

EXTRAORDINARY INFORMATION

CIG Pannónia Life Insurance Plc consolidated group subsidiary's exposure arising from Italian matters

CIG Pannonia Life Insurance Private Limited Company (registered office: H-1097 Budapest, Könyves Kálmán körút 11.B, company registration nr.: 01 10 045857, hereinafter referred to as **Company**) hereby informs its Esteemed Shareholders and other members of the public that it has primarily transferred its consolidated subsidiaries, CIG Pannónia Első Magyar Általános Biztosító Zrt. (**EMABIT**) and collectively, at the consolidated level, the CIG Pannónia Group (**Group**) regarding the current status of the strategic review of the so-called Italian matters¹ related to the operation of the Group.

As a result of the strategic review of Italian cases reaching the highest value limit announced in February this year^{2,3}, which included an examination of the adequacy of reserves and the necessary corrections and as a result of the preventive measures taken in this regard, in a damages case involving a claim amounting to more than 50% of the current outstanding claims against EMABIT, the CIG Pannónia Group has reached a settlement that is particularly advantageous based on the modeling of the litigation process, with a payment obligation amounting to 70% of the capital claim and ensuring final settlement, but resulting in the termination of the lawsuit and excluding further claims by the plaintiff.

Prior to reaching the settlement agreement, EMABIT assessed the evidence obtained in the relevant case and other related proceedings, as well as the partial results of the relevant proceedings, and, in light of this information, sought the opinion of an external Italian legal expert on the likely outcome of the lawsuit.

Our company would like to emphasize that EMABIT and CIG Pannónia Group are interested in the complete resolution of legal disputes arising from commitments made by the previous management, taking the interests of the owners into account as far as possible. Other specific issues may require further steps, which we will communicate in accordance with the legal framework, and about which we will provide information in accordance with the legal framework. In this process, management considers the agreement now concluded and the settlement of the underlying damages case to be of particular importance.

We hereby confirm that this significant litigation case has been settled by agreement, in accordance with the reserves reviewed and adjusted in 2024, in an amount not exceeding the reserves established therein, using EMABIT's own resources. This also means that the subordinated loan⁴ capital of the owner has still not been drawn down.

Based on the above, we declare that the financial closure of the matter described in this announcement will not affect next year's results. Based on the measures taken and put in place earlier, the necessary, expected, and secure regulatory capital compliance is fully ensured for the financing of the Group's growth path and for the provisioning of the remaining disputed claims related to exposures arising from Italian matters.

CIG Pannonia Life Insurance Plc.
Management Board

Disclaimer: All information contained within this article is for information purposes only and shall not be considered an official translation of the official communication referred to herein. This document does not include the integral wording of the official communication referred to herein, the original Hungarian language version of it remains to be the solely legally binding material in the subject matter. For further information, please do not hesitate to contact us.

¹ Italian cases: summary of existing and potential risks in EMABIT's Italian claims and their management, primarily covering the strategy for handling these cases and ongoing legal proceedings, the status and review of existing claims provisions and recourse provisions

² The uniform principles of reserve creation were developed by CIG in cooperation with an international law firm operating in Italy and Hungary, and are approved annually by the auditor after lengthy consultations. This law firm provides ongoing assistance to the Company in pending claims, compensation cases against insured parties, and other matters.

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[https://www.bet.hu/site/newkib/en/2025.02./on the management of the exposure of CIG Pannonia Life Insurance Plc.consolidated subsidiary to Italian affairs 129205558](https://www.bet.hu/site/newkib/en/2025.02./on%20the%20management%20of%20the%20exposure%20of%20CIG%20Pannonia%20Life%20Insurance%20Plc.consolidated%20subsidiary%20to%20Italian%20affairs%20129205558)

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[https://www.bet.hu/site/newkib/en/2025.02./on the management of the exposure of CIG Pannonia Life Insurance Plc.consolidated subsidiary to Italian affairs 129205558](https://www.bet.hu/site/newkib/en/2025.02./on%20the%20management%20of%20the%20exposure%20of%20CIG%20Pannonia%20Life%20Insurance%20Plc.consolidated%20subsidiary%20to%20Italian%20affairs%20129205558)