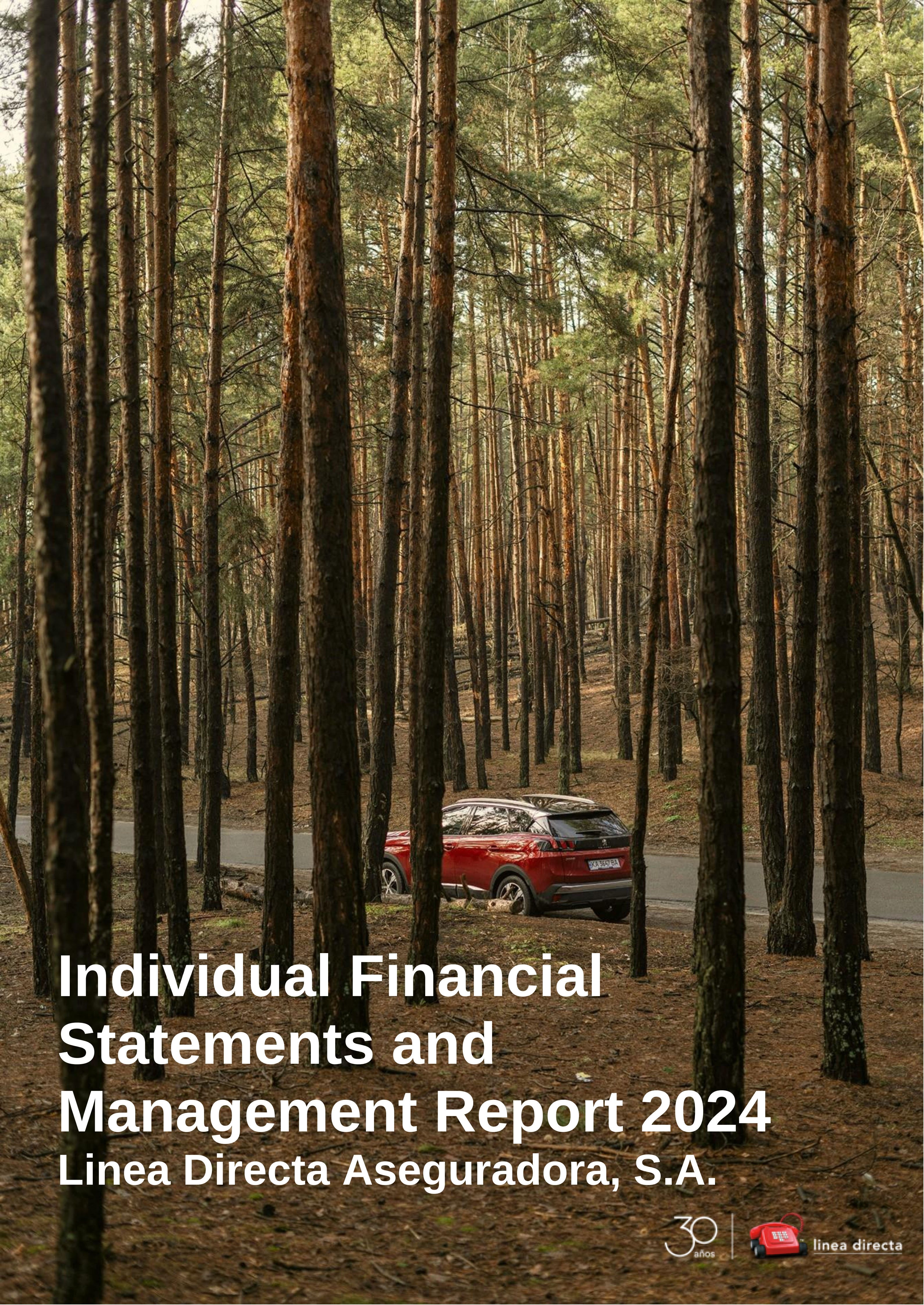

Individual Financial Statements and Management Report 2024

Linea Directa Aseguradora, S.A.

30 años

linea directa

The English version is a translation of the original in Spanish made by Linea Directa Aseguradora, S.A on his sole responsibility and shall not be considered official. In case of discrepancy, the Spanish version shall prevail

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External auditor's report

Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros

Independent auditor's report,
annual accounts and
management’s report
as of 31 December 2024

This version of our agreed-upon procedures report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the shareholders of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros

Report on the annual accounts

Opinion

We have audited the annual accounts of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

Key audit matters	How our audit addressed the key audit matters
Valoración of non-life incurred claims insurance contracts	
The Company operates in the non-life insurance business, primarily in the automobile, home, and health segments. The Company recognizes liabilities associated with insurance contracts that reflect the unearned amounts of written premiums and the provisions for benefits. This latter concept includes, among other things, the estimated cost of claims pending settlement, payment, and reporting, amounting to 441,439 thousand euros as of December 31, 2024, mainly from the automobile segment (387,223 thousand euros). The calculation of technical provisions for benefits is a complex estimate that, in the case of the automobile segment, is significantly influenced by the projection methods used, the settlement periods, and the assumptions made by management, as well as the impact of the valuation of personal injury claims according to applicable regulations. For the reasons stated, the valuation of the provision for benefits has been considered a key audit matter. See notes 2, 4, and 10 of the attached annual accounts for the fiscal year 2024.	We have obtained an understanding of the process for estimating and recording the provisions for benefits, which has included an evaluation and verification of the internal control related to the most relevant information systems and assumptions. Our procedures, in which actuarial specialists have participated, have focused on aspects such as: • Understanding the calculation methodology for provisions for benefits. • Verification of the integrity, accuracy, and reconciliation of the base data used for the estimation of the provision for benefits. • Verification of the sufficiency of the provisions for benefits established at the end of the previous fiscal year. • Performing selective testing on a sample of benefit provision files, verifying the reasonableness of the valuation with the available information. • Verification of the application of the actuarial methodology for the automobile segment in accordance with the method authorized by the Directorate General of Insurance and Pension Funds. • Verification through actuarial contrast tests of the reasonableness of the benefit provision for the automobile segment established at the end of the period. • Additionally, we have verified the adequacy of the information disclosed in the attached annual accounts.. In our previous procedures, we have obtained adequate and sufficient audit evidence that supports management's estimates on this matter.

Other information: Management report

Other information comprises only the management report for the 2024 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the management report and the annual accounts as a result of our knowledge of the Company obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the management report is consistent with that contained in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the entity’s audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros for the 2024 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration have been incorporated by reference in the management report.

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit committee

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Company dated 28 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 11 April 2024 appointed us as auditors for a period of one year, for the year ended 31 December 2024.

Previously, we were appointed by resolution of the General Ordinary Shareholders' Meeting for a period of tres years and we have audited the accounts continuously since the year ended 31 December 2016.

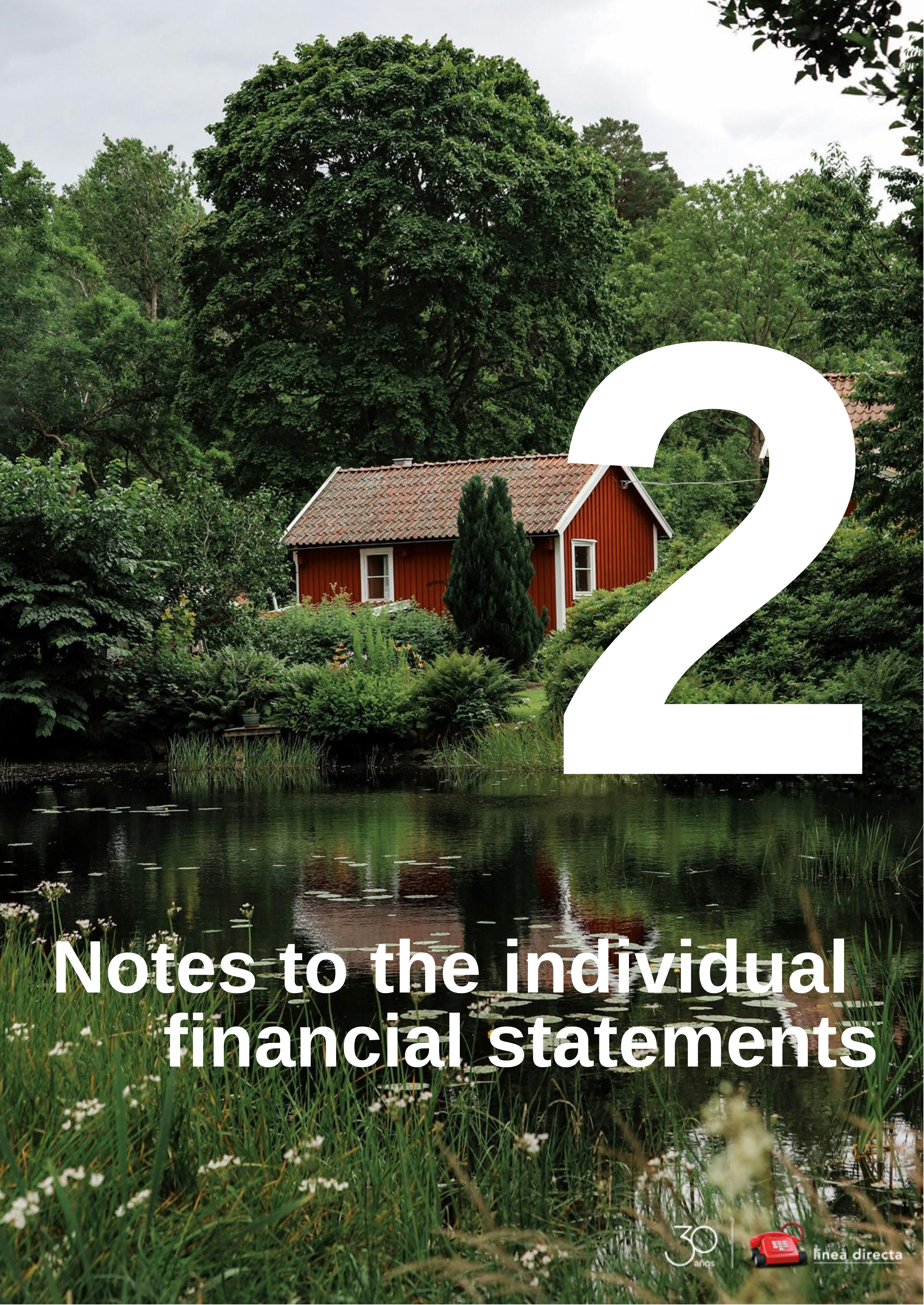
Services provided

Services provided to the audited entity and its subsidiaries for services other than the audit of the accounts are disclosed in note 22 to the annual accounts.

PricewaterhouseCoopers Auditores S.L.

Original in Spanish signed by Enrique Anaya Rico

28 February 2025



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Notes to the individual financial statements

Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros

Annual financial statements and management report for the year ended 31 December 2024

Prepared in accordance with the Spanish Accounting Plan for Insurance Companies

Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

Balance sheet at 31 December 2024 and 2023

(in thousand euro)

	ASSETS	Notes	2024	2023 (*)
A.1	**Cash and cash equivalents**	**notes 8 and 9**	**8,076**	**31,757**
A.4	**Available-for-sale financial assets**	**note 8**	**930,122**	**827,550**
	I. Equity instruments		100,327	83,866
	II. Debt securities		829,795	743,684
	III. Investments on behalf of life insurance policyholders who assume the investment risk		-	-
	IV. Other		-	-
A.5	**Loans and receivables**	**note 8**	**156,814**	**135,621**
	I. Debt securities		-	-
	II. Loans		23,199	21,528
	1. Advance payments on policies		-	-
	2. Loans to group companies and associates	note 8 and 15	23,199	21,528
	3. Loans to other related parties		-	-
	III. Deposits with credit institutions		20,000	-
	IV. Deposits posted on accepted reinsurance		-	-
	V. Receivables on direct insurance business	note 8	64,206	61,602
	1. Policyholders		64,206	61,602
	2. Mediators			
	VI. Reinsurance receivables		3,890	7,019
	VII. Co-insurance receivables		-	-
	VIII. Payment called up		-	-
	IX. Other receivables		45,519	45,472
	1. Tax and social security receivables		1,141	1,040
	2. Other receivables	note 8 and 15	44,378	44,432
A.6	**Held-to-maturity investments**			
A.7	**Hedging derivatives**		**4,332**	**5,492**
A.8	**Reinsurers' share of technical provisions**	**note 10**	**31,002**	**29,214**
	I. Provision for unearned premiums		5,447	4,621
	II. Provision of life insurance			
	III. Provisions for claims		25,555	24,593
	IV. Provisions other than technical provisions			
A.9	**Property, plant and equipment and investment property**	**note 5**	**40,000**	**40,479**
	I. Property, plant and equipment		38,161	38,612
	II. Investment property		1,839	1,867
A.10	**Intangible assets**	**note 6**	**44,392**	**29,186**
	I. Goodwill		-	-
	II. Economic rights derived from portfolios of policies acquired from mediators		-	-
	III. Other intangible assets		44,392	29,186
A.11	**Holdings in group companies and associates**	**notes 8 and 15**	**68,620**	**68,904**
	I. Holdings in associated companies		-	-
	II. Holdings in multi-group companies		-	-
	III. Holdings in group companies		68,620	68,904
A.12	**Tax assets**	**note 17**	**9,496**	**13,904**
	I. Current tax assets		691	738
	II. Deferred tax assets		8,805	13,166
A.13	**Other assets**	**note 7**	**103,112**	**99,648**
	I. Assets and reimbursement rights for long-term employee remuneration		-	-
	II. Prepaid fees and other acquisition expenses		91,269	88,690
	III. Accruals	notes 7 and 8	11,843	10,668
	IV. Other assets		-	290
A.14	**Assets held for sale**		**-**	**-**
	TOTAL ASSETS		**1,395,966**	**1,281,755**

(*) It is presented solely and exclusively for comparative purposes. Notes 1 to 24 included in the attached report form an integral part of the financial statements as of 31 December 2024.

Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

Balance sheet at 31 December 2024 and 2023

(in thousand euro)

	LIABILITIES	Notes	2024	2023 (*)
A.1	**Financial liabilities held for trading**		**-**	**-**
A.2	**Other financial liabilities at fair value through profit or loss**		**-**	**-**
A.3	**Debits and accounts payable**	**note 13**	**62,969**	**51,311**
	I. Subordinated liabilities		-	-
	II. Deposits received for ceded reinsurance		-	-
	III. Due on direct insurance business	**note 8**	3,491	2,818
	1. Due to policyholders		2,259	1,752
	2. Due to agents, brokers and intermediaries		1,232	1,066
	3. Contingent liabilities		-	-
	IV. Due on reinsurance business	**note 8**	346	1,351
	Due on co-insurance business		-	-
	VI. Bonds and other marketable securities		-	-
	VII. Debts to credit institutions		-	-
	VIII. Debts arising from activities to draw up insurance contracts		-	-
	IX. Other debts:	**note 13**	59,132	47,142
	1.-Taxes and social security payable		16,232	14,368
	2.-Other payables to group companies and associates		213	192
	3.-Other debts		42,687	32,582
A.4	**Hedging derivatives**	**note 8**	**-**	**-**
A.5	**Technical provisions**	**note 10**	**955,649**	**898,007**
	I.- Provision for unearned premiums		511,601	483,431
	II.- Provision for unexpired risks		2,609	2,686
	III.- Provision for life insurance		-	-
	IV.- Provision for claims		441,439	411,890
	V.- Provision for profit sharing and premium refunds		-	-
	VI.- Other technical provisions		-	-
A.6	**Non-technical provisions**		**32,678**	**28,931**
	I. Provisions for taxes and other legal contingencies		-	-
	II. Provision for pensions and similar obligations		-	-
	III. Provisions for settlement agreements	**note 12**	29,084	28,574
	IV. Provisions other than technical provisions		3,594	357
A.7	**Tax liabilities**	**note 17**	**24,444**	**27,126**
	I. Current tax liabilities		5,437	11,384
	II. Deferred tax liabilities		19,007	15,742
A.8	**Other liabilities**		**136**	**(186)**
	I. Accruals		(320)	(417)
	II. Liabilities for accounting asymmetries		-	-
	III. Commissions and other acquisition costs of the ceded reinsurance		-	-
	IV. Any other liabilities		456	**231**
A.9	**Liabilities linked to assets held for sale**		**-**	**-**
	TOTAL LIABILITIES		**1,075,876**	**1,005,189**
B.	**EQUITY**			
B.1	**Own funds**	**note 14**	**317,162**	**284,578**
	I. Capital or mutual fund		43,537	43,537
	1. Subscribed capital or mutual fund		43,537	43,537
	2. (Uncalled capital)		-	-
	II. Share premium		-	-
	III. Reserves		249,207	261,675
	1. Legal and bylaw reserves		9,046	9,046
	2. Stabilisation reserve		51,634	43,839
	3. Other reserves		188,527	208,790
	IV. (Own shares)		(243)	(644)
	V. Results of previous years		-	-
	1. Remaining balance		-	-
	2. (Negative results from previous years)		-	-
	VI. Other contributions from owners and mutual fund members		-	-
	VII. Profit/(loss) for the year		62,456	(12,560)
	VIII. (Interim dividend and stabilisation reserve on account)		(37,795)	(7,430)
	IX. Other equity instruments		-	-
B.2	**Valuation adjustments:**	**note 14**	**2,928**	**(8,012)**
	I. Available-for-sale financial assets		2,928	(8,012)
	II. Hedge operations		-	-
	III. Foreign exchange and conversion differences		-	-
	IV. Correction of accounting asymmetries		-	-
	V. Other adjustments		-	-
B.3	**Grants, gifts and legacies received**		**-**	**-**
	TOTAL EQUITY		**320,090**	**276,566**
	TOTAL LIABILITIES AND EQUITY		**1,395,966**	**1,281,755**

(*) It is presented, solely and exclusively, for comparative purposes. The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024.

Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros
Statement of profit or loss for the years ending December 2024 and 2023

(in thousand euro)

	Notes	2024	2023 (*)
I. NON-LIFE INSURANCE TECHNICAL ACCOUNT			
I.1 Premiums charged to the financial year, net of reinsurance		**967,415**	**936,617**
a) Written Premiums			
a.1) Direct Insurance		1,019,606	973,281
a.2) Reinsurance Accepted		-	-
a.3) Change due to impairment of outstanding premiums receivable	note 8.1.1.2	132	(221)
b) Premiums from ceded reinsurance		(25,056)	(23,555)
c) Change in the provision for unearned premiums and unexpired risks			
c.1) Direct Insurance	note 10	(28,093)	(12,955)
c.2) Reinsurance Accepted		-	-
d) Change in the provision for unearned premiums, reinsurance ceded	note 10	826	67
I.2 Income from property, plant and equipment and investments	**note 8.1.2**	**51,363**	**48,004**
a) Income from investment property		69	68
b) Income from financial investments		39,292	31,106
c) Applications of impairment adjustments for property, plant and equipment and investments			
c.1) Property, plant and equipment and investment property		-	-
c.2) Financial investments	note 8.1.2	(282)	(290)
d) Profits in the realisation of property, plant and equipment and investments			
d.1) Property, plant and equipment and investment property		-	-
d.2) Financial investments		12,284	**17,120**
I.3 Other technical income		**-**	**-**
I.4 Incurred Claims, net of reinsurance		**747,919**	**804,948**
a) Claims and expenses paid			
a.1) Direct Insurance		678,756	681,867
a.2) Reinsurance accepted		-	-
a.3) Reinsurance ceded		(17,309)	(10,436)
b) Change in the provisions for claims			
b.1) Direct Insurance	note 10	29,552	86,861
b.2) Reinsurance accepted		-	-
b.3) Reinsurance ceded	note 10	(962)	(9,883)
c) Expenses attributable to services		57,882	56,539
I.5 Change of other technical provisions, net of reinsurance		**-**	**-**
I.6 Profit Sharing and premium refunds		**310**	**393**
a) Claims and expenses for profit sharing and premium refunds		310	393
b) Change in the provision for profit sharing and premium refunds		-	-
I.7 Net operating expenses		**208,807**	**208,004**
a) Acquisition expenses		185,852	185,292
b) Administrative expenses		24,125	22,826
c) Reinsurance commissions and profit participation		(1,170)	(114)
I.8 Other technical costs	**note 21**	**(22,428)**	**(22,094)**
a) Change in impairment due to insolvency		-	-
b) Change in the impairment of property, plant and equipment		-	-
c) Change in claims due to claims settlement agreements		(28,453)	(27,198)
d) Other		6,025	5,104
I.9 Property, plant and equipment and investment expenses		**14,993**	**18,574**
a) Management expenses of property, plant and equipment and investments			
a.1) Expenses relating to property, plant and equipment and investment property	note 8.1.2	1,494	1,653
a.2) Investment expenses and financial accounts	note 8.1.2	2,942	2,935
b) Value adjustments to property, plant and equipment and investments			
b.1) Depreciation of property, plant and equipment and investment property		28	28
b.2) Impairment of property, plant and equipment and investment			
b.3) property	note 5	-	-
b.4) Impairment of financial investments		60	-
c) Losses from property, plant and equipment and investments			
c.1) From property, plant and equipment and investment property		-	-
c.2) Financial investments	note 5	10,469	13,958
Result of the non-life insurance technical account positive / (negative)		**69,177**	**(25,204)**

(*) It is presented, solely and exclusively, for comparative purposes.

The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024.

Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros
Statement of profit or loss for the years ending 31 December 2024 and 2023
(in thousand euro)

				2024	2023 (*)
III. NON-TECHNICAL ACCOUNT					
III Result of the Non-Life Insurance Technical Account					
	III.1	**Income from property, plant and equipment and investments**		**69,177**	**(25,204)**
	a)	Income from investment property	**note 8**	**6,147**	**3,229**
	b)	Income from financial investments		-	-
	c)	Applications of impairment adjustments for property, plant and equipment and investments		6,147	3,229
		c.1) Property, plant and equipment and investment property		-	-
		c.2) Financial investments		-	-
	III.2	**Property, plant and equipment and investment expenses**		-	-
	a)	Investment management expenses			
		a.1) Investment expenses and financial accounts		-	-
		a.2) Expenses from investments in property plant and equipment		-	-
	b)	Valuation adjustments to property, plant and equipment and investments			
		b.1) Depreciation of property, plant and equipment and investment property		-	-
		b.2) Impairment of property, plant and equipment and investment property		-	-
		b.3) Impairment of financial investments		-	-
	c)	Losses from property, plant and equipment and investments			
		c.1) From property, plant and equipment and investment property		-	-
		c.2) From financial investments	**note 21**	-	-
	III.3	**Other income**		**3,679**	**3,914**
	a)	Income from pension fund management activity		-	-
	b)	Other income	**note 21**	3,679	3,914
	III.4	**Other expenses**		**80**	**362**
	a)	Expenses from pension fund management activity		-	-
	b)	Other expenses		80	362
	III.5	**Subtotal (Result of non-technical provisions)**		**9,746**	**6,781**
III.6		**Profit/(loss) before tax**		**78,923**	**(18,423)**
III.7		**Income tax**	**note 17**	**16,467**	**(5,863)**
III.8		**Profit/(loss) for the year**		**62,456**	**(12,560)**

(*) It is presented, solely and exclusively, for comparative purposes.

The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024.

(in thousand euro)
Individual Financial Statements 2024 (expressed in thousand euro)

Statement of recognised income and expenses

STATEMENT OF RECOGNISED INCOME AND EXPENSES		2024	2023 (*)
I) PROFIT/(LOSS) FOR THE YEAR	**note 3**	**62,456**	**(12,560)**
II) OTHER RECOGNISED INCOME AND EXPENSES		**10,940**	**22,351**
II.1.- Available-for-sale financial assets	**note 8**	**14,587**	**29,801**
Gains/(losses) on valuation adjustments		16,716	33,185
Amounts transferred to the statement of profit and loss		(2,129)	(3,384)
Other reclassifications		-	-
II.2.- Cash flow hedges		**-**	**-**
Gains/(losses) on valuation adjustments		-	-
Amounts transferred to the statement of profit and loss		-	-
Amounts transferred to the initial value of the hedged items		-	-
Other reclassifications		-	-
II.3.- Hedging of net investments in foreign operations		-	-
Gains/(losses) on valuation adjustments		-	-
Amounts transferred to the statement of profit and loss		-	-
Other reclassifications		-	-
II.4.- Foreign exchange and conversion differences		**-**	**-**
Gains/(losses) on valuation adjustments		-	-
Amounts transferred to the statement of profit and loss		-	-
Other reclassifications		-	-
II.5.- Correction of accounting asymmetries		**-**	**-**
Gains/(losses) on valuation adjustments		-	-
Amounts transferred to the statement of profit and loss		-	-
Other reclassifications		-	-
II.6.- Assets held for sale		**-**	**-**
Gains/(losses) on valuation adjustments		-	-
Amounts transferred to the statement of profit and loss		-	-
Other reclassifications		-	-
II.7.- Actuarial gains/(losses) for long-term remuneration to employees		-	-
II.8.- Other recognised income and expenses		**-**	**-**
II.9.- Income tax		**(3,647)**	**(7,450)**
III) TOTAL RECOGNISED INCOME/(EXPENSES)		**73,396**	**9,791**

(*) It is presented, solely and exclusively, for comparative purposes.

The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024

Statement of changes in equity for the years 2024 and 2023 (in thousand euro)
Individual Financial Statements 2024 (expressed in thousand euro)

Total Statements of Changes in Equity

	Share capital	Reserves	Own shares	Profit/(loss) for the year	Interim dividend and Stabilisation Reserve	Valuation adjustments	Total
E. FINAL BALANCE OF THE YEAR 2022 (*)	**43,537**	**244,579**	**(1,018)**	**70,681**	**(59,601)**	**(30,363)**	**267,815**
D. ADJUSTED BALANCE AT BEGINNING OF 2023 (*)	**43,537**	**244,579**	**(1,018)**	**70,681**	**(59,601)**	**(30,363)**	**267,815**
I. Total recognised income and expenses (note 8)	**-**	**-**	**-**	**(12,560)**	**-**	**22,351**	**9,791**
II. Transactions with owners or mutual fund members	**-**	**-**	**374**	**(1,090)**	**-**	**-**	**(716)**
1. Capital or mutual fund increases (note 14)	-	-	-	-	-	-	-
2. (-) Capital or mutual fund reductions	-	-	-	-	-	-	-
3. Conversion of financial liabilities into equity	-	-	-	-	-	-	-
4. (-) Distribution of dividends or capital distributions (notes 3 and 8)	-	-	-	(1,090)	-	-	(1,090)
5. Transactions with own shares or holdings (net) (notes 14 and 22)	-	-	374	-	-	-	374
6. Increase (decrease) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Transactions with owners or mutual fund members	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**17,096**	**-**	**(69,591)**	**52,171**	**-**	**(324)**
1. Payments based on equity instruments	-	(324)	-	-	-	-	(324)
2. Transfers between equity items	-	9,990	-	(69,591)	59,601	-	-
3. Other changes	-	7,430	-	-	(7,430)	-	-
E. BALANCE AT END OF 2023 (*)	**43,537**	**261,675**	**(644)**	**(12,560)**	**(7,430)**	**(8,012)**	**276,566**
D. ADJUSTED BALANCE AT BEGINNING OF 2024	**43,537**	**261,675**	**(644)**	**(12,560)**	**(7,430)**	**(8,012)**	**276,566**
I. Total recognised income and expenses (note 8)	**-**	**-**	**-**	**62,456**	**-**	**10,940**	**73,396**
II. Transactions with owners or mutual fund members	**-**	**-**	**401**	**-**	**(30,000)**	**-**	**(29,599)**
1. Capital or mutual fund increases (note 14)	-	-	-	-	-	-	-
2. (-) Capital or mutual fund reductions	-	-	-	-	-	-	-
3. Conversion of financial liabilities into equity	-	-	-	-	-	-	-
4. (-) Distribution of dividends or capital distributions (notes 3 and 8)	-	-	-	-	(30,000)	-	(30,000)
5. Transactions with own shares or holdings (net) (notes 14 and 22)	-	-	401	-	-	-	401
6. Increase (decrease) in equity resulting from a business combination	-	-	-	-	-	-	-
7. Transactions with owners or mutual fund members	-	-	-	-	-	-	-
III. Other changes in equity (note 14)	**-**	**(12,468)**	**-**	**12,560**	**(365)**	**-**	**(273)**
1. Payments based on equity instruments	-	(273)	-	-	-	-	(273)
2. Transfers between equity items	-	(19,990)	-	12,560	7,430	-	-
3. Other changes	-	7,795	-	-	(7,795)	-	-
E. BALANCE AT END OF 2024	**43,537**	**249,207**	**(243)**	**62,456**	**(37,795)**	**2,928**	**320,090**

(*) It is presented, solely and exclusively, for comparative purposes. The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024.

Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros

Cash flow statements for the years 2024 and 2023

(In thousand euro)

		2024	2023(*)
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
A.1	**Insurance activities**		
	1.- Proceeds from premiums on direct insurance, coinsurance and accepted reinsurance.	1,017,133	969,983
	2.- Payments for claims from direct insurance, coinsurance and accepted reinsurance	709,276	707,066
	3.- Proceeds from ceded reinsurance	10,424	6,343
	4.- Payments for ceded reinsurance	13,738	14,091
	5.- Reimbursement of claims	30,944	28,307
	6.- Payments of compensation to mediators	15,947	13,490
	7.- Other operating proceeds	-	-
	8.- Other operating payments	238,307	217,953
	9.- Total insurance business cash proceeds (1+3+5+7) = I	**1,058,501**	**1,004,633**
	10.- Total insurance business cash payments (2+4+6+8) = II	**977,268**	**952,600**
A.2	**Other operating activities**		
	3.- Proceeds from other activities	6,736	4,066
	4.- Payments from other activities	400	1,010
	5.- Total cash proceeds from other operating activities (1+3) = III	**6,736**	**4,066**
	6.- Total cash payments from other operating activities (2+4) = IV	**400**	**1,010**
	7.- Proceeds and payments for income tax (V)	**(9,895)**	**4,073**
A.3	**Total net cash flows from operating activities (I-II+III-IV + - V)**	**77,674**	**59,162**
B)	**CASH FLOWS FROM INVESTMENT ACTIVITIES**		
B.1)	**Proceeds from investment activities**		
	1.- Property, plant and equipment	-	-
	2.- Investment property	167	136
	3.- Intangible assets	14,262	1,478
	4.- Financial instruments	793,191	690,042
	5.- Holdings in group, multi-group and associates	3	300
	6.- Interest received	35,658	29,136
	7.- Dividends received	9,772	6,160
	8.- Business unit	-	-
	9.- Other proceeds related to investment activities	-	-
	10.- Total proceeds from investment activities (1+2+3+4+5+6+7+8+9) = VI	**853,053**	**727,252**
B.2)	**Payments for investment activities**		
	1.- Property, plant and equipment	2,419	1,453
	2.- Investment property	28	-
	3.- Intangible assets	19,606	20,210
	4.- Financial instruments	897,859	772,260
	5.- Holdings in group, multi-group and associates	-	-
	6.- Business unit	-	-
	7.- Other payments related to investment activities	4,938	3,957
	8.- Total cash payments from investment activities (1+2+3+4+5+6+7) = VII	**924,850**	**797,880**
B.3)	**Total net cash flows from investment activities (VI - VII)**	**(71,797)**	**(70,628)**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
C.1)	**Proceeds from financing activities**		
	1.- Subordinated liabilities	-	-
	2.- Proceeds from the issuance of equity instruments and capital increases	-	-
	3.- Active contributions and gifts from owners or mutual fund members	-	-
	4.- Disposal of own securities	401	400
	5.- Other proceeds related to financing activities	-	-
	6.- Total cash proceeds from financing activities (1+2+3+4+5) = VIII	**401**	**400**
C.2)	**Payments for financing activities**		
	1.- Dividends to shareholders	30,000	1,090
	2.- Interest paid	-	-
	3.- Subordinated liabilities	-	-
	4.- Payments for the return of contributions to shareholders	-	-
	5.- Passive contributions and refunds to mutual fund members	-	-
	6.- Acquisition of own securities	274	349
	7.- Other payments related to financing activities	-	-
	8.- Total cash payments from financing activities (1+2+3+4+5+6+7) =IX	**30,274**	**1,439**
C.3)	**Total net cash flows from financing activities (VIII - IX)**	**(29,873)**	**(1,039)**
	Effect of changes in exchange rates (X)	315	**222**
Total increase/decrease in cash and cash equivalents (A.3 + B.3 + C.3 + - X)		**(23,681)**	**(12,283)**
Cash and cash equivalents at beginning of year		**31,757**	**44,040**
Cash and cash equivalents at end of year		**8,076**	**31,757**
Components of cash and cash equivalents at end of year			
	1.- Cash and banks	8,076	31,757
	2.- Other financial assets	-	-
Total cash and cash equivalents at end of year (1 + 2 - 3)		**8,076**	**31,757**

(*) It is presented, solely and exclusively, for comparative purposes. The accompanying Notes 1 to 24 form an integral part of the financial statements at 31 December 2024.

1. General information about the Company and its activity

The Company was incorporated in Madrid on 13 April 1994 under the name “Bankinter Seguros Directos, S.A. Compañía de Seguros y Reaseguros”; on 6 July 1994, it was changed to “Bankinter Aseguradora Directa, S.A. Compañía de Seguros y Reaseguros”. The General Shareholders' Meeting held on 26 January 1995 agreed to change its name to “Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros” (hereinafter, “the Company” or “Línea Directa”).

The Company's corporate purpose is to carry out insurance and reinsurance business in the motor, home, assistance and other non-life insurance segments, activities for which it has the authorisation of the General Directorate of Insurance and Pension Funds. On 19 July 2017, it received authorisation from this entity to also operate in the Health Insurance sector. Línea Directa began marketing health insurance in October 2017.

Its registered address is at 7 Isaac Newton Street in the municipality of Tres Cantos (Madrid). The Company operates entirely in Spain and Portugal.

Regarding Portugal, on 25 September 2017, the Group was authorised to operate in the Assistance sector. These operations are residual and not very significant in 2024 and 2023; therefore, it has not been considered relevant to break down information by geographical areas. The business's distribution systems are mainly telephone and internet sales.

The Company's shares have been listed on the Madrid Stock Exchange's continuous market since 29 April 2021.

2. Basis of presentation of the financial statements

a) Regulatory financial reporting framework applicable to the Company

These financial statements have been drawn up by the Directors in accordance with the regulatory framework for financial information applicable to the Company, which is that established in:

- The Commercial Code and other commercial legislation.
- The Accounting Plan for Insurance Companies approved by Royal Decree 1317/2008, of 24 July, modified by Royal Decree 1736/2010, of 23 December.
- The Law and the Regulation on the Organisation, Supervision and Solvency of Insurance and Reinsurance Companies (hereinafter, 'LOSSEAR' when referring to the Law and 'ROSSEAR' when referring to the Regulation), approved by Law 20/2015 and RD 1060/2015, respectively.
- The non-repealed articles of the Regulation on the Organisation and Supervision of Private Insurance (hereinafter, ROSSP or Regulation), approved by RD 2486/1998 and its partial amendments.
- The obligatory standards approved by the Institute of Accounting and Account Auditing, as well as the standards published by the General Insurance and Pension Fund Directorate, in development of the Insurance Company Accounting Plan and its complementary standards.
- The rest of the applicable Spanish accounting regulations.

b) True and fair view

The financial statements provided come from the Company's accounting records and are prepared in line with the relevant financial reporting regulations, adhering specifically to the accounting principles and standards outlined within them. This ensures an accurate reflection of the Company's equity, financial status, performance, and cash flows for the respective financial year.

These financial statements were approved for release by the Company's Directors during their meeting on 27 February 2025 and are set to be presented for approval at the General Shareholders' Meeting, where they are expected to be passed without modifications. The financial statements for the 2023 financial year were ratified by the General Shareholders' Meeting on 11 April 2024.

As the Company serves as the parent of the Línea Directa Aseguradora Group, the Board of Directors has also prepared the consolidated financial statements for the 2024 financial year for the Línea Directa Aseguradora Group alongside these individual statements. The consolidation process impacts Línea Directa's individual financial statements by boosting the assets and equity attributable to the parent company as of 31 December 2024, by €36,152 thousand and €38,226 thousand respectively (compared to €34,696 thousand and €36,469 thousand in 2023). It also raises the net profit for the 2024 financial year by €1,760 thousand (up from an increase of €8,169 thousand in 2023).

The subsidiaries directly owned by the Company and included in the consolidation scope are listed below:

Subsidiary companies (see note 8.1.1.3)	Registered Office	Corporate Purpose	Shareholding
Línea Directa Asistencia, S.L.U.	Ochandiano 12, 28023, Madrid	Vehicle inspections and roadside assistance	100%
Moto Club LDA, S.L.U.	Isaac Newton 7, 28760, Tres Cantos	Provides various services related to motorcycles	100%
Centro Avanzado de Reparaciones CAR, S.L.U.	Avenida del Sol, 9, 28850, Torrejón de Ardoz	Provides vehicle repair services	100%
Ambar Medline, S.L.U.	Ronda de Europa 7, 28760, Tres Cantos	Insurance brokerage	100%
LDActivos, S.L.U.	Ronda de Europa 7, 28760, Madrid	Asset management on behalf of insurance companies	100%

The subsidiary Moto Club LDA, S.L.U. ceased trading on 14 November 2024.

The subsidiary LDA Reparaciones S.L.U. ceased trading in November 2023.

Investments in subsidiaries are recorded at their purchase or issuance cost, adjusted downward, if necessary, by the total amount of any impairment valuation adjustments.

c) Critical aspects regarding the valuation and estimation of uncertainty

Preparing the financial statements involves the Company's Directors making estimates and judgments about the future, which they continually assess based on past experience, current factors, and reasonable expectations of upcoming events given the present context.

While these estimates rely on the most reliable data available about the events reviewed as of the accounting close, future developments might require adjustments—either increases or decreases—in subsequent years, with any changes reflected in the relevant statements of profit and loss.

The key estimates provided by the Directors are outlined below.

- Provisions for insurance contracts (note 4 g)):

Assets and liabilities relating to insurance contracts are accounted for according to the policies described in note 4.g) of this report. The Company also applies judgments and estimates, endorsed by the General Insurance Directorate, to calculate technical provisions for motor insurance. To calculate these technical provisions, it uses statistical methods. For its other operational segments, the Company estimates technical provisions for non-life insurance on a case-by-case basis.

- Income tax and recovery of tax credits (note 4 f)):

In accordance with current legislation, taxes cannot be considered definitive until the submitted declarations have been inspected by the tax authorities, or the four-year statute of limitations period has elapsed. In the opinion of the Company's administrators, there are no contingencies that could result in significant additional liabilities for the Company.

- Impairment losses on certain assets (note 3 a), b) and d)):

The Company analyses annually whether there are any indicators of impairment of assets, which are subjected to an impairment test when such indicators exist.

Individual Financial Statements 2024 (expressed in thousand euro)

– The useful life of intangible assets, property, plant and equipment and investment property (note 3 a) and b)):

The useful life of these assets has been calculated based on the best estimate of the administrators of the Company of the period of time over which they will produce returns, taking into account the depreciation effectively suffered due to their operation, use and enjoyment.

– The fair value of certain unlisted assets and liabilities (note 3 d)):

To determine the fair value of financial instruments when there is no price in an active market, the Company's administrators request the price from the depository entity.

- The assumptions and factors considered to estimate the non-technical provisions/contingencies (note 4 n))

To determine the current value of non-technical provisions associated with probable contingencies motivated by past events, the administrators make the best estimate, based on the information available, of the amount necessary to extinguish said obligation.

d) Accounting principles

The Company's financial statements have been prepared in accordance with the widely accepted accounting principles outlined in Royal Decree 1317/2008, dated 24 July, and its later amendments, which establish the Accounting Plan for Insurance Companies.

No essential accounting principle with a notable impact on the financial statements has been omitted.

e) Comparison of information

The figures from the 2023 financial year included in this report are provided purely for comparison purposes.

f) Grouping of items

To enhance clarity, certain items in the balance sheet, statement of profit and loss, statement of changes in equity, and cash flow statement are grouped together. However, where these are significant, detailed breakdowns are provided in the relevant notes to the financial statements.

g) Correction of errors

During the preparation of these financial statements, no major errors were identified that would necessitate revising the figures reported for the 2024 financial year.

h) Changes in accounting standards

There were no significant changes in accounting policies in 2024 compared to those applied in 2023.

i) Changes in accounting estimates

During 2024, the Company reassessed an estimate, choosing to capitalise certain distinct and specific internal expenses as intangible assets (see note 4 a)). This adjustment has been applied moving forward, tied to new projects initiated during the year that generated these assets.

j) Criteria for the allocation of income and expenses

Financial income and expenses from investments related to insurance activities are recorded in the non-life insurance technical account, while all others are noted in the non-technical account. The allocation of remaining income and expenses across segments is based on net written premiums, except for expenses linked to claims, which are aligned with the provision for claims.

3. Distribution of earnings

The Board of Directors will present the following proposed distribution of the 2024 earnings for approval at the General Shareholders' Meeting:

	Thousand euro	
	2024	**2023**
Distribution base (Profit)	62,456	(12,560)
Distribution:		
To Interim Dividends (note 14.c)	30,000	-
To Stabilisation Reserve (note 14.c)	7,795	7,430
To Voluntary Reserve	9,661	(19,990)
To Final Dividend	15,000	-

The liquidity statements for each interim dividend for the 2024 and 2023 financial years are broken down below:

	Agreement of 12.12.2024	**Agreement of 23.07.2024**
Net profit at the date of the agreement	41,894	26,721
To be deducted:		
Other reserves	-	-
Dividends distributed	(15,000)	-
Freely disposable profit	**26,894**	**26,721**
Proposal for the payment of interim dividends	**15,000**	**15,000**
Total dividend to be distributed	**15,000**	**15,000**
Cash liquidity before payment	**23,070**	**15,945**
Expected receipts less expected payments	2,757	38,849
Remaining cash	**25,827**	**54,794**

	Agreement of 30.03.2023
Net profit at the date of the agreement	**59,523**
To be deducted:	
Other reserves	-
Dividends distributed	(52,481)
Freely disposable profit	**7,042**
Proposal for the payment of interim dividends	**1,090**
Total dividend to be distributed	**1,090**
Cash liquidity before payment	**28,741**
Expected receipts less expected payments	75,378
Remaining cash	**104,119**

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4. Recognition and measurement standards

The measurement standards applied in the preparation of the accompanying financial statements are described below:

a) Intangible assets

The various intangible assets are recorded at their acquisition price or, where applicable, at their production cost, minus the corresponding depreciation.

Software

This includes payments made for acquiring ownership or securing the right to use software spanning multiple financial years. Such assets are depreciated on a straight-line basis over a period ranging from four to eight years.

For internally developed applications and projects, the Company capitalises costs tied to creating distinct and proprietary software under its control. This includes external costs linked to development as well as internal labour costs that can be directly attributed to these efforts. All other expenses related to developing or maintaining internal projects are logged as costs in the year they occur.

Additional costs are only capitalised if they enhance the future economic benefits of the related intangible asset. Ongoing expenses from modifying or updating software or systems, along with costs from broad system reviews and maintenance, are recorded as higher expenses in the statement of profit and loss for the year they arise.

For the purposes of impairment, the Group assesses whether there is any indication of impairment at least once a year if the asset's carrying amount exceeds its recoverable amount. If so, the carrying amount is immediately lowered to match the recoverable amount.

The Company removes an intangible asset from its books when it is sold or when no further economic benefits are expected from its use or sale, with the disposal date marked as the moment the buyer gains control of the asset.

Other

In this category, the Company includes all assets that aren’t software applications, such as purchased usage rights. These assets are deemed to have an indefinite useful life, and since their lifespan can’t be precisely determined, they are depreciated over a 10-year period.

For impairment valuation purposes, the Company will evaluate at least once a year whether there are signs of impairment—specifically, if the asset’s book value exceeds its recoverable value—promptly adjusting it down to the recoverable amount.

This evaluation relies on an estimate grounded in the following methodology, parameters, and assumptions:

- Cash flow forecasts are derived from the most reliable estimates of revenue and expenses, drawing from budgets, industry outlooks, and business results. The forecast period is capped at five years unless evidence justifies a longer timeframe, in line with rules governing intangible assets.

- Beyond the final forecast year, a terminal value is calculated, treated as a perpetual income stream growing annually (at a rate, g, of 1.9% in 2024) based on consensus long-term growth projections.

- These cash flows are discounted using a rate reflecting the cost of capital, which combines a risk-free rate with a market risk premium adjusted for the specific risks of similar entities (a discount rate of 9.38% for 2024). The projections and chosen assumptions account for the economic environment, particularly trends in inflation, as well as shifts in the risk-free rate and risk premiums within the discount rate.

The Company removes an intangible asset from its books when it is sold or when no further economic benefits are expected from its use or sale, with the disposal date marked as the moment the buyer gains control of the asset.

b) Property, plant and equipment and investment property

Land, natural assets and buildings that are owned to obtain income, capital gains or both are considered as investment property. Land, natural assets and buildings held for the provision of services or for administrative purposes for own use are treated as property, plant and equipment.

Property, plant and equipment and investment property are recognised at their acquisition price, which includes, in addition to the purchase price, all additional expenses incurred, including finance expenses, until the asset is put into operation.

Asset expansion and improvement costs are added to assets as an increase in the value of the asset only when they result in an increase in its capacity, floor area, or return, or when they lengthen its useful life, whereupon the carrying amount of the replaced items is derecognised. Under no circumstances does repair and maintenance work qualify as improvements.

These assets are amortised systematically on a straight-line basis over their estimated useful life, taking into account the depreciation effectively sustained from their operation, use and enjoyment. The depreciation coefficients used in the depreciation calculation are as follows:

Property, plant and equipment and investment property	**Rates**
Furniture and installations	4 – 10%
IT equipment	10 - 25%
Other property, plant and equipment	12 - 15%
Buildings	2%

At the end of the financial year, where appropriate, the corresponding valuation adjustments to property, plant and equipment are made. For the purposes of impairment, the Group assesses whether there is any indication of impairment at least once a year if the asset's carrying amount exceeds its recoverable amount.

If so, the carrying amount is immediately lowered to match the recoverable amount. In the case of real estate, the fair value is equal to the appraisal value determined by an appraisal company authorised to appraise real estate in the mortgage market, in accordance with the provisions of Order ECO/805/2003 of 27 March, on rules for the valuation of real estate and certain rights for certain financial purposes.

Value in use is the present value of expected future cash flows through use and, as the case may be, disposal of the asset in the normal course of business.

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Order ECC 371/2013 of 4 March requires insurance companies to instruct an appraisal company to review the valuations of their property assets once two years have elapsed from the previous valuation.

Recoverable amount must be determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

At each reporting date, the Company assesses whether there is any indication that the impairment loss recognised in prior periods no longer exists or may have decreased. Impairment losses are reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal of the impairment loss is credited to profit or loss.

However, the reversal of the loss cannot have the effect of increasing the carrying amount of the asset above the carrying amount it would have had, net of depreciation, had the impairment not been recognised.

c) Prepaid commissions and other capitalised acquisition expenses

Acquisition expenses, included in the assets on the balance sheet, are deferred taking into account the limit established in the technical notes of each product and/or branch and the maturity of the policies.

d) Financial instruments

d.1) Financial assets

Note 8 of this report shows the balances of financial assets at 31 December 2024, together with their specific nature, classified according to the following criteria:

Cash and cash equivalents

This heading includes cash on hand, bank current accounts, deposits and temporary acquisitions of assets that fulfil all of the following requirements:

- They are convertible into cash.
- At the time of acquisition, they mature in no more than three months.
- They are not subject to a significant risk of change in value.
- They form part of the Company's normal cash management policy.

For the purposes of the cash flow statement, occasional overdrafts that form part of the Company's cash management are included as a reduction in cash and other equivalent liquid assets.

Loans and receivables

These are non-derivative financial assets with fixed or determinable proceeds that are not quoted in an active market, such as bank deposits, receipts of insurance premiums pending collection, etc. This category includes credits held with third parties for reinsurance business, as well as with mediators and policyholders, and the appropriate provisions for impairment are made where appropriate.

These financial assets are initially measured at fair value, including directly attributable transaction costs, and subsequently at amortised cost. Accrued interest is recognised at the effective interest rate, which is defined as the discount rate that exactly discounts the carrying amount of the instrument to its total estimated cash flows through to maturity. Notwithstanding the above, loans for commercial transactions with a maturity of less than one year are valued, both at the time of initial recognition and subsequently, at their nominal value provided that the effect of not discounting the flows is not significant.

At least at year end, the necessary valuation adjustments for impairment are made if there is objective evidence that not all the amounts owed will be recovered.

The amount of the impairment loss incurred is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate at the time of initial recognition. Value adjustments, including any reversals, are recognised in the statement of profit or loss. Reversal of impairment is limited to the carrying amount of the asset recognised at the date of the reversal had no such impairment been recorded.

The reduction in value of premiums still to be collected is determined based on the portion of tariff premiums earned during the financial year, after subtracting the security surcharge. This calculation reflects the amounts that, based on past experience, are unlikely to be recovered, depending on how old they are and, if relevant, the legal status of any claims made against them. Special consideration is given to bills that require unique handling due to their specific nature.

If, in a subsequent period, the amount of the impairment loss decreases and the reduction can be objectively attributed to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit quality), the reversal of the previously recognised impairment is recognised in the individual statement of profit or loss.

Claims to recover damages are recorded when there is reasonable certainty of collection, which occurs once the other company acknowledges its insured party's fault, thereby admitting the debt owed to our Company. The amount is recorded at its face value.

Holdings in group companies and associates

The Company has grouped under this category its investments in the equity of group companies, jointly controlled entities, and associates, as outlined by current regulations.

These investments are initially recorded at cost, which reflects the fair value of the payment made plus any transaction expenses. The cost also includes the value of any pre-emptive subscription rights obtained.

Fees paid to legal advisors or other professionals for acquiring stakes in group companies that grant control are directly expensed in the income statement.

After this initial recording, the investments are valued at cost, reduced by any accumulated impairment losses when necessary. However, if an investment existed before being classified as a group company, jointly controlled entity, or associate, its cost is based on its book value prior to that classification. Previous valuation adjustments recognised directly in equity are maintained in equity until they are derecognised.

If clear evidence shows that the book value cannot be recovered, the Company adjusts the valuation to reflect the difference between the book value and the recoverable amount. The recoverable amount is defined as the higher of the investment's fair value minus selling costs or the present value of the cash flows it generates. In the absence of stronger evidence for the recoverable amount, impairment is estimated by considering the investee company's equity, adjusted for any unrealised capital gains as of the valuation date. These adjustments, along with any reversals, are recorded in the statement of profit and loss for the year they occur. However, any reversal of impairment is capped at the book value the investment would have had on the reversal date if no impairment had been recognised previously.

Available-for-sale financial assets

In this category the Company includes debt securities, swaps of certain or predetermined flows and equity instruments that are not classified in the above categories as assets held for trading, as other assets at fair value through profit or loss, or as loans and receivables.

They are valued at their fair value, which, unless there is evidence to the contrary, will be the transaction price, with any changes occurring directly in equity until the asset is disposed of or impaired, at which time the gains and losses accumulated in equity are taken to the income statement, provided that it is possible to determine the aforementioned fair value. Gains and losses resulting from exchange rate differences in monetary financial assets in foreign currency are recorded in the statement of profit and loss.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired, considering those situations which, individually or in combination with others, provide such evidence. The Company considers a prolonged or significant decline in the market value of individual equity or fixed-income securities below their cost or amortised cost to be evidence of possible impairment.

When there is a significant or prolonged decline in the fair value of an available-for-sale financial asset, the cumulative loss that had been recognised in equity is removed from equity and recognised in the income statement for the period even if the financial asset has not been derecognised. Impairment losses recognised in the income statement for the year, corresponding to the investment in an equity instrument classified as available for sale, are not reversed through the income statement for the year. However, the reversals associated with debt instruments are recognised in the income statement. However, any reversal of impairment is capped at the book value the investment would have had on the reversal date if no impairment had been recognised previously.

In the case of debt securities, valuation adjustments are made if there is objective evidence that their value has deteriorated as a result of a reduction or delay in estimated future cash flows, which may be caused by the debtor's insolvency.

In the case of investments in equity instruments, the lack of recoverability of the asset's carrying amount, evidenced, for example, by a prolonged or significant decline in its fair value. In this sense, there is the presumption that impairment (permanent in nature) exists if there has been a fall of more than 40% in the market value of the asset or if there has been a prolonged decline in the market value over a period of a year and a half without the value recovering. The valuation adjustment is the difference between its cost or amortised cost minus, where applicable, any valuation adjustment previously recognised in the statement of profit and loss and the fair value at the time the valuation is made.

In the case of equity instruments that are valued at cost because their fair value cannot be determined, the value adjustment is determined by the difference between their book value and the recoverable amount, understood as the higher amount between their fair value minus the costs of sale and the current value of the cash flows derived from the investment. Unless there is better evidence of the recoverable amount, the estimate of the impairment of these investments takes into account the equity of the investee company adjusted for the tacit capital gains existing at the date of the valuation.

The value adjustment and, where applicable, its reversal, is recorded in the statement of profit and loss for the financial year in which it occurs, except in the case of equity instruments, whose reversal will be recorded against equity. However, any reversal of impairment is capped at the book value the investment would have had on the reversal date if no impairment had been recognised previously.

The fair value of a financial instrument on a given date means the amount for which it could be bought or sold between knowledgeable, willing buyers and sellers on an arm's length basis. The fair value of investments traded on active markets is determined using their current buying prices. For financial assets in inactive markets (or unlisted securities), the Company calculates fair value by referencing similar instruments or by discounting projected future cash flows. These valuation techniques may be applied either by the Company or by the seller involved in the transaction.

Derecognition of financial assets

Financial assets are derecognised from the books when nearly all ownership risks and rewards are transferred. Specifically, for accounts receivable, this typically happens when the risks of default and late payment are passed on.

However, if the Company retains most of the risks and rewards in a financial asset transfer, the asset remains on the books, and a financial liability is recorded for the amount received.

When a financial asset is derecognised, the income statement reflects the difference between its book value and the payment received (including related transaction costs), while also accounting for any transferred liabilities (other than cash) or assets taken on.

Dividend distribution

Dividend income is recognised as income in the statement of profit and loss when the right to receive the payment is established.

System for measuring financial instruments for accounting and supervisory purposes

Financial instruments are measured using prices from an active market or, if unavailable, through valuation models and techniques.

An active market is one in which the following conditions exist simultaneously:

- The goods or services exchanged in the market are homogeneous.
- Buyers or sellers for a given good or service can be found at virtually any time.
- The prices are known and readily accessible to the public. These prices must also reflect actual, current and regularly occurring market transactions.

There is no need for the market to be regulated, though it must be transparent and deep. Therefore, prices that are known and readily accessible to the public from financial information providers, and that reflect actual, current and regularly occurring market transactions will be considered as valid prices in an active market. If no price can be found in an active market, the price must be estimated instead through a valuation model or technique, consistent with the accepted methodology used in the market for pricing, while maximising the use of observable market data. For debt instruments, a method of discounting either definite or probable cash flows may be applied, adjusted by a discount rate that accounts for credit risk, liquidity, and current market conditions.

d.2) Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which they were acquired. Management determines the classification of its financial liabilities at initial recognition.

Debts and accounts payable

In this category the Company includes debts for commercial transactions and debts for non-commercial transactions.

These debts are initially recognised at fair value adjusted for directly attributable transaction costs and are subsequently recognised at amortised cost using the effective interest method. The effective interest rate is the discount rate that exactly discounts the carrying value of the instrument to the expected flow of future payments through to maturity of the liability.

However, trade payables with a maturity not exceeding one year and that do not have a contractual interest rate are measured, both initially and subsequently, at their nominal value when the effect of not discounting the cash flows is immaterial.

If existing debts are renegotiated, no substantial change to the financial liability will be deemed to exist when the present value of the cash flows of the new liability, including net fees, does not differ significantly from the present value of the outstanding cash flows under the original liability, both discounted at the effective interest rate of the latter.

Derecognition of financial liabilities

The Group derecognises a financial liability or part of one when it has discharged the underlying obligation or is otherwise legally released from the underlying responsibility, whether by virtue of a court ruling or by the creditor itself.

Derecognition of a financial liability entails the recognition, in the statement of profit or loss, of the difference between the carrying amount of the financial liability and the consideration paid, including attributable transaction costs. Any assets transferred other than the cash or liability assumed are also recognised.

e) Hedge accounting

Hedging derivatives are recorded according to their valuation under the headings “Hedging derivatives” on the assets or liabilities side of the balance sheet, as appropriate.

Hedging derivatives are derivatives whose fair value or future cash flows are intended to offset changes in the fair value or future cash flows of hedged items.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the consolidated statement of profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Interest rate hedging

Cash flow hedges cover exposure to changes in interest flows attributable to a specific risk associated with interest rate fluctuations. The Company recognised no such hedging arrangements in 2024 or 2023.

Measuring hedge effectiveness

To assess the effectiveness of the fair value hedges in the Company's portfolio at the end of 2024 and 2023, the following process is used:

Initially, the Company constructs a synthetic bond that combines the fixed coupon payments with the returns from the variable coupon, which, in this case, is based on the 6-month Euribor plus a spread. Next, the cash flows are discounted using the standard 6-month Euribor curve. The present value of future flows is then calculated. Lastly, the Company verifies that the difference between the present values falls within the acceptable range for effective hedging, set between 80% and 125%.

f) Income tax

Corporate income tax expense is the amount accruing in the year for that tax, comprising both current and deferred tax expense.

Both current and deferred tax expenses are recorded in the statement of profit or loss. However, the tax effect related to items that are recorded directly in equity is recognised in equity.

Current tax assets and liabilities are measured at the amounts expected to be paid to, or recovered from, the tax authorities in accordance with prevailing legislation or approved and pending publication at year-end.

Deferred taxes are calculated, using the liability method, on the temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts. Deferred tax is determined by applying the regulations and tax rates approved or about to be approved on the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined by applying the regulations and tax rates approved or about to be approved on the balance sheet date and which are expected to apply when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

g) Technical provisions

Provision for unearned premiums

This refers to the portion of premiums collected during the financial year that corresponds to the time between the year-end closing date and the expiration of the policy coverage period. It is calculated on a policy-by-policy basis, using the tariff unearned premiums in the financial year as the starting point, excluding the security surcharge. The annual premium is allocated to this provision on a straight-line basis over time.

Provision for unexpired risks

This provision supplements the provision for unearned premiums when the latter's amount is insufficient to account for the full assessment of risks and expenses tied to the coverage period remaining after the financial year-end. For its calculation, guarantees are categorised by product, and the reference periods of 2 and 4 years, as outlined in Article

31 of the Regulation of Organisation and Supervision of Private Insurance (referred to as “ROSSP”), are applied based on the relevant segments or commercial products.

Provisions for claims

This provision reflects the insurer’s total outstanding obligations related to claims that occurred before the financial year-end. The Company sets aside an amount sufficient to cover all claim-related costs, which include external expenses such as interest on delayed payments and legally mandated penalties, as well as internal costs for managing and processing claims—regardless of their source—both incurred and anticipated until the claims are fully settled and paid, minus any amounts already disbursed.

The provision for claims comprises the following components: the provision for claims still pending settlement or payment and for claims yet to be reported, along with the provision for internal expenses associated with claim settlement.

On 18 January 2008, the Group received approval from the Directorate General of Insurance and Pension Funds to use a statistical methodology for calculating the technical provision for claims in the motor insurance sector, as permitted under the eighteenth additional provision of Law 20/2015, dated 14 July.

Later, on 29 December 2021, the Directorate General issued a resolution approving a request from Línea Directa Aseguradora to update the statistical approach used in the motor insurance sector. This resolution authorised the use of the stochastic Merz & Wüthrich methodology for calculating technical provisions for claims, with the deterministic average cost methodology serving as a comparative check. The updated methodology took effect at the end of 2021 and has not resulted in any notable impact.

For the provision for claims in the home, assistance, and health sectors, the portion related to claims pending settlement or payment is estimated through an individual review of each case, using the most reliable data available at the financial year-end. This calculation adheres to the guidelines set out in the Regulations on the Administration and Supervision of Private Insurance. The provision for claims yet to be reported is determined using the formula specified in these same regulations.

Regarding the provision for internal claims settlement expenses, it is set at an amount adequate to cover the costs required to fully resolve all claims outstanding at the year-end, calculated in line with the Regulations for the Administration and Supervision of Private Insurance.

Stabilisation reserve

Unlike the reserves mentioned earlier, this reserve is recorded within the Company’s equity and is classified as restricted. Annually, the Company calculates the necessary increase to this reserve for the Motor Third Party Liability business, factoring in the safety surcharge embedded in the tariff premiums of specific insurance contracts, along with other provisions outlined in the Regulations. This amount is then set aside from the financial year’s profit distribution. After the General Shareholders’ Meeting approves the profit distribution, the designated amount is credited to equity. This reserve is exclusively available to offset fluctuations in the accident rate of the Company’s retained risk. If the Company records a loss for the financial year, it must report the amount of the stabilisation reserve allocated to that year. This, combined with the income statement’s debit balance, will determine the final amount recorded under “Negative results from previous financial years.”

As stipulated in the second section of Article 45 of the ROSSP, the Company is required to establish this reserve to address risks associated with civil liability insurance for land motor vehicles, with a maximum limit set at 35% of the risk premiums from its retained business. In 2023, a spike in the accident rate prompted the Company to draw on the stabilisation reserve, reducing it below the established threshold and necessitating additional provisioning as per regulatory requirements. In 2024, the Company has continued to fund the stabilisation reserve accordingly.

h) Reinsurers' share of technical provisions

The technical provisions applicable to ceded reinsurance are calculated in the same way as for direct insurance, taking into account, where appropriate, the specific conditions of the reinsurance contracts taken out for each type or branch.

i) Termination benefits

In accordance with current legislation, the Company is obligated to pay compensation to those employees whose employment relationship is terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recorded as an expense in the financial year in which the decision is made and a valid expectation regarding the dismissal is created for third parties.

j) Employee benefits

The Company has post-employment pension obligations classified as defined contribution plans and defined benefit plans.

The Company's obligations with its employees with regard to retirement or similar pension plans are fully externalised, in compliance with the legislation in force regarding the externalisation of pension obligations (Royal Decree 1588/1999 of 15 October, approving the Regulations on the externalisation of company pension obligations with employees and beneficiaries).

The aforementioned insurance policies are considered “plan assets” as they are not owned by the Company but by a legally separate third party and without the status of a related party, being solely available to pay or finance employee benefits and not being able to return to the Company, except when the remaining related assets are sufficient to meet all obligations.

This collective bargaining agreement also includes coverage for death and disability of employees during the period in which they remain in active service.

Defined contributions

The current General State Collective Agreement for Insurance, Reinsurance and Occupational Accident Mutual Societies ushers in a new employee benefits system implemented through a collective life insurance policy suitable for the externalisation of pension commitments in accordance with the provisions of Royal Decree 1588/1999, of 29 November. The Company shall contribute to the aforementioned insurance an annual premium per employee of 1.9% of the basic salary no later than 30 September of each year, taking into account that employees who have worked for the same company for three or more years shall be entitled to recognition of the rights accumulated in the insurance.

This insurance policy will apply to employees hired from 1 January 2017 onward and those who have voluntarily opted to transfer to this new modality. For employees adhered to the old plan who opted to avail themselves of this option, there was a transfer of the mathematical reserve.

In addition, the Company has a retirement commitment to certain executives that is externalised through an insurance policy.

The Company records the contributions to be made to the defined contribution plans as the employees render their services. The amount of accrued contributions is recorded as an employee benefits expense and as a liability after deducting any amounts already paid. In the event that the amounts paid exceed the accrued expense, the corresponding assets are only recognised to the extent that they can be applied to reductions in future payments or result in a cash refund.

Defined benefit plans

Employees hired prior to 1 January 2017 may choose between the system described above and the financial incentive for retirement, whereby if an employee asks to retire in the month in which he or she reaches the normal retirement age defined by Social Security legislation to be eligible for the retirement pension, the company will pay, in a lump sum, an amount equal to one month of salary per five years of service, capped at 10 months, the limit of which will be reached at 30 years of service at the company where the employee is retiring.

The Company includes in defined benefit plans those funded through the payment of insurance premiums where there is a legal or constructive obligation to pay benefits directly to employees when they fall due or to pay additional amounts if the insurer fails to pay benefits for services rendered by employees in the year or in prior years.

The expense or income relating to defined benefit plans is recognised under employee benefits expenses and is obtained by adding the net amount of the current year services cost and the net interest cost of the net defined benefit liability or asset. The amount of the recalculation of the valuation of the net defined benefit liability or asset is recognised in other comprehensive income. The latter includes actuarial gains and losses, the net return on plan assets and any change in the effect of the asset ceiling, excluding the amounts included in the net interest on the liability or asset. Costs for managing plan assets and any plan-specific taxes—other than those embedded in actuarial assumptions—are subtracted from the net return on plan assets. Amounts initially deferred in other comprehensive income are transferred to reserves for accumulated earnings within the same financial year.

Additionally, if the plan’s assets include qualifying insurance policies with cash flows that precisely match the amounts and timing of some or all of the plan’s benefit obligations, their fair value is deemed equal to the present value of those corresponding payment obligations.

Payments for share-based services and goods

The Chief Executive Officer and the Management Committee of the Company participate in a share-based remuneration plan for the Group of which the Company is the parent company, as a result of the Entity's admission to trading. The purpose of this Plan, approved by the General Shareholders' Meeting on 18 March 2021, is to offer its members the possibility of receiving a certain number of shares in the three years following the date of the Entity's initial public offering (note 22).

The Company acknowledges services received in a transaction with share-based payments at the time such services are received. Since the services are settled in equity instruments, a decrease in equity is recognised.

The Company recognises transactions with share-based payments settled through the Company's equity instruments for the fair value of the goods or services received, unless such fair value cannot be reliably estimated, in which case the value is determined by reference to the fair value of the equity instruments delivered.

Deliveries of equity instruments in consideration of services provided by Employees of the Group or third parties providing similar services are valued by reference to the fair value of the equity instruments offered.

k) Provision and credit for payments and recoveries under settlement agreements

The Company records the estimated amount of the sums pending payment to the insured parties on behalf of the insurer of the injured party and the recoveries made by the latter, in the execution of the claim settlement agreements.

l) Non-technical income and expenses

The Company has other revenue not derived from the insurance business, such as roadside assistance services or vehicle repairs and appraisals, all of which are provided to third parties outside the Group, as well as commissions on the sale of insurance products of other entities, remuneration for call forwarding and income from credit card surcharges.

Non-technical income and expenses are recognised as they accrue and taking into account the correlation between the income generated and the corresponding expenses.

m) Related-party transactions

In general, transactions between the Company and a group company are initially recognised at fair value. If the agreed price differs from its fair value, the difference is recorded to reflect the economic reality of the transaction. These transactions are subsequently measured in accordance with the relevant standards.

n) Provisions and contingencies

Contingent liabilities are possible obligations arising from past events whose materialisation is conditional upon the occurrence or non-occurrence of one or more future events beyond the Company's control. These contingent liabilities are not recognised in the accounts, though they may be disclosed in the notes to the financial statements. However, if it is considered that there may be liabilities of this type of a fiscal nature, they will generally be recorded.

Provisions are recognised for obligations such as litigation in progress, indemnities or other obligations of undetermined amount or timing when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation based on a reliable estimate of the amount of the obligation.

Provisions are valued at the present value of the best possible estimate of the amount required to cancel or transfer the obligation, taking into account the information available on the event and its consequences, and any adjustments arising from the updating of these provisions are recorded as a finance cost as it accrues. In the event that the maturity of the liabilities is less than one year, they will be recognised at the nominal value of the obligation.

Meanwhile, compensation to be received from a third party at the time the obligation is settled —provided there is no doubt that such reimbursement will be received— is recognised as an asset, except where there is a legal relationship through which part of the risk has been externalised and by virtue of which the Group is not liable. In this situation, the compensation will be taken into account when estimating the amount at which the corresponding provision, if any, should be posted.

o) Income and expenses - reclassification of expenses by purpose

Income is recorded at the fair value of the consideration to be received and represents amounts receivable for goods delivered and services rendered in the ordinary course of the Company's business, less discounts and value added tax. Expenses are recognised as they accrue and taking into account the correlation between the income generated and the corresponding expenses.

However, the Company only records profits that have realised by year-end, while foreseeable risks and possible losses arising in the year or in a previous year are reported as soon as they become known.

Financial income and expenses arising from investments related to insurance activity are recognised in the statement of profit or loss for the non-life insurance business. The remainder is recorded in the statement of profit or loss for other activities.

The allocation of remaining income and expenses across segments is based on net accrued premiums, except for expenses linked to claims, which are aligned with the provision for claims.

Direct insurance

Business premiums are recognised as income over the term of the contracts on an accruals basis and are accrued by posting the provision for unearned premiums.

Reinsurance ceded

Premiums for reinsurance ceded are recorded in accordance with the reinsurance contracts signed and under the same criteria used for direct insurance.

Reclassification of expenses by purpose

The reclassification of expenses by type to expenses by purpose has been made on the basis of the following criteria:

- Purpose-specific costs incurred have been classified directly as such.
- Staff expenses are distributed according to the percentage of estimated dedication to each of the purposes.
- Expenses that cannot be directly allocated are distributed according to the estimated percentage of staff time dedicated to each of the purposes.

The following purposes have been established:

- Claims-related expenses
- Investment-related expenses
- Acquisition expenses
- Administrative expenses
- Other technical expenses
- Other non-technical expenses

Expenses have been allocated to the different segments based on the Business Unit at which the activity originated.

p) Leases

In operating leases, the ownership of the leased asset, and substantially all the risks and rewards relating to the asset, remain with the lessor.

Expenses and income arising from operating lease agreements are recorded against the statement of profit or loss in the financial year in which they accrue.

Any collections or payments that may be made when entering into an operating lease will be treated as advance payments or receipts that will be allocated to results during the lease period, as the claims of the leased asset are ceded or received.

q) Foreign currency transactions

The functional currency used by the Company is the euro. Consequently, transactions in non-euro currencies are deemed to be denominated in foreign currency and are recognised at the exchange rates prevailing on the relevant transaction date.

At the end of the financial year, monetary assets and liabilities denominated in foreign currency are converted to euros at the exchange rate on the date of the balance sheet. Profits or losses for the financial year are recognised in the statement of profit or loss.

Changes in the fair value of money instruments denominated in foreign currency classified as available for sale are analysed for conversion differences resulting from exchange changes in the amortised cost of the security and other changes in the carrying amount. The conversion difference is recognised in profit or loss and other changes in the carrying amount in equity.

r) Accrued income (assets)

This heading mainly includes accrued and non-matured interest on financial investments when it does not form part of the redemption value obtained by applying the contractual interest rate of the financial instrument.

s) Equity

The share capital is represented by common shares. Expenses related to issuing new shares or options are recorded directly in equity, reducing the reserves.

When the Company purchases its own shares, the amount paid—along with any additional costs directly tied to the transaction—is subtracted from equity until the shares are cancelled, reissued, or sold. If these shares are later sold or reissued, the proceeds received, after deducting any directly attributable transaction costs, are added to equity.

The Company's objective within the capital management policy is to maintain a solid capital position.

The Board of Directors is ultimately responsible for the control and management of the Company's risks and solvency, and therefore monitors the Company's capital position, solvency requirements and available solvency.

Capital management focuses on maintaining adequate capitalisation to fulfil the Company’s financial commitments, optimising the capital structure by efficiently allocating resources, and ensuring capital adequacy by balancing economic and accounting perspectives, regulatory capital requirements, and the capital goals outlined in the Company’s risk appetite.

To achieve these objectives, the Company conducts an annual Own Risk and Solvency Assessment (ORSA). This process involves a forward-looking evaluation of risks, considering the Company's business outlook and market conditions. It enables projections of assets, liabilities, and financial results, which are used to assess the anticipated development of managed risks, quantify them, and estimate changes in solvency requirements and available solvency based on expected performance.

The Company is obliged to quantify its solvency ratio, which is the comparison between available equity and its mandatory solvency capital.

The calculation of the Solvency Capital Requirement is regulated by Directive 2009/138 of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as implemented by Commission Delegated Regulation 2015/35 of 10 October 2014 supplementing Directive 2009-138 EC and its subsequent amendments.

The Solvency Capital Requirement is calculated for the following sub-risks which are the main sub-risks of an insurance company: underwriting risk, market risk, counterparty risk and operational risk.

The aim is to maintain an adequate level of solvency. When determining the adequate level of solvency, the risk profile, the results of capital planning for the coming years at the Company at an individual level, the minimum levels required by the regulations and the existing criteria and regulations for optimal capital management were all taken into consideration. The Company's solvency ratio was 185% in 2024 and 180% in 2023.

5. Property, plant and equipment and investment property

a) Property, plant and equipment

The balances of property, plant and equipment in the accompanying balance sheets at 31 December 2024 and 2023, as well as their evolution during those years, are broken down as follows:

Financial year 2024

	Land	Buildings	Facilities	IT equipment	Furniture and other property, plant and equipment	Assets under construction	Total property, plant and equipment
Cost 31/12/23	**16,965**	**23,864**	**19,347**	**10,735**	**5,630**	**-**	**76,541**
Additions	-	-	240	1,984	-	195	2,419
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Cost 31/12/24	**16,965**	**23,864**	**19,587**	**12,719**	**5,630**	**195**	**78,960**
Accumulated depreciation 31/12/23	**-**	**(7,789)**	**(15,131)**	**(8,311)**	**(4,583)**	**-**	**(35,814)**
Additions	-	(477)	(826)	(1,280)	(287)	-	(2,870)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation 31/12/2024	**-**	**(8,266)**	**(15,957)**	**(9,591)**	**(4,870)**	**-**	**(38,684)**
Impairment allowance 31/12/2023	**(2,115)**	**-**	**-**	**-**	**-**	**-**	**(2,115)**
Application (allowance) of year	-	-	-	-	-	-	-
Impairment allowance 31/12/2024	**(2,115)**	**-**	**-**	**-**	**-**	**-**	**(2,115)**
Carrying amount at 31/12/2024	**14,850**	**15,598**	**3,630**	**3,128**	**760**	**195**	**38,161**

Financial year 2023

	Land	Buildings	Facilities	IT equipment	Furniture and other property, plant and equipment	Assets under construction	Total property, plant and equipment
Cost 31/12/22	**16,965**	**23,853**	**18,759**	**11,675**	**5,630**	**260**	**77,142**
Additions	-	-	339	1,114	-	2	1,455
Disposals	-	(2)	-	(2,054)	-	-	(2,056)
Transfers	-	13	249	-	-	(262)	-
Cost 31/12/23	**16,965**	**23,864**	**19,347**	**10,735**	**5,630**	**-**	**76,541**
Accumulated depreciation 31/12/22	**-**	**(7,312)**	**(14,209)**	**(9,008)**	**(4,274)**	**-**	**(34,803)**
Additions	-	-	(922)	-	(309)	-	(1,231)
Disposals	-	(477)	-	697	-	-	220
Accumulated depreciation 31/12/2023	**-**	**(7,789)**	**(15,131)**	**(8,311)**	**(4,583)**	**-**	**(35,814)**
Impairment allowance 31/12/2022	**(2,115)**	**-**	**-**	**-**	**-**	**-**	**(2,115)**
Application (allowance) of year	**-**	-	-	-	-	-	-
Impairment allowance 31/12/2023	**(2,115)**	**-**	**-**	**-**	**-**	**-**	**(2,115)**
Carrying amount at 31/12/2023	**14,850**	**16,075**	**4,216**	**2,424**	**1,047**	**-**	**38,612**

During 2024, no property, plant and equipment were derecognised. In 2023, the Company derecognised fixed assets amounting to €2,054 thousand.

At 31 December 2024 and 2023, no valuation adjustments for impairment have been recognised.

Individual Financial Statements 2024 (expressed in thousand euro)

Property, plant and equipment in use that were fully depreciated at 31 December 2024 and 2023 amounted to:

	2024	2023
Facilities	12,341	11,007
IT equipment	6,990	5,513
Furniture and other property, plant and equipment	2,806	2,683
	22,137	**19,203**

The Company has taken out insurance policies with third parties to cover the possible risks to the items of property, plant and equipment. The coverage of these policies is considered sufficient.

There are no items of property, plant and equipment subject to guarantees or reversal. The depreciation rates used are detailed in Note 4.b of this report.

The following is a breakdown of the fair value as of 31 December 2024 and 2023 of property, plant and equipment, as determined by a valuation company authorised to value properties (see note 4 b):

			2024		
Description	**Cost value**	**Accumulated depreciation**	**Impairment**	**Net carrying amount**	**Market value**
Land and Buildings at I. Newton, 7 (Tres Cantos)	11,578	(7,120)	-	4,458	11,700
Land and Buildings at I. Newton, 9 (Tres Cantos)	9,943	(3,887)	(734)	5,323	5,518
Land and Buildings at Ronda Europa, 7 (Tres Cantos)	29,781	(11,476)	(1,275)	17,031	17,754
Land and Buildings at Torres Quevedo, 1 (Tres Cantos)	8,970	(1,693)	(106)	7,171	7,900
	60,272	**(24,175)**	**(2,115)**	**33,983**	**42,872**

			2023		
Description	**Cost value**	**Accumulated depreciation**	**Impairment**	**Net carrying amount**	**Market value**
Land and Buildings at I. Newton, 7 (Tres Cantos)	5,394	(2,015)	-	3,379	11,314
Land and Buildings at I. Newton, 9 (Tres Cantos)	7,371	(1,500)	(734)	5,137	5,457
Land and Buildings at Ronda Europa, 7 (Tres Cantos)	21,853	(4,003)	(1,275)	16,575	17,413
Land and Buildings at Torres Quevedo, 1 (Tres Cantos)	6,210	(269)	(106)	5,835	7,860
	40,828	**(7,787)**	**(2,115)**	**30,926**	**42,044**

The market value is based on the comparison method (based on the replacement principle), which values property assets by comparison with other property values on the market and, on the basis of concrete information on actual transactions and firm offers, derives current cash purchase prices for these properties on the basis of homogenisation coefficients (Level 2).

Individual Financial Statements 2024 (expressed in thousand euro)

b) Investment property

This heading corresponds to the net cost of a property that the Company leases to another Group company, Centro Avanzado de Reparaciones, CAR. S.L.U., where it has been operating since December 2011.

The movement of the heading during the 2024 and 2023 financial years is shown below:

Financial year 2024

	Land	Buildings	Total investment property
Cost at 31/12/23	**940**	**1,407**	**2,347**
Acquisitions	-	-	-
Disposals	-	-	-
Cost at 31/12/24	**940**	**1,407**	**2,347**
Accumulated depreciation at 31/12/23	**-**	**(343)**	**(343)**
Additions	-	(28)	(28)
Disposals	-	-	-
Accumulated depreciation at 31/12/24	**-**	**(371)**	**(371)**
Impairment allowance at 31/12/23	**(137)**	**-**	**(137)**
Allowances for the year	-	-	-
Application for the year	-	-	-
Impairment allowance at 31/12/24	**(137)**	**-**	**(137)**
Carrying amount at 31/12/2024	**803**	**1,036**	**1,839**

Financial year 2023

	Land	Buildings	Total investment property
Cost at 31/12/22	**940**	**1,407**	**2,347**
Acquisitions	-	-	-
Disposals	-	-	-
Cost at 31/12/23	**940**	**1,407**	**2,347**
Accumulated depreciation at 31/12/22	**-**	**(315)**	**(315)**
Acquisitions	-	(28)	(28)
Disposals	-	-	-
Accumulated depreciation at 31/12/23	**-**	**(343)**	**(343)**
Impairment allowance at 31/12/22	**(137)**	**-**	**(137)**
Allowances for the year	-	-	-
Application for the year	-	-	-
Impairment allowance at 31/12/23	**(137)**	**-**	**(137)**
Carrying amount at 31/12/2023	**803**	**1,064**	**1,867**

Individual Financial Statements 2024 (expressed in thousand euro)

Below is a breakdown of the fair value as of 31 December 2024 and 2023:

			2024		
Description	**Cost value**	**Accumulated depreciation**	**Impairment**	**Net Carrying Amount**	**Market value**
Land and Buildings at Avda. El Sol, 9 (Torrejón de Ardoz)	2,347	(371)	(137)	1,923	1,996
	2,347	**(371)**	**(137)**	1,923	**1,996**

			2023		
Description	**Cost value**	**Accumulated depreciation**	**Impairment**	**Net Carrying Amount**	**Market value**
Land and Buildings at Avda. El Sol, 9 (Torrejón de Ardoz)	2,347	(343)	(137)	1,867	1,911
	2,347	**(343)**	**(137)**	1,867	**1,911**

The fees charged to the subsidiary Centro Avanzado de Reparaciones CAR, S.L.U. for the rental of this property resulted in income of €116 thousand in 2024 (€113 thousand in 2023), which is recorded under the heading “Income from investment property” in the technical statement of profit or loss. The last valuation of the property was carried out on 6 September 2024.

The properties in the 2024 and 2023 financial years are covered by insurance policies against possible fire and civil liability risks.

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6. Intangible assets

On 31 December 2024 and 2023, the balance of this heading corresponds entirely to software. The changes in this heading during 2024 and 2023 is detailed as follows:

Financial year 2024

Thousand euros	External software	Internal software	External assets under constr.	Internal assets under constr.	Other	Total intangible assets
Cost at 31/12/23	**93,446**	**-**	**17,324**	**-**	**-**	**110,770**
Acquisitions	5,070	189	9,015	2,035	3,646	19,955
Disposals	-	-	-	-		-
Transfers	3,917	-	(16,303)	-	12,386	-
Cost at 31/12/24	**102,433**	**189**	**10,036**	**2,035**	**16,032**	**130,725**
Accumulated depreciation at 31/12/23	**(81,584)**	**-**	**-**	**-**	**-**	**(81,584)**
Acquisitions	-	-	-	-	-	-
Disposals	(3,794)	(1)	-	-	(954)	(4,749)
Accumulated depreciation at 31/12/24	**(85,378)**	**(1)**	**-**	**-**	**(954)**	**(86,333)**
Impairment losses cumulative	**-**	**-**	**-**	**-**	**-**	**-**
Carrying amount at 31/12/2024	**17,055**	**188**	**10,036**	**2,035**	**15,078**	**44,392**

Financial year 2023

Thousand euros	Software	Assets under constr.	Total intangible assets
Cost at 31/12/22	**94,924**	**4,892**	**99,816**
Acquisitions	2,396	16,335	18,731
Disposals	(7,777)	-	(7,777)
Transfers	3,903	(3,903)	-
Cost at 31/12/23	**93,446**	**17,324**	**110,770**
Accumulated depreciation at 31/12/22	**(85,350)**	**-**	**(85,350)**
Acquisitions		-	-
Disposals	3,766	-	3,766
Accumulated depreciation at 31/12/23	**(81,584)**	**-**	**(81,584)**
Accumulated impairment losses	**-**	**-**	**-**
Carrying amount at 31/12/2023	**11,862**	**17,324**	**29,186**

The acquisitions recorded in the 2024 financial year mainly correspond to computer applications and/or software licences, while in 2023 they mainly corresponded to the acquisition of software licences and other rights of use.

Fully amortised intangible fixed assets at 31 December 2023 and 2023 amount to €76,928 thousand and €71,484 thousand, respectively.

At 31 December 2024 and 2023, there are no intangible fixed assets subject to guarantees or reversion.

The Company considers that the rights of use are an intangible asset with a useful life of 10 years and therefore they will be amortised taking this criterion into account.

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7. Other assets

The breakdown of this heading at 31 December 2024 and 2023 is shown below:

	2024	2023
Acquisition expenses	91,269	88,690
Accruals	11,843	10,668
Other	-	290
	103,112	**99,648**

Deferred acquisition costs correspond to expenses directly attributable to obtaining premiums that are accrued annually based on the term of the policy. These expenses correspond mainly to commission expenses and marketing expenses.

Deferred acquisition costs are recorded in accordance with the accounting principles indicated in note 4 c). The changes for the years 2024 and 2023 are as follows:

	2024	2023
Balance at the beginning of the financial year	99,648	94,608
Acquisitions	103,112	99,648
Disposals	(99,648)	(94,608)
Balance at the end of the financial year	**103,112**	**99,648**

These acquisitions correspond to the accrual of acquisition expenses for the financial year that will be accrued in the following financial year, in correlation with the premium income accrued in each financial year. Unearned premium income corresponds to the provision for unearned premiums at that date. Withdrawals for each financial year correspond to the release of the accrual of acquisition expenses in correlation with the income from accrued premiums from the previous financial year through the release of the provision for unearned premiums.

The sub-heading “Accruals” mainly includes explicit accrued and unmatured interest on bank deposits and fixed-income investments available for sale amounting to €7,600 thousand (€5,846 thousand in 2023). It also includes the cost of certain services paid for in advance and which will accrue during the 2024 financial year for an amount of €4,243 thousand (€4,821 thousand in 2023).

Individual Financial Statements 2024 (expressed in thousand euro)

8. General information about the Company and its activity

8.1 Information on the relevance of financial instruments in the Company's equity and earnings

8.1.1 Information related to the balance sheet

The categories of financial assets and liabilities at the end of the 2024 and 2023 financial years are as follows:

Financial year 2024:

Financial assets	Cash and cash equiv.	Available-for-sale financial assets		Loans and receivables	Derivative	Shares in Group Companies and assoc.	Total
		At fair value	At cost				
Equity instruments:	**-**	**100,321**	**6**	**-**	**-**	**68,620**	**168,947**
- Financial investments in capital	-	44,142	6	-	-	68,620	112,768
- Holdings in investment funds		56,179	-	-	-	-	56,179
- Holdings in venture capital funds	-	-	-	-	-	-	-
- Other equity instruments	**-**	**-**	**-**	**-**	**-**	**-**	-
Debt securities:	**-**	**829,795**	**-**	**-**	**-**	**-**	**829,795**
- Fixed income securities	-	829,795	-	-	-	-	829,795
- Other debt securities	-	-	-	-	-	-	-
Derivatives	**-**	**-**	**-**	**-**	**4,332**	-	**4,332**
Loans:	**-**	**-**	**-**	**23,199**	**-**	**-**	**23,199**
- Loans and advances on policies	-	-	-	-	-	-	-
- Loans to group companies	-	-	-	23,199	-	-	23,199
- **Mortgage loans**	-	-	-	-	-	-	-
- Other loans	**-**	**-**	**-**	**-**	**-**	**-**	-
Deposits with credit institutions	**-**	**-**	**-**	**20,000**	**-**	**-**	**20,000**
Deposits posted on accepted reinsurance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Receivables on direct insurance business	**-**	**-**	**-**	**64,206**	**-**	**-**	**64,206**
Policyholders:	-	-	-	64,206	-	-	64,206
- Outstanding invoices	-	-	-	65,255	-	-	65,255
- **Provision for uncollected premiums**	**-**	**-**	**-**	**(1,049)**	**-**	**-**	(1,049)
Reinsurance receivables:	-	-	**-**	**3,890**	**-**	**-**	**3,890**
- **Balances outstanding with reinsurers**	-	-	-	3,890	-	-	3,890
- Provisions for Impairment of balance subject to reinsurance	-	-	-	-	-	-	-
Co-insurance receivables:	-	-	-	-	-	-	-
Called up share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other receivables:	-	-	**-**	**45,519**	**-**	**-**	**45,519**
- Tax and social security receivables	**-**	**-**	-	1,141	-	-	1,141
- Other receivables	**-**	**-**	**-**	**44,378**	**-**	**-**	44,378
Other financial assets			**-**	**-**	**-**	**-**	**-**
Cash	**8,076**	**-**	**-**	**-**	**-**	**-**	**8,076**
Balances at 31 December 2024	**8,076**	**930,116**	**6**	**156,814**	**4,332**	**68,620**	**1,167,964**

Individual Financial Statements 2024 (expressed in thousand euro)

Financial year 2023:

Financial assets	Cash and cash equivalents	Available-for-sale financial assets		Loans and receivable	Derivative	Holdings in Group Companies and associates	Total
		At fair value	At cost				
Equity instruments:	**-**	**83,860**	**6**	**-**	**-**	**68,904**	**152,770**
- Financial investments in capital	-	32,152	6	-	-	68,904	101,062
- Holdings in investment funds	-	51,708	-	-	-	-	51,708
- Holdings in venture capital funds	-	-	-	-	-	-	-
- Other equity instruments	**-**	**-**	**-**	**-**	**-**	**-**	-
Debt securities:	**-**	**743,684**	**-**	**-**	**-**	**-**	**743,684**
- Fixed income securities	-	743,684	-	-	-	-	743,684
- Other debt securities	**-**	-	-	-	-	-	-
Derivatives	**-**	**-**	**-**	**-**	**5,492**	**-**	**5,492**
Loans:	**-**	**-**	**-**	**21,528**	**-**	**-**	**21,528**
- Loans and advances on policies	-	-	-	-	-	-	-
- Due to group companies	-	-	-	21,528	-	-	21,528
- Mortgage loans	-	-	-	-	-	-	-
- Other loans	**-**	**-**	**-**	**-**	**-**	**-**	-
Deposits with credit institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Deposits constituted by accepted reinsurance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Receivables on direct insurance business	**-**	**-**	**-**	**61,602**	**-**	**-**	**61,602**
Policyholders:	-	-	-	61,602	-	-	61,602
- Outstanding invoices	-	-	-	62,783	-	-	62,783
- Provision for uncollected premiums	-	-	-	(1,181)	-	-	(1,181)
Reinsurance receivables:	**-**	**-**	**-**	**7,019**	**-**	**-**	**7,019**
- Balances outstanding with reinsurers	-	-	-	7,019	-	-	7,019
- Provisions for Impairment of balance subject to reinsurance	-	-	-	-	-	-	-
Co-insurance receivables:	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Balances outstanding with co-insurers	-	-	-	-	-	-	-
- Provisions for Impairment of balance subject to co-insurance	**-**	**-**	**-**	**-**	**-**	**-**	-
Called up share capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other receivables:	**-**	**-**	**-**	**45,472**	**-**	**-**	**45,472**
- Tax and social security	-	-	-	1,040	-	-	1,040
- Other receivables	-	-	-	44,432	-	-	44,432
Other financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash	**31,757**	**-**	**-**	**-**	**-**	**-**	**31,757**
Balances at 31 December 2023	**31,757**	**827,544**	**6**	**135,621**	**5,492**	**68,904**	**1,069,324**

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Financial liabilities	Debts and accounts payable		Hedging derivatives	
	2024	2023	2023	2022
Due on direct insurance business	**3,491**	**2,818**	-	-
- Due to policyholders	2,259	1,752	-	-
- Due to agents, brokers and intermediaries	1,232	1,066	-	-
- Contingent liabilities	-	-	-	-
Due on reinsurance business:	**346**	**1,351**	-	-
Other payables	**59,132**	**47,142**	-	-
- Tax and social security debts	16,232	14,368	-	-
- Other payables to group companies and associates (note 5, 13 and 15)	213	192	-	-
- Other payables (note 13)	42,687	32,582	-	-
Hedging derivatives	**-**	**-**	-	-
Total	**62,969**	**51,311**		

The classification of financial assets by maturity, for those with a determined or determinable maturity for each asset category, at 31 December 2024 and 2023, is as follows:

	Financial assets						
	2025	2026	2027	2028	2029	Subsequent	Total
Investments in group companies and associates	**22,836**	**363**	**-**	**-**	**-**	**-**	**23,199**
- Due to group companies (note 15)	**22,836**	**363**	**-**	**-**	**-**	**-**	**23,199**
- Debt securities (note 15)	**-**	**-**	**-**	**-**	**-**	-	-
Other financial investments:	**195,562**	**110,054**	**73,500**	**57,629**	**71,316**	**341,735**	**849,795**
- Debt securities	175,562	110,054	73,500	57,629	71,316	341,735	829,795
- Deposits with credit institutions	20,000	-	-	-	-	-	20,000
31/12/2024	**218,398**	**110,417**	**73,500**	**57,629**	**71,316**	**341,735**	**872,994**

	Financial assets						
	2024	2025	2026	2027	2028	Subsequent	Total
Investments in group companies and associates	20,802	363	363	**-**	**-**	**-**	21,528
- Due to group companies (note 15)	20,802	363	363	**-**	**-**	**-**	21,528
- Debt securities (note 15)	**-**	**-**	**-**	**-**	**-**	-	-
Other financial investments:	**221,463**	**88,808**	**90,244**	**47,119**	**41,131**	**254,919**	**743,684**
- Debt securities	221,463	88,808	90,244	47,119	41,131	254,919	743,684
- Deposits with credit institutions	-	-	-	-	-	-	-
31 December 2023	**242,265**	**89,171**	**90,607**	**47,119**	**41,131**	**254,919**	**765,212**

The insurance transaction receivables for December 2024 and 2023 mature in 2025 and 2024, respectively.

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The debts included under the heading of financial liabilities at 31 December 2024 and 2023 mature in 2025 and 2024, respectively.

8.1.1.1 Available-for-sale financial assets

This asset heading, at the end of the 2024 and 2023 financial years, is made up of €44,142 and €32,158 thousand in shares, respectively, and also investments in investment funds and venture capital funds worth €56,179 and €51,708 thousand.

Of the total investment in shares, a total of €10,475 thousand at 31 December 2024 (€10,550 thousand in 2023) is included in two listed real estate investment companies in which a financial institution of the Bankinter Group has a stake.

It also includes €829,795 thousand and €743,684 thousand (2024 and 2023, respectively) corresponding to fixed-income securities, of which €6,965 thousand corresponds to related entities in 2024 and €4,747 thousand in 2023 (see note 15).

At the end of the 2024 and 2023 financial years, there were no valuation adjustments for impairment caused by credit risk or impairment of the assets included in this heading.

The amount of accrued interest not yet due on the fixed-income assets included under this heading totals €7,600 thousand at the end of the 2024 financial year (€5,847 thousand at the end of the 2023 financial year) and is included under the heading ‘Other assets - Accruals’ on the assets side of the attached balance sheet. The average return on the fixed income portfolio in the 2024 financial year was 2.79% (2.60% in 2023) and 5.62% on equities (5.01% in 2023).

8.1.1.2 Loans and receivables

a) Due to group companies and associates

As of 31 December 2024 and 2023, the composition of this heading is as follows:

	2024	2023
Loans to companies		
Loan to LDActivos, S.L.U.	18,300	18,300
Loan to Centro Avanzado de Reparaciones, CAR, S.L.U.	728	1,091
Loans to LD Asistencia, S.L.U.	2,618	1,135
Loans to LDActivos, S.L.U.	1,594	1,038
Loans to Ámbar Medline, S.L.U.	4	1
Loans to Moto Club LDA, S.L.U.	-	5
Loans to Centro Avanzado de Reparaciones, CAR, S.L.U.	(45)	(42)
Balances at 31 December	**23,199**	**21,528**

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In July 2014, the Company provided its subsidiary, LDActivos, S.L.U., with a €19,300 thousand loan to fund the cash acquisition of a property intended for rental, aligning with the subsidiary's business objectives. In November 2021, LDActivos repaid €4,000 thousand of the loan, reducing the outstanding principal to €15,300 thousand. In December 2022, the loan was increased by an additional €3,000 thousand, bringing the principal to €18,300 thousand. The revised loan carries an annual interest rate of 3%, paid monthly, with a repayment period of up to 10 years, though the lender retains the option to terminate the loan early. On 19 July 2024, the parties agreed to extend the loan repayment deadline to 2034. The Company's Directors are confident that the subsidiary will fully repay the loan prior to the contract's expiration, supported by its adequate working capital and projected revenue.

For the 2024 financial year, the loan generated €551,000 in interest income (compared to €549,000 in 2023), which was recorded under "Income from property, plant and equipment and investments - Income from financial investments" in the attached non-life insurance technical account. This amount was fully collected by 31 December 2024.

The loan provided to Centro Avanzado de Reparaciones CAR, S.L.U., is a participating loan originally signed on 21 July 2011, with a principal of €1,232 thousand. On 19 April 2018, it was extended by an additional €600 thousand, followed by a further extension in May 2020 for €1,560 thousand. As of 31 December 2024, €728 thousand remains outstanding. The loan retains its 10-year term and carries an interest rate with two components: a fixed portion (Euribor plus 1%) and a variable portion (8% of the borrower's pre-tax profits, payable once no impairment exists). The principal is to be repaid at the end of each annual period in fixed instalments of €363 thousand.

The changes in the balances of this loan during the 2024 and 2023 financial years were as follows:

	2024	2023
Balances at the beginning of the year	1,091	1,454
Acquisitions	-	-
Depreciations	(363)	(363)
Balances at the end of the year	**728**	**1,091**

As of 31 December 2024, there is an outstanding receivable of €15 thousand in accrued interest, down from €26 thousand as of 31 December 2023.

The credits owed by LD Asistencia, S.L.U., LDActivos, S.L.U., Ámbar Medline, S.L.U., Moto Club LDA, S.L.U., and Centro Avanzado de Reparaciones CAR, S.L.U. reflect the remaining balances these entities owe to Tax Consolidation Group 485/15, where Línea Directa Aseguradora serves as the Parent Company (refer to note 17). These amounts carry no interest and will be settled following the final corporate tax settlement of the tax consolidation group.

b) Receivables on direct insurance business

This section includes credits owed by policyholders, covering both overdue premium payments and pending premium instalments yet to be issued.

The impairment adjustment for uncollected premiums is determined based on the guidelines in the Accounting Plan for Insurance Companies, specifically its second section on "recognition and measurement standards." The calculation considers the age of the outstanding amounts and historical data: premiums unpaid for zero to three months are assessed individually, those unpaid for three to six months are provisioned at 50% of their value, and those over six months are fully provisioned at 100%. The portion of bills overdue for more than three months is minimal.

The breakdown of the items in this section at the end of the 2024 and 2023 financial years is as follows:

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	Loans to policyholders	Impairment allowance	Total
Balances at 31 December 2024	65,255	(1,049)	64,206
Balances at 31 December 2023	62,783	(1,181)	61,602

c) Receivables and payables on reinsurance business

This section contains the receivables from and payables to reinsurers at the end of the financial year, broken down by type of reinsurance as follows (see note 13 of this report in relation to payables):

	2024		2023	
	Receivable	Payable	Receivable	Payable
Reinsurance - Penalties and other guarantees	-	782	-	877
Reinsurance XL	-	(436)	-	473
Reinsurance Quota share	3,890	-	7,019	-
	3,890	**346**	**7,019**	**1,351**

The receivables and payables for quota share reinsurance correspond to the health business.

d) Other receivables

	2024	2023
Tax and social security receivables	1,141	1,040
Bonds and deposits	17	17
Receivable through claim recoveries	40,827	41,255
Receivable for Claims Settlement Agreements	2,504	2,441
Sundry receivables	554	264
Receivable from Group companies and associates (note 15)	476	455
	45,519	**45,472**

The category labelled "Receivable through claim recoveries" reflects amounts due to be recovered from claims, with their recoverability well-secured by the end of the financial year. The assurance of these recoverable balances is evaluated on a case-by-case basis, considering specific factors in the claims process, such as the opposing party's admission of liability or favourable court decisions. For the 2024 financial year, the recorded amount totals €40,827 thousand, slightly down from €41,255 thousand in 2023.

This category encompasses recoveries from agreed claims modules, where the Company's insured party is not at fault (€26,700 thousand in 2024 and €26,513 thousand in 2023), as well as recoveries from non-agreed claims (€14,127 thousand in 2024 and €14,742 thousand in 2023).

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8.1.1.3 Holdings in group companies and associates

At 31 December 2024 and 2023, the Company held 100% of the share capital of its subsidiaries. The breakdown of the balance of this heading in the attached balance sheets at 31 December 2024 and 2023 and its carrying amount is as follows:

				2024		
Subsidiary	**Carrying amount of the holding**	**Capital and share premium**	**Reserves**	**Profit/(loss) for the year**	**Interim dividends**	**Dividends against reserves**
Línea Directa Asistencia, S.L.U.	418	30	3,296	4,096	4,000	2,000
Moto Club LDA, S.L.U.	-	-	-	-	-	-
Centro Avanzado de Reparaciones CAR, S.L.U.	2,103	600	346	(282)	-	-
Ambar Medline, S.L.U.	303	303	124	19	-	-
LDActivos, S.L.U.	67,234	67,234	19,711	2,424	-	-
Impairment of holdings in related parties	(1,439)	-	-	-	-	-
Total	**68,620**	**68,167**	**23,477**	**6,257**	**4,000**	**2,000**

				2023		
Subsidiary	**Carrying amount of the holding**	**Capital and share premium**	**Reserves**	**Profit/(loss) for the year**	**Interim dividends**	**Dividends against reserves**
Línea Directa Asistencia, S.L.U.	418	30	5,100	2,996	2,800	-
Moto Club LDA, S.L.U.	3	3	136	16	-	-
Centro Avanzado de Reparaciones CAR, S.L.U.	2,103	600	636	(290)	-	-
Ambar Medline, S.L.U.	303	303	111	13	-	-
LDActivos, S.L.U.	67,234	67,234	16,746	2,965	-	-
LDA Reparaciones, S.L.U.	-	-	-	-	-	-
Impairment of holdings in related parties	(1,157)	-	-	-	-	-
Total	**68,904**	**68,170**	**22,729**	**5,700**	**2,800**	**-**

A provision for impairment of the investments in Centro Avanzado de Reparaciones CAR, S.L.U. is maintained at 31 December 2024 for €1,439 thousand (€1,157 thousand at 31 December 2023). The change in the provision is as follows:

	2024	2023
Balance at the beginning of the financial year	1,157	867
Allowances	282	290
Amounts utilised	-	-
Balance at the end of the financial year	**1,439**	**1,157**

In 2024, the subsidiary Línea Directa Asistencia, S.L.U. paid an interim dividend of €4,000 thousand and €2,000 thousand against reserves (in the 2023 financial year, it paid a dividend of €2,800 thousand). These dividends are recorded under the heading ‘Income from property, plant and equipment and investments - Income from financial investments’ in the attached non-technical account for each financial year.

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8.1.1.4 Hedging derivatives

The Company has included a swap under this category, the value of which amounts to €4,332 thousand as of 31 December 2024 (€5,492 thousand as of 31 December 2023).

			2024			
Item	**Initial Value**	**Accumulated Impairment**	**Impairment Change**	**Value correction**	**Additions/ disposals**	**Final value**
SWAP	5,492	-	-	(1,160)	-	4,332
SWAP	-	-	-	-	-	-
Total	**5,492**	-	-	**(1,160)**	-	**4,332**

			2023			
Item	**Initial Value**	**Accumulated Impairment**	**Impairment Change**	**Value correction**	**Additions/ disposals**	**Final value**
SWAP	7,844	-	-	(2,352)	-	5,492
SWAP	-	-	-	-	-	-
Total	**7,844**	-	-	**(2,352)**	-	**5,492**

The fair value has been provided by the financial institution, which acts as counterparty.

The following table details the type of contracts guaranteed:

Type of asset	Counterparty	Number of contracts	Carrying amount	Market value	Nominal value	Rate	Currency
Current account	BBVA S.A.	1	(773)	(773)	(773)	ESTR	EUR
Current account subtotal			**(773)**	**(773)**	**(773)**	**ESTR**	**EUR**
Swaps	BBVA S.A.	1	4,332	4,332	4,332		EUR
Subtotal – Swaps			**4,332**	**4,332**	**4,332**		**EUR**
Total			**3,559**	**3,559**	**3,559**		**EUR**

The risk tied to these swaps stems from potential shifts in the interest rates or market conditions of the underlying swapped securities, alongside the credit risk posed by the issuing entities. These risks also apply to the derivative product linked to the underlying assets.

As of 31 December 2024, €4,332 thousand is listed under “Hedging derivatives” on the Assets side of the balance sheet, compared to €5,492 thousand recorded on the Liabilities side as of 31 December 2023. This amount pertains to swaps tied to financial swap agreements. The counterparty to this contract, operating through the Clearing House, determines the present value of the outstanding cash flows between the two parties.

The hedged item involves the Company paying coupons at 2.45% on a €50,000 thousand BTPS bond until its maturity on 1 September 2033. In return, the Company receives payments based on Euribor 6-month plus 1.03% on the same €50,000 thousand BTPS bond until its maturity on 1 September 2033.

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8.1.2 Information related to statement of profit or loss and equity

The following table shows the breakdown of finance income and cost classified according to the category to which each asset has been assigned:

Financial year 2024

Investment income	Cash and cash equivalents	Loans and receivables	Available-for-sale assets	Property, plant, and equipment and investment property	Group companies and associates	Other	Total
Interest on fixed-income securities	-	-	23,475	-	-	-	23,475
Equity income	-	-	3,625	-	-	-	3,625
Derivatives income	-	-	-	-	-	2,431	2,431
Interest on loans to group companies (note 15)	-	592	-	-	-	-	592
Interest on current accounts	833	-	-	-	-	-	833
Interest on bank deposits	-	375	-	-	-	-	375
Application of change in the value of Investment, group	-	-	-	-	(282)	-	(282)
Income from premium instalments	-	7,606	-	-	-	-	7,606
Income from investments in property, plant and equipment	-	-	-	69	-	-	69
Income from shareholdings in group companies (note 15)	-	-	-	-	-	-	-
Gains on realisation of investments	-	-	5,252	-	-	-	5,252
Positive exchange rate differences	-	-	355	-	-	-	355
Gains on realisation and valuation of derivatives	-	-	-	-	-	7,032	7,032
Other	-	-	-	-	-	-	-
Balances at 31 December 2024	833	8,573	32,707	69	(282)	9,463	51,363

Expenses for property, plant and equipment and investment	Available for sale assets	Property, plant and equipment and investment property	Non-current dividends payable	Other	Total
Investment expenses					
Fixed income valuation	1,680	-	-	-	1,680
Realis. of equity instruments	478	-	-	-	478
Realis. of fixed income	2,827	-	-	-	2,827
Depreciation of investment property	-	28	-	-	28
Provision for impairment of investments	-	-	-	60	60
Bank charges	-	-	-	-	-
Update on non-current dividend interest	-	-	-	-	-
Negative exchange rate differences	41	-	-	-	41
Financial expenses of derivatives	-	-	-	1,221	1,221
Investment management expenses and other	-	-	-	1,494	1,494
Losses for realisation and valuation of derivatives	-	-	-	7,164	7,164
Other	-	-	-	-	-
Balances at 31 December 2024	**5,026**	**28**	**-**	9,939	**14,993**

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Financial year 2023

Investment income	Cash and cash equivalents	Loans and receivables	Available -for-sale assets	Property, plant, and equipment and investment property	Group companies and associates	Other	Total
Interest on fixed-income securities	-	-	18,437	-	-	-	18,437
Equity income	-	-	2,843	-	-	-	2,843
Derivatives income	-	-	2,092	-	-	-	2,092
Interest on loans to group companies (note 15)	-	603	-	-	-	-	603
Interest on current accounts	587	-	-	-	-	-	587
Interest on bank deposits	-	621	-	-	-	-	621
Application of change in the value of investments, group	-	-	-	-	(290)	-	(290)
Income from premium instalments	-	4,738	-	-	-	-	4,738
Income from investments in property, plant and equipment	-	-	-	68	-	-	68
Income from shareholdings in group companies (note 15)	-	-	-	-	-	-	-
Gains on realisation of investments	-	-	8,019	-	-	-	8,019
Positive exchange rate differences	-	-	361	-	-	-	361
Gains on realisation and valuation of derivatives	-	-	9,101	-	-	-	9,101
Other	-	-	-	-	-	824	824
Balances at 31 December 2023	**587**	**5,962**	**40,853**	**68**	**(290)**	**824**	**48,004**

Expenses for property, plant and equipment and investment	Available for sale assets	Property, plant and equipment and investment property	Non-current dividends payable	Other	Total
Investment expenses					
Fixed income valuation	1,583	-	-	-	1,583
Realis. of equity instruments	2,412	-	-	-	2,412
Realis. of fixed income	2,519	-	-	-	2,519
Depreciation of investment property	-	28	-	-	28
Provision for impairment of investments	-	-	-	-	-
Bank charges	-	-	-	-	-
Update on non-current dividend interest	-	-	-	-	-
Negative exchange rate differences	139	-	-	-	139
Financial expenses of derivatives	-	-	-	1,214	1,214
Investment management expenses and other	-	-	-	1,653	1,653
Losses for realisation and valuation of derivatives	-	-	-	9,026	9,026
Other	-	-	-	-	-
Balances at 31 December 2023	**6,653**	**28**	**-**	**11,893**	**18,574**

The "Others" for sale column under the derivatives category reflects the monthly valuation changes of the hedging derivative transaction throughout the year. Positive monthly differences are recorded under "Investment income", while negative differences are logged under "Expenses for property, plant and equipment and investments".

As of 31 December 2024, the "Income from investments in property, plant and equipment" account in the table above includes €116 thousand from lease income with the group company Centro Avanzado de Reparaciones CAR, S.L.U. (see note 15), up slightly from €113 thousand as of 31 December 2023.

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8.1.3 Information on the nature and level of risk associated with financial instruments

Market risk

The Company's accepted risk level for financial investments is outlined in the Investment Guidelines, which are approved by the Board of Directors. This document specifies the allowable asset types for investment, sets limits on their proportion within the portfolio, and empowers the Company's Investment Committee to execute these investments.

Meeting monthly, the Investment Committee oversees portfolio performance, authorises new investment initiatives, ensures adherence to the guidelines, and regularly updates the Board of Directors on these matters.

Credit risk

The counterparties with which the Group acquires or may acquire significant positions must invariably undergo a prior scoring process. These counterparties include companies that provide insurance for large vehicle fleets and, in particular, reinsurance companies. For the latter, a minimum credit rating of "A-" is required as a prerequisite for inclusion within the reinsurance programme. Exceptions to this solvency threshold, together with the reinsurance table for each year, are expressly approved by the Board of Directors.

The rating of debt securities classified in the "available for sale" portfolio is an average rating of the rating assigned to the issuer by three of the main rating agencies (Moody's, Fitch and DBRS) and has the following classification at the end of 2024 and 2023:

RATING, "Available-for-sale" portfolio	2024	2023
AAA	34,384	55,358
AA	102,460	55,302
A	386,186	318,801
BBB	300,976	295,553
BB	5,790	12,734
B	-	-
N/R	-	5,936
Total	**829,795**	**743,684**

Unrated positions primarily consist of debt securities from issuers without a rating, though these securities carry an issue rating that aligns with the Company's investment policies.

Liquidity risk

The Company views liquidity risk as the potential temporary inability to meet its obligations by their due dates, particularly if these obligations come due before payments from clients or financial investments are received. Daily premium income provides the Company with a steady liquidity stream.

To manage liquidity risk effectively, the Company adopts a cautious approach, ensuring it always maintains adequate liquidity to meet payment obligations to suppliers, policyholders, and other parties on time. As a result, cash management is handled with extreme care to prevent any overdraft scenarios. The Company conducts regular forecasts of anticipated cash inflows and outflows, enabling continuous monitoring and assessment of its liquidity position.

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Currency risk

As of 31 December 2024, the Company holds a foreign currency position amounting to €25,250 thousand (€23,184 thousand as of 31 December 2023). These are direct investments in financial instruments listed in those currencies; in no case is there currency hedging.

9. Cash and cash equivalents

The composition of cash and cash equivalents at banks, cheques and cash on hand at 31 December 2024 and 2023, is as follows:

	2024	2023
Cash at banks (note 8.1.1)	8,076	31,756
Cash on hand (note 8.1.1)	-	1
Financial instruments maturing within 3 months	-	-
	8,076	**31,757**

Of the cash balance at credit institutions at 31 December 2024 and 2023, €7,835 thousand and €30,168 thousand, respectively, correspond to balances with Bankinter, S.A. (see note 15).

As of 31 December 2024 and 2023, a current account pledged in favour of a reinsurer for an amount of €2,100 thousand is held as a guarantee of compliance with contractual obligations. The remaining amount of cash and cash equivalents is free of any restrictions on its use and disposal.

The interest rate on the Company's current accounts is negotiated with each bank. In 2024, the dollar current account has earned an average return of 5.22% for 2024 (4.80% in 2023) and the current account with Bankinter has earned an average return of 2.60% for 2023 (2.03% in 2023).

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10. Technical provisions

The changes produced during 2024 and 2023 in each of the technical provisions that appear in the attached balance sheets are as follows:

Financial year 2024

	Provision for unearned premiums	Provision for claims (*)	Provision for on-going risks
Direct insurance			
Balances at 31 December 2023	483,431	411,890	2,686
Allowances	511,601	441,439	2,609
Amounts utilised	(483,431)	(411,890)	(2,686)
Balances at 31 December 2024	**511,601**	**441,439**	**2,609**
Ceded and retroceded reinsurances			
Balances at 31 December 2023	4,621	24,593	-
Allowances	5,447	25,555	-
Amounts utilised	(4,621)	(24,593)	-
Balances at 31 December 2024	**5,447**	**25,555**	**-**

Financial year 2023

	Provision for unearned premiums	Provision for claims (*)	Provision for on-going risks
Direct insurance			
Balances at 31 December 2022	470,783	325,029	2,378
Allowances	483,431	411,890	2,686
Amounts utilised	(470,783)	(325,029)	(2,378)
Balances at 31 December 2023	**483,431**	**411,890**	**2,686**
Ceded and retroceded reinsurances			
Balances at 31 December 2022	4,554	14,709	-
Allowances	4,621	24,593	-
Amounts utilised	(4,554)	(14,709)	-
Balances at 31 December 2023	**4,621**	**24,593**	**-**

(*) At the end of 2024 and 2023, this provision includes €6,797 thousand and €6,837 thousand, respectively, which correspond to the provision for pending travel assistance services, a service provided by Línea Directa Asistencia, S.L.U. (see note 15).

The provision for ongoing risks will complement the provision for unearned premiums, insofar as the amount of the latter is not sufficient to reflect the valuation of all the risks and expenses to be covered by the insurance company that correspond to the period of coverage not elapsed at the end of the financial year.

In 2024, the Company recognised €2,609 thousand for this item (€2,686 thousand in 2023), corresponding to the Health sector.

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The changes during 2024 in the Company's provision for claims without reinsured guarantees and travel assistance, corresponding only to claims pending as of 31 December 2023, detailed by line of business, is as follows:

	Provision at 31/12/2023	Net payments	Provision at 31/12/2024	Surplus (deficit)
Motor, Civil Liability	274,161	130,910	146,682	(3,431)
Motor, other guarantees	72,268	47,077	23,289	1,902
Home	35,852	22,898	9,451	3,503
Health	7,595	3,527	3,619	449
Total	**389,876**	**204,412**	**183,041**	**2,423**

Claims incurred but not reported (IBNR) are included in the provision at the end of the 2024 and 2023 financial years.

The changes during 2023 in the Company's provision for claims without reinsured guarantees and travel assistance, corresponding only to claims pending as of 31 December 2022, detailed by line of business, are as follows:

	Provision at 31/12/2022	Net payments	Provision at 31/12/2023	Surplus (deficit)
Motor, Civil Liability	217,020	122,463	112,877	(18,320)
Motor, other guarantees	54,466	39,374	19,121	(4,029)
Home	25,686	21,831	7,690	(3,836)
Health	6,246	3,601	2,048	597
Total	**303,418**	**187,269**	**141,736**	**(25,588)**

Claims incurred but not reported (IBNR) are included in the provision at the end of the 2024 and 2023 financial years in all lines of business when calculating the provision for outstanding, reported and unreported claims together using statistical methods.

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11. Pension commitments

Under the terms of the sector's Collective Agreement, the Company must provide a group life insurance policy for all employees, which is outsourced through an annually renewable risk policy. This policy led to premium expenses of €535 thousand in 2024, up from €523 thousand in 2023.

Additionally, the Company is required to pay a retirement bonus, but only to employees who retire at the standard age applicable at the time and remain with the Company until then. This obligation is managed through a multi-employer insurance policy, and as such, the Company does not record any provision for it in its financial statements.

Currently, this arrangement applies only to employees hired before 1 January 2017, who opted not to switch to the new system introduced by agreement. Premiums for this contract amounted to €11 thousand in 2024, compared to €9 thousand in 2023. The mathematical provision as of 31 December 2024 amounts to €207 thousand (€209 thousand as of 31 December 2023). During 2024, redemptions have taken place amounting to €13 thousand (€11 thousand during 2023).

For those employees hired as of 1 January 2017 and those who have decided to join the new system, the Company has externalised the obligations by taking out an insurance policy, which consists of a defined contribution policy that covers more contingencies than the old system, which has resulted in the accrual of premiums amounting to €673 thousand (€705 thousand in 2023) and a Mathematical Provision of €7,019 thousand (€6,275 thousand in 2023).

There have been no surrenders in either 2024 or 2023. The mobilisation of the rights of employees who have decided to join the new system became effective during 2020.

In addition, the Company has a group insurance policy through which it implements its retirement pension commitments to certain senior management employees. These defined contribution policies are also outsourced and regular contributions are made for the different members of the group. During 2024, the policy has accrued premiums of €1,270 thousand and the mathematical provision established at the end of the financial year is €13,006 thousand.

In 2023, this policy accrued premiums of €542 thousand and its mathematical provision at the end of that financial year amounted to €11,014 thousand. Contributions to this policy are not mandatory for the Company and are made voluntarily at the discretion of the Governing Body.

Similarly, the Company maintains a defined contribution savings and retirement insurance policy for Senior Management in the form of a savings policy. This policy accrued premiums of €76 thousand during 2024 and its mathematical provision at the end of that year amounted to €835 thousand. In 2023, this policy accrued premiums of €74 thousand and its mathematical provision at the end of that year amounted to €746 thousand.

12. Provision for payments under claims settlement agreements

This heading includes the estimated amount of the sums pending payment to the insured parties on behalf of the insurer of the injured party and the recoveries made by the latter in the execution of the claims settlement agreements.

The changes during the year are as follows:

	Carrying amount	
	2024	**2023**
Balances at the beginning of the year	28,574	25,338
Allowances (note 21)	29,084	28,574
Amounts utilised (note 21)	(28,574)	(25,338)
Balances at the end of the year	**29,084**	**28,574**

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13. Debts and accounts payable

The breakdown of the headings of "Debts and accounts payable" at 31 December 2024 and 2023 is as follows:

	2024	2023
Due on direct insurance business	**3,491**	**2,818**
Due to policyholders	2,259	1,752
Due to agents, brokers and intermediaries	1,232	1,066
Contingent liabilities	-	-
Due on reinsurance business (note 8.1.1.2)	**346**	**1,351**
Other debts:	**16,232**	**14,367**
Tax Office, income tax deductions	2,115	2,060
Tax Office, VAT payable	195	292
Social Security payable	2,870	2,799
Insurance Compensation Consortium payable	1,737	1,617
Tax on insurance premiums payable	7,021	6,492
Other bodies	2,294	1,107
Other payables to group companies and associates (note 15)	**213**	**192**
Any other payables	**42,687**	**32,583**
Goods and service suppliers	37,473	28,237
Payables for securities lending	-	-
Outstanding remunerations	5,214	4,346
	62,969	**51,311**

As of 31 December 2024, there is a debt to Ambar Medline, S.L.U. of €53 thousand, while in 2023 there were no debts to that entity (see note 15).

The breakdown of debts to group entities is shown below:

	2024	2023
Dividend payable	-	-
Trade payables with Group companies	189	168
Deposit with Centro Avanzado de Reparaciones, CAR, S.L.U.	24	24
Total	**213**	**192**

The sub-section "Outstanding remuneration" mainly includes provisions for incentives accrued and not collected. These are recurring incentives, of an annual, quarterly and monthly nature, pending payment for €5,122 thousand as of 31 December 2024 (€4,160 thousand as of December 2023).

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Information on the average period for paying suppliers. Second Final Provision of Law 31/2014, of 3 December

The information required by the Second Final Provision of Law 31/2014, of 3 December, is set out below:

	Financial year 2024	Financial year 2023
	Days	**Days**
Average supplier payment period	30.07	22.57
Ratio of paid transactions	29.92	22.72
Ratio of transactions pending payment	32.61	19.64
	Amount (thousand euro)	Amount (thousand euro)
Total payments made	245,917	264,378
Total outstanding payments	14,610	13,050

(*) When the figure is shown in brackets it means that the amount is negative, representing either a faster average payment in relation to the maximum payment period established by law, or that the transactions pending payment are, on average, at a time prior to reaching that maximum period.

	2024	2023
	Days	Days
Invoices at the legal limit	8,093	10,362
Percentage of total invoices	69.82%	83.85%
Total invoices	11,592	12,358
	Amount (thousand euro)	Amount (thousand euro)
Monetary volume at the legal limit	210,908	248,634
Percentage of total monetary payments to suppliers	80.95%	89.62%
Total monetary value of invoices	260,526	277,428

The data shown in the table above on the average period of payment to suppliers refers to those who, by their nature, are trade creditors for debts with suppliers of goods and services, excluding claims payments in 2024 and 2023.

“Average supplier payment period” shall be understood to mean the expression of the payment time or delay in the payment of the trade debt. This “Average supplier payment period” is calculated as the quotient formed in the numerator by the sum of the ratio of operations paid by the total amount of payments made plus the ratio of operations pending payment by the total amount of pending payments and, in the denominator, by the total amount of payments made plus the amount of pending payments.

The ratio of paid transactions is calculated as the quotient formed in the numerator by the sum of the products corresponding to the amounts paid, by the number of payment days (difference between the calendar days elapsed from the end of the maximum legal payment period until the actual payment of the transaction) and, in the denominator, the total amount of payments made.

Similarly, the ratio of transactions pending payment corresponds to the quotient formulated in the numerator by the sum of the products corresponding to the amounts pending payment, by the number of days pending payment (difference between the calendar days elapsed from the end of the maximum legal payment period until the closing day of the financial statements) and, in the denominator, the total amount of pending payments.

In September 2022, Law 18/2022 modified the third additional provision referring to the duty of information contained in Law 15/2010, which in turn modified Law 3/2004, which establishes measures to combat late payment in commercial transactions. This amendment establishes that listed commercial companies will publish on their website, in addition to the average payment period, the monetary volume and the number of invoices paid in a period less than the maximum established in the regulations, as well as the ratio of these invoices to the total number of invoices and the monetary total of payments made to suppliers.

Operating leases

The Company has several lease agreements with third parties, mainly related to vehicle rental. The total amount of expected future payments for the years 2024 and 2023 are as follows:

	2024	2023
Less than a year	445	929
Between 1 and 5 years	1,772	1,301
More than 5 years	-	-
Total future payments	**2,217**	**2,230**

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14. Own Funds

The breakdown of and changes in the Company's own funds during 2024 and 2023 are set out in the accompanying statements of total changes in equity.

On 29 April 2021, the Parent's shares became listed and traded on the continuous market of the stock exchange.

At 31 December 2024, the Parent's share capital amounted to €43,537 thousand and is represented by 1,088,416,840 registered shares, each having a par value of €0.04, all fully subscribed and paid up and conferring the same rights and obligations.

The shareholders of the Parent Company with a stake equal to or greater than 3% of the share capital as at 31 December 2024 and 2023 and considered significant shareholders according to the regulations of the Securities Market are as follows:

2024

	Number of shares	%
Cartival	218,336,487	20.06 %
Bankinter	189,555,907	17.42 %
Fernando Masaveu Herrero	59,474,596	5.46 %
Barandes Investment Partners LP	55,093,832	5.06 %
Global Portfolio Investments	54,435,506	5.00 %
Norbel Inversiones SL	54,430,000	5.00 %
Wellington Management Group	36,240,750	3.33 %
Lazard Asset Management	34,778,950	3.20 %

2023

	Number of shares	%
Cartival	216,553,770	19.90%
Bankinter	189,555,907	17.42%
Fernando Masaveu Herrero	58,570,346	5.38%
Norbel Inversores SL	54,430,000	5.00%
Lazard Asset Management	34,778,950	3.20%
Brandes Investment Partners LP	32,674,276	3.00%

As of 31 December 2024 and 2023, the Company has the minimum capital required by the Private Insurance Regulation and Supervision Act to operate in the authorised insurance segments.

a) Legal reserve

Under current commercial laws, companies earning a profit during the financial year are required to set aside 10% of that profit into a legal reserve until it amounts to at least 20% of the company's share capital. The portion of the legal reserve exceeding 10% of the already increased share capital may be utilised to boost the share capital. Aside from this specific use, and as long as it remains at or below 20% of the share capital, the legal reserve is restricted to covering losses, but only if no other reserves are available for this purpose.

As of 31 December 2023, and 31 December 2024, the legal reserve's balance exceeds the minimum required threshold.

b) Voluntary reserves

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As of 31 December 2024 and 2023, the balance of these reserves is freely available and amounts to €188,522 thousand and €208,512 respectively.

c) Stabilisation reserve and interim dividend

The stabilisation reserve is a legally mandated reserve that can only be utilised to address fluctuations in the loss ratio.

As of 31 December 2024, its balance stands at €51,634 thousand, net of tax effects (compared to €43,839 thousand, net of tax effects, in 2023). In 2024, €7,795 thousand was allocated to this reserve, while €7,430 thousand was allocated in 2023. Throughout 2023, €60,136 was drawn from the stabilisation reserve to account for the variance between the recorded accident rate for the year and the accident rate embedded in the estimated net reinsurance risk premium.

The stabilisation reserve must be funded annually with an amount equal to the safety surcharge included in the accrued premiums, adhering to the minimum threshold outlined in the technical guidelines for insurance segments where this requirement applies. For the Company, this allocation is mandatory in the civil liability insurance branch for land motor vehicles, at a minimum rate of 2% of the accrued premiums in this branch, until the reserve reaches 35% of the risk premiums retained by the Company.

This upper limit may be adjusted upward based on the Company's own experience. For this purpose, within each risk category or branch, the following will serve as the ceiling for the stabilisation reserve

The changes in the stabilisation reserve throughout the financial year are detailed as follows:

2024	Stabilisation reserve	Stabilisation reserve on account
Balances at 31 December 2023	43,839	-
Allowances	7,795	(7,795)
Amounts utilised	-	-
Balances at 31 December 2024	**51,634**	**(7,795)**

2023	Stabilisation reserve	Stabilisation reserve on account
Balances at 31 December 2022	96,545	-
Allowances	7,430	(7,430)
Amounts utilised	(60,136)	-
Balances at 31 December 2023	**43,839**	**(7,430)**

With regard to interim dividends: at its meeting on 27 February 2025, the Board of Directors agreed a final dividend from the profit for the 2024 financial year for a total amount of €15,000 thousand. As of 31 December 2024, no amounts are pending payment.

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d) Own shares

Since 29 April 2021, the date of the IPO, in which the Company was allocated 239,678 own shares in the Bankinter share exchange, it has made successive acquisitions, communicated to the CNMV to complete the full remuneration plan. The number of own shares acquired by the Parent Company during the 2023 financial year was 150,000 shares at an average price of €1.08, representing 0.01% of the total shares issued. In 2023, no own shares were acquired by the Parent Company.

The changes in the balance of own shares held as treasury stock are as follows:

Thousand euros	**Acquisition cost**	**Nominal value**	**Number of Shares**
Balance at 01 January 2023	**1,018**	**23**	**656,911**
Acquisitions	-	-	-
Disposals	(374)	(10)	(279,328)
Balance at 31 December 2023	**644**	**13**	**377,583**
Balance at 01 January 2024	**644**	**13**	**377,583**
Acquisitions	162	5	150,000
Disposals	(563)	(11)	(333,390)
Balance at 31 December 2024	**243**	**7**	**194,193**

The objective of retaining these shares is to utilise them as part of an employee remuneration framework, as outlined in note 22. c) of this Report. First, a remuneration programme exists for Management Committee members, distributed in three annual payments following the IPO in 2021. These payments have been accrued each April in 2022, 2023, and 2024, with disbursements scheduled for May of each respective year. Additionally, in 2023 and 2024, Company employees were offered the opportunity to purchase Company shares through a flexible remuneration plan. Lastly, the annual compensation for the Company's CEO includes a component paid in Company shares, with the initial distribution occurring in May 2023.

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Details of own shares at the end of the 2024 and 2023 financial years are as follows:

2024

Acquisition date	Acquisition type	Instruments	Price	Market value (thousand euros)	Acquisition cost (thousand euro)
Balance at 31/12/2022		**656,911**	**1.44**	**1,019**	**1,018**
14/04/2023	Delivered to CEO	(14,455)	0.99	(14)	(22)
04/05/2023	Delivered to executives, 2nd payment	(148,102)	0.99	(146)	(230)
22/11/2023	Delivered to employees	(44,444)	0.82	(36)	(69)
22/12/2023	Delivered to employees	(72,327)	0.80	(57)	(113)
14/04/2024	Delivered to CEO	(3,213)	0.96	(2)	(5)
14/04/2024	Delivered to CEO	(2,748)	0.96	(2)	(4)
22/05/2024	Delivered to executives, 3rd payment	(156,209)	1.01	(157)	(242)
22/06/2024	Delivered to employees	(87,118)	0.96	(83)	(135)
22/07/2024	Delivered to employees	(42,094)	1	(46)	(65)
11/09/2024	Purchase of shares	53,572	1.07	57	57
12/09/2024	Purchase of shares	5,325	1.07	6	6
16/09/2024	Purchase of shares	6,314	1.09	7	7
17/09/2024	Purchase of shares	84,789	1.09	92	92
22/10/2024	Delivery of shares	(17,772)	1.17	(21)	(22)
22/11/2024	Delivery of shares	(9,019)	1.12	(10)	(11)
22/12/2024	Delivery of shares	(15,218)	1.14	(17)	(19)
Total		**194,193**	**1.23**	**591**	**243**

e) Valuation adjustments

The main item recorded outside the statement of profit or loss is the valuation adjustments for assets classified as available-for-sale, corresponding to the amount of capital gains net of tax. The amount of capital gains net of the tax effect as of 31 December 2024 is €2,928 thousand (-€8,012 thousand of net capital gains as of 31 December 2023).

f) Solvency

As of the date these financial statements were prepared, the Company's Directors affirm that an internal risk and solvency assessment has been conducted, confirming that Línea Directa Aseguradora meets the overall solvency requirements based on its risk profile, approved risk tolerance thresholds, and business strategy.

The Company has established processes tailored to the nature, scale, and complexity of the risks inherent in its operations, enabling it to effectively identify and assess both short- and long-term risks it currently faces or may encounter.

The Directors anticipate no major obstacles to maintaining compliance with mandatory solvency capital and minimum capital levels that could jeopardise the going concern principle or the ongoing operations of the Company. The Financial Situation and Solvency report for the 2024 financial year awaits approval from the Administrators. The Financial Situation and Solvency report for Línea Directa Aseguradora for 2023 was approved by the Board of Directors during its meeting in March 2024.

15. Transactions with related parties

"Related parties", in addition to the dependent and associated entities, are considered to be the "key personnel" of the management of the Group (members of its Board of Directors and the Management Committee), as well as the shareholders who may directly or indirectly exercise control over the Group, and those with a significant influence on financial and operational decision making, as mentioned in ORDER EHA/3050/2004, of 15 September, on the information on related-party transactions to be disclosed by companies issuing securities admitted to trading on official secondary markets.

Following the admission to trading of Línea Directa Aseguradora on 29 April 2021, the Bankinter Group and all the companies comprising that group are considered significant shareholders. Prior to that date, the Línea Directa Group was part of the Bankinter Group, which held a 99.99% stake. From the day of admission to trading until 30 June 2021, as indicated in Note 14, Bankinter's percentage stake has been reduced to 17.42%, the bank having no representative on the Group's Board of Directors since the date of the IPO.

To aid comparison of information on related parties, Bankinter Group companies have been considered as significant shareholders in both 2024 and 2023.

The transactions detailed below were carried out with related parties:

a) Direct insurance transactions

2024

Direct Insurance	Premiums	Fees	Claims
Subsidiaries of the Company			
Línea Directa Asistencia, S.L.U	-	-	78,023
Centro Avanzado de Reparaciones CAR, S.L.U.	-	-	10,884
Ambar Medline, S.L.U.	-	270	-
Significant shareholders			
Bankinter S.A.	618	4,767	-
Bankinter S.A., Sucursal en Portugal	74	-	-
Bankinter Consumer Finance, S.L.U.	9	11	-
Evo Banco S.A.	-	104	-
Total at 31 December 2024	**701**	**5,152**	**88,907**

2023

Direct Insurance	Premiums	Fees	Claims
Subsidiaries of the Company			
Línea Directa Asistencia, S.L.U	-	-	79,920
Centro Avanzado de Reparaciones CAR, S.L.U.	-	-	11,075
Ambar Medline, S.L.U.	-	222	-
LDA Reparaciones, S.L.U.	-	-	1,680
Significant shareholders			
Bankinter S.A.	626	5,224	-
Bankinter S.A., Sucursal en Portugal	87	-	-
Bankinter Consumer Finance, S.L.U.	12	13	-
Evo Banco S.A.	-	107	-
Total at 31 December 2023	**725**	**5,566**	**92,675**

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Claims transactions mainly correspond to transactions carried out with the subsidiary Línea Directa Asistencia, S.L.U. for vehicle appraisals, as well as the provision of travel assistance services and vehicle repair services carried out by Centro Avanzado de Reparaciones CAR, S.L.U., also a 100% subsidiary of the Company.

Transactions for commissions correspond to commissions accrued for the sale of Company policies through Bankinter, S.A., Bankinter S.A, Sucursal en Portugal, Evo Banco.S.A. and Ámbar Medline, S.L.U, the Company's exclusive agent.

b) Transactions for services provided and received

	2024			
	Expenses		Income	
Services provided and received	**Services received**	**Interest and financial services**	**Services provided**	**Finance income and leases**
Subsidiaries of the Company				
Línea Directa Asistencia, S.L.U	2,204	-	150	6,147
Moto Club LDA, S.L.U.	-	-	3	-
Centro Avanzado de Reparaciones CAR, S.L.U.	-	-	59	157
Ambar Medline, S.L.U.	-	-	8	-
LDActivos, S.L.U.	-	-	30	552
Significant shareholder				
Bankinter, S.A.	1,208	337	-	2,584
Bankinter Consumer Finance, S.L.U.	15	-	545	-
Bankinter, S.A. Sucursal en Portugal	30	-	-	-
Total at 31 December 2024	**3,457**	**337**	**795**	**9,440**

	2023			
	Expenses		Income	
Services provided and received	**Services received**	**Interest and financial services**	**Services provided**	**Finance income and leases**
Subsidiaries of the Company				
Línea Directa Asistencia, S.L.U	2,251	-	179	2,800
Moto Club LDA, S.L.U.	-	-	3	-
Centro Avanzado de Reparaciones CAR, S.L.U.	(2)	-	57	167
LDA Reparaciones, S.L.U.	-	-	7	429
Ambar Medline, S.L.U.	-	-	8	-
LDActivos, S.L.U.	-	-	29	550
Significant shareholder				
Bankinter, S.A.	1,068	338	-	1,291
Bankinter Consumer Finance, S.L.U.	173	-	769	-
Bankinter, S.A. Sucursal en Portugal	43	-	-	-
Total at 31 December 2023	**3,533**	**338**	**1,052**	**5,237**

Transactions involving services received from the subsidiary Línea Directa Asistencia, S.L.U. primarily relate to vehicle verification services performed before issuing policies to policyholders, while the financial income stems solely from dividends distributed by this company from its reserves (refer to note 8.1.1.3).

The financial income from the subsidiary LDActivos, S.L.U. arises from a loan extended by the Company, as outlined in note 8.1.2) of this report.

All dealings with Group companies have been conducted under standard market terms.

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c) Balances with related parties

The headings of the balance sheets at 31 December 2024 and 2023 with related parties are detailed in the following table:

Financial year 2024

	Notes	Group company	Multi-group company	Associates	Significant shareholders	Total
Assets						
Equity instruments		**68,620**	**-**	**-**	**10,475**	**79,095**
Holdings in Group companies	8.1.1.3	68,620	-	-	-	68,620
Available-for-sale assets - Equity instruments	8.1.1.1	-	-	-	10,475	10,475
Debt securities		**23,199**	**-**	**-**	**6,965**	**30,164**
Fixed income securities	8.1.1.1	-	-	-	6,965	6,965
Loans	8.1.1.2	23,199	-	-	-	23,199
Cash and cash equivalents	**9**	**-**	**-**	**-**	**7,835**	**7,835**
Other loans receivable		**117**	**-**	**-**	**359**	**476**
Other receivables	8.1.1.2	117	-	-	359	476
Other assets		**15**	**-**	**-**	**101**	**116**
Accruals	8.1.1.1 and 8.1.1.2	15	-	-	101	116
At 31 December 2024		**91,951**	**-**	**-**	**25,735**	**117,686**
Liabilities						
Due to agents, brokers and intermediaries	13	53	-	-	-	53
Dividend pending payment	13 and 14	-	-	-	-	-
Other payables to group companies and associates	13	213	-	-	287	500
Provisions for claims	10	6,797	-	-	-	6,797
At 31 December 2024		**7,063**	**-**	**-**	**287**	**7,350**

Financial year 2023

	Notes	Group companies	Multi-group companies	Associates	Significant Shareholders	Total
Assets						
Equity instruments		68,904	-	-	10,550	79,454
Holdings in Group companies	8.1.1.3	68,904	-	-	-	68,904
Available-for-sale assets - Equity instruments	8.1.1.1	-	-	-	10,550	10,550
Debt securities		**21,528**	**-**	**-**	**4,747**	**26,275**
Fixed income securities	8.1.1.1	-	-	-	4,747	4,747
Loans	8.1.1.2	21,528	-	-	-	21,528
Cash and cash equivalents	**9**	**-**	**-**	**-**	**30,169**	**30,169**
Other loans receivable		**39**	**-**	**-**	**416**	**455**
Other receivables	8.1.1.2	39	-	-	416	455
Other assets		**26**	**-**	**-**	**49**	**75**
Accruals	8.1.1.1 and 8.1.1.2	26	-	-	49	75
At 31 December 2023		**90,497**	**-**	**-**	**45,931**	**136,428**
Liabilities						
Due to agents, brokers and intermediaries	13	-	-	-	-	-
Dividend pending payment	13 and 14	-	-	-	-	-
Other payables to group companies and associates	13	192	-	-	303	495
Provisions for claims	10	6,674	-	-	-	6,674
At 31 December 2023		**6,866**	**-**	**-**	**303**	**7,169**

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16. Territorial distribution of the business

The Company operates entirely in Spain and Portugal. Regarding Portugal, on 25 September 2017, the Company was authorised to operate in the Assistance sector. These operations are residual and not very significant in 2024 and 2023, therefore, it has not been considered relevant to break down information by geographical areas.

17. Tax position

Following the stock market listing of Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros in April 2021, Bankinter, S.A. ceased to serve as the Parent Company for VAT purposes of the Insurance Group, which comprised Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros and several subsidiaries (Línea Directa Asistencia S.L.U., Centro Avanzado de Reparaciones, CAR, S.L.U., Ambar Medline, S.L.U., and LDA Reparaciones). This resulted in the Insurance Group's withdrawal from VAT Group 128/09. At the same time and uninterruptedly, the Boards of Directors of these companies resolved to opt back into the Special Regime under Chapter IX of Title IX of Law 37/1992 on Value Added Tax, effective 1 April 2021, establishing the new VAT Group 0130/21, with Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros as the parent company.

Additionally, on 22 April 2015, Línea Directa Aseguradora, S.A. informed the Tax Administration of its decision to adopt the tax consolidation regime outlined in the Corporate Income Tax Law, forming a new tax consolidation group for this purpose. This group, Tax Consolidation Group No. 486/15, is headed by the parent Línea Directa Aseguradora, S.A. and includes the following companies:

Parent Company	
Línea Directa Aseguradora, S.A. Compañía de Seguros y Reaseguros	A80871031
Subsidiaries	
LDActivos, S.L.U.	B86322880
Li'nea Directa Asistencia, S.L.U.	B80136922
Ambar Medline, S.L.U.	B85658573
Moto Club LDA, S.L.U.	B83868083
Centro Avanzado de Reparaciones CAR, S.L.U.	B84811553

Law 27/2014 of 27 November on Corporate Income Tax establishes, among other aspects, the tax rate at which the Group is taxed in the financial years 2024 and 2023, which is 25%.

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The reconciliation between the accounting profit and the corporate income tax base for the financial years 2024 and 2023 is as follows:

	2024		2023	
	Statement of profit and loss	Income and expenses recognised directly in equity	Statement of Profit and loss	Income and expenses recognised directly in equity
Accounting profit/(loss) for the year	**62,456**	**-**	**(12,560)**	**-**
Corporate tax	16,467	-	(5,863)	-
Permanent differences:				
- Increases	2,735	-	2,158	-
- Reductions	(6,896)	-	(4,187)	-
Taxable profit/(loss)	**74,762**	**-**	**(20,452)**	**-**
Temporary differences:				
Originating in the year				
- Increases	10,676		18,024	
- Reductions	(7,795)	(14,589)	-	(29,801)
Originating in prior years				
- Increases		-	52,706	-
- Reductions	(18,353)	-	(6,072)	-
Tax base	**59,290**	**(14,589)**	**44,206**	**(29,801)**

The breakdown of expenditure for current and deferred corporate tax recognised in the statement of profit or loss in the 2024 and 2023 financial years is as follows:

	2024	2023
Current tax liabilities	12,598	11,373
Deferred tax adjustment	3,869	(17,237)
Corporate tax expense	**16,467**	**(5,864)**

The corporate tax expense results from applying a tax rate of 25% for the 2024 and 2023 financial years, on the accounting profit before tax adjusted for permanent differences and reduced by the deductions for the financial year:

	2024	2023
Accounting profit/(loss) before tax	78,923	(18,423)
Tax rate	25.00%	25.00%
Tax payable	19,731	(4,606)
Deductions on tax payable	(1,485)	(220)
Adjustment of corporate tax settlement for the prior year	(739)	(530)
Non-deductible expenses	684	539
Non-taxable income	(1,724)	(1,047)
Other deductions and applications, net	-	-
Corporate tax expense	**16,467**	**(5,864)**

Statement of profit and loss

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The permanent increases in the 2024 financial year stem from various transactions that are not deductible for corporate tax purposes, particularly contributions made by the Company tied to contingencies akin to pension plans, which are non-deductible under Article 14.2 of the Corporate Income Tax Act (LIS), as well as gifts made by the Company to the Línea Directa Foundation or other entities. The permanent reductions in 2024 arise from dividend distributions by Línea Directa Asistencia and gains from the redemption of shares in venture capital companies and funds.

Temporary differences arising in the financial year primarily relate to adjustments to provisions, which, per Articles 13 and 14 of the Corporate Income Tax Act, are not tax deductible. Reductions from prior financial years mainly reflect the reversal of positive adjustments to provisions that were non-deductible in those earlier periods.

Income and expenses recognised directly in equity

Temporary changes arising in the year are depreciation or revaluation of investments classified in the available-for-sale portfolio.

Tax assets and liabilities

The breakdown of the balance sheet balances of tax assets and liabilities at the end of the 2024 and 2023 financial years is as follows:

	2024	2023
Accounts receivable from the Tax Consolidation group	**4,013**	**1,918**
Tax assets	**9,496**	**13,904**
Current tax	**691**	**738**
Corporate tax – Tax consolidation group 2022 (note 15)	-	82
Withholdings from the year	691	656
Deferred tax	**8,805**	**13,166**
For temporary differences	8,805	13,166
Tax liabilities	**24,444**	**27,126**
Current tax	**5,437**	**11,384**
Corporate tax debt - Tax consolidation group (note 15)	5,437	11,384
Deferred tax	**19,007**	**15,742**
For temporary differences	19,007	15,742

Current tax assets reflect the corporate income tax withholdings for the financial year, which will be settled in the subsequent financial year.

Tax assets related to temporary differences arise from those differences occurring during the financial year and the tax impact of capital losses in the “available for sale”’ investment portfolio. As of 31 December 2024, these temporary differences are expected to reverse starting in the 2025 financial year. Consequently, deferred corporate tax is calculated by applying a 25% tax rate to the deductible temporary differences originating at year-end (increases) and the reversal of deductible temporary differences from the prior financial year (decreases).

Current tax liabilities represent the corporate tax payable for the financial year, adjusted for any payments made on account.
At 31 December 2024 and 2023, deferred tax liabilities correspond to the tax effect on:

1. The balance derived from the stabilisation reserve at the end of the year of €12,909 thousand (€10,960 thousand in 2023), which will be settled with the Tax

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Authorities in the year in which said provision is applied.

2. The tax impact of the capital gains on the "available for sale" investment portfolio of €6,099 thousand (€4,782 thousand in 2023).

The changes in deferred tax assets and liabilities for 2023 are detailed below:

		Recognised in profit and loss		Recognised in equity		
	Balance at 31.12.2023	**Acquisitions**	**Disposals**	**Acquisitions**	**Disposals**	**Balance at 31.12.2024**
Deferred assets						
Advance income tax	5,362	2,669	(4,588)	-	-	3,443
Capital losses on portfolio available for sale assets	7.452	-	-	-	(2,330)	5,122
Deferred tax liabilities	112	-	-	-	(56)	56
Rights for deductions and allowances	232	-	-	-	(56)	176
Pending deductions	-	-	-	-	-	-
Rights for pending deductions	-	-	-	265	(265)	-
50% limitation on utilisation of prior year tax losses	8	-	-	1	(1)	8
Total	**13,166**	**2,669**	**(4,588)**	**266**	**(2,708)**	**8,805**
Deferred liabilities	-	-	-	-	-	-
Tax effect of the stabilisation reserve	(10,960)	-	-	(1,949)	-	(12,909)
Capital gains on the portfolio of available for sale assets	(4,782)	-	-	(1,316)	-	(6,098)
Timing difference liabilities for deduction for maintaining employment	-	-	-	-	-	-
Total	**(15,742)**	**-**	**-**	**(3,265)**	**-**	**(19,007)**

Inspections in progress

On 9 April 2024, the Company was notified of the initiation of an audit by the Central Office for Large Taxpayers of the Tax Agency, focusing on a comprehensive review and investigation of the following taxes and periods:

- Corporate Income Tax for the financial years 2020 through 2022.
- Value Added Tax for the period from April 2020 to December 2022.
- Withholdings and advance payments related to income from employment, professional services, and economic activities for the period spanning April 2020 to December 2022.
- Insurance Premium Tax for the periods between April 2020 and December 2022.

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Additionally, on 9 May 2024, the Company received notice of an expansion of the audit and investigation to include Corporate Income Tax for 2019.

The inspection remains in progress, with the Company having received only the information requests necessary to advance the process thus far.

Given potential differing interpretations of the applicable tax laws related to these operations, certain contingent tax liabilities may arise. Nonetheless, these potential liabilities have been appropriately accounted for in provisions as of the financial year-end.

Regarding the Tax Agency’s audit of corporate income tax for the financial years 2011, 2012, and 2013, the assessments contested by the Company were appealed to the Central Economic-Administrative Court (TEAC) in 2019. On 13 December 2022, the TEAC issued a ruling that partially upheld the Company’s arguments. Subsequently, on 1 February 2023, the Company filed an administrative appeal with the National High Court to challenge the portion of the TEAC’s decision that was not in its favour. On 15 June 2023, the Company was notified of the opening of the period to formalise the lawsuit, which was submitted on 12 July 2023. On 5 July 2024, the Company presented its written statement of conclusions, and the appeal awaits a decision from the National High Court.

The Board of Directors considers that the outcome of this appeal is unlikely to result in significant issues, control deficiencies, or other risks that would materially affect the Company’s individual financial statements.

18. Technical income and expenses by non-life insurance

The breakdown of technical income and expenses for 2024 and 2023 is as follows:

Financial year 2024

	Total	Motor Civil Liability	Motor other Guarantees	Home	Assistance	Health
I.1.1. Direct insurance	1,019,606	389,696	436,498	157,858	1,694	33,860
I.1.3. Change in outstanding premium provisions	132	67	51	10	-	4
I.2. Premiums from ceded reinsurance	(25,056)	(2,369)	(3,036)	(4,338)	(35)	(15,278)
I.3. Change in unearned premium provisions	(28,093)	(11,684)	(9,996)	(4,421)	(570)	(1,422)
I.3.1. Direct insurance	(28,093)	(11,684)	(9,996)	(4,421)	(570)	(1,422)
I.4. Change in unearned premium provisions from reinsurance	826	-	-	-	-	826
I. Total premiums charged net of reinsurance	**967,415**	**375,710**	**423,517**	**149,109**	**1,089**	**17,990**
II.1. Income from investments in property, plant and equipment	69	45	24	-	-	-
II.2. Income from financial investments	39,292	20,435	10,797	5,034	74	2,952
II.3. Application of investment value adjustments	(282)	(185)	(97)	-	-	-
3.2. From investments in property, plant and equipment	-	-	-	-	-	-
3.2. From financial Investments	(282)	(185)	(97)	-	-	-
II.4. Gains/(losses) on realisation of investments	12,284	8,037	4,247	-	-	-
II.4.1. From investments in property, plant and equipment	-	-	-	-	-	-
II.4.2. From financial investments	12,284	8,037	4,247	-	-	-
II. Total investment income	**51,363**	**28,332**	**14,971**	**5,034**	**74**	**2,952**
III. Other technical income	**-**	**-**	**-**	**-**	**-**	**-**
IV.1. Claims provision paid	661,447	290,203	287,557	72,162	95	11,430
IV.1.1. Direct insurance	678,756	292,515	287,557	76,356	95	22,233
IV.1.3. Reinsurance ceded	(17,309)	(2,312)	-	(4,194)	-	(10,803)
IV.2. Change in provision for claims	28,590	18,941	2,600	6,423	-	626
IV.2.1. Direct insurance	29,552	22,166	2,547	3,699	2	1,138
IV.2.3. Reinsurance ceded	(962)	(3,225)	53	2,724	(2)	(512)
IV.3. Expenses attributable to services	57,882	34,516	7,654	13,090	7	2,615
IV. Total incurred claims, net of reinsurance	**747,919**	**343,660**	**297,811**	**91,675**	**102**	**14,671**
V. Changes in technical provisions	**-**	**-**	**-**	**-**	**-**	**-**
VI. Profit sharing	**310**	**-**	**-**	**-**	**310**	**-**
VII.1. Acquisition expenses	185,852	64,984	73,308	35,618	828	11,114
VII.2. Administrative expenses	24,125	5,456	11,750	6,073	185	661
VII.3. Fees and share of ceded reinsurance	(1,170)	-	(29)	-	-	(1,141)
VII. Total net operating expenses	**208,807**	**70,440**	**85,029**	**41,691**	**1,013**	**10,634**
IX.1. Change in insolvency provision	-	-	-	-	-	-
IX.3. Change in provision for settlement agreement	(28,453)	(28,686)	233	-	-	-
IX.4. Other technical expenses	6,025	1,910	4,115	-	-	-
IX. Other technical expenses	**(22,428)**	**(26,776)**	**4,348**	**-**	**-**	**-**
X.I. Investment management expenses	4,436	2,903	1,533	-	-	-
X.1.1. Expenses from managing investments in property, plant and equipment	1,494	978	516	-	-	-
X.1.2. Expenses from managing financial investment	2,942	1,925	1,017	-	-	-
X.2. Investment value adjustment	88	18	70	-	-	-
X.2.1. Depreciation of investments in property, plant and equipment	28	18	10	-	-	-
X.2.2. Impairment of investments in property, plant and equipment	-	-	-	-	-	-
X.2.3. From financial investment provisions	60	-	60	-	-	-
X.3. Losses on investments	10,469	6,850	3,619	-	-	-
X.3.1. Losses from investments in property, plant and equipment	-	-	-	-	-	-
X.3.2. Losses from financial investments	10,469	6,850	3,619	-	-	-
X. Total investment expenses	**14,993**	**9,771**	**5,222**	**-**	**-**	**-**
Result of the technical account of non-life insurance (I+II+III-IV-V-VI-VII-VIII-IX-X)	**69,177**	**6,947**	**46,078**	**20,777**	**(262)**	**(4,363)**

Individual Financial Statements 2024 (expressed in thousand euro)

Financial year 2023

	Total	Motor Civil Liability	Motor other Guarantees	Home	Assistance	Health
I.1.1. Direct insurance	973,281	371,593	421,091	149,430	783	30,384
I.1.3. Change in outstanding premium provisions	(220)	(102)	(92)	(19)	-	(7)
I.2. Premiums from ceded reinsurance	(23,556)	(1,943)	(3,108)	(4,891)	(11)	(13,603)
I.3. Change in unearned premium provisions	(12,955)	(7,175)	(2,482)	(2,564)	1	(735)
I.3.1. Direct insurance	(12,955)	(7,175)	(2,482)	(2,564)	1	(735)
I.4. Change in unearned premium provisions from reinsurance	67	-	-	-	-	67
I. Total premiums charged net of reinsurance	**936,617**	**362,373**	**415,409**	**141,956**	**773**	**16,106**
II.1. Income from investments in property, plant and equipment	68	44	24	-	-	-
II.2. Income from financial investments	31,105	15,913	8,512	4,028	23	2,629
II.3. Application of investment value adjustments	(290)	(189)	(101)	-	-	-
3.2. From investments in property, plant and equipment	-	-	-	-	-	-
3.2. From financial Investments	(290)	(189)	(101)	-	-	-
II.4. Gains/(losses) on realisation of investments	17,120	11,154	5,966	-	-	-
II.4.1. From investments in property, plant and equipment	-	-	-	-	-	-
II.4.2. From financial investments	17,120	11,154	5,966	-	-	-
II. Total investment income	**48,003**	**26,922**	**14,401**	**4,028**	**23**	**2,629**
III. Other technical income	**-**	**-**	**-**	**-**	**-**	**-**
IV.1. Claims provision paid	671,431	290,019	294,710	75,589	125	10,988
IV.1.1. Direct insurance	681,867	290,019	294,710	75,589	125	21,424
IV.1.3. Reinsurance ceded	(10,436)	-	-	-	-	(10,436)
IV.2. Change in provision for claims	76,976	62,386	6,601	7,330	(42)	701
IV.2.1. Direct insurance	86,860	68,192	6,573	10,723	(42)	1,414
IV.2.3. Reinsurance ceded	(9,884)	(5,806)	28	(3,393)	-	(713)
IV.3. Expenses attributable to services	56,539	32,121	7,325	14,326	-	2,767
IV. Total incurred claims, net of reinsurance	**804,946**	**384,526**	**308,636**	**97,245**	**83**	**14,456**
V. Changes in technical provisions	**-**	**-**	**-**	**-**	**-**	**-**
VI. Profit sharing	**393**	**-**	**-**	**-**	**393**	**-**
VII.1. Acquisition expenses	185,292	63,943	73,539	35,991	36	11,783
VII.2. Administrative expenses	22,826	1,578	14,456	5,875	23	894
VII.3. Fees and share of ceded reinsurance	(114)	-	(72)	-	-	(42)
VII. Total net operating expenses	**208,004**	**65,521**	**87,923**	**41,866**	**59**	**12,635**
IX.1. Change in insolvency provision	-	-	-	-	-	-
IX.3. Change in provision for settlement agreement	(27,198)	(28,040)	842	-	-	-
IX.4. Other technical expenses	5,105	502	4,600	-	-	3
IX. Other technical expenses	**(22,093)**	**(27,538)**	**5,442**	**-**	**-**	**3**
X.I. Investment management expenses	4,588	2,989	1,599	-	-	-
X.1.1. Expenses from managing investments in property, plant and equipment	1,653	1,077	576	-	-	-
X.1.2. Financial investment management expenses	2,935	1,912	1,023	-	-	-
X.2. Investment value adjustment	28	18	10	-	-	-
X.2.1. Depreciation of investments in property, plant and equipment	28	18	10	-	-	-
X.2.2. Impairment of investments in property, plant and equipment	-	-	-	-	-	-
X.2.3. From financial investment provisions	-	-	-	-	-	-
X.3. Losses on investments	13,958	9,094	4,864	-	-	-
X.3.1. Losses from investments in property, plant and equipment	-	-	-	-	-	-
X.3.2. Losses from financial investments	13,958	9,094	4,864	-	-	-
X. Total investment expenses	**18,574**	**12,101**	**6,473**	**-**	**-**	**-**
Result of the technical account of non-life insurance (I+II+III-IV-V-VI-VII-VIII-IX-X)	**(25,204)**	**(45,315)**	**21,336**	**6,873**	**261**	**(8,359)**

Individual Financial Statements 2024 (expressed in thousand euro)

19. Technical result of non-life insurance per year of occurrence

The breakdown of the technical result by year of occurrence for the non-life segments for the years ended 31 December 2024 and 2023 is as follows:

Financial year 2024

	Motor	Home	Health
I. Premiums earned (direct)	**809,300**	**155,557**	**32,572**
Net premiums of cancellations	838,657	159,968	34,067
+/- Change in provisions for unearned premiums	(29,476)	(4,421)	(1,499)
+/- Change in provisions for outstanding premiums	118	10	4
II. Premium from ceded reinsurance	**5,404**	**4,338**	**14,452**
Net premiums of cancellations	5,404	4,338	15,278
+/- Change in provisions for unearned premiums	-	-	(826)
A. Total premiums earned net of reinsurance (I-II)	**803,896**	**151,219**	**18,120**
III. Claims incurred (direct)	**642,926**	**94,325**	**26,767**
Claims and expenses paid for claims occurring during the financial year, including attributable claims expenses	642,979	93,574	26,920
Technical provisions for claims incurred in the year	(53)	751	(153)
IV. Reinsurance claims (ceded)	**1,650**	**1,738**	**11,710**
Claims and expenses paid for claims occurring during the financial year	1,650	1,738	11,786
Technical provisions for claims incurred in the year	-	-	(76)
B. Total claims net of reinsurance (III-IV)	**641,275**	**92,588**	**15,057**
V. Acquisition expenses	**138,292**	**35,618**	**11,114**
VI. Administrative expenses	**17,206**	**6,073**	**661**
VII. Other technical income and expenses	**(19,334)**	**-**	
VIII. Fees for ceded reinsurance	**(29)**	**-**	**(1,141)**
IX. Technical finance income net of expenses of the same nature	**28,310**	**5,034**	**2,952**
Profit/loss	**54,794**	**21,974**	**(4,620)**

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Financial year 2023

	Motor	Home	Health
I. Premiums earned (direct)	**773,230**	**148,717**	**30,158**
Net premiums of cancellations	790,511	151,300	30,593
+/- Change in provisions for unearned premiums	(17,087)	(2,564)	(428)
+/- Change in provisions for outstanding premiums	(194)	(19)	(7)
II. Premium from ceded reinsurance	**5,051**	**4,891**	**13,536**
Net premiums of cancellations	5,051	4,891	13,603
+/- Change in provisions for unearned premiums	-	-	(67)
A. Total premiums earned net of reinsurance (I-II)	**768,179**	**143,826**	**16,622**
III. Claims incurred (direct)	**663,719**	**95,449**	**26,307**
Claims and expenses paid for claims occurring during the financial year, including attributable claims expenses	663,748	93,977	26,211
Technical provisions for claims incurred in the year	(28)	1,472	96
IV. Reinsurance claims (ceded)	**3,681**	**2,110**	**11,500**
Claims and expenses paid for claims occurring during the financial year	3,681	2,110	11,452
Technical provisions for claims incurred in the year	-	-	48
B. Total claims net of reinsurance (III-IV)	**660,038**	**93,339**	**14,807**
V. Acquisition expenses	**137,482**	**35,991**	**11,783**
VI. Administrative expenses	**16,034**	**5,875**	**894**
VII. Other technical income and expenses	**(26,296)**	**-**	**3**
VIII. Fees for ceded reinsurance	**-**	**-**	**(42)**
IX. Technical finance income net of expenses of the same nature	**22,749**	**4,028**	**2,629**
Profit/loss	**3,671**	**12,649**	**(8,194)**

In the Health insurance segment, a provision for ongoing risks was established in the 2024 financial year amounting to €2,608 thousand, compared to €2,686 thousand in 2023 (refer to note 10).

In the assistance sector, claims are resolved at the time they occur, with no outstanding claims from prior periods. As a result, the technical account, which reflects a positive outcome, aligns with the occurrence account, eliminating the need for a provision for ongoing risks.

Individual Financial Statements 2024 (expressed in thousand euro)

20. Remuneration and other benefits for the Board of Directors and Senior Management

a) Remuneration and benefits

The remuneration accrued by the Company's Directors and Senior Management during 2024 amounts to €1,124 thousand and €3,202 thousand, respectively (€1,012 thousand and €3,391 thousand, respectively, in 2023), broken down as follows:

2024	Fixed salary	Variable salary	Remuneration in kind	Per diems	Consolidated social security	Total
Senior Management	2,287	639	209	-	67	3,202
Directors	841	51	20	212	-	1,124
Total	**3,128**	**690**	**229**	**212**	**67**	**4,326**

2023	Fixed salary	Variable salary	Remuneration in kind	Per diems	Consolidated social security	Total
Senior Management	2,819	286	225	-	61	3,391
Directors	822	4	19	167	-	1,012
Total	**3,641**	**290**	**244**	**167**	**61**	**4,403**

Senior management refers to the Company’s Management Team, excluding the CEO, who is classified as a Director alongside other members of the Board.

The Directors’ section covers the remuneration of Board members for their roles on the Board as well as their executive duties. In 2023, no remuneration details are provided for the former CEO, though he received the second deferred instalment of his termination package, deferred payments from prior variable compensation, and a non-competition clause payment totalling €194,301. In 2024, no data is reported for the former CEO, although he received the third deferred instalment of his termination benefits and deferred payments from previous variable compensation.

For Senior Management in 2023, the “Fixed salary” category includes amounts accrued for the exit of Management Committee members, as stipulated by applicable regulations.

The “Variable salary” category excludes amounts accrued during the financial year that are deferred to future years and subject to ‘malus and clawback’ provisions.

Specifically, in 2023, the deferred variable compensation for senior management, spread over the next three years (2025, 2026, and 2027), totals €28 thousand. For the CEO, the table reflects only the non-deferred portion of accrued salary, with an equivalent amount accrued in shares. The deferred portion, payable over the following 3 years (2025, 2026, and 2027), amounts to €3 thousand in cash, with an identical amount provided in shares.

In 2024, the deferred variable compensation for senior management, spread over the next three years (2026, 2027, and 2028), totals €375 thousand. For the CEO, the table reflects only the non-deferred portion of accrued salary, with an equivalent amount accrued in shares. The deferred compensation set for the next 3 years (2026, 2027, and 2028) amounts to €34 thousand in cash, with an equivalent amount awarded in shares.

Individual Financial Statements 2024 (expressed in thousand euro)

Other directors do not receive variable remuneration.

The “Per diems” category for the 2023 and 2024 financial years encompasses payments made to all individuals who served as Board of Directors members during each respective year.

The “Consolidated Social Security” category encompasses a defined contribution savings and retirement insurance plan, structured as a savings policy benefiting the Group’s Senior Management. In 2023, this savings policy accrued €61 thousand from company contributions and €12 thousand from individual contributions by managers, with its mathematical provision reaching €746 thousand by year-end. In the 2024 financial year, the policy accrued premiums of €67 thousand from company contributions and €9 thousand from managers’ individual contributions, resulting in a mathematical provision of €835 thousand at the end of the year.

The Group has a group insurance policy through which it implements its retirement pension commitments to certain senior management employees and the CEO. These defined contribution policies are also outsourced and regular contributions are made for the different members of the group (note 21). In 2024, this policy entailed premium payments totalling €1,270 thousand (€542 thousand in 2023), with no redemptions occurring. The mathematical provision for pensions allocated to Senior Management members stood at €12,623 thousand as of 31 December 2024 (€10,656 thousand in 2023). These contributions are excluded from the table above, as they represent unconsolidated remuneration subject to conditions that could prevent future receipt.

Additionally, during 2024, the Group paid €31 thousand in D&O insurance premiums (€65 thousand in 2023), covering Senior Management as well as other decision-making managers within the Group.

As at 31 December 2023 and 2024, there are no advances nor have any credits been granted by the Parent to the members of its Board of Directors or Senior Management, nor have any obligations been assumed on their behalf as a guarantee.

21. Other expenses and other income

The breakdown of expenses in the technical account for 2024 and 2023 is as follows:

	2024	2023
Change in the provision for payments under settlement agreements (note 12)	510	3,236
Change in certain recoveries due to settlement agreements	(950)	(1,971)
Payments and recoveries for claims settlement agreements	(28,012)	(28,462)
Expenses charged by purpose	6,024	5,103
Total other technical costs	**(22,428)**	**(22,094)**

The breakdown of other income and other expenses in the non-technical accounts is as follows:

	2024	2023
Cost of sending documentation to clients	43	43
Distribution costs of policies from other insurers	-	319
Default interest expenses	33	-
Other sundry costs	4	-
Total other non-technical costs	**80**	**362**
Income from credit card brokerage and policies from other insurers	437	536
Collection commission from Insurance Compensation Consortium	664	639
Income from bank branch management	977	1,032
Income from management expenses charged	633	622
Income from share in business profits contributed to Bankinter	247	329
Other sundry income	721	756
Total other non-technical income	**3,679**	**3,914**

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22. Other information

a) Guarantees with third parties

The amount of guarantees committed to third parties as of 31 December 2024 amounts to €43 thousand, mainly for warehouse rentals (€46 thousand as of 31 December 2023), and €1,753 thousand euro, corresponding to a line of guarantees for court claims (1,495 thousand euro as of 31 December 2023).

b) Staff expenses and average number of employees

The breakdown of staff expenses in 2024 and 2023 is as follows:

	2024	2023
Wages and salaries	85,262	82,098
Termination benefits	3,919	3,627
Other staff expenses	24,851	23,700
	114,032	**109,425**

The average number of employees on the workforce during 2024 and 2023, broken down by professional category, is as follows:

	2024			2023		
	Total	**Female**	**Male**	**Total**	**Female**	**Male**
Directors	70	38	33	67	36	31
Professional experts	334	162	172	343	164	179
Professionals	608	363	245	612	370	242
Staff	1,145	754	392	1,160	759	401
Total	**2,158**	**1,316**	**841**	**2,182**	**1,329**	**853**

Likewise, at the end of 2024 and 2023, the gender distribution of the Company's staff and directors, broken down by category and gender, is as follows:

	2024			2023		
	Total	**Female**	**Male**	**Total**	**Female**	**Male**
Board members	7	4	3	7	4	3
Directors	74	39	35	66	35	31
Professional experts	337	165	172	338	160	178
Professionals	606	363	243	614	368	246
Staff	1,130	748	382	1,196	792	404
Total	**2,154**	**1,319**	**835**	**2,221**	**1,359**	**862**

The average number of employees on the workforce with a degree of disability greater than or equal to 33% is 35 employees (33 employees in 2023).

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c) Extraordinary share-based remuneration plan linked to the IPO

The CEO and the Group Management Committee are part of a special Group remuneration plan that involves a share award over the three years following the IPO. This Plan, approved at the General Shareholders' Meeting on 18 March 2021—the designated award date—aims to incentivise and foster loyalty among its participants by providing the opportunity to receive a set number of shares in the three years after the Company's stock market debut. The main features of the Plan are as follows:

The number of shares allocated to each participant is calculated by dividing €100 thousand by the average share price over the thirty trading days following the IPO date. With an average price of €1.6339, this results in 61,203 shares per participant. Given 13 participants, the programme entails distributing a total of 795,639 shares, valued at €1,300 thousand.

Term and vesting conditions: The plan guaranteed the possibility of receiving 33% of the shares on the first anniversary date of the IPO (29 April 2022), the second batch of 33% on the second anniversary (29 April 2023), and the remaining 34% on the third anniversary (29 April 2024). The condition for the delivery of each batch of shares is that the participant is still with the Entity on the date of each of the three anniversaries, unless otherwise agreed, without prejudice to the shares already received being kept in the event of leaving, unless their return is required in application of the "clawback" clause.

The cost of the programme for the Company is recorded as a staff expense with a balancing entry in a reserve for own shares in equity in the consolidated balance sheet. This expense will be progressively written off on the three anniversaries as and when the shares are delivered to the employees.

As of 31 December 2023, and 2024, staff expenses accrued and recorded totalled €1,136 thousand. This amount was determined assuming all Plan participants meet the continuity requirement on each anniversary date.

The valuation of the incentive to be received in the form of shares in the Parent Company is based on the fair value of the equity instruments assigned at the grant date, factoring in the Plan's terms and conditions. Annually, until the award becomes irrevocable, the number of equity instruments used to calculate the transaction amount is adjusted.

The Parent held 637,586 own shares to support the remuneration plan. Following the IPO on 29 April 2021, during which 239,678 own shares were awarded in the Bankinter share exchange, the Parent Company has conducted multiple acquisitions, reported to the CNMV, to fully implement the remuneration plan. These shares were acquired at an average price of €1.57 each. The shares have been distributed progressively over subsequent years (see note 14 d), with the remaining shares retained in equity.

Of the thirteen participants in the plan, twelve are employees of the Parent, while one is employed by the Group company Línea Directa Asistencia, S.L.U.

Changes in own shares related to the directors' share delivery plan are outlined in note 14 d).

As of the date of this Report, the extraordinary plan tied to the IPO has concluded.

The Company will distribute the designated shares to the employee of the subsidiary Línea Directa Asistencia on each of the three anniversaries, with the subsidiary covering the associated costs. In return, the Entity will receive cash equivalent to the fair value of the delivered shares.

d) Employee share purchase plan through the Flexible Remuneration programme.

At the close of 2022, employees were invited to join a share purchase plan as part of their flexible remuneration package. This initiative targeted all employees of the Parent (excluding other group entities) who had at least six months of service, though it did not extend to board members.

The programme, a one-time offering running for two months (November and December 2022), was designed to simplify the acquisition of Línea Directa shares through a flexible remuneration scheme offering advantageous tax benefits. To qualify for inclusion in the flexible remuneration programme, the following terms applied: a maximum annual allocation of €12,000, a mandatory three-year holding period for the shares, and a cap ensuring in-kind remuneration did not exceed 30% of total remuneration at delivery, while preserving the minimum wage.

The plan was introduced with a 5% discount on the share price. The Plan received approval from the Board of Directors in September and October 2022, based on a report from the Appointments, Remuneration and Corporate Governance Committee.

Due to the favourable response to the 2022 Plan, the Board, upon the recommendation of the same committee, approved a more extended programme in June 2023. This new initiative aligns with the Remuneration Policy and includes the following features:

- Participants: The Plan targets all employees of Línea Directa Aseguradora and Línea Directa Asistencia with at least six months of service, excluding employees of other Group companies and all members of the Board of Directors (executive and non-executive).
- Company Discount: A 5% reduction on the market price of the shares.
- Duration: An annual share purchase programme spanning up to three years, concluding earlier if the maximum allocated shares are exhausted. Purchase periods will be set each year, adhering to any applicable blackout periods.
- Share Valuation: The number of shares to be distributed will be based on the average share price from the month preceding each delivery.
- Maximum Allocation: The plan is capped at €2,500,000.

Under this framework, purchase windows were activated in November and December 2023, June and July 2024, and October, November, and December 2024.

Changes in own shares related to the directors' share delivery plan are outlined in note 14 d).

e) Audit fees

The following is a breakdown of the fees for the audit of the accounts and other services provided by PricewaterhouseCoopers Auditores, S.L. during the financial year, for the consolidated and individual financial statements of the companies included in the consolidation (fees excluding expenses and VAT):

	2024	2023
Audit services*	268	279
Other services required by regulations	164	140
Other verification services	43	43
Total professional services	**475**	**462**

The accrued audit services amount pertains to the fees for auditing the financial statements of the entire Línea Directa group.

The category labelled "Other services required by regulations" primarily covers fees for reviewing the financial situation and solvency report of the parent company and its insurance subsidiaries, along with the independent external limited assurance verification of the Group's Sustainability Report.

The key components under "Other verification services" include fees for issuing the agreed-upon procedures report on the Group's Internal Control over Financial Reporting (ICFR) System, the limited review of the condensed consolidated interim financial statements for the year, and limited reviews of the subsidiaries within the group.

f) Financial structure

As of 31 December 2024 and 2023, the Company is the parent of the Línea Directa Aseguradora Group, whose subsidiaries are as follows:

Subsidiaries	Corporate Purpose	Shareholding
Línea Directa Asistencia, S.L.U	Vehicle inspections and roadside assistance	100%
Moto Club LDA, S.L.U.	Provides various services related to motorcycles	100%
Centro Avanzado de Reparaciones CAR, S.L.U.	Provides vehicle repair services	100%
Ambar Medline, S.L.U.	Insurance brokerage	100%
LDActivos, S.L.U.	Asset management	100%

In turn, Línea Directa Aseguradora S.A., Compañía de Seguros y Reaseguros, was a member of the Bankinter Group and fully consolidated until its stock market debut on 29 April 2021.

The Línea Directa Foundation was created on 17 July 2014, with a non-repayable gift to its founding endowment. The Foundation seeks to enhance road safety by preventing and reducing traffic accidents, encouraging responsible driving habits, advancing road safety education, participating in prevention efforts, providing support and care for accident victims, and undertaking any initiatives that further its objectives.

The subsidiary Moto Club LDA, S.L.U. discontinued its operations in November 2024.

g) Information on the environment and greenhouse gas emission rights

During 2023 and 2024, the Company neither invested in nor incurred expenses for environmental protection activities.

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The Directors believe there are no notable environmental protection or improvement-related contingencies, deeming it unnecessary to set aside provisions for environmental risks and costs as of 31 December 2024.

No funds have been allocated to these areas, and no adjustments to expenses or provisions occurred in 2024. Additionally, the Company has not entered into futures contracts or received subsidies tied to greenhouse gas emission rights.

Details of conflicts of interest involving administrators and related parties

As of the end of 2023 and 2024, neither the Company's Directors nor their related parties, as outlined in Article 229 of the Companies Act, have reported to fellow Board members any direct or indirect conflicts of interest with the Company's interests.

h) Customer Service

The legal framework regulating financial services provides customers with the appropriate level of protection to preserve confidence in the functioning of the markets. Within this framework, Order ECO/734/2004, of 11 March, on customer service and customer advocate departments and services of financial institutions, establishes the obligation for insurance entities to have a customer service department or service, which will address and resolve complaints and grievances submitted by their clients, related to their legally recognised interests and rights.

The decision will be reasoned and will contain clear conclusions regarding the request made in each complaint or claim, based on the contractual clauses, the rules of transparency and customer expectations applicable, as well as good financial practices and uses.

During 2024, 7,753 cases were handled (7,637 cases in 2023), of which 7.74% were complaints, 577 (8.25% complaints, 630 in 2023) and 92.56% grievances, 7,176 (91.75% grievances, 7,007 in 2023). Of the total indicated, 18.20% correspond to Contributions and Policy Management, 70.82% to Accident Management, 3.22% to the Travel Assistance service (21.02%; 66.39%; 3.34% respectively in 2023).

The breakdown by type of case managed by the Company during 2024 and 2023 is as follows:

	2024		2023	
	Number	**% of total**	**Number**	**% of total**
Complaints	577	7%	630	8%
Grievances	7,176	93%	7,007	92%
Total files managed	**7,753**	**100%**	**7,637**	**100%**

Individual Financial Statements 2024 (expressed in thousand euro)

The breakdown by department of the files generated by the company during 2024 and 2023 is as follows:

	2024		2023	
Contributions and Policy Management	**Number**	**% of total**	**Number**	**% of total**
Accident management	1,411	18%	1,605	21%
Travel assistance service	5,491	71%	5,070	63%
Other	250	3%	255	3%
Total files managed	601	8%	707	13%
Total files managed	**7,753**	**100%**	**7,637**	**100%**

Primary customer concerns include:

1. Denial of damage claims based on expert evaluations.
2. Disputes over compensation amounts and policy exclusions.
3. Delays in damage processing and repairs.
4. Issues with policy cancellations, particularly regarding processing and refunds of unutilised premiums.

In 2024, of all complaints and grievances processed, 32.97% were deemed valid (down from 39.86% in 2023), while 67.03% were found to be baseless (up from 60.14% in 2023).

Additionally, in 2024, a total of 684 cases were settled, resulting in 278 decisions favouring the claimant, 396 against, and 10 cases closed without a decision, primarily due to duplicate filings. The primary matters addressed typically involve:

- The application or interpretation of coverage
- The valuation or compensation of claims.

The proportion of resolutions unfavourable to the insured party increased in 2024 compared to the prior year. In 2024, out of 674 resolved cases, 396 were unfavourable to the insured party (with 10 cases closed without action), compared to 214 out of 488 in 2023. This translates to unfavourable rates of 58.75% in 2024 and 43.85% in 2023, marking a year-over-year increase of 14.90%.

In its Annual Report, the Customer Ombudsman recommends adopting a proactive stance and swiftly addressing complaint cases. This approach ensures that, through collaboration between LINEA DIRECTA and the Ombudsman, resolutions are achieved well ahead of the deadlines stipulated in consumer protection regulations under Royal Legislative Decree 1/2007 of 16 November, which enacts the Consolidated Text of the General Law for the Defence of Consumers and Users and related legislation. The goal is to resolve incidents for potential claimants as quickly as possible.

Additionally, the Ombudsman advises monitoring and ensuring compliance with favourable rulings or decisions benefiting the insured, as issued by LINEA DIRECTA. Failure to do so undermines the consumer protection objectives outlined in Order ECO/734/2004 of 11 March, tied to Law 44/2002 of 22 November.

Individual Financial Statements 2024 (expressed in thousand euro)

23. Objectives, policies and procedures for managing the risks arising from insurance contracts

The core risk in the insurance business lies in non-life underwriting risk, which encompasses two sub-risks: the premium sub-risk (concerning the adequacy of premium levels) and the reserve sub-risk (related to the adequacy of technical provisions).

The Company primarily mitigates these premium and reserve sub-risks through reinsurance. However, reinsurance introduces counterparty risk, stemming from the potential default on amounts recoverable from reinsurers.

Reinsurance policy

The reinsurance system followed by the Group is based mainly on an Excess of Loss (XL) structure applied to each business segment to achieve protection against serious losses or catastrophic losses and events caused by natural phenomena not covered by the Insurance Compensation Consortium, using reinsurance to provide stability against this type of random natural catastrophes, for both occurrence and amount, as well as the quota share reinsurance arrangement for the Health insurance segment signed in 2017.

On 1 September 2017, the Parent entered into a quota share reinsurance contract for the health insurance business, which expires on 31 December 2029 and comes with a two-year renewal option. This contract includes an assignment of 50% of the premium income and claims cost of most of the policies of the Health segment.

Until 2022, the contract also included a table of fixed and variable reinsurance commissions payable to the Group. The variable was calculated according to the premiums ceded during the term of the annual contract and the evolution of the accident rate during the agreed years, while the additional fixed commission was of a previously agreed amount. These commissions were capped. However, an addendum to the contract was signed in 2023, in which it was agreed that there would be no exchange of commissions between the parties. However, by agreement between the parties, in 2024 a decrease in expenditure was recorded for the management expenses commission recorded that is actually considered a cash advance.

It also envisions profit sharing at the Company based on whether positive technical results are obtained.

In the case of the early termination, compensation will be paid due to cancellation by any of the parties if they are unable to reach an agreement or in any other situation that frustrates the continuation and normal performance of the contract. However, early termination clauses that may pose a threat to the effective transfer of risks and rewards relate in all cases to extremely remote situations.

The performance of the technical result and the credit recognised by the Company will depend on the changes in the main technical aggregates, such as premiums, claims incurred, and acquisition and administrative expenses. There may therefore be differences in respect of the business plan defined by the Group.

The criteria followed for establishing the reinsurance network requires at least an ‘A’ rating of reinsurance companies. However, a deposit clause will be included in contracts of reinsurance companies with an S&P of rating below AA-. Any exception is approved by the Board of Directors.

The rating of the different entities that make up the reinsurance table is monitored on a quarterly basis, tracking the credit risk ratings published by Standard & Poors, thereby controlling the modification of the probability of default on the established commitments.

Premium sub-risk

The Technical Department of Línea Directa Aseguradora is responsible for modifying products and prices in accordance with the Company's general strategy. All these modifications are supported by actuarial analyses documented in the related technical notes and approved by the Technical Committee, which is the body responsible for managing this sub-risk. The Health segment is monitored by the Health Technical department.

The Technical Committee takes operational decisions that affect prices and risk underwriting terms for the products offered by Línea Directa Aseguradora, ensuring that they are consistent with the strategy and objectives established by the Board of Directors. To do so, it considers the proposals presented by the Technical Department, also taking into account data on the position of the business and the outlook provided by the relevant business areas.

Reserve sub-risk

The Company employs a statistical approach to calculate the provisions for claims in its Motor insurance segment, as permitted by the Directorate General of Insurance and Pension Funds' authorisation on 29 December 2021. This approval allows Línea Directa Aseguradora to determine technical provisions for claims in the motor insurance business using the stochastic Merz & Wüthrich methodology, complemented by the deterministic average cost methodology for comparison.

For estimating provisions for claims in the home, assistance, and health insurance sectors, as well as the healthcare modality, the Company applies an individual claim-by-claim valuation method.

The Company employs a statistical approach to calculate the provisions for claims in its home insurance segment, as permitted by the Directorate General of Insurance and Pension Funds' authorisation on 29 December 2021. This approval allows Línea Directa Aseguradora to determine technical provisions for claims in the motor insurance business using the stochastic Merz & Wüthrich methodology, complemented by the deterministic average cost methodology for comparison.

For estimating provisions for claims in the home, assistance, and health insurance sectors, as well as the healthcare modality, the Company applies an individual claim-by-claim valuation method.

The Claims and Reserves Committee oversees the management of the Company's reserve risk and reinsurance credit risk. Its responsibilities include monitoring the Company's reserves and provisions to ensure sufficient coverage for claims, as well as approving modifications to policies for initiating and provisioning claims across various coverages and guarantees. These actions ensure reserve adequacy in line with the guidelines set by the Company's Board.

Additionally, to comply with the eighteenth additional provision of Law 20/2015, dated 14 July—which mandates that technical provisions on the balance sheet reflect obligations from subscribed contracts—the following controls have been implemented for the provision for claims:

- Analysis of the trend in subsequent periods of cost deviations of claims occurring before the end of each period. The analysis is carried out based on the claims that have occurred and been declared on the closing date. Its purpose is to check and to correct possible cost deviations that occur in claims of those referred to as “long tail”, which are caused as a result of not having sufficient information at the reporting date to properly assess them.

- Performance of monthly and quarterly forecasts of claim costs.
- The Company's reserves position is also analysed by independent external consultants at least once a year and the findings are presented to the Board of Directors.

Concentrations of insurance risk

The Company's insurance business is located mainly within Spain, with no particularly significant concentration in any given geographical area.

The concentration of premiums for those autonomous communities in Spain showing a concentration of more than 5% for the periods 2024 and 2023 is detailed below:

	2024	2023
Andalusia	23.67%	23.36%
Catalonia	21.44%	21.17%
Madrid	12.02%	12.46%
Valencian Community	11.87%	12.11%
Murcia	4.70%	4.73%
Other	26.29%	26.17%
Total	**100.00%**	**100.00%**

On the other hand, the Company's business is focused on non-life segments (mainly motor vehicle risks), which, in terms of insurance premiums, shows the following distribution:

	2024				
	Total	**Motor risks**	**Home risks**	**Assistance risks**	**Health risks**
Gross written premiums (GWP)	1,019,606	826,194	157,858	1,694	33,860
Premiums ceded	(25,055)	(5,404)	(4,338)	(35)	(15,278)

	2023				
	Total	**Motor risks**	**Home risks**	**Assistance risks**	**Health risks**
Gross written premiums (GWP)	973,281	792,684	149,430	783	30,384
Premiums ceded	(23,556)	(5,051)	(4,891)	(11)	(13,603)

24. Events after the reporting period

No significant events have occurred between the end of 2024 and the date of preparation of these financial statements.

Individual Financial Statements 2024 (expressed in thousand euro)

3

Individual Management Report

1. Business performance

In 2024, an improved economic climate appears to have bolstered market confidence, despite a challenging global geostrategic landscape and uncertainties surrounding the international economic impact of Donald Trump's initial policy measures.

Between 26 October and 4 November 2024, the DANA triggered severe flooding in eastern and southern Spain, particularly affecting Valencia and Albacete. The Insurance Compensation Consortium, under the Ministry of Economy, will handle the majority of the resulting damages. Línea Directa responded by implementing a dedicated protocol, providing affected individuals with guidance, replacement vehicles, and complimentary legal support, while also partnering with the Red Cross to launch a donation and collection drive for critical supplies.

In 2024, Spain's Non-Life insurance sector recorded €42.99 billion in premiums, reflecting a 7.78% increase. The Motor segment, accounting for 28% of the total, saw an 8.88% rise, driven by higher average premiums and an expanded pool of insured vehicles. The used vehicle market thrived, with an 8.6% growth spurred by increased buying and selling activity. The Home insurance line rose by 9.2%, and Health by 7.4%, both maintaining strong profitability. However, the Motor sector's profitability remained pressured by elevated repair costs and injury claims.

Following the inflationary challenges of 2023, the Company achieved a robust performance throughout the 2024 financial year. Premiums, net of reinsurance, grew by 3.3% to 967.4 million, thanks to the positive evolution of all business lines. The non-life insurance technical account recorded a technical profit of €69.2 million. This favourable shift highlights the success of underwriting and claims management efforts, which turned around the previous year's loss. By the end of 2024, the combined ratio dropped to 96.4%, a 9.2 percentage point improvement from the prior year. The claims ratio showed remarkable progress, reflecting the growing impact of underwriting and claims management initiatives on the income statement. Net investment income climbed to €36.4 million, up 23.6%, bolstered by increased returns from the fixed income portfolio.

2. Economic and financial situation

The solvency ratio, calculated in accordance with Solvency II regulations, is 185% at the end of 2024 compared to 180% in 2023.

3. Outlook for 2025

Overall, geopolitical tensions have had a limited impact on global economic activity, with inflation rates stabilising, interest rates declining, and growth forecasts holding steady worldwide.

The trajectory of the Spanish economy in the near future will unfold within an international landscape shaped by the onset of the new Republican administration in the United States and the uncertainty tied to certain policies announced by the new president, particularly those promoting increased economic protectionism.

In 2025, key risks include heightened global trade fragmentation, the potential escalation of existing geopolitical conflicts, or a sharp drop in financial asset prices. Compounding these uncertainties are the pace of the ongoing disinflation process and the uncertain outlook for business investment and household spending, which has yet to surpass pre-pandemic levels.

Regarding the Company's outlook, in the Motor Branch, the goal is to enhance commercial momentum and substantially grow the client base. While claims costs are expected to be better managed, they will still be influenced by factors such as the injury scale, which is projected to rise by 2.8% in the 2025 financial year.

In the Home Insurance branch, the Company foresees notable expansion. Claims costs in this area will continue to be shaped by the frequency and severity of weather-related events.

Likewise, the Health sector is poised for accelerated growth. The consolidation of this sector under the Línea Directa brand for individual sales and cross-selling fuels optimism for 2025. The accident rate will keep mirroring the escalating costs of healthcare and hospital charges.

Expenses are expected to stay under control, with modest increases managed through ongoing cost oversight and the efficiency of internal operations.

The investment portfolio, on the other hand, is set to expand in size, with improved average yields driving financial income above the levels recorded in the 2024 financial year.

4. Information on deferral of payment to suppliers

The Company adheres to legal payment deadlines for its suppliers, and in certain instances follows specially negotiated terms, never exceeding 60 days. The average supplier payment period stands at 30.07 days.

5. Transactions with treasury shares

a) Extraordinary share-based remuneration plan linked to the IPO

The CEO and the Group Management Committee are part of a special Group remuneration plan that involves a share award over the three years following the IPO. This Plan, approved at the General Shareholders' Meeting on 18 March 2021—the designated award date—aims to incentivise and foster loyalty among its participants by providing the opportunity to receive a set number of shares in the three years after the Company's stock market debut. The main features of the Plan are as follows:

The number of shares allocated to each participant is calculated by dividing €100 thousand by the average share price over the thirty trading days following the IPO date. With an average price of €1.6339, this results in
61,203 shares per participant. Given 13 participants, the programme entails distributing a total of 795,639 shares, valued at €1,300 thousand.

Term and vesting conditions: The plan guaranteed the possibility of receiving 33% of the shares on the first anniversary date of the IPO (29 April 2022), the second batch of 33% on the second anniversary (29 April 2023), and the remaining 34% on the third anniversary (29 April 2024). The condition for the delivery of each batch of shares is that the participant is still with the Entity on the date of each of the three anniversaries, unless otherwise agreed, without prejudice to the shares already received being kept in the event of leaving, unless their return is required in application of the "clawback" clause.

The cost of the programme for the Company is recorded as a staff expense with a balancing entry in a reserve for own shares in equity in the consolidated balance sheet. This expense will be progressively written off on the three anniversaries as and when the shares are delivered to the employees.

As of 31 December 2023, and 2024, staff expenses accrued and recorded totalled €1,136. This amount was determined assuming all Plan participants meet the continuity requirement on each anniversary date.

The valuation of the incentive to be received in the form of shares in the Parent Company is based on the fair value of the equity instruments assigned at the grant date, factoring in the Plan's terms and conditions. Annually, until the award becomes irrevocable, the number of equity instruments used to calculate the transaction amount is adjusted.

The Parent held 637,586 own shares to support the remuneration plan. Following the IPO on 29 April 2021, during which 239,678 own shares were awarded in the Bankinter share exchange, the Parent Company has conducted multiple acquisitions, reported to the CNMV, to fully implement the remuneration plan. These shares were acquired at an average price of €1.57 each. The shares have been distributed progressively over subsequent years (see note 14 d), with the remaining shares retained in equity.

Of the thirteen participants in the plan, twelve are employees of the Parent, while one is employed by the Group company Línea Directa Asistencia, S.L.U.

Changes in own shares related to the directors' share delivery plan are outlined in note 14 d).

As of the date of this Report, the extraordinary plan tied to the IPO has concluded.

The Company will distribute the designated shares to the employee of the subsidiary Línea Directa Asistencia on each of the three anniversaries, with the subsidiary covering the associated costs. In return, the Entity will receive cash equivalent to the fair value of the delivered shares.

b) Plan for the delivery of shares to employees through the Flexible Remuneration programme.

At the close of 2022, employees were invited to join a share purchase plan as part of their flexible remuneration package. This initiative targeted all employees of the Parent (excluding other group entities) who had at least six months of service, though it did not extend to board members.

The programme, a one-time offering running for two months (November and December 2022), was designed to simplify the acquisition of Línea Directa shares through a flexible remuneration scheme offering advantageous tax benefits. To qualify for inclusion in the flexible remuneration programme, the following terms applied: a maximum annual allocation of €12,000, a mandatory three-year holding period for the shares, and a cap ensuring in-kind remuneration did not exceed 30% of total remuneration at delivery, while preserving the minimum wage.

The plan was introduced with a 5% discount on the share price. The Plan received approval from the Board of Directors in September and October 2022, based on a report from the Appointments, Remuneration and Corporate Governance Committee.

Given the positive reception of the 2022 Plan, in June 2023 the Board of Directors, at the proposal of the Appointments, Remuneration and Corporate Governance Committee, approved a longer-term programme, in accordance with the provisions of the Remuneration Policy and with the following characteristics:

- Participants: The Plan targets all employees of Línea Directa Aseguradora and Línea Directa Asistencia with at least six months of service, excluding employees of other Group companies and all members of the Board of Directors (executive and non-executive).
- Company Discount: A 5% reduction on the market price of the shares.
- Duration: An annual share purchase programme spanning up to three years, concluding earlier if the maximum allocated shares are exhausted. Purchase periods will be set each year, adhering to any applicable blackout periods.
- Share Valuation: The number of shares to be distributed will be based on the average share price from the month preceding each delivery.
- Maximum Allocation: The plan is capped at €2,500,000.

Under this framework, purchase windows were activated in November and December 2023, June and July 2024, and October, November, and December 2024.

Changes in own shares related to the directors' share delivery plan are outlined in note 14 d).

6. Use of derivative financial instruments

As of the end of 2024, the Company holds an Interest Rate Swap (IRS) to protect against rising interest rates, with an initial duration of 10 years. It has been confirmed that this instrument fully meets the effectiveness standards required for such financial tools.

7. Events after the closing date

There have been no significant events after the closing date of the financial statements.

8. Research and development

In 2024, the Company continued its research and development efforts, focusing on creating advanced software applications for managing car insurance.

9. Information on employees

As of 31 December 2024, the Company's workforce consisted of 1,319 women and 835 men, of whom 35 are employees with a degree of disability greater than or equal to 33%.

10. Complaints and customer ombudsman

Pursuant to Order ECO/734/2004 of 11 March, the Línea Directa Customer Service Department and the Customer Ombudsman have compiled two reports detailing their activities for 2024. Summaries of these reports are provided below:

a) Complaints and Grievances 2024

During 2024, 7,753 cases were handled (7,637 cases in 2023), of which 7.44% were complaints, 577 (8.25% complaints, 630 in 2023) and 92.56% were grievances, 7,176 (91.75% grievances, 7,007 in 2023). Of the total indicated, 18.20% correspond to Underwriting and Policy Management, 70.82% to Accident Management, 3.22% to Travel Assistance (21.02%; 66.39%; 3.34% respectively in 2023).

Primary customer concerns include:

1. Denial of damage claims based on expert evaluations.
2. Disputes over compensation amounts and policy exclusions.
3. Delays in damage processing and repairs.
4. Issues with policy cancellations, particularly regarding processing and refunds of unutilised premiums.

In 2024, of all complaints and grievances processed, 32.97% were deemed valid (down from 39.86% in 2023), while 67.03% were found to be baseless (up from 60.14% in 2023).

b) Customer Ombudsman:

Additionally, in 2024, a total of 684 cases were settled, resulting in 278 decisions favouring the claimant, 396 against, and 10 cases closed without a decision, primarily due to duplicate filings. The primary matters addressed typically involve:

- The application or interpretation of coverage
- The valuation or compensation of claims.

The proportion of resolutions unfavourable to the insured party increased in 2024 compared to the prior year. In 2024, out of 674 resolved cases, 396 were unfavourable to the insured party (with 10 cases closed without action), compared to 214 out of 488 in 2023. This translates to unfavourable rates of 58.75% in 2024 and 43.85% in 2023, marking a year-over-year increase of 14.90%.

In its Annual Report, the Customer Ombudsman recommends adopting a proactive stance and swiftly addressing complaint cases. This approach ensures that, through collaboration between LINEA DIRECTA and the Ombudsman, resolutions are achieved well ahead of the deadlines stipulated in consumer protection regulations under Royal Legislative Decree 1/2007 of 16 November, which enacts the Consolidated Text of the General Law for the Defence of Consumers and Users and related legislation. The goal is to resolve incidents for potential claimants as quickly as possible.

11. Other non-financial information

The Company is not required to present the non-financial information outlined in Law 11/2018 of 28 December, as this is addressed in the separate ‘Consolidated Non-Financial Information Statement and Sustainability Report 2024’ of the Línea Directa Aseguradora S.A. Group, within whose consolidation scope the Company is included. The consolidated financial statements, along with the consolidated management report containing this statement, will be submitted to the Madrid Mercantile Registry.

12. Annual Corporate Governance Report, ICFR and Annual Report on Directors' Remuneration.

In accordance with Article 538 of the Capital Companies Act, the Annual Corporate Governance Report (ACGR), the Internal Control over Financial Reporting Systems (ICFRS), and the Annual Report on Directors' Remuneration (ADRR) of Línea Directa Aseguradora, S.A., Compañía de Seguros y Reaseguros, for the financial year ending 2024, are integral components of the Consolidated Management Report. These reports are fully accessible on the National Securities Market Commission (CNMV) website and the Company's corporate website.

On 27 February 2025, the Board of Directors of LÍNEA DIRECTA ASEGURADORA, S.A., COMPAÑÍA DE SEGUROS Y REASEGUROS, in compliance with Article 253 of the Consolidated Text of the Capital Companies Act and Article 37 of the Commercial Code, approved the Financial Statements of LÍNEA DIRECTA ASEGURADORA, S.A., COMPAÑÍA DE SEGUROS Y REASEGUROS and the
Management Report for 2024, both of which are included in this document.

Mr. Alfonso Botín-Sanz de Sautuola y Naveda Chairman	Ms. Patricia Ayuela de Rueda Director
Ms. Rita Estevez Luaña Director	Ms. Elena Otero-Novas Miranda Director
Mr. John de Zulueta Greenebaum Director	Ms. Ana María Plaza Arregui Director
Mr. Fernando Masaveu Herrero Director	

CERTIFICATION is provided to confirm that the financial statements lack the signatures of any administrators, whether handwritten or via recognised electronic means, due to practical impediments arising from technical limitations imposed by the format and labelling requirements of Delegated Regulation EU 2018/815 of the European Commission.

Mr. Pablo González-Schwitters Grimaldo

Secretary of the Board of Directors