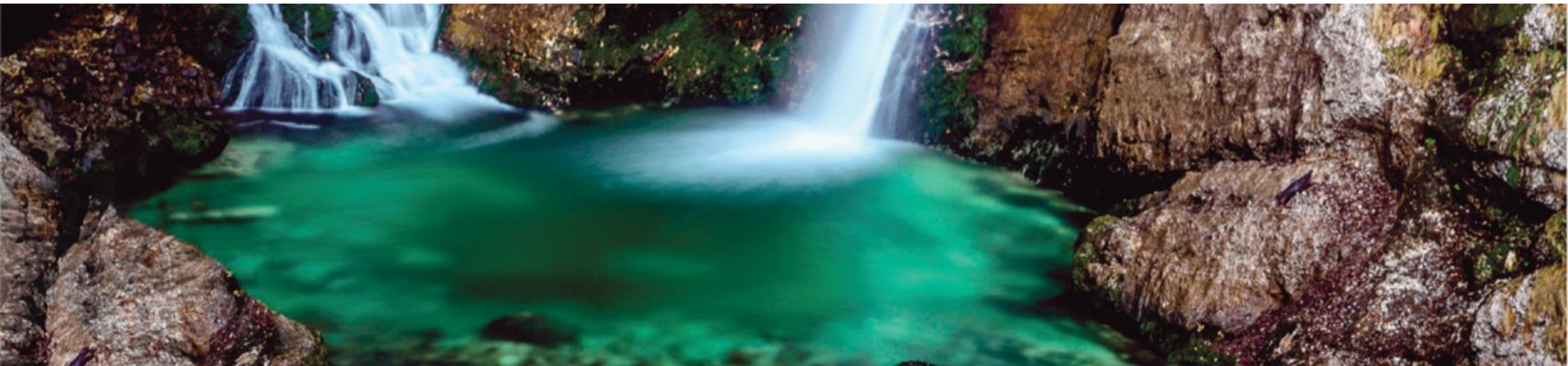




Sava Insurance Group presentation

April 2023



Disclaimer

Forward-looking statements

This document may contain forward-looking statements relating to Sava Re's expectations, plans or goals, which are based on assumptions made by Sava Re management. By their nature, forward-looking statements involve risk and uncertainty. As a result, actual developments, in particular performance, may differ materially from expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

Duty to update

Sava Re assumes no obligation to adjust any forward-looking statements or other information contained in this document to future events or developments.

Contents

- Overview
- Profile of business pillars
- 2022 results
- 2023–2027 strategy
- 2023 plan

Business profile

Sava Insurance Group GPW and market shares (insurance) 2022 by country

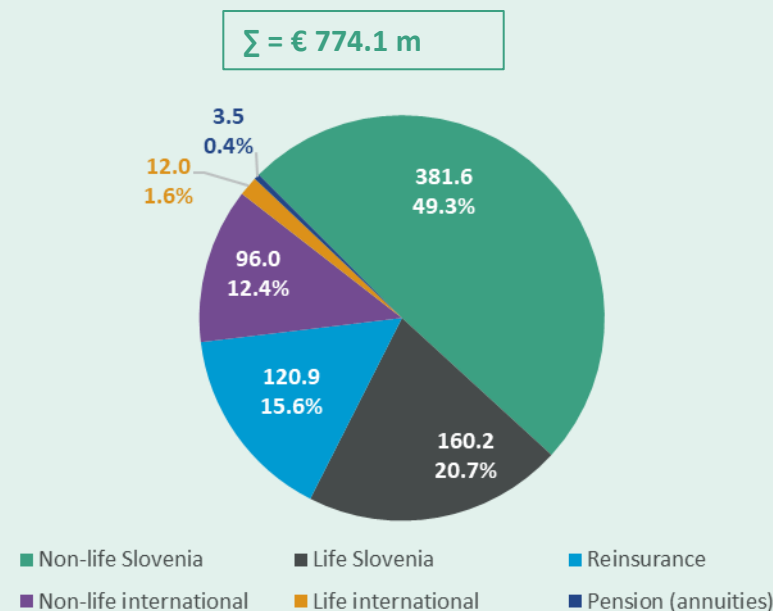


* 1–9/2022 as data for the full year 2022 have not yet been published.

Key facts

- The 3rd largest insurance group in the Adria region (total GPW of € 774.1 million in 2022).
- Presence in 6 Adria countries with strong position in underpenetrated markets alike Montenegro, North Macedonia and Kosovo.
- The largest non-captive reinsurer in the region with business spanning worldwide.
- After the takeover of Slovenian fund management company in 2019 Sava Insurance Group has over € 3 billion assets under management.

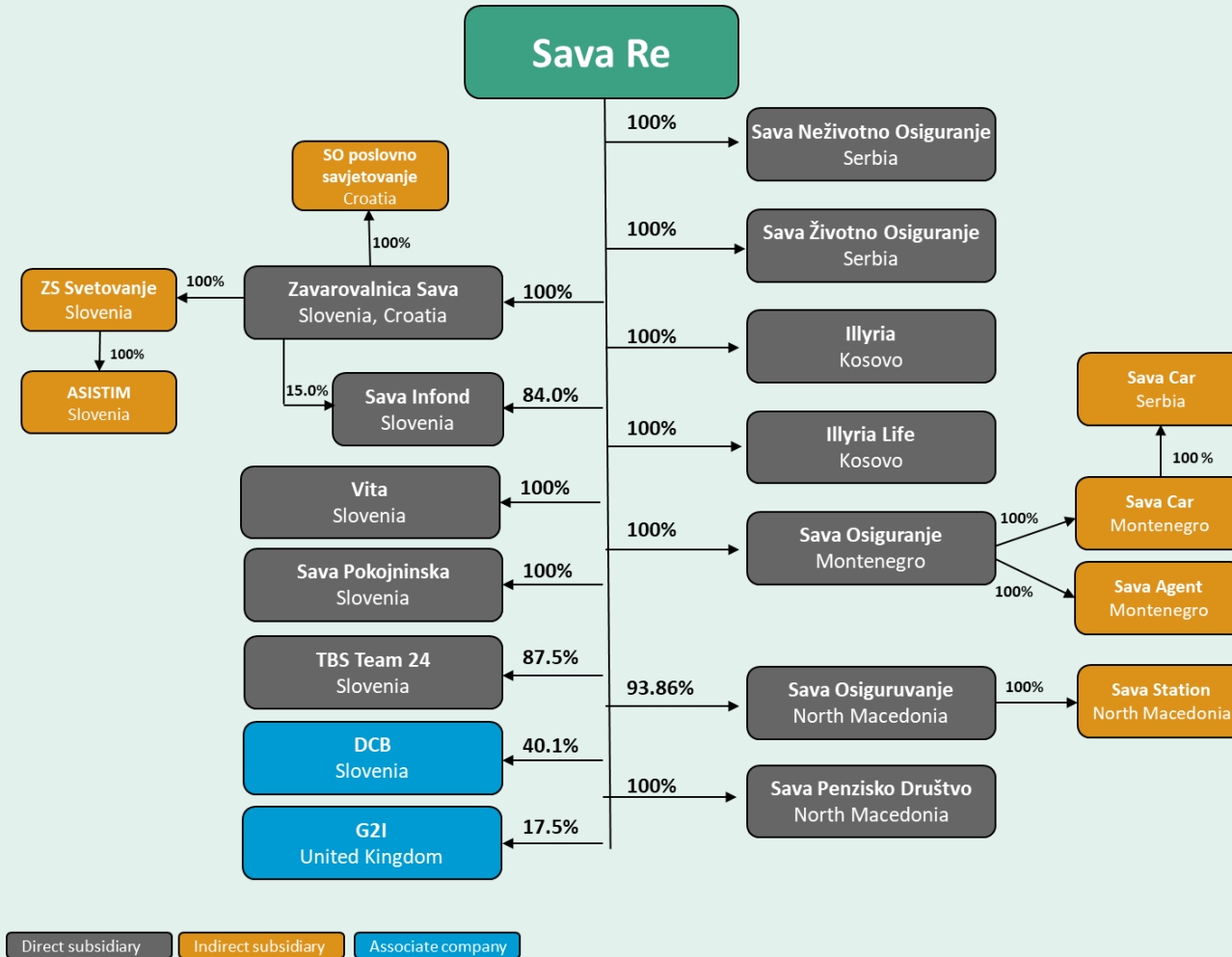
Breakdown of 2022 consolidated GPW by segments



- Rating: S&P A, stable outlook (Sep 2022), AM Best A, stable outlook (Sep 2022)
- Listed on the prime market of the Ljubljana Stock Exchange (POSR symbol)
- Solvency position of Sava Insurance Group at 31 Dec 2021: SII: 198%

Sava Insurance Group

Composition of the Sava Insurance Group as of December 31, 2022



The percentages in the figure relate to equity stakes. The equity stakes provided for G2i, Sava Infond and DCB differ from the voting rights held by these companies.

Equity story full outline

1

Strong #3 market position in the region as demonstrated by the market shares

7

Experienced management with clear vision and measurable business objectives in-place

6

Well positioned to capture growth on the reinsurance markets

5

Commitment to shareholder return

- dividend policy: 10% yoy growth (from 35% to 45% of consolidated net profit)

4

Solid solvency ratios and stable ratings outlook

- solvency ratio SII: **198%** (31/12/2021)
- rating: S&P **A** (Sep 2022), AM Best **A** (Sep 2022)

2

Unique positioning to capture expected growth of Adria region insurance market

- foothold in the key markets
- track-record of successful M&A and joint venture execution
- strengthened brand resulting from merger of EU-based insurers into Zavarovalnica Sava

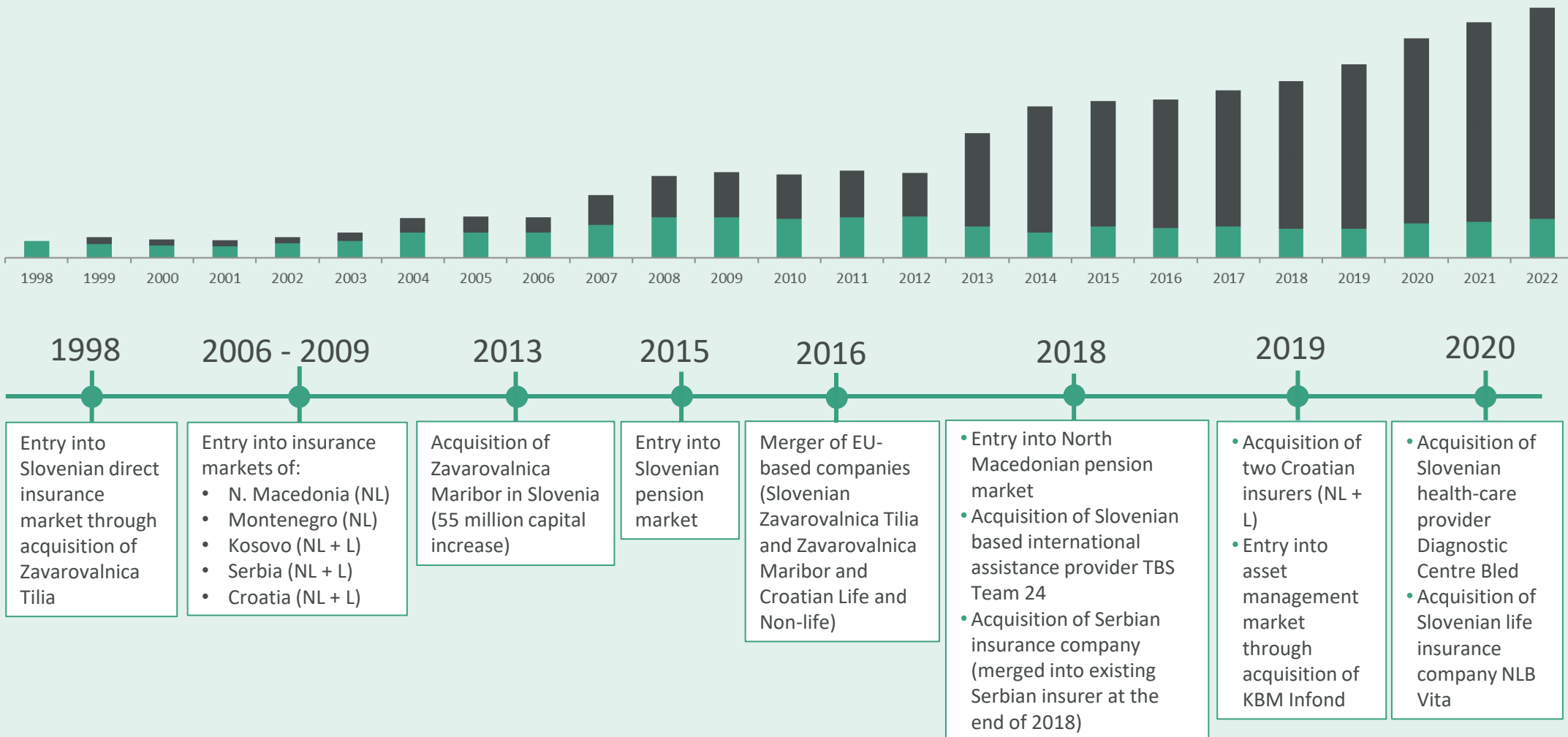
3

High profitability and further potential gains

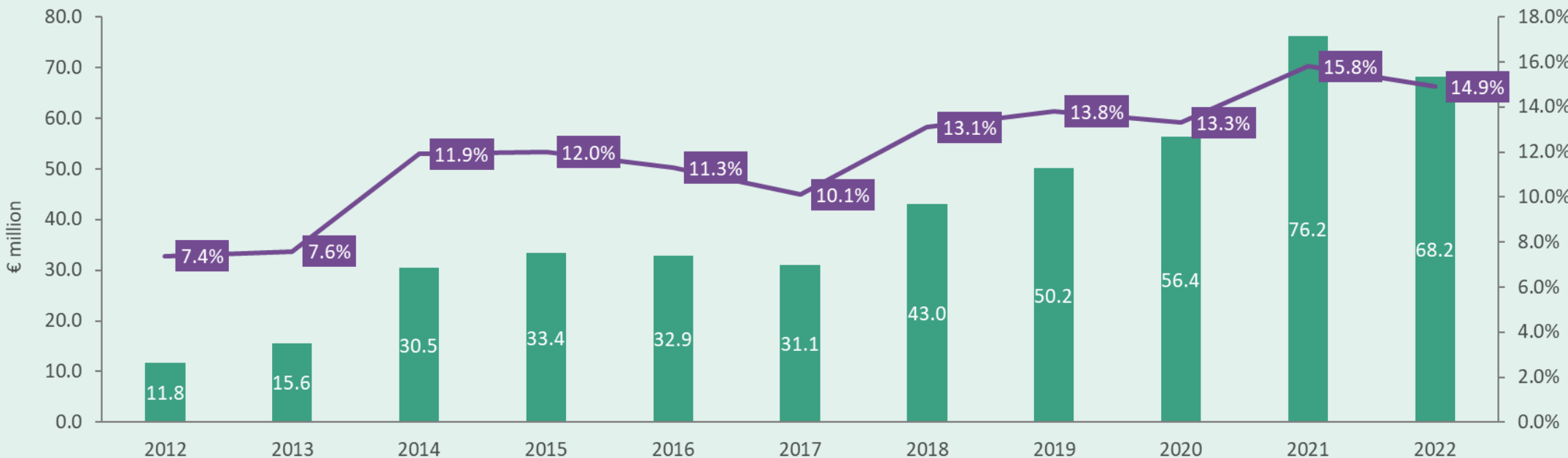
- Realizing economics of scale in insurance business
- Declining combined ratio in reinsurance segment



Sava Insurance Group growth through acquisitions



Sava Insurance Group history - Consolidated net result & ROE



Net result ROE

A.M. Best rating: A-
(stable)
S&P rating: BBB+
(stable)

S&P rating: A-
(stable)

S&P rating: A
(stable) (July 2018)
A.M. Best rating: A
(stable) (Nov 2018)

The management board



Marko Jazbec
Chairman

He is responsible for human resources; general, organisational and legal affairs; public relations; compliance; internal audit; information technology, sustainability and the management of strategic investments in Slovenia-based subsidiaries.



Polona Pirš Zupančič
Member

She is responsible for corporate finance, strategic planning and controlling, accounting, investor relations, risk and capital management, actuarial affairs and modelling.



Peter Skvarča
Member

He is responsible for reinsurance operations and management of strategic investments in non-Slovenian insurance subsidiaries.



David Benedek
Member

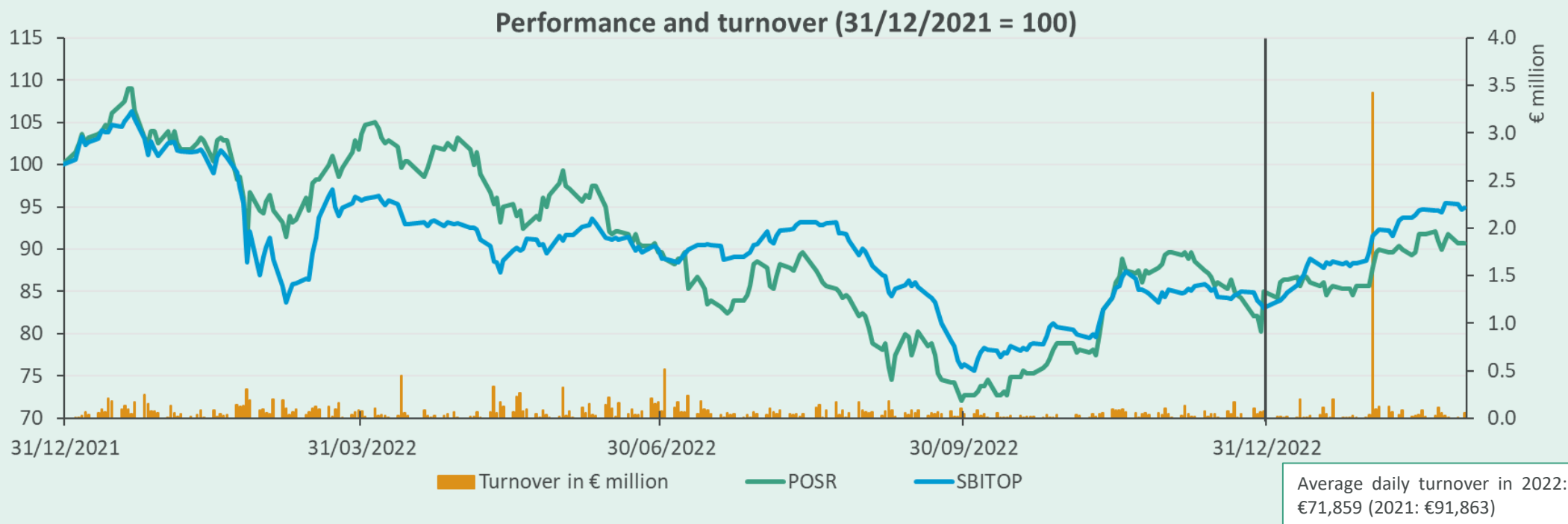
He is responsible for financial operations and asset management, management of strategic investments in pension companies, asset management companies (DZUs), healthcare companies and management of cross-sectoral cooperation with commercial banks at Group level.

Book value per share and POSR share

Book value of share

€26.58

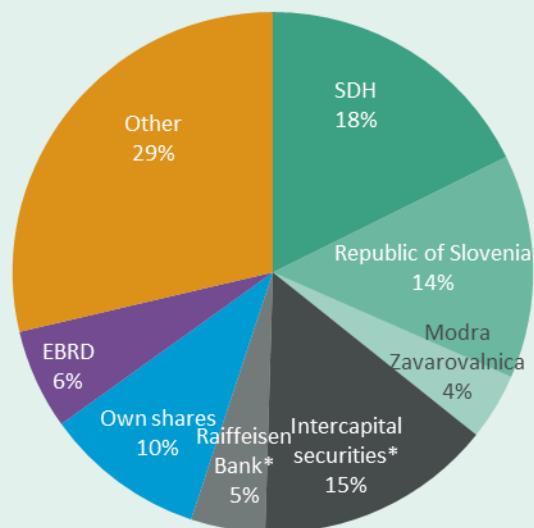
2022/2021: -18.3%



More information on POSR share performance and returns is available at: <https://www.sava-re.si/en-si/investor-relations/our-share/>

Ownership structure

Shareholders as at 31 December 2022



* Fiduciary account.

** Pursuant to Article 235a of the Slovenian Companies Act (ZGD-1), in April 2022 Sava Re started the process of identifying shareholders who are registered with intermediaries as holders of shares and who are not themselves intermediaries. According to the information received, Adris grupa d.d. held 3,278,049 POSR shares on 26 April 2022 (19.04% of all shares and 21.15% of shares with voting rights).

31/12/2022	
Share capital (€ million)	71.9
Market capitalisation (€ million)	347.1
Trading symbol	POSR
No. of shares	17,219,662
No. of own shares	1,721,966
No. of shareholders	4,316

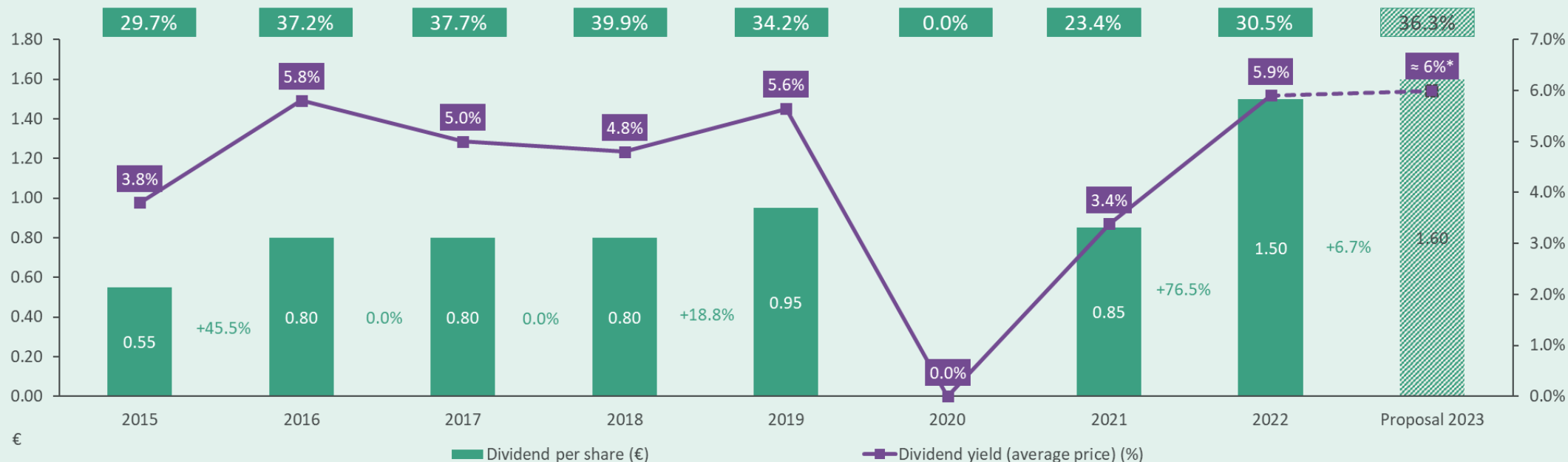
Investor type	Local investor	Foreign investor
Insurance undertakings and pension companies	18.2%	0.0%
Other financial institutions*	18.0%	15.6%
Republic of Slovenia	13.9%	0.0%
Individuals	11.1%	0.2%
Investment companies and mutual funds	2.5%	0.0%
Other non-financial corporations	2.9%	1.0%
Banks	0.0%	16.6%
Total	66.6%	33.4%

* Within other financial institutions SDH holds 17.7% of all shares.

Dividend policy

PROPOSAL

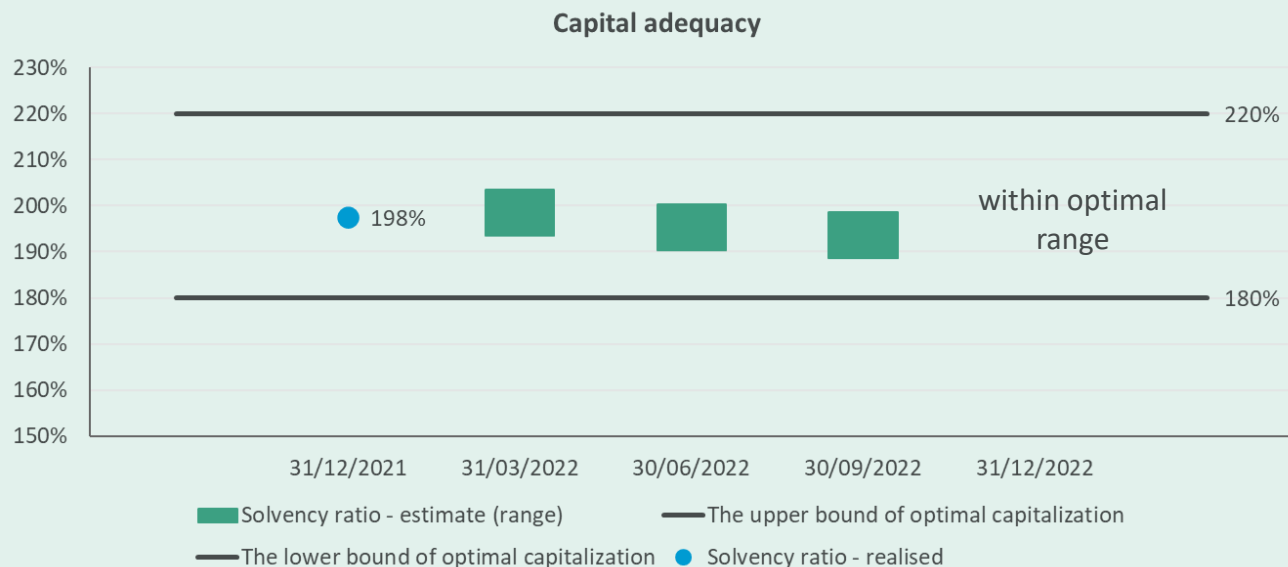
Dividend as % of consolidated profit



* The 2023 dividend yield depends on the share price movement in the period between the date the dividend is declared and the ex-dividend date.

- **Dividend policy:** 10% average increase in dividend per year; distribution of between 35% and 45% of the net profit of the Sava Insurance Group.
- Sava Re did not pay any dividends in 2020 because of increased Covid-19-related risks identified and due to special caution in response to recommendations by the Insurance Supervision Agency. The amount of the 2020 dividend paid out in 2021 was limited on the recommendation of the Insurance Supervision Agency.
- Proposed dividend payout in 2023 in respect of the 2022 profit: proposed dividend payment of €24,796,313.60 or **€1.60** gross per share. The general meeting of shareholders is scheduled to be held on 5 June 2023.

Solid capital position



Detailed data on capital adequacy of the Sava Insurance Group for 2022 will be posted in the solvency and financial condition report for 2022 (Group SFCR), which will be posted on **12 May 2023** on Sava Re's website and published through the Ljubljana Stock Exchange.



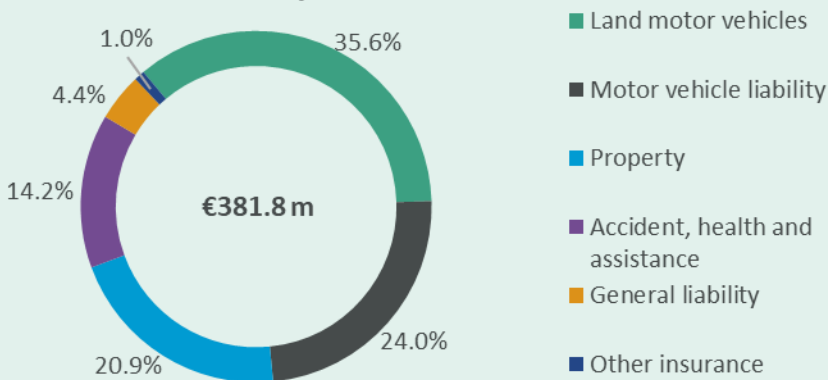
Contents

- Overview
- Profile of business pillars
- 2022 results
- 2023–2027 strategy
- 2023 plan

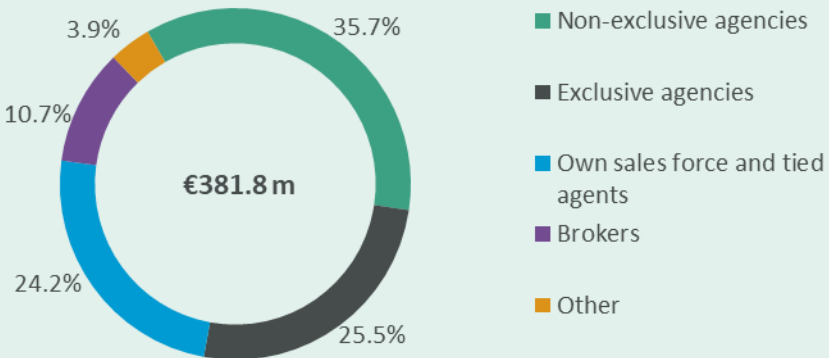
Slovenian insurance business – non-life (non-consolidated)

Data for Vita are shown for all years, although Vita has been included in the consolidated accounts since June 2020.

Structure of GWP 2022 by class of insurance



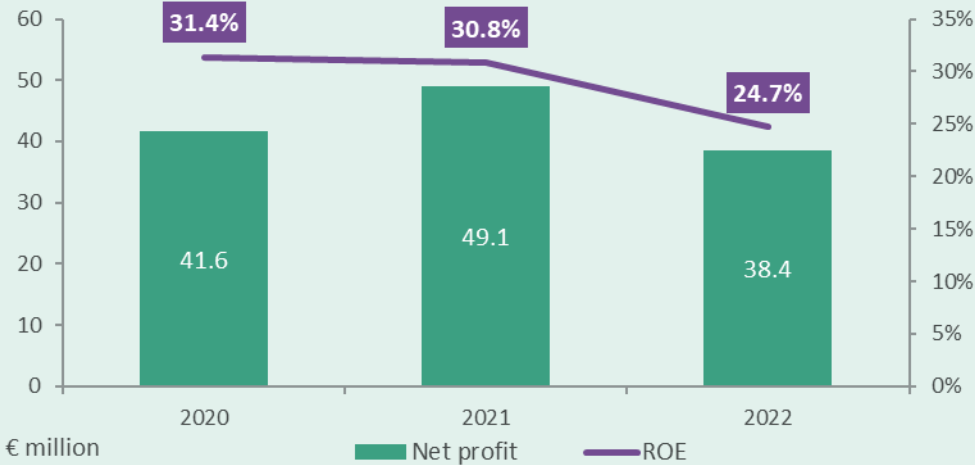
Structure of GWP 2022 by sales channel



Combined ratio



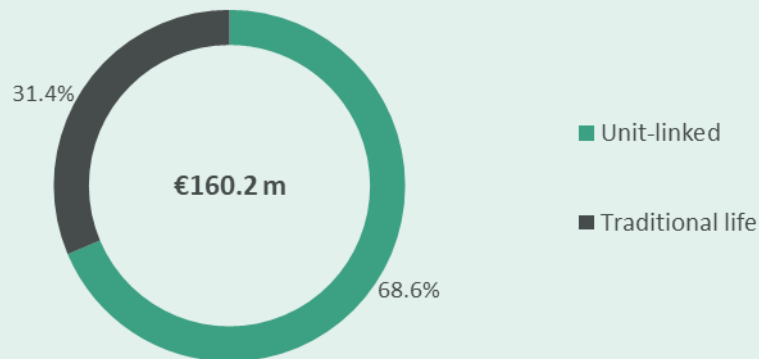
Net profit and ROE



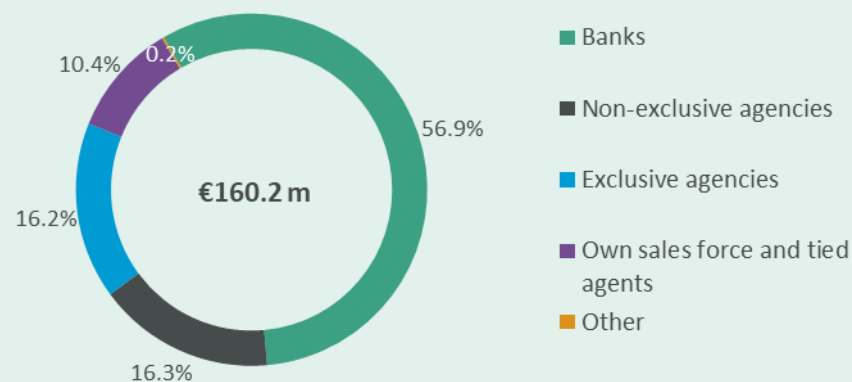
Slovenian insurance business – life (non-consolidated)

Data for Vita are shown for all years, although Vita has been included in the consolidated accounts since June 2020.

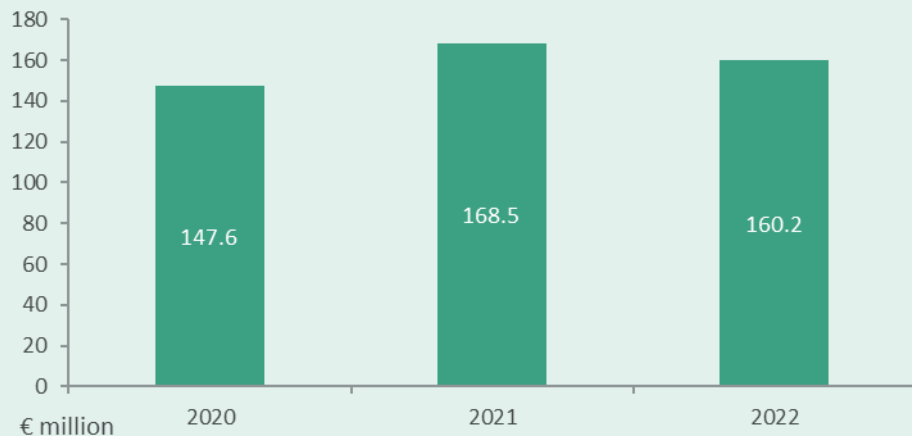
Structure of GWP 2022 by class of insurance



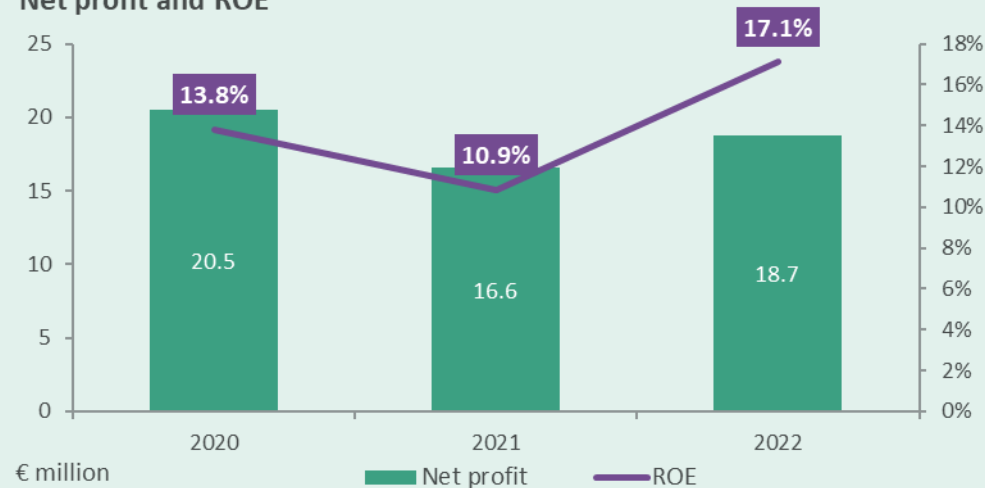
Structure of GWP 2022 by sales channel



Gross premiums written

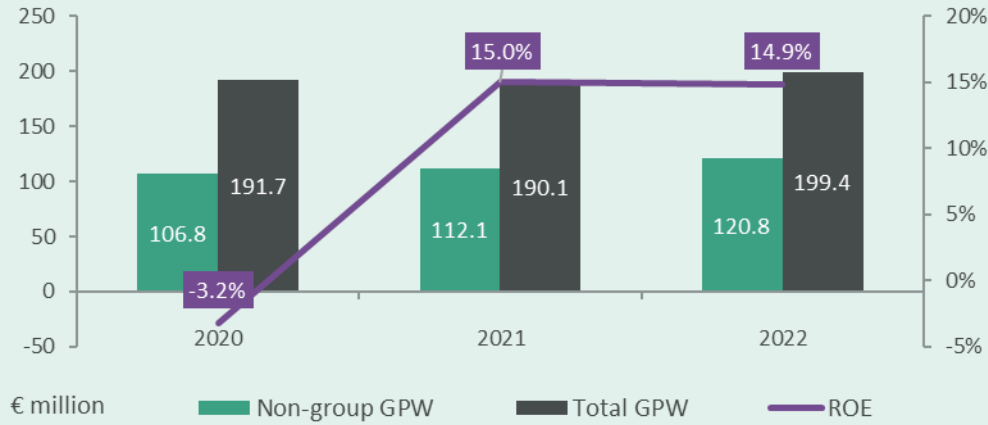


Net profit and ROE

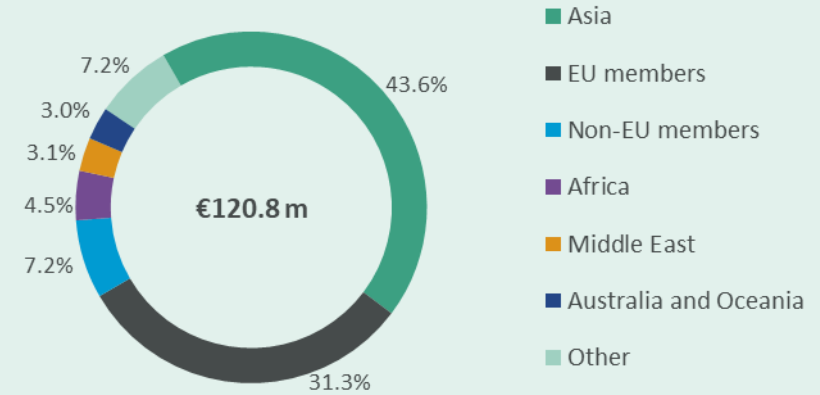


Sava Re (non-consolidated)

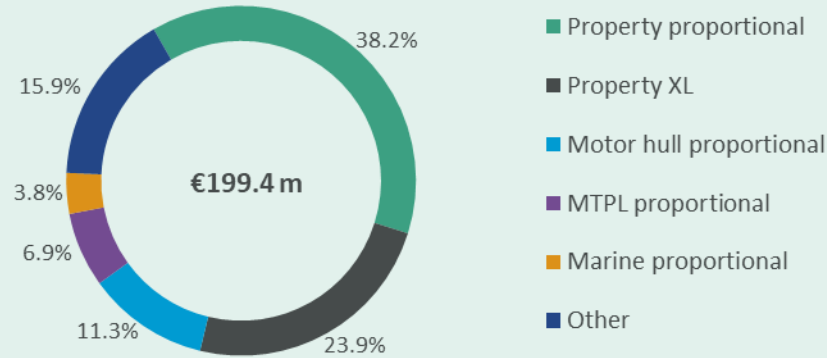
Gross premiums written and ROE



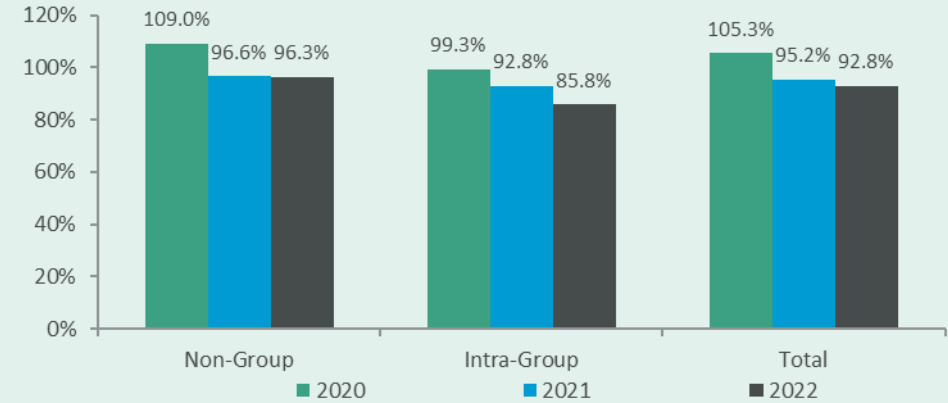
Geographical split of non-group GPW 2022



Split of total GPW 2022 by type

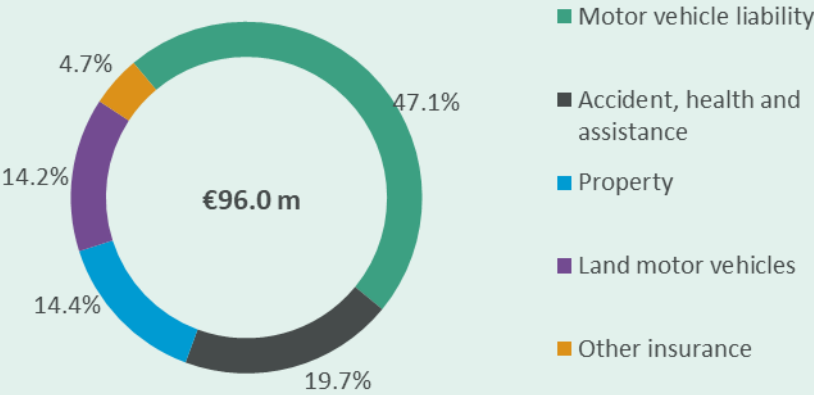


Combined ratio
(excl. FX diff. and holding expenses)

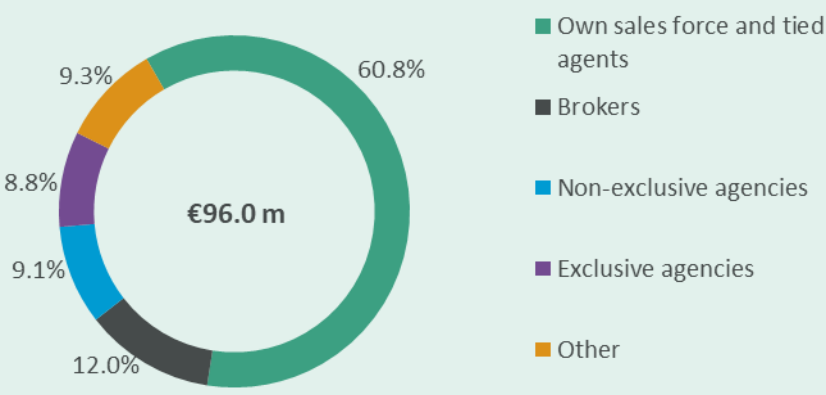


International insurance business – non-life (non-consolidated)

Structure of GWP 2022 by class of insurance



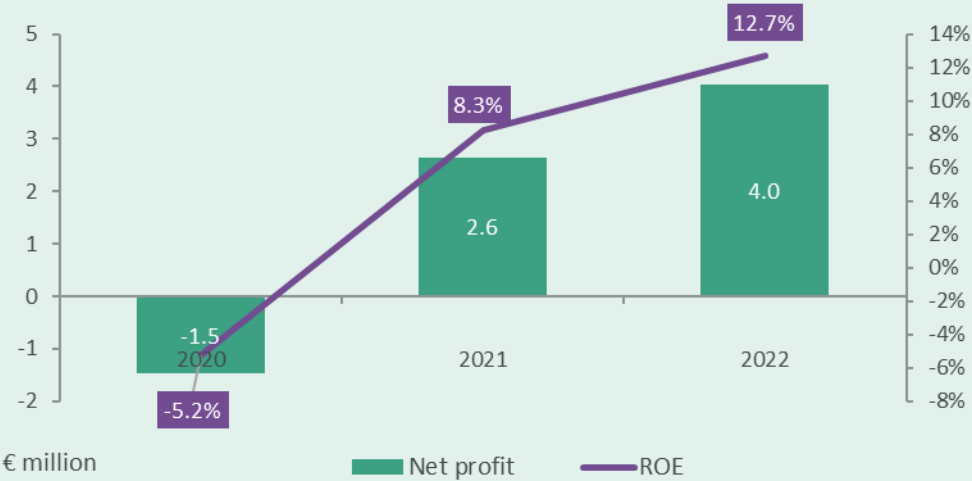
Structure of GWP 2022 by sales channel



Combined ratio

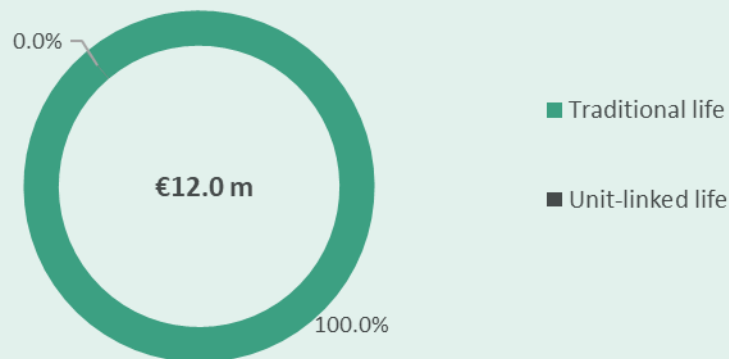


Net profit and ROE

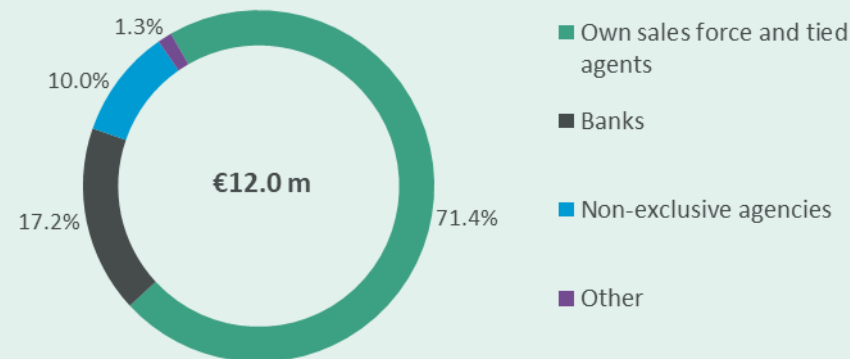


International insurance business – life (non-consolidated)

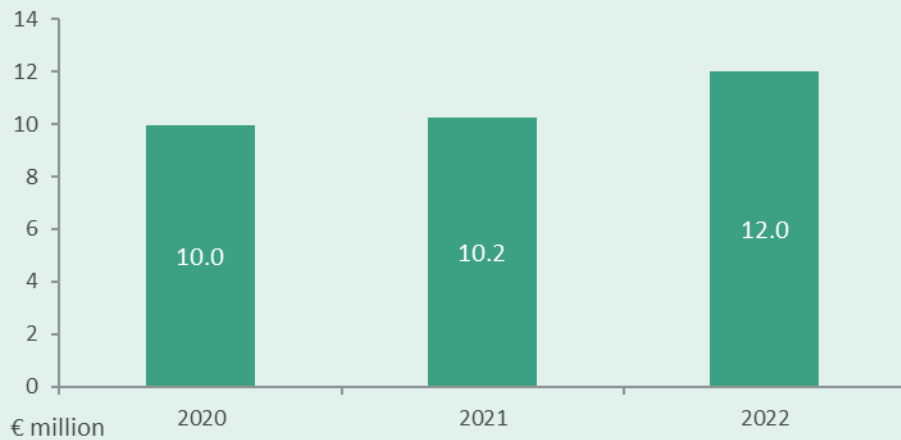
Structure of GWP 2022 by class of insurance



Structure of GWP 2022 by sales channel



Gross premiums written

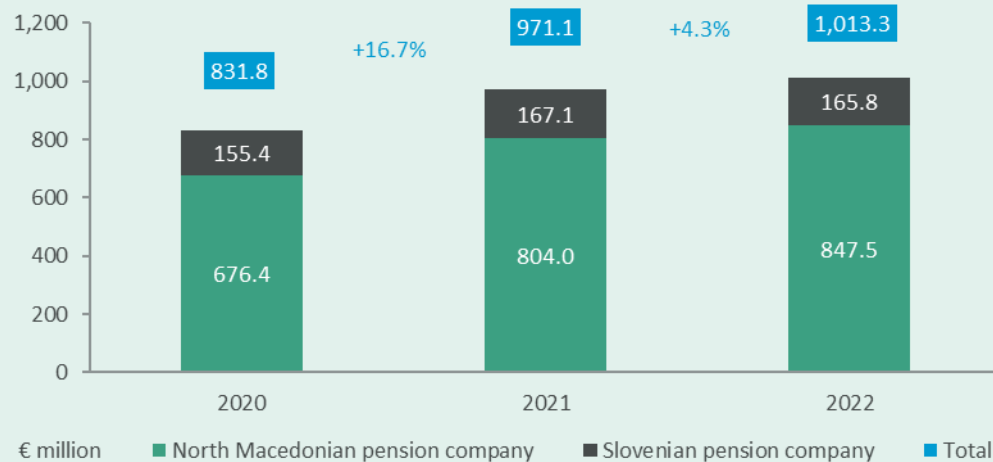


Net profit and ROE



Pension business (non-consolidated)

Pension fund assets



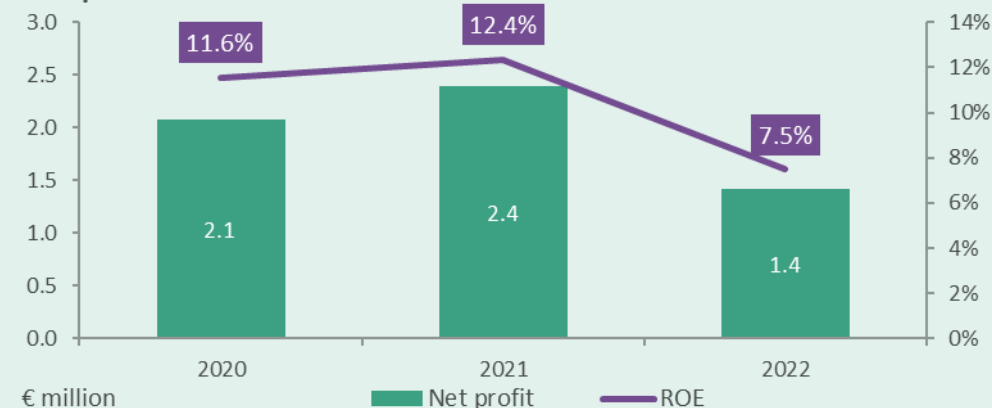
Revenue from managing pension funds



Gross premiums written (Slovenian company annuities)



Net profit and ROE

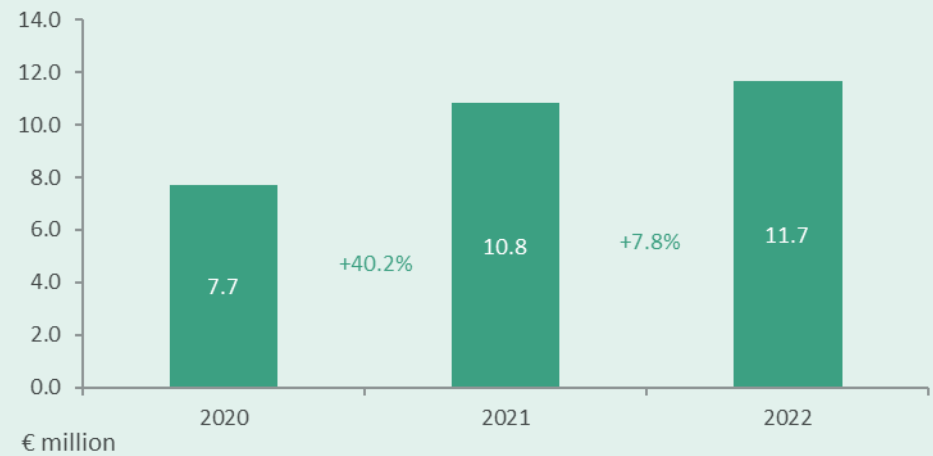


Mutual fund management (non-consolidated)

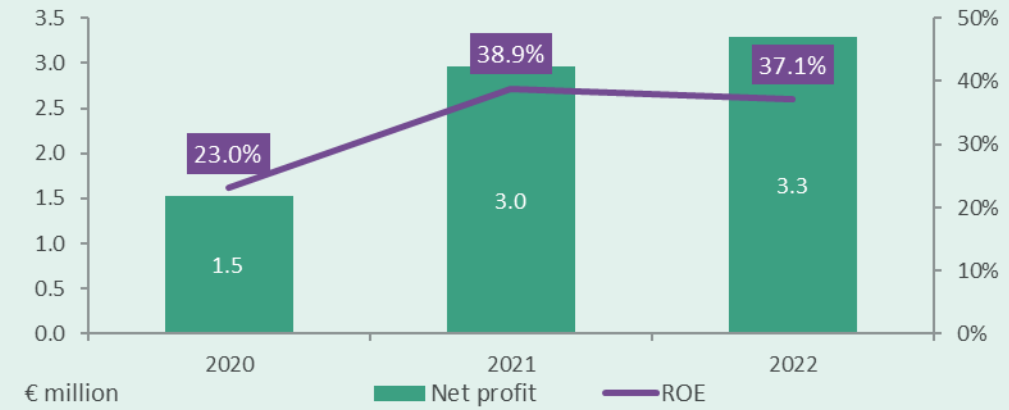
Mutual fund assets



Revenue from managing funds



Net profit and ROE



Contents

- Overview
- Profile of business pillars
- 2022 results
- 2023–2027 strategy
- 2023 plan

Highlights of 2022

Growth of **6.1%** in GPW – mostly in motor insurance due to the growth in the number of policies sold and the average premium; premiums also grew in the reinsurance segment due to positive price movements in global reinsurance markets and in the international life segment, mainly due to the new bank sales channel

Net profit of **€68.2 million** (2021: €76.2 million); **-10.4% compared to 2021, 13.7% above target**

- Negative impact on claims: increase in claims paid and claims provisions due to claims inflation, storms and the rise in motor claims frequency in Slovenia following the easing of Covid-19 measures
- Positive impact on underwriting result: improvement in FoS business result, results of subsidiaries outside Slovenia and reinsurance
- Impact on investment result: unfavourable developments in the financial markets affected the result of the Slovenian pension company and the investment result due to fair value changes of FVTPL assets

Standard & Poor's and AM Best's **"A" ratings**, stable outlook, affirmed

December 2022: new five-year strategy of the Sava Insurance Group published

Profit for 2022 higher than planned

Gross result

€84.0 m

2022/2021: -10.2%

Net result

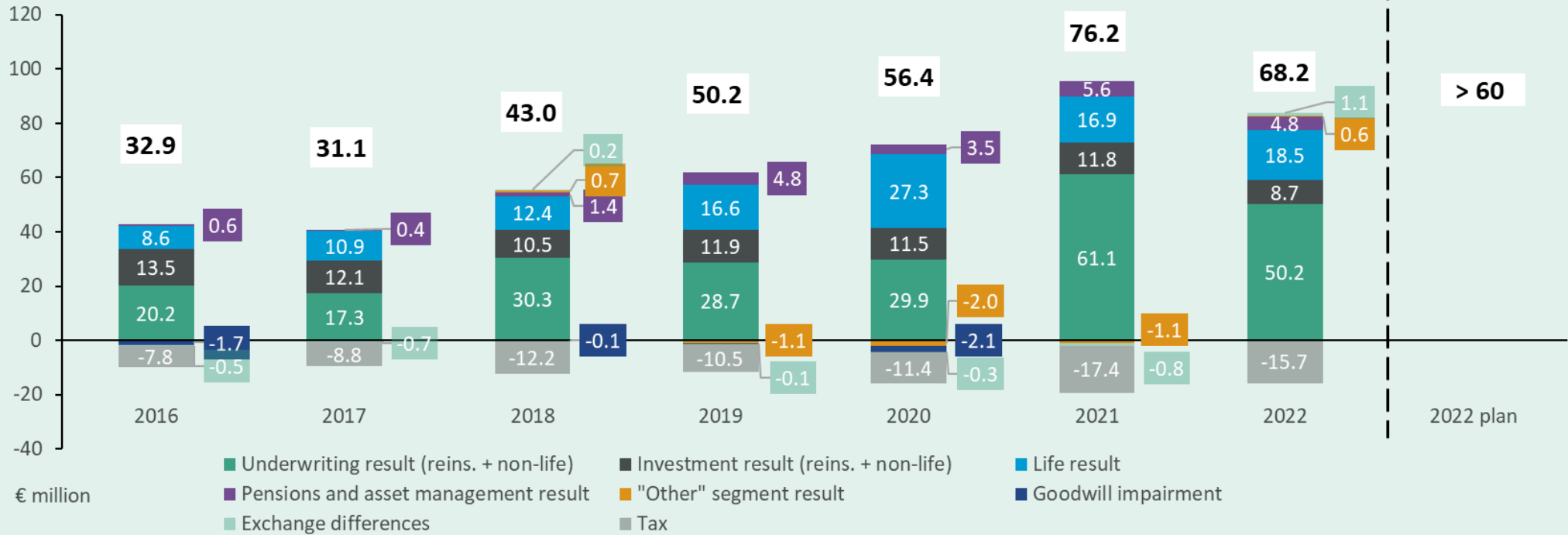
€68.2 m

2022/2021: -10.4%

Plan achieved

✓

Composition of net result



High return on equity

Equity

€412.0 m

2022/2021: -18.3%

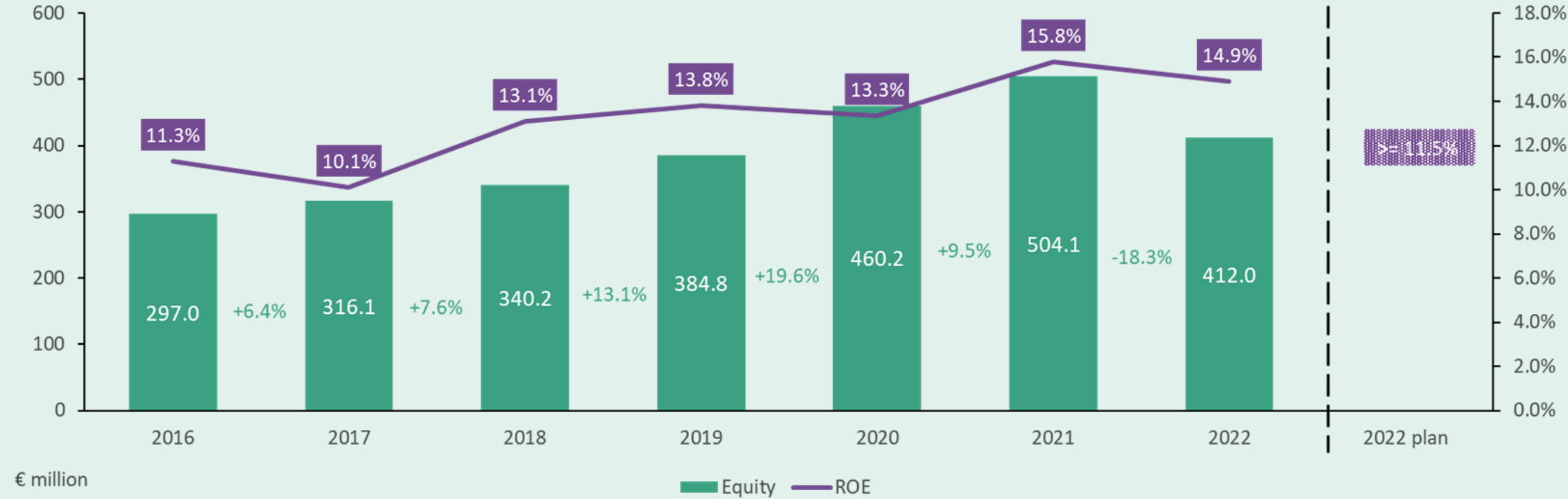
ROE

14.9%

2022/2021: -0.9 p.p.

Plan achieved

✓



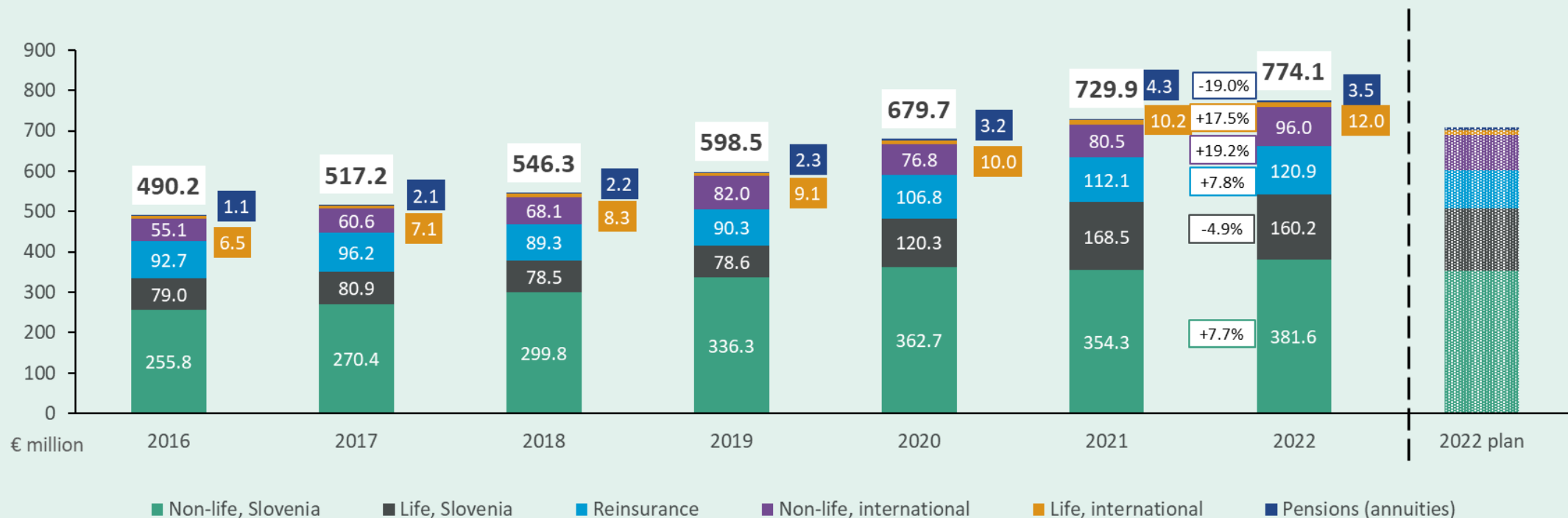
Continued high growth in gross premiums written

Gross premiums written

€774.1 m

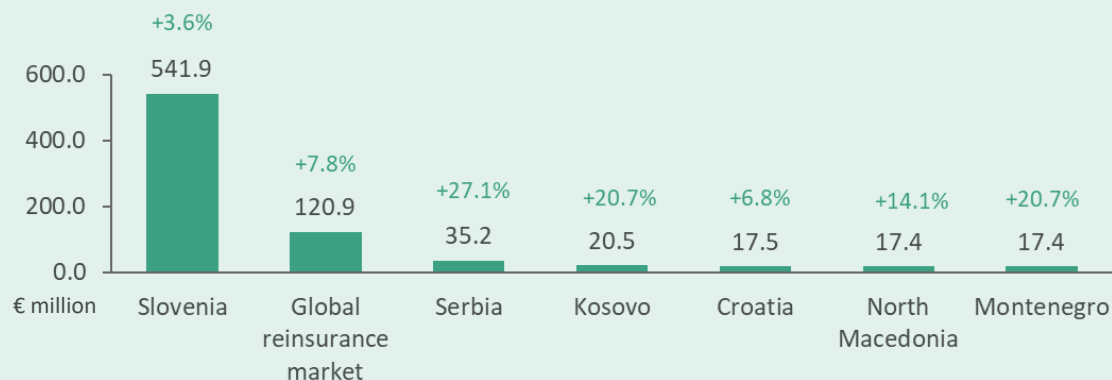
2022/2021: +6.1%

Plan
achieved

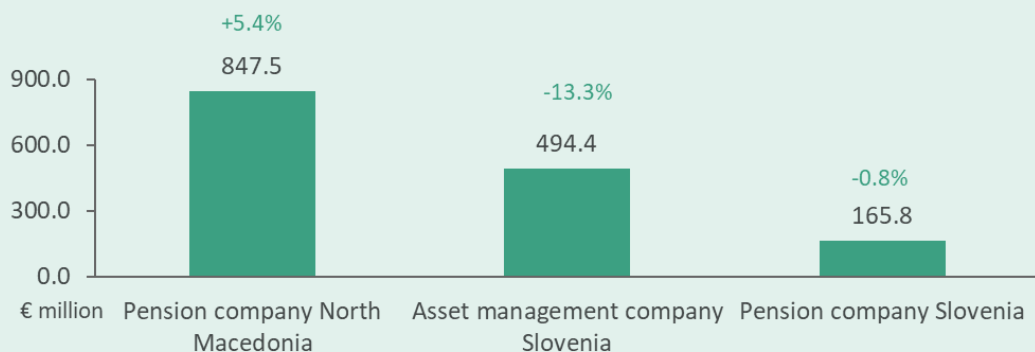


Growth of GPW in all markets

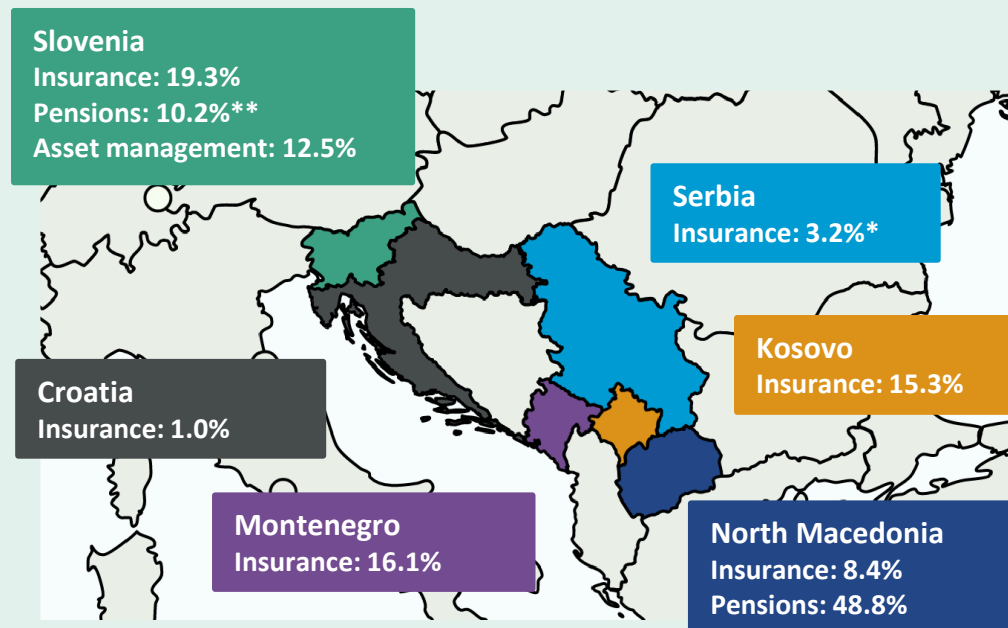
Gross premiums written 2022 and growth 2022/2021



Assets under management 31/12/2022 and growth 2022/2021



Market shares



* 1–9/2022 as data for the full year 2022 have not yet been published.

** 1–12/2021 as more recent data not available.

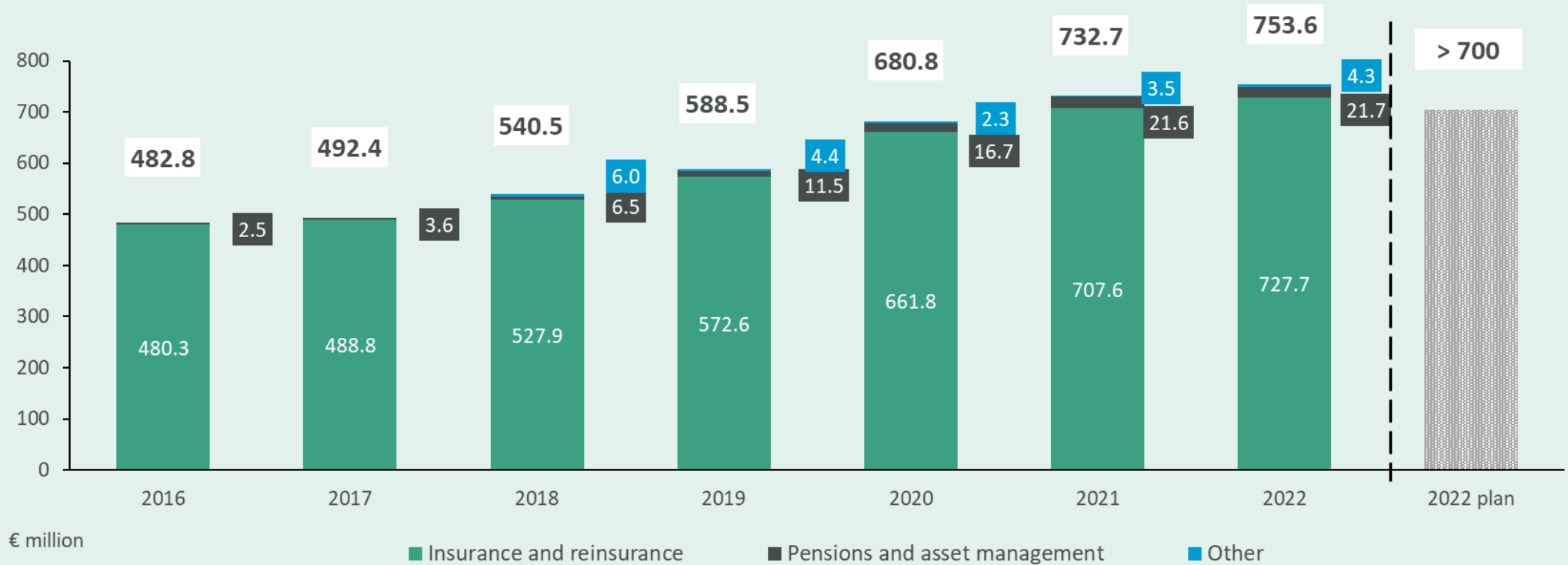
Growth in operating revenue

Operating revenue

€753.6 m

2022/2021: +2.9%

Plan
achieved



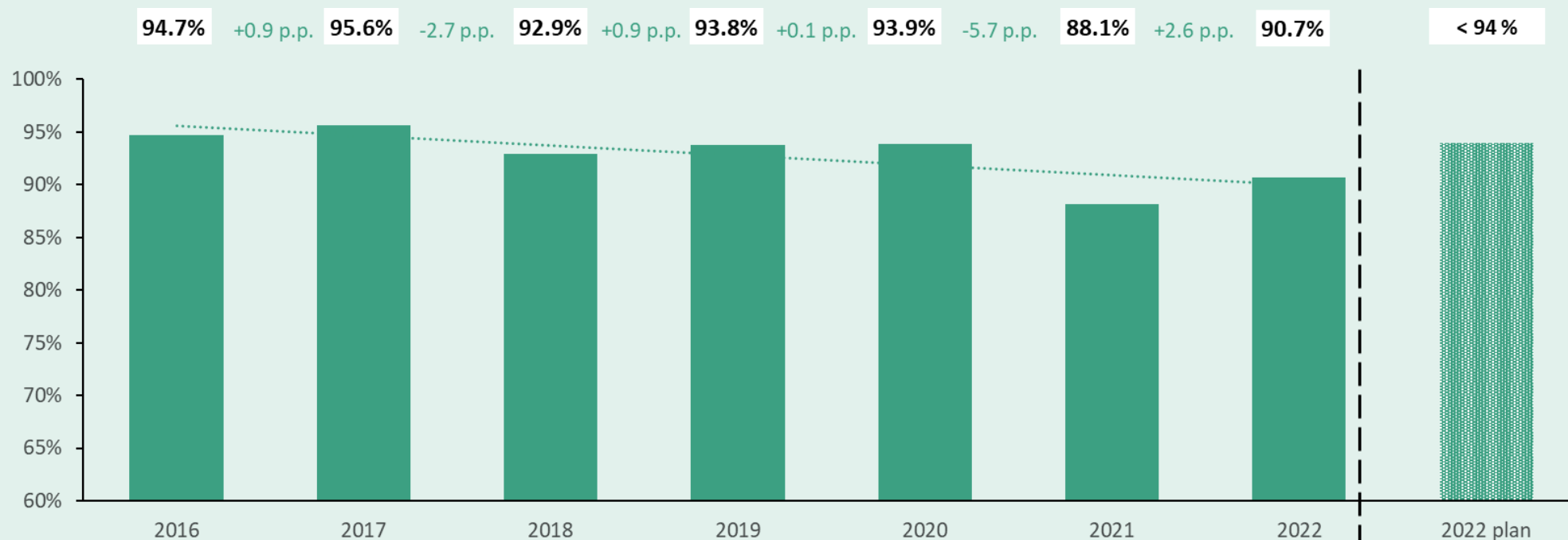
Combined ratio within target range

Net combined ratio*

90.7%

2022/2021: **+2.6 p.p.**

Plan
achieved



* Excluding the effect of exchange differences.

Net combined ratio: all expenses (other than from investments) as percentage of total income (other than from investments) – calculated for the non-life and reinsurance segments.

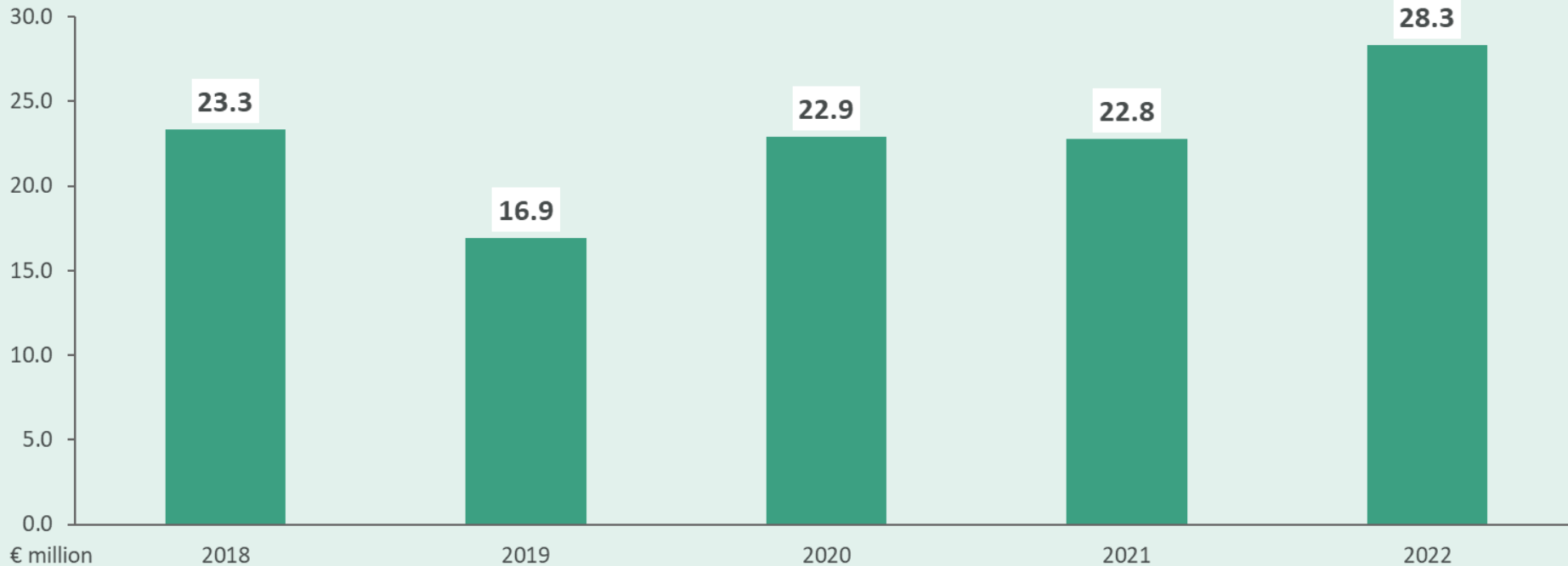
Impact of natural catastrophe claims

Natural catastrophe claims

€28.3 m

2022/2021: +24.2%

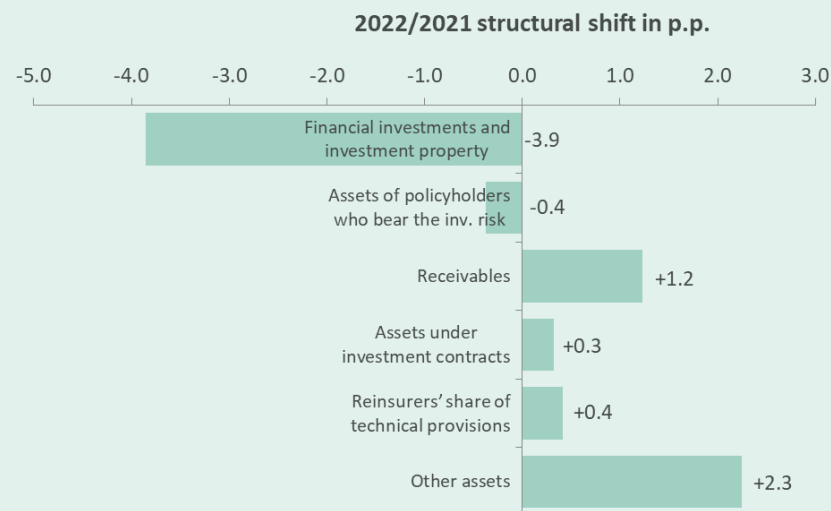
Natural catastrophe claims



Assets structure

Assets
€2,534.0 m
 2022/2021: **-4.7%**

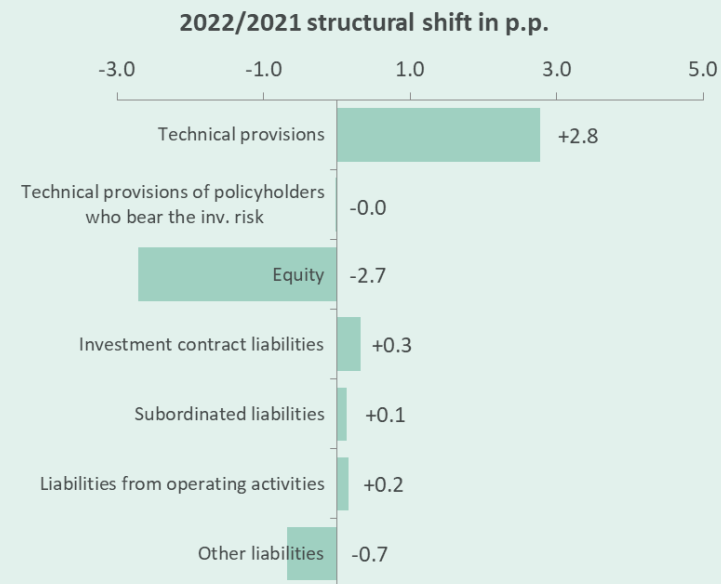
€ million	2021	2022
Financial investments and investment property	1,487.0	1,319.8
Assets of policyholders who bear the investment risk	517.4	483.9
Receivables	149.9	174.2
Assets under investment contracts	172.8	172.9
Reinsurers' share of technical provisions	57.8	65.6
Other assets	273.4	317.6
Total assets	2,658.3	2,534.0



Liabilities structure

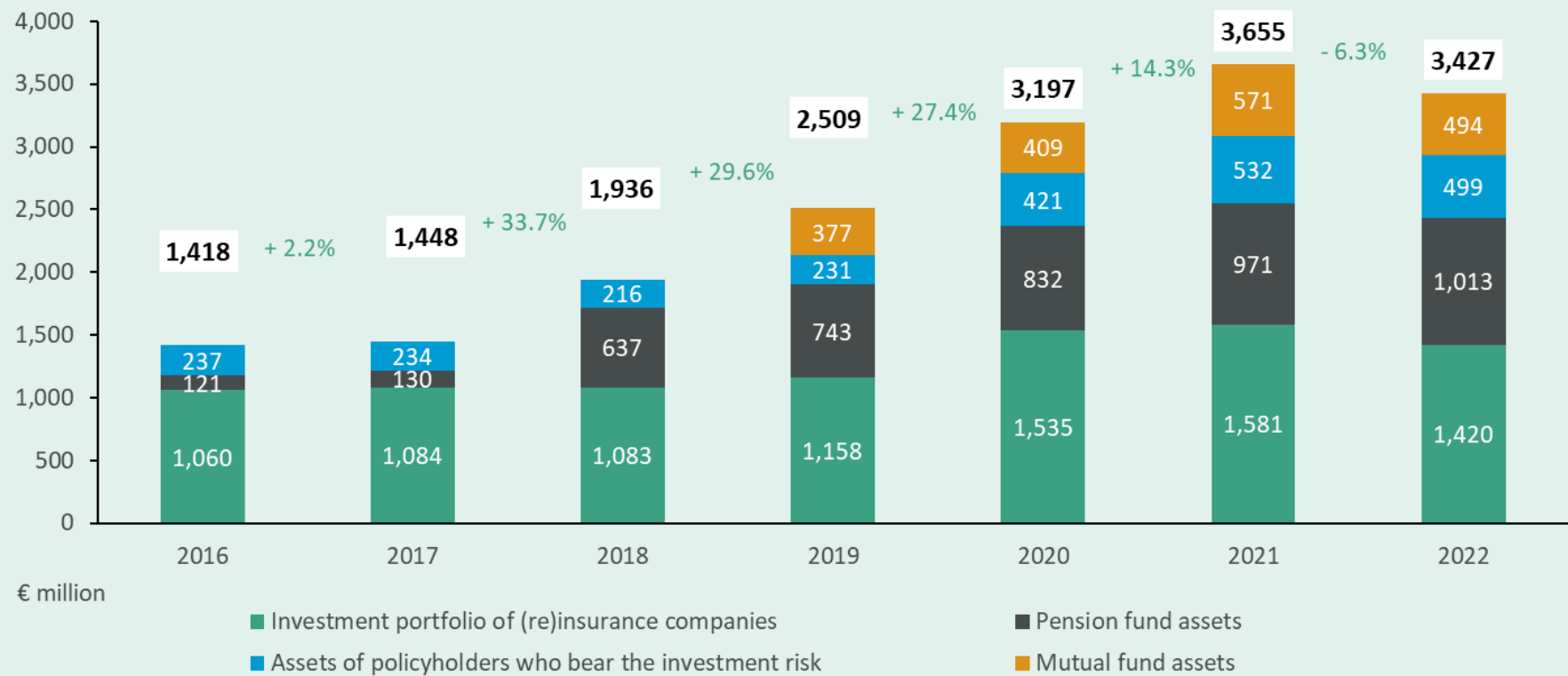
Liabilities
€2,534.0 m
 2022/2021: **-4.7%**

€ million	2021	2022
Technical provisions	1,237.5	1,249.9
Technical provisions of policyholders who bear the investment risk	524.2	499.4
Equity	504.1	412.0
Investment contract liabilities	172.7	172.7
Subordinated liabilities	74.9	74.9
Liabilities from operating activities	54.8	56.2
Other liabilities	90.3	68.9
Total liabilities	2,658.3	2,534.0



AuM impacted by adverse market conditions

Assets under management
€3,426.5 m
2022/2021: **-6.3%**



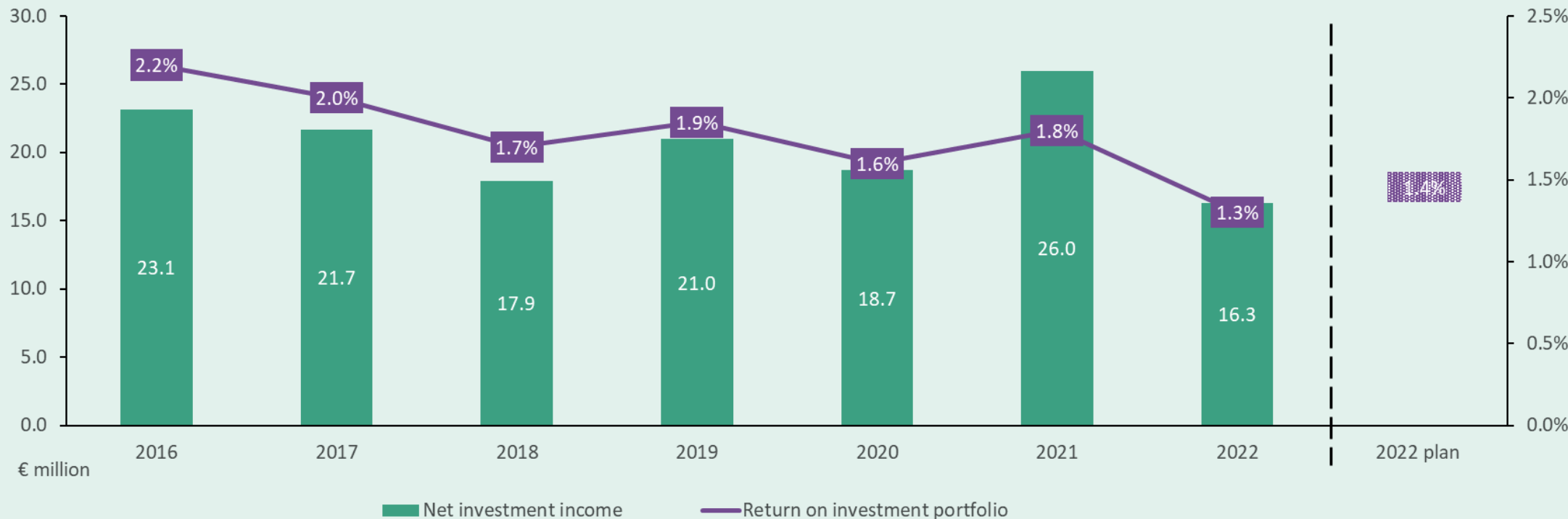
Investment return impacted by adverse market conditions

Return on investment portfolio*

1.3%

2022/2021: **-0.5 p.p.**

Slightly below plan
due to adverse
developments in
the financial
markets



* Excluding FX differences and expenses of subordinated debt.

Contents

- Overview
- Profile of business pillars
- 2022 results
- **2023–2027 strategy**
- 2023 plan

Key strategic priorities for 2023–2027

Focusing on the customer



Streamlining business processes



Building sustainability



Modernising information technology



Building teams of satisfied and motivated employees



Growing through acquisitions



Targets for 2023–2027

Growth in
operating revenue*

average annual
> 4%

Operating
revenue*

in 2027
> €900m

Return
on equity

9.5–10.5%

Solvency
ratio

optimal
capitalisation

170–210%

Combined
ratio

non-life insurance +
reinsurance

< 95%

Return on
investment portfolio

rising to
2.2%
by 2027

* Gross premiums written for (re)insurance companies and operating revenue for non-insurance companies.

Operating revenue planned for 2027

Driving growth in all markets where we are present

■ Slovenia			
Insurance	> €600m	■ North Macedonia	
Reinsurance non-Group	> €140m	Insurance	> €20m
Other	> €18m	Pensions	> €7m
■ Croatia		■ Montenegro	
Insurance	> €20m	Insurance	> €20m
■ Serbia		■ Kosovo	
Insurance	> €45m	Insurance	> €30m



Dividend policy

Sava Re aims to distribute between 35% and 45% of the net profit of the Sava Insurance Group each year over the period 2023–2027.

The key goal of the dividend policy is stable annual dividend growth, with due consideration of:

- the estimated surplus of eligible own funds over the solvency capital requirement under Solvency II
- the Group's own risk and solvency assessment
- the capital models of the rating agencies S&P Global Ratings and AM Best
- the approved annual and strategic plans of the Group and the Company
- new development projects requiring additional capital
- other relevant circumstances affecting the financial situation of the Company

Sustainable development

Five key initiatives are identified in our Sustainable Development Strategy up to 2027.

1

Reducing carbon footprint

- We are pursuing the European ambition of a 55% cut in GHG emissions by 2030 for Group operations (scope 1 and 2) and for our investment portfolio compared to 2022 levels. Achieving this target also depends on the climate action taken by the countries where we are present.

2

Responsible (re)insurance underwriting

- Compliance with guidelines on responsible underwriting of non-life insurance business
- Reducing the carbon footprint of the portfolio by excluding fossil-fuel related activities (Do No Significant Harm principle)
- Developing products and activities and increasing revenue from products aligned with the taxonomy

3

Sustainability in the value chain and processes

- Increasing ESG investments to exceed 20% by 2027
- Digitalising operations and lowering the carbon footprint by reducing business travel, paper consumption and waste
- Supply-chain review: assessing suppliers from a social and environmental responsibility perspective

4

Improving customer satisfaction

- Net Promoter Score: establishing a uniform methodology for the Group and monitoring trends

5

Satisfied and committed employees and strengthening sustainability culture

- Measuring satisfaction using a suitable HR methodology and promoting a sustainability culture through the Heart for the World initiative



Contents

- Overview
- Profile of business pillars
- 2022 results
- 2023–2027 strategy
- 2023 plan

Key performance indicators

Growth in
operating revenue*

average annual

> 4%

Operating
revenue*

in 2023

> €800m

Return
on equity

> 9.5%

Net profit
for the year

> €53m

Solvency
ratio

optimal capitalisation

170–210%

Combined
ratio

non-life insurance +
reinsurance

< 95%

Return on
investment portfolio

> 1.5%

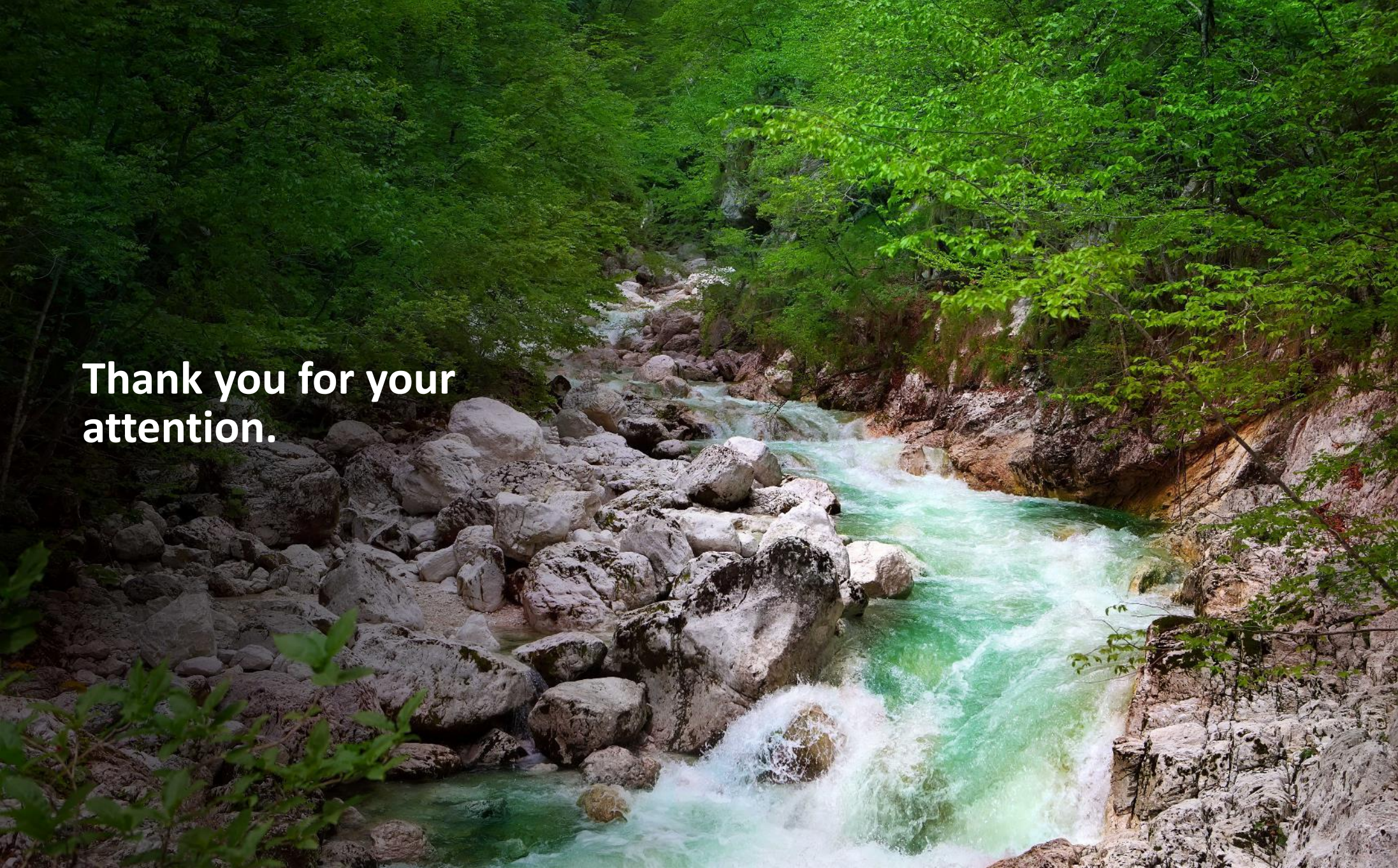
* Gross premiums written for (re)insurance companies and operating revenue for non-insurance companies.

Growth in operating revenue planned for 2023

Driving growth in all markets where we are present

■ Slovenia		
Insurance	> 3%	
Reinsurance non-Group	> 3%	
Other	> 2%	
■ Croatia		
Insurance	> 10%	
■ Serbia		
Insurance	> 11%	
■ North Macedonia		
Insurance	> 6%	
Pensions	> 7%	
■ Montenegro		
Insurance	> 5%	
■ Kosovo		
Insurance	> 5%	



A scenic view of a river flowing through a dense forest. The river is surrounded by large, light-colored rocks and lush green trees. The water is a vibrant green color, and there are white rapids in the foreground. The text "Thank you for your attention." is overlaid on the left side of the image.

**Thank you for your
attention.**