

EXTRAORDINARY INFORMATION

CIG Pannónia Life Insurance Plc consolidated group subsidiary's exposure arising from Italian matters (2)

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 - as a result of the information provided earlier¹ - informs its Esteemed Shareholders and other members of the public about another significant step which aims to the closure of the so-called Italian cases², primarily related to the Company's consolidated subsidiary, **CIG Pannónia Első Magyar Általános Biztosító Zrt. (EMABIT)**, and collectively, on a consolidated level, to the operations of the CIG Pannónia Group (**Group**).

According to the previous announcement that as a result of the strategic review of the Italian cases reaching the highest value threshold - including the examination of the adequacy of reserves and the necessary correction announced in February 2025³ - and the resulting preventive steps, in the damages case against EMABIT, which currently (in the period following our publication on October 17, 2025) contains a litigation value of almost 70% of the outstanding claims, the EMABIT board of directors concluded an out-of-court settlement which is beneficial for the CIG Pannónia Group. This out-of-court settlement is about a payment obligation of less than 65% of the principal claim and ensuring final settlement, but resulting in the termination of the lawsuit and excluding further claims of the plaintiff. EMABIT will fulfill its payment obligation arising from the settlement within 90 days of receipt of the signed settlement proposal (13. 02. 2026).

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. In this process, management considers the recently concluded settlement and the closure of the underlying claim as a milestone in the further, overall, final and comprehensive closure of the litigation claims, which closure was achieved in accordance with the reserves established for the claims.

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 loan⁵ capital of the owner has still not been drawn down.

¹ [https://www.bet.hu/site/newkib/en/2025.10./Information on the exposure arising from Italian matters of CIG Pannonia Life Insurance Plc consolidated subsidiary 129337238](https://www.bet.hu/site/newkib/en/2025.10./Information%20on%20the%20exposure%20arising%20from%20Italian%20matters%20of%20CIG%20Pannonia%20Life%20Insurance%20Plc%20consolidated%20subsidiary%20129337238)

² 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

³ 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.

⁴ [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%20consolidated%20subsidiary%20to%20Italian%20affairs%20129205558)

⁵ [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%20consolidated%20subsidiary%20to%20Italian%20affairs%20129205558)

The Board of Directors of EMABIT will review the issue of maintaining the availability of the subordinated loan capital in the first half of this year, based on the legal and financial analysis of the processes, and will decide on its maintenance/termination.

Based on the above, we declare that the financial closure of the matter described in this announcement will not affect the results of 2025 and 2026, 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

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