Electrolux Försäkringsaktiebolag
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LEI 549300425KLIS1SGB158 • office@electrolux-insure.com
www.electrolux-insure.com

Solvency and Financial Condition Report

Electrolux Försäkrings AB (Electrolux Insurance Co. Ltd.)

Financial year ended 31 December 2025 | Report date: 31 December 2025

Identification	
Registered office	S:t Göran's Gatan 143, 105 45 Stockholm, Sweden
Organisation number	516401-7666
LEI code	549300425KLIS1SGB158
Finansinspektionen identification number	22036
Established	26 April 1977
Operating as an insurer since	11 October 1993
Supervisor	Finansinspektionen (FSA)
Share capital	SEK 100,000,000
Parent company	Electrolux AB (publ), Stockholm
General / offers	office@electrolux-insure.com
Claims	claims@electrolux-insure.com

Prepared in accordance with Article 51 of the Solvency II Directive (EU) 2009/138, Commission Delegated Regulation (EU) 2015/35 (Chapter XII) and the EIOPA Guidelines on reporting and public disclosure.

Approved by the Board of Directors on 17 March 2026.

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Summary

Electrolux Försäkrings AB (the "Company", "Electrolux Försäkrings" or "we") is a Swedish non-life insurance company and a wholly-owned subsidiary of Electrolux AB (publ), the parent of the Electrolux Group. The Company has its head office at S:t Göran's Gatan 143, 105 45 Stockholm, and is authorised and supervised by Finansinspektionen (FSA). The Company underwrites commercial non-life insurance for companies within the Electrolux Group and selected corporate clients, covering accident, general liability, credit, surety/bond, financial loss, legal expenses and assistance risks. The business model is conservative and unchanged during the reporting year: a concentrated corporate book, prudent reinsurance arrangements, a short-duration investment portfolio, and a capital position held materially above regulatory requirements.

Key performance and solvency figures for the financial year ended 31 December 2025:

Key indicator	2025	2024
Net written premiums (SEK m)	31.8	30.4
Net earned premiums (SEK m)	30.3	29.1
Net claims incurred (SEK m)	18.3	16.8
Combined ratio	88.8%	86.6%
Profit for the year (SEK m)	9.1	9.5
Total assets (SEK m)	260	244
Eligible own funds (SEK m)	195.1	185.8
Solvency Capital Requirement (SEK m)	46.6	44.8
Solvency ratio (SCR coverage)	419%	415%
Minimum Capital Requirement (SEK m)	11.7	11.2
MCR coverage	1,668%	1,659%

Main conclusions from the information disclosed in this report:

- The risk profile remained within the risk appetite: net written premium grew 4.6% (2025 renewal cycle: average technical price action +3.5%), and the combined ratio normalised to 88.8% after the exceptionally favourable 2024 outcome, remaining solidly below 100%.
- The profit for the year of SEK 9.1 m and the net investment result of SEK 7.9 m reflect the stable technical result and the continued benefit of the prevailing yield environment.
- Effective 1 January 2025 the excess-of-loss cover was increased from SEK 25.0 m to SEK 30.0 m, further reducing net tail risk; the reinsurance programme is otherwise unchanged.

- The Company's solvency ratio of 419% exceeds the ORSA internal target of 300% with a comfortable margin; all stress and reverse-stress scenarios in the 2025 ORSA keep the Company above the 250% minimum acceptable level (worst combined case: approximately 386%).
- No event caused, or was reasonably likely to cause, non-compliance with the SCR or MCR (lowest monthly SCR coverage during 2025: 412%).

Five-year overview (SEK m)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Net written premiums	21.4	24.8	26.8	28.7	30.4	31.8
Profit for the year	6.5	5.9	6.8	7.3	9.5	9.1
Eligible own funds	98.4	105.9	115.2	176.3	185.8	195.1
Solvency Capital Requirement	33.6	36.9	39.8	43.1	44.8	46.6
SCR coverage	293%	287%	290%	409%	415%	419%
Combined ratio	92.2%	89.5%	91.0%	94.2%	86.6%	88.8%

1. Business and performance

1.1 General information about the business

The Company is a Swedish limited company (aktiebolag) established on 26 April 1977 as a group company within the Electrolux group, and has operated as a licensed non-life insurance company since 11 October 1993, when its insurance undertaking was approved by Finansinspektionen (FSA). During the 1990s and 2000s the Company primarily underwrote accident, general liability and credit risks of Electrolux group companies alongside a small reinsurance intermediation activity. In 2012-2013 the Company strategically refocused its portfolio, discontinued the intermediation activity and consolidated the group's commercial non-life program under a unified reinsurance arrangement; since 2014 the portfolio has been stable in composition, comprising accident, general liability, credit, surety/bond, financial loss, legal expenses and assistance lines.

The Company insures commercial non-life risks of companies within the Electrolux Group and selected corporate clients. The principal lines of business during 2025 were:

Line of business	**Net earned premium (SEK m)**	**Net earned premium prior year (SEK m)**
Accident	8.8	8.4
General liability	8.3	7.9
Credit	4.4	4.6
Surety / bond	3.5	3.2
Financial loss	3.0	2.8
Legal expenses	1.4	1.3
Assistance and other	0.9	0.9
Total	30.3	29.1

Net earned premium increased 4.1%. The accident and general liability lines each grew approximately 5% on the 2025 renewal cycle price action of +3.5%; the credit line decreased modestly following the 2024 obligor review; surety/bond, financial loss and legal expenses grew moderately.

The book is geographically concentrated in the EMEA region, reflecting the insured group's operations, with the largest exposures in Sweden, Germany, France, Italy and Poland. The portfolio is concentrated in the Electrolux Group and a small number of corporate clients (top 10 insureds: approximately 65-70% of net earned premium); this concentration is inherent to the business model, is accepted in the risk appetite statement, and is reflected in the standard formula calculation of the SCR (section 3.1).

Employees and organisation. The Company employed 13 people on a full-time-equivalent basis at year-end 2025 (12 at end-2024), organised in four functions: Underwriting, Claims & Risk, Finance & Administration, and Group Risk. Certain support services (fund management, IT infrastructure, internal audit and actuarial services) are outsourced to third-party providers, as described in sections 2.5 and 2.7.

Board of Directors and management at the reporting date:

Role	Name
Chair of the Board	Björn Thomas Wieland
Managing Director (CEO) / Board member	Ulrich Adamheit
Board member	Lars Anders Tärnholm

The Chief Financial Officer (CFO) is responsible for financial reporting, statutory and Solvency II quantitative reporting (QRT/SCOR) and liquidity monitoring. The Chief Risk Officer (CRO) leads the dedicated risk management function, which is organisationally independent from the underwriting function and has a direct reporting line to the Board. The actuarial function is performed by an external qualified actuary with direct access to the Board. The statutory audit is performed by Öhrlings PricewaterhouseCoopers AB (113 97 Stockholm), with Iuliia Zhuravel as the responsible auditor (huvudansvarig revisor).

Retained earnings at 31 December 2025: SEK 92.6 m. Retained earnings are positive and growing, consistent with the full profit-retention policy in force since 2013.

1.2 Reinsurance

The Company cedes a substantial share of its risk through a quota-share treaty combined with an excess-of-loss programme, which is reviewed annually by the Board. The programme in force during 2025 comprised:

Treaty	Scope	Terms	Recoverables (SEK m)
Quota-share (proportional)	Accident, financial loss and assistance lines	35% of premium and losses, 88% cession rate	approx. 3.5
Excess of loss (per event)	All lines, after retention	Retention 5.0, cover 25.0 (in force 1 Jan 2025; increased to 30.0 on 1 Jan 2026)	approx. 1.6
Stop-loss (aggregate)	All lines, aggregate basis	Attachment 108% of expected net losses (in force from 1 Jan 2023)	approx. 2.5
Total reinsurance recoverables, 31 Dec 2025			7.6

All reinsurance counterparties are rated A- or better by S&P (A or better by AM Best) and meet the FSA's requirements for reinsurance counterparty quality; counterparties are reviewed annually. Reinsurance recoverables are stated gross of any counterparty default allowance, as no counterparty is considered likely to fail (the largest single recoverable is from a counterparty rated A (S&P)). The net-to-gross ratio of written premium in 2025 was 64%.

1.3 Changes during the year

- Excess-of-loss cover increased from SEK 25.0 m to SEK 30.0 m effective 1 January 2025 (reducing net tail risk); the reinsurance programme is otherwise unchanged.
- One senior claims adjuster appointed (Q2 2025).
- No capital transactions; no changes to the Board of Directors or executive management.
- No material changes to the business model or the risk appetite statement.

1.4 Underwriting performance

Underwriting performance for the financial years 2025 and 2024 (net of reinsurance, SEK m):

	2025	**2024**
Gross written premium	49.7	47.8
Premium ceded to reinsurers	(17.9)	(17.4)
Net written premium	31.8	30.4
Change in unearned premium reserve	build-up of 1.5	build-up of 1.3
Net earned premium	30.3	29.1
Net claims incurred	(18.3)	(16.8)
Net acquisition and other operating expenses	(8.6)	(8.4)
Net technical result	3.4	3.9
Loss ratio	60.4%	57.7%
Expense ratio	28.4%	28.9%
Combined ratio	88.8%	86.6%

The combined ratio of 88.8% reflects a normalisation of the claims outcome after the exceptionally favourable 2024 result. The net prior-year reserve strengthening of SEK 1.4 m relates primarily to accident year 2021 (general liability, updated estimate on an open product liability matter; +2.2 m), partially offset by favourable development of SEK 0.8 m on accident years 2019 and 2020 (final settlement of long-tail general liability claims).

1.5 Claims analysis

Claims analysis (net of reinsurance, SEK m)	**2025**	**2024**
Claims paid during the year	14.1	13.2
Outstanding claims provision, 1 January	38.4	34.8
Outstanding claims provision, 31 December	42.6	38.4
Claims incurred	18.3	16.8
Of which: prior-year reserve strengthening (net)	1.4	3.6

No single claim event exceeded SEK 2.3 m (net of reinsurance) during 2025, and no event exceeded the Company's per-event retention of SEK 5.0 m. No single claim event exceeded the per-event retention in any of the years 2018-2025.

The largest net claim of the year was SEK 2.3 m, a product liability matter in Germany, settled in Q4 2025.

Claims development by accident year (net of reinsurance, SEK m; outstanding claims reserve as at 31 December 2025, comprising case reserves and the IBNR component):

Accident year	**Incurred claims**	**Paid to date**	**Outstanding claims reserve**
2021	17.7	12.2	9.9
2022	17.3	10.7	6.6
2023	17.9	11.5	6.4
2024	16.8	8.9	7.9
2025	18.3	8.5	10.2
Prior to 2021	24.7	23.3	1.6
Total			42.6
Outstanding claims reserve (OCR), 31 Dec 2025			42.6
Reserve adequacy: OCR as a multiple of current-year incurred claims			2.3x
Reserve adequacy: OCR as a multiple of prior-year incurred claims			2.5x
Reserve adequacy: OCR as a multiple of two-year			1.2x

incurred claims			

The net prior-year reserve strengthening of SEK 1.4 m relates primarily to accident year 2021 (general liability, updated estimate on an open product liability matter; +2.2 m), partially offset by favourable development of SEK 0.8 m on accident years 2019 and 2020 (final settlement of long-tail general liability claims).

Reserve adequacy methodology. The adequacy of outstanding claims reserves is reviewed quarterly by the Chief Actuary on the basis of: (i) case-by-case assessments of individual claims, with a management margin on large and complex files; (ii) chain-ladder projection of paid-to-paid triangles by line of business, with development factors sourced from the Company's internal triangles (accident years 2021-2025) and cross-checked against the Swedish non-life industry development patterns published by the industry association; and (iii) Bornhuetter-Ferguson estimation for the young accident years. Inflation assumptions: 2.0% p.a. for compensation-type costs (legal expenses, wages) and 1.5% p.a. for repair-type costs, consistent with the Riksbank's medium-term inflation guidance and the 2025 wage index developments. Reserves are carried with a prudent margin. The 2025 internal reserving study (finalised December 2025) did not identify any material additional strengthening requirement beyond the strengthening already booked, and the Chief Actuary confirmed to the Board that the reserves at 31 December 2025 are adequate.

1.6 Financial performance

Income statement (SEK m)	**2025**	**2024**
Net technical result	3.4	3.9
Investment result (net)	7.9	7.6
Other income	1.1	1.1
Other expenses	(0.9)	(0.8)
Profit before tax	11.5	11.9
Income tax (Swedish corporate tax, 20.6%)	(2.4)	(2.4)
Profit for the year	9.1	9.5

The profit for the year of SEK 9.1 m reflects the underwriting and investment performance described in this section. The profit for the year is retained in the Company, consistent with the capital management policy that all surplus capital be maintained to support the solvency position (section 5.1). No dividend was paid during 2025.

1.7 Investment performance

The Company's investment result was SEK 7.9 m in 2025 (2024: SEK 7.6 m), an effective yield of approximately 3.0% on the average invested asset base of approximately SEK 252 m (before netting of investment-related fees). The investment portfolio is managed in line with the Investment Policy approved by the Board, which requires: (i) a minimum liquidity buffer; (ii) an average portfolio duration target of 2.5-3.5 years, approximating the expected duration of technical provisions; (iii) a minimum credit quality of A-/A3 (S&P/Moody's) for all fixed-income issuers; (iv) a maximum equity beta of 0.6 at portfolio level; and (v) investment of funds only through UCITS-compliant structures. No hedging instruments (derivatives) were used during 2025.

Investment result (SEK m)	**2025**	**2024**
Income from debt securities	4.4	4.1
Income from cash and deposits	2.8	2.8
Income from investment funds	1.5	1.5
Realised gains/losses (net)	0.7	0.9
Unrealised gains/losses (net)	0.3	0.4
Investment-related expenses	(1.8)	(2.1)
Investment result (net)	7.9	7.6

The result reflects the market environment in 2025: the Swedish 10-year government bond yield declined modestly during the year and equity markets were positive for the year. All assets were valued in line with the Solvency II hierarchy of valuation techniques at 31 December 2025 (section 4.1); no material impairment was identified and no valuation technique required deviation from observable market prices.

2. System of governance

2.1 General information on the system of governance

The Company's system of governance complies with Title I, Chapter 4 of the Solvency II Directive, the FSA's general rules and guidelines (FFFS 2016:30 et seq.) and the Swedish Corporate Governance Code to the extent applicable. The governance framework is documented in the Company's Governance Manual (last fully revised 2022, subject to annual Board review) and was reviewed by the Board during 2025. The allocation of responsibilities is as follows:

Body / role	**Responsibilities**
Board of Directors	Ultimate responsibility for the Company, including approval of the business plan, risk appetite statement, risk management framework, internal control system, capital management policy, outsourcing policy and this SFCR. The Board meets at least six times per year and met eight times in 2025; risk, solvency and ORSA outcomes are standing agenda items at every meeting. The Board acts as the audit committee.
Managing Director (CEO)	Day-to-day management; execution of Board decisions; operation of the risk management and internal control framework.
Chief Financial Officer (CFO)	Financial reporting; statutory and Solvency II quantitative reporting (QRT/SCOR); liquidity monitoring.
Chief Risk Officer (CRO)	Risk management function (independent from underwriting); risk register; risk reporting; ORSA; counterparty risk monitoring; reinsurance programme oversight; direct access to the Board.
External actuary	Valuation and quarterly re-assessment of technical provisions; claims reserve development monitoring and adequacy testing; support to the ORSA and the solvency calculation; direct access to the Board.
Internal audit (outsourced)	Independent assessment of the effectiveness of governance, risk management and internal control; reports functionally to the Board (section 2.5).

The key functions (risk management, compliance, actuarial, internal audit, claims) are organisationally independent from underwriting and business development. No individual holds conflicting responsibilities; the CEO, CFO and CRO do not concurrently hold positions in the underwriting unit. Segregation of duties is maintained in the premium, claims and investment accounting functions.

2.2 Fit and proper assessments

The Board performs annual (and ad hoc) fit and proper assessments of all executive management and Board members in accordance with the FSA's requirements, covering: (i) honesty, integrity and independence of judgement; (ii) relevant knowledge, experience and competence; (iii) ability to perform the role duties diligently and in good faith; and (iv) absence of grounds for exclusion (e.g. criminal record, creditworthiness for senior financial roles). The 2025 assessment confirmed that all individuals continue to meet the fit and proper requirements. The Board and executive management complete at least annual compliance training in insurance regulation (Solvency II, GDPR, AML). No changes to the Board of Directors or executive management during 2025.

2.3 Risk management system, including the Own Risk and Solvency Assessment (ORSA)

The Company operates a proportionate, documented risk management system comprising five elements: (1) risk identification and the risk register; (2) risk appetite and tolerance; (3) risk measurement and monitoring through Key Risk Indicators (KRIs); (4) scenario analysis and stress testing; and (5) the ORSA, performed at least annually.

Risk register. All material risks are identified, categorised (underwriting, market, credit, liquidity, operational, strategic, compliance/reputational, concentration) and recorded in the Company risk register. Each risk is assigned an owner, an inherent and residual rating (5x5 scale), and mitigating controls. The register is reviewed quarterly by the CRO and reported to the Board at least semi-annually.

Risk appetite. The Board-approved Risk Appetite Statement (re-approved January 2025) sets the following quantitative limits and qualitative statements:

Risk appetite limit	**Value**	**Status 2025**
Minimum SCR coverage	250% (target 250-350% before June 2023; 300% minimum from June 2023)	Within (actual 419%)
Minimum MCR coverage	500%	Within (actual 1,668%)
Maximum single-insured share of net earned premium	15%	Within (largest approx. 11%)
Maximum counterparty credit exposure	10% of total assets	Within (largest approx. 9-10%)
Regulatory breach	Zero tolerance	Complied
Operational incidents	Tolerance for moderate incidents with prompt remediation	Complied

Key Risk Indicators are monitored monthly: combined ratio by line of business, loss ratio development vs expected, reserve adequacy (OCR as a multiple of incurred claims), solvency ratio, liquidity coverage ratio, counterparty exposure concentrations, and operational error/incident rates. KRI breaches of tolerance trigger defined escalation to the CRO and, for material breaches, the Board. No KRI was outside tolerance at any point during 2025.

The 2025 ORSA included quantitative stress tests and a reverse stress test. The projected SCR coverage under each scenario is as follows:

Scenario (ORSA 2025)	**Projected SCR coverage (%)**
Base case (31 Dec 2025)	419
Interest rate +150 bps	406
Equity market -30%	399
Combined -30% equity / +150 bps rates	386
Underwriting loss 2x underwriting SCR module	392
Claims outflow at 150% for 12 months	389
Default of largest reinsurance counterparty	408
Worst combined case	386

Reverse stress test. The binding reverse-stress scenario remained a persistent deterioration of the combined ratio above 115% for three consecutive years combined with adverse market movements. The analysis confirmed that the Company's viability would be preserved under the identified scenario given the capital buffer, and that early-warning indicators (combined ratio trend, solvency ratio) would signal the deterioration at least 12-18 months ahead. All individual and combined stress scenarios kept the projected solvency ratio above the Company's minimum acceptable level of 250%. ORSA conclusions: the risk profile remains within the risk appetite; the SCR and MCR continue to be met with a substantial margin; the liquidity position is robust; and the business plan (2026-2028) is viable across the tested scenarios. The Board approved the ORSA conclusions and required no corrective actions. The full ORSA is maintained as a separate document and is available to Finansinspektionen on request.

2.4 Internal control

The internal control system covers all business processes and is based on a control framework with five components: control environment, risk assessment, control activities, information and communication, and monitoring. Key elements include:

- Underwriting controls: mandatory risk assessment and pricing approval before binding, with delegated authority limits (single risk authority up to SEK 1.0 m net per risk to the Head of Underwriting; above that, CFO and CRO sign-off).

- Claims controls: independent case review of claims above SEK 250k, settlement approvals by the CRO above SEK 1.0 m, and quarterly reserve reviews by the Actuary.
- Financial reporting controls: segregation of duties across premium, claims and investment accounting; reconciliation of all sub-ledgers to the general ledger; quarterly internal review of the statutory and Solvency II accounts before submission.
- IT and access controls: role-based access rights, change management for the insurance core system, and business continuity arrangements (recovery time objective: 5 business days for the core policy/claims system).
- Regulatory compliance: an obligation register tracking all FSA reporting deadlines (QRT, SCOR, SFCR, own-funds reporting); all 2025 regulatory filings were made within deadlines with no restatements.

The effectiveness of internal control is assessed annually by management and by internal audit. The 2025 assessment identified no material weaknesses; the minor observations identified during the year (relating to claims-file documentation completeness and the timeliness of a counterparty credit review) were remediated within 60 days and verified as closed by internal audit in Q4 2025.

2.5 Internal audit

Internal audit is outsourced to the Company's statutory auditor group, Öhrlings PricewaterhouseCoopers AB, or an independent professional services firm with no other engagement with the Company beyond internal audit (no audit of the financial statements, no management consulting for the Company). The internal audit plan is approved by the Board annually; the 2025 plan covered underwriting and reinsurance administration, claims and reserving, financial reporting and regulatory compliance, and IT general controls. All planned audits were completed; findings and management responses are reported to the Board, which acts as the audit committee. The internal audit function reports functionally to the Board and operationally to the CEO.

2.6 Actuarial function

The actuarial function is performed by an external qualified actuary (qualified under a recognised actuarial body) engaged on a fixed-term basis, with support from the Company's CRO. Responsibilities: valuation and quarterly re-assessment of technical provisions; claims reserve development analysis and adequacy testing; support to the ORSA and stress testing; and review of pricing adequacy. The actuary reports directly to the Board annually on reserve adequacy; the 31 December 2025 review concluded that outstanding claims reserves are adequate and prudent. The appointment was re-confirmed by the Board in December 2025.

2.7 Outsourcing

In line with the FSA's outsourcing requirements, the Company maintains an outsourcing policy and a register of all critical and important outsourcing arrangements. Material outsourced services at 31 December 2025:

Service	**Provider (category)**	**Criticality**
Investment fund management (balanced and bond funds)	External asset management companies	Critical
Internal audit	Independent professional services firm	Critical
Actuarial services	External qualified actuary	Important
Core insurance IT platform (hosting and maintenance)	Insurance technology vendor	Critical
Legal counsel	External law firms	Important

All critical arrangements are governed by written service-level agreements with defined performance metrics, exit provisions, and the right of the provider and the Company to grant access to information to the FSA. The Company retains responsibility for compliance with all regulatory obligations; no outsourcing arrangement transfers regulatory responsibility. Providers are subject to due diligence (financial soundness, regulatory standing, sub-outsourcing visibility) at onboarding and annually thereafter. No new critical outsourcing was entered into during 2025.

3. Risk profile

The Company's risk profile at 31 December 2025, and its change during the year, is described below. The risk profile is dominated by underwriting risk (reflecting the nature of the business), followed by market risk on the investment portfolio, with counterparty credit risk, liquidity risk and operational risk at moderate levels.

3.1 Underwriting risk

Underwriting risk - the risk of an unfavourable deviation of the actual loss pattern from the expected pattern - is the Company's most material risk. It comprises premium risk (volume and price deviation on the current-year book), reserve risk (development of outstanding claims reserves and IBNR), and catastrophe/aggregate risk (multiple or exceptionally large losses). Premium risk is managed through: (i) the underwriting guidelines and delegated authority limits; (ii) active pricing reviewed at least annually against claims experience and the pricing adequacy study; (iii) exposure caps by line of business and by single insured (maximum 15% of net earned premium per single insured; the largest insured accounted for approximately 11% of 2025 net earned premium); and (iv) the reinsurance programme described in section 1.2. Reserve risk is managed through the quarterly reserving process (section 1.5), conservative reserving methodology, and a management buffer embedded in large case reserves; cessions apply to reserves as well as incurred losses. The portfolio is concentrated in the EMEA region and in the Electrolux Group and a small number of corporate clients; this concentration is accepted in the risk appetite statement and is explicitly reflected in the standard formula calculation (the premium risk variable and the counterparty credit module). No single country or line of business exceeds the internal concentration tolerance. The underwriting risk profile in 2025 was broadly stable compared to 2024: net written premium grew, the claims outcome was favourable, and the outstanding reserve base increased in line with premium growth.

3.2 Market risk

Market risk arises on the investment portfolio: interest rate risk (SEK 84.7 m of debt securities, average modified duration approximately 2.8 years), equity risk (SEK 42.7 m in balanced investment funds, with an aggregate equity exposure of approximately 40% of fund units), credit spread risk, and a minor foreign exchange exposure (approximately 8% of the bond portfolio in EUR and NOK). Market risk is managed through the Investment Policy (section 1.7): duration matched to the expected outflow profile of technical provisions (target 2.5-3.5 years), minimum investment-grade quality, equity beta cap of 0.6, and a cash buffer. The estimated value-at-risk (99%, one day) of the investment portfolio at 31 December 2025 was SEK 4.6 m, and the 150 bps rate shock used in the ORSA reduces the portfolio value by approximately SEK 5.2 m - equivalent to a reduction of the solvency ratio of about 8-11 percentage points, well within the capital buffer. Foreign exchange risk is limited; EUR and NOK exposures are substantially covered by matching EUR/NOK denominated liabilities. No hedging instruments (derivatives) were used in

2025. The market risk profile in 2025 was marginally higher than 2024 due to the larger invested asset base; its composition (share of cash, bonds, funds) was broadly unchanged.

3.3 Credit risk

Credit risk comprises counterparty default risk on the investment portfolio, reinsurance counterparty risk (SEK 7.6 m recoverable from the three reinsurers), and other receivable risk (other receivables SEK 1.5 m; no single counterparty exceeds 30% of total assets). Management measures: minimum A-/A3 rating on all fixed income issuers; maximum 10% of total assets per single issuer (largest single issuer - Swedish government bonds: approximately 9-10% of total assets); reinsurance counterparties minimum A- (S&P) / A (A.M. Best) with annual counterparty reviews; and investment of funds only through UCITS-compliant structures. No exposure to non-investment-grade issuers, distressed securities, or unrated counterparties. Credit risk in 2025 was stable compared to 2024: no counterparty default, rating downgrade below the threshold, or recoverability concern occurred.

3.4 Liquidity risk

Liquidity measures, 31 December 2025	**Value**
Liquid assets (cash, debt securities, investment funds)	SEK 250.9 m (96.5% of total assets)
Technical provisions (best estimate)	SEK 50.3 m
Expected net claims outflows, next 12 months (base case)	SEK 14.2 m
Expected net claims outflows, next 12 months (stress case, +50%)	SEK 21.3 m
Liquidity coverage ratio (base / stress)	17.7 / 11.8 (internal minimum: 3)
Cash and short-dated instruments as % of technical provisions	246% (internal minimum: 25%)

Liquid assets exceed 12 months of stressed claims outflows by more than 10x, and exceed total technical provisions by more than 4x. Claims outflows are the principal cash requirement of the Company; there are no significant maturities of illiquid assets within the 12-month liquidity horizon. The liquidity risk profile in 2025 was broadly stable to slightly improved relative to 2024.

3.5 Operational risk

Operational risk covers the risk of loss from inadequate or failed internal processes, people, systems, or external events. Sources include: underwriting and pricing errors, claims handling errors, reserving errors, IT system failures or data loss, fraud, regulatory non-compliance, and key-person dependency. Management measures: documented and tested processes; segregation of duties (section 2.4); delegated authority limits; dual control on payments above

SEK 100k; business continuity and disaster recovery arrangements (RTO 5 business days); cyber risk controls (access management, encryption, backup testing); key-person policies and succession documentation for the CEO, CFO and CRO; and annual staff training. The error/incident register recorded 14 minor operational incidents in 2025 (all remediated; none material; total gross cost below SEK 150k). The operational risk module in the SCR calculation (SEK 5.9 m) reflects the Company's net premium, technical provisions, expense base and the standard formula 2025 parameters. Operational risk in 2025 was stable compared to 2024.

3.6 Other material risks

Strategic and business risk: the risk that the business model (a concentrated corporate book within the Electrolux Group) changes due to group restructuring. Mitigated by the multi-line portfolio, the group's multi-decade relationship with the Company, and the capital buffer; the Board monitors group strategy developments through the parent-company relationship. Compliance and regulatory risk: risk of breach of FSA requirements, mitigated by the obligation register, regulatory training, and internal audit coverage (section 2.4); no regulatory sanctions, findings or material inquiries were received in 2025. Reputational risk: managed through the risk management framework and the claims handling standards; no material reputational events in 2025. Climate-related risk: physical and transition climate risks affect the underwriting portfolio (accident and liability lines of group industrial operations) and the investment portfolio; the Company monitors climate exposure qualitatively, and the investment counterparties are required to disclose climate transition plans in the annual counterparty review. No separate quantitative climate stress test was considered proportionate for the 2025 ORSA; the standard market and underwriting stress tests encompass the principal climate channels at the Company's scale.

3.7 Any other information

The Company does not use a matching adjustment, volatility adjustment, or transitional measure for solvency purposes. No risk mitigation technique other than the reinsurance described in section 1.2 is applied.

4. Valuation for solvency purposes

4.1 Assets

Assets are valued in accordance with the Solvency II hierarchy of valuation techniques (Article 75, Delegated Regulation 2015/35). Assets for which there are active market prices are valued at those prices; for the remainder, observable market-based valuation techniques are used. No Level 3 assets are held, and no material deviation exists between the values in the statutory financial statements and Solvency II values.

Solvency II balance sheet - assets (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Cash and cash equivalents	123.5	113
Debt securities - government and quasi-government	40.8	38.6
Debt securities - corporate (investment grade)	43.9	41.7
Units in investment funds (balanced)	42.7	42.1
Reinsurance recoverables	7.6	7.1
Other receivables and prepayments	1.5	1.5
Total assets	260	244

Debt securities are all listed or quoted in active markets (Level 1/Level 2). The balanced investment funds are UCITS funds valued at redemption NAV. Cash and cash equivalents consist of deposits and money-market instruments with maturities of less than three months at investment-grade financial institutions. Reinsurance recoverables are stated gross of any counterparty default allowance, as no counterparty is considered likely to fail; the largest single recoverable is from a counterparty rated A (S&P).

4.2 Technical provisions

Technical provisions comprise the unearned premium reserve (UPR), the outstanding claims reserve (OCR) and, where applicable, expense provisions, valued for solvency purposes as the best estimate of future cash flows plus a risk margin.

Technical provisions (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Unearned premium reserve	7.7	6.2
Outstanding claims reserve - reported claims	34.1	30.7
Outstanding claims reserve - IBNR	8.5	7.7
Expense provisions	0	0

Total best estimate liabilities	50.3	44.6
Risk margin (non-life)	4.7	4.3
Technical provisions (best estimate + risk margin)	55	48.9

UPR. The UPR of SEK 7.7 m represents the unexpired risk on contracts in force at 31 December 2025, calculated with the unearned premium method (50% pro-rata temporis as a proportionate allocation of premium to the unexpired period), adjusted for expected acquisition costs, expected claims costs (using current loss ratios by line of business plus a 3% management margin), and expected investment income on the associated reserves. The portfolio renews on staggered dates (the largest cohort renews in Q2), and the unearned share at 31 December reflects this renewal timing. The UPR is reviewed quarterly; no material revision was made at year-end.

OCR. The OCR of SEK 42.6 m (reported claims SEK 34.1 m, IBNR SEK 8.5 m) is the best estimate of future cash flows to settle claims incurred (reported and unreported) at 31 December 2025, based on case-by-case assessments of individual claims (with a management margin on large and complex files), chain-ladder projection of paid-to-paid triangles by line of business, and Bornhuetter-Ferguson estimation for the young accident years. Development factors are sourced from internal triangles (accident years 2020-2025) cross-checked against the Swedish non-life industry development patterns published by the industry association. Inflation assumptions: 2.0% p.a. for compensation-type costs (legal expenses, wages) and 1.5% p.a. for repair-type costs, consistent with the Riksbank's medium-term inflation guidance and the 2025 wage index developments. No adverse development was projected for any accident year at the year-end review.

Risk margin. The risk margin of SEK 4.7 m is the cost of capital required to underwrite the remaining technical provisions, calculated by projecting the SCR on remaining technical provisions over their expected term using the entry yield curve at the reporting date (first year point 0.95%, declining per the term structure of the Swedish government bond curve). The risk margin is recalculated at each reporting date.

Sensitivity of the OCR (SEK m)	**Impact**
Development factors +10%	+2.3
Inflation assumption +1.0 p.p.	+0.9
Case reserve management margin -10%	-1.1
Large claim of SEK 5.0 m in 2026 (within retention)	-5.0

4.3 Liabilities (other than technical provisions)

Liabilities (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Reinsurance payables (ceded premiums and claims)	4.5	4.2
Accrued expenses and other creditors	4.9	4.7
Current tax liability	0.5	0.4
Total other liabilities	9.9	9.3
Note: other liabilities are valued at settlement amounts due within 12 months. Reinsurance payables are payable to the same counterparties as the recoverables in section 4.1.		

4.4 Alternative methods for valuation

No alternative methods for valuation have been applied in 2025. All assets and liabilities are valued using the standard Solvency II hierarchy, and no fair value adjustments were required for the non-traded components (reinsurance recoverables/payables and other receivables), for which settlement-date amounts are the appropriate valuation.

4.5 Any other information - going concern

The Company operates on a going concern basis. This assessment is based on the capital position (SCR coverage 419%), the liquidity profile (section 3.4), the stable and profitable business model, the long-standing relationship with the Electrolux Group (the Company was established in 1977 and has operated as an insurer since 1993), and the support framework of the Electrolux Group. The Directors are not aware of any material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

5. Capital management

5.1 Own funds

Objectives, policies and processes. The capital management policy (approved by the Board, reviewed annually) sets the following objectives and processes: (i) maintain a solvency ratio of at least 300% on a rolling three-year business plan basis (from the re-approval of June 2023; previously a target range of 250-350%), with a minimum acceptable level of 250% (below which capital remediation and business-plan actions are mandatory); (ii) maintain MCR coverage of at least 500% at all times; and (iii) monitor capital monthly against the SCR and MCR using a standard-formula projection of the capital requirements, with the ORSA performed at least annually and capital actions decided by the Board. The Company has no dividend policy and all profits are retained, consistent with its role within the Electrolux Group. No material changes to the capital management policy were made during 2025.

Own funds (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Tier 1 - ordinary share capital	100.0	100.0
Tier 1 - retained earnings and reserves	92.6	83.5
Tier 2 - basic	-	-
Tier 2 - ancillary	-	-
Total Tier 1 (unrestricted) own funds	192.6	183.5
Tier 3 - deferred tax asset	2.5	2.3
Total eligible own funds	195.1	185.8
Note: the 2023-2025 Tier 3 movements and reclassifications are included in 'other movements' of the own funds movement.		

Own funds movements 2025 (SEK m): opening 185.8, profit for the year +9.1, Tier 3 movement +0.2, closing 195.1.

5.2 Solvency capital requirement and minimum capital requirement

The SCR is calculated using the standard formula (Chapter 4, Section 4 of Delegated Regulation 2015/35) with the 2025 parameters. The Company does not use an internal model. Reinsurance is netted in the calculation in accordance with the standard formula rules.

SCR by risk module (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Underwriting risk (premium, reserve and catastrophe sub-modules)	31.2	29.4

Market risk (interest rate, equity, spread, concentration, FX sub-modules)	22.9	21.6
Counterparty default risk	4.1	3.8
Operational risk	5.9	5.6
Sum of risk modules	64.1	60.4
Diversification and correlation effects (standard correlation matrix)	(17.5)	(15.6)
Total SCR	46.6	44.8
Note: the increase of the SCR in 2025 reflects the growth in net premium and technical provisions.		

Minimum capital requirement (MCR). The MCR is calculated in accordance with Article 175 of Delegated Regulation 2015/35 as a linear function of net written premiums, claims reserves and capital at risk in equity-type investments:

MCR variable (SEK m)	**Amount**	**Rate**	**Contribution**
Net written premium (P1)	31.8	3.0%	1
Claims reserve within 1.5x technical provisions (M1)	42.6	6.0%	2.6
Capital at risk in equity-type investments (C1)	19.2	20.0%	3.8
MCR before floor/cap			7.8
25% of SCR (floor)	46.6 x 25%		11.7
MCR (applied)			11.7

The 25% floor of the SCR applies (the formula result of SEK 7.8 m is below the floor; the 45% cap is not binding). MCR as a percentage of the SCR is 25.0% (2024: 25.0%).

	31 Dec 2025	**31 Dec 2024**
SCR	46.6	44.8
Eligible own funds	195.1	185.8
Solvency ratio (own funds / SCR)	419%	415%
MCR	11.7	11.2
MCR coverage (own funds / MCR)	1,668%	1,659%

5.3 Use of the duration-based equity risk sub-module

The Company applies the standard (non-duration-based) equity risk sub-module in the calculation of the market risk SCR. The conditions for the duration-based sub-module were not met in 2025, and the Board has no intention of applying it, given the simplicity of the current approach.

5.4 Differences between the standard formula and the internal model

The Company uses the standard formula in full. No internal model (partial or full) is applied, and there are therefore no differences between an internal model and the standard formula to disclose. The Board reviews annually whether the standard formula continues to be an adequate and proportionate reflection of the Company's risk profile; the 2025 review (within the ORSA) concluded that no material distortion of the capital requirement results from the standard formula for the Company's business, and no application for a partial internal model or group-specific calibration is justified at the Company's size and complexity.

5.5 Non-compliance with the minimum capital requirement and the solvency capital requirement

During the reporting year, the Company complied continuously with both the MCR (minimum coverage 1,632%, measured on the lowest monthly level) and the SCR (minimum coverage 412%, measured on the lowest monthly level). No event caused, or was reasonably likely to cause, non-compliance with the MCR or SCR in 2025. No early warning notification to Finansinspektionen was required or made.

5.6 Any other information - reconciliation of own funds to statutory equity

Reconciliation (SEK m)	**31 Dec 2025**	**31 Dec 2024**
Basic own funds (Solvency II)	195.1	185.8
Equity in statutory financial statements	196	186.7
Difference	(0.9)	(0.9)
Risk margin (non-life), added to solvency basis liabilities	(4.7)	(4.3)
Net difference: statutory technical provisions vs best estimate liabilities	5.9	5.5
Deferred acquisition cost	0.1	0.1
Other timing and classification differences	0.1	0.1

The difference is immaterial and relates to the valuation of technical provisions (statutory basis vs best estimate) and the treatment of deferred acquisition costs, as described in sections 4.2 and 4.3.

Appendix

A1 - Explanation of measures used to monitor the Company's capital position

The Company monitors its capital position monthly through: (i) the standard-formula SCR projection (static, and with premium/reserve growth); (ii) the 3-year ORSA capital projection including the business plan; (iii) the KRI dashboard (section 2.3); and (iv) the liquidity coverage ratio (section 3.4). The monitoring results are reported to the CEO, CFO and CRO monthly and to the Board at every Board meeting. The monitoring framework identified no capital pressure at any point during 2025.

A2 - Quantitative reporting templates

The following Solvency II quantitative reporting templates (QRT) were submitted to Finansinspektionen for the reporting year 2025 in accordance with the applicable deadlines (annual submission: 27 February 2026):

Template	Description
S.02.01	Balance sheet
S.02.02	Reconciliation of balance sheet with statutory accounts
S.05.01	Own funds
S.12.01 / S.25.01	Own risk and solvency assessment (ORSA) return
S.26.01	Non-life underwriting in force
S.27.01 / S.27.02	Non-life claims (incurred/paid and case reserves)
S.32.01	Reinsurance in force
SC.14 / SC.27	Counterparty and credit default reporting
SCOR Q1-Q4 2025	Own funds and risk reporting (quarterly, as due)

A3 - Significant events during the reporting year

Category	Event
Reinsurance	Excess-of-loss cover increased from 25.0 to 30.0 (1 Jan 2025)
Personnel	One senior claims adjuster appointed (Q2 2025)
Capital	Solvency ratio 419% (above the 300% internal target)

A4 - Basis of preparation

This SFCR has been prepared by the management of Electrolux Försäkrings AB and approved by the Board of Directors on 17 March 2026. It covers the financial year ended 31 December 2025. All amounts are stated in SEK millions (SEK m) unless otherwise indicated. The report is based on

the Company's audited statutory financial statements for 2025 (audited by Öhrlings PricewaterhouseCoopers AB, no qualifications), the Solvency II annual statement, and the internal risk management and ORSA documentation. This document is a public disclosure in accordance with Article 51 of the Solvency II Directive and does not constitute an offer of securities or investment advice.