

Alternative performance measures

IFRS17&9

Línea Directa Aseguradora



June 2026



línea directa

Alternative performance measures

In addition to the financial information presented and prepared under IFRS-EU, the Company uses, throughout its financial publications, period-to-period comparison of certain financial measures and alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority on 5 October 2015 on alternative performance measures (the “ESMA Guidelines” and the “APMs”). These APMs are derived from the Company’s consolidated income statement, consolidated balance sheet, consolidated statement of cash flows or accounting records. Linea Directa believes that the presentation of the APMs included herein complies with the ESMA Guidelines.

The Company has presented these APMs, which are unaudited, as supplemental information because they are used by the Company’s management in making financial, operational and planning decisions, and they provide useful financial information that should be considered in addition to the financial statements prepared in accordance with the applicable accounting regulations (IFRS-EU), in assessing the Group’s performance. In addition, Linea Directa believes that the APMs presented herein may contribute to a better understanding of its results of operations by providing additional information on what the Company considers to be some of the drivers of its financial performance and because these APMs are in line with the main indicators used by the majority of the community of analysts and investors in capital markets.

APMs are not defined under and have not been prepared in accordance with IFRS-EU and should not be considered in isolation as they may be presented on a different basis than the financial information included in the Consolidated Financial Statements. In addition, the APMs presented may differ significantly from information reported by other companies under similar or analogous titles and may not always be comparable.

It is cautioned not to place undue reliance on these measures, which should be considered

as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU herein included. The APMs herein included have not been audited by the Company or any independent expert.

Some limitations of these APMs are:

- The fact that other companies in the industry may calculate loss, expense and combined ratios differently than the Company does, might limit their usefulness as comparative measures.
- Moreover, the usefulness of the loss, expense and combined ratio is inherently limited by the fact that these are ratios and thus do not provide information on the absolute amount of incurred claims for the year, operating and other technical expenses or the underwriting result.
- Average return is limited by the fact that other companies in the industry may calculate it differently than the Company does, thus limiting its usefulness as a comparative measure. Moreover, the composition of the investment portfolio varies significantly from company to company, making the risk-return comparison more complex.
- Modified duration is limited in that it assumes a linear relationship between interest rates and bond price. Such relationship is likely to be curvilinear. The more convex the relationship between interest rates and bond price, the more inaccurate duration is for measuring interest rate sensitivity and the variation of the financial securities.

01. Combined ratio

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The Non-Life **combined ratio** is a key management ratio and measures the relationship between the costs of the insurance service (claims incurred and other expenses attributable to the insurance service) and its revenue figure, all net of reinsurance.

This ratio measures the technical profitability of Non-Life insurance. A combined ratio below 100% indicates that the technical result is positive, while a combined ratio above 100% indicates that the technical result is negative.

Combined ratio = (Claims paid + change in liability for incurred claims + net operating expenses - recoveries received from reinsurance - change in liability for incurred claims ceded) / (Income from insurance contracts measured under PAA - Allocation of premiums from reinsurance contracts measured under PAA)

COMBINED RATIO

	6M 2026	6M 2025
Loss ratio	70.9%	71.1%
Expense ratio	20.2%	21.2%
Combined ratio	91.1%	92.3%

Which is equivalent to:

	6M 2026	6M 2025
Income from ordinary insurance activities, net of reinsurance	561,123	505,365
Claims incurred and expenses, net of reinsurance	(511,392)	(466,621)
Technical insurance result, net of reinsurance	49,731	38,744

LOSS RATIO

Thousand euro	6M 2026	6M 2025
Income from ordinary insurance activities, net of reinsurance	561,123	505,365
Claims for the year, net of reinsurance	(330,579)	(296,545)
Claims expenses	(67,266)	(62,835)
Loss ratio	70.9%	71.1%

EXPENSE RATIO

Thousand euro	6M 2026	6M 2025
Income from ordinary insurance activities, net of reinsurance	561,123	505,365
Acquisition expenses	(96,801)	(91,413)
Administration expenses	(16,816)	(15,829)
Reinsurance commissions	70	1
Expense ratio	20.2%	21.2%

02. Insurance financial result

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The **insurance financial result** includes the income derived from the Group's investment portfolio:

- **Income from investments:** interest on bank deposits, interest on fixed income securities, dividends on equity instruments, income from premium instalments and other financial income
- **Mark-to-market of mutual funds and derivatives**
- **Realised gains and losses registered in profit and loss** (excludes realised gains on equities, which are registered in OCI)
- **Impairments**, if any
- **Exchange rate and conversion differences**
- Income and expenses from **investment property**
- The credited interest, which shows the impact of last year's financial unwinding on the provision for claims incurred, is presented separately for ease of understanding

<i>Thousand euro</i>	6M 2026	6M 2025	% var.
Income	20,711	19,135	8.2%
<i>Interest on bank deposits</i>	300	451	-33.4%
<i>Interest on fixed income securities</i>	13,861	11,871	16.8%
<i>Income on equity instruments</i>	2,426	2,299	5.5%
<i>Other financial income</i>	4,124	4,514	-8.7%
Mark-to-Market	2,041	1,978	3.2%
Realised gains (losses) in P&L	(1,127)	(62)	-
Impairments	(132)	(7)	-
Exchange rate and conversion differences (+/-)	238	(394)	-160.4%
Financial investments result	21,730	20,650	5.2%
Investment property result	94	1,583	-94.1%
Net investments result	21,824	22,233	-1.8%
Credited interest	(3,419)	(3,074)	-11.2%
Insurance financial result	18,405	19,159	-3.9%

03. Investment portfolio returns

FIXED INCOME PORTFOLIO AVERAGE RETURN

It is calculated with the income earned from the fixed income portfolio over the last 12 months divided by the average fixed income portfolio over the same period. Includes realised gains/(losses) and impairments.

Excludes fair value adjustments.

EQUITY PORTFOLIO AVERAGE RETURN

It is calculated with the income earned from the equity portfolio over the last 12 months divided by the average equity portfolio over the same period. Includes realised gains/(losses) and impairments.

Excludes fair value adjustments.

FIXED INCOME PORTFOLIO AVERAGE RETURN

<i>Thousand euro</i>	6M 2026	6M 2025
Interest received and interest rate swap accrual	26,720	24,253
Realised gains/(losses)	(908)	(745)
Realised gains/(losses) - foreign exchange	(17)	324
Impairments	-	-
Average debt securities	975,411	847,263
Fixed income portfolio average return	2.64%	2.81%

EQUITY PORTFOLIO AVERAGE RETURN

<i>Thousand euro</i>	6M 2026	6M 2025
Dividends received	3,928	4,922
EIG income	-	-
Other equity mutual funds income/(expenses)	(352)	-
Realised gains/(losses)	6,510	2,036
Realised gains/(losses) - foreign exchange	(129)	93
Average shares and equity mutual funds	138,104	133,222
Equity portfolio average return	7.21%	5.29%

03. Investment portfolio returns

PROPERTY INVESTMENTS AVERAGE RETURN

Property investment average return is calculated from rental income earned over the last 12 months divided by the average property investments in that same period. Includes realised gains/(losses) and impairments.

Excludes fair value adjustments.

<i>Thousand euro</i>	6M 2026	6M 2025
Rental income	1,734	4,308
Realised gains/(losses) and impairments	-	-
Average property investments	63,064	58,931
Property investments average return	2.75%	7.31%

03. Investment portfolio returns

TOTAL PORTFOLIO AVERAGE RETURN (excludes cash and cash equivalents)

The total average return (excluding cash and cash equivalents) is calculated from the income earned from the portfolio over the last 12 months divided by the average assets under management (fixed income and equity portfolios and property investments) in that same period. It includes realised gains/(losses) and impairments.

Excludes fair value adjustments.

<i>Thousand euro</i>	6M 2026	6M 2025
Total average investments	1,176,578	1,039,415
<i>Average debt securities</i>	975,411	847,263
<i>Average shares and equity mutual funds</i>	138,104	133,222
<i>Average property investments</i>	63,064	58,931
Total investment income and net realised gains/(losses)	37,486	35,192
<i>Interest received and interest rate swap accrual</i>	26,720	24,253
<i>Realised gains/(losses) on debt securities</i>	(908)	(745)
<i>Realised gains/(losses) on debt securities - foreign exchange</i>	(17)	324
<i>Debt securities impairments</i>	-	-
<i>Dividends received on shares and equity mutual funds</i>	3,928	4,922
<i>EIG income</i>	-	-
<i>Other equity mutual funds income/(expenses)</i>	(352)	-
<i>Realised gains/(losses) on equities</i>	6,510	2,036
<i>Realised gains/(losses) on equities - foreign exchange</i>	(129)	93
<i>Rental income</i>	1,734	4,308
<i>Realised gains/(losses) on investment property</i>	-	-
Total average return (exc. cash and cash equivalents)	3.19%	3.39%

03. Investment portfolio returns

TOTAL PORTFOLIO AVERAGE RETURN WITHOUT REALISED GAINS/(LOSSES) (excludes cash and cash equivalents)

The total average return without realized gains/(losses) is calculated from the income earned from the portfolio over the last 12 months divided by the average assets under management (fixed income and equity portfolios and property investments) in that same period.

Excludes realised gains/(losses), impairments and fair value adjustments.

<i>Thousand euro</i>	6M 2026	6M 2025
Total average investments	1,176,578	1,039,415
<i>Average debt securities</i>	975,411	847,263
<i>Average shares and equity mutual funds</i>	138,104	133,222
<i>Average property investments</i>	63,064	58,931
Total investment income	32,382	33,483
<i>Interest received and interest rate swap accrual</i>	26,720	24,253
<i>Debt securities impairments</i>	-	-
<i>Dividends received on shares and equity mutual funds</i>	3,928	4,922
<i>Rental income</i>	1,734	4,308
Total average return (exc. cash and realised gains)	2.75%	3.22%

04. Other metrics

DURATION | FIXED INCOME PORTFOLIO

Years	6M 2026	6M 2025
Duration	3.53	4.09

Duration is a composite measure of the timing of a bond's cash flow characteristics taking into consideration its coupon and term to maturity.

It refers to the weighted average of time until cash flows (coupons and principal) are received, and it is measured in years.

This ratio makes it possible to measure the degree of volatility or risk in the Group's fixed income portfolios. The higher the duration of the portfolio, the greater the volatility of the prices of the securities when there are changes in interest rates.

MODIFIED DURATION | FIXED INCOME PORTFOLIO

(%)	6M 2026	6M 2025
Modified duration	3.91%	4.37%

Modified duration is the weighted average time until cash flows (coupons and principal) are received, divided by 1 plus the yield to maturity divided by the number of payments in a year.

This ratio makes it possible to measure an approximate value of the percentage variation of financial securities for each percentage point (100 basis points) change in interest rates.

The higher the modified duration of the portfolio, the greater the volatility of the prices of the securities when there are changes in interest rates.

Thank you

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