting templates: quarterly and annual templates required to be submitted under Solvency II regulatory reporting.

F.2. Quantitative Reporting Templates

The figures in the QRTs below are in EUR.

Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	15
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,131,413,744
Property (other than for own use)	R0080	-
Holdings in related undertakings, including participations	R0090	1,054,558,416
Equities	R0100	-
Equities - listed	R0110	-
Equities - unlisted	R0120	-
Bonds	R0130	22,388,820
Government Bonds	R0140	4,023,925
Corporate Bonds	R0150	18,364,895
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	-
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	54,466,507
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	359,212
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	359,212
Reinsurance recoverables from:	R0270	86,789,237
Non-life and health similar to non-life	R0280	86,789,237
Non-life excluding health	R0290	62,634,433
Health similar to non-life	R0300	24,154,804
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	20,534,182
Insurance and intermediaries receivables	R0360	56,199,687
Reinsurance receivables	R0370	5,131,233
Receivables (trade, not insurance)	R0380	5,949,076
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet	R0400	-
Cash and cash equivalents	R0410	11,959,043
Any other assets, not elsewhere shown	R0420	46,027
Total assets	R0500	1,318,381,456
Liabilities		
Technical provisions – non-life	R0510	387,499,607
Technical provisions – non-life (excluding health)	R0520	359,512,708
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	337,034,266
Risk margin	R0550	22,478,442
Technical provisions - health (similar to non-life)	R0560	27,988,899
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	26,602,072
Risk margin	R0590	1,384,827
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-
Technical provisions - health (similar to life)	R0610	-
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	-
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	-
Risk margin	R0680	-
Technical provisions – index-linked and unit-linked	R0690	-
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	-
Risk margin	R0720	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	4,968,593
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	1,098,572
Deferred tax liabilities	R0780	157,913,118
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	2,164,387
Reinsurance payables	R0830	2,576,910
Payables (trade, not insurance)	R0840	5,009,171
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	315,167
Total liabilities	R0900	561,545,525
Excess of assets over liabilities	R1000	756,835,931

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Non-life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

	Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)	General liability insurance C0060	Credit and suretyship C0060	Legal expenses insurance C0060	Assistance C0010	Miscellaneous financial loss C0020	Health C0030	Casualty C0040	Marine, aviation, transport C0050	Property C0060	Total C0000
Premiums written																
Gross - Direct Business	R0110	-	-	35,381	817,413	2,190	2,190	817,413	-	-	670,043	-	-	355,520	67,677,695	1,120,804
Gross - Proportional reinsurance accepted	R0120	-	-	17,373,109	38,757,934	38,757,934	38,757,934	-	-	-	-	-	-	-	-	100,518,975
Gross - Non-proportional reinsurance accepted	R0130	-	-	1,385,388	-	-	-	-	-	-	-	-	-	-	-	89,388,886
Reinsurers share	R0140	-	-	376,340	3,918	405,252	405,252	21,591,092	-	-	237,829	-	-	-	-	3,575,897
Net	R0150	-	-	3,918	1,382,070	38,352,682	38,352,682	1,329,679	-	-	432,213	2,659,713	2,746,088	355,520	67,677,695	138,462,818
Premiums earned																
Gross - Direct Business	R0210	-	-	3,918	1,385,388	678,712	2,190	3,789,276	-	-	1,223,203	-	-	-	-	4,475,798
Gross - Proportional reinsurance accepted	R0220	-	-	17,373,109	38,757,934	38,757,934	38,757,934	17,586,583	-	-	-	-	-	-	-	100,000,664
Gross - Non-proportional reinsurance accepted	R0230	-	-	1,385,388	-	-	-	1,956,299	-	-	-	-	-	-	-	79,855,868
Reinsurers share	R0240	-	-	376,340	3,918	405,252	405,252	21,591,092	-	-	237,829	-	-	-	-	7,275,077
Net	R0250	-	-	3,918	1,382,070	38,352,682	38,352,682	1,329,679	-	-	432,213	2,659,713	2,746,088	355,520	67,677,695	138,462,818
Claims incurred																
Gross - Direct Business	R0310	-	-	3,918	1,385,388	678,712	2,190	3,789,276	-	-	1,223,203	-	-	-	-	4,475,798
Gross - Proportional reinsurance accepted	R0320	-	-	17,373,109	38,757,934	38,757,934	38,757,934	17,586,583	-	-	-	-	-	-	-	100,000,664
Gross - Non-proportional reinsurance accepted	R0330	-	-	1,385,388	-	-	-	1,956,299	-	-	-	-	-	-	-	79,855,868
Reinsurers share	R0340	-	-	376,340	3,918	405,252	405,252	21,591,092	-	-	237,829	-	-	-	-	7,275,077
Net	R0350	-	-	3,918	1,382,070	38,352,682	38,352,682	1,329,679	-	-	432,213	2,659,713	2,746,088	355,520	67,677,695	138,462,818
Expenses incurred																
Gross - Direct Business	R0410	-	-	8,057,620	17,028	12,150,025	12,150,025	380,385	-	-	407,056	-	-	-	-	12,867,469
Gross - Proportional reinsurance accepted	R0420	-	-	42,176,370	4,717,862	9,666,138	9,666,138	297,443	-	-	417,933	460,604	1,710,131	32,578	10,087,468	41,283,937
Gross - Non-proportional reinsurance accepted	R0430	-	-	1,106,016	4,717,862	9,666,138	9,666,138	297,443	-	-	417,933	460,604	1,710,131	32,578	10,087,468	41,283,937
Reinsurers share	R0440	-	-	1,106,016	4,717,862	9,666,138	9,666,138	297,443	-	-	417,933	460,604	1,710,131	32,578	10,087,468	41,283,937
Net	R0450	-	-	10,269,652	19,502,052	31,623,318	31,623,318	1,085,261	-	-	825,019	921,208	3,420,269	65,156	20,175,163	74,204,911
Balance - other technical expenses / income																
Gross - Direct Business	R0510	-	-	387,499,607	-	-	-	-	-	-	-	-	-	-	-	387,499,607
Gross - Proportional reinsurance accepted	R0520	-	-	359,512,708	-	-	-	-	-	-	-	-	-	-	-	359,512,708
Gross - Non-proportional reinsurance accepted	R0530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers share	R0540	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0550	-	-	387,499,607	-	-	-	-	-	-	-	-	-	-	-	387,499,607
Total technical expenses																
Gross - Direct Business	R0610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers share	R0640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance - other technical expenses / income																
Gross - Direct Business	R0710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	R0720	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted	R0730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinsurers share	R0740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total technical expenses																

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		CO010	CO020	CO030	CO040	CO050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	R0010	100,000,000	100,000,000			
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020					
Share premium account related to ordinary share capital	R0030	156,611,000	156,611,000			
Initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts to be deducted at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds to be deducted at group level	R0080					
Preference shares	R0090					
Non-available preference shares to be deducted at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	457,657,248	457,657,248			
Subordinated liabilities	R0140					
Non-available subordinated liabilities to be deducted at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160					
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests	R0200					
Non-available minority interests to be deducted at group level	R0210					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260					
Total of non-available own fund items to be deducted	R0270					
Total deductions	R0280					
Total basic own funds after deductions	R0290	714,268,248	714,268,248			
Ancillary own funds						
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					
Non available ancillary own funds to be deducted at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated undertakings carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	714,268,248	714,268,248			
Total available own funds to meet the minimum consolidated group SCR	R0530	714,268,248	714,268,248			
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	714,268,248	714,268,248			
Total eligible own funds to meet the minimum consolidated group SCR	R0570	714,268,248	714,268,248			
Minimum consolidated Group SCR	R0610	62,126,725				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	11				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	714,268,248	714,268,248			
Total Group SCR	R0680	248,506,901				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	R0690	287%				

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Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	756,835,931
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	256,611,000
Adjustment for restricted own fund items in respect of matching a	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve	R0760	457,657,248
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life bu	R0780	61,492,030
Total Expected profits included in future premiums (EPIFP)	R0790	61,492,030

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Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	169,895,086	
Counterparty default risk	R0020	15,760,030	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	15,619,681	
Non-life underwriting risk	R0050	225,892,542	
Diversification	R0060	- 101,710,835	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	325,456,504	

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Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	10,909,090
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	- 87,858,693
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding	R0200	248,506,901
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	
Consolidated Group SCR	R0220	248,506,901
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	248,506,901
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	-
Minimum consolidated group solvency capital requirement	R0470	62,126,725
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-	R0530	
Capital requirement for non-controlled participation	R0540	
Capital requirement for residual undertakings	R0550	
Capital requirement for collective investment undertakings or investments packaged as funds	R0555	
Overall SCR		
SCR for undertakings included via D&A method	R0560	
Total group solvency capital requirement	R0570	248,506,901

5.32.01.12.01

Undertakings in the scope of the group

Identification code and type of code of the undertaking	Country	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	Criteria of influence					Inclusion in the scope of Group supervision		Group solvency calculation	
							% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No		Date of decision if art. 214 is applied
CO20	CO10	CO40	CO50	CO60	CO70	CO80	CO180	CO190	CO200	CO210	CO220	CO230	CO240	CO250	CO260
LEI/221006G057UBQ8GM426	LUXEMBOURG	Stonefort Reinsurance SA	3 - Reinsurance undertaking	société anonyme	2 - Non-mutual	Commissariat aux assurances	1	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation
LEI/52990T8KZKHE80GB69	LUXEMBOURG	Stonefort Insurance S.A.	2 - Non Life insurance undertaking	société anonyme	2 - Non-mutual	Commissariat aux assurances	1	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation
LEI/52990VKR47CS20RH22	LUXEMBOURG	Stonefort Insurance Holdings	5 - Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	société anonyme	2 - Non-mutual	Commissariat aux assurances	1	1	1		2 - Significant	1	1 - Included in the scope		1 - Method 1: Full consolidation