

MMS/DSD/MSE01024

29 July 2024

The following is a Company Announcement issued by MAPFRE Middlesea plc, pursuant to the Capital Markets Rules of the Malta Financial Services Authority.

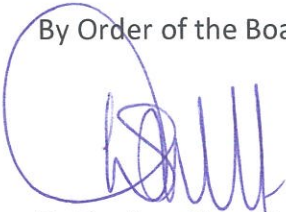
Quote

The Board of Directors of MAPFRE Middlesea p.l.c. ('the Company'), has today the 29 July 2024, considered and approved the unaudited financial statements for the financial half year ended 30 June 2024. A preliminary statement of interim results is being attached herewith in terms of the Capital Markets Rules. The Interim Financial Statements are available for viewing on the Company's website at www.mapfre.com.mt.

In line with Company policy, the Board of Directors has not proposed the payment of an interim dividend.

Unquote

By Order of the Board



Dr Daphne Sims Dodebier
Company Secretary

Review of Group Operations

Half Yearly Financial Statements - 30 June 2024

Commentary

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

The Group has in the half year ending 30 June 2024 registered a profit before tax of €12.18 million against the restated comparative of €9.71 million. The profit after tax and non-controlling interests, allocated to shareholders, amounted to €6.03 million as compared to €4.65 million in 2023. The June 2023 figures have been restated to reflect the IFRS 17 Insurance contracts approved models.

The Company's non-life business saw premium written registering a strong growth from the already improving levels of June 2023. Technical performance has yielded an improved insurance service result in these six months particularly in the Motor portfolio, reflecting the correction in pricing made over the past year coupled with a contained claim frequency and claim cost average in line with the previous year. Large losses had a softer impact on the technical performance than in the comparative period. Whilst in 2023 these were mainly affecting the Motor portfolio during 2024 they were spread over different classes of business. Investment income excluding the dividend received from the subsidiary MAPFRE MSV Life p.l.c. of a net €1.00 million, was lower than the comparative which had been favourably impacted from rallying equity prices.

MAPFRE MSV Life p.l.c. insurance and investment sales levels registered a satisfactory growth in the first six months of the year, diversifying in its product suite to increase its offering in a highly competitive market. Investment returns though positive were lower than the comparative gains that were derived from rallying markets.

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

Preliminary Statement of Interim Results 30 June 2024

Financial highlights for the half year

- **General Business Gross Premium written** increased by 8.8% from €50.76 million in 2023 to €55.22 million as at the 30 June 2024.
- **Long term Gross business Written** by the Group registered a growth of 12.4% to €113.81 million compared to €101.28 million in the comparative period of 2023.
- The Group registered a **Profit after taxation** for the 6 months ended 30 June 2024 of €8.83 million, of which €6.03 million attributable to shareholders, compared with a restated profit after taxation of €6.97 million for the same period last year of which €4.65 million attributable to shareholders.
- **Net Insurance, Investment and Reinsurance contract Assets and Liabilities** at 30 June 2024 marginally increased by 0.1% to €2.18 billion compared to the 31 December 2023 net liabilities.
- **Total assets** increased by 0.3% and totaled €2.42 billion as at 30 June 2024, as compared to the total assets of €2.41 billion at 31 December 2023.
- **Total Equity** of the Group attributable to shareholders amounted to €89.67 million as at 30 June 2024, up from €88.17 million at 31 December 2023, with MAPFRE Middlesea p.l.c. having paid a dividend for financial year 2023 of €4.5 million outweighed by the results for the half year. The net asset value per share stands at €0.97 as at June 2024.
- Both insurance companies in the Group are compliant with the regulatory **solvency requirements** under Solvency II regime as at June 2024.

Outlook

Whilst acknowledging these results to be satisfactory, the Directors look at the second half of 2024 with cautious optimism as the Group heads towards completing the three-year strategic cycle and meeting its set targets cognizant of the inherent risks underlying the nature of business the Group operates in and the resulting impacts on its results. The Group will focus in setting out its strategy for the upcoming three-year cycle with challenging Key performance indicators aimed at constantly improving client experience through quality of service and operational efficiency, whilst maintaining an adequate return to our shareholders.

In line with Company policy, the Board of Directors do not propose to pay an interim dividend for the half year ended 30 June 2024 (2023 – nil).

Preliminary Statement of Interim Results 30 June 2024

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

	Group	
	6 months to 30 June 2024	6 months to 30 June 2023 as restated
	€'000	€'000
Insurance revenue	70,445	68,980
Insurance service expenses	(51,986)	(47,970)
Net expenses from reinsurance contracts held	(5,415)	(7,220)
Insurance service result	13,044	13,790
Interest revenue calculated using effective interest method	2,806	1,677
Other investment revenue/(losses)	37,970	89,504
Net credit impairment (losses)/gains	(16)	(4)
Net investment income	40,760	91,177
Net change in investment contract liabilities	(7,131)	(3,598)
Finance income from insurance/reinsurance contracts	(33,324)	(88,857)
Finance expense from insurance/reinsurance contracts	704	(1,445)
Net financial result	(39,751)	(93,900)
Net insurance and investment results	14,053	11,067
Other income	1,131	1,063
Other operating expenses	(3,006)	(2,422)
Profit before tax for the half year	12,178	9,708
Tax expense	(3,348)	(2,734)
Profit for the half year	8,830	6,974
Attributable to:		
- owners of the Company	6,030	4,649
- non-controlling interests	2,800	2,325
	8,830	6,974
Earnings per share attributable to owners of the Company	6c6	5c1

Preliminary Statement of Interim Results 30 June 2024

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

	Group	
	6 months to 30 June 2024	6 months to 30 June 2023 as restated
	€'000	€'000
Profit for the half year	8,830	6,974
Other comprehensive income:		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Net change in fair value of debt securities measured at FVOCI	<u>(26)</u>	18
Total other comprehensive income, net of tax	<u>(26)</u>	18
Total comprehensive income for the half year	<u>8,804</u>	<u>6,992</u>
Attributable to:		
- owners of the Company	6,004	4,667
- non-controlling interests	2,800	2,325
Total comprehensive income for the half year	<u>8,804</u>	<u>6,992</u>

Preliminary Statement of Interim Results 30 June 2024

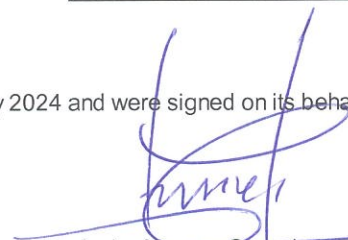
Condensed Statement of Financial Position

	Group	
	June 2024	December 2023
	€'000	€'000
ASSETS		
Intangible assets	31,578	30,732
Property, plant and equipment	16,981	17,183
Right-of-use assets	1,799	1,601
Investment properties	106,075	105,619
Investment in associated undertakings	22,106	23,923
Other investments	2,127,904	2,136,313
Deferred income tax asset	2,305	2,118
Insurance contract assets	7,126	8,945
Reinsurance contracts assets	12,928	13,359
Trade and other receivables	31,597	25,490
Current income tax receivable	2,790	7
Cash and cash equivalents	56,680	47,975
Total assets	2,419,869	2,413,265
EQUITY		
Capital and reserves attributable to owners of the Company	89,673	88,169
Non-controlling interests	84,494	82,694
Total equity	174,167	170,863
LIABILITIES		
Deferred income tax liabilities	14,114	14,079
Provisions for other liabilities and charges	902	923
Insurance contracts liabilities	2,021,355	2,063,844
Investment contract liabilities	166,498	123,253
Reinsurance contracts liabilities	15,655	15,493
Derivative financial instruments	716	-
Lease liabilities	1,866	1,661
Other payables	20,280	19,349
Current income tax liabilities	4,316	3,800
Total liabilities	2,245,702	2,242,402
Total equity and liabilities	2,419,869	2,413,265

These condensed financial statements were approved by the Board on 29 July 2024 and were signed on its behalf by:



Martin Galea
Chairman



Javier Moreno Gonzalez
President & CEO

Preliminary Statement of Interim Results 30 June 2024

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

Group

	Attributable to owners of the Company				Total €'000	Non- controlling interests €'000	Total €'000
	Share capital €'000	Share premium account €'000	Other reserves €'000	Profit & loss account €'000			
Balance as at 1 January 2023	19,320	688	350	59,783	80,141	78,060	158,201
Comprehensive income							
Profit for the half year	-	-	-	4,649	4,649	2,325	6,974
Other comprehensive income:							
Net change in fair value of debt securities measured at FVOCI	-	-	18	-	18	-	18
Total other comprehensive income, net of tax	-	-	18	-	18	-	18
Total comprehensive income	-	-	18	4,649	4,667	2,325	6,992
Transactions with owners							
Dividends for 2022	-	-	-	(3,500)	(3,500)	-	(3,500)
Total transactions with owners	-	-	-	(3,500)	(3,500)	-	(3,500)
Balance as at 30 June 2023	19,320	688	368	60,932	81,308	80,385	161,693
Balance as at 1 January 2024	19,320	688	637	67,524	88,169	82,694	170,863
Comprehensive income							
Profit for the half year	-	-	-	6,030	6,030	2,800	8,830
Other comprehensive income:							
Net change in fair value of debt securities measured at FVOCI	-	-	(26)	-	(26)	-	(26)
Total other comprehensive income, net of tax	-	-	(26)	-	(26)	-	(26)
Total comprehensive income	-	-	(26)	6,030	6,004	2,800	8,804
Transactions with owners							
Dividends for 2023	-	-	-	(4,500)	(4,500)	(1,000)	(5,500)
Total transactions with owners	-	-	-	(4,500)	(4,500)	(1,000)	(5,500)
Balance as at 30 June 2024	19,320	688	611	69,054	89,673	84,494	174,167

Preliminary Statement of Interim Results 30 June 2024

**Statement of cash flows
for the half year ended 30 June**

Group
6 months to 6 months to
30 June 2024 30 June 2023

	€'000	€'000
Cash flows from operating activities		
Cash used in operations	(30,697)	(42,009)
Dividends received	8,513	6,265
Interest received	13,960	8,539
Tax paid	(5,762)	(1,235)
Net cash used in operating activities	(13,986)	(28,440)
Investing activities		
Purchase of investment property	(455)	(483)
Purchase of financial investments	(683,576)	(789,472)
Disposal of financial investments	716,067	763,986
Purchase of property, plant and equipment and intangible assets	(3,845)	(3,049)
Net cash (used in)/generated from investing activities	28,191	(29,018)
Financing activities		
Dividends paid to owners of the Company	(4,500)	(3,500)
Dividends paid to non-controlling interests	(1,000)	-
Cash used in financing activities	(5,500)	(3,500)
(Decrease)/increase in cash and cash equivalents	8,705	(60,958)
Movement in cash and cash equivalents		
At beginning of year	47,975	137,286
Net cash (outflow)/inflow	8,705	(60,958)
At end of half year	56,680	76,328

Preliminary Statement of Interim Results 30 June 2024

Notes to the Condensed Financial Statements For the half year ended 30 June 2024

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

These condensed financial statements are being published in accordance with Chapter 5 of the Capital Markets Rules of the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act 2005. These statements have been extracted from the Group's unaudited financial statements as approved by the Board on 29 July 2024 and have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS34). They do not include all information required for full annual financial statements, and should be read in conjunction with the financial statements for the year ended 31 December 2023. The accounting policies applied in these condensed financial statements are the same as those applied by the group in its financial statements for the year ended 31 December 2023.

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

Preliminary Statement of Interim Results 30 June 2024

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

We confirm that to the best of our knowledge:

- the condensed interim financial statements for the Group give a true and fair view of the financial position as at 30 June 2024, financial performance and cash flows for the period then ended, in accordance with accounting standards adopted for use in the EU for interim financial statements (*IAS 34 'Interim Financial Reporting'*) for the Group; and
- the commentary includes a fair review of the information required in terms of Capital Markets rule 5.75.2.

A blue ink signature of Martin Galea, consisting of stylized, overlapping letters.

Martin Galea
Chairman

A blue ink signature of Javier Moreno Gonzalez, featuring a large, flowing initial 'J' followed by the name in a cursive script.

Javier Moreno Gonzalez
President & CEO