

Report on Unaudited Annual Results of Sava Insurance Group for 2024



Ljubljana, March 2025



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1 Financial highlights

EUR million	2024	2023	Change	Index
Business volume	1,035.1	910.1	125.0	113.7
Insurance revenue	801.2	697.6	103.7	114.9
Insurance service result	108.6	83.5	25.1	130.1
Finance result	22.8	15.8	7.0	144.5
Other net expenses	-21.7	-19.7	-2.0	110.0
Net profit for the period	87.8	64.7	23.2	135.9
	31 December 2024	31 December 2023	Change	Index
Equity	648.6	585.7	62.9	110.7
Contractual service margin	175.6	155.3	20.3	113.1
Investment portfolio	1,666.9	1,503.3	163.6	110.9
Total assets	2,885.4	2,568.5	316.9	112.3
Assets under management	2,889.4	2,325.0	564.4	124.3
	2024	2023	Change	Index
Combined ratio	91.3%	93.1%	-1.8 pp	-
Loss ratio	63.2%	64.6%	-1.4 pp	-
Expense ratio	28.1%	28.6%	-0.5 pp	-
Return on equity (ROE)	13.6%	10.8%	+2.8 pp	-
Return on investment portfolio	2.5%	2.1%	+0.4 pp	-
Solvency ratio	207–213%	191%	-	-

For definitions and calculations, please refer to the appended glossary.

2 Business environment

The year 2024 for the euro area was marked by moderate economic growth, easing inflation and uncertainty due to geopolitical tensions. Inflation dropped to 2.2% in November and is close to the ECB's target level. The ECB lowered interest rates several times, and more cuts are expected in 2025. Economic growth was 0.9% in the third quarter, and the outlook for the next two years remains moderately optimistic (1.3% in 2025 and 1.6% in 2026). As central banks started cutting their key interest rates, this led to a fall in bond yields. Equity markets in Europe, the US and Slovenia had a good year, with returns in excess of 10%, and as much as 30% in the US and Slovenia. Despite the optimism in the financial markets, there are risks from geopolitical tensions (military conflict in Ukraine and the Middle East), energy uncertainty and global trade restrictions.

Following the sharp rise in inflation in 2022, which resulted in an increased impact of claims inflation on the Group's business in that year, the Group's insurers responded by increasing premium rates, thereby reducing the impact of claims inflation in 2023 and 2024. However, inflation continued to put pressure on Group companies' costs in 2024.

As in the year 2023, the year 2024 was affected by natural catastrophes. In 2024, these had less impact on the population of the countries in which the Sava Insurance Group operates than in 2023, when Slovenia and some other countries were hit by a wave of storms and floods that affected a wider area and caused significant property damage. The 2024 storms affected a smaller area and resulted in lower gross claims for the Sava Insurance Group. However, the impact on the Sava Insurance Group's result was roughly the same in both years, as the 2023 catastrophes also indirectly affected the impact of the 2024 catastrophes by increasing the retention levels in catastrophe reinsurance programmes and increasing reinsurance rates.

The financial performance of the insurance companies and the performance of the pension and asset management companies benefited from the favourable developments in the financial markets, resulting in higher interest income, assets under management and contributions to funds.

3 Review of Group operations

Business volume grew by 13.7% to EUR 1,035.1 million in 2024, mainly driven by growth in non-life and life gross premiums written. In the non-life business, this growth was generated by higher prices and organic business growth, and in the life business by strong sales of new policies and top-up premiums to existing policies. Business volume increased in all segments. As a result, **insurance revenue** increased by EUR 103.7 million.

The **insurance service result** was EUR 108.6 million, an increase of EUR 25.1 million as a result of revenue growth and relatively more favourable claims experience. Although the impact of severe weather events in 2024 was similar in absolute terms to 2023, other segments saw more favourable claim developments. As a result, the Group's loss ratio was also 1.4 percentage points better.

The improved insurance service result also led to a 1.8 percentage point improvement in the **combined ratio** to a favourable 91.3%.

The **finance result** amounted to EUR 22.8 million, an increase of EUR 7.0 million compared to the previous year, mainly reflecting an improved investment result as a result of higher interest income. The latter increased as a result of investing the strong operating cash flow in debt instruments and reinvesting maturing investments at higher interest rates.

Net profit for the year¹ increased by EUR 23.2 million to EUR 87.8 million in 2024. The increase was mainly driven by the improvement in the insurance service result and finance result. All operating segments ended 2024 with a higher pre-tax profit than in 2023, except for the "other" segment, where the decrease was mainly driven by an increase in interest on subordinated debt due to the issuance of a new subordinated bond in 2024. In line with the growth in profit, **return on equity** increased to 13.6%.

Equity totalled EUR 648.6 million, up EUR 62.9 million compared to the end of 2023. The increase in the profit for 2024 and a positive change in other comprehensive income were the main drivers of the overall increase, partially offset by the dividend payment.

The **contractual service margin** increased by EUR 20.3 million, or 13.1%, primarily in the life segment, where it grew by EUR 19.3 million. This growth was driven by strong sales and top-ups on existing policies, as well as improving financial market conditions.

The **investment portfolio** increased by 10.9% to EUR 1,666.9 million. Fixed-rate financial investments remained the largest asset class, at 87.2%. The **return on the investment portfolio** was 2.5%, up 0.4 percentage points compared to 2023, reflecting higher interest income and more favourable financial market developments.

Assets under management increased by 24.3% to EUR 2,889.4 million, driven by favourable financial market developments and net inflows. Growth was recorded in all companies in the pensions and asset management segment, as well as in unit-linked assets.

The estimated solvency position as at 31 December 2024 demonstrates that the Group is well capitalised, with an estimated **solvency ratio** of between 207% and 213% (31 December 2023: 191%).

¹ On 1 January 2024, an amendment to the Slovenian Act on Reconstruction, Development and Provision of Financial Resources (ZORZFS) came into force, which provides for a temporary increase in the corporate income tax rate from 19% to 22% (for the period 2024–2028).

3.1 Non-life segment

EUR	2024	2023	Change	Index
Gross premiums written	670,272,401	572,614,385	97,658,016	117.1
EU	554,954,482	474,543,582	80,410,900	116.9
Non-EU	115,317,919	98,070,803	17,247,116	117.6
Insurance revenue	626,422,279	526,708,126	99,714,153	118.9
EU	522,286,220	436,996,472	85,289,748	119.5
Non-EU	104,136,059	89,711,654	14,424,405	116.1
Insurance service result	57,058,922	39,492,006	17,566,915	144.5
EU	51,849,028	32,526,322	19,322,706	159.4
Non-EU	5,209,893	6,965,685	-1,755,791	74.8
Finance result	14,196,329	7,192,077	7,004,252	197.4
EU	10,586,614	4,735,833	5,850,781	223.5
Non-EU	3,609,715	2,456,244	1,153,471	147.0
Other net expenses	-16,922,599	-15,568,022	-1,354,577	108.7
EU	-14,218,218	-11,934,216	-2,284,003	119.1
Non-EU	-2,704,381	-3,633,807	929,425	74.4
Profit before tax	54,332,651	31,112,307	23,220,344	174.6
EU	48,217,424	25,324,185	22,893,239	190.4
Non-EU	6,115,227	5,788,122	327,106	105.7
Combined ratio	93.5%	95.4%	-1.9 pp	-
EU	92.8%	95.3%	-2.5 pp	-
Non-EU	97.4%	96.1%	+1.3 pp	-

Gross written premiums of the non-life segment grew at a strong rate of 17.1%. Growth was achieved in all the markets, with the EU markets up 16.9% and the non-EU markets up 17.6%. In the EU markets, the highest nominal growth was achieved in the motor insurance business, particularly in the private passenger car segment. The growth is mainly due to both an increase in the price of insurance services in response to the rise in the price of car parts and repair services, as well as to the attraction of new policyholders and the increase in the number of policies sold. Gross written premiums in the EU markets in the personal and commercial property lines of business also increased significantly. In the non-EU markets, gross written premiums in property business grew the most due to bancassurance sales, while motor premiums also grew significantly due to price increases and an increase in the number of policies sold. As a result, the share of motor and property insurance in the composition of gross premiums by class of business increased in 2024 compared to 2023.

Insurance revenue grew by 18.9% to 99.7 million, driven by growth in gross written premiums. It increased by EUR 85.3 million, or 19.5%, in the EU markets and by EUR 14.4 million, or 16.1%, in the non-EU markets.

The **insurance service result** grew by EUR 17.6 million, or 44.5%, compared to the previous year. In the EU markets, the improvement in the insurance service result of EUR 19.3 million mainly reflected the increase in insurance revenue, but also relatively more favourable claims experience in 2024. The impact of natural catastrophes in 2024 was similar in absolute terms to 2023, but the other segments experienced more favourable claims development. In the non-EU markets, the insurance service result decreased by EUR 1.8 million, mainly due to a change in the allocation of expenses between attributable and non-attributable expenses, a deterioration in loss ratios in some classes of business and higher expenses for reinsurance protection.

The **combined ratio** was 93.5%, an improvement of 1.9 percentage points. The EU markets performed better (by 2.5 percentage points) as a result of improvements in both the loss ratio and the expense ratio. The loss ratio improved on both the insurance revenue and insurance service expense sides for the reasons described above, whereas the expense ratio improved because expenses grew at a slower

rate than insurance revenue. However, the deterioration in the combined ratio in the non-EU markets (by 1.3 percentage points) due to the higher loss ratio reflects the deterioration in the loss ratios of certain classes of business and an increase in the cost of reinsurance.

The **finance result** was EUR 7.0 million higher than in the same period last year. It was EUR 5.9 million and EUR 1.2 million higher in the EU and non-EU markets, respectively. The improvement in the finance result was mainly due to higher interest income as a result of the increased investment portfolio, the full impact of higher interest rates on the reinvestment of investments and the investment of cash flows from current operations.

Other net expenses mainly comprise non-attributable operating income or expenses that are not related to insurance business. In 2024, these net expenses increased by EUR 1.4 million. This was due to an increase of EUR 2.3 million in the EU markets as a result of lower income following the sale of an office building in the previous year, as well as lower Green Card income, higher expenses for taxes and contributions paid and higher non-attributable expenses in 2024. However, the improvement of EUR 0.9 million in the non-EU markets is mainly due to a change in the allocation of expenses between non-attributable and attributable expenses.

Profit before tax increased by EUR 23.2 million to a strong EUR 54.3 million in 2024. As explained above, the improvement in the EU markets was mainly driven by both a better insurance service result and finance result, whereas in the non-EU markets it was driven by a better finance result.

3.2 Life segment

EUR	2024	2023	Change	Index
Gross premiums written	203,223,479	185,767,557	17,455,922	109.4
EU	190,049,327	174,441,562	15,607,765	108.9
Non-EU	13,174,152	11,325,995	1,848,157	116.3
Insurance revenue	74,911,625	66,403,513	8,508,112	112.8
EU	66,401,607	59,872,919	6,528,688	110.9
Non-EU	8,510,017	6,530,594	1,979,423	130.3
Insurance service result	23,422,038	20,434,704	2,987,334	114.6
EU	21,290,551	18,724,682	2,565,869	113.7
Non-EU	2,131,487	1,710,022	421,465	124.6
Finance result	5,663,119	6,369,936	-706,817	88.9
EU	4,981,024	5,799,629	-818,605	85.9
Non-EU	682,095	570,307	111,788	119.6
Other net expenses	-6,023,729	-6,181,819	158,090	97.4
EU	-5,628,361	-5,669,054	40,693	99.3
Non-EU	-395,369	-512,766	117,397	77.1
Profit before tax	23,061,428	20,622,821	2,438,607	111.8
EU	20,643,215	18,855,257	1,787,957	109.5
Non-EU	2,418,213	1,767,563	650,650	136.8
	31 December 2024	31 December 2023	Change	Index
Contractual service margin (CSM)	160,952,422	141,629,289	19,323,133	113.6
EU	150,395,541	132,599,225	17,796,316	113.4
Non-EU	10,556,880	9,030,064	1,526,816	116.9

Gross written premiums of the EU-based life insurers increased by 8.9% year on year, driven by higher sales of both life risk and unit-linked insurance products, as well as top-up premiums on existing policies. The life insurers outside the EU managed to increase gross written premiums by 16.3%, reflecting very strong sales of risk products, with sales of investment products also increasing.

Insurance revenue grew by 10.9% in the EU markets as a result of increased sales. The Group's insurance revenue outside the EU increased by 30.3% due to higher sales and updated actuarial models and assumptions.

The **insurance service result** improved by EUR 3.0 million. It increased by EUR 2.6 million in the EU markets due to revenue growth and improved claims development, and by EUR 0.4 million in the non-EU markets due to higher revenue.

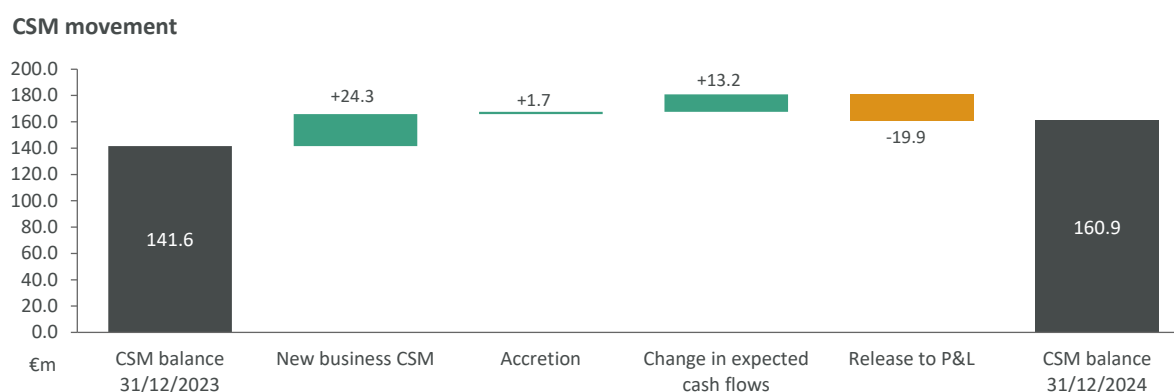
The **finance result** decreased by EUR 0.7 million, mainly because of the investment result, which was EUR 0.4 million lower in 2024 due to lower cash flow as a result of the maturing of the traditional life portfolio. In the non-EU markets, the higher finance result was driven by higher interest income.

Other net expenses decreased by EUR 0.2 million as a result of the amended methodology for calculating the insurance service result for the non-EU companies.

The **pre-tax result** totalled EUR 23.1 million, an improvement of 11.8%, mainly due to a better insurance service result both in the EU and non-EU markets.

The 13.6% increase in the **contractual service margin** was driven by new business, while expected future profits were also higher because of positive developments in the financial markets, which increased the value of unit-linked assets and hence future asset management revenue. The CSM also increased due to additional single-premium payments to existing policies.

Movement in contractual service margin



3.3 Reinsurance segment

EUR	2024	2023	Change	Index
Gross premiums written	126,840,903	122,966,992	3,873,911	103.2
Insurance revenue	99,346,893	104,029,407	-4,682,514	95.5
Insurance service result	28,001,783	23,442,000	4,559,783	119.5
Finance result	2,064,136	1,581,486	482,651	130.5
Other net expenses	-5,053,001	-4,324,198	-728,804	116.9
Profit before tax	25,012,918	20,699,289	4,313,629	120.8
Combined ratio	76.9%	81.6%	-4.7 pp	-
	31 December 2024	31 December 2023	Change	Index
Contractual service margin	4,667,072	5,455,348	-788,276	85.6

Gross written premiums increased by EUR 3.9 million, driven by price increases in global reinsurance markets and organic volume growth.

Insurance revenue declined by EUR 4.7 million as a result of a lower adjustment to estimated premiums for previous underwriting years than in the previous year and a change in the premium composition (a higher proportion of proportional contracts than in the previous year).

The **insurance service result** improved by EUR 4.6 million due to better claims experience.

The **combined ratio** was very favourable, even better than in 2023, mainly due to a more favourable loss ratio. The expense ratio deteriorated slightly owing to lower insurance revenue.

The **finance result** improved as a result of a better investment result, which increased by EUR 2.6 million in 2024, mainly due to higher interest income.

Other net expenses increased by EUR 0.7 million, largely reflecting an increase in non-attributable expenses resulting from IT development projects.

Profit before tax increased by EUR 4.3 million, driven by an improvement in the insurance service result and the investment result.

As at 31 December 2024, the **contractual service margin** totalled EUR 4.7 million. In 2024, the CSM decreased by EUR 0.8 million, or 14.4%.

3.4 Pensions and asset management segment

EUR	2024	2023	Change	Index
Business volume	27,098,591	22,802,778	4,295,813	118.8
Asset management revenue	23,660,332	19,589,410	4,070,922	120.8
Gross premiums written (annuities)	3,438,259	3,213,368	224,891	107.0
Costs	-15,866,945	-13,483,703	-2,383,242	117.7
Cost-to-income ratio (CIR)	65.4%	67.2%	-1.8 pp	-
Profit before tax	9,017,678	7,516,206	1,501,473	120.0
EUR	31 December 2024	31 December 2023	Change	Index
Assets under management	2,125,101,190	1,716,417,279	408,683,910	123.8

Business volume increased by EUR 4.3 million due to higher asset management revenue. This increase was mainly driven by management fee income, although there was also a rise in income from entry fees. Gross annuity premiums also increased as a result of more policies being written.

Costs rose by EUR 2.4 million, primarily due to increased fee income as a result of higher assets under management and the impact of inflation. Nevertheless, the **cost-to-income ratio** improved by 1.8 percentage points, driven by strong revenue growth. The cost-to-income ratio is calculated excluding one-off items.

Profit before tax was up EUR 1.5 million, primarily due to higher asset management revenue and an improved investment result, driven by favourable financial market conditions.

Assets under management rose by EUR 408.7 million. The main reasons are the strong investment return and the high net contributions to the funds. Assets under management increased for all companies in this segment.

3.5 “Other” segment

EUR	2024	2023	Change	Index
Income	9,500,199	8,270,833	1,229,366	114.9
Expenses	11,122,475	8,608,103	2,514,372	129.2
Profit before tax	-1,622,276	-337,270	-1,285,006	-

Despite the higher profit contribution from assistance services, the **pre-tax result** was EUR 1.3 million lower year on year. Excluding the extraordinary effect of the sale of G2I in 2023, it would have been EUR 1.0 million lower. This change is mainly due to the higher subordinated debt expenses as a result of the issuance of a subordinated bond in 2024 combined with other changes in this operating segment following the addition of two smaller subsidiaries that started operations at the end of 2023 and had their first full year of operations in 2024.

4 Financial position

The following is a discussion of assets and liabilities that is relevant to an understanding of the Group’s financial position.

EUR	31 December 2024	31 December 2023	Change	Index
Equity	648,560,456	585,663,613	62,896,843	110.7
Subordinated liabilities	125,058,474	74,987,535	50,070,939	166.8
Net insurance contract liabilities*, of which	1,820,525,607	1,641,414,959	179,110,648	110.9
– Contractual service margin (CSM)	175,577,253	155,307,485	20,269,768	113.1
Investment portfolio	1,666,922,163	1,503,282,095	163,640,068	110.9
Total assets	2,885,408,613	2,568,546,136	316,862,477	112.3
Assets under management	2,889,371,944	2,324,952,679	564,419,265	124.3

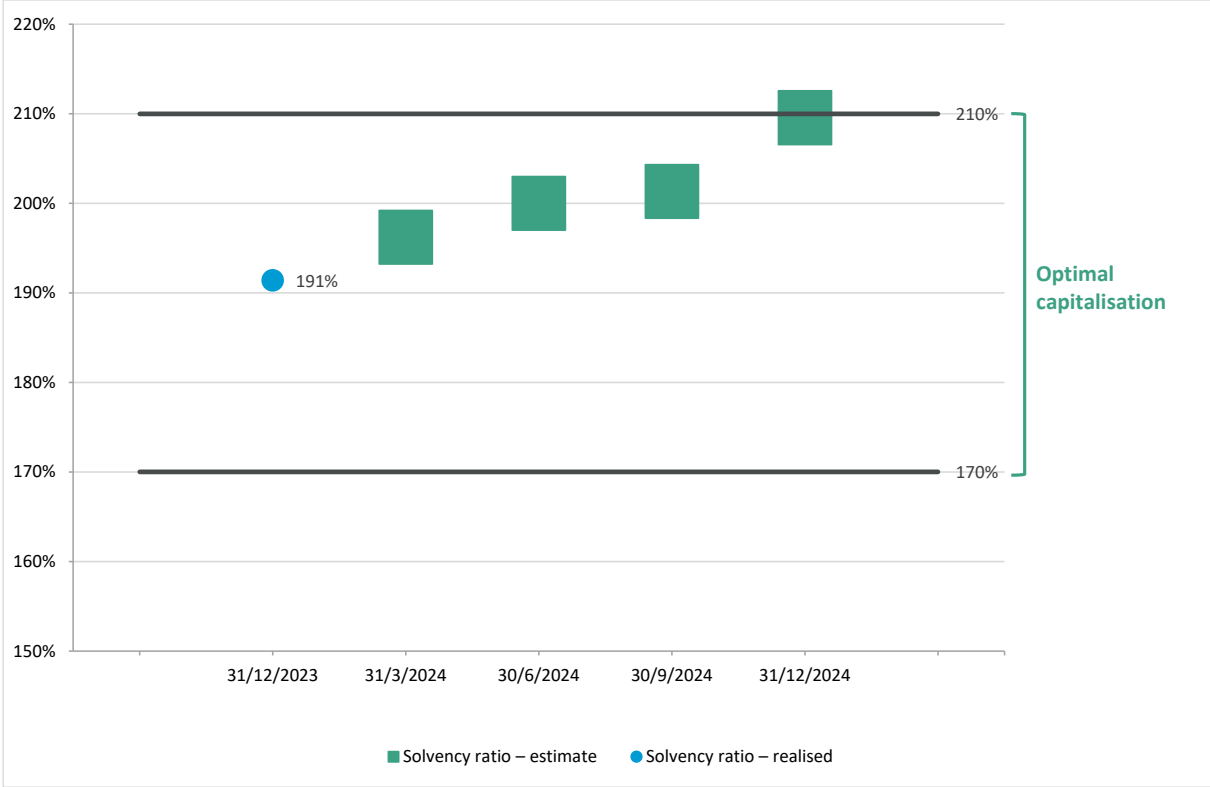
* Insurance contract liabilities, net of insurance contract assets.

4.1 Equity and solvency

Equity amounted to EUR 648.6 million, up EUR 62.9 million compared to the end of 2023. The increase in the profit for 2024 and a positive change in other comprehensive income were the main drivers of the overall increase, partially offset by the dividend payment.

Thus, the Group’s estimated solvency position as at 31 December 2024 shows that the Group is well capitalised, with a **solvency ratio** of between 207% and 213% (31 December 2023: 191%). The Group’s solvency ratio is thus significantly above the regulatory requirement of 100% and, according to internal criteria, is slightly above the optimal solvency ratio range of 170% to 210%.

Capital adequacy of the Sava Insurance Group as at 31 December 2023 and in 2024



4.2 Subordinated liabilities

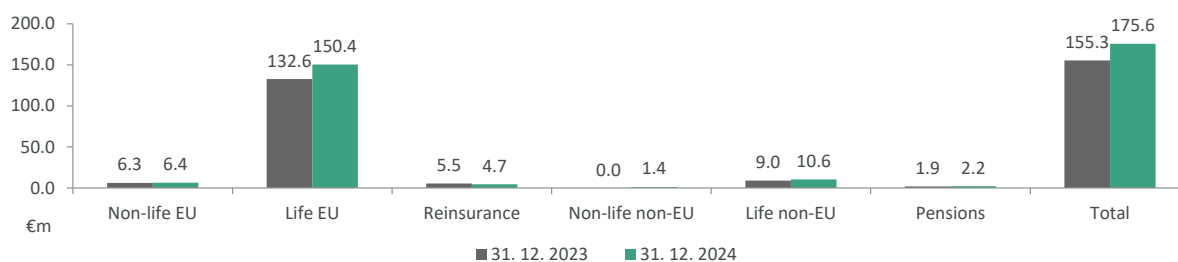
Subordinated liabilities totalled EUR 125.1 million. The parent company has issued two subordinated bonds, both of which are listed on the Luxembourg Stock Exchange. The first subordinated bond was issued in October 2019, with a scheduled maturity in 2039 and an early recall option for 7 November 2029. The second subordinated bond was issued in November 2024 (maturing in 2029) with the aim of optimising the Sava Insurance Group’s capital structure and providing funds for further growth.

4.3 Net insurance contract liabilities

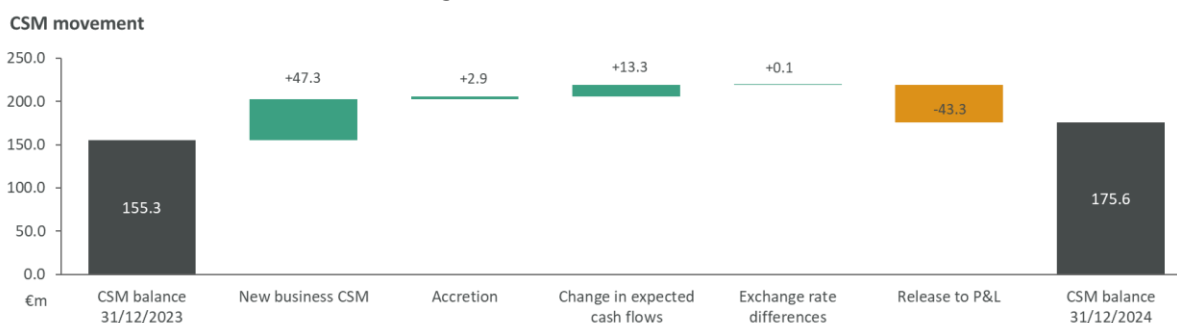
Net insurance contract liabilities amounted to EUR 1,820.5 million, an increase of EUR 179.1 million compared to the previous year, due to portfolio growth.

The **contractual service margin** is an estimate of future profits on insurance contracts that relate to future periods and have not yet been recognised in the income statement. As at 31 December 2024, it totalled EUR 175.6 million (CSM, net of reinsurance: EUR 168.6 million). In 2024, the contractual service margin increased by EUR 20.3 million, or 13.1%. In the life business, the increase was EUR 19.3 million, or 13.6%. The increase was driven by new business CSM due to successful new sales, as well as a change in assumptions about future cash flows due to improved financial market conditions and top-up premiums on existing policies.

Contractual service margin by segment



Movement in contractual service margin



4.4 Investment portfolio

The **investment portfolio** of the Sava Insurance Group increased by EUR 163.6 million, or 10.9%, compared to year-end 2023. This growth was driven by the proceeds from the issuance of a Save Re bond, positive cash flow from operating activities and the appreciation of invested assets. Fixed-rate investments accounted for the largest share of the investment portfolio, at 87.2% at the end of 2024. Compared to the end of the previous year, they increased by EUR 151.1 million or 11.6%. The increase is mainly due to the investment of cash flow from operating activities and a bond issue, while the asset allocation by asset class has not changed significantly.

Investment portfolio², net investment income and investment return

EUR	31 December 2024	31 December 2023	Change	Index
Investment portfolio position	1,666,922,164	1,503,282,095	163,640,069	110.9
EUR	2024	2023	Change	Index
Net investment income on investment portfolio	38,469,380	30,209,486	8,259,894	127.3
Interest income	27,548,736	21,398,313	6,150,423	128.7
Change in fair value of FVTPL investments	3,517,065	2,960,629	556,436	118.8
Dividends from equity investments and income from alternative funds	3,979,998	3,430,577	549,421	116.0
Income from associate companies	1,781,075	2,286,208	-505,133	77.9
Other investment income or expenses	1,642,507	133,759	1,508,748	1228.0
Return on investment portfolio	2.5%	2.1%	+0.4 pp	-

Net investment income and the return on the investment portfolio increased compared to 2023 due to more favourable movements in the financial markets and higher interest income. Net investment income for the period was EUR 38.5 million, representing a return of 2.5%.

² A more detailed breakdown of the investment portfolio is provided in appendix 6.

5 Shareholder value

Earnings per share

Net earnings per share increased to EUR 5.66 in 2024 (up 36.0% compared to 2023). Sava Re's share price rose from EUR 28.00 (31 December 2023) to EUR 40.00 (31 December 2024), representing an increase of 42.9%. Including the dividend, the total shareholder return on the share in 2024 was 49.1%. In addition to the favourable stock market conditions, the Company's performance also contributed to the increase in the share price. Turnover in the Sava Re share was EUR 15.8 million and EUR 27.5 million in 2023 and 2024, respectively.

	2024	2023
Number of shares (excluding treasury shares)	15,497,696	15,497,696
Net earnings per share (EUR)	5.66	4.16
Book value per share at end of period (EUR)	41.85	37.79
Share price at end of period (EUR)	40.00	28.00

Return on equity

Return on equity increased by 2.8 percentage points to 13.6% compared to the previous year (2023: 10.8%).

Dividend and dividend yield

The gross dividend of EUR 1.75 per share paid in 2024 was higher than in previous years and represents a dividend yield of 5.1% (pre-tax).

6 Risk management

The risks to which the Group is exposed did not change significantly in 2024 compared to the previous year. Information on macroeconomic, geopolitical and other impacts is provided below.

The macroeconomic and geopolitical environment remained uncertain in 2024. The Group monitored it closely and responded as appropriate. Financial risks did not increase further in 2024 compared to 2023. However, they remain at a high level.

With regard to underwriting risks, the Group's results for 2024 were impacted by weather-related events (in particular during the summer months). For more information on the impact of severe weather events, see the "Business environment" section. Underwriting risks are among the most significant risks and are therefore carefully managed by the Group.

The Group's exposure to strategic and operational risks was at a comparable level to last year, and the Group sought to mitigate these risks appropriately. The Group also successfully managed and controlled liquidity risk.

7 Progress on the business plan

The Sava Insurance Group achieved all its financial targets in 2024. Business volume exceeded the billion euro mark and was 11.9% ahead of plan. All operating segments surpassed their targets. Net profit for the period was EUR 87.8 million, based on which the target return on equity was also exceeded. The combined ratio improved compared to the previous year and remained below the planned limit. The Group's active management of its investment portfolio also kept it above the planned minimum return.

Actuals versus targets in 2024

EUR million	2024	2024 plan	As % of plan
Business volume	1,035.1	> 925	111.9%
Business volume growth	13.7%	> 5%	✓
Return on equity	13.6%	> 10.5%	✓
Profit, net of tax	87.8	> 70	125.5%
Solvency ratio	207–213%	170%–210%	✓
Combined ratio	91.3%	< 95%	✓
Return on investment portfolio	2.5%	2.2%	✓

8 Significant events in the reporting period

- On 22 February 2024, Sava Re signed a contract to acquire an additional 2.5% stake in TBS Team 24. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.
- In accordance with the Company's 2024 financial calendar, the 40th general meeting of shareholders was held on 27 May 2024.
- In July 2024, the rating agency S&P Global Ratings affirmed the "A" ratings of Sava Re and Zavarovalnica Sava. The outlook was stable.
- In October 2024, following its regular annual rating review, the rating agency AM Best published its ratings for Sava Re and affirmed its "A" ratings (with a stable outlook).
- On 4 October 2024, Sava Re issued a tier 3 subordinated bond with a maturity of five years. The aggregate principal amount of the subordinated bond issue was EUR 50 million. The principal amount of the bond is payable in full in a single amount on 4 October 2029 and bears a fixed rate of interest of 5.20% per annum, payable annually. Demand for the bond (amounting to over EUR 75 million) exceeded supply. More than 20 qualified investors participated in the bond subscription. The bonds were admitted to trading on the Luxembourg Stock Exchange. The issue was structured and managed by Erste Group Bank AG.
- In October 2024, Sava Re's supervisory board reappointed Peter Skvarča, whose five-year term of office is due to expire on 19 June 2025, as a member of the management board for a further term. The new five-year term starts on 20 June 2025.
- On 22 October 2024, Katarina Sitar Šuštar tendered her resignation as an external member of the audit committee of the supervisory board due to a conflict of interest with another of her functions. The resignation took effect immediately.
- In December 2024, the rating agency S&P Global Ratings revised the outlook for Sava Re and Zavarovalnica Sava to positive from stable and affirmed the "A" ratings.

9 Significant events after the reporting date

- In early 2025, the subsidiary Vita S Holding established the private healthcare provider PZU Vita S Skopje.
- In January 2025, a petition was filed to initiate the dissolution of Asistim under the summary procedure without liquidation.

10 About the Sava Insurance Group

The Sava Insurance Group is a customer-centric, flexible and sustainability-oriented insurance group doing business in over 120 insurance and reinsurance markets worldwide. The Group is a provider of primary insurance, reinsurance, asset management and retirement solutions. Sava Re d.d., the parent company and reinsurer, serves more than 500 clients worldwide. With a presence in six countries in the Adriatic region, the Group is one of the larger insurance groups based in southeastern Europe. Sava Re has an “A” financial strength rating and issuer credit rating from both S&P Global Ratings (A/positive/) and AM Best (A/stable/). For more information about the Sava Insurance Group, please visit www.sava-re.si/en-si/sava-insurance-group/profile.

11 Cautionary statements and notes

Forward-looking statements

This document may contain forward-looking statements relating to the expectations, plans or goals of the Sava Insurance Group (the Group), which are based on estimates and assumptions made by the management of Sava Re (the Company). By their nature, forward-looking statements involve known and unknown risks and uncertainties. As a result, actual developments, in particular performance, may differ materially from the expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

Duty to update

The Group and the Company assume no obligation to update or revise any forward-looking statements or other information contained in this document, except to the extent required by applicable laws and regulations.

Alternative performance measures

This document may contain certain alternative performance measures used by the Company’s management to monitor the business, financial performance and financial position of the Group and to provide investors with additional information that management believes may be useful and relevant to understanding the Group’s results. These alternative performance measures or benchmarks generally do not have a standardised meaning and therefore may not be comparable to similarly defined benchmarks used by other companies. Therefore, such measures should not be considered in isolation from, or in place of, the Group’s consolidated financial statements and the related notes prepared in accordance with IFRS standards.

Data not audited

The consolidated financial statements presented in this document are unaudited.

Rounding

All calculations are made on exact figures, including decimals, which is why rounding differences may occur.

Legal basis for the preparation of this document

This document has been prepared on the basis of the Market in Financial Instruments Act, the rules of the Ljubljana Stock Exchange and other laws and regulations applicable in Slovenia.

The Company's supervisory board reviewed this document at its session on 5 March 2025. The document is available on the Company's website.

Translation

This document has been originally prepared in Slovenian. While every effort has been made to ensure a complete and accurate translation into English, some linguistic inconsistencies may still occur in such translations. Please note that only the Slovenian original is binding.

Appendices

1. Consolidated income statement by operating segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Insurance revenue	522,286,220	436,996,472	104,136,059	89,711,654	66,401,607	59,872,919	8,510,017	6,530,594	99,346,893	104,029,407	532,842	421,765	0	0	801,213,638
Insurance service expenses	-456,204,172	-445,956,710	-95,250,896	-83,631,610	-44,778,719	-40,909,530	-6,350,780	-4,820,572	-59,359,306	-81,494,383	-406,141	-312,713	0	0	-662,350,015	-657,125,518
Claims incurred	-323,385,553	-324,341,925	-58,222,741	-52,147,491	-15,023,444	-15,502,210	-2,740,303	-1,966,927	-49,131,794	-71,430,181	-103,362	-85,420	0	0	-448,607,197	-465,474,154
Operating expenses	-135,175,763	-118,758,015	-36,893,712	-31,575,713	-29,050,613	-25,752,177	-3,643,023	-3,047,991	-10,054,083	-10,318,051	-120,073	-113,073	0	0	-214,937,268	-189,565,020
Onerous contracts	2,357,143	-2,856,770	-134,443	91,594	-704,662	344,857	32,546	194,346	-173,430	253,849	-182,706	-114,220	0	0	1,194,450	-2,086,344
Result before reinsurance	66,082,047	-8,960,238	8,885,163	6,080,044	21,622,889	18,963,389	2,159,237	1,710,022	39,987,587	22,535,024	126,700	109,052	0	0	138,863,623	40,437,293
Reinsurance result	-14,233,019	41,486,560	-3,675,270	885,641	-332,338	-238,707	-27,750	0	-11,985,804	906,976	0	0	0	0	-30,254,180	43,040,469
Insurance service result	51,849,028	32,526,322	5,209,893	6,965,685	21,290,551	18,724,682	2,131,487	1,710,022	28,001,783	23,442,000	126,700	109,052	0	0	108,609,443	83,477,762
Investment result	13,058,379	7,882,690	4,219,341	3,094,209	8,322,111	9,103,691	1,317,203	955,738	8,081,958	5,521,148	1,689,313	1,365,801	0	0	36,688,305	27,923,277
Net insurance finance result	-2,629,639	-3,070,764	-589,584	-629,162	-3,340,332	-3,302,541	-625,600	-400,071	-5,626,381	-5,210,202	-769,842	-691,457	0	0	-13,581,379	-13,304,198
Net foreign exchange gains/losses	157,874	-79,847	-20,042	-8,803	-754	-1,520	-9,508	14,640	-391,440	1,270,540	253	-2,505	0	0	-263,618	1,192,505
Finance result	10,586,614	4,732,079	3,609,715	2,456,244	4,981,024	5,799,629	682,095	570,307	2,064,136	1,581,486	919,724	671,839	0	0	22,843,308	15,811,584
Non-insurance revenue	0	0	0	0	0	0	0	0	0	0	23,660,332	19,589,410	7,699,599	5,961,670	31,359,931	25,551,080
Other costs	-17,012,269	-16,349,800	-5,214,942	-6,237,092	-6,299,867	-5,161,413	-789,937	-492,069	-4,326,695	-3,693,151	-15,746,872	-13,370,630	-7,532,504	-5,710,391	-56,923,086	-51,014,545
Income from investments in subsidiaries and associates	0	3,754	0	0	0	0	0	0	1	-1	0	0	1,781,075	2,282,455	1,781,075	2,286,208
Other net income/expenses	2,794,051	4,411,830	2,510,561	2,603,285	671,506	-507,641	394,568	-20,696	-726,307	-631,045	57,794	516,535	-3,570,445	-2,871,004	2,131,728	3,501,264
Profit before tax	48,217,424	25,324,185	6,115,227	5,788,122	20,643,215	18,855,257	2,418,213	1,767,563	25,012,918	20,699,289	9,017,678	7,516,206	-1,622,276	-337,270	109,802,399	79,613,353
Income tax expense															-21,955,857	-14,956,182
Net profit for the period															87,846,542	64,657,171

In the “Review of Group operations” section of this financial report, the income statement has been adjusted to present certain categories in a more meaningful way, as described in the 2023 annual report.

2. Consolidated statement of financial position by operating segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
ASSETS																
Intangible assets and goodwill	13,351,199	13,627,701	9,670,001	9,325,953	4,210,978	4,428,761	209,139	233,499	6,482,386	4,674,935	27,731,796	28,757,254	3,907,428	4,100,728	65,562,925	65,148,831
Property, plant and equipment	36,735,677	38,886,005	11,094,370	11,321,042	4,850,185	5,249,059	1,058,168	1,060,243	2,550,365	2,675,158	877,089	417,230	1,564,707	78,061	58,730,561	59,686,798
Investment property	11,168,035	11,730,934	5,515,791	5,544,277	31,558	32,900	0	0	7,431,872	7,582,167	0	0	0	0	24,147,256	24,890,278
Right-of-use assets	4,554,639	3,915,031	3,638,723	3,133,713	1,031,429	1,116,305	213,523	154,707	204,768	209,205	1,151,582	44,437	0	0	10,794,664	8,573,398
Investments in associates and joint ventures	0	0	0	0	0	0	0	0	0	0	0	0	25,615,695	23,834,620	25,615,695	23,834,620
Deferred tax assets	3,761,244	3,548,166	0	0	-2,748,165	-1,299,657	0	0	4,018,394	5,087,419	-602,281	-751,528	0	0	4,429,192	6,584,400
Financial investments	630,295,606	535,119,867	102,268,899	89,686,313	1,192,202,055	1,066,267,612	35,164,660	30,860,472	309,292,893	237,893,483	59,856,090	52,704,887	0	0	2,329,080,204	2,012,532,633
Investment contract assets	0	0	0	0	0	0	0	0	0	0	201,171,005	180,628,137	0	0	201,171,005	180,628,137
Insurance contract assets	3,235,064	3,686,689	7,603	16,211	2,109,892	753,959	406,701	184,190	5,083,103	4,966,239	0	0	0	0	10,842,363	9,607,288
Reinsurance contract assets	57,833,926	77,665,255	5,540,858	4,949,262	263,935	271,639	0	0	13,880,033	24,595,405	0	0	0	0	77,518,752	107,481,560
Current tax assets	136,843	0	186,523	435,426	1,171,826	0	1,683	1,683	671,315	0	0	0	0	7,507	2,168,191	444,616
Trade and other receivables	3,645,458	3,389,546	6,541,448	5,599,934	831,491	563,570	622,469	573,186	245,648	123,348	1,720,463	1,199,140	3,107,828	2,822,634	16,714,805	14,271,358
Non-current assets held for sale	400,000	191,021	68,892	68,628	757,000	0	0	0	0	0	0	0	0	0	1,225,892	259,649
Cash and cash equivalents	18,211,265	17,871,533	5,756,901	4,004,142	11,553,212	14,774,669	1,138,412	753,814	10,302,262	8,284,753	2,107,796	2,670,941	3,279,918	2,200,112	52,349,765	50,559,964
Other assets	1,439,578	1,235,294	647,296	419,561	447,201	394,674	42,470	41,483	994,736	715,114	974,886	763,264	511,177	473,216	5,057,343	4,042,606
Total assets	784,768,533	710,867,042	150,937,304	134,504,462	1,216,712,596	1,092,553,491	38,857,225	33,863,277	361,157,776	296,807,225	294,988,426	266,433,762	37,986,752	33,516,878	2,885,408,613	2,568,546,136
LIABILITIES																
Subordinated liabilities	0	0	0	0	0	0	0	0	0	0	0	0	125,058,474	74,987,535	125,058,474	74,987,535
Deferred tax liabilities	-6,526	54,689	651,432	578,579	194,871	86,516	678,346	696,551	0	0	1,725,931	1,784,777	201,365	235,479	3,445,417	3,436,591
Insurance contract liabilities	487,071,711	463,154,147	75,723,627	64,660,233	1,049,626,652	917,651,804	21,092,392	17,396,207	170,061,985	163,562,295	27,791,602	24,597,561	0	0	1,831,367,970	1,651,022,247
Reinsurance contract liabilities	-1,407,458	103,984	1,491,924	942,342	-29,544	307,990	22,557	0	3,905,726	287,726	0	0	0	0	3,983,205	1,642,043
Investment contract liabilities	0	0	0	0	0	0	0	0	0	0	200,954,895	180,437,695	0	0	200,954,895	180,437,695
Provisions	5,899,082	5,619,443	378,983	308,683	1,214,865	1,186,602	25,736	16,617	474,263	419,660	508,557	462,626	80,930	60,624	8,582,417	8,074,255
Lease liability	4,722,144	4,096,675	3,774,424	3,212,030	1,048,557	1,116,412	218,191	156,186	208,372	210,798	1,165,014	52,636	0	0	11,136,702	8,844,737
Other financial liabilities	7,157	7,154	422,556	728,545	0	0	1,941	1,386	0	0	0	0	0	0	431,656	737,085
Current tax liabilities	0	116,825	679,602	670,658	0	2,363,508	63,866	27,152	0	6,319,991	593,705	276,482	134,151	156,214	1,471,324	9,930,830
Other liabilities	24,256,743	22,980,315	7,612,310	5,664,583	3,517,485	3,154,137	1,247,144	1,374,904	6,027,362	4,718,067	2,421,749	1,739,401	5,333,303	4,138,098	50,416,096	43,769,505
Total liabilities	520,542,853	496,133,232	90,734,860	76,765,653	1,055,572,885	925,866,969	23,350,174	19,669,003	180,677,711	175,518,538	235,161,453	209,351,177	130,808,222	79,577,950	2,236,848,157	1,982,882,523
Total equity															648,560,456	585,663,613
Total liabilities and equity															2,885,408,613	2,568,546,136

3. Non-life segment

Gross premiums written – non-life insurance

EUR	2024	2023	Change	Index
Slovenia	537,406,812	457,402,901	80,003,910	117.5
Croatia	17,547,670	17,140,681	406,989	102.4
EU	554,954,482	474,543,582	80,410,900	116.9
Serbia	51,139,979	39,539,035	11,600,944	129.3
North Macedonia	22,252,116	20,430,241	1,821,875	108.9
Montenegro	22,648,329	20,665,273	1,983,056	109.6
Kosovo	19,277,495	17,436,254	1,841,241	110.6
Non-EU	115,317,919	98,070,803	17,247,116	117.6
Total non-life	670,272,401	572,614,385	97,658,016	117.1

Gross non-life insurance premiums by class of business



4. Life segment

Gross premiums written – life insurance

EUR	2024	2023	Change	Index
Slovenia	187,485,214	172,197,867	15,287,347	108.9
Croatia	2,564,113	2,243,695	320,418	114.3
EU	190,049,327	174,441,562	15,607,765	108.9
Serbia	8,725,522	7,062,615	1,662,908	123.5
Kosovo	4,448,629	4,263,381	185,248	104.3
Non-EU	13,174,152	11,325,995	1,848,157	116.3
Total life	203,223,479	185,767,557	17,455,922	109.4

Gross life insurance premiums by class of business



5. Pensions and asset management segment

Performance of funds under management (accumulation part)

EUR	1-12/2024	1-12/2023	Index
Opening balance of fund assets (1 January)	1,716,417,279	1,435,329,886	119.6
Fund inflows	254,288,398	180,188,410	141.1
Fund outflows	-60,000,929	-40,825,727	147.0
Asset transfers	-11,788,444	-15,184,025	77.6
Net investment income on funds	228,988,804	159,016,068	144.0
Entry and exit charges	-2,291,352	-2,150,348	106.6
Exchange differences and fair value reserve	-512,566	43,015	-
Closing balance of fund assets (31 December)	2,125,101,190	1,716,417,279	123.8
Index versus period start	123.8	119.6	

Closing balance of funds under management (accumulation part)

EUR	31 December 2024	31 December 2023
Slovenia	942,984,814	721,200,215
North Macedonia	1,182,116,375	995,217,064
Total	2,125,101,190	1,716,417,279

6. Investment portfolio of the Sava Insurance Group

Balance and composition of the investment portfolio

EUR	31 December 2024	Share 31 December 2024	31 December 2023	Share 31 December 2023	Change
Fixed-rate investments	1,453,477,573	87.2%	1,302,427,145	86.6%	151,050,428
Government bonds	922,745,930	55.4%	818,836,368	54.5%	103,909,562
Corporate bonds	503,431,690	30.2%	457,974,606	30.5%	45,457,084
Deposits	27,299,953	1.6%	25,616,171	1.7%	1,683,782
Shares and mutual funds	44,408,674	2.7%	40,318,822	2.7%	4,089,852
Shares	23,464,857	1.4%	21,754,273	1.4%	1,710,584
Mutual funds	20,943,817	1.3%	18,564,549	1.2%	2,379,268
Alternative funds	72,361,306	4.3%	71,228,051	4.7%	1,133,255
Investment property	24,147,256	1.4%	24,890,278	1.7%	-743,022
Cash and cash equivalents	46,243,890	2.8%	39,829,039	2.6%	6,414,851
Investments in associates	25,615,695	1.5%	23,834,619*	1.6%	1,781,076
Other*	667,770	0.0%	754,141	0.1%	-86,371
Total investment portfolio	1,666,922,164	100.0%	1,503,282,095	100.0%	163,640,069

* The "other" item includes loans granted.

Balance and composition of fixed-rate financial investments

EUR	31 December 2024	Share 31 December 2024	31 December 2023	Share 31 December 2023	Change in share (pp)
Government bonds	922,745,930	63.5%	818,836,368	62.9%	0.6
Corporate and financial bonds	503,431,690	34.6%	457,974,606	35.2%	-0.5
Regular corporate bonds	427,219,544	29.4%	374,986,376	28.8%	0.6
Subordinated bonds	18,994,378	1.3%	30,549,141	2.3%	-1.0
Covered bonds	57,217,768	3.9%	52,439,089	4.0%	-0.1
Deposits	27,299,953	1.9%	25,616,171	2.0%	-0.1
Total	1,453,477,573	100.0%	1,302,427,145	100.0%	

7. Glossary of selected terms and calculation methods for indicators

Adriatic region. The countries of south-eastern Europe along the Adriatic Sea.
Assets under management. Assets of the pension companies' pension funds, the assets of mutual funds managed by the Group's asset management company and the assets of the policyholders who bear the investment risk.
Book value per share. Ratio of total equity to the weighted average number of shares outstanding.
Business volume. Gross premiums written and non-insurance revenue.
Combined ratio. The sum of the loss ratio and the expense ratio. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
Contractual Service Margin (CSM). An estimate of the unearned profit on groups of insurance contracts that has not been recognised in the income statement at a reporting date because it relates to future services.
Cost-to-Income Ratio (CIR). Operating expenses as a percentage of operating revenue and net other income/expenses.
Dividend yield. Ratio of the dividend per share to the rolling 12-month average share price.
Emerging risks. New risks, or risks that have been identified previously but which arise in new or unknown circumstances and the impact of which is not fully understood.
Expense ratio. Attributable expenses plus non-attributable expenses plus net operating income or expenses plus net other income or expenses plus net impairment losses and reversals of impairment losses on non-financial assets as a percentage of insurance revenue. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
FVTPL (Fair Value Through Profit or Loss) investments. Financial investments measured at fair value through profit or loss.
Gross premiums written. The total premiums from all policies written or renewed during a given period, regardless of what portions have been earned.
Highly liquid assets. Highly liquid investments include L1A assets (ECB methodology), investments in US bonds, investments in sovereign and supranational issuers rated AA+ or better, and cash and cash equivalents.
IBOR (Interbank Offered Rate). An interbank reference interest rate is the average interest rate at which banks borrow money (e.g., LIBOR, EURIBOR).
Investment portfolio. It includes investment property; investments in associates and subsidiaries; financial investments other than unit-linked assets; and cash and cash equivalents other than those related to unit-linked life insurance contracts.
Net contractual service margin. Contractual service margin, net of reinsurance.
Net earnings or loss per share. Ratio of net profit or loss attributable to equity holders of the controlling company as a percentage of the weighted average number of shares outstanding. The Company and the Group have no potentially dilutive ordinary shares, therefore basic earnings per share equal diluted earnings per share.
Net investment income on investment portfolio. The investment result plus the share of the profit or loss of subsidiaries and associates. It is calculated excluding the return on life insurance policies where policyholders bear the investment risk, the impact of foreign exchange differences and the cost of subordinated debt.
NSLT health insurance. Health insurance provided on a technical basis similar to that of non-life insurance.
Own risk and solvency assessment (ORSA). Own assessment of the risks associated with a company's or the Group's business and strategic plan and assessment of the adequacy of own funds to cover them.
Return on equity. Net profit for the period as a percentage of average equity during the period, excluding accumulated other comprehensive income. Annualised returns are shown in the interim reports.
Return on the investment portfolio. The ratio of net investment income on the investment portfolio to average investment portfolio position. The investment portfolio position includes the following items of the statement of financial position: investment property; investments in associates and subsidiaries; financial investments other than unit-linked assets; and cash and cash equivalents other than those related to unit-linked life insurance contracts. The average balance is calculated on the basis of the investment portfolio assets over the last five quarters.
SLT health insurance. Health insurance provided on a technical basis similar to that of life insurance.
Solvency ratio. The ratio of eligible own funds to the solvency capital requirement, expressed as a percentage. A solvency ratio greater than 100% indicates that the company has sufficient resources to meet the solvency capital requirement.
Total shareholder return. The ratio of the difference between the share price at the end and beginning of the period, plus the dividend, to the share price at the beginning of the period.
Ultimate loss. Total amount of loss after all claims have been paid. Prior to final settlement, the estimated ultimate loss includes reported claims and provisions for incurred but not reported (IBNR) claims.



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