

ANNUAL INTERNAL AUDIT REPORT 2025

Annual Report of the Internal Audit
Department on Internal Auditing for 2025

Ljubljana, March 2026

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1 INTRODUCTION

The internal audit department has prepared the Annual Report on Internal Auditing for 2025 pursuant to Article 165 of the Slovenian Insurance Act (ZZavar-1), the Global Internal Audit Standards™, the Internal Audit Policy of Sava Re d.d. (Sava Re), the Strategy of the Internal Audit Department (IAD) for 2023–2027 and the Annual Work Plan of the IAD for 2025.

This report includes:

- S** the mandate of the internal audit function,
- S** a report on the organisational independence of the internal audit department,
- S** an overall assessment of governance, risk management and the internal control system of Sava Re,
- S** an overview of the implementation of the annual work plan, including deviations therefrom,
- S** a summary of the key findings of the audits performed and the recommendations issued,
- S** an overview of implemented recommendations for remedying weaknesses and irregularities,
- S** staffing, development and training, and the financial and technological resources of internal audit,
- S** a summary of the internal audit quality assurance and improvement programme.

1.1 Mandate of the internal audit function

The mandate sets out the powers, roles and responsibilities of the internal audit function. The mandate empowers the internal audit function to provide objective assurance, advice, insight and foresight to the management and supervisory boards. The supervisory board delegates to the internal audit function the mandate to provide objective assurance on advice, insight and foresight to the management and supervisory boards.

By resolution no. 9.3/36/24 dated 21 November 2024, the Company's supervisory board granted the internal audit function the mandate to provide objective assurance on advice, insight and foresight to the management and supervisory boards.

The mandate forms part of the Internal Audit Policy (the policy). The Company's policy was updated at the end of 2025, effective 1 January 2026. The mandate remained unchanged.

1.2 Organisational independence of the internal audit

The IAD is an independent organisational unit, functionally and organisationally separate from other units of Sava Re. Administratively, it reports to Sava Re's management board, whereas functionally it reports to Sava Re's management board, supervisory board and its audit committee. This ensures the autonomy and organisational independence of the IAD's activity.

In accordance with the Slovenian Insurance Act and on the basis of outsourcing agreements, Sava Re d.d. has performed the key functions of internal audit for the following companies for an indefinite period: Zavarovalnica Sava d.d., Vita, Življenska Zavarovalnica, d.d., Sava Pokojninska Družba d.d. and Sava Infond d.o.o.

The director of the IAD, Polonca Jug Mauko, was appointed as the internal audit key function holder of Sava Re d.d. and Zavarovalnica Sava d.d., as well as the internal audit key function holder at the level of the Sava Insurance Group.

As the internal audit function holder:

- S** I am autonomous,
- S** I operate independently,
- S** I am not subject to any binding instructions from employees in the performance of my key function, and I am not impeded in the performance of my statutory duties.

In 2025, the internal audit function covered all key risks and was not constrained in any way (in terms of staff, technical means, etc.) in the performance of its duties.

Internal audit conducts internal audit reviews in accordance with the hierarchy of rules of internal auditing adopted by the Slovenian Institute of Auditors on the basis of the law governing auditing, and written rules of the internal audit function.

2 GOVERNANCE, RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM

As holder of the internal audit key function, I assessed the effectiveness and efficiency of governance, risk management and the system of internal controls in 2025 based on the internal audit engagements carried out. Internal audit is a risk-based, continuous and comprehensive supervision of the Company's operations with the objective of verifying and assessing whether the corporate governance, risk management and internal control system processes are adequate and functioning in such a way as to ensure the achievement of the Company's key goals. The internal control system is defined as the totality of the risk management, control and governance processes of the Company and the Group that enable the achievement of the Company's significant goals. The audit engagements covered all key risks of the Company.

Based on all tests carried out and methods used in individual areas that we audited, I, as the internal audit key function holder, believe that Sava Re's corporate governance, risk management and the internal control system are of **GOOD** reliability. I also believe that Sava Re's governance was adequate and that it is being continuously improved to ensure the achievement of key business goals, and that Sava Re's risk management was efficient and aimed at ensuring effective and economical operations. There is still room for improvement in the operation of the system. The internal audit engagements have identified certain irregularities and deficiencies, which the IAD has pointed out and made appropriate recommendations for their remedy to ensure further improvement of the Company's internal controls, risk management and corporate governance. This leads to greater efficiency of internal controls and enhances the regularity of operations.

The IAD's recommendations have been actively implemented by those responsible. However, some additional time will be needed to implement the recommendations made in the last quarter of the year and those related to the improvement of information technology and documentation management.

In the standard internal audit engagements, due consideration was given to potential instances of fraud and exposure, as well as the potential vulnerability of IT support to operations and ethical and sustainable behaviour. Internal control systems were in place in the areas audited and were working to prevent the occurrence of fraud. The audits also resulted in recommendations for the improvement of the IT system.

3 OVERVIEW OF THE IMPLEMENTATION OF THE 2025 ANNUAL WORK PLAN

In 2025, the IAD carried out internal audit engagements and other activities in accordance with the Annual Work Plan of the IAD for 2025.

A total of 46 internal audit engagements were planned, of which 45 were carried out (no collaboration took place in the audit of the independence of the auditor of the financial statements at Sava Neživotno Osiguranje in Serbia, as the audit itself was not carried out due to the local auditor's unplanned absence):

- 1) 1_R_2025/SRe Corporate governance audit,
- 2) 2_R_2025/SRe Audit of the reinsurance process at the Group level,
- 3) 3_R_2025/SRe Audit of the company's receivables management,
- 4) 4_R_2025/SRe Audit of the claims process and the SAP core IT system,
- 5) 5_R_2025/SRe Audit of the HR function and IT support for HR processes (FledgeWorks) (cooperation with compliance function),
- 6) 6_R_2025/SRe Audit of the independence of the auditor of the financial statements,
- 7) 7_R_2025/SRe Audit of the IT governance process,
- 8) 8_R_2025/SRe Audit of compliance with sustainability requirements (cooperation with compliance function),
- 9) 9_R_2025/SRe Continuous auditing – IT,
- 10) 1_SV_2025/SRe Audit of maturity of the IT governance process – COBIT 2019 in the Sava Insurance Group,
- 11) 2_SV_2025/SRe Consulting engagement – SimCorp software package compliance with legal and regulatory requirements,
- 12) 3_SV_2025/SRe Informal consulting engagements,
- 13) 1_SOD_2025/SRe Reinsurance process audit – SNO,
- 14) 2_SOD_2025/SRe Reinsurance process audit – SŽO,
- 15) 3_SOD_2025/SRe Reinsurance process audit – SO MNE,
- 16) 4_SOD_2025/SRe Reinsurance process audit – SO MKD,
- 17) 5_SOD_2025/SRe Reinsurance process audit – Illyria,
- 18) 6_SOD_2025/SRe Reinsurance process audit – Illyria Life,
- 19) 7_SOD_2025/SRe Corporate governance audit – SNO,
- 20) 8_SOD_2025/SRe Corporate governance audit – SŽO,
- 21) 9_SOD_2025/SRe Corporate governance audit – SO MNE,
- 22) 10_SOD_2025/SRe Corporate governance audit – SO MKD,
- 23) 11_SOD_2025/SRe Corporate governance audit – SPD MKD,
- 24) 12_SOD_2025/SRe Corporate governance audit – Illyria,
- 25) 13_SOD_2025/SRe Corporate governance audit – Illyria Life,
- 26) 14_SOD_2025/SRe Audit of the IT governance process – SNO,

- 27) 15_SOD_2025/SRe Audit of the IT governance process – SŽO,
- 28) 16_SOD_2025/SRe Audit of the IT governance process – SO MNE,
- 29) 17_SOD_2025/SRe Audit of the IT governance process – SO MKD,
- 30) 18_SOD_2025/SRe Audit of the IT governance process – SPD MKD,
- 31) 19_SOD_2025/SRe Audit of the IT governance process – Illyria,
- 32) 20_SOD_2025/SRe Audit of the IT governance process – Illyria Life,
- 33) 21_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – SNO,
- 34) 22_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – SŽO,
- 35) 23_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – SO MKD,
- 36) 24_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – SPD MKD,
- 37) 25_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – SO MNE,
- 38) 26_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – Illyria,
- 39) 27_SOD_2025/SRe Audit of the independence of the auditor of the financial statements – Illyria Life,
- 40) 28_SOD_2025/SRe Group Audit collaboration – subsidiaries – SO MKD,
- 41) 29_SOD_2025/SRe Group Audit collaboration – subsidiaries – SPD MKD,
- 42) 30_SOD_2025/SRe Group Audit collaboration – subsidiaries – SO MNE,
- 43) 31_SOD_2025/SRe Group Audit collaboration – subsidiaries – SŽO,
- 44) 32_SOD_2025/SRe Group Audit collaboration – subsidiaries – SNO,
- 45) 33_SOD_2025/SRe Group Audit collaboration – subsidiaries – Illyria,
- 46) 34_SOD_2025/SRe Group Audit collaboration – subsidiaries – Illyria Life.

4 SUMMARY OF THE MAJOR CONCLUSIONS OF THE INTERNAL AUDIT ENGAGEMENTS PERFORMED

Based on risk ratings, the internal audit performed ongoing and comprehensive supervision of the Company's operations to verify and assess whether the Company's corporate governance, risk management and internal control system processes are adequate and work in such a way as to ensure the achievement of the Company's following important goals:

- S** effective and efficient operations, including meeting business and financial performance targets, and safeguarding assets against loss;
- S** reliable, timely and transparent internal and external financial and non-financial reporting;
- S** compliance with laws and other regulations, including internal rules;
- S** the management of the Company's IT to support the delivery of the Company's strategy and goals;
- S** the assessment of the risk of fraud and how it is managed by the Company.

The IAD provided ongoing written reports to the auditees and submitted reports for information as well as conclusions and recommendations for adoption by the Company's management board. It reported regularly on the implementation of these recommendations to the management board, audit committee and supervisory board based on feedback received from those responsible for the implementation of the recommendations.

The IAD provided a more detailed overview of the internal audit engagements, including conclusions, irregularities and recommendations, in its quarterly reports to the management board, the audit committee and the supervisory board.

The IAD has assessed the adequacy, effectiveness and efficiency of the risk management processes and the internal control system in accordance with standard 14.5. We use the following rating scale to assess the internal control system in accordance with the methodology of the Sava Insurance Group:

VERY GOOD – The control system of the audited organisational unit is very good in every respect; the internal controls in place are strong; all key controls are operating, and there are no deviations. Supervision is optimal. The risk is very low. There are no findings with a medium or high risk rating.

GOOD – The control system is generally good; minor weaknesses can be addressed by the head of any business function (area) / organisational unit in the course of the business process. Management has good control of business operations and ensures that responsibilities and authority are exercised. In the event of deviations, immediate action is taken, and procedures are continuously improved. Supervision is carried out regularly. The risk is low. One to two findings with a medium risk rating and no findings with a high risk rating.

ADEQUATE – A combination of some deficiencies in the control system requires immediate corrective action by the head of the business area / organisational unit. Management is aware of the required monitoring and supervision; procedures and responsibilities are roughly defined. Supervision is occasional. The risk is medium. Most findings are rated as medium risk.

INADEQUATE – Major deficiencies in the control system undermine operations and must be immediately addressed by the head of the business area / organisational unit as a matter of priority. Supervision is not carried out according to formal written procedures and is left to individuals. The risk is high. There are findings rated as high risk.

UNSATISFACTORY – There is a high degree of major deficiencies (non-compliance, complete lack of controls), requiring a complete reorganisation of the business area / organisational unit. There is no supervision. The risk is very high.

Despite the given scale and in view of the professional and ethical standards required of the certified internal auditor, part of the assessment of the internal control system remains at the discretion of the certified internal auditor.

Below is a brief summary of the key conclusions in the audited areas in Sava Re (internal audit collaborations with subsidiaries are not included, since these engagements are included in subsidiaries' annual internal audit reports).

Audit of the corporate governance process (1_R_2025/SRe)

The audit covered a review and assessment of the compliance of the Group company's corporate governance with the adopted policies and standards, as well as its enhancement through best practice recommendations for all Group companies; the performance of duties by the Group's business and key function holders; and the performance of tasks of the business centre for insurance, sales and Group governance from a corporate governance perspective.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system for the processes of the audited area as **GOOD**.

Corporate governance audits were carried out in all subsidiaries of the Sava Insurance Group that are required to have an internal audit established. Audit findings indicate that the corporate governance system in the subsidiaries is mostly good, in four cases adequate, and in one case very good.

We issued twenty-two recommendations, including one high-risk recommendation (identified deficiency relating to the refinement and review of access rights in SharePoint and the identified high risk of data disclosure due to the audit trail not being activated, requiring additional security measures), eight medium-risk recommendations (establishing a formal process for granting access rights in SharePoint; establishing a procedure for regular, periodic review of user access rights in SharePoint, including documentation and notification of subsidiaries regarding such reviews; improving the monitoring of the implementation of management board resolutions; establishing a centralised overview of the alignment between subsidiaries' internal regulations and the Group's key internal documents; updating the data governance policy; and three recommendations relating to the functioning of management board committees), eight low-risk recommendations, and five opportunities for more efficient operations.

Audit of the reinsurance process at the Group level (2_R_2025/SRe)

The audit covered a review and assessment of the adequacy, correctness and timeliness of the reinsurance process and the functioning of the Group reinsurance and retrocession, as well as a review and assessment of the adequacy of the management of the reinsurance process in Group subsidiaries.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system for the processes of the audited area as **GOOD**.

We issued three recommendations, including one medium-risk recommendation (to formally define and clearly specify KPIs from the Group reinsurance perspective, in terms of their purpose, monitoring and action, and to establish indicators for monitoring the operational efficiency of the reinsurance process) and two opportunities for more efficient operations.

Audit of the company's receivables management (3_R_2025/SRe)

The audit covered a review and assessment of risk management relating to accounts receivable.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance, risk management and the internal control system for the processes of the audited area as **ADEQUATE**, given that activities to upgrade the SAP system and compile a comprehensive inventory of SAP controls are ongoing.

We issued eight medium-risk recommendations (revision of internal regulations governing the management process for reinsurance receivables and liabilities; preparation of an inventory of all processes and data still executed or stored in the Revolve and ProClarity legacy applications; obtaining a complete inventory of SAP controls for recording and settling reinsurance receivables and liabilities; defining KPIs for managing reinsurance receivables; establishing a regular mechanism for allocating and monitoring payments; ensuring periodic, documented verification that automated controls are functioning properly in the SIMA tool and SAP information system; and formalising confirmation that data transfer between SAP and Navision is stable for the receivables management process).

Audit of the claims process and the SAP core IT system (4_R_2025/SRe)

The audit covered a review and assessment of the adequacy of the claims process and the SAP core IT system.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system of the processes of the audited area as **ADEQUATE**.

We issued eight recommendations, including one high-risk recommendation (to include the SAP CORE ERP system in the business continuity plan), four medium-risk recommendations (to update and formalise internal acts and procedures for the claims process; establish a claims register in SAP; formalise confirmation of stabilised data transfer between SAP and Navision for the claims process and update the change management process documentation), two low-risk recommendations and one recommendation to improve operational efficiency.

Audit of the HR function and the IT support for HR processes (FledgeWorks) (cooperation with the compliance function) (5_R_2025/SRe)

The audit covered a review and assessment of the adequacy of IT support for HR processes (FledgeWorks) and the effectiveness and efficiency of the HR function.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system of the processes of the audited area as **ADEQUATE**.

We issued four recommendations, including two medium-risk recommendations (preparing a concept for a paperless HR process and an electronic archive of permanent HR documentation, and establishing measures to ensure mandatory training is completed by all employees, with access to training content available even after the deadline) and two low-risk recommendations.

Audit of the independence of the auditor of the financial statements (6_R_2025/SRe)

The audit covered a review of the system for monitoring the conclusion of contracts with audit firms and the system for reporting on contracts concluded with audit firms. The audit was conducted in accordance with the requirements of the Policy for Ensuring the Independence of the Auditor of

Financial Statements of Sava Re d.d. and the Sava Insurance Group.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system of the processes of the audited area as **VERY GOOD**. No recommendations were made.

Audit of the IT governance process (7_R_2025/SRe)

The audit covered a review and assessment of the maturity, success and efficiency of information technology management processes in accordance with the COBIT 2019 management framework, compliance with field legislation and regulations, and additional emphasis on the organisation and organisational structure of the Company's IT, as well as a follow-up audit of the 2024 IT governance process.

As part of the COBIT audit, a detailed review was also performed in the following areas:

- S** digital transformation (activities undertaken in relation to the business strategy in the area of digital transformation);
- S** information, cybersecurity and business continuity (SUVI/SUNP);
- S** security testing and questionnaires;
- S** review of external IT service providers;
- S** HR management in IT department;
- S** management of privileged users in the Company's information infrastructure;
- S** content and implementation of service level agreements (SLAs) between the IT department and the Company;
- S** use of AI in the Company's applications;
- S** remote access to the Company's information resources.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system of the processes of the audited area as **ADEQUATE**. IT governance processes are appropriately designed; however, control procedures need improvement, particularly by linking all IT requests to resources and objectives that can be measured using appropriate request management tools. Identity management can also be further improved through the introduction of appropriate software solutions and strategic decisions on how to address new EU guidelines on digital identities.

We issued ten recommendations, including one high-risk recommendation (regular monitoring of access rights, including privileged access, across all systems), seven medium-risk recommendations (testing exit strategies and associated risks for all key suppliers; preparing a plan for establishing a unified knowledge base linked to the CMDB for the next strategic period; updating IT assets in SysAid; introducing a three-phase asset inventory model; preparing KPIs with all relevant data for measurement; improving the service catalogue linked to configuration items (CI) and KPIs; and improving the use of SysAid) and two low-risk recommendations.

Audit of compliance with sustainability requirements (cooperation with the compliance function) (8_R_2025/SRe)

The audit covered a review of the Company's compliance with regulatory requirements related to sustainability.

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system for the processes of the audited area as **GOOD**.

We issued two recommendations, including one medium-risk recommendation (following the adoption of the revised ESRS (sustainability reporting standards), the Company should formally assign responsibility for all ESRS data points it is required to report) and one low-risk recommendation.

Continuous auditing – IT (9_R_2025/SRe)

The objective of continuous IT auditing is to monitor IT activities in the field of IT governance on an ongoing basis, as well as ensuring that processes comply with standards, best practices, legislation and regulation (e.g., ISO/IEC 27001:2022, PCI DSS 4.0, GDPR/ZVOP-2 and DORA).

In accordance with standard 14.5, we have assessed the adequacy, effectiveness and efficiency of governance processes, risk management and the internal control system for the processes of the audited area as **GOOD**. No recommendations were made.

5 OVERVIEW OF THE IMPLEMENTATION OF RECOMMENDATIONS TO REMEDY DEFICIENCIES AND IRREGULARITIES

The IAD periodically reports on the status of the implementation of recommendations or proposals made following the identification of irregularities or deficiencies. Between 1 January and 31 December 2025, 84 recommendations were monitored. Based on the internal audits carried out, we made 58 recommendations in 2025.

Of the 84 recommendations made to Sava Re, 32 have been implemented (of these, 8 opportunities for improvement), 50 remain pending, and 2 had their implementation deadline extended. As at 31 December 2025, 100% of overdue recommendations and 55% of all recommendations were implemented.

6 STAFFING, DEVELOPMENT AND TRAINING, AND THE FINANCIAL AND TECHNOLOGICAL RESOURCES OF INTERNAL AUDIT

In 2025, the IAD had eleven employees. Of these, seven were certified internal auditors, one was a CIA-certified auditor, and two were certified information systems auditors. Two employees are in the process of attaining the title of certified internal auditor. The staff also hold the following licences: CISA, CRISC, CISM, CSX, COBIT Foundation, lead assessor for ISO 9001, ISO 22301, ISO/IEC 27001, 27017, 27018, ISO/IEC 20000, PCI DSS ASV, PCI DSS QSAVP, EIDAS, NPK security manager, WLA, EL RGS, ZVDAGA, VP ENTSO-E, SWIFT, certified public sector accountant, certified state internal auditor, internal assessor for ISO 9001, ISO 14001, ISO 18001, ISO 45000 and sustainability reporting specialist.

I believe that the number and structure of the IAD staff will enable the proper fulfilment of planned activities, provided that there are no prolonged unplanned absences and/or increased unplanned workloads. In 2025, the internal audit function covered all key risks and was not constrained in any way (in terms of staff, technical means, material, etc.) in the performance of its duties.

In 2025, IAD employees received training in various areas. In addition to the training sessions held by the Slovenian Institute of Auditors, ISACA, the Slovenian Institute of Internal Auditors (IIA) and other international IIAs, the Slovenian Sovereign Holding (SSH), the Slovenian Insurance Association (SIA), the Insurance Supervision Agency (ISA), the Bank Association of Slovenia (ZBS), in-house training sessions in various areas, sustainability, IT, compliance and internal audit, and international web-based seminars, we also regularly read articles on current topics related to the internal audit, (re)insurance, accounting, finance, tax and sustainability. As part of the Sava Insurance Group Conference for internal audit, procurement, compliance, DPO and IT, a workshop for internal auditors of the Group was also successfully conducted, with trust, data and risks in the age of digital transformation being the main topics.

In 2025, the IAD prepared its annual work plan for 2026, 4 quarterly internal audit reports (for October–December 2024, January–March 2025, April–June 2025 and July–September 2025) and the 2024 annual report.

The director of IAD regularly attended the meetings of the management board, supervisory board and its audit committee, the risk management committee and the Company's executive meetings. Operations were also monitored by reviewing the documents prepared for the meetings of the management board, the risk management committee and the executive meetings. Other activities include managing the department. Employees were interviewed on an annual basis, and personal objectives were set for 2025/2026, as well as an evaluation of the work of IAD employees throughout the year.

The IAD was involved in regular quarterly risk assessments at the Sava Insurance Group and Sava Re levels, and also contributed to the SFCR and RSR reports. It was also involved in the IAD-related parts of the 2026 planning process and in the IAD-related section of the Sava Insurance Group's annual report.

Cooperation with the external auditor included coordinating work, following up on pre-audit and post-audit conclusions, and participating actively in joint meetings.

The IAD's quality assurance and improvement programme is developed and maintained as an ongoing activity. The programme includes internal assessments (ongoing monitoring, periodic self-assessments or reviews, and the communication of internal assessment results) as well as external assessments. In 2025, we finalised and prepared an updated methodology for the quality assurance and improvement

programme in line with the new standards and the Quality Assessment Manual 2024 (IIA). This was done as part of the monthly internal audit function development meetings at the Group level. At the same time, we updated the Internal Audit Manual, reviewing the improvement opportunities proposed by the external assessor BDO and making adjustments accordingly or as required by the new GIAS.

We developed a competency model for internal audit, which will be implemented in 2026.

The Company's Internal Audit Policy was updated at the end of 2025, effective 1 January 2026. The Internal Audit Policy will be reviewed again in 2026 and amended as appropriate, if necessary.

The IAD provided technical assistance to the subsidiaries' internal auditors in the areas of methodology, updating work programmes for individual internal audit engagements, providing software support for the comprehensive internal audit process and training new employees in the subsidiaries. All the Group's internal auditors met at least monthly, and there was active cooperation between the Company's and the Group's key function holders.

In 2025, the IAD had sufficient financial resources available for its uninterrupted operation and the exercise of its mandate. The detailed financial plan is reported to the management board, the audit committee and the supervisory board as part of the regular planning and reporting process.

The IT support for the internal audit K10 application in 2025 was sufficient to meet the needs of the internal audit process.

7 IAD QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The IAD's quality assurance and improvement programme is developed and maintained as an ongoing activity. The programme includes internal assessments (ongoing monitoring, periodic self-assessments or reviews, and the communication of internal assessment results) as well as external assessments. In 2025, we finalised and prepared an updated methodology for the quality assurance and improvement programme in line with the new standards and the Quality Assessment Manual 2024 (IIA). This was done as part of the monthly internal audit function development meetings at the Group level. At the same time, we updated the Internal Audit Manual, reviewing the improvement opportunities proposed by the external assessor BDO and making adjustments accordingly or as required by the new GIAS.

The external assessment of the Company's internal audit quality in 2024 was conducted by BDO Revizija d.o.o. Based on the procedures carried out during the external assessment of the IAD, the external assessment confirmed that internal audit operations comply with the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics for Internal Auditors and the Code of Internal Auditing Principles (awarding the rating of "generally conforms" according to the BDO scale). In accordance with the requirements of the standards, the IAD also performed a quality assessment of its activities – a regular annual self-assessment of its operations. The IAD director reports on the results of this programme to the management board and the supervisory board's audit committee. The results showed the compliance of internal audit activities with the definition of internal auditing, the standards and the code of ethics. In accordance with the standards, we included a statement of compliance with the standards, the code of ethics and the disclosure and avoidance of conflicts of interest in the internal audit quality assurance and improvement programme. This statement was signed by the internal audit function holder (IAD director).

We continued our activities to improve and complement our working methodology, particularly in terms of further development of the internal audit process with the internal audit application, the

overall opinion and the continuous audit of key processes. We have also updated the Internal Audit Policy and the Internal Audit Manual.

After each completed audit, a questionnaire was sent to the auditees to monitor their satisfaction with the audit engagement. Overall, the auditees were satisfied with the IAD's work and occasionally provided comments and suggestions on their expectations for the future. The average score of all returned questionnaires was 3.70 out of a maximum of 4.

In early 2026, we sent a questionnaire to the members of the management board, the supervisory board and its audit committee to assess their satisfaction with the internal audit function (for the internal audit maturity model). The average score for all the completed questionnaires was 3.75 out of a possible 4. The management board sees the internal audit as an important component of the Company's risk management framework and believes the internal audit plays an important role in the Company. The responses to the questionnaire provide important input for the design of the internal audit quality assurance and improvement programme. In December 2025, the members of the supervisory board's audit committee and the holder of the internal audit key function had a separate annual interview at the audit committee session without the management board present. The holder of the internal audit key function attends all audit committee sessions, giving committee members more opportunity for independent discussions with the function holder.

In March 2026, we prepared and submitted to the audit committee the Internal Audit Quality Improvement Programme of Sava Re d.d., together with a self-assessment of our work in 2025. We have also reviewed our independence against an established internal audit checklist and have not identified any audit in which our independence has been compromised or impaired. The IAD has also foreseen a performance assessment in its annual work plan. It also follows up on the implementation of the recommendations it makes to the management board. In 2025, all the proposed recommendations were adopted by resolution of the management board and submitted to those responsible for their implementation.

As director of internal audit, I believe the IAD's activities in 2025 were compliant with the standards, and that the annual work plan was implemented very successfully.

Director of Internal Audit and Internal Audit Function Holder

Polonca Jug Mauko

Appendix 1: Glossary

Abbreviation	Meaning
ASP.ins	Application to support insurance underwriting processes in Sava Re subsidiaries
CFE	Certified Fraud Examiner
CIA	Certified Internal Auditor
CISA	Certified Information System Auditor (upgraded with the Slovenian Institute of Auditing – PRIS certificate – certified information system auditor)
CISM	Certified Information Security Manager (this qualification makes you a CISO or Chief Information Security Officer)
COBIT 2019	Information and Technology Governance Framework
CORE ERP/systems	Software solution for a key business process
CRISC	Certified in Risk and Information Systems Control
EIDAS	REGULATION (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC
EU	European Union
IIA	Institute of Internal Auditors
ISACA Slovenia	Information Systems Audit and Control Association of Slovenia
ISO 14001	International Standard for Environmental Management Systems, which covers the management of the environmental aspects of a production or service activity (Environmental Management System)
ISO 22301	Business continuity management system
ISO 45000	Occupational health and safety management system
ISO 9001	Quality management system
ISO/IEC 20000	Service management system
ISO/IEC 27001, 27018	Information security management system, an international standard about privacy in cloud computing services (Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors)
IT	Information technology
MS Teams	Microsoft Teams – Microsoft’s communications application (meetings, calls, video calls, messaging, screen sharing, etc.)
IFRS	International Financial Reporting Standards
IA	Internal audit
SB	Supervisory board
P2P	Sava Re’s internal peer-to-peer coaching
PCI DSS ASV	Payment Card Industry Data Security Standard Automatic Scanning Vendor
PCI DSS QSA	Payment Card Industry Data Security Standard Qualified Security Auditor
PJM	Polonca Jug Mauko
REP	Report
Q4	Fourth quarter
QAM	Quality Assessment Manual (2024, IIA)
AC	Audit committee
SIMCORP	Software for an integrated asset management system, improved investment decisions and an overview of the entire business operation in one system – including SimCorp
IAD	Internal audit department
SOC	Security operations centre
x_F_201x/company	Audit designation – follow-up audit
x_R_201x/company	Audit designation – standard audit
x_SOD_201x/company	Audit designation – consulting/collaboration in an audit of a subsidiary
x_SV_201x/company	Audit designation – consulting engagement
ZISDU-3	Investment Funds and Management Companies Act
ZZavar-1	Slovenian Insurance Act
Companies of the Sava Insurance Group	
SRe	Sava Re
ZS	Zavarovalnica Sava
SPD	Sava Pokojninska Družba
SIn	Sava Infond
SPDMKD	Sava Penzisko Društvo (North Macedonia)
SNOSr	Sava Neživotno Osiguranje (Serbia)
SŽOSr	Sava Životno Osiguranje (Serbia)
SOMKD	Sava Osiguruvanje (North Macedonia)
SOMNE	Sava Osiguranje (Montenegro)
Illy	Illyria (Kosovo)
ILife	Illyria Life (Kosovo)
TBS	TBS TEAM 24
Vita	Vita, Življenjska Zavarovalnica

OPINION OF THE SUPERVISORY BOARD ON THE ANNUAL REPORT OF THE INTERNAL AUDIT DEPARTMENT ON INTERNAL AUDITING FOR 2025

In 2025, Sava Re's internal audit department (the IAD) carried out audits in the areas outlined in its 2025 annual work plan.

The audit objectives pursued by the IAD were to verify whether the risk management procedures were adequate and efficient, and whether corporate governance, risk management and the internal control system in the reinsurer's most important operating segments were effective and efficient. The IAD assessed the adequacy of internal controls to prevent fraud, the potential vulnerability of IT systems supporting business operations, and the ability to enable ethical and sustainable conduct.

A total of 45 internal audit engagements were carried out in Sava Re and its subsidiaries in 2025. In addition, the IAD collaborated in audits across several Group companies, and proposed 58 recommendations based on the audit engagements carried out at Sava Re. The supervisory board finds that the IAD operated in line with the guidelines of the supervisory and management boards and, with its recommendations, made a significant contribution to the risk management of Sava Re and the Sava Insurance Group.

Based on all tests carried out and the methods used in the individual areas we audited, the internal audit key function holder believes that Sava Re's corporate governance, risk management and internal control system are of good reliability. Furthermore, she believes that the governance of Sava Re is appropriate and is continuously improving in order to achieve major business goals, and that risks are effectively managed while striving for efficient and economical operations. Nevertheless, the internal audit function holder considers that there are still opportunities to improve the functioning of the internal control system. The internal audit engagements revealed certain irregularities and deficiencies, and the IAD made relevant recommendations to eliminate them and further improve Sava Re's internal controls, risk management and governance. The Company's management board is aware of the potential impact that the identified violations, irregularities and deficiencies may have on the achievement of the Company's key objectives, and it is therefore taking or seeking remedial action to address them. This leads to greater efficiency of internal controls and enhances the regularity of operations.

The members of the supervisory board monitored the effectiveness and efficiency of the IAD activity through quarterly reports and the annual report of the IAD. They received summaries of the internal quality assessment of the IAD. The external assessment of the Company's internal audit quality in 2024 was conducted by BDO Revizija d.o.o. Based on the procedures carried out during the external assessment of the IAD, the external assessment confirmed that internal audit operations comply with the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics for Internal Auditors and the Code of Internal Auditing Principles (awarding the rating of "generally conforms" according to the BDO scale).

Based on the above, the supervisory board hereby gives a positive opinion on the Annual Report of the IAD on Internal Auditing for 2025.

Ljubljana, 2 April 2026

Supervisory Board of Sava Re d.d.

Chairman

Klemen Babnik



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