



**Annual Report
for 2025**

This document is a translation of the original Croatian version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the Croatian original is binding.

Note: The report in PDF format is an unofficial report, while the official version of the annual report, in accordance with the Capital Market Act, has been prepared and publicly available in accordance with the unique electronic reporting format (ESEF - European Single Electronic Format).

Contents

| | |
|---|-----|
| Management Report for 2025..... | 1 |
| CO Group 2025 Sustainability Statement..... | 6 |
| Corporate Governance Statement..... | 103 |
| Consolidated and separate financial statements for 2025..... | 110 |
| Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency..... | 282 |

CROATIA osiguranje d.d.

Management Report for 2025

Operating results and financial position of the Company and the Group

Company

The Republic of Croatia has maintained its credit rating (A-), which means that it remains in the company of countries with extremely high credit ratings. CROATIA osiguranje d.d. (hereinafter: "Company" or "Croatia") in 2025 retained the A- rating assigned by the Fitch agency, with a stable outlook, which was first assigned in 2024, when the Company also celebrated its 140th anniversary of operations and remains the only insurance company in the Republic of Croatia with such a rating.

The business of CROATIA osiguranje d.d. in 2025 was influenced by the dynamic growth of the non-life insurance market in the Republic of Croatia, with the market continuing to adjust to increased inflation. Strong wage growth of approximately 10%, as well as greater awareness of the need for insurance, contributed to an increase in the number of policies, especially in the area of health, but also in other types of insurance. During the year, the Company introduced a new specialized product to the market, cyber insurance, thus becoming the first insurance company in the Republic of Croatia to provide entrepreneurs with financial and operational support in resolving the consequences of cyber-attacks.

Following organizational changes in previous periods, which resulted in the transfer of investment properties into a separate company in order to increase the efficiency of portfolio management, the Company continued to invest in digital communication channels in 2025, through improvements to the Laqo and Moja Croatia applications, as well as the expansion of the Spektar loyalty program. The Company's gross profit amounted to EUR 63.6 million, which is 11.1% or EUR 7.9 million less than the previous year. The Company's net profit amounted to EUR 55.5 million. The lower profit is the result of lower amount of dividends paid by subsidiaries and a decrease in real estate income due to the separation of real estate into a separate company at the end of 2024 which is also visible in the investment result achieved in 2025, which amounts to EUR 53.8 million and is nominally worse than previous year by 8.3% or EUR 4.9 million.

Total income from insurance contracts amounted to EUR 502 million and increased over EUR 53 million or 11.8 percent compared to the previous year. Almost all types of non-life insurance products grew while there were decrease in income from life insurance.

Total expenditure from insurance contracts grew to EUR 453.5 million, which is an increase of EUR 44.9 million or 11 percent, across all costs categories (claims, expenses related to sale of insurance and other insurance service expenses).

Total assets of the Company as at 31 December 2025 amounted to EUR 1,653.2 million, which represents an increase of EUR 161.1 million or 10.8 percent compared to the previous year.

Group

In 2025, the CROATIA osiguranje d.d. group (hereinafter: the Group) generated consolidated profit after tax and non-controlling interest in the amount of EUR 65.5 million, which is EUR 4.4 million or 7.2 percent higher compared to the previous year.

Total insurance income at the Group level amounted to EUR 606.8 million in 2025, which represents an increase by EUR 66 million or 12.2 percent. The total non-life insurance income amounted EUR 592.9 million, while the total life insurance income amounted to EUR 13.9 million.

In investment activities of non-life and life segment, the Group achieved a net investment result in the amount of EUR 69.8 million, which is an increase of EUR 11.4 million or 19 percent compared to the previous year.

Total expenditure from insurance contracts grew to EUR 538.1 million, which is an increase of EUR 49 million or 10 percent, across all costs categories (claims, expenses related to sale of insurance and other insurance service expenses).

Total assets of the Group as at 31 December 2025 amounted to EUR 1,961.2 million, which represents an increase of EUR 184.8 million or 10.4 percent compared to 31 December 2024.

Significant business events in the reporting period

A year of outstanding results marked by strong revenue and consolidated profit growth and continued strategic focus on developing the health segment and driving the company's digital transformation

The premium generated from overall digital business grew by 19 percent compared to the previous year, while the number of clients using the Moja Croatia mobile app increased by 56 percent.

Croatia's digital brand LAQO recorded an 18 percent increase in premium compared to 2024. A fully digital property insurance product was launched, along with a new loyalty program, LAQOsfera. The second generation of LAQO GPT, an AI assistant enabling the purchase of travel insurance via WhatsApp, was also introduced, making LAQO the first insurance brand in Europe to offer direct purchasing through an AI assistant.

Koreqt, a digital platform for comparing and selecting products and services launched by Croatia in February 2024, continued to deliver positive results. The platform was expanded to new areas, including grocery price comparison and compulsory motor third party liability insurance.

A number of innovations were introduced into Croatia's business processes and products, alongside accelerated implementation of AI technologies that continuously enhance employee efficiency and customer satisfaction. Croatia's digital improvements, particularly in claims reporting and assessment, were recognized by the market, while newly launched products included a standout cyber insurance offering.

Croatia's benefits package Spektar continued to achieve excellent results. By the end of 2025, more than 293,000 households were included in Spektar packages.

Croatia Poliklinika recorded nearly 280,000 patients in 2025, making it one of the largest private healthcare providers in Croatia. Top-tier medical teams, healthcare services, and state-of-the-art technology are available across nine cities nationwide, with expanded capacities in Rijeka and Zagreb. Revenue growth for the Polyclinic in 2025 amounted to 37 percent compared to previous year and includes revenues from the acquired polyclinics Marin Med in Dubrovnik and Medros in Osijek. The strategic goal of Croatia Poliklinika by 2030 is to become the leading provider of private healthcare services in Croatia and, through a combination of organic growth and acquisitions, approach revenues of €100 million. Poliklinika is prepared to invest significant resources toward achieving this goal, including the construction of a specialty hospital, further modernization of equipment, and the recruitment of top medical experts.

In 2025, Croatia osiguranje signed a new three-year Collective Agreement confirming a high level of employee rights and benefits, significantly above industry standards and the provisions of the Labour Act for many years. A new Rulebook on Internal Sales Network Operations was also adopted, aimed at increasing the attractiveness of sales representative roles and strengthening opportunities for professional development. At the end of 2025, an employee satisfaction survey showed a significant increase in employee satisfaction and a strong perception of Croatia as a fair and desirable employer.

Croatia osiguranje continued its community support through more than 100 sponsorships and donations across the country. In 2025, a new four-year agreement was signed with the Croatian Football Federation, ensuring Croatia remains a strong partner of the nation's premier sports organization—the Croatian national football team.

Collaboration with professional and higher-education institutions also continued through specialist programs, lectures by Croatia's experts, and support for professional events and student initiatives, particularly in the area of financial literacy development.

The Management and the Supervisory Board proposed to the General Assembly dividend payment to holders of ordinary and preference shares from the net profit achieved in 2024, in the total amount of EUR 45,771,324.44, or EUR 106.52 per share (ordinary and preference), and the General Assembly adopted the same decision on 5 June 2025.

The Croatian Financial Services Supervisory Agency (HANFA) at its session held on 25 July 2025 adopted a decision granting approval to Hana Zoričić to serve as a member of the Supervisory Board of CROATIA osiguranje d.d. for a term of 4 years, starting from 21 September 2025 until 21 September 2029.

On 28 August 2025, the General Assembly of CROATIA osiguranje d.d. was held, at which a Decision was made to elect Erika Zgrablić as a member of the Supervisory Board for a period of 4 years, starting from 12 October 2025, subject to obtaining HANFA approval. At its session held on 29 August 2025, the HANFA Management Board adopted a decision granting approval to Erika Zgrablić to serve as a member of the Supervisory Board of CROATIA osiguranje d.d. for a term of office from 12 October 2025 to 12 October 2029.

On 10 November 2025, the elections for the employees' representative to the Supervisory Board of CROATIA osiguranje d.d. have been conducted and that Ms. Matilda Mrković Kalik has been elected as a member of the Supervisory Board for a term of four years, beginning on 11 March 2026.

Geopolitical and macroeconomic situation, conflicts and challenges

The year 2025 was largely marked by the resilience of the global economy and the normalization of monetary policies in financial markets. Although the first half of the year was marked by volatility and fears of a recession that did not materialize, the period ended with strong positive returns for most asset classes. Global economic growth in 2025 was approximately 2.9%. The key driver of the market was a shift in central bank policies. The US FED lowered its benchmark interest rate (EFFR) several times during the year, and at the end of 2025 it ranged between 3.5 and 3.75%. The ECB lowered its deposit rate to 2% in the first half of the year (also lowering it on several occasions) and then kept it stable due to inflation falling below the 2% threshold in the Eurozone. The foreign exchange market saw a significant weakening of the US dollar, with the euro strengthening by 13% against the dollar, making investments in euros relatively more valuable, but also making European stocks more expensive for foreign buyers.

Stock indices achieved double-digit increases. The US S&P 500 recorded an annual growth of 16.4%, while the technology Nasdaq rose by 20%. Despite the dominance of US technology giants, the European market measured by the Euro Stoxx 50 index followed this trend with an annual growth of 18%. In the second half of the year, investors began to partially rotate from expensive technology stocks towards value stocks and smaller companies that benefit from lower borrowing costs.

The Croatian economy maintained its position among the fastest growing in the euro area, with real GDP growth of 3.6% on an annual basis (according to the first estimate of the Croatian Statistical Office). This is the 20th consecutive quarter of growth for the Croatian economy, making it one of the most successful countries in the Eurozone. At the same time, inflation rose year-on-year to 3.7%, primarily as a result of strong increases in food and services prices. The domestic capital market had an exceptional year - the CROBEX index rose by 20.9%, while the Slovenian stock market led the region with a growth of the SBITOP index of as much as 50% in 2025.

Government bond yields followed the downward trend in interest rates, resulting in price stabilization. The domestic bond index CROBIS ended the year up 1.6%. Geopolitical tensions and diplomatic frictions within NATO fueled strong demand for precious metals. Gold rose 65% in 2025, while silver rose an impressive 149%, with gold breaking the historic level of USD 5,000 per ounce in early 2026. The latest war activities in the Middle East (US and Israeli attack on Iran) that began in late February 2026 have led to a sharp increase in oil prices, which in the event of a prolonged escalation could affect global inflation, as well as central bank decisions on interest rate movements. The Group has considered the potential effects of the ongoing conflict in the Middle East on its operations and financial position. Based on the information available and the analyses performed, no significant direct or indirect impacts that would have a material effect on the financial statements have been identified.

The above factors create an uncertain business environment in 2026. However, the Company and the Group's operations are proving resilient to stressful circumstances thanks to their high level of capitalization. As of 31.12.2025. The Company's SCR ratio is 268%, and it would continue to operate in accordance with regulatory requirements even in stressful circumstances.

Significant events after the end of the reporting date

There were no events after the end of the reporting date that would require disclosure.

Expected development in the future

The year 2025 ends with inflation slightly below 4%, measured by the harmonized indicator (HIPC), which is above the level of 2024, and is significantly higher than the EU average for 2025. A significant generator of the high inflation rate is the high inflation of service prices, which is driven by the labour shortage, wage growth and still solid domestic demand. For the year 2026, inflation rate forecasts at the end of 2025 ranged from 2.8% to 3.4%, depending on the source. Considering the recent geopolitical events and the escalation in the Middle East, higher inflation rates in 2026 than previously mentioned are also possible.

On the other hand, it is expected that the growth trend of real GDP will further slowdown. From a rate of 3.8% in 2024 to around 3.6% in 2025 and around 2.8% in 2026. The primary driver of the slowdown in growth is the decline in the price competitiveness of tourism, which is reflected in the decline in exports of services, which should also result in a decline in domestic demand in 2026.

The growth in nominal gross wages compared to the previous year is 10% and is driven by the shortage of labour and the growth in the number of employees, with the employment rate accelerating in the public sector, while slowing down in the private sector. From 1 January 2026, the minimum wage in the Republic of Croatia will be EUR 1,050, which is an increase of 8.25% compared to 2025. The projection of nominal wage growth in 2026 is 6% and is driven by shortages in the labour market, as well as further expectations of employment growth with a slowdown in the import of foreign labour.

2025 ends with the growth of the non-life insurance market of about 10% and stagnation of the life insurance market. High growth rates in 2025 were achieved in the motor vehicle segment and the health insurance segment. Most of the growth was driven by the previously mentioned inflationary pressures on the prices of services, and to a lesser extent by the increase in penetration and awareness of the need for insurance.

The year 2026 will bring a further slowdown in the growth of the non-life insurance market with single-digit growth, where it is expected that the growth of the market will be balanced based on price correction, i.e. a further increase in penetration and awareness of the need for insurance.

Life insurance is expected to record very modest growth in 2026, supported by continued GDP expansion and nominal wage growth. Market developments are likely to shift focus towards new products with an investment component, moving away from traditional life insurance products.

Research and development activities

The Group continuously monitors environmental events and invests in market research, directs and supports the activities of affiliated companies that are in the function of organic growth and recognition of business opportunities and realization of new acquisitions. Given the increase in global uncertainty and risk, the Group will consider potential new business opportunities much more strictly.

Company branch

In accordance with the Company's decision, on 15 May 2025 the Ljubljana branch was deleted from the court register of the Republic of Slovenia. In its legal transactions, the branch operated as CROATIA osiguranje d.d. branch Ljubljana, in the Croatian language, and as CROATIA ZAVAROVANJE d.d. branch Ljubljana, in the Slovenian language. The Company will continue to operate in Slovenia with cross-border distribution of insurance based on the freedom to provide services in accordance with legal regulations. The Company has no other branches.

Financial risk management

Financial risk management as well as more details about the exposure are visible in Note 2.33. *Financial risk management* to the Consolidated and separate financial statements for 2025.

CO Group 2025 Sustainability Statement

Table of Contents

| | |
|---|-----------|
| CO Group 2025 Sustainability Statement | 6 |
| ESRS 2 – Basis for preparation..... | 8 |
| BP-1 General basis for preparation of the sustainability statement | 8 |
| BP-2 Disclosures in relation to specific circumstances..... | 8 |
| GOV-1 – The role of the administrative, management and supervisory bodies and GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies | 9 |
| GOV-3 Integration of sustainability-related performance in incentive schemes | 12 |
| GOV-4 Statement on due diligence | 13 |
| GOV-5 Risk management and internal controls over sustainability reporting | 13 |
| SBM-1 Strategy, business model and value chain | 14 |
| SBM-2 – Interests and views of stakeholders | 17 |
| SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | 18 |
| IRO-1 Description of the process to identify and assess material impacts, risks and opportunities | 27 |
| E1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related with climate change | 32 |
| G1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related with business conduct | 32 |
| IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement..... | 32 |
| Appendix B..... | 35 |
| ESRS E1 Climate change | 45 |
| E1-1 Transition plan to mitigate climate change | 45 |
| ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 45 |
| E1-2 Policies related to climate change mitigation and adaptation..... | 50 |
| E1-3 Actions and resources related to climate policies | 50 |
| E1-4 Targets related to climate change mitigation and adaptation | 50 |
| E1-5 Energy consumption and energy mix | 51 |
| E1-6 Gross Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, and total greenhouse gas emissions | 52 |
| Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) | 57 |
| ESRS S1 Own workforce | 65 |
| ESRS 2 SBM-2 Interests and views of stakeholders | 65 |
| ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 65 |
| S1-1 Policies related to own workforce..... | 67 |
| S1-2 Processes for engaging with own workers and workers’ representatives about impacts..... | 69 |
| S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns | 70 |
| S1-4 Taking action on material impacts on own workforce, approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 71 |
| S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities..... | 72 |
| S1-6 Characteristics of the undertaking’s employees..... | 72 |
| S1-9 Diversity metrics | 73 |
| S1-11 Social protection..... | 74 |
| S1-13 Training and skills development..... | 74 |
| S1-14 Health and safety metrics..... | 75 |
| S1-16 Remuneration metrics (pay gap and total remuneration)..... | 76 |
| S1-17 Incidents, complaints, and severe human rights impacts | 77 |
| ESRS S3 Affected communities | 78 |
| ESRS 2 SBM-2 Interests and views of stakeholders | 78 |
| ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 78 |
| S3-1 Policies related to affected communities..... | 80 |
| S3-2 Processes for engaging with affected communities about impacts..... | 81 |

S3-4 Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions..... 81

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities..... 83

ESRS S4 Consumers and end-users 84

ESRS 2 SBM-2 Interests and views of stakeholders 84

ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model 84

S4-1 Policies related to consumers and end-users 86

S4-2 Processes for engaging with consumers and end-users about impacts..... 88

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns 89

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions..... 89

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities..... 91

ESRS G1 Business conduct 91

ESRS 2 SBM-3 Material impacts, risks and opportunities 91

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies..... 91

G1-1 Business conduct policies and corporate culture 93

G1-2 – Management of relationships with suppliers 93

G1-6 – Payment practices..... 94

Company-specific – Cybersecurity 94

INDEPENDENT LIMITED ASSURANCE REPORT 98

ESRS 2 – Basis for preparation

BP-1 General basis for preparation of the sustainability statement

The consolidated Sustainability Statement of CROATIA osiguranje d.d. (“the Company”) and its subsidiaries (collectively “CO Group”) for the reporting year ending 31 December 2025 (1 January 2025-31 December 2025) was prepared in accordance with the Croatian Accounting Act and the European Sustainability Reporting Standards (ESRS) as per the Corporate Sustainability Reporting Directive (CSRD). In addition to its own Statement, the CO Group also discloses its sustainability information within the consolidated Sustainability Statement of Adris grupa d.d. The information contained in CO Group’s Sustainability Statement is prepared on the same consolidated basis as CO Group’s consolidated financial statements.¹

The contents of this Statement are based on the results of the Double Materiality Assessment (DMA) performed initially in 2024 in line with the requirements defined in the CSRD and the ESRS and reviewed and updated at the end of 2025. This assessment identifies material environmental, social, and governance impacts, risks and opportunities while addressing the interests of various CO Group stakeholders. The Double Materiality Assessment is the basis for determining the priority of the most important sustainability matters for disclosure.

The Sustainability Statement provides relevant information about CO Group’s operations. Upstream and downstream value chains were considered in the Double Materiality Assessment process using publicly available data and information within the CO Group. However, due to the still significant complexity of gathering information from the value chain, the Company will make use of the exemption offered by the ESRS (ESRS 1, 133) for the first three years of sustainability reporting. This exemption allows the undertaking to limit upstream and downstream value chain information to information available in-house, such as data already available to the undertaking (e.g. internal data) and publicly available data and information. Furthermore, by making use of this exception, the Company is not required to include upstream and downstream value chain information when disclosing metrics, except for information derived from other EU legislation, as listed in ESRS 2 Appendix B. CO Group did not directly include the actors in its upstream and downstream value chain in due diligence, and the disclosed policies, actions, targets and metrics therefore do not include information from these parts of its value chain. In the future, the Company plans to gradually establish a process for gathering information in its upstream and downstream value chain, which the Company will include in its reporting. The Statement includes all relevant information and does not omit any information on intellectual property, know-how or results of innovation.²

BP-2 Disclosures in relation to specific circumstances

In the Double Materiality Assessment process, on account of challenges in gathering value chain information and data, impacts in the value chain were identified using publicly available sources of information. CO Group will gradually, in accordance with the development of relevant regulations and based on data availability, establish systems for gathering information from its key actors in the value chain (suppliers, business partners, local community, clients and end users) to improve the due diligence process and gain a better understanding of the impacts, risks and opportunities stemming from the value chains.³ More detailed information about the publicly available information used is given under requirement IRO-1, Description of the processes to identify and assess material impacts, risks and opportunities.

Also, on account of challenges in gathering information and data, the calculation of Scope 3 greenhouse gas emissions for Category 15 (Investments) is based on the portfolio composition as at 31 December 2025, comprising government bonds (including treasury bills), equities, corporate bonds, alternative investment funds (AIFs), loans, and the relevant country emission factors. In the coming years, the plan is to improve the information gathering process for the information needed to calculate Scope 3, category 15 (Investments) emissions for affiliate companies. Access to more accurate issuer data, and a reduced reliance on estimates in the calculation, will depend on further regulatory developments and on the disclosure obligations applicable to issuers. The sources of information and estimations are described in more detail under topical standard E1-6 Gross Scope 1, Scope 2, and Scope 3 GHG emissions.⁴

¹ BP-1 5. a), b) i.

² BP-1 5. c), d)

³ BP-2 10. a), b), c), d)

⁴ BP-2 11. a), b)

Incorporation by reference

| | |
|---|---|
| CO Group makes use of the option provided under the ESRS to incorporate information by reference to other documents, or parts thereof. The table below lists the ESRS requirements for which the requested information is contained in separate documents: Referenced point | Document and page |
| ESRS 2 SBM-1, 40. Strategy, business model and value chain – segment reporting | Consolidated and separate financial statements for 2025, pp. 163, 200-208 |

CO Group has applied the transitional provision set out in ESRS 1, section 10.4, pursuant to which it omits from this report those disclosure requirements that are subject to phased-in application and that have been assessed as material. This includes the following disclosure requirements: SBM-1, paragraphs 40(b) and 40(c), SBM-3, paragraph 48(e), E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities, S1-7 Characteristics of non-employee workers in the undertaking’s own workforce, S1-8 Collective bargaining coverage and social dialogue (for non-EEA countries), S1-12 Percentage of employees with disabilities, and S1-15 Work-life balance.

GOV-1 – The role of the administrative, management and supervisory bodies and GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

The Company’s governing bodies are the Management Board, the Supervisory Board and the General Assembly. The responsibilities of these bodies are governed by the Croatian Companies Act (hereinafter: the “Companies Act”), the Insurance Act (hereinafter: the “Insurance Act”) and the Company’s Articles of Association.⁵ The table below shows the key metrics relating to the composition and diversity of the Company’s Management Board. These metrics provide an understanding of gender diversity in the Management Board and the share of independent members in the Supervisory Board.⁶

| | |
|--|--------|
| Members of the Management Board | Share |
| Women | 25% |
| Men | 75% |
| | Share |
| Independent Members of the Supervisory Board | 28.57% |

Data on the representation of employees and other workers in the Company’s administrative, management and supervisory bodies⁷

One member of the Supervisory Board is appointed and revoked by the workers in direct and secret elections as regulated for the election of the Workers’ Council. The workers have this right for as long as the conditions defined in the Labour Act are fulfilled. The workers’ representative in the Supervisory Board is a member of this body who has equal rights and obligations as all its other members, with the exception of participation in decision-making on matters regulated by the provisions of the Insurance Act. The duty of the workers’ representative in the Supervisory Board is to supervise the management of the Company’s operations; to protect the workers’ interests; to communicate the workers’ positions on matters lying within the Supervisory Board’s competences to the Supervisory Board; and assist the Supervisory Board in its work through active participation. In November 2025, elections were held for the workers’ representative on the Company’s Supervisory Board, and employee Matilda Mrković Kalik was elected as a member of the Supervisory Board for a four-year term of office commencing on 11 March 2026. Following the elections previously held, Pero Kovačić serves as a member of the Supervisory Board in the capacity of employee representative until 10 March 2026.

⁵ GOV-1 22.

⁶ GOV-1 21. d), e)

⁷ GOV-1 21. b)

The Company's Management Board

The Company's Management Board manages its affairs in accordance with the terms of the Companies Act, the Company's Articles of Association, the Rules of Procedure of the Management Board, as well as other applicable regulations, which also include matters relating to sustainability.

The Management Board is responsible for supervising the impacts, risks and opportunities related to sustainability at the highest management level, which has been established through double materiality assessment mechanisms and the estimations of possible effects, defined inter alia through the ORSA process.⁸ Within the above framework, the Management Board:

- validates the materiality assessments of identified impacts, risks and opportunities through the double materiality assessment process;
- adopts decisions aimed at integrating sustainability factors into business processes and business strategy;
- defines or approves the proposed targets;
- approves sustainability policies;
- approves the annual Sustainability Statement.

Further details on the composition and work of the Management Board are provided in the Corporate Governance Statement.

Supervisory Board

The Supervisory Board supervises the running of the Company's operations and decides on matters lying within its scope of competences in accordance with the provisions of the Companies Act, the Company's Articles of Association and the Supervisory Board's Rules of Procedure, and the Accounting Act insofar as it applies to ESG reporting.

In addition to the existing responsibilities of the Supervisory Board and the Audit Committee in relation to financial reporting, the implementation of the new legal provisions has further expanded the responsibilities of the competent bodies with regard to sustainability reporting and the verification of the sustainability report. These extended responsibilities include reviewing, approving and verifying the sustainability report, which forms an integral part of the annual financial report (management report).

Further details on the composition and work of the Supervisory Board are provided in the Corporate Governance Statement.

The Supervisory Board's Committees

The Supervisory Board has formed two committees that serve as expert bodies supporting the Supervisory Board's work: the Audit Committee and the Nomination and Remuneration Committee. As per the Corporate Governance Code, each Committee has a minimum of three members.

Audit Committee

The Audit Committee is an expert body that provides support to the Supervisory Board in terms of improving the quality of supervision that the Supervisory Board is obliged to conduct in accordance with the prescribed competences. The Audit Committee is responsible for the oversight of sustainability reporting, including the assurance of the sustainability report, and performs the following tasks:

- reports to the Supervisory Board on the process and outcome of the verification of the sustainability report;
- monitors the sustainability reporting process, including the process of reporting in electronic format and the process carried out to determine the information to be reported in accordance with the ESRS, and provides recommendations or proposals to ensure its integrity;
- with regard to sustainability reporting, monitors the effectiveness of the internal quality management system, the risk management system and internal audit, without compromising its independence;
- monitors the performance of the assurance of the sustainability report;

⁸ GOV-1 22. b), c)

- examines and monitors the independence of the audit firm and proposes the appointment of the audit firm in accordance with Article 16 of Regulation (EU) No. 537/2014.

Further details on the composition and work of the Audit Committee are provided in the Corporate Governance Statement.

Nomination and Remuneration Committee

The Supervisory Board has formed the Nomination and Remuneration Committee as a professional body supporting the Company's Supervisory Board. The Nomination and Remuneration Committee performs the tasks determined by the Decision of the Supervisory Board on the establishment of the Nomination and Remuneration Committee and the appointment of the Members of the Committee in accordance with the provisions of the Corporate Governance Code. In the area of sustainability, the Nomination and Remuneration Committee considers the Remuneration Policy for members of the Management Board, through which sustainability factors are integrated into incentive schemes, as well as the Decision adopting the Remuneration Report and the Decisions on bonus payments, prior to their adoption by the General Assembly upon the proposal of the Supervisory Board. Further details on the composition and work of the Nomination and Remuneration Committee are provided in the Corporate Governance Statement.

The expertise and skills of the Members of the Management Board and Supervisory Board and holders of key functions

In selecting members of the Supervisory Board, the Company follows the Policy on the Selection and Assessment of Eligibility to Perform the Function of Supervisory Board Member, and in selecting members of the Management Board, the Policy on the Selection and Assessment of Eligibility to Perform the Function of Management Board Member.

In the selection of Management Board members, Supervisory Board members and holders of key functions, the Company also applies the Fit and Proper Policy, in accordance with the Insurance Act, which sets out guidelines for the ongoing assessment of whether the appointed persons continue to meet the required fit and proper criteria.

The assessment is based on a set of guidelines relating to desirable positive characteristics, primarily for key employees. To ensure optimal continuous operations of the Company and to safeguard the interests of its policyholders and owners, the Company ensures that its management staff, as well as key functions, have the experience, expertise and skills required to perform their duties with care, professionalism and competence. The candidate's possession of the required personal and professional qualifications is determined for expertise assessment purposes, taking into account the tasks and responsibilities involved in the position.⁹

The Company aims to ensure that the persons effectively running the Company continuously possess the collective expertise, know-how and experience aligned with the Company's risk profile in the following areas as a minimum:

- insurance and financial markets
- business strategy and business models
- governance system
- financial and actuarial analyses
- regulatory requirements and frameworks for action.

Persons managing the Company must be of good repute and integrity and possess the appropriate professional qualifications and experience required to perform the duties of a member of the Company's governing bodies, and must not be convicted by a final judgment of any criminal offences prescribed by the Insurance Act, the Companies Act and other applicable regulations. They are required to perform the duties within their remit with the due care of a prudent and conscientious businessperson, in the interests of the Company, taking due account of the preservation of its reputation and the avoidance of conflicts of interest. As needed or available, other sources of information, such as media disclosures, information from previous employers, regulators, professional associations, etc., are used in the fitness review.¹⁰

⁹ GOV-1 21. c)

¹⁰ G1 5. b)

Sustainability training for the Members of the Supervisory Board was provided on the e-learning platform within the regular training and education programme for the Members of the Supervisory Board in accordance with the provisions of the Corporate Governance Code with a view to improving their skills and know-how. The Company's senior management also has climate risk management experience within their respective competences such as product development and claims management. The insurance industry is one of the first industries to have integrated climate risks in its risk management, which has resulted in an even greater emphasis on the importance of expertise in this area. The Company's competent bodies have and use sustainability expertise through several key mechanisms. The Company established an ESG function and formed a multidisciplinary ESG team composed of experts in different areas. This team manages and monitors material sustainability topics relating to its area of competence, contributes to individual topics and initiatives together with the CO Group extended expert team, and works with the ESG team at the level of Adris grupa d.d. The Company continually invests in educations and trainings for its employees under programmes such as "Manager Competences" and "Leadership Academy," which cover current sustainability-related topics. During 2025, the Company conducted preparatory training for internal stakeholders of the CO Group for the new sustainability reporting cycle. In addition, the Company uses e-learning platforms for continuous professional development of its employees, thus ensuring that everyone is on board with the latest sustainable business practices.¹¹

To ensure efficient implementation of sustainability initiatives and strategic goals, the Company's Management Board is informed twice a year about the ongoing activities and the progress in the implementation of goals. The Company's management also receives regular updates at period meetings and workshops, especially within the reporting process, including information on material impacts, risks, opportunities, and progress regarding sustainability-related goals and policies, as defined in due diligence procedures.¹²

In 2025, the Company's Management Board was involved in the double materiality assessment process and the identification of material impacts, risks and opportunities, whose list is provided in the chapter SBM-3, Material impacts, risks and opportunities and their interaction with strategy and business model.¹³ The link between each identified material impact, risk and opportunity and the Company's business model and strategy is described in more detail under the respective topical standards.

GOV-3 Integration of sustainability-related performance in incentive schemes

The Remuneration Policy for the Members of the Management Board requires that the remuneration system must be focused on the sustainable development of the Company. All remuneration elements must be appropriate from the aspect of each individual element as well as collectively. In particular, the said elements must not encourage the Members of the Management Board who are subject to the Remuneration Policy to take unreasonable risks that are not aligned with the Company's and CO Group's long-term interests, business strategy, goals and values. Under the Policy, variable remunerations are linked to sustainability, do not promote excessive risks, and are paid insofar as the fixed-to-variable remuneration ratio remains within a reasonable range.¹⁴

The Company's Management Board has defined non-financial goals, which include programmes for the strengthening and the stability of the organisation in addition to business development programmes with new growth sources and digitalisation. Given that the Company has not yet prepared a transition plan for climate change mitigation and has not yet defined the actions and targets for the reduction of GHG emissions, specific issues related to climate and emission reduction targets are not included in the remuneration system for the Members of the Management Board at this time.¹⁵ In the same vein, CO Group has not yet adopted an action plan or identified sustainability targets in general, as a result of which other specific sustainability metrics are not included in the remuneration system either. Nevertheless, the non-financial goals defined in the Policy are closely linked to some of the actual positive impacts on the Company's own workforce.

¹¹ GOV-1 23. a), b)

¹² GOV-2 26. a), b)

¹³ GOV-2 26. c)

¹⁴ GOV-3 29. a)

¹⁵ E1 GOV-3 13.

Business performance and non-financial goals are taken into account when calculating the amount of the variable remuneration, with 25% impact on annual remuneration and 30% impact on multiannual remuneration. In 2025, the remuneration system incorporated the continued development of infrastructure for effective ESG reporting, the further integration of sustainability into the governance system, and the establishment of performance indicators for material sustainability matters. The conditions of the incentive schemes defined by the Remuneration Policy for the Members of the Management Board are approved and updated at the level of the Supervisory Board, prior to which they are considered by the Nomination and Remuneration Committee.¹⁶

Further information on the remuneration of the members of the Management Board is available in the Remuneration Report, which the Company, as a listed company, publishes annually on its website pursuant to Article 272r of the Companies Act.¹⁷

GOV-4 Statement on due diligence

As per ESRS requirements, CO Group initiated a detailed due diligence process for managing sustainability issues in 2024, relying on OECD's guidelines for multinational companies. However, due to the high level of uncertainty of the information in the value chain, in accordance with the ESRS, CO Group used external information sources to conduct due diligence. Areas for improvement were identified through this process in 2025, and these will be implemented over the upcoming period in line with transitional provision 10.2 to ensure a comprehensive process and ESRS-aligned due diligence process. The table below shows how CO Group implements core elements of due diligence for people and the environment and where they are presented in this Sustainability Statement.¹⁸

| CORE ELEMENTS OF DUE DILIGENCE | PARAGRAPHS IN THE SUSTAINABILITY STATEMENT |
|--|---|
| a) Embedding due diligence in governance, strategy and business model | GOV-2, p. 11 GOV-3, p. 12 SBM-3, pp. 18 - 26 |
| b) Engaging with affected stakeholders in all key steps of the due diligence process | SBM-2, p. 16 - 18 IRO-1, pp. 27 - 31 Topical ESRS: Information on policies, stages and purposes of engagement in topical standards. |
| c) Identifying and assessing adverse impacts | IRO-1, p. 27 - 31 SBM-3, pp. 18 - 26 |
| d) Taking actions to address those adverse impacts | Topical ESRS: Information on actions |
| e) Tracking the effectiveness of these efforts and communicating | Topical ESRS: Information on actions and tracking their effectiveness |

GOV-5 Risk management and internal controls over sustainability reporting

To prevent excessive exposure to risks and potential illegalities and irregularities in its operations, the Company establishes and implements an effective internal control system in all areas of its business, which includes an appropriate organisational structure, internal acts, business processes, and an established reporting system on all levels of the Company in an effort to ensure operational efficiency, precision, accuracy, and timeliness of data, and compliance of operations with regulatory and internal regulations in order to minimize risk in all of the Company's business processes. The internal control system, which applies with conceptual equality to all risks, including the sustainability reporting risk, is defined by an internal act. The Company is organised according to a three-level internal control model. The first level concerns the management and the control of everyday execution of activities (process owners). The second level conducts independent supervision of the everyday operations, risk-taking and control by the first level, and includes control and key functions. Third-level internal

¹⁶ GOV-3 29. b), c), d), e)

¹⁷ GOV-3 29. a), b), c), d), e), AR 7., E1 GOV-3 13.

¹⁸ GOV-4 30.

control concerns independent supervision of the first and second levels, and is composed of the key internal audit function.¹⁹

In the sustainability reporting process, sustainability risk is monitored within the Database of Operational Risks and Internal Controls, within which the materiality of risks is assessed, among other things, and the existing risk control measures are analysed. This includes informing all stakeholders about the requirements for the content and the report timeframes, as well as regular tracking of potential regulatory changes. In 2025, the sustainability reporting process was formalised through the Sustainability Reporting Rulebook, applicable to all related companies within CO Group. In addition, planned enhancements were identified to further mitigate risks. Specifically, further optimisation of the sustainability reporting system is planned in 2026, including improvements in data gathering, analysis, and processing procedures.

In spite of its recognition of the sustainability reporting risk through the internal control system, the Company is aware of the need to substantially improve and formalize the process in the coming reporting years. At this time, this risk is mitigated through the activities described above, such as the review and approval of each segment of the Statement by the competent organisational units, and the preparatory actions for the establishment of a more detailed formal process and controls in connection with sustainability reporting, along with the automatization of a segment of the process in the future. The organisational units review the sections of the Report within their respective areas of responsibility, after which the Risk Management Department, which also includes the sustainability team, performs the final verification and validation prior to sending it to the Company's Management Board for approval. The sustainability reporting process, including the related controls, is set out in the Sustainability Reporting Rulebook, which has been distributed to all organisational units and group companies. The results of the risk assessment and the internal controls related to the sustainability reporting process are integrated in the Report on the Adequacy of Procedures and the Effectiveness of the Internal Control System, adopted on an annual basis by the Company's Management Board, and taken note of by the Supervisory Board.²⁰

The Company has established an Internal Control Committee, which is responsible for considering and proposing to the Management Board decisions of importance for the integrity of the Company's governance and internal control system. At least once a year, the Company's Management Board reviews the adequacy of procedures and the effectiveness of the internal control system, and documents and reports its conclusions to the Supervisory Board. The Company has established the process of periodic reporting to its management and supervisory bodies in connection with sustainability reporting in accordance with the relevant provisions of the Accounting Act and the Act on the Amendments to the Audit Act relating to the tracking, verification, and approval of sustainability statements. The Sustainability Statement is integrated in the Annual Financial Statement and the Management's Report sent to the Management Board of the Company and the Audit Committee for verification and adoption, which then sends it to the Supervisory Board for adoption.²¹

SBM-1 Strategy, business model and value chain

Insurance and reinsurance activities are the Company's core business segments. In addition to insurance and reinsurance activities, CO Group companies also perform the following activities: pension fund management, performance of vehicle testing, provision of healthcare services, and real estate management.

The Company is registered for the performance of activities of concluding and fulfilling life insurance contracts with respect to the following types of insurance: life insurance, annuity insurance, life insurance and annuity insurance where the policyholder bears the investment risk, supplemental insurance to life insurance, marriage, civil partnership, and birth insurance, tontine, insurance with paid-up sum assured, and management of assets invested in mutual pension funds. The Company performs the activities of concluding and fulfilling non-life insurance contracts with respect to the following types of insurance: accident insurance, health insurance other than compulsory health insurance, insurance of land motor vehicles, railway rolling stock insurance, aircraft insurance, vessel insurance, goods in transit insurance, fire and natural disaster insurance, other property insurance, motor third party liability insurance, aircraft liability insurance, vessel liability insurance, other liability

¹⁹ IRO-1 53. e), GOV-5 34., 36. a), b)

²⁰ GOV-5 36. c), d)

²¹ GOV-5 36. e)

insurance, credit insurance, suretyship insurance, miscellaneous financial loss insurance, legal protection insurance, and assistance insurance. In addition to the above activities, the Company is registered for the performance of activities directly or indirectly related to insurance activities, activities of offering units in investment funds and activities of offering pension programmes of voluntary pension funds and of pension insurance companies in accordance with the provisions of the laws regulating the offering of units in investment funds and the offering of pension programmes, insurance distribution activities for other insurance companies, and credit intermediation services in accordance with regulations governing the activities of credit intermediaries.²²

The Company provides services to a wide range of clients, including natural persons, small and medium-sized companies (SMEs), and large corporations in different sectors. No material changes occurred in the Company's markets or client structure during the reporting period. The CO Group operates in several significant countries, including Croatia, Bosnia and Herzegovina, Serbia, and North Macedonia. The table below shows the headcount of employees by countries that CO Group operates in as at 31 December 2025²³:

| Headcount of employees by geographical area | CO Group |
|---|----------|
| Croatia | 2,992 |
| Bosnia and Herzegovina | 271 |
| Serbia | 271 |
| North Macedonia | 521 |

At this time, the Company has not defined specific sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas, and relationships with stakeholders. On business strategy level, CO Group is focused on the development and adaptation of insurance products, digital innovation in its operations, and provision of premium healthcare services.²⁴

Sustainability-related strategy elements and key challenges²⁵

CO Group's business strategy integrates the key elements related to the management of environmental, social and governance matters while fulfilling stakeholders' expectations at the same time. The criteria for mitigating the effects of climate change are gradually integrated in business processes, in particular in the development and adaptation of insurance products. In 2025, CO Group intensified its efforts to improve the management of its own carbon footprint, and started planning actions to reduce Scope 1 and 2 emissions (renewable energy PPAs) while further improving the reporting on Scope 3 emissions (investments). Continuous analysis of emissions in all three scopes is aimed at creating the foundation for the preparation of a transition plan for climate change mitigation with a view to reducing the influence on climate change. Digital transformation plays an important role in this strategy, with initiatives focusing on the optimization of business processes, including sales, products, claims, and operations management, and client relations. Technical and operational implementation of digital solutions not only increases operational efficiency, but also helps reduce the carbon footprint. For instance, as at 31 December 2025, 33% of the Company's clients in the natural persons segment (258,118) had given their consent for e-commerce, allowing for the delivery of their invoices and administrative documentation relating to their insurance contracts by e-mail instead of paper mail wherever possible. In addition, in 2025 the Company made significant progress in expanding digital claims notification channels, with more than 75% of claims already being submitted through digital (web-based) notification or by e-mail. In the subsequent processing and settlement of claims after notification, the Company has long supported a fully digital end-to-end process. In 2025, the Company also moved towards fully automated claims processing from notification to payment and, already in the first year, recorded more than 10,500 motor claims in which payment of the undisputed amount was made through an automated process.

Key challenges

²² SBM-1 40. a) i

²³ SBM-1 40. a) ii, iii

²⁴ SBM-1 40. e)

²⁵ SBM-1 40. g)

CO Group is also facing certain challenges in the implementation of these strategies. Ensuring the accuracy and completeness of data in all operations and markets poses a significant challenge, as does the relatively slow change of awareness in the market and the uptake of sustainable insurance products, especially in underdeveloped areas. To address these challenges, CO Group is implementing advanced data management systems supporting the tracking of sustainability metrics in real time. The Company also pursues collaborations promoting the improvement of environmental outcomes, supports awareness-raising initiatives, and develops specialised insurance packages to support companies as efficiently as possible during their transitions to sustainability.

Business model²⁶

The CO Group's business model is based on providing financial protection against a range of risks through life and non-life insurance products. Its core activities include the development and distribution of insurance products, risk assessment and underwriting, management of the insurance portfolio, and the efficient handling and settlement of claims. In addition to its core insurance business, the CO Group further develops its offering and strengthens client relationships through related business segments. These include the provision of healthcare services through a network of polyclinics, the performance of vehicle roadworthiness testing, and the management of pension funds and real estate. These activities contribute to the development of an integrated service ecosystem that complements the core insurance business and enables a more comprehensive response to clients' needs. The digitalisation of business processes, the development of new products, and adaptation to changes in the operating environment, including climate-related and technological changes, represent important elements in the further development of the business model.

Key resources and relations²⁷

The Group ensures long-term stability and growth through the responsible management of key resources and relationships. The principal resources used in its operations include financial capital, which ensures stability and enables investment in development, and human resources, which forms the foundation of the business, with employee competencies being developed through training programmes, a supportive working environment and systematic talent management. In addition, digital and technological infrastructure constitutes an important resource, including advanced digital platforms that automate and optimise business processes. CO Group follows a systematic approach in order to optimize these inputs, prioritising local suppliers in procurement, aligning professional development programmes for employees with its business objectives, investing in digitalisation and technological innovation, and maintaining open communication with stakeholders to align its strategy with their expectations.

Main features of the Company's value chain²⁸

The Company's value chain includes upstream and downstream activities. The upstream value chain includes key suppliers such as technological solution providers, service providers in real estate transactions, and local contractors. Most of the procurement is sourced locally, ensuring economic benefit for the regions the Company operates in. The downstream value chain includes the distribution of insurance products and services to clients via direct sales, brokers, and digital platforms. The Company's client base includes natural persons and corporate clients across Croatia and regional markets such as Serbia, Bosnia and Herzegovina, and North Macedonia.

Main features of the value chain for other activities

The value chain of the other business segments comprises activities related to polyclinics, vehicle roadworthiness testing, real estate and pension funds. The upstream value chain includes procurement, utilities, inbound logistics, human resources, financial institutions and capital markets, while the downstream value chain includes waste management, outbound logistics, customers, sales, leasing and various forms of business partnerships.

Outputs and outcomes²⁹

CO Group produces outputs through products and services adapted to the needs of its clients, investors, and other stakeholders. For the consumers, outputs include the development of insurance products that increase financial resilience and stability, innovative digital solutions for insurance, and availability and high quality of

²⁶ AR 14. a)

²⁷ AR 14. a), b)

²⁸ SBM-1 42. a), c)

²⁹ SBM-1 42. b)

healthcare. These initiatives improve the customer experience, increase the availability of services, and provide more protection in unforeseen situations. For shareholders, CO Group ensures stable growth through sustainable business practices and strong market leadership. For other stakeholders, CO Group contributes to social and economic stability, employment, and sustainable development through local supply chains and compliance with regulatory requirements. This insures a positive impact on the broader community and long-term sustainability of the Company's business.

SBM-2 – Interests and views of stakeholders³⁰

Enabling and maintaining continuous dialogue with key stakeholders is a fundamental prerequisite for corporate responsibility and sustainability. CO Group invests continual efforts in maintaining timely, transparent and consistent communication with stakeholders, and integrates its means of communication with stakeholders in its internal documents wherever possible. CO Group recognises the stakeholder groups with a capacity to materially impact the Company's operations with their activities, as well as the stakeholders who are materially impacted by the CO Group's activities, as its key stakeholders. In addition to impact, stakeholder interests are also considered a relevant criterion in the identification of key stakeholders. The Company's Management Board is informed about stakeholders' views and interests related to sustainability through regular coordination with the managers of the relevant sectors, such as the results of the employee satisfaction survey, results of market research, NPS scoring, and other channels, depending on the stakeholder group. More information on how the views and interests of the key stakeholders impact the Company's strategy and business model is provided under the topical standards relating to the relevant sustainability topics, where these aspects are elaborated in more detail. Also, information on the inclusion of key stakeholders' views and interests in due diligence and double materiality assessment procedures is provided in the chapter IRO-1, Description of the processes to identify and assess material impacts, risks and opportunities.

The table below presents key stakeholder categories, how CO Group engages with them, the purpose of this engagement, and the channels used in the process:

| Key stakeholders | Purpose of engagement | Channels |
|----------------------------|---|--|
| Employees and trade unions | The purpose of engagement is to ensure a healthy, safe, and supportive work environment, promote a high level of employee motivation, sense of belonging and purpose, and provide opportunities for professional development and fair remuneration. | Regular business meetings, employee conferences, meetings with trade union representatives, employee satisfaction surveys, 360 evaluation programme, intranet portal, workers' representative in the Supervisory Board, interviews with the management, Jenz internal social network, channels for reporting irregularities. |
| Clients | The purpose of engagement is to adapt products and services to the clients' needs and expectations, and to ensure their trust and loyalty by means of accurate information and two-way communication. | Customer satisfaction surveys, communication through the call centre and social networks, digital apps for users. |
| Shareholders | The Company's long-term governance strategy is focused on creating a higher share capital value. The objective of the communication with shareholders and investors is to give them access to information allowing for an analysis of CO Group's results and business forecasts through regular, timely, simple, widely available, accurate, complete, consistent and relevant reporting. | General Assembly, indirect communication through the person responsible for investor relations, publication of financial statements and other information on the Company's website, the Zagreb Stock Exchange website, and the website of HANFA's Officially appointed mechanism for the central storage of regulated information. |
| Suppliers and partners | Developing and strengthening business relationships tailored to the needs of consumers and other stakeholders, thereby contributing to current business performance | Contact occurs through regular operations, and sustainability criteria are increasing being integrated in the evaluation of relations. |

³⁰ SBM-2 45. a), b), c), d)

| | | |
|--|---|--|
| | and encouraging suppliers and partners to adopt sustainable practices. | |
| Regulatory bodies and public authorities | CO Group's companies comply with legal requirements in their regular operations, and engage with the competent regulatory bodies and other public authorities. | Fulfilment of regulatory requirements, cooperation with regulatory bodies and other public authorities, participation and membership of Company representatives in working groups, associations, committees, and professional advisory bodies for the adoption of legislation. |
| Community | CO Group cultivates a long-standing partnership with the communities it operates in, recognising that business success is largely defined by the reputation that the Company enjoys in its community. The purpose of engagement is to build and maintain good relations with the community and to promote positive changes. | Organisation of Company reputation surveys, continuous engagement with the representatives of authorities. |
| Scientific and educational institutions | Collaborating on research and development projects and educational initiatives, sharing professional expertise, preparing young professionals for the labour market, and attracting high-quality talent. | Participation in scientific and professional conferences, support to initiatives and projects aimed at young talent development (especially in the sector of digital innovation and economy), career days, participation in the development of professional programmes in relevant study courses for the insurance industry. |
| Media | Ensure transparent and consistent communication with the public. | Press conferences, responses to media inquiries, media campaigns, publication of expert commentaries and various publications and events. |

Information on the interests and views of affected communities collected through the forms of engagement described above is taken into account in the development and implementation of policies relating to material impacts on communities. This information serves as the basis for the initiatives and measures undertaken by the CO Group companies, as described in greater detail in the relevant topical standard.

Information on the interests and views of consumers obtained through the aforementioned channels is taken into account in the development of the strategy and business model. Customer feedback is used as an input for the development of new products and services that respond to their needs, as described in greater detail in the relevant topical standard.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Within its double materiality assessment, CO Group analysed the impacts, risks and opportunities in all significant business sectors upstream and downstream in its value chain. Their potential relationship with the business model was taken into account in this assessment. Business activities were analysed within significant sectors and key groups of business activities.³¹ A total of 114 impacts, risks and opportunities were identified and assessed at CO Group level as a result of the double materiality assessment, of which 45 impacts (18 of which are material impacts) and 69 risks and opportunities (17 of which are material risks and opportunities). The tables below show the material impacts, risks and opportunities, the operating segment they occur in, the location in the value chain, and the time horizon.³²

³¹ AR 14.d)

³² SBM-3 48. a), c) i, ii, iii, iv, AR. 14. d)

| Topic | Sustainability matters and related impacts, risks, and opportunities | Potential or actual impact/risk/opportunity | Operating segment | Upstream | Own operations | Downstream | Short-term | Medium-term | Long-term |
|--|---|---|-------------------|----------|----------------|------------|------------|-------------|-----------|
| E1 Climate change | Climate change mitigation | | | | | | | | |
| | GHG emissions from insurance | Actual negative impact | Insurance | | | ● | ● | ● | |
| | GHG emissions in investments | Actual negative impact | Investments | | | ● | ● | ● | |
| | Investment in green projects (transition projects) | Actual positive impact | Investments | | | ● | ● | ● | |
| | Scope 1 and 2 GHG emissions | Actual negative impact | CO Group | | ● | | ● | | |
| | High-emission sector risks (transport) | Risk | Insurance | | ● | | | ● | ● |
| | Investment in climate-resilient assets | Opportunity | Investments | | | ● | | ● | |
| | Climate change adaptation | | | | | | | | |
| | Inadequate climate risk assessment in underwriting | Risk | Insurance | | ● | | | ● | |
| | Cold wave/frost | Risk | Insurance | | ● | | ● | ● | ● |
| | Storms (including blizzards, dust, and sandstorms) | Risk | Insurance | | ● | | ● | ● | ● |
| | Heavy precipitation (rain, hail, snow/ice) | Risk | Insurance | | ● | | ● | ● | ● |
| | Flood (coastal, fluvial, pluvial, ground water) | Risk | Insurance | | ● | | ● | ● | ● |
| | Responsible behaviour incentives | Opportunity | Insurance | | ● | | ● | ● | |
| | Higher insurance payments due to extreme weather | Risk | Insurance | | ● | | | ● | ● |
| | Refusal of reinsurers to cover certain risks | Risk | Insurance | ● | | | | ● | ● |
| | Social vulnerability due to insufficient reinsurance for high-impact events | Risk | Insurance | ● | | | | ● | ● |
| | Adaptation of products and policies to climate risks | Opportunity | Insurance | | ● | | ● | ● | |
| | Impacts of climate change on agriculture, forestry and fisheries sectors | Risk | Insurance | | ● | | | ● | ● |
| | Innovative insurance products | Opportunity | Insurance | | ● | | | ● | |
| Energy | | | | | | | | | |
| Use of resources for energy generation | Actual negative impact | CO Group | | ● | | ● | | | |

| Topic | Sustainability matters and related impacts, risks, and opportunities | Potential or actual impact/risk/opportunity | Operating segment | Upstream | Own operations | Downstream | Short-term | Medium-term | Long-term |
|--|--|---|-------------------|----------|----------------|------------|------------|-------------|-----------|
| S1 Own workforce | Working conditions | | | | | | | | |
| | Freedom of association | Actual positive impact | CO Group | | ● | | ● | | |
| | Collective bargaining agreement | Actual positive impact | CO Group | | ● | | ● | | |
| | Work-life balance | Actual positive impact | CO Group | | ● | | ● | | |
| | Improvement of workplace health and safety | Actual positive impact | CO Group | | ● | | ● | | |
| | Equal treatment and opportunities for all | | | | | | | | |
| | Promotion of gender equality and fair remuneration | Actual positive impact | CO Group | | ● | | ● | | |
| | Employee training and professional development for improved performance | Actual positive impact | CO Group | | ● | | ● | | |
| Diversity and inclusion in the workplace | Actual positive impact | CO Group | | ● | | ● | | | |
| S3 Affected communities | Company-specific | | | | | | | | |
| | Economic stability and community resilience | Actual positive impact | Insurance | | ● | | ● | | |
| | Collaboration with educational institutions | Actual positive impact | Insurance | | ● | | ● | | |
| | Empowerment of communities through financial and digital literacy to improve insurance accessibility | Actual positive impact | Insurance | | ● | | ● | | |
| S4 Consumers and end-users | Impacts related to client information | | | | | | | | |
| | User data privacy and security risks | Potential negative impact | CO Group | | | ● | ● | ● | |
| | Personal safety of clients | | | | | | | | |
| | Economic stability and client resilience | Actual positive impact | Insurance | | | ● | ● | ● | |
| | Social inclusion of clients | | | | | | | | |
| Irresponsible marketing | Risk | Insurance | | ● | | | ● | | |

| Topic | Sustainability matters and related impacts, risks, and opportunities | Potential or actual Impact/risk/opportunity | Operating segment | Upstream | Own operations | Downstream | Short-term | Medium-term | Long-term |
|---------------------|--|---|-------------------|----------|----------------|------------|------------|-------------|-----------|
| G1 Business conduct | Management of supplier relationships, including payment practices | | | | | | | | |
| | Supplier and partner relations management | Actual positive impact | Insurance | | | • | • | | |
| | Corporate culture | | | | | | | | |
| | Compliance and risk management | Risk | CO Group | | • | | | | • |
| | Company-specific | | | | | | | | |
| | Cybersecurity | Risk | Insurance | | • | | | • | |

The tables below contain the descriptions of material impacts identified by the double materiality assessment³³:

| Topic | Sustainability matters and related impacts | Negative/positive impact | Description | Affected stakeholder |
|-------------------|--|--------------------------|---|----------------------|
| E1 Climate change | Climate change mitigation | | | |
| | GHG emissions from insurance | Negative impact | The Company can indirectly contribute to the generation of GHG emissions driving climate change by providing insurance for projects associated with fossil fuels or high GHG emission sectors. | Nature |
| | GHG emissions in investments | Negative impact | The Company can indirectly contribute to the generation of GHG emissions driving climate change by investing in projects associated with fossil fuels or high GHG emission sectors. | Nature |
| | Investment in green projects (transition projects) | Positive impact | By investing in projects aimed at climate change mitigation, by changing its business models, and by investing in renewable energy and CO ₂ removal technology, the Company can help keep global warming well below 2°C, which creates a positive impact on climate change mitigation. | Nature |
| | Scope 1 and 2 GHG emissions | Negative impact | Impact on global warming through direct and indirect impact of GHG emissions from stationary and mobile assets owned by CO Group (Scope 1 and 2). | Nature |
| | Energy | | | |

³³ SBM-3 48. a), b), c) i. ii., h)

| | | | | |
|--|--|-----------------|--|--------|
| | Use of resources for energy generation | Negative impact | The maintenance of CO Group's operations includes regular consumption of energy products and other resources that are crucial for the smooth functioning of all its business processes and operations. | Nature |
|--|--|-----------------|--|--------|

| Topic | Sustainability matters and related impacts | Negative/positive impact | Description | Affected stakeholder |
|-------------------------|---|--------------------------|---|----------------------|
| S1 Own workforce | Working conditions | | | |
| | Freedom of association | Positive impact | When they are hired, all Company employees are informed about the conditions and entitlements regarding freedom of association. | Own workforce |
| | Collective Bargaining Agreement | Positive impact | The Company provides additional benefits to its employees in addition to the rights guaranteed under the Collective Bargaining Agreement. | Own workforce |
| | Work-life balance | Positive impact | Providing work-life balance increases employees' job satisfaction and improves their mental and physical health, productivity, personal relations, and creativity. | Own workforce |
| | Improvement of workplace health and safety | Positive impact | Implementation of health and safety measures has a positive impact on the employees and the organisation alike. A risk assessment is conducted on CO Group level for every job, thus ensuring the recognition and mitigation of potential dangers. | Own workforce |
| | Equal treatment and opportunities for all | | | |
| | Promotion of gender equality and fair remuneration | Positive impact | Implementing gender equality and ensuring equal pay for work of equal value significantly contributes to a more diverse and inclusive workforce. On CO Group level, pay grades are used to set up competitive pay scales for different positions in the organisation. This approach guarantees that all employees, irrespective of their gender, receive fair and competitive remuneration based on market standards and the value of their work. | Own workforce |
| | Employee training and professional development for improved performance | Positive impact | Implementation of comprehensive training and skill development programmes improves employee performance, increases job satisfaction and retention, and promotes innovation by ensuring that the employees have the necessary skills and know-how to work efficiently, have a sense of value, and keep up with industry developments. | Own workforce |
| | Diversity and inclusion in the workplace | Positive impact | Promotion of diversity in the workplace has a positive impact on the employees and the organisation alike. Diversity also increases employee satisfaction and retention, because individuals feel appreciated and respected for their unique contributions. | Own workforce |

| | | | | |
|--|--|---|--|-----------|
| S3 Affected communities | Company-specific | | | |
| | Economic stability and community resilience | Positive impact | As the leading insurance company in the Republic of Croatia, Croatia osiguranje plays an important role in the financial stability of communities through the coverages it offers within its insurance products. With their high-quality insurance solutions, CO Group companies contribute to overall economic stability and resilience of communities by ensuring the possibility of compensation for losses from unexpected events like natural disasters, accidents, or business interruptions. | Community |
| | Collaboration with educational institutions | Positive impact | Through the projects of collaboration with educational institutions, CO Group has the opportunity to share knowledge and expertise from its area of business, and to thus contribute to the development and training of future experts. | Community |
| | Empowerment of communities through financial and digital literacy to improve insurance accessibility | Positive impact | CO Group companies implement and support financial literacy initiatives within communities, empowering individuals to make informed decisions and to better understand insurance and retirement savings products and their benefits. | Community |
| S4 Consumers and end-users | Impacts related to client information | | | |
| | User data privacy and security risks | Negative impact | As a part of a sector that manages large amounts of user data, including personal and financial information, CO Group can face privacy challenges in connection with access to sensitive information. Considering the nature of this information, there is risk of improper or inappropriate use, which can undermine clients' trust. If this problem is not adequately resolved, it could result in regulatory sanctions and reputational risks. Additionally, data privacy risks are increasing given the increasing number of cyberattacks, which can result in data theft, loss of information, churning, reduced revenue, and brand value damage. | Community |
| | Personal safety of clients | | | |
| Economic stability and client resilience | Positive impact | The Company's business model is based on providing insurance services that endow its clients with financial protection from various risks. Insurance as such creates a positive impact by contributing to the financial security of consumers and the stability of economy. | Consumers | |

| Topic | Sustainability matters and related impacts | Negative/positive impact | Description | Affected stakeholder |
|---------------------|--|--------------------------|---|------------------------|
| G1 Business conduct | Management of supplier relationships, including payment practices | | | |
| | Supplier and partner relations management | Positive impact | Suppliers and business partners in the insurance business (brokers, claims adjusters, auto repair workshops) can reduce environmental and social impact in their operations. As a large group, CO Group can influence its suppliers and business partners to promote sustainability issues/mitigate social impacts or to gather information about them for its reporting. | Suppliers and partners |

The tables below contain the descriptions of material risks and opportunities identified by the double materiality assessment³⁴:

| Topic | Sustainability matters and related risks and opportunities | Risk/opportunity | Description |
|-------------------|--|------------------|---|
| E1 Climate change | Climate change adaptation | | |
| | Inadequate climate risk assessment in underwriting | Risk | Insurance companies can see their claims rise as a result of climate-related events such as floods, storms and wildfires, which requires adaptation actions for the management of increased risk exposure. In addition, an inadequate assessment of these climate-related risks in underwriting processes can lead to underestimation of policies, which can result in higher claims payments and financial losses for the insurance company. |
| | Cold wave/frost | Risk | Insurance companies can see their claims rise as a result of cold waves/frosts, which requires adaptation actions for the management of increased risk exposure. |
| | Storms (including blizzards, dust, and sandstorms) | Risk | Insurance companies can see their claims rise as a result of storms (including blizzards, dust, and sandstorms), which requires adaptation actions for the management of increased risk exposure. |
| | Heavy precipitation (rain, hail, snow/ice) | Risk | Insurance companies can see their claims rise as a result of heavy precipitation (rain, hail, snow/ice), which requires adaptation actions for the management of increased risk exposure. |
| | Flood (coastal, fluvial, pluvial, ground water) | Risk | Insurance companies can see their claims rise as a result of floods (coastal, fluvial, pluvial, ground water), which requires adaptation actions for the management of increased risk exposure. |
| | Responsible behaviour incentives | Opportunity | Climate change causes extreme events. With new insurance products with climate change risk pricing, the Company can promote responsible behaviours, limit claims payments, and increase socioeconomic resilience. |

³⁴ SBM-3 48. a), b), c) i. ii., h)

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|----------------------------------|---|-------------|--|
| | Higher insurance payments due to extreme weather | Risk | Climate change is causing increasingly frequent and severe extreme weather events, thereby increasing the risk of significant financial losses for insurers. In recent years, Croatia has experienced events such as storms, floods and hail, resulting in losses amounting to millions, and current trends indicate further deterioration. The impact of such events is expected to increase as climate change leads to more frequent and more severe catastrophes, including non-modelled events. Inadequate assessment of climate risks in insurance products may result in underestimated premiums and claims costs exceeding expectations. As the frequency of extreme events increases, insurance companies will be forced to cover further losses, including property, vehicle and agricultural insurance claims. Individuals in high-risk areas could face difficulties obtaining insurance coverage, while claim settlement procedures could become more complex, additionally increasing costs and operational challenges. |
| | Refusal of reinsurers to cover certain risks | Risk | A reinsurance company may decide to stop offering coverage for certain risks, such as those related to natural disasters like earthquakes. This decision is a material risk for the Company, because it can lead to significant financial exposure and instability. |
| | Social vulnerability due to insufficient reinsurance for high-impact events | Risk | Lack of adequate reinsurance support in case of a high-impact event such as a storm can have serious consequences for the society, leaving communities exposed to risk and not insured against potential damage. This situation would not only impact the Company's profitability, but would also have wider negative consequences for the society's resilience to natural disasters, which could lead to economic and social difficulties. |
| | Adaptation of products and policies to climate risks | Opportunity | Given the implication of physical climate change risks, the Company may have to adapt its product and policy development and management. Introduction of new or modification of existing risk management protocols with a view to better management of potential losses, such as reassessment of disaster modelling techniques, is a possible way to achieve this. This can also include adjustment of premiums for high-risk areas, change of policy limits, or adjustment of risk appetite for certain products and services (e.g. lower flood damage limit in flood-prone areas). |
| | Impacts of climate change on agriculture, forestry and fisheries sectors | Risk | Insurance of agriculture, forestry and fisheries sectors, which are sensitive to climate change impacts, such as droughts, floods, and extreme weather conditions, can pose significant challenges. Climate change exacerbates natural hazards, increasing the frequency and intensity of weather-related disasters. This increased exposure can lead to increased insurance claims and lower profitability for insurance companies. UNEP FI (<i>United Nations Environment Programme Finance Initiative</i>) underlines the importance of climate change resilience in insurance, calling on insurance companies to assess the climate risks associated with their covered projects. |
| | Innovative insurance products | Opportunity | CO Group has the opportunity to develop innovative insurance products promoting resilience to climate change and adaptation actions, such as parametric insurance for extreme weather and green building insurance for sustainable real estate development. |
| Climate change mitigation | | | |

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|--|--|-------------|---|
| | High-emission sector risks (transport) | Risk | High-emission transport sectors pose a material risk for insurance companies, including regulatory pressures and reputational challenges. Given the increasing strictness of policies focused on carbon emission reduction and climate change mitigation, insurance companies face increased scrutiny for their involvement in insurance of high carbon footprint industries. UNEP FI underlines the importance of assessing the carbon intensity of an insurance company's portfolio, encouraging the integration of climate risks in business strategies and decisions. |
| | Investment in climate-resilient assets | Opportunity | CO Group has the opportunity to channel investments in climate-resilient infrastructure projects and real estate properties in order to make use of new opportunities in the transition to a low-carbon economy and to increase the resilience of its portfolio. |

| Topic | Sustainability matters and related risks and opportunities | Risk/opportunity | Description |
|----------------------------|--|------------------|--|
| S4 Consumers and end-users | Social inclusion of clients | | |
| | Irresponsible marketing | Risk | Practices such as dumping and aggressive sales techniques can mislead consumers about the actual value and price of insurance products, and cause them to make wrong decisions. Such tactics undermine the integrity of the Company's marketing efforts, potentially undermining its reputation and trust among consumers. The consequences of this practice can manifest as an increased number of complaints, higher churning rates, and, in severe cases, legal disputes and significant fines. |

| Topic | Sustainability matters and related risks and opportunities | Risk/opportunity | Description |
|---------------------|--|------------------|---|
| G1 Business conduct | Corporate culture | | |
| | Compliance and risk management | Risk | Risk of legal and financial damage arising from non-compliance with legal, regulatory, or contractual requirements or obligations. Non-compliance with laws, regulations, and contractual arrangements can lead to fines, penalties, and legal judgments issued by regulatory bodies or affected parties. These damages can have significant financial implications and can also damage the Company's reputation. |
| | Company-specific | | |
| | Cybersecurity | Risk | The Company recognises the cybersecurity threat risk, including hacking, malicious attacks and data breaches, which can seriously threaten data security, sensitive information, intellectual property, and business operations. Such threats can lead to financial losses, regulatory fines, litigation expenses, reputational damage, operational interruptions, and loss of clients' trust. |

As part of the Double Materiality Assessment (DMA), an analysis of business resilience was conducted during this reporting period to identify, understand, and manage transitional and physical risks related to the Company's business activities in the context of climate change, as explained in more detail in topical standard E1.

In addition to the list of sustainability matters in Appendix A of ESRS 1, four subtopics specific to CO Group have been identified, considering the nature of business activities, business relationships, geographical characteristics, or other matters. Under the Affected Communities topic, the specific subtopics are economic stability and community resilience, collaboration with educational institutions, empowerment of communities through financial and digital literacy to improve insurance accessibility. Under the Business Conduct topic, the specific subtopic is cybersecurity.³⁵ CO Group does not expect the identified material risks and opportunities to pose an increased risk to the alignment of asset and liability values presented in the financial statements.³⁶

| Topic | Sub-topic |
|-----------------------------------|--|
| E1 Climate change | Climate change mitigation |
| | Climate change adaptation |
| | Energy |
| S1 Own workforce | Working conditions |
| | Equal treatment and opportunities for all |
| S3 Affected communities | Company-specific |
| | Economic stability and community resilience |
| | Collaboration with educational institutions |
| | Empowerment of communities through financial and digital literacy to improve insurance accessibility |
| S4 Consumers and end-users | Impacts related to client information |
| | Personal safety of clients |
| | Social inclusion of clients |
| G1 Business conduct | Management of supplier relationships, including payment practices |
| | Corporate culture |
| | Company-specific |
| | Cybersecurity |

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

In 2024, CO Group conducted the initial Double Materiality Assessment in accordance with the European Sustainability Reporting Standards (ESRS). The process identified and assessed impacts, risks, and opportunities (IRO) as the basis for determining material sustainability matters. The assessment was carried out in line with the double materiality principle, which encompasses two dimensions: impact materiality and financial materiality. The assessment was conducted in collaboration with internal and external stakeholders across the entire value chain—upstream, downstream, and within the Group's own operations. The results enable a consistent approach to identifying sustainability factors that are key to the Group and its stakeholders.

The applied methodology contributes to the Group's existing processes for recognizing material sustainability matters by aligning with stakeholder expectations and regulatory requirements while integrating sustainability principles into strategic decision-making and operational management. The methodology used for conducting the Double Materiality Assessment, including impacts, risks, and opportunities, is outlined below.³⁷

Identification and engagement of stakeholders

The Double Materiality Assessment process involved collaboration with key stakeholders. Internal stakeholders included representatives from various departments (subject matter experts) who actively participated through structured interviews. External stakeholders were engaged through passive involvement, including value chain

³⁵ SBM-3 48. g)

³⁶ SBM-3 48. b), d)

³⁷ IRO-1 53., IRO-2 59.

mapping and benchmark analysis, during which relevant sustainability information was gathered from publicly available sources. As part of the analysis of available information, regulatory frameworks were considered, including applicable acts, EU regulations, the European Green Deal, and the National Climate Change Adaptation Strategy. Additionally, relevant documents were taken into account, including the UNEP FI Principles for Sustainable Insurance, S&P ESG Materiality Map for Insurance, S&P Real Estate ESG Materiality Factors, and the EIOPA Staff Paper on Nature-Related Risks and Impacts for Insurance. The process also utilized data from rating agencies such as MSCI, S&P Global, ISS ESG, and Sustainalytics, as well as relevant reporting standards, including ESRS, GRI, SASB, TCFD, CDP, PCAF, and the EU Taxonomy.³⁸ Engagement with stakeholders, as well as an understanding of their views and priorities, enabled additional validation and confirmation of identified material topics, ensuring that all key aspects of sustainability were covered and aligned with regulatory requirements.³⁹

Compilation of a list of potentially relevant topics

In the next step, a list of potentially relevant sustainability topics was developed based on insights gained through stakeholder engagement, previous materiality assessments, sector analyses, and ESRS requirements. A detailed analysis of resources, locations, and business activities was conducted to enable the assessment of actual and potential, positive and negative impacts, risks, and opportunities within the Group's own operations and across the entire value chain. A benchmark analysis was also carried out, covering relevant topics in similar companies, including leading insurance groups and specific sectoral aspects, ensuring alignment with best practices and standards.⁴⁰

Identification of impacts, risks, and opportunities

Identification of impacts:

Relevant impacts were identified and mapped to specific business segments and value chain levels where these impacts are most likely to occur. Prioritization was based on the nature of business activities, business relationships, and other key matters, incorporating the perspectives of affected stakeholders. In the assessment, the Company was guided by ESRS guidelines, with an emphasis on a sector-based approach to ensure comprehensive coverage of all relevant data. Due to challenges in collecting information and data from the value chain, impacts within the value chain were identified using publicly available sources.⁴¹

Identification of risks and opportunities:

Relevant risks and opportunities were documented, including their origin within the value chain and their potential financial implications. Since impact materiality and financial materiality assessments are interrelated, their interdependencies were taken into account. Namely, an impact may be financially material from the outset or may become financially material over time, evolving into financial risks and/or opportunities.⁴²

Evaluation

Each sustainability matter was described qualitatively to enable an assessment of its manifestation as an impact, risk, or opportunity. The materiality of negative impacts was assessed based on scale, scope, and irremediability, with an additional assessment of the likelihood of occurrence for potential negative impacts. For positive impacts, the assessment was based on scale and scope, also taking into account the likelihood of occurrence.⁴³ The following scales present the definitions of criteria and evaluations used:

| Definition of scale | | |
|------------------------|--|------------|
| Environmental criteria | Social criteria | Evaluation |
| Minimal impact | All other impacts that do not infringe on the right to life, health, or access to basic life necessities. | 1 |
| Local impact | Low impact on human rights, health, and minor obstacles/threats to access to basic life necessities (including education, livelihood, etc.). | 2 |

³⁸ BP-2 10.

³⁹ IRO-1 53. b) iii, E1 AR 6.

⁴⁰ IRO-1 53. b) i, g)

⁴¹ IRO-1 53. b) ii, g), BP-2 10.

⁴² IRO-1 53. c) i.

⁴³ IRO-1 53. b) iv.

| | | |
|---|--|---|
| Medium-scale impact | Tangible violations of human rights, and restrictions on access to basic life necessities (including education, livelihood, etc.). | 3 |
| Medium-to-large-scale impact | Critical violations of human rights, and significant restrictions on access to basic life necessities (including education, livelihood, etc.). | 4 |
| Large-scale impact with severe harm and total destruction | Causing death or adverse health effects that may lead to a significant reduction in quality of life and/or longevity. | 5 |

| Definition of scope | | |
|------------------------|--|------------|
| Environmental criteria | Social criteria | Evaluation |
| Immediate surroundings | Small-scale impact: 5% of the stakeholders affected or impact limited to the immediate impact area. | 1 |
| Local community | Low to moderate impact: 5%-10% of the stakeholders affected or impact within the local community. | 2 |
| City | Moderate impact: 10% of stakeholders affected, or a broader area of impact within the city. | 3 |
| Country | Moderately high impact: 15-20% of the stakeholders affected or impact at national level. | 4 |
| Country/global | Major impact: more than 20% of stakeholders affected, or significant impact at the national and international level. | 5 |

| Definition of irremediability for the environment and society | Evaluation |
|---|------------|
| Very easily remediable with minimal effort. | 1 |
| Remediable with moderate effort. | 2 |
| Difficult to remediate, requiring significant effort. | 3 |
| Very difficult to remediate, necessitating extensive effort. | 4 |
| Irremediable. | 5 |

| Definition of likelihood of environmental and social impacts: | Evaluation |
|--|------------|
| Unlikely, <30%: The event is expected to occur only under limited circumstances; it has occurred in other industries. | 1 |
| Possible, [30%, 50%]: The event is expected to occur under certain circumstances; it has occurred in the insurance industry. | 2 |
| Likely, [50%, 90%]: The event is expected to occur in many circumstances; the event occurs occasionally in the reporting company. | 3 |
| Almost certain, [90%, 100%]: The event is expected to occur in most circumstances; the event occurs several times a year in the reporting company. | 4 |
| Actual, 100%: The event has already occurred. | n/a |

Financial risks and opportunities were assessed by combining the likelihood of occurrence with the potential scale of financial consequences, including those related to sustainability, using the following scales⁴⁴:

| Definition of scale in the short-term period | Evaluation |
|--|------------|
| Risk would result in very small losses that can be easily absorbed without a noticeable impact on operating results. / Opportunity would result in a very minor impact with no noticeable effect on operating results. This could be translated into an estimated minimal financial impact (0% to <0.5% of insurance revenue). | 1 |
| Risk would result in small losses that can be absorbed with minimal negative impact on operating results). The risk event may require some management attention, but only for a short period. / Opportunity would result in a small positive impact, with a slight but noticeable benefit for | 2 |

⁴⁴ IRO-1 53. c) ii

| | |
|--|---|
| operating results. This could be assessed as a moderate financial impact (>0.5% and <1% of insurance revenue). | |
| Risk would result in noticeable losses that can be absorbed but would have a moderate negative impact on operating results. The risk event would temporarily require management attention. / Opportunity would result in a noticeable impact with a moderately positive effect on operating results. This could be assessed as a significant financial impact (>1% and <1.5% of insurance revenue). | 3 |
| Risk would result in significant losses that can be absorbed but would have a major negative impact on operating results. The risk would likely require substantial management attention over an extended period. / Opportunity would result in a significant positive impact that would substantially improve operating results and could be transformational if successfully realized. This could be assessed as a high financial impact (>1.5% and <2% of insurance revenue). | 4 |
| Risk would result in considerable losses that cannot be absorbed. The risk would require full management attention over an extended period. / Opportunity would result in significant benefits. This could be assessed as a very high financial impact (>2% of insurance revenue). | 5 |

| Definition of scale in the medium- and long-term period | Evaluation |
|--|------------|
| Risk would result in very small losses that can be easily absorbed without a noticeable impact on operating results. / Opportunity would result in a very minor impact with no noticeable effect on operating results. This could be translated into an estimated minimal financial impact (0% to <1% of insurance revenue). | 1 |
| Risk would result in small losses that can be absorbed with minimal negative impact on operating results). The risk event may require some management attention, but only for a short period. / Opportunity would result in a small positive impact, with a slight but noticeable benefit for operating results. This could be assessed as a moderate financial impact (>1% and <2% of insurance revenue). | 2 |
| Risk would result in noticeable losses that can be absorbed but would have a moderate negative impact on operating results. The risk event would temporarily require management attention. / Opportunity would result in a noticeable impact with a moderately positive effect on operating results. This could be assessed as a significant financial impact (>2% and <3% of insurance revenue). | 3 |
| Risk would result in significant losses that can be absorbed but would have a major negative impact on operating results. The risk would likely require substantial management attention over an extended period. / Opportunity would result in a significant positive impact that would substantially improve operating results and could be transformational if successfully realized. This could be assessed as a high financial impact (>3% and <4% of insurance revenue). | 4 |
| Risk would result in considerable losses that cannot be absorbed. The risk would require full management attention over an extended period. / Opportunity would result in significant benefits. This could be assessed as a very high financial impact (>4% of insurance revenue). | 5 |

| Definition of likelihood | Evaluation |
|---|------------|
| Unlikely; The event could occur on average once every 5–10 years; It is expected to occur only under limited circumstances; The event has occurred in other industries. | 1 |
| Possible; The event could occur on average once every 2–5 years; It is expected to occur under certain circumstances; The event has occurred in the insurance industry. | 2 |
| Likely; The event could occur on average once every 1–2 years; It is expected to occur in many circumstances; The event occasionally occurs in the reporting company. | 3 |
| Almost certain: The event is likely to occur on average once a year; it is expected to occur in most circumstances. | 4 |
| Actual; 100%; The event has already occurred. | 5 |

Materiality thresholds are defined as follows:

- 3.0 for impact materiality (on a scale of 1–5) for actual impacts,
- 3.5 for materiality of potential impacts (on a scale of 1–5),
- 3.0 for financial materiality (on a scale of 1–5).

Below these materiality thresholds, impacts, risks, and opportunities were not considered material. Different materiality thresholds for impact assessment result from the evaluation methodology, ensuring that actual impacts carry greater weight than potential impacts.⁴⁵

The CO Group has prescribed, through an internal document, and integrated internal control procedures related to the process for identifying and assessing material impacts, risks, and opportunities into the internal control system and the operational risk database. Following the initial results of the DMA process, key internal stakeholders reviewed the identified material impacts, risks, and opportunities to ensure that all relevant aspects were covered. The results of the DMA process were then validated by the Company's Management Board and adopted by the Supervisory Board. The results were further consolidated with other operational companies within Adris grupa d.d. The consolidated results were validated by the Adris grupa d.d.'s Management Board, aiming to ensure alignment of the Double Materiality Assessment findings with the objectives and strategies of Adris grupa d.d.⁴⁶

The process of identifying, assessing, and managing impacts, risks, and opportunities within the CO Group was conducted at the Risk Management Sector level, in collaboration with a multidisciplinary ESG team. This approach ensures that sustainability-related impacts, risks, and opportunities are systematically embedded into the overall risk management processes and contribute to the assessment of the CO Group's overall risk profile. For example, climate-related risks, such as premium increases due to extreme weather conditions, are assessed not only for their sustainability implications but also for their potential financial impact.⁴⁷

Similarly, the process of identifying, assessing, and managing opportunities is integrated into the CO Group's corporate governance framework. These assessments are based on strategic planning and long-term objectives, with sustainability-related opportunities such as the development of insurance products that contribute to climate change adaptation and respond to sustainability risks, expansion of digital platforms such as LAQO, and investment in sustainable technologies. Identified opportunities are also linked to performance-based metrics, encouraging management and employees to align their activities with sustainability commitments. The Company's Management Board is responsible for ensuring the effective implementation and alignment of these opportunities with the CO Group's broader sustainability objectives.⁴⁸

The materiality assessment process relies on reliable input parameters to ensure an accurate and objective evaluation. Data sources include internal metrics such as operational reports, environmental impact assessments, and employee feedback, alongside external benchmarks such as pre-existing stakeholder engagement results (e.g., users), sustainability levels, and regulatory standards. The scope of the assessment covers the value chain, including suppliers at the beginning of the production chain, the Company's own operations, the operations of its beneficial owner, Adris grupa d.d., and downstream stakeholders such as clients and local communities. To ensure thoroughness, the process also incorporates industry-specific standards and benchmarks, along with assumptions such as probability assessments and financial impact modelling, which are based on historical data and future projections.⁴⁹

Through the DMA methodology, in the previous reporting period the CO Group identified five material topics and 13 sub-topics. In 2025, the materiality assessment was updated to reflect developments in the regulatory environment and stakeholder expectations. This included broader engagement of internal stakeholders to re-evaluate the identified impacts, risks, and opportunities, taking into account the changed circumstances in the short-term period and providing a more detailed rationale for the assessments. Earlier materiality assessments (conducted before 2024) under the GRI provided a strong foundation for this new approach, while the transition to ESRS enabled greater alignment with the double materiality principle, incorporating both impact materiality and financial materiality. The updated double materiality assessment confirmed the material topics and sub-topics from the previous period, with a revised assessment of one IRO.⁵⁰

⁴⁵ IRO-1 53. b) iv, g)

⁴⁶ IRO-1 53. d)

⁴⁷ IRO-1 53. e)

⁴⁸ IRO-1 53. f)

⁴⁹ IRO-1 53. g)

⁵⁰ IRO-1 53.h)

E1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related with climate change

As part of the Double Materiality Assessment, CO Group evaluated impacts, risks, and opportunities related to climate change. The analysis covered total greenhouse gas (GHG) emissions, as well as physical and transition risks associated with climate change. The carbon footprint calculation was conducted in accordance with the GHG Protocol, while for emissions related with investments, the PCAF methodology was applied. The Company analyses climate risks through the ORSA process, assessing their impact on business operations, financial results, and solvency. The focus is on scenarios which include (among other things) impacts of high-emissions, stress testing, and sectoral analysis of the value chain. Special attention is given to the materiality of physical and transition risks, including the assessment of time horizons and applied methodologies. An investment portfolio analysis based on NACE classification still showed a low share of investments in sectors exposed to transition risks. On the liabilities side, the Company considers transition risks such as regulatory changes and market trends, as well as physical risks such as storms and droughts. In the ORSA process, analyses of extreme weather scenarios were conducted, including quantitative testing of climate change impacts over different time horizons. More information on methodologies and assessments is available in Topical Standard E1.

G1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related with business conduct

In the process of identifying material impacts, risks, and opportunities related to business conduct, CO Group primarily focused on the insurance sector. The process included benchmark analysis of peer companies, discussions with internal experts, a review of supplier reports, as well as an assessment of customer relationships and the specific transaction structures within the sector in Croatia. As a result of the assessment, Supplier relationship management, including payment practices, was identified as a material topic, as was Corporate culture, while Cybersecurity was recognized as a risk specific for the Company.⁵¹

IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement

CO Group has identified material information to be disclosed regarding its significant impacts, risks, and opportunities, applying the principles and criteria outlined in Section 3.2 of ESRS 1 – Material matters and materiality of information. The process was designed to ensure that all disclosed information meets the qualitative characteristics of relevance, faithful representation, comparability, verifiability, and understandability. This approach enables a clear understanding of the Group’s sustainability impacts and its exposure to risks and opportunities that could significantly affect its business model, strategy, and financial results in the short, medium, and long term.⁵²

In accordance with the identified material topics and subtopics, based on the results of the Double Materiality Assessment, the Company reports on disclosure requirements in compliance with the relevant material ESRS topical standards. Exceptions are indicators that relate to sub-topics and sub-sub-topics that are not material to the Group (ESRS 1, section 3.2, Material matters and materiality of information, Appendix E), as well as requirements that are being phased in due to limited data availability. Material requirements that are being phased in will be included in subsequent reporting periods. A list of fulfilled disclosure requirements, along with page numbers, is provided in the table below.⁵³

| List of disclosure requirements fulfilled in the sustainability statement | | |
|---|---|-------------|
| Standard | Disclosure requirement | Page number |
| ESRS 2 | BP-1 General basis for preparation of sustainability statements | 8 |
| | BP-2 Disclosures in relation to specific circumstances | 8 - 9 |

⁵¹ IRO-1 G1 6.

⁵² IRO-2 59.

⁵³ IRO-2 56.

| | | |
|---------|---|--|
| | GOV-1 The role of the administrative, management and supervisory bodies | 9 - 12 |
| | GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 9 - 12 |
| | GOV-3 Integration of sustainability-related performance in incentive schemes | 12 |
| | GOV-4 Statement on due diligence | 12 - 13 |
| | GOV-5 Risk management and internal controls over sustainability reporting | 13 - 14 |
| | SBM-1 Strategy, business model and value chain | 14 - 16 |
| | SBM-2 Interests and views of stakeholders | 16 - 18 |
| | SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | 18 - 27 |
| | IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities | 27 - 32 |
| | IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement | 32 - 35 |
| | MDR-P Policies adopted to manage material sustainability matters | In the chapters covering the topical standards |
| | MDR-A Actions and resources in relation to material sustainability matters | In the chapters covering the topical standards |
| | MDR-M Metrics in relation to material sustainability matters | In the chapters covering the topical standards |
| | MDR-T Tracking effectiveness of policies and actions through targets | In the chapters covering the topical standards |
| ESRS E1 | ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes | 12 |
| | E1-1 Transition plan to mitigate climate change | 45 |
| | ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 45 - 49 |
| | ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related with climate change | 27 - 32 |
| | E1-2 Policies related to climate change mitigation and adaptation | 49 - 50 |
| | E1-3 Actions and resources in relation to climate change | 50 |
| | E1-4 Targets related to climate change mitigation and adaptation | 50 - 51 |
| | E1-5 Energy consumption and energy mix | 51 - 52 |

| | | |
|---------|---|---------|
| | E1-6 Gross scope 1, 2, 3 greenhouse gas emissions and total greenhouse gas emissions | 52 - 57 |
| ESRS S1 | ESRS 2 SBM-2 Interests and views of stakeholders | 65 |
| | ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 65 - 66 |
| | S1-1 Policies related to own workforce | 67 - 69 |
| | S1-2 Processes for engaging with own workers and workers' representatives about impacts | 69 - 70 |
| | S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns | 70 - 71 |
| | S1-4 Taking action on material impacts on own workforce, approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions | 71 - 72 |
| | S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 72 |
| | S1-6 Characteristics of the undertaking's employees | 72 - 73 |
| | S1-7 – Characteristics of non-employees in the undertaking's own workforce | 9 |
| | S1-9 Diversity metrics | 73 - 74 |
| | S1-11 Social protection | 74 |
| | S1-13 Training and skills development | 74 - 75 |
| | S1-14 Health and safety metrics | 75 - 76 |
| | S1-15 Work-life balance metrics | 9 |
| | S1-16 Remuneration metrics (pay gap and total remuneration) | 76 - 77 |
| | S1-17 Incidents, complaints, and severe human rights impacts | 77 - 78 |
| ESRS S3 | ESRS 2 SBM-2 Interests and views of stakeholders | 78 |
| | ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 78 - 79 |
| | S3-1 Policies related to affected communities | 79 - 80 |
| | S3-2 Processes for engaging with affected communities about impacts | 80 - 81 |
| | S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns | 80 - 81 |

| | | |
|---------|---|---------|
| | S3-4 Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | 81 - 83 |
| | S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 83 |
| ESRS S4 | ESRS 2 SBM-2 Interests and views of stakeholders | 84 |
| | ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model | 84 - 86 |
| | S4-1 Policies related to consumers and end users | 86 - 87 |
| | S4-2 Processes for engaging with consumers and end-users about impacts | 87 - 88 |
| | S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 88 - 89 |
| | S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 89 - 90 |
| | S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 90 |
| ESRS G1 | ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies | 91 - 92 |
| | ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities | 27 - 32 |
| | G1-1 Business conduct policies and corporate culture | 92 - 93 |
| | G1-2 – Management of relationships with suppliers | 93 |
| | G1-6 – Payment practices | 94 |

Appendix B

| List of datapoints in cross-cutting and topical standards that derive from other EU legislation | | | | | |
|---|--------------------------|------------------------|------------------------------------|------------------------------|---|
| Disclosure requirement and related datapoint | SFDR reference (SFDR)(1) | Pillar 3 reference (2) | Benchmark regulation reference (3) | EU Climate Law reference (4) | Page in the Sustainability Statement / Not applicable |
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CROATIA osiguranje d.d.
Management Report for 2025

| | | | | | |
|--|---|--|---|--|---------|
| ESRS 2 GOV-1 The Board's gender diversity, paragraph 21 (d) | Indicator number 13 Table # 1 of Annex I | | Commission Delegated Regulation (EU) 2020/1816 (5), Annex II | | 73 |
| ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e) | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | 9 |
| ESRS 2 GOV-4 Statement on due diligence, paragraph 30 | Indicator number 10 Table # 3 of Annex I | | | | 12 - 13 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i. | Indicator number 4 Table # 1 of Annex I | Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk | Delegated Regulation (EU) 2020/1816, Annex II | | n/a |
| ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii. | Indicator number 9 Table # 2 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | n/a |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii. | Indicator number 14 Table # 1 of Annex I | | Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Article 12(1), Annex II | | n/a |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv. | | | Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Article 12(1), Annex II | | n/a |

| | | | | | |
|---|---|--|--|---|---------|
| ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | 45 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g) | | Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2 | | n/a |
| ESRS E1-4 GHG emission reduction targets, paragraph 34 | Indicator number 4 Table # 2 of Annex I | Article 449a 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | 50 - 51 |
| ESRS E1-5 Energy consumption from fossil sources (only high climate impact sectors), paragraph 38 | Indicator number 5, Table # 1 and indicator number 5, Table # 2 Annex I | | | | n/a |
| ESRS E1-5 Energy consumption and energy mix, paragraph 37 | Indicator number 5, Table # 1 of Annex I | | | | 51 - 52 |

| | | | | | |
|---|--|---|--|---|---------|
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 | Indicator number 6 Table # 1 of Annex I | | | | n/a |
| ESRS E1-6 Gross scope 1, 2, 3 greenhouse gas emissions and total greenhouse gas emissions, paragraph 44 | Indicators numbers 1 and 2 Table # 1 of Annex I | Article 449a; Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1) | | 52 |
| ESRS E1-6 GHG emission reduction targets, paragraphs 53 to 55 | Indicator number 3 Table # 1 of Annex I | Regulation (EU) No. 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | n/a |
| ESRS E1-7 GHG removals and carbon credits, paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | n/a |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II | | 46 - 49 |

| | | | | | |
|--|---|---|--|--|-----|
| <p>ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)</p> <p>ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)</p> | | | <p>Regulation (EU) 575/2013, Article 449a Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47 Template 5: Banking book – – Climate change physical risk: Exposures subject to physical risk.</p> | | n/a |
| <p>ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)</p> | | <p>Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral</p> | | | n/a |
| <p>ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69</p> | | | <p>Delegated Regulation (EU) 2020/1818, Annex II</p> | | n/a |
| <p>ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28</p> | <p>Annex I, indicator number 8 Table # 1, Annex I, indicator number 2 Table # 2, Annex I Indicator number 1</p> | | | | n/a |

| | | | | | |
|---|---|--|--|--|-----|
| | Table # 2 of Annex I, Indicator number 3 Table # 2 | | | | |
| ESRS E3-1 Water and marine resources, paragraph 9 | Indicator number 7 Table # 2 of Annex I | | | | n/a |
| ESRS E3-1 Dedicated policy, paragraph 13 | Indicator number 8 Table # 2 of Annex I | | | | n/a |
| ESRS E3-1 Sustainable oceans and seas, paragraph 14 | Indicator number 12 Table # 2 of Annex I | | | | n/a |
| ESRS E3-4 Total water recycled and reused, paragraph 28 (c) | Indicator number 6.2 Table # 2 of Annex I | | | | n/a |
| ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, paragraph 29 | Indicator number 6.1 Table # 2 of Annex I | | | | n/a |
| ESRS 2 IRO-1 E4 , paragraph 16 (a) i. | Indicator number 7 Table # 1 of Annex I | | | | n/a |
| ESRS 2 IRO-1 E4 , paragraph 16 (b). | Indicator number 10 Table # 2 of Annex I | | | | n/a |
| ESRS 2 IRO-1 E4 , paragraph 16 (c) | Indicator number 14 Table # 2 of Annex I | | | | n/a |
| ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b) | Indicator number 11 Table # 2 of Annex I | | | | n/a |
| ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c) | Indicator number 12 Table # 2 of Annex I | | | | n/a |
| ESRS E4-2 Policies to address deforestation, paragraph 24 (d) | Indicator number 15 Table # 2 of Annex I | | | | n/a |

CROATIA osiguranje d.d.
Management Report for 2025

| | | | | | |
|---|--|--|---|--|-----|
| ESRS E5-5 Non-recycled waste, paragraph 37 (d) | Indicator number 13 Table # 2 of Annex I | | | | n/a |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table # 1 of Annex I | | | | n/a |
| ESRS 2 SBM-3 S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 Table # 3 of Annex I | | | | 66 |
| ESRS 2 SBM-3 S1 Risk of incidents of child labour paragraph 14 (g) | Indicator number 12 Table # 3 of Annex I | | | | 66 |
| ESRS S1-1 Human rights policy commitments, paragraph 20 | Indicator number 9, Table # 3 and indicator number 11, Table # 1 Annex I | | | | 67 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | 67 |
| ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22 | Indicator number 11 Table # 3 of Annex I | | | | 66 |
| ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23 | Indicator number 1 Table # 3 of Annex I | | | | 69 |
| ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c) | Indicator number 5 Table # 3 of Annex I | | | | 70 |

| | | | | | |
|---|--|--|--|--|---------|
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c) | Indicator number 2 Table # 3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 76 |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e) | Indicator number 3 Table # 3 of Annex I | | | | 76 |
| ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a) | Indicator number 12 Table # 1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | 76 - 77 |
| ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b) | Indicator number 8 Table # 3 of Annex I | | | | 76 - 77 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table # 3 of Annex I | | | | 77 |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a) | Indicator number 10 from Table # 1 and indicator number 14 Table # 3 of Annex I | | Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1) | | 77 |
| ESRS 2 SBM-3 S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b) | Indicators numbers 12 and 13 Table # 3 of Annex I | | | | n/a |
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9, Table # 3 and indicator number 11, Table # 1 of Annex I | | | | n/a |
| ESRS S2-1 Policies related to value chain workers, paragraph 18 | Indicators numbers 11 and 4, Table 3 of Annex I | | | | n/a |

CROATIA osiguranje d.d.
Management Report for 2025

| | | | | | |
|--|---|--|---|--|-----|
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 19 | Indicator number 10 Table # 1 of Annex I | | Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1) Paragraph 1 | | n/a |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | n/a |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36 | Indicator number 14 Table # 3 of Annex I | | | | n/a |
| ESRS S3-1 Human rights policy commitments, paragraph 16 | Indicator number 9 Table # 3 of Annex I and indicator 11 Table # 1 of Annex I | | | | 79 |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17 | Indicator number 10 Table # 1 of Annex I | | Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1) Paragraph 1 | | 80 |
| ESRS S3-4 Human rights issues and incidents, paragraph 36 | Indicator number 14 Table # 3 of Annex I | | | | 81 |
| ESRS S4-1 Policies related to consumers and end-users, paragraph 16 | Indicator number 9, Table # 3 and indicator number 11, Table # 1 of Annex I | | | | 86 |

| | | | | | |
|---|---|--|--|--|-----|
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17 | Indicator number 10 Table # 1 of Annex I | | Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1) Paragraph 1 | | 87 |
| ESRS S4-4 Human rights issues and incidents, paragraph 35 | Indicator number 14 Table # 3 of Annex I | | | | 89 |
| ESRS G1-1 United Nations Convention against corruption, paragraph 10 (b) | Indicator number 15 Table # 3 of Annex I | | | | 92 |
| ESRS G1-1 Protection of whistle-blowers, paragraph 10 (d) | Indicator number 6 Table # 3 of Annex I | | | | 70 |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a) | Indicator number 17 Table # 3 of Annex I | | Delegated Commission Regulation (EU) 2020/1816 of Annex I | | n/a |
| ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b) | Indicator number 16 Table # 3 of Annex I | | | | n/a |

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).

(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) (OJ L 176, 27.6.2013, p. 1).

(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).

(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social, and governance factors are taken into account in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social, and governance risks (OJ L 324, 19.12.2022, p. 1).

(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

ESRS E1 Climate change

E1-1 Transition plan to mitigate climate change

The CO Group does not currently have a defined climate change mitigation transition plan and plans to adopt one in the medium term.⁵⁴

ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model⁵⁵

In the double materiality assessment process, the CO Group identified impacts, risks, and opportunities related to climate change by reviewing its tangible and intangible assets, locations, and business activities:

| Topic | Sustainability matters and related impacts, risks, and opportunities | Potential or actual impact/risk/opportunity |
|--|---|---|
| E1 Climate change | Climate change mitigation | |
| | GHG emissions from insurance | Actual negative impact |
| | GHG emissions in investments | Actual negative impact |
| | Scope 1 and 2 GHG emissions | Actual negative impact |
| | Investment in green projects (transition projects) | Actual positive impact |
| | High-emission sector risks (transport) | Risk |
| | Investment in climate-resilient assets | Opportunity |
| | Climate change adaptation | |
| | Inadequate climate risk assessment in underwriting | Risk |
| | Cold wave/frost | Risk |
| | Storms (including blizzards, dust, and sandstorms) | Risk |
| | Heavy precipitation (rain, hail, snow/ice) | Risk |
| | Flood (coastal, fluvial, pluvial, ground water) | Risk |
| | Higher insurance payments due to extreme weather | Risk |
| | Refusal of reinsurers to cover certain risks | Risk |
| | Social vulnerability due to insufficient reinsurance for high-impact events | Risk |
| | Impacts of climate change on agriculture, forestry and fisheries sectors | Risk |
| | Responsible behaviour incentives | Opportunity |
| | Adaptation of products and policies to climate risks | Opportunity |
| | Innovative insurance products | Opportunity |
| Energy | | |
| Use of resources for energy generation | Actual negative impact | |

The Company recognises climate change as an increasingly prominent sustainability risk and considers it through two main categories: transition risks and physical risks. Their materiality is assessed on the assets and liabilities side over the short-, medium- and long-term as part of the ORSA process. Within the DMA process, in addition to the financial climate-related risks covered by the ORSA process, the Company also identified additional actual impacts, risks and opportunities related to climate change across the value chain and in its own operations. The DMA process identified actual negative impacts related to greenhouse gas emissions from insurance activities, investments and the Company's own operations, as well as positive impacts, risks and opportunities related to investment in transition projects, the development of innovative insurance products, and the adaptation of policies to climate risks.

For purposes of addressing the materiality of climate change risks within the ORSA process in terms of effects on business results and solvency, "short-term" refers to a timeframe of up to five years, "medium term" means a

⁵⁴ E1-1 14., 17.

⁵⁵ E1 SBM-3 18.

period of between five and ten years, and “long-term” means a period of more than ten years. A comparative overview of the definitions of time horizons used in the ORSA, in line with the EIOPA’s document *Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA and ESRS*, is provided in the table below⁵⁶:

| Source definition | 0-1 year | 2-5 years | 5-10 years | >10 years |
|-------------------|------------|-------------|-------------|-----------|
| ESRS | Short-term | Medium-term | Long-term | |
| ORSA | Short-term | | Medium-term | Long-term |

*Climate-related risks associated with climate change*⁵⁷

As part of the ORSA process, the Company identifies and assesses risks arising from climate change, which, in line with international frameworks (TCFD) and regulatory guidelines, are classified as physical and transition climate risks.

Within the ORSA process, the impact of climate-related risks on the Company’s operations, financial performance and solvency is analysed, taking into account different exposures and high-emission scenarios. The materiality assessment is carried out across multiple time horizons, and stress tests and scenario analyses are continuously conducted within the business planning period. Based on the analyses performed, the Company assesses acute physical climate risks in non-life insurance as material in the short term, while chronic physical risks and transition climate-related risks are assessed as non-material in the short term, with the possibility of their materiality increasing in the medium and long term.

The analyses covered physical risks for the Company, including droughts, storms, sea level rise, floods and wildfires, as well as transition risks related to climate change in the upstream and downstream value chain, with an emphasis on sector analysis. At the same time, transition-related opportunities and risks for the Company’s own operations were also identified and assessed. Appropriate time horizons were assigned to all identified risks and opportunities, in accordance with the relevant reference documents.

*Climate-related risks on the asset side (investments)*⁵⁸

The management of climate-related risks on the asset side, through the monitoring of relevant sustainability trends and regulatory requirements and their impact on the value and pricing of financial instruments, is becoming an increasingly important element in the assessment of investment opportunities and the analysis of existing positions in the Company’s investment portfolio. As part of the ORSA process, the materiality and potential impact of transition and physical climate risks on the Company’s investment portfolio were analysed.

In its investment processes, the Company has recognised the importance of pursuing a sustainable finance policy, and remains committed to integrating sustainable finance principles into its business strategy, while taking into account its obligation to act in the best interests of its clients and the wider community. For the purpose of assessing the materiality of the investment portfolio in the context of transition climate risks, an analysis was carried out of the allocation of the Company’s total investments by NACE classification of economic activities, applying the Climate Policy Relevant Sectors (CPRS) methodology. This methodology makes it possible to classify sectors into groups with different levels of exposure to transition risks, based on greenhouse gas emissions, their role in energy supply chains and exposure to carbon-related risks. This methodology also makes it possible to classify investments into nine sector classes, six of which are exposed to potential transition risks (fossil fuels, infrastructure – electricity generation, energy-intensive industries, real estate, transport and agriculture), while the remaining three classes comprise sectors that are indirectly or to a lesser extent associated with transition risks, such as the financial sector and sovereign exposures.⁵⁹ As at 31 December 2025, the share of investments in six climate policy relevant sectors (CPRSs) in the Company’s total investments by SII value was 13.1% (12.6% in 2024). The results of the analysis indicate a relatively limited exposure of the Company’s investments to the sectors most exposed to transition climate risks, which supports the assessment that such risks are of low materiality from the perspective of investments in the short term. Nevertheless, the Company recognises the

⁵⁶ E1 SBM-3 AR 7. b), E1 IRO-1 AR 11. b)

⁵⁷ E1 SBM-3 18., 19. a), c), AR 8. b); E1 IRO-1 AR 11. a), AR 12. a), b), c), 21.

⁵⁸ E1 IRO-1 20. b), c)

⁵⁹ *Battiston 2017, Application guidance on running climate change materiality assessment and using climate change scenarios in ORSA.*

need for continuous monitoring of the potential development of transition risks, particularly in the medium and long term. In other words, significant financial effect of material transition risks on the Company is not present at the moment, but monitoring of these risks on a regular basis needs to continue.⁶⁰

Physical climate risks are also assessed by reference to issuers' geographical exposure, using internationally recognised indices of climate vulnerability and adaptive capacity, while taking into account the Company's exposures through insurance contracts as well as the results of analyses based on the ND-GAIN Country Index and European Environment Agency monitoring data, as presented in the document *Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA (EIOPA-BoS-22/329)*. The investment portfolio is predominantly focused on markets assessed as having a relatively favourable level of resilience to climate risks, while exposures through investment funds are observed indirectly, taking into account their high degree of diversification. With regard to individual asset classes (sovereign and corporate bonds, deposits, loans, equities, investment funds and investments in related undertakings), the Company assesses transition and physical climate risks as generally immaterial in the short term, while in certain segments they could become more significant in the medium and long term, depending on regulatory, market and climate-related developments. Exposure to real estate investments is considered in a broader context, including the portfolios of individual subsidiaries. Despite the relatively significant exposure, acute physical climate risks are assessed as immaterial across all time horizons, given the geographical diversification and the energy-efficiency assessments carried out as part of the ESG portfolio analysis.

Climate-related risks on the liabilities side⁶¹

On the liabilities side, as part of the ORSA process, the Company assesses transition and physical climate risks that may affect the insurance portfolio and the business model. Transition risks may arise from changes in the regulatory framework, market sentiment, and technological and legal measures associated with the transition to a low-carbon economy. In this context, insuring sectors with high greenhouse gas emissions may represent a reputational transition risk, particularly in circumstances of growing stakeholder expectations regarding the alignment of the portfolio with low-carbon transition objectives. At the same time, the insurance portfolio includes long-term contractual relationships that may limit the ability to adjust exposure swiftly to sectors with elevated transition risks, despite increasing regulatory and market pressures. At present, these risks are not considered material in the short term; however, their significance could increase in the medium and long term, depending on market and regulatory developments. At this stage, transition climate risks on the liabilities side do not give rise to a material financial effect; however, their potential significance is reviewed regularly through the ORSA process. These risks are aligned with the classification of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board. The Company continuously monitors developments and market sentiment in this area and adapts to market changes with a view to preserving its market position. Its stable financial position enables the Company to gradually adjust its business model and product portfolio to transition requirements, while at the same time preserving financial sustainability and the availability of insurance protection for households and the economy.

Physical climate risks in the non-life segment, in particular acute risks associated with extreme weather events such as storms and droughts, are assessed as material already in the short term. By contrast, chronic physical risks are assessed as immaterial, given the structure and geographical distribution of the portfolio and the limited concentration of exposures. In the life segment, no significant climate change impacts on mortality are expected that could have a material financial effect, whereas in the non-life segment the short-term nature of contracts and the ability to adjust insurance terms and conditions, risk appetite management, underwriting processes and reinsurance policy are considered key risk management mechanisms.

In this context, the Company has carried out analyses of adverse but plausible climate scenarios, including scenarios involving extreme weather events and climate change projections. The analyses are based on conservative assumptions and do not take into account the effects of diversification or adaptation measures, thereby ensuring a prudent approach to risk assessment. The results show that, with the application of reinsurance coverage, the Company maintains a high level of solvency even in the event of losses caused by extreme events. At the same time, a potential secondary risk is recognised in relation to the availability and

⁶⁰ E1-9 64. b)

⁶¹ E1 IRO-1 20. b), c)

pricing of reinsurance coverage in circumstances of increased frequency and intensity of extreme weather events, which, in the event of constrained reinsurance supply, could further affect the portfolio's risk profile.

The risks associated with other climate scenarios not covered by the scenarios analysed, for example those related to floods, sea-level rise and wildfires, are currently not considered material in the short and medium term, but could become more significant in the long term. This assessment is based on the structure of the portfolio, geographical exposure, and relevant external sources and climate indicators. The Company continuously monitors the development of climate risks and recognises the need to monitor more frequent, medium-sized loss events which, due to their increased frequency, may have a cumulative impact on the portfolio's risk profile. Accordingly, the Company adapts its products, reinsurance protection and internal risk management processes.

Physical climate risks identified in the DMA process

As part of the DMA process, the Company identified physical climate risks arising from the increased frequency and intensity of extreme weather events associated with climate change. These risks represent potential and actual adverse impacts on the insurance portfolio, operations and the broader social context, particularly in the non-life insurance segment. The most significant physical risks identified relate to cold waves and frost, storms of various types, including blizzards and dust and sand storms, heavy precipitation such as rain, hail, snow and ice, as well as various forms of flooding, including coastal, riverine, pluvial and groundwater-related flooding. These climate hazards may lead to an increase in the frequency and severity of claims, particularly in property and motor insurance, as well as in the agriculture, forestry and fisheries sectors. In addition, the DMA process identified indirect adverse impacts of physical climate risks, including the risk of inadequate assessment of climate risks in the underwriting process, increased claims payments as a result of extreme weather conditions, and potential dependence on the availability and terms of reinsurance coverage. In the event of limited availability of reinsurance cover for climate catastrophes, these risks may have broader societal consequences, including increased vulnerability of certain groups and sectors of the economy. At the same time, the Company recognises that adapting products, insurance terms and conditions, and internal risk management processes represents a key mechanism for mitigating the identified physical climate risks and an important element of the long-term resilience of the business model in the context of climate change.

Assessment of the investment portfolio

The Company has developed an internal methodology for assessing ESG risks, which is used in making investment recommendations and decisions, depending on the asset class and the availability of data. The Company takes into account relevant ESG indicators when making investment decisions to the extent possible. Where no publicly available data exist, ESG questionnaires are sent to issuers/companies. Based on the data collected, an ESG rating is assigned using the Company's internally developed ESG risk assessment methodology.

Resilience analysis⁶²

The resilience analysis covered the Company's own operations, suppliers, and clients. As the assessment moves downstream towards the business portfolio and the market, the level of impact and the potential for climate risk mitigation decreases. This is particularly relevant because progress in addressing climate change in the short, medium, and long term requires proactive collaboration with other stakeholders. Within the ORSA process, the Company regularly conducts stress testing, develops scenario analyses, and sensitivity analyses to assess the impact of extraordinary (external and internal) circumstances and events on its business, financial results, and solvency, as well as possible preventive actions. The ORSA Report served as the starting point for conducting the DMA, and climate change risks identified within ORSA were incorporated into the DMA. Climate-related material impacts, risks and opportunities identified through the DMA process have been integrated into the ORSA process, and the Company plans to gradually adapt its risk assessment process as the identified impacts, risks and opportunities evolve.

Climate change scenarios used in the ORSA process⁶³

A climate risk materiality assessment for the Company was performed within the ORSA process for 2025. In addition to the previously mentioned assessments, climate risk impact assessments were performed using qualitative and quantitative analyses on the assets, investments, and liabilities sides, and two scenarios were

⁶² E1 SBM-3 19. a)

⁶³ E1 SBM-3 19. b), E1 IRO-1 AR 11. c), d), 21.

created that included medium-term and long-term effects of climate change. One scenario uses the assumptions of global temperature increase below 2°C, while the other uses the assumptions of global temperature increase above 2°C. The assessment of the expected financial effects of material physical risks on the Company shows that there is no effect that could impact solvency for the time being, but these effects need to be continually monitored.⁶⁴

Aware of increasing climate change risks, the Company has recognised the escalation of the acute physical risk of storm as one of the greatest threats. This risk can have substantial effects on several types of insurance, including property insurance (fire insurance and other property insurance lines), comprehensive automobile insurance, etc. In this scenario, the Company focused on two types that were not covered by the other scenarios, but could have the greatest effect locally in terms of damage.

In cooperation with a broker company, a scenario was modelled in which a severe convective storm (SCS) hits Zagreb, causing property and automobile damage (comprehensive automobile insurance). This scenario showed that the Company and the CO Group would remain solvent thanks to the current reinsurance protection of property insurance, even in a very extreme scenario, and would maintain a very high solvency ratio.

The results of the conservative scenarios suggest that the Company and the CO Group remains highly capitalised when using contractual reinsurance protection, but its solvency ratio is somewhat lower.⁶⁵ The Company has the ability to react to the risk assessment over time and, if necessary, can adequately adjust the acceptance guidelines, modify scales of premiums, introduce franchises, or take other measures⁶⁶ Besides, the Company has protected itself with a CAT XL (*Catastrophic Excess of Loss*) reinsurance agreement, thus lowering the insurance risks to a level that the Company is capable of withstanding even in situations of catastrophic events with very high damage.

The Company has not analysed its assets, nor has a detailed analysis of its business activities been carried out in terms of alignment with the transition to a climate-neutral economy. However, in order to identify activities and assets that are not aligned with the transition to a climate-neutral economy, a comprehensive assessment would need to be carried out in accordance with the EU Taxonomy criteria set out in Commission Delegated Regulation (EU) 2021/2139. No analyses have been performed regarding the effect of the transition to a resilient economy with lower carbon emissions on the macroeconomic trends in the Company's and the entire CO Group's environment, energy consumption and mix, and technology deployment assumptions.⁶⁷

The ORSA process is performed at least once a year, or more frequently if the Company estimates that a materially relevant change has occurred in the risk profile. Except on annual level, the Company continually implements the ORSA techniques and the ORSA approach in the consideration of more important business decisions throughout the year. The results of the ORSA process are documented in the so-called ORSA Report, approved by the Company's Management Board, and delivered by the Company's Management Board to the Company's Supervisory Board and to HANFA.

The establishment of the process and adequate procedure, along with competences and responsibilities for implementing the own risk and solvency assessment, is defined by an internal act. Within the ORSA process, the materiality of climate change risks is analysed through different exposures of the Company, specifying the methods and assumptions used, and stress tests (scenarios) of effects in the business planning period are conducted continually. The Risk Management Sector, as an independent organisational unit through which the key risk management function has been established, is in charge of operating coordination of the ORSA process implementation, and is responsible for the operating preparation of the Own Risk and Solvency Assessment Report, while the Company's Management Board has the key strategic role in the process.

⁶⁴ E1-1 AR 7. c)

⁶⁵ E1-9 64. a)

⁶⁶ E1 SBM-3 AR 8. b)

⁶⁷ E1-1 AR 12. d), AR 7. a)

E1-2 Policies related to climate change mitigation and adaptation⁶⁸

During 2025, the Company's Management Board adopted the Climate Change Mitigation and Adaptation Policy, which sets out the principles, objectives and measures for the effective management of material sustainability matters related to climate change, in accordance with the requirements of ESRS E1 Climate Change and the CSRD.

The purpose of the Policy is to establish a consistent framework for managing greenhouse gas emissions from the Company's own operations (Scope 1 and Scope 2), promoting energy efficiency and the use of renewable energy sources, identifying and monitoring climate risks that may affect the Company's operations, and systematically monitoring and reporting on key climate change-related indicators in line with applicable regulatory requirements. The Policy covers the ESRS topics of climate change mitigation, climate change adaptation and energy, together with the related impacts, risks and/or opportunities; in other words, it covers climate-related sustainability matters and the related impacts, risks and opportunities identified through the double materiality assessment.

The Policy applies to all organisational units of the Company and to the related undertakings within the CO Group that are controlled by the Company, to the extent applicable to them and provided that this does not create a risk of non-compliance with local laws and the regulatory framework.

Responsibility for implementation of the Policy lies with the Company's Management Board, which adopts decisions and approves activities related to its implementation. Operational responsibility for drafting and updating the Policy lies with the ESG function / Risk Management organisational unit, with contributions from other relevant organisational units that provide expert support in its implementation, monitoring and progress reporting.

E1-3 Actions and resources related to climate policies⁶⁹

The CO Group has established a framework for monitoring and managing climate-related matters through its Climate Change Mitigation and Adaptation Policy, which includes the monitoring of greenhouse gas emissions, the assessment of climate-related risks, and compliance with relevant regulatory requirements (CSRD and ESRS).

During 2025, the CO Group did not have formally defined climate change mitigation actions, an action plan with related operating or capital expenditure, or adaptation measures classified by type of solution (e.g. nature-based, engineering or technological solutions). Accordingly, no analysis of achieved or expected greenhouse gas emission reductions was carried out.

Nevertheless, in 2025 the Group initiated preliminary activities aimed at reducing Scope 1 and Scope 2 emissions, including signing of the VPPA contracts that ensured guarantee of origin for electric energy from renewable sources for part of the Company's consumption, as well as preparatory activities for investments in renewable energy sources on properties owned by Croatia nekretnine and planning for the use of electricity from renewable sources in future periods. The effectiveness of these activities will be analysed in subsequent reporting periods.

In the area of climate change adaptation, the Company assesses physical and transition climate risks as part of the ORSA process, and the results of these analyses are used to strengthen the resilience of its business model, processes and infrastructure. In addition, the Company plans further activities aimed at developing products and services with integrated sustainability elements and educating employees on climate risks and sustainable business practices. These activities represent initial steps towards the future formalisation of a transition plan.

E1-4 Targets related to climate change mitigation and adaptation⁷⁰

The CO Group has not yet defined quantified targets for individual performance indicators related to climate change. However, measures and general objectives aimed at contributing to climate change mitigation and

⁶⁸ E1-2 24., 25.

⁶⁹ E1-3 28., 29. b)

⁷⁰ E1-4 33.

adaptation have been identified and established, while the further development of quantified targets is planned in line with regulatory requirements, data availability and the development of internal methodologies.

The Group's objectives in the area of climate change mitigation and adaptation are focused on strengthening business resilience, integrating ESG factors into decision-making, and ensuring compliance with regulatory requirements (CSRD and ESRS).

In the area of governance and reporting, the objectives include the systematic monitoring of climate-related risks, opportunities and impacts on the business and its stakeholders, the development of internal processes for transparent reporting, and the continuous updating of internal policies and procedures in line with sustainability-related expectations.

In the area of climate change mitigation, the objectives are focused on reducing Scope 1 and Scope 2 greenhouse gas emissions, increasing the share of renewable energy sources in total energy consumption, and adopting a transition plan for climate change mitigation in the medium term, in accordance with the requirements of ESRS E1. In addition, the objectives include encouraging the development of products and investments that support the energy transition and the resilience of the economy to climate-related risks.

In the area of climate change adaptation, the objectives are focused on increasing the resilience of the business model, processes and infrastructure to physical and transition climate risks, developing internal protection measures, and strengthening the awareness and knowledge of employees, clients and other stakeholders. In the long term, the Group plans to gradually involve suppliers and partners in its sustainability objectives in order to strengthen the resilience of the value chain.

E1-5 Energy consumption and energy mix⁷¹

During 2025, within Scope 1, the CO Group recorded total energy consumption from fossil fuels, expressed in MWh, as follows: 5,542.01 MWh of natural gas, 100.29 MWh of liquefied petroleum gas (LPG), 356.44 MWh of extra-light fuel oil, 2,981.07 MWh of diesel, 2,557.56 MWh of petrol, and 53.22 MWh of autogas (LPG). In addition, within Scope 1, energy consumption from biomass was also recorded in the amount of 12.83 MWh of wood pellets. Within Scope 2, during 2025 the Group consumed a total of 8,518.69 MWh of electricity and 1,322.76 MWh of thermal energy. The table below presents the Group's energy mix during 2025.⁷²

| Energy consumption and energy mix | 2024 | 2025 | % YoY |
|---|-------------|-------------|--------------|
| (1) Fuel consumption from coal and coal products (MWh) | 0.00 | 0.00 | - |
| (2) Fuel consumption from crude oil and petroleum products (MWh) | 5,502.89 | 6,048.56 | 9.92% |
| (3) Fuel consumption from natural gas (MWh) | 3,799.40 | 5,542.01 | 45.87% |
| (4) Fuel consumption from other fossil sources (MWh) | 0.00 | 0.00 | - |
| (5) Consumption of purchased or acquired electricity, heating, steam and cooling from fossil sources (MWh) | 6,325.39 | 5,703.55 | -9.83% |
| (6) Total energy consumption from fossil sources (MWh) [calculated as the sum of rows 1 to 5] | 15,627.68 | 17,294.12 | 10.66% |
| Share of energy from fossil sources in total energy consumption (%) | 83.42% | 85.93% | 3.02% |
| (7) Consumption from nuclear sources (MWh) | 1,058.52 | 975.22 | -7.87% |
| Share of energy from nuclear sources in total energy consumption (%) | 5.65% | 4.85% | -14.23% |
| (8) Fuel consumption from renewable sources, including biomass (which includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh) | 48.14 | 12.83 | -73.34% |
| (9) Consumption of purchased or acquired electricity, heating, steam and cooling from renewable sources (MWh) | 2,000.24 | 1,842.83 | -7.87% |
| (10) Consumption of energy from renewable sources from self-generation, excluding fuels (MWh) | 0.00 | 0.00 | - |

⁷¹ E1-5 37. a), b), 37. c), 39., AR 34.

⁷² E1-5 38. a), b), c), d), e), 39.

| | | | |
|--|-----------|-----------|---------|
| (11) Total energy consumption from renewable sources (MWh) [calculated as the sum of rows 8 to 10] | 2,048.38 | 1,855.66 | -9.41% |
| Share of energy from renewable sources in total energy consumption (%) | 10.93% | 9.22% | -15.67% |
| Total energy consumption (MWh) [calculated as the sum of rows 6, 7 and 11] | 18,734.57 | 20,125.00 | 7.42% |

* The share of energy from nuclear sources in total energy consumption was calculated for the companies in the Republic of Croatia.

Changes in energy consumption and in the shares of individual energy sources in 2025 compared with 2024 are the result of changes in the scope of operations, namely the opening of new sales locations and the closure of certain locations during the year, as well as the impact of climatic conditions. In this reporting period, the availability and quality of data for certain locations already included in the reporting scope were further improved (for example, invoices were obtained for locations for which complete data had previously not been available or estimates had been used). In addition, in 2025 the data collection system was improved through the introduction of quarterly reporting, thereby increasing the timeliness, control and quality of the data. Accordingly, part of the changes observed may be attributed to the greater completeness and accuracy of the inventory compared with the previous period, and not solely to actual changes in energy consumption.

A joint investment by the Adris Group and ENCRO in renewable energy led to the introduction of internal VPPA (Virtual Power Purchase Agreement) contracts for Adris Group members from 2025. As a result, by the end of 2025, guarantees of origin for electricity generated from renewable sources were secured for a portion of the CO Group's electricity consumption.

E1-6 Gross Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, and total greenhouse gas emissions

The table below presents total greenhouse gas emissions by Scope 1, Scope 2 and Scope 3, together with a comparison with the previous reporting period.⁷³

| CO Group | 2024 | 2025 | % YoY |
|--|--------------|-------------|--------------|
| Scope 1 GHG emissions | | | |
| Gross Scope 1 greenhouse gas emissions (tonnes of CO ₂ equivalent) | 2,138.43 | 2,737.43 | 28.01% |
| Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (%) | 0 | 0 | - |
| Scope 2 GHG emissions | | | |
| Gross location-based Scope 2 greenhouse gas emissions (tonnes of CO ₂ equivalent) | 2,661.57 | 1,991.00 | -25.19% |
| Gross market-based Scope 2 greenhouse gas emissions (tonnes of CO ₂ equivalent) | 6,630.64 | 5,770.25 | -12.98% |
| Material Scope 3 GHG emissions | | | |
| Total gross indirect Scope 3 greenhouse gas emissions (tonnes of CO ₂ equivalent) | 1,017,815.03 | 619,514.93 | -39.13% |
| 1 Purchased goods and services | 7,514.15 | 7,514.15* | 0% |
| 2 Capital goods | 10,065.24 | 10,065.24* | 0% |
| 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | 422.84 | 422.84* | 0% |
| 4 Upstream transportation and distribution | 1.67 | 1.67* | 0% |
| 5 Waste generated in operations | 1.80 | 1.80* | 0% |
| 6 Business travel | 84.91 | 84.91* | 0% |
| 7 Employee commuting | 441.09 | 441.09* | 0% |
| 8 Upstream leased assets | 19.32 | 19.32* | 0% |
| 11 Use of sold products | 0.77 | 0.77* | 0% |
| 13 Downstream leased assets | 1,074.27 | 1,074.27* | 0% |
| 15 Investments | 998,188.97** | 599,888.87 | -39.90% |
| Total greenhouse gas emissions | | | |
| Total location-based greenhouse gas emissions (tonnes of CO ₂ equivalent) | 1,022,615.03 | 624,243.37 | -38.96% |

⁷³ E1-6 44., 45., 47., 48. a), 49. a), b), 50., 52. a), b)

CROATIA osiguranje d.d.
Management Report for 2025

| | | | |
|--|--------------|------------|---------|
| Total market-based greenhouse gas emissions (tonnes of CO ₂ equivalent) | 1,026,584.10 | 628,022.62 | -38.82% |
|--|--------------|------------|---------|

* Data from the previous report (2024) were used, without reassessment, as the relevant emission categories are not material to the CO Group's overall emissions profile and there were no changes that would materially affect the values reported.

** Restated 2024 data (see explanation below).

During 2025, the calculation of greenhouse gas emissions associated with investments for 2024 was adjusted in order to align the scope with the PCAF Guidelines. In 2025, cash and deposits were excluded from the analysis in accordance with the PCAF Guidelines. In addition, updated emission factors from the Climaq database were applied to funds and loans instead of the proxy factors used previously, thereby increasing the accuracy of the calculation.

To ensure data consistency and comparability, 2024 emissions are presented in a restated amount of 998,188.97 tCO₂e. Emissions for 2025 amount to 599,888.87 tCO₂e, representing a decrease of 39.90%. This difference is primarily the result of reduced reliance on estimates and greater use of higher-quality emissions data for the investee companies, and does not actually reflect significant changes in the portfolio structure. As the Company did not have audited issuer emissions data available last year, the calculation relied to a greater extent on estimated emissions for this part of the portfolio. Following the entry into force of the CSRD, the availability and quality of issuer emissions data increased, and for 2025 the Company used data from issuers' publicly disclosed audited reports.

As the Group operates in sectors that do not have a significant impact on the climate, no greenhouse gas emissions intensity calculation was performed.⁷⁴

a. Methodology, emission and conversion factors, GWP⁷⁵

Scope 1, 2 and 3 carbon footprint of Croatia osiguranje d.d. and its affiliate companies was analysed in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, using the operational control approach. Partnership for Carbon Accounting Financials (PCAF) methodology, Part A "Financed Emissions" (Version 2, December 2020) was used for the analysis of indirect emissions of Investments (Scope 3, Category 15) based on financial instrument data, taking into account relevant emission factors and availability of investment data. The calculation includes all greenhouse gases covered by the GHG Protocol.

Scope 3 greenhouse gas emissions were identified and analysed applying the materiality principle. A comprehensive analysis of all Scope 3 categories was carried out in the previous reporting period, while in 2025 a recalculation of 2024 emissions from Investments was performed. It was determined that, apart from Category 15 Investments, the other Scope 3 categories together account for less than 3% of the CO Group's total Scope 3 emissions and are therefore not considered material. Category 15 Investments accounts for 97.6% of Scope 3 emissions and represents the only material Scope 3 category. In accordance with the requirements of ESRS E1, emissions from material Scope 3 categories are updated annually.⁷⁶

For the calculation of direct Scope 1 emissions arising from stationary and mobile energy sources, emission factors (EFs) from the Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories and the Croatian national emission factor⁷⁷ database were used, as presented in the table below:

| Fuel type | EF CO ₂ (kg/MJ) | EF CH ₄ (kg/TJ) | EF N ₂ O (kg/TJ) | Source |
|-------------------------------|----------------------------|----------------------------|-----------------------------|---|
| Stationary sources | | | | |
| Natural gas | 0.0561 | 5.0 | 0.1 | 2006 IPCC, Chapter 2, Stationary combustion ⁷⁸ |
| Extra-light fuel oil | 0.0741 | 3.0 | 0.6 | |
| Liquefied petroleum gas (LPG) | 0.0631 | 5.0 | 0.1 | |
| Wood pellets | 0.1120 | 2.0 | 0.1 | |

⁷⁴ E1-5 40.

⁷⁵ E1-6 AR 39. b)

⁷⁶ E1-6 AR 46. i), h)

⁷⁷ <https://mzost.gov.hr/o-ministarstvu-1065/djelokrug/uprava-za-klimatsku-tranziciju-1879/ugljicni-otisak/8960>

⁷⁸ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

| Mobile sources | | | | |
|----------------|--------|------|-----|--|
| Diesel | 0.0741 | 3.9 | 3.9 | Croatian database |
| Petrol | 0.0693 | 3.8 | 5.7 | Croatian database |
| LPG | 0.0631 | 62.0 | 0.2 | 2006 IPCC, Chapter 3, <i>Mobile combustion</i> ⁷⁹ |

To calculate Scope 2 indirect emissions⁸⁰ resulting from the use of electricity, by means of the market-based method, the last available emission factors of European residual mixes⁸¹ were used, AIB, for 2024⁸², along with the factors from the database of the Technical Working Group of International Financial Institutions for Greenhouse Gas Accounting⁸³, IFI.

| Market-based method | | | |
|---------------------|------------------------|-------------------------------------|--------|
| Type of energy | Country | EF CO ₂ equivalent g/kWh | Source |
| Electricity | Croatia | 573.17 | AIB |
| | Bosnia and Herzegovina | 1,197.00 | IFI |
| | North Macedonia | 851.00 | IFI |
| | Serbia | 895.96 | AIB |

The Croatian database and the database of the Technical Working Group of International Financial Institutions for Greenhouse Gas Accounting, IFI, was used to calculate Scope 2 indirect emissions, resulting from the use of electricity, by means of the location-based method.

| Location-based method | | | |
|-----------------------|------------------------|-------------------------------------|-------------------|
| Type of energy | Country | EF CO ₂ equivalent g/kWh | Source |
| Electricity | Croatia | 145.70 | Croatian database |
| | Bosnia and Herzegovina | 739.00 | IFI |
| | North Macedonia | 563.00 | IFI |
| | Serbia | 678.00 | IFI |

Let it be noted that emission factors for methane and nitrogen oxide exist in the Croatian database and were also used to calculate GHG emissions, whereas - due to unavailability of adequate data - only the emission factor for carbon dioxide equivalent was used for other countries.

| Type of energy | EF CO ₂ combustion kg/MWh | EF CH ₄ combustion kg/MWh | EF N ₂ O combustion kg/MWh | EF CO ₂ equivalent combustion kg/MWh |
|----------------|--------------------------------------|--------------------------------------|---------------------------------------|---|
| Electricity | 144.33 | 0.016735 | 0.003265 | 145.70 |

Emission factors from the Croatian database and factors from DEFRA's database⁸⁴ for Serbia were used for the calculation of Scope 2 indirect emissions resulting from the use of heat.

| Location-based method | | | | | |
|-----------------------|---------|--------------------------------------|--------------------------------------|---------------------------------------|---|
| Type of energy | Country | EF combustion CO ₂ kg/MWh | EF combustion CH ₄ kg/MWh | EF combustion N ₂ O kg/MWh | EF CO ₂ equivalent combustion kg/MWh |

⁷⁹ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf

⁸⁰ In accordance with the GHG Protocol, indirect Scope 2 emissions may be calculated using two methods. The location-based method reflects the average emissions intensity of electricity generated in a specific geographical area, regardless of contractual arrangements for the purchase of electricity. The market-based method reflects emissions associated with electricity on the basis of the contractual instruments and electricity sources used or purchased by the organisation, including guarantees of origin and residual energy mixes.

⁸¹ E1-6 AR 45. d); Considering that no CO Group company in the Republic of Croatia purchased electricity from the system of guarantees of origin, emission factors from AIB's 2024 report were used. The residual mix of electricity shows sources of electricity supply not covered by guarantees of origin or other reliable tracking mechanisms.

⁸² <https://www.aib-net.org/facts/european-residual-mix/2024>

⁸³ <https://unfccc.int/documents/461676>

⁸⁴ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

| | | | | | |
|------|---------|--------|----------|----------|--------|
| Heat | Croatia | 210.94 | 0.008531 | 0.001024 | 211.46 |
| | Serbia | 177.91 | 0.040939 | 0.001905 | 179.65 |

Emission factors from HEP's (Hrvatska elektroprivreda) website were used to calculate indirect Scope 2 emissions resulting from the use of heat by means of the market-based method. The same factor as for the location-based approach was used for Serbia.

| Market-based method | | | |
|---------------------|---------|-------------------------------------|--------|
| Type of energy | Country | EF CO ₂ equivalent g/kWh | Source |
| Heat | Croatia | 288.00 | HEP |
| | Serbia | 179.65 | DEFRA |

The Global Warming Potentials (GWP)⁸⁵ that were used for the calculation of GHG emissions relating to a time period of 100 years were taken over from the latest Sixth Report⁸⁶ by the Intergovernmental Panel on Climate Change (IPCC) and are shown in the table below:

| Greenhouse gas | Chemical formula | GWP values for 100-year time horizon | Source |
|-------------------------------|------------------|--------------------------------------|------------|
| Carbon dioxide | CO ₂ | 1 | IPCC, 2021 |
| Methane <small>fossil</small> | CH ₄ | 29.8 ± 11.0 | IPCC, 2021 |
| Nitrous oxide | N ₂ O | 273.0 ± 130.0 | IPCC, 2021 |

The following parameters needed for GHG emission calculation were also used:

| Parameters | Diesel | Petrol | LPG* | ELFO* | Nat. gas* | LPG (autogas)* | Wood pellets |
|---|--------|--------|-------|-------|-----------|----------------|--------------|
| Density (kg/l) | 0.85 | 0.75 | 0.55 | 0.85 | - | - | - |
| LCV* (MJ/kg); for nat. gas (MJ/m ³) | 42.71 | 44.59 | 46.89 | 42.71 | 34.77 | 24.40 | 16.50 |
| Calorific value (kWh/kg) | - | - | - | - | - | - | 4.80 |

*Nat. gas, natural gas; LPG, liquified petroleum gas; ELFO, extra light fuel oil; LPG (Autogas), liquefied petroleum gas-autogas

b. Emission sources⁸⁷

Scope 1 emissions (direct emissions) arise from sources owned or controlled by the Company and its related undertakings. In the case of the CO Group, Scope 1 emissions primarily arise from the combustion of fuels in stationary and mobile energy sources. The analysis covers the consumption of natural gas, extra-light fuel oil, liquefied petroleum gas, pellets, diesel, petrol and LPG (autogas).

Scope 2 emissions (indirect emissions) arise from the use of electricity and thermal energy in the properties in which the Company and its related undertakings operated during 2025. The calculation of Scope 2 emissions is carried out in accordance with the GHG Protocol using the location-based and market-based methods. The location-based method is based on average energy generation emission factors for individual locations, while the market-based method takes into account contractual arrangements and information on the origin of energy.

⁸⁵ To facilitate the comparison of the effects of different greenhouse gases, an international agreement was reached to assign a so-called Global Warming Potential to each greenhouse gas. Global Warming Potential allows for the presentation of all GHGs other than CO₂ in corresponding CO₂ equivalent (Co2eq₂ or CO₂e).

⁸⁶ Forster, P., T. Storelvmo, K. Armour, W. Collins, J.-L. Dufresne, D. Frame, D.J. Lunt, T. Mauritsen, M.D. Palmer, M. Watanabe, M. Wild, and H. Zhang, 2021: The Earth's Energy Budget, Climate Feedbacks, and Climate Sensitivity. In Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 923–1054, doi: 10.1017/9781009157896.009 (section 7.6.1.1.).

⁸⁷ E1 AR 9. a)

Scope 3 emissions (other indirect emissions) relate to emissions arising within the CO Group's value chain that are not under the direct control of the Company and its related undertakings. Given the nature of the insurance business, investments were identified in the analysis as the material Scope 3 emissions category, reflecting emissions associated with the operations and energy structure of the entities and instruments in which the Group invests.

c. Carbon footprint calculation uncertainty

Carbon footprint calculation uncertainty is an important aspect of managing greenhouse gas emissions. The uncertainty assessment does not aim to question the validity of the calculation, but to provide additional insight allowing for the identification of key areas for improving the accuracy of the calculation in the future. It also helps choose an appropriate emission calculation methodology.

IPCC *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* guidelines are used for uncertainty assessment, specifically the approach outlined in Chapter 6 *Quantifying Uncertainties in Practice*, with an emphasis on the *Tier 1* method, which allows for uncertainty assessment per source categories with simplified assumptions.

Total estimated uncertainty of emissions from individual sources is a result of the combination of uncertainty of individual elements included in the calculation of emissions, including:

- Emission factor uncertainty – variability and reliability of factors used to calculate emissions depending on data sources and methodology.
- Activity data uncertainty – deviations and limitations in the availability and accuracy of data on the consumption of energy products and other activities generating GHG emissions.

Understanding and managing these uncertainties is crucial for increasing the precision of the carbon footprint calculation and for making informed decisions on emission reduction.

The estimated uncertainty can stem from a variety of factors, including the characteristics of measuring instruments, calibration, and frequency of sampling in direct measurement. In this case, uncertainty is the result of a combination of emission factor uncertainty for some sources and uncertainty of data on activities generating GHG emissions.

However, due to the lack of available information about the uncertainty of emission factors from the Croatian National Emission Factor Database and the limited data on the uncertainty of activities resulting in emissions, the IPCC recommends the use of their referential uncertainty values for emission factors and activity data when calculating the uncertainty of the total carbon footprint. This approach ensures consistency and greater reliability when estimating emission uncertainty.

The table below presents uncertainty values used to calculate the uncertainty of Scope 1 and 2 carbon footprint calculation:

| Activity data | Uncertainty Tier 1 | EF for CO ₂ | Uncertainty Tier 1 |
|-------------------------------|--------------------|-------------------------------|--------------------|
| Electricity | ± 7 % | Electricity | ± 7 % |
| Heat | ± 7 % | Heat | ± 7 % |
| Diesel / petrol | ± 5 % | Diesel / petrol | ± 2 % |
| Natural gas | ± 7 % | Natural gas | ± 7 % |
| Liquefied petroleum gas (LPG) | ± 7 % | Liquefied petroleum gas (LPG) | ± 7 % |
| Extra-light fuel oil | ± 7 % | Extra-light fuel oil | ± 7 % |
| Wood pellets | ± 7 % | Wood pellets | ± 7 % |

Uncertainty of the GHG emission calculation was estimated according to the methodology from the IPCC guidelines at $\pm 5.40\%$. Based on the foregoing, total Scope 1 and Scope 2 GHG emissions were estimated for CO Group in 2025, according to the market-based approach, as amounting to $8,507.69 \pm 459.42$ t CO₂e. This range reflects possible deviations caused by the uncertainties of emission factors and activity data, ensuring the transparency and reliability of the calculation.

The qualitative method was used to estimate the uncertainty of the calculation of Scope 3 GHG emissions due to the lack of relevant data that would allow for faithful representation of activities in individual categories. The level of uncertainty for the Investments category was assessed as moderate to high. The use of the qualitative method allows for the recognition of high uncertainty areas and allows future efforts to be channelled into improving data quality, which will improve the reliability of Scope 3 emission calculations.

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation)

With the adoption of the European Green Deal, the European Union set the objective of achieving climate neutrality (net zero) by 2050. As part of this goal, the European Commission developed a comprehensive sustainable finance framework to ensure the fulfilment of the established targets. One of the key pillars for promoting investment in sustainable projects is Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy Regulation). This Regulation establishes a framework for facilitating sustainable investments and defines the conditions that an economic activity must meet to be considered environmentally sustainable. It also imposes an obligation on companies to disclose the proportion of their activities that are Taxonomy-eligible and Taxonomy-aligned.

Taxonomy-eligible and Taxonomy-aligned activities

An activity is considered Taxonomy-eligible if it contributes substantially to at least one of the six environmental objectives defined in Article 9 of the Regulation:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

An activity is Taxonomy-aligned if, in addition to being Taxonomy-eligible, it meets additional environmental sustainability criteria:

1. Substantial contribution – The activity must satisfy specific substantial contribution criteria for at least one of the environmental objectives under the EU Taxonomy.
2. “Do No Significant Harm” (DNSH) criterion – The activity must not cause significant harm to any other environmental objective.
3. Compliance with minimum safeguards – The activity must be in accordance with:
 - OECD Guidelines for Multinational Enterprises
 - UN Guiding Principles on Business and Human Rights
 - The eight fundamental conventions of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
 - The International Bill of Human Rights

Delegated acts that support the Taxonomy Regulation

To ensure implementation of the Regulation, the following delegated acts have been adopted:

- Commission Delegated Regulation 2021/2139 (Climate Delegated Act): Adopted on 4 June 2021, this act establishes which economic activities substantially contribute to climate change mitigation and adaptation, without causing significant harm to other environmental objectives.

- Commission Delegated Regulation 2021/2178 (Disclosures Delegated Act): Adopted on 6 July 2021, it specifies the reporting obligations of undertakings concerning environmentally sustainable economic activities, including key indicators and calculation methodologies.
- Commission Delegated Regulation (2022/1214): Adopted on 9 March 2022, this act specifies the Technical Screening Criteria (TSC) and the DNSH rules for natural gas and nuclear energy.
- Commission Delegated Regulation 2023/2486: Adopted on 27 June 2023, it expands the list of economic activities that contribute to environmental objectives, including the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In accordance with Article 8 of the EU Taxonomy Regulation, the Company, as an insurance undertaking subject to the Corporate Sustainability Reporting Directive (CSRD), is required to disclose key performance indicators (KPIs) for insurance and investment activities aligned with the EU Taxonomy for the financial year 2024. Reporting is conducted in compliance with the EU Taxonomy Regulation and its delegated acts, including Delegated Regulation (EU) 2021/2178, which establishes the methodology for the calculation and disclosure of KPIs, as well as additional guidance issued by the European Commission and ESMA following their adoption. The analysis covers the entire portfolio of the CO Group, with particular attention given to the classification of investments and insurance activities in the context of environmentally sustainable economic activities, in line with the technical screening criteria set out in Delegated Regulation (EU) 2021/2139.

Key performance indicators related to insurance activities

The calculation of key performance indicators (KPIs) related to insurance activities includes the insurance companies within CO Group that offer non-life insurance products: CROATIA osiguranje d.d., Milenijum osiguranje a.d.o. Belgrade, CROATIA osiguranje d.d. Mostar, CROATIA osiguranje d.d. – društvo za osiguranje neživota, Skopje.

In the Taxonomy-based analysis of activities, the Group applied a policy for determining eligible activities by first identifying the products included in the calculation. These are all non-life insurance products that, in their risk coverage, directly include climate change-related risks, alongside other risks. In 2025, such products include: comprehensive motor vehicle insurance, comprehensive insurance of rail vehicles, aircraft, and vessels, goods-in-transit insurance, fire insurance and other property insurance (including crop, plantation, and livestock insurance, as well as insurance against financial losses in property).

Share of revenue from Taxonomy-eligible economic activities in non-life insurance

| Economic activities (1) | Substantial contribution to climate change adaptation | | | DNSH (Do No Significant Harm) | | | | | |
|---|---|------------------------------------|--|-------------------------------|--------------------------------|----------------------|---------------|---------------------------------|-------------------------|
| | Absolute premiums, year t (2) | Proportion of premiums, year t (3) | Proportion of premiums, year t – 1 (4) | Climate change mitigation (5) | Water and marine resources (6) | Circular economy (7) | Pollution (8) | Biodiversity and ecosystems (9) | Minimum safeguards (10) |
| | EUR | % | % | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N |
| A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable) | 0 | 0 | 0 | N | N/A | N/A | N/A | N/A | N |
| A.1.1 Of which reinsured | | | | N | N/A | N/A | N/A | N/A | N |
| A.1.2 Of which stemming from reinsurance activity | | | | N | N/A | N/A | N/A | N/A | N |
| A.1.2.1 Of which reinsured (retrocession) | | | | N | N/A | N/A | N/A | N/A | N |

CROATIA osiguranje d.d.

Management Report for 2025

| | | | | |
|---|-------------|------|------|--|
| A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | 213,911,365 | 36% | 37% | |
| B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities | 379,026,279 | 64% | 63% | |
| Total (A.1 + A.2 +B) | 592,937,644 | 100% | 100% | |

* Y/N= yes/no

The insurance and reinsurance activity includes only Taxonomy-eligible revenues from non-life insurance, which are not simultaneously aligned with the technical screening criteria. Although CO Group carries out certain due diligence activities, which is a fundamental requirement of the minimum safeguards, due to non-alignment with the technical screening criteria, this portion is also conservatively classified as non-aligned. Co Group plans to take measures in the future to align its insurance and reinsurance activities with the requirements of the EU Taxonomy. Regarding the substantial contribution criteria for climate change adaptation, CO Group does not fully meet the alignment criteria, but it does implement some of the measures described in the technical screening criteria for substantial contribution to climate change adaptation. The Company considers the activities and measures undertaken by its clients to reduce climate change risks in its products and risk underwriting. These activities influence the reduction of insurance premiums. This is continuously communicated to clients during the process of concluding insurance contracts. The Company also continuously cooperates with public authorities and provides the necessary data to support the introduction of measures aimed at enhancing climate change adaptation. The objectives related to Water and marine resources, Circular economy, Pollution, and Biodiversity and ecosystems are not applicable to the insurance and reinsurance activity, and for this reason, N/A is reported under the Do No Significant Harm (DNSH) criteria for these objectives.

The calculation includes revenues (premiums) from non-life insurance for both individuals and legal entities, while the KPI calculation is based on the ratio of revenues according to the above-mentioned items and the total revenue from all non-life insurance.

Key performance indicators related to investments

Although Article 10 of Delegated Regulation (EU) 2021/2178 requires the disclosure of information relating to “total assets”, it was concluded that, in the insurance sector, total investments provide a realistic representation of total assets, given that Annex IX, which applies to insurance and reinsurance undertakings, requires key performance indicators to be presented as a percentage of “total investments” and in absolute monetary amounts. The regulation also stipulates that investments should include all direct and indirect investments, including investments in collective investment undertakings, equity holdings, loans and mortgage loans, property, plant, and equipment, and intangible assets, where applicable. In accordance with Commission Delegated Regulation 2021/2178, the calculation of KPIs excludes exposure to central governments, central banks, and supranational issuers.

The investment portfolio considered includes corporate bonds (excluding exposures to central governments), equities, derivatives, funds, loans granted to entities outside the CO Group, and real estate. The total assets of the investment portfolio taken into account for the calculation of the key performance indicator relating to investments amount to EUR 580,382,041. The percentage of the monetary value of assets covered by the KPI is 73.33%, with investments in sovereign entities excluded (from both the numerator and the denominator). For the calculation of the proportion of exposures to Taxonomy-eligible and Taxonomy-non-eligible economic activities, as well as to undertakings not subject to the disclosure obligation under Articles 19a or 29a of Directive 2013/34/EU in the total investments, the denominator includes the following investment asset classes: corporate bonds (without exposure to central governments), equities, derivatives, funds, loans, and real estate. Due to data unavailability, the numerator does not include collective investment undertakings, real estate, or derivatives. For the assessment of equities, bonds, and loans, publicly available financial statements and sustainability statements were used for companies with available data for 2024. The investment portfolio data of CO Group’s insurance undertakings is presented in the table below. Croatia osiguranje d.d. takes into account ESG criteria in accordance with its internal investment strategy, as well as its Sustainable Investment Policy and Engagement Policy, which are published on the Company’s website. A lack of data from issuers remains evident. Regulators expect the financial sector to use the most recent available information on the Taxonomy eligibility of the (non-)financial entity in which investments are made when disclosing data. This is generally feasible for entities subject to the obligation to disclose Taxonomy-related information. However, since the majority of investment entities are required to publish non-financial reports containing information on taxonomy KPIs only after this obligation takes effect for the Group, it is extremely difficult in practice to collect relevant data for the previous reporting year (in this case, 2024). Additionally, there is uncertainty regarding the accuracy of data that could be obtained directly from the entities in which investments are made.

In the context of the assessments performed, it is important to highlight the proportion of exposures to green bonds, for which data remains unclear. As a result, Taxonomy eligibility is conservatively estimated at 0%. As a result of the entry into force of the CSRD, the quality and availability of data from issuers subject to sustainability reporting requirements improved, and the taxonomy data of such issuers, as well as the Green Asset Ratio (GAR) of credit institutions, were taken into account. For investments in funds, where it was observed that the data were not presented consistently or were not readily available (such as investments in alternative funds), the data were not taken into account in the calculation because their reliability could not be assessed, whereas for other funds, where possible, a look-through approach was applied. The greater availability and improved quality of issuer data affected the differences in certain indicators compared with 2024, namely a higher value of all investments financing economic activities that are taxonomy-eligible but not taxonomy-aligned.

Proportion of investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, in total investments

| | |
|---|---|
| Weighted average value of all investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, in relation to the value of total assets covered by the key performance indicator, with the following weights for investments in enterprises: Based on revenue: 0.93% (2024: 0.69%) Based on capital expenditures: 0.77% (2024: 2.35%) | Weighted average value of all investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, with the following weights for investments in enterprises: Based on revenue: EUR 5,426,218 (2024: EUR 3,287,559) Based on capital expenditures: EUR 4,467,045 (2024: EUR 11,138,978) |
| Percentage of assets covered by the key performance indicator in relation to total investments in insurance or reinsurance undertakings (total assets under management). Investments in sovereign entities are excluded. Coverage ratio: 73.33% (2024: 76.93%) | Monetary value of assets covered by the key performance indicator. Investments in sovereign entities are excluded. Coverage: EUR 580,382,041 (2024: EUR 474,007,481) |
| Additional supplementary disclosures: breakdown of the denominator of the key performance indicator | |
| Percentage of derivatives in relation to total assets covered by the key performance indicator: 0.02% (2024: -0.17%) | Monetary value of derivatives: EUR 138,569 (2024: EUR -796,267) |
| Proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: 2.33% (2024: 6.9%) For financial undertakings: 15.39% (2024: 18.94%) | Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: EUR 13,495,093 (2024: EUR 32,742,372) For financial undertakings: EUR 92,482,131 (2024: EUR 89,786,304) |
| Proportion of exposures to financial and non-financial undertakings from third countries not subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: 0.00% (2024: 0.00%) For financial undertakings: 0.0.1% (2024: 0.02%) | Value of exposure to financial and non-financial undertakings from third countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: EUR 0 (2024: EUR 0) For financial undertakings: EUR 61,449 (2024: EUR 105,625) |
| Proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: 12.89% (2024: 19.37%) For financial undertakings: 58.89% (2024: 44.90%) | Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: EUR 74,810,940 (2024: EUR 91,827,162) For financial undertakings: EUR 341,775,019 (2024: EUR 212,830,861) |
| Proportion of exposures to other counterparties and assets in relation to total assets covered by the key performance indicators: 6.03% (2024: 6.21%) | Value of exposure to other counterparties and assets: EUR 36,046,964 (2024: EUR 34,914,492) |

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|---|--|
| Proportion of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: n/a | Value of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: n/a |
|---|--|

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|---|---|
| Value of all investments financing economic activities that are not Taxonomy-eligible in relation to the value of total assets covered by the key performance indicator: Based on revenue: 78.19% (2024: 80.83%) Based on capital expenditures: 78.10% (2024: 78.76%) | Value of all investments financing economic activities that are not Taxonomy-eligible: Based on revenue: EUR 453,729,326 (2024: EUR 383,154,411) Based on capital expenditures: EUR 453,299,597 (2024: EUR 373,335,657) |
|---|---|

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| Value of all investments financing economic activities that are Taxonomy-eligible but not Taxonomy-aligned in relation to the value of total assets covered by the key performance indicator: Based on revenue: 16.16% (2024: 10.36%) Based on capital expenditures: 16.83% (2024: 10.95%) | Value of all investments financing economic activities that are Taxonomy-eligible but not Taxonomy-aligned: Based on revenue: EUR 93,767,850 (2024: EUR 49,116,534) Based on capital expenditures: EUR 97,704,065 (2024: EUR 51,926,345) |
|--|--|

Additional supplementary disclosures: breakdown of the numerator of the key performance indicator

| | |
|--|---|
| Proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in relation to total assets covered by the key performance indicator: For non-financial undertakings: Based on revenue: 0.76% (2024: 0.69%) Based on capital expenditures: 0.56% (2024: 2.35%) For financial undertakings: Based on revenue: 0.17% (2024: 0.00%) Based on capital expenditures: 0.21% (2024: 0.00%) | Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Based on revenue: EUR 4,434,580 (2024: EUR 3,283,539) Based on capital expenditures: EUR 3,277,108 (2024: EUR 11,130,630) For financial undertakings: Based on revenue: EUR 991,638 (2024: EUR 4,019) Based on capital expenditures: EUR 1,189,937 (2024: EUR 8,348) |
|--|---|

| | |
|--|---|
| Proportion of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: Based on revenue: n/a Based on capital expenditures: n/a | Value of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: Based on revenue: n/a Based on capital expenditures: n/a |
|--|---|

| | |
|---|--|
| <p>Proportion of taxonomy-aligned exposures to other counterparties and assets in relation to total assets covered by the key performance indicators:</p> <p>Based on revenue: 0.00% (2024: 0.00%) Based on capital expenditures: 0.00% (2024: 0.00%)</p> | <p>Value of taxonomy-aligned exposures to other counterparties and assets in relation to total assets covered by the key performance indicators:</p> <p>Based on revenue: 0 (2024: EUR 0) Based on capital expenditures: 0 (2024: EUR 0)</p> |
|---|--|

| Breakdown of the numerator of the key performance indicator by environmental objective | |
|--|--|
| <i>Taxonomy-aligned activities – positive assessment of Do No Significant Harm (DNSH) and social safeguards:</i> | |
| <p>1. Climate change mitigation Revenue: EUR 9,438,273 (2024: EUR 3,236,463) Capital expenditure: EUR 8,269,766 (2024: EUR 11,058,152)</p> | <p>Revenue: 1.63% (2024: 0.68%) Capital expenditure: 1.42% (2024: 2.33%)</p> |
| <p>2. Climate change adaptation Revenue: EUR 303,738 (2024: EUR 51,096) Capital expenditure: EUR 150,734 (2024: EUR 80,826)</p> | <p>Revenue: 0.05% (2024: 0.05%) Capital expenditure: 0.03% (2024: 0.02%)</p> |
| <p>3 Sustainable use and protection of water and marine resources</p> | <p>Revenue: 0.00% Capital expenditure: 0.00%</p> |
| <p>4 Transition to a circular economy</p> | <p>Revenue: 0.00% Capital expenditure: 0.00%</p> |
| <p>5 Pollution prevention and control</p> | <p>Revenue: 0.00% Capital expenditure: 0.00%</p> |
| <p>6 Protection and restoration of biodiversity and ecosystems</p> | <p>Revenue: 0.00% Capital expenditure: 0.00%</p> |

ESRS S1 Own workforce

ESRS 2 SBM-2 Interests and views of stakeholders

To ensure that employees’ interests, perspectives, and rights, including respect for their human rights, are considered in the Company’s strategy and business model, multiple channels and mechanisms have been established to gather employee feedback. The Company conducts annual employee satisfaction surveys covering various topics, including compliance with employees’ human and labour rights. The Human Resources Sector analyses and processes the survey results, and any issues requiring decision-making on necessary measures are escalated to the Company’s Management Board. The survey questions are designed to capture the views of as many employees as possible, shaping the desired organizational culture based on the feedback received. Survey questions are subject to change each year to address employee satisfaction, measure the impact of previously implemented changes, and assess the current state of affairs. For example, after implementing changes in the work model and working hours schedule, the survey specifically addresses satisfaction with work-life balance. In addition to closed-ended questions, open-ended questions are included to allow employees more freedom to provide suggestions and comments on topics that may not be adequately covered. The survey is voluntary and anonymous, and all collected information is processed at the organizational unit level. The data is used exclusively to adjust employee benefits and develop action plans that support organizational culture and strategic goals.

The Company maintains continuous social dialogue with the Sectoral Trade Union of Insurance Employees of Croatia, with which the Company’s Management Board negotiates employee rights with under the Collective Bargaining Agreement. A representative of the employees is also appointed as a member of the Supervisory Board and is informed about significant business changes that may impact employees before final decisions are made. To maintain continuous and effective two-way communication with employees, alongside the possibility of escalating concerns through their line managers, the Company has developed multiple internal communication channels. The intranet portal, internal screens, apps, and the internal social network are available to employees for information and communication. A channel for sending anonymous messages to the Company’s Management Board has been implemented in the internal social network. Twice a year, Croatia osiguranje holds the Management Forum, where managers also have the opportunity to address important issues, including those brought to their attention by their teams.

The information on employees’ interests, perspectives, and rights gathered through these channels influences the Company’s strategy and business model by serving as a basis for proposals and measures that are considered when establishing and revising relevant policies and are integrated into the workforce-related aspects of the Company’s strategy.⁸⁸ The Company continuously assesses the impact of its strategy and business model on the creation, deterioration, or mitigation of significant effects on its own workforce, considering employee feedback as well as market conditions, best practices, and external benchmarks.

ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model

In the double materiality assessment process, CO Group identified actual positive impacts on its own workforce that are linked to its strategy and business model:

| Topic | Sustainability matters and related impacts, risks, and opportunities | Potential or actual Impact/risk/opportunity |
|------------------|---|---|
| S1 Own workforce | Working conditions | |
| | Freedom of association | Positive impact |
| | Collective Bargaining Agreement | Positive impact |
| | Work-life balance | Positive impact |
| | Improvement of workplace health and safety | Positive impact |
| | Equal treatment and opportunities for all | |
| | Promotion of gender equality and fair remuneration | Positive impact |
| | Employee training and professional development for improved performance | Positive impact |
| | Diversity and inclusion in the workplace | Positive impact |

⁸⁸ S1 SBM-2 12., MDR-P 65. e)

All employees of the Company are informed about the terms and rights related to social protection upon employment. Employee rights are defined by the Collective Bargaining Agreement. The Collective Bargaining Agreement guarantees employees a high level of labour and social rights, exceeding both the industry standards in the Croatian market and the minimum level of rights guaranteed by the Labour Act. In addition to the rights ensured by the Collective Bargaining Agreement, the Company provides employees with additional benefits, such as discounts with business partners, preferential conditions for private insurance contracts for the employees and their family members, accident insurance policies, liability insurance, travel insurance, and supplementary health insurance with access to medical services at Croatia poliklinika, as well as incentives for voluntary pension fund contributions (third pillar pension scheme), among others. A positive impact on the workforce is also achieved through occupational health and safety, by establishing a workplace safety management system, conducting regular employee training, and assessing the risks associated with each job position. In other Group companies, labour and social rights are defined by the respective workplace regulations.

Given the majority share of women in the CO Group's workforce, special attention is paid to promoting gender equality and ensuring equal pay for equal work. The criteria for salary determination are detailed in section S1-16 Remuneration metrics (pay gap and total remuneration). To ensure equal opportunities for career advancement, internal candidates for managerial positions are evaluated based on relevant work experience, professional knowledge, leadership competencies, and past job performance. External candidates for managerial positions undergo a selection process that includes testing and an interview with business managers and recruitment specialists to professionally and systematically assess candidates' capabilities.⁸⁹

The Company's positive impacts on its own workforce also translate into market opportunities, particularly given the increasing demand for skilled professionals in the labour market. By achieving positive effects on the workforce in the described areas, the Company maintains its status as a desirable employer, enabling it to attract and retain skilled employees who are essential for achieving strategic objectives. The effectiveness of the measures implemented by the Company to generate positive impacts on its workforce is monitored through engagement channels with employees, as well as by tracking quantitative indicators such as employee turnover and external salary benchmarks.⁹⁰

CO Group's double materiality assessment process includes individuals from its own workforce who are employed by the company (employees). The double materiality assessment did not identify any significant, widespread, or systemic negative impacts within the contexts in which CO Group operates; however, these aspects will continue to be monitored and reassessed in future reporting years. No significant risks have been identified in relation to the Company's own workforce.

The CO Group currently has no defined transition plan for reducing negative environmental impacts, and at this stage, it is not possible to determine potential negative effects of implementing the transition plan or, more broadly, of achieving greener and climate-neutral operations with regard to its workforce.⁹¹

The Group operates in the territories of Croatia, Serbia, North Macedonia, and Bosnia and Herzegovina, where there is no pronounced risk of child or forced labour. National regulatory frameworks and oversight in these markets ensure compliance with labour rights, while the CO Group's business processes and internal mechanisms further support adherence to international standards prohibiting forced or child labour.⁹²

The implemented double materiality assessment did not identify any significant impacts, risks, or opportunities arising from dependency on individuals within the Company's workforce that would apply to specific groups rather than to the workforce as a whole.⁹³

⁸⁹ S1-4 38. c)

⁹⁰ S1 SBM-3 13. a), S1-4 38. a), c), d), S1-4 40. a), MDR-T 81. b) i

⁹¹ S1 SBM-3 14. e)

⁹² S1 SBM-3 14. f), g)

⁹³ S1 SBM-3 15., 16.

S1-1 Policies related to own workforce

The Company has not adopted a specific policy addressing its own workforce in relation to sustainability factors; rather, this aspect is largely covered within a broader document—the Code of Ethics. In addition to the Code of Ethics, the Company has implemented a range of internal documents that regulate employees' rights, obligations, and responsibilities while mitigating potential negative impacts. These documents also address issues related to material sustainability topics and subtopics. Some of the most significant policies and documents related to the Company's workforce include the Collective Bargaining Agreement, the Code of Ethics, the Work Organization Rulebook, the Disciplinary Procedures Rulebook, the Rulebook on Occasional Remote Work, the Rulebook on Employee Professional Development, the Rulebook on the Appointment of a Confidential Person and the Protection of Whistleblowers, and the Rulebook on Employee Data Protection and Processing, among others. Through these documents, the Company ensures a robust workforce management system, mitigating potential risks and ensuring compliance with relevant regulatory requirements. The workforce-related policies described in this Report apply to the Company itself, while at CO Group level, differences exist in the implementation of policies across individual entities. At the CO Group level, companies implement policies in accordance with applicable local legislation.⁹⁴ The Company operates in full compliance with all relevant laws; however, it is not formally aligned with any specific international standard regarding the protection of human and labour rights. The Company's workforce-related policies do not explicitly address human trafficking, forced, compulsory, or child labour, but these issues are broadly covered under the Code of Ethics.

Description of key contents of policies related to own workforce⁹⁵

Collective Bargaining Agreement

The Collective Bargaining Agreement is concluded between the Sectoral Trade Union of Insurance Employees of Croatia (hereinafter: the Union) as the sectoral trade union organization representing and advocating for the employees, members of the union at CROATIA osiguranje d.d., on one side, and the Management Board of CROATIA osiguranje d.d. as the employer (hereinafter: the Company), on the other. It regulates the rights and obligations of the Union, the employees of the Company, the union members, as well as the rights and obligations of the Company as an employer towards employees who are union members, in accordance with legal and other regulations and the freedom of contract. The Agreement applies within the territory of the Republic of Croatia. The Collective Bargaining Agreement governs, among other matters, the following issues:

- Employee rights and obligations,
- Worker protection and benefits,
- Termination and employment protection,
- Exercise of rights and obligations arising from employment,
- Trade union rights and the application of the collective bargaining agreement.

The Collective Bargaining Agreement prescribes the procedure for protecting workers' dignity, covering violations of workers' rights based on any discriminatory grounds (age, gender, religion, education, health status, etc.), as well as any form of workplace harassment or harassment related to work.

Rulebook on the Appointment of a Confidential Person and the Internal Whistleblowing Procedure

Based on the provisions of the Whistleblower Protection Act and the Company's Articles of Association, the Management Board has adopted the Rulebook on the Appointment of a Confidential Person and the Internal Whistleblowing Procedure. The Rulebook regulates the internal whistleblowing procedure, the appointment of a confidential person and their deputy, and defines the rights and obligations of all parties involved. The objective of the Rulebook is to ensure effective protection of whistleblowers and the availability of reliable reporting mechanisms. The Rulebook establishes that a whistleblower has the right to:

- Identity and confidentiality protection
- Judicial protection and compensation for damages
- Free legal assistance
- Emotional support
- Other protections as prescribed by law.

⁹⁴ S1-1 17., AR 11.

⁹⁵ S1-1 MDR-P 65. a), b)

Individuals who have reported irregularities anonymously are also entitled to protection, provided they had a justified reason to believe that the reported information was truthful and submitted in accordance with the law. For all rights and obligations not regulated by the Rulebook, the provisions of the Whistleblower Protection Act shall apply.

Company Code of Ethics

The Company's Code of Ethics is a document that defines desirable behaviours to foster high-quality relationships within the Company and with external partners. It is based on the Company's corporate values: customer focus, expertise, reliability and responsibility, agility, and innovation. The Code applies to all employees and external associates of the Company, regardless of position. Some of the key points included in the Code of Ethics regarding own workforce are:

- Respect for diversity and fostering an inclusive work environment,
- Obligation to report unethical behaviour and protection of whistleblowers.

The Code of Ethics describes the relationship with employees, where all employees of the Company have an equal opportunity for success, regardless of natural and cultural differences. Cooperation is based on trust, open and honest communication, and respect, which form the foundation of mutual relationships. The principles of human rights protection are integrated into the Company's Code of Ethics. Although there are no formal mechanisms for monitoring compliance with international standards, the Company has established grievance mechanisms for employees, allowing them to report human rights violations. Additionally, the Company opposes all forms of unethical treatment of employees. During 2025, the Company began updating its Code of Ethics, inter alia to align it with relevant internationally recognised instruments in the field of human and labour rights. The updated Code of Ethics will be adopted in early 2026.⁹⁶

Rulebook on Employee Professional Development

The Company's Management Board has adopted the Rulebook on Employee Professional Development, which regulates the conditions and methods of employee training, as well as their rights and obligations before, during, and after training. The purpose of the Rulebook is to develop employees' knowledge, skills, and abilities to enhance expertise, independence, and work efficiency. Through the CORE competency evaluation, performance assessment, and career management, individual development plans are created to align with employees' needs and potential, ensuring equal opportunities for all employees. Professional development includes onboarding, on-the-job training, and formal education. The key outcome of the CORE evaluation is an individual employee development plan, which enables progress tracking until the next evaluation. The Company decides on the organization, financing, or co-financing of training programs. The Company prioritizes training programs that enable employees to acquire the knowledge necessary for performing more complex tasks within their roles.

Rulebook on Occasional Remote Work

The Rulebook on Occasional Remote Work defines the conditions and guidelines for performing work outside the Company's business premises. Occasional remote work is only applicable to job roles that can be performed using information and communication technology. The Rulebook applies to employees who have an agreed arrangement for occasional remote work in addition to working at the Company's business premises. The highest level within the organization responsible for the implementation of these policies is the Company's Management Board. Within the Company's internal structure and work organization, the Management Board has delegated authority and responsibilities to the heads of various business units whose processes include aspects covered by the above-described policies. Accordingly, within business operations, the units responsible for compliance, human resources management, and security are specifically designated as accountable for the implementation, execution, and oversight of these policies. In implementing these policies, the Company has not committed to adhering to third-party standards or initiatives. All Company policies related to its workforce are available on the intranet, the Company's server, and the notice board, where contact details for reporting breaches of conduct rules defined in the policies are also listed. Employees are introduced to these policies during the onboarding process upon employment. These policies apply to the entire workforce, covering all Company employees without exception. They have been established to ensure the consistent application of rules, rights, and

⁹⁶ S1-1 20. a), b), c), 21., 22.

obligations to all employees, regardless of their position, contractual status, or organizational unit within the Company.⁹⁷

Policies related to human rights protection

The Company operates in full compliance with all relevant laws; however, it is not formally aligned with any specific international standard regarding the protection of human and labour rights. The Company's workforce-related policies do not explicitly address human trafficking, forced, compulsory, or child labour, but these issues are broadly covered under the Code of Ethics.

Occupational health and safety⁹⁸

Occupational health and safety management at the Company is conducted in accordance with applicable legal regulations and in compliance with the laws of the Republic of Croatia. In other CO Group companies, occupational health and safety management is conducted in accordance with relevant local laws and respective internal rulebooks of each entity. The Company has adopted the Rulebook on Occupational Health and Safety, aligned with the nature of its activities, applied technology, work equipment, hazardous substances, and the number of employees, based on the Risk Assessment. The Rulebook establishes occupational health and safety measures, occupational safety rules, and the rights, obligations, and responsibilities of the Company as an employer, its authorized representatives, and employees in areas not regulated by the Occupational Health and Safety Act, the Labour Act, related regulations, and the Collective Bargaining Agreement.

Equal opportunities and prevention of discrimination⁹⁹

The Company has incorporated equal opportunities and respect for diversity into its Code of Ethics, which promotes the acceptance and appreciation of natural and cultural differences among individuals. Through this Code, the Company has committed to hiring, training, and promoting employees regardless of race, ethnicity, religion, language, marital status, sexual orientation, physical disabilities, political or other beliefs, social or economic status. Employment decisions are based on education, work experience, and alignment of candidates' competencies with business needs. Differences among employees within the Company are accepted in an open and tolerant manner, without interference in employees' privacy or personal lives. All employees have equal opportunities for success, and an individual's position within the Company depends solely on work performance and achievements. The Company fosters a professional work environment in which no form of discrimination is tolerated, nor any harassment, whether verbal, physical, or visual conduct that aims to or results in creating an offensive, hostile, or intimidating work environment.

The Company recognizes diversity and equal opportunities as key topics in the area of corporate social responsibility. Developing an inclusive culture and promoting diverse leadership are among the Company's key strategic priorities, as reflected in the Code of Ethics, fostering acceptance and appreciation of cultural and natural differences among individuals. The Company's core business values promote equal opportunities for advancement, guided by established performance criteria, which are regularly communicated to new employees as part of their onboarding process. To encourage the development of diverse employee competencies, internal mobility opportunities are available beyond traditional hierarchical promotion, through open calls transparently published on the Company's intranet. These initiatives uphold and promote the principles of equal opportunities and inclusion, ensuring that the highest standards of quality in business are maintained, driven by employee performance and growth potential.¹⁰⁰

S1-2 Processes for engaging with own workers and workers' representatives about impacts

The Company systematically manages all workforce-related matters, implementing them across various internal processes and cooperation mechanisms, as described in SBM-3.¹⁰¹ It also actively incorporates workforce

⁹⁷ S1-1 MDR-P 65. c), d), e), f), S1-1 19.

⁹⁸ S1-1 23.

⁹⁹ S1-1 24. a), b), c), d)

¹⁰⁰ S1-4 38. c)

¹⁰¹ S1-2 29., 25.

interests into decision-making and activities related to managing actual and potential impacts on employees. Cooperation takes place directly with the workforce and through employee representatives, such as the Union. The Company regularly monitors employee satisfaction through an annual survey, which helps gauge employee opinions and needs. By ensuring worker representation at Supervisory Board meetings at least quarterly, the Company guarantees that employee voices are heard at the corporate governance level. The Trade Union plays a key role in this process, submitting quarterly reports in line with legal obligations and holding ad hoc meetings when escalated issues arise. When applicable, before making decisions regarding employee rights and obligations, the Company consults with or seeks approval from the Trade Union. In accordance with the provisions of the Labour Act, before adopting workforce-related policies, the Company conducts consultations with the union representative, thereby ensuring that workforce interests are taken into account when these kinds of policies. The Human Resources Management function is responsible for handling these matters, including continuous employee education through external training providers on applicable labour rights and obligations, employee development, compensation and reward systems. The Director of the Human Resources Sector holds thematic workshops with the Management Board to ensure they are informed of the measures and actions needed for the implementation of specific business models. The Company operates under a Collective Bargaining Agreement, which includes provisions on non-discrimination, protection of human rights, entitlement to leave and rest periods, paid overtime work. This agreement ensures that the perspectives of the workforce are taken into account when making important decisions. The effectiveness of workforce collaboration is assessed through analysis of employee feedback and review of agreements reached with the Trade Union. The described processes and their outcomes address the identified impacts and help the CO Group enhance its practices and ensure that employee rights are adequately protected.¹⁰²

The Company continuously evaluates the effectiveness of collaboration procedures with workforce, with employee satisfaction surveys serving as a key tool in this process. These surveys enable the collection of relevant input to assess the efficiency of the system. Additionally, the implemented mechanism for safeguarding employee dignity allows for monitoring reports related to dignity violations, helping identify areas that require further attention and intervention.¹⁰³

Feedback received from employees is recorded in the reports and documentation of the Human Resources Sector, where it is carefully analysed and integrated into the decision-making process. Employees are regularly informed about how their feedback influences decisions via intranet announcements and email communications. Collaboration occurs at the level of organizational units and projects, while systematic activities are also conducted across the entire organization, such as through the Management Forum and escalations to relevant managers and the Management Board. Financial resources are allocated through the budget of the Human Resources Sector, enabling the assessment of organizational culture and the implementation of projects arising from workforce collaboration. Although the Company has not yet set target values for reducing GHG emissions and green transition, it plans to continue dialogue with the workforce to address all effects of these future measures.¹⁰⁴

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

The Company, in accordance with Article 134 of the Labour Act and internal regulations governing this area, has appointed individuals authorized to receive and handle complaints related to the protection of employee dignity, ensuring that two individuals of different genders have been designated for this role. In addition to this channel, employees (whistleblowers) can also report concerns for internal irregularities to the Confidential Persons. Furthermore, any breach or potential breach of the Company's Code of Ethics can be reported via an email address published on the intranet and employee portal. Alongside these formal channels, employees can send an anonymous message to the Company's Management Board via the internal business social network, Jenz. The Company regularly assesses employees' awareness and trust in the structures and procedures designed for expressing concerns or needs. Feedback on employees' perception and experience with available channels is collected through annual surveys and focus groups, with results indicating a high level of familiarity and trust in their effectiveness. These mechanisms incorporate whistleblower protection principles to ensure privacy and prevent retaliation against employees and external stakeholders using these channels. This approach guarantees

¹⁰² S1-2 27. a), b), c), d), e), AR 19.

¹⁰³ S1-2 AR 26.

¹⁰⁴ S1-2 AR 24., S1-4 43.

the timely and effective resolution of concerns while ensuring maximum protection of employees' rights and dignity. The Company monitors and tracks submitted and processed complaints through established procedures within the implemented grievance and complaint resolution mechanisms related to employees. These channels are treated as strictly confidential, meaning that any data and information subject to a report are handled with the utmost confidentiality and are accessible only to designated authorized personnel (the Employee Dignity Protection Officer, the Confidential Person for whistleblowing and the Ethics Committee). The designated officers maintain records of initiated proceedings and directly report to the Company's Management Board on established facts and proposed actions. Since these procedures are strictly formalized and regulated by Croatian law and the Code of Ethics, which aligns with stock exchange corporate governance rules, their effectiveness is ensured through adherence to prescribed deadlines, maintaining records and other evidence of conducted procedures, and providing clear instructions to organizational units if irregularities in conduct are identified. Additionally, these reporting channels serve as a basis for process improvements, employee training on emerging critical topics and similar initiatives.¹⁰⁵

S1-4 Taking action on material impacts on own workforce, approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Company ensures that its business practices do not cause or contribute to significant negative impacts on its own workforce. By adhering to relevant laws, collective agreements and internal policies, including the Code of Ethics, the Company continuously promotes fair working conditions, equality and employee safety. Additionally, procurement, sales and data usage practices are conducted in compliance with data protection regulations and do not cause negative impacts on employees.¹⁰⁶ The Company continuously conducts a revaluation process of job roles using the MERCER methodology to adjust salaries in line with external benchmarks and individual performance. Through this approach, the Company, as an employer, mitigates potential negative impacts on employee well-being and living standards, ensuring that they have appropriate salaries, while also positively influencing staff retention, reducing turnover and maintaining a highly skilled workforce. This, in turn, enhances business performance and the Company's competitiveness as an employer in the labour market.¹⁰⁷

Regarding the work model and working hours arrangement, the Company, having adapted to the situation caused by the COVID-19 pandemic and subsequently to employees' expressed needs, has introduced hybrid and flexible work arrangements. These primarily involve adjusted working schedules for individual employees and remote work arrangements outside the employer's office. Following the successful implementation of a pilot project for remote work, employees whose job nature allows it have been provided with a model enabling work outside the employer's business premises. Depending on business needs and mutual agreements, remote work can be arranged as permanent, temporary or occasional, or as work at a designated remote workplace, with a formally agreed-upon work schedule. The process of submitting requests, approvals, and recording remote work is supported by a digital solution within the employee application, ensuring automatic recording in official employee records. This approach establishes clear criteria for formalizing such work arrangements, allowing employees greater flexibility, which positively impacts work-life balance.¹⁰⁸

In 2025, the parent Company signed a new three-year Collective Agreement, which confirmed and further increased the level of employees' rights. For example, financial benefits were increased by EUR 1 million on an annual basis. A total of 250 awards for excellence and contribution were granted in the amount of EUR 290,000, and more than EUR 800,000 was invested in employees' education and training. The new Collective Agreement increased the amounts of the Christmas bonus, the annual leave allowance and the monthly meal allowance. All employees have the exclusive right to membership in the Croatia osiguranje Closed Voluntary Pension Fund, and the incentives paid by the company as employer for each employee contribution to the fund are now being increased. For all employees, an additional health insurance policy with extensive coverage has for years been taken out upon employment with Croatia osiguranje, and this coverage is now being further increased through new Collective Agreement. Support for employees who have become parents or adoptive parents will now also be paid to the other parent if both are employees of Croatia osiguranje. Other allowances have also been increased, including allowances for the use of a private vehicle for business purposes, financial assistance in the

¹⁰⁵ S1-3 33., 34., 32. a), b), c), d), G1-1 10.c)

¹⁰⁶ S1-1 41.

¹⁰⁷ S1-10 67.

¹⁰⁸ S1 SBM-2 AR 4., S1-4 38. c)

event of sick leave, and the period of leave for providing personal care to a family member has been extended.¹⁰⁹ Since the Company has held the Employer Partner Certificate for five years, confirming excellence in human resource management, it has been determined that positive impacts on the workforce are covered by the areas included in the certification process and adequately reflect progress and the effectiveness of implemented measures. The certification process includes an independent expert team's assessment of the following areas of human resource management:

- Attraction and recruitment: successfully attracting talent
- Onboarding and development: ensuring employees are competent and working effectively
- Engagement and inspiration: achieving organizational goals
- Transformation and growth: effectively managing change
- Retention and well-being: successfully retaining employees
- Exit and return: maintaining a strong reputation and sustainable business practices
- HR strategic consulting: ensuring the HR function strategically contributes to business development

The evaluation process is based on predefined standards that compare the Company's HR management processes with global best practices. The Company's ambition is to maintain its certification as proof of success in the aspects evaluated through the certification process. In 2025, the Company achieved a certification score that was two percentage points higher than in 2024.¹¹⁰

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities¹¹¹

CO Group has not defined targets related to its own workforce, as no significant negative impacts have been identified. Although targets have not been established, the Company monitors the effectiveness of measures related to positive impacts on its own workforce.

S1-6 Characteristics of the undertaking's employees

The following tables present the total number of employees, broken down by gender, country and contract type at CO Group level:

| Gender | Number of employees (CO Group) | | |
|-----------------|--------------------------------|-------|-------|
| | 2024 | 2025 | % YoY |
| Men | 1,453 | 1.484 | 2,13% |
| Women | 2,427 | 2.571 | 5,93% |
| Total employees | 3,880 | 4.055 | 4,51% |

| Country | Number of employees (CO Group) | | |
|------------------------|--------------------------------|-------|----------|
| | 2024 | 2025 | % YoY |
| Croatia | 2,865 | 2.992 | 4,43% |
| Bosnia and Herzegovina | 266 | 271 | 1,18% |
| North Macedonia | 250 | 271 | 8,40% |
| Serbia | 493 | 521 | 5,68% |
| Slovenia* | 6 | 0 | -100,00% |

*Ceased operations in May 2025.

¹⁰⁹ S1 SBM-2 AR 4., S1-4 36.b), 38.c)

¹¹⁰ S1-4 38.d)

¹¹¹ S1-5 44. a), b), c)

Employees by contract type

| CO Group | MEN | | | WOMEN | | | TOTAL | | |
|--|-------|-------|--------|-------|-------|--------|-------|-------|--------|
| | 2024 | 2025 | % YoY | 2024 | 2025 | % YoY | 2024 | 2025 | % YoY |
| Number of employees | 1.453 | 1.484 | 2,13% | 2.427 | 2.571 | 5,93% | 3.880 | 4.055 | 4,51% |
| Number of permanent employees | 1.294 | 1.318 | 1,85% | 2.117 | 2.191 | 3,49% | 3.411 | 3.509 | 2,87% |
| Number of temporary employees | 159 | 166 | 4,40% | 310 | 380 | 22,58% | 469 | 546 | 16,42% |
| Number of employees with non-guaranteed working hour | - | - | - | - | - | - | - | - | - |
| Number of full-time employees | 1.423 | 1.429 | 0,42% | 2.375 | 2.485 | 4,63% | 3.798 | 3.935 | 3,61% |
| Number of part-time employees | 30 | 55 | 83,33% | 52 | 87 | 67,31% | 82 | 121 | 47,56% |

Employee turnover rate

| Total number of employees who left the company during the reporting period (CO Group) | | |
|---|--------|--------|
| 2024 | 2025 | % YoY |
| 640 | 596 | -6.88% |
| Employee turnover rate during the reporting period (CO Group) | | |
| 2024 | 2025 | % YoY |
| 16.45% | 14.70% | -1.75% |

The total number of employees includes all employees, regardless of full-time or part-time status, while the table separately presents the number of employees by these segments. The report covers the entire period from 1 January 2025 to 31 December 2025 and includes employee departures as of 31 December 2025. Employee turnover is in line with expectations for the insurance industry, where there is a significant number of employees hired in sales (field sales, telesales, etc.) who do not remain with the Company for an extended period, as they do not see direct insurance sales as a long-term career path.

S1-9 Diversity metrics

At the CO Group level, the gender distribution at the highest management level and the distribution of employees by age groups have been analysed. The term highest management in the Company includes individuals who effectively manage the Company's operations. This encompasses members of the Management Board and the Supervisory Board, who oversee and govern the business in accordance with applicable legal regulations, Sector Directors in the parent Company, key function holders as per insurance regulations, and Directors of affiliated companies directly connected to the parent Company. The following tables present diversity indicators:¹¹²

¹¹² S1-9 66. a), b), S1-9 AR 71.

Gender distribution at the highest management level

| Gender distribution at the highest management level | Number of employees at the highest management level | | | Percentage (relative to the total at the highest management level) | | |
|---|---|------|-------|--|------|-------|
| | 2024 | 2025 | % YoY | 2024 | 2025 | % YoY |
| Men | 22 | 22 | 0% | 55% | 55% | 0% |
| Women | 18 | 18 | 0% | 45% | 45% | 0% |

Employee distribution by age group

| Age group | Total number of employees | | | Percentage of employees | | |
|--------------------------------|---------------------------|-------|--------|-------------------------|--------|--------|
| | 2024 | 2025 | % YoY | 2024 | 2025 | % YoY |
| Under 30 years of age | 638 | 662 | 3.76% | 16.44% | 16.32% | -0.73% |
| Between 30 and 50 years of age | 2,304 | 2,280 | -1.04% | 59.38% | 56.21% | -5.34% |
| Over 50 years of age | 938 | 1,113 | 18.76% | 24.18% | 27.47% | 13.61% |

S1-11 Social protection¹¹³

All employees within CO Group are covered by social protection as prescribed by the relevant laws of the Republic of Croatia and other countries where CO Group's entities operate. This coverage is equal for all employees and includes compulsory health insurance, compulsory pension insurance, contributions to the state unemployment fund, sick leave compensation covered by the employer, sick leave compensation in case of work-related injuries, severance pay in case of termination by the employer, with a double severance amount if termination occurs due to work-related injuries or occupational diseases, parental and paternity leave.

In addition, all employees of the Company are entitled to additional social protection benefits based on the provisions of the Collective Agreement. These additional benefits, which exceed statutory obligations, include:

- Financial solidarity support in cases of long-term illness, severe disability, significant material damage to the employee's property caused by natural disasters, and severe financial hardship
- Accident insurance policy for employees, voluntary health insurance, travel health insurance for business trips abroad, voluntary pension insurance through contributions to the third pension pillar
- Severance pay for employees retiring
- Severance pay in case of termination of employment, at amounts higher than those prescribed by law
- Extended notice periods for employees with disabilities, beyond statutory requirements
- Additional annual leave days for employees with disabilities, parents of children under the age of fifteen (15), and parents of children with developmental disabilities or diagnosed disabilities
- Additional paid leave days beyond statutory entitlements, granted for natural disasters, hosting displaced persons or refugees, searching for missing immediate family members due to war, participation in humanitarian and similar activities, the child's first day of primary school, exceptional urgent family matters caused by illness or accidents.

S1-13 Training and skills development

The Company has an implemented talent management and career development process, which is systematically conducted and continuously enhanced. The objective of this strategic human resource management process is

¹¹³ S1-11 72., 74.

to identify employees with the potential to take on more complex and responsible roles in the future and to manage the development needs of all employees within the Company. The Human Resources Sector defines and implements planned training programs focused on competency development. A dedicated training management team within the Sales Training Centre oversees the implementation of professional and mandatory knowledge programs for sales representatives and other employees directly involved in products and sales. As a digital leader, the Company integrates digital technologies into a significant portion of its business operations, making the e-learning system an essential tool. This system is continuously updated with new learning content. All sales employees are required to complete an annual mandatory training program via the e-learning platform, with a minimum duration equivalent to 44 hours, to fulfil the professional competence requirements.¹¹⁴

In collaboration with external partners, the Company offers training programs such as “Managerial Competencies,” “Leadership Academy” and training in specialized knowledge for relevant technological and digital fields. These training initiatives equip participants with the knowledge, skills and experience necessary for effective people management.

In addition to training courses and educational programs provided by external training partners, employees may also participate in a range of internally developed and tailored training courses. By launching the two-year *CO Academy* training program for sales managers, involving both external and internal lecturers, leadership competencies within the organisation are further strengthened. The development approach is further reinforced by involving employees in coaching programs, thereby encouraging personal and professional growth, as well as higher-quality team leadership.

An important part of Croatia osiguranje’s training initiatives also consists of programs aimed at the retention and sharing of knowledge. To this end, *Total X* was launched for employees as an internal portal presenting Croatia osiguranje’s measures, programmes and projects, as well as the company’s joint efforts to bring its business operations closer into line with customer perception and market needs. *Total X* and the digital assistant *PomagAI* serve employees as an organisational knowledge base and support in their daily work. These solutions further contribute to efficiency, the availability of information and the strengthening of the learning culture within the organisation.

The Company has adopted the Rulebook on Professional Development of Employees, which establishes the conditions and procedures for organizing, supporting or participating in training programs, including the rights and obligations of employees during the training and after it. Professional development of employees in the Rulebook encompasses employee onboarding, skill enhancement through collaboration and hands-on experience, and formal education and training.

Adequate financial resources for training and education in the Company’s budget are allocated annually from the overall budget, ensuring the coverage of training and education costs, whether in group settings or individual programs. A key outcome of the CORE competency evaluation process is the Employee Personal Development Plan, which enables the tracking of employee development needs until the next competency evaluation cycle. The Personal Development Plan is based on individual development needs, as well as opportunities for advancement, improvement or specialization identified by the employee and their supervisor at the conclusion of the CORE competency evaluation process.

In 2025, the average number of training hours per employee within CO Group was 29.7 hours (in 2024: 29.4 hours). Male employees received an average of 29.1 training hours (in 2024: 26.2 training hours), while female employees averaged 30.1 training hours (in 2024: 31.4 training hours). All (100%) of CO Group’s employees participated in regular performance and professional development reviews.¹¹⁵

S1-14 Health and safety metrics¹¹⁶

The Company prepares a risk assessment that identifies work-related risks for each position. Based on the risk assessment, measures and activities are implemented to reduce or eliminate risks. The quality of health and safety is ensured through continuous monitoring by occupational health and safety specialists. Every new

¹¹⁴ S1-4 38. c)

¹¹⁵ S1-13 83. a), b)

¹¹⁶ S1-14 88. a), b), c), d), e)

employee undergoes training on safe work practices and workplace safety measures. To ensure the effective implementation of occupational health and safety measures, all employees are required to complete training and apply the acquired knowledge in daily work processes.¹¹⁷

Workplace injuries are reported to occupational health and safety specialists, who complete workplace injury report forms and submit them to the competent authority. All employees have access to instructions on how to proceed in the event of a workplace injury through the Company's applications. Within CO Group, employees generally work in medium-risk positions, with no high-risk occupational diseases. CO Group mainly comprises office-based roles, except for polyclinics and vehicle inspection stations. Positions with special working conditions in the Company include property claim adjusters, PAT claim adjusters, and similar roles. There are no special working conditions in polyclinics and vehicle inspection stations. In 2025, there were no cases of occupational diseases in the Group. In other countries where CO Group operates, occupational health and safety systems have been implemented in accordance with local law. All countries have internal occupational health and safety controls, while in Milenijum osiguranje a.d.o., external audits are conducted in compliance with ISO 45001 certification. In 2025, CO Group recorded a total of 12 recognized (in 2024: 9) workplace injuries, resulting in a total loss of 601 working days due to these injuries (in 2024: 620). The internal analysis of workplace safety experts indicates that the increase in workplace injuries in 2025. Was not related to workspaces or processes. This figure includes lost days from two workplace injuries sustained in the previous year. Of these injuries, 4 were classified as severe workplace injuries, while the remaining cases were minor injuries. In 2025, no fatal workplace injuries or work-related illnesses occurred within CO Group.

S1-16 Remuneration metrics (pay gap and total remuneration)¹¹⁸

At the CO Group level, an analysis was conducted on gender pay differences by country and within the CO Group. The following table presents the calculated differences:

Gender pay gap within CO Group and by countries¹¹⁹

| CO Group/Country | Gender pay gap in 2024 | Gender pay gap in 2025 | Δ YoY |
|-------------------------|-------------------------------|-------------------------------|------------------|
| CO Group | 16,3%* | 14,1% | -2,2 p.b. |
| Croatia | 16,7% | 12,2% | -4,5 p.p. |
| Bosnia and Herzegovina | 23,8% | 15,9% | -7,9 p.p. |
| Serbia | 24,2% | 30,3% | 6,1 p.p. |
| North Macedonia | 22,0% | 18,0% | -4,0 p.p. |
| Slovenia | -14,8% | -4,4% | 10,4 p.p. |

**Corrected pay gap for CO Group 2024.*

The gender pay gap (GPG) is calculated using the following formula:

$$\frac{(\text{average gross hourly wage of male employees} - \text{average gross hourly wage of female employees})_{\text{including variable pay}}}{\text{average gross hourly wage of male employees}_{\text{including variable pay}}}$$

Since the CO Group's payroll data covers Croatia, Serbia, Bosnia and Herzegovina, North Macedonia and Slovenia, the wage ratio is significantly influenced by the fact that average salaries in Serbia, Bosnia and Herzegovina and North Macedonia are substantially lower than those in Croatia, both at the national level and within the CO Group's affiliated companies. Slovenia is an exception, but given that there were only six employees in the Slovenian branch at the end of the year, its positive impact on the overall ratio is negligible. In Slovenia, women are, on average, paid more than men. Additionally, the majority of employees in the insurance industry work in sales, where women represent more than 63% of the workforce. Since compensation in sales is based on a highly measurable performance-based commission system, this significantly influences the gender pay gap. The average starting salary in sales is slightly above the statutory minimum gross wage, and turnover in the sales

¹¹⁷ S1-4 38 c)

¹¹⁸ S1-16 97. a), b), c)

¹¹⁹ S1-16 97. a)

sector is higher than the average across other industries, further contributing to the fact that most employees in this segment receive below-average pay, regardless of gender.

To ensure equal pay for equal work, salaries are determined based on job value, i.e., the responsibilities and duties of a given position. The job value is assessed using the Mercer IPE methodology, which evaluates positions systematically based on five factors and 12 dimensions. The key evaluation factors include position purpose, core responsibilities, impact on the business unit and the Company, type of interaction and communication, effect on human, operational and financial dimensions. Salaries are further structured based on the determined job value, taking into account the assessment of individual employee performance and external salary benchmarks, ensuring that employees receive adequate wages.¹²⁰

As at 31 December 2025, the ratio of the total annual earnings of the highest-paid individual to the median annual earnings of other employees is 29:1 (2024: 25:1* *ratio for 2024. Is corrected due to the fact that in 2024. Sustainability statement average annual remuneration of employees was used, instead of median*). Formula for annual total remuneration ratio is:

$$\frac{\text{annual total remuneration for the undertaking's highest paid individual}}{\text{median employee annual total remuneration (excluding the highest paid individual)}}$$

The annual earnings of the CEO include fixed and variable earnings, which consist of annual and multi-year bonuses, and these amounts also include the allocation of bonuses in Adris Group shares based on their value on the day of allocation. The change in the total remuneration ratio for the highest-paid individual in the Company in 2025 is based on the actual remuneration received in 2025, which includes a higher fixed salary, a higher annual bonus paid in respect of 2024 and a deferred bonus from 2021 that was paid in 2025.

As the CO Group's salary data covers Croatia, Serbia, Bosnia and Herzegovina, North Macedonia, and Slovenia, the pay ratio is significantly influenced by the fact that average salaries in Serbia, Bosnia and Herzegovina, and North Macedonia (representing 25% of the CO Group's total workforce) are considerably lower than in Croatia, both at the country level and within the CO Group's subsidiaries. Additionally, since the majority of employees in the insurance industry are in the sales sector, and salaries and compensations are based on actual commissions earned, i.e., the performance of agents, it can be concluded that the large number of these employees (60%) significantly affects the median salary by lowering it at the Group level. Furthermore, turnover in the sales part of the business is significantly higher than usual in the general industry, which also affects this part of the organization, where most employees have below-average salaries regardless of gender. At the same time, there is no limit on the commission earned by agents, and the highest salaries of the best insurance agents are comparable to the salaries of the Company's senior management, occasionally even members of the Management Board, but their number does not significantly affect the median salary. Consequently, it is not surprising that the ratio of the CEO's earnings to the median earnings of the Group's employees is high.

S1-17 Incidents, complaints, and severe human rights impacts¹²¹

In 2025, the Company conducted four proceedings for the protection of employee dignity (in 2024: three proceedings). In one of the four proceedings referred to above, the report concerned exclusively a client of the Company, whereas in the remaining three proceedings, the report concerned the Company's employees. In no case was harassment on any discriminatory ground or workplace bullying established; however, in three proceedings a form of inappropriate conduct on the part of the reported persons was established, and appropriate measures were taken in light of the findings. All proceedings were internally completed within the statutory eight-day period from the date of the complaint or the date of the whistleblower's return to the work process (at the whistleblower's explicit request), and there were no additional external court proceedings in which employees sought further protection. Throughout the year, no complaints were filed with national contact points for OECD multinational enterprises regarding issues related to the company's workforce. No fines, sanctions or compensation payments were made for cases resulting from past incidents or complaints related to discrimination, harassment or workplace bullying. The authorized persons responsible for receiving and handling complaints related to the protection of employee dignity maintain records of submitted complaints, ongoing

¹²⁰ S1-10 67.

¹²¹ S1-17 103. a), b), c), d), 104. a), b)

proceedings and measures taken following the protection of employee dignity procedures. Court proceedings related to discrimination, harassment or workplace bullying are recorded by the Legal Affairs Sector. During the 2025 reporting period, the Company did not register any serious cases of human rights violations related to its workforce. All reported cases were recorded and monitored by the Human Resources Management unit and responsible persons within the Company. No severe breaches of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were identified. No monetary fines, sanctions, compensation or damages were imposed, as no severe cases or penalties related to human rights violations were recorded.

ESRS S3 Affected communities

ESRS 2 SBM-2 Interests and views of stakeholders

Affected communities of CO Group include existing and potential clients, as well as local communities that use, or are exposed to, the services provided by CO Group, including insurance, polyclinic healthcare services, vehicle roadworthiness testing and real property management. The Company uses multiple direct and indirect channels and engagement mechanisms to gather information about the interests and views of the affected communities. The Company conducts targeted surveys about the opinions and needs of the clients in the market, but also of the community members who are not using insurance yet. Different methods and metrics are used for this purpose as may be necessary. The Company conducts the surveys on its own and/or in collaboration with professional survey agencies. The results and conclusions are used as input information in the development, monitoring and management of the products that the Company markets. In this way, the Company addresses the community’s insurance protection needs. The Company also gains valuable insights through participation in relevant international projects. Croatia osiguranje is one of the collaborators in the Climate Insurance Solutions project. The objectives of the project, which is funded by the European Union, are research and innovation that can support adaptation to climate change. Within the project, work is being carried out on the development of products that will be used and replicated in regions and communities across the EU, guidelines are being developed on insurance premium levels that reflect risk reduction measures and ensure affordable insurance, as well as innovative solutions for the transfer of risks caused by climate change, including index insurance. Efforts are being made to accelerate the modernisation of the public sector in relation to demand for insurance solutions for climate adaptation, and to encourage the adoption of policies for the easier allocation of additional national and regional budgets to increase insurance solutions in the EU for addressing climate-induced risks. The project enabled the establishment of a Risk Data Hub for recording, collecting and sharing data on climate-related risks and losses. The project also includes thematic workshops, for example for local farmers, which enable the Company to communicate directly with the affected communities. Through cooperation projects with educational institutions and relevant associations, as well as through participation in career fairs, the Company also obtains information on the interests and views of students, as well as on labour market needs in terms of the development of young professionals and the skills and knowledge required for the challenges of the future.

ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model

In the Double Materiality Assessment process, CO Group identified actual positive impacts on the affected communities related to their economic stability and resilience, digital and financial literacy, and collaboration with educational institutions.

| Topic | Sustainability matters and related impacts, risks and opportunities | Potential or actual impact/risk/opportunity |
|-------|---|---|
| | Company-specific | |
| | Economic stability and community resilience | Actual positive impact |

| | | | |
|--|-----------|--|------------------------|
| ESRS Affected communities | S3 | Empowerment of communities through financial and digital literacy to improve insurance accessibility | Actual positive impact |
| | | Collaboration with educational institutions | Actual positive impact |

The identified positive impacts were analysed with regard to the communities in the countries in which CO Group insurance companies operate: Croatia, Bosnia and Herzegovina, Serbia and North Macedonia. All affected communities that the Group could influence are included in the scope of the Double Materiality Assessment and this disclosure.¹²²

As the leading insurance company in the Republic of Croatia, Croatia osiguranje plays an important role in the financial stability of communities through the coverage it offers within its insurance products. With their high-quality insurance solutions, CO Group companies contribute to overall economic stability and resilience of communities by ensuring the possibility of compensation for losses from unexpected events like natural disasters, accidents or business interruptions. Financial literacy education for the citizens is an important aspect of the Company's positive impact on the communities as well.

Croatia is one of the EU member states with the lowest insurance coverage for disaster risks, which indicates that educational campaigns are needed for the general public, along with efforts to help improve the financial literacy level and the awareness of the importance of insurance. EIOPA's data show that only a quarter of total losses caused by extreme weather and climate events and natural disasters in Europe is insured. Croatia has the highest insurance protection gap for earthquake, and a significant insurance protection gap for flood. Heavy rains and floods throughout the year and devastating fires in the summer are becoming an increasingly real risk in the Republic of Croatia, as confirmed by EIOPA's analyses in 2025. The highest possible protection from damage caused by such weather-related disasters will therefore be important both on the EU level and on the national level, in which insurance companies will play an important role in conjunction with public authorities.¹²³ Among the wider public, there is a perception of insurance companies as insufficiently transparent financial institutions, and terms relating to insurance remain insufficiently known to the public. The findings of the research (sources: HANFA, Croatian Insurance Bureau/Ipsos 2024) also indicate below-average financial literacy among Croatian citizens (in 2023, Croatia: 12/20 points; EU average: 13) and limited trust in the insurance sector, which affects the use and understanding of insurance products and serves as a basis for setting the Company's objectives and planning its future activities.

CO Group companies implement and support financial literacy initiatives within communities, empowering individuals to make informed decisions and to better understand insurance and retirement savings products and their benefits. In addition to providing education for citizens through its own initiatives and channels, CO Group members also support valuable industry initiatives run by associations such as the Croatian Insurance Bureau, the Association of Pension Fund Management Companies and Pension Insurance Companies and the Croatian Chamber of Economy. By working together, CO Group and these associations are able to pool their budgets and professional capacities, which allows them to implement more activities and gives them a wider advertising reach, thus speeding up and advancing their efforts focused on raising the level of financial literacy. By participating in various projects, the Company aims to raise citizens' awareness of the importance of insurance and of taking personal responsibility for their safety, health and assets. With respect to retirement savings, Croatia osiguranje mirovinsko društvo (pension insurance company) performs activities with a view to improving financial literacy, with certain company employees as the primary target group, and the general public as the secondary target group. These activities educate participants about important aspects of personal finance, with a focus on retirement savings.

The academic and scientific community is recognised as an important stakeholder in CO Group's operations. Through the projects of collaboration with educational institutions, CO Group has the opportunity to share knowledge and expertise from its area of business, and to thus contribute to the development and training of future experts. In addition to channelling funds to valuable projects run by educational institutions through sponsorships and donations, CO Group experts participate in lectures and professional conferences at higher education institutions, sharing their know-how in digitalisation, insurtech, traffic science, telematics and other

¹²² S3 SBM-3 9.

¹²³ HANFA, *Hanfa calls on insurance companies to treat policyholders expediently and professionally*, www.hanfa.hr, 20 July 2023

related areas. Special emphasis is laid on cooperation with faculties in STEM, economics and transport sciences.¹²⁴

Human and financial resources in organisational units responsible for marketing and corporate communications, human resource management, and product development and underwriting have been assigned to manage the material positive impacts on the affected communities with regard to financial literacy, collaboration with educational institutions, and economic stability and resilience of communities.¹²⁵

S3-1 Policies related to affected communities

In 2025, the Company adopted the Strategy on Strengthening Financial Literacy in Insurance, in accordance with HANFA's Guidelines for insurance undertakings and reinsurance undertakings on strengthening the financial literacy of Croatian citizens. The Strategy covers a three-year period (2026–2028) and defines the Company's objectives and methods for improving financial literacy in Croatia. The main objectives of this Strategy are: increasing understanding of the fundamental concepts of insurance so that citizens can make informed decisions on the protection of their financial interests, as well as strengthening trust in the insurance sector. The Strategy also defines target groups, activities and resources, as well as methods for evaluating the Strategy. The person responsible for the direct implementation of the Strategy is the Director of the Marketing and Corporate Communications Sector, while the Strategy is adopted by the Company's Management Board. Croatia mirovinsko društvo also adopted a Financial Literacy Strategy for the period 2025–2027, which defines objectives, methods and channels for strengthening financial literacy, with particular emphasis on pension savings. The management of activities related to financial literacy and collaboration with educational institutions is covered by the Sponsorship and Donation Policy, which defines improving financial literacy and collaboration with educational institutions as the Company's important goals and values with respect to the community.

Corporate social responsibility is covered by the Code of Ethics, which is publicly available on the Company's website. The Company's Code of Ethics is not formally aligned with internationally recognised standards referring specifically to communities and indigenous peoples; however, as noted above, an update aimed at achieving such alignment is in progress. No cases of non-compliance with the UN's Guiding Principles on Business and Human Rights; the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises occurred in 2025, and no serious human rights issues involving affected communities were reported.¹²⁶

Processes relating to product development, monitoring and management tasks are defined in the Insurance Distribution Strategy Policy and the Product Monitoring and Management Policy, which are intended for the employees who, within product management, maintain, use and review the procedure for the approval of newly developed products or more significant modification of existing products, as well as the employees who manage and control insurance distribution and distribution channels. These policies are associated with an identified positive impact on the community in terms of economic stability and resilience of the community. The Policy, among other things, sets out the steps that the Company takes prior to marketing its products, which may include product testing from the client and distributor perspective, market research, research of clients' needs, analysis of insurance market trends, monitoring of client experiences, and, on a case-by-case basis, scenario analyses. When defining the distribution strategy for a given insurance product, the organisational unit responsible for insurance distribution considers different distribution channels, taking into account the characteristics and the complexity of the product, along with the models, methods and means of insurance distribution, in order to distribute the product in the target market, and to avoid the distribution of the product to clients that the product is not intended for (negative target market). This ensures the offer of adequate insurance solutions for the markets and communities in which CO Group operates. The Company continually keeps track of insurance market trends. Organisational units responsible for client experience management, controlling and product development perform the following: analysis of premium results and claims in the insurance market; comparison of the Company's performance trends with the market trends; keeping track of product trends in the Croatian and foreign markets; keeping track of changes in statutory and regulatory rules, keeping track of the

¹²⁴ S3 SBM-3 9. a), c)

¹²⁵ S3-4 38.

¹²⁶ S3-1 12., 16., 17., 18., S3-4 36.

development of digital technologies in insurance and new channels, etc. The results and conclusions are used as the basis for product development, monitoring and management.

At the highest level, the Company's Management Board is responsible for the implementation of the policies described above, and on the operational level, the responsibility is borne by the organisational units in charge of marketing and corporate communications, product development and underwriting, and human resources management. The Company has not committed to respect third-party standards and initiatives in the implementation of its policies regarding impacts on affected communities.¹²⁷

S3-2 Processes for engaging with affected communities about impacts

Given its longevity, integration in the society and market leader position, the Company has established continuous high-quality cooperation with the representatives of the local community. Communication channels are open to the public in form of e-mail addresses available on the Company's website, including an address for reporting irregularities; an address where interested persons can file their grievances and complaints; and an address for data protection inquiries; which also serve as channels where concerns can be raised. An address for media inquiries and an address for sponsorship and donation inquiries are also available on the Company's website. The Company continuously monitors and tracks submitted and processed complaints through established procedures within the complaint resolution mechanisms.¹²⁸

In addition, cooperation with the community is pursued through employees' humanitarian and volunteering activities such as afforestation campaigns, blood donations and donation raising for humanitarian associations. The Company also contributes to the Community through donations and sponsorships that support valuable projects, directed to the areas of sports, healthy lifestyle, culture and tradition, as well as specific knowledge and skills. In 2025., the Company supported over 70 local sports clubs. Participation of the Company's representatives in relevant professional conferences and many collaboration projects with educational institutions is another means of engagement. By participating in initiatives launched by industry associations such as the Croatian Insurance Bureau and the Association of Pension Fund Management Companies and Pension Insurance Companies, the Company also gains valuable understanding of the community's insurance and financial literacy needs, including the needs of groups potentially marginalized in the society, or groups that find it harder to access information on insurance products.

Cooperation with the academic community is pursued by supporting initiatives launched by faculties, joint projects, and the participation of experts from Croatia osiguranje at lectures for students, but also participation in career fairs. By engaging with students, who are an important group in the wider community, CO Group companies gain an understanding of their perspectives and expectations. Information on the interests and views of the affected communities, gathered through the means of engagement described above, is taken into account in policies covering material impacts on the community, and is used as the basis for initiatives and actions undertaken by CO Group companies.¹²⁹

S3-4 Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

CO Group's insurance companies and the pension insurance company Croatia osiguranje mirovinsko društvo implemented activities aimed at improving the citizens' financial literacy in 2025 as well. Last year, the Company supported the "A Safer Tomorrow" industry initiative, a financial literacy improvement project in the field of insurance, implemented jointly by insurance companies and the Croatian Insurance Bureau. The main objective of this project is to raise awareness among the citizens, in particular young people, about the necessity of investing in insurance. Croatia osiguranje's other activities in the past year included educational posts on social networks, participation in professional conferences and lectures for students, and giveaway quizzes in its mobile app for its clients.

¹²⁷ MDR-P 65. a), b), c), d), e), f)

¹²⁸ S3-3 27., S4-1 MDR-P 65. f), S4-3 26. a)

¹²⁹ S3-2 19., 20., 21., 22., 25.

In 2025, Croatia mirovinsko društvo carried out a series of activities aimed at the employed population (sole proprietors, corporate employees and teaching staff), secondary school students and the wider public. The activities carried out independently by Croatia mirovinsko društvo related to the organisation of several workshops for associations of sole proprietors, a lecture at the National Professional Meeting of Vocational School Teachers entitled *Modular Teaching as a Basis for the Implementation of Financial Literacy*, and the publication of articles on the *Jutarnji list* portal on a possible model of automatic enrolment in voluntary pension savings.

Furthermore, a presentation was held on the topic of how financial literacy helps HR create satisfied and engaged employees at the *HRM by Numbers* conference organised by the company Poslovna učinkovitost, with the participation of around one hundred HR managers and employees from various corporations. An article on the same topic was published in the journal *Financije, kontroling i menadžment*. As a member of the Association of Pension Fund Management Companies and Pension Insurance Companies, Croatia mirovinsko društvo participated during the past year in joint activities such as the *FinQuiz by Joško Lokas* project in cooperation with *Večernji list* and *24 sata*. A project was also carried out in cooperation with the *Journal* portal, which included the publication of a series of articles on the portal and social media, as well as a panel discussion on the topic of voluntary pension savings.

CO Group members participated in a number of collaboration projects with educational institutions in 2025. In addition to participating in and supporting smaller projects throughout the year, the Company implements two more extensive collaboration projects on formal study programmes. In cooperation with the Faculty of Electrical Engineering and Computing, the Company launched the postgraduate study programme “Products, digital innovation and technologies in insurance – INSURTECH,” which has been carried out since 2020. The Company has also signed a cooperation agreement with the University of Zagreb, Faculty of Economics for the newly launched innovative educational module “Economic Analytics.” “Economic Analytics” module comprises four semesters, and equips fourth- and fifth-year students of the integrated undergraduate and graduate study programme in Business Economics with a combination of know-how and skills that will increase their competitiveness in the labour market after they have completed their studies. The idea of the “Economic Analytics” module is to develop skills that will help the students adapt quickly to the challenges in their everyday environment. As the innovation leader in the insurance market, the Company also supports innovative breakthroughs in education, such as this first multidisciplinary module that combines courses in economics, finance and methodology, which was launched by the Faculty of Economics in Zagreb. Cooperation with STEM faculties was pursued through several projects that the Company supported financially as well as through the participation of its experts in the project programmes. These projects include, among others, *STEM Games*, *Algotrade Hackaton* x.FER and *Financijski klub EFZG-a* (Financial Club of the Faculty of Economics in Zagreb), *LUMEN Development*, *Career Speed Dating* FER and eStudent, *Infobip Shift*, *Meet the Mathematicians* PMF and others. As part of Financial Literacy Week, Croatia osiguranje participated in events at EFZG through a financial literacy presentation and quiz, together with other companies from the financial and insurance industry, with the aim of bringing the insurance business closer to students and raising awareness of the importance of financial literacy for their own future, in which insurance plays an important role.

Through projects such as “Transportikum,” implemented in cooperation with the Faculty of Transport and Traffic Sciences, Croatia osiguranje’s experts guide students through project tasks from loss appraisal and claims handling, and inform them about the trends and innovations in this business segment. *Transportikum* has affirmed itself as one of the best student projects, based on a program that has students solve project tasks in cooperation with the leading companies from different industries. Thus, in 2025, Croatia osiguranje experts from the Claims Management Sector prepared a project task for two teams of students, from the Faculty of Transport and Traffic Sciences and the Faculty of Mechanical Engineering and Naval Architecture. The assigned topic was to define the correlation between the decline in battery capacity in electric vehicles and the depreciation of their value. In order to provide students with a realistic insight into practice, Croatia osiguranje claims handling experts enabled them to make a field visit to the damage appraisal centre in Drmićeva Ulica, where they had the opportunity to follow claims handling processes virtually and learn more about the challenges of automating certain processes. In addition, a visit was organised to EV Clinic, a company specialising in battery system repairs, where the students received the key technical insights needed to develop their solutions.

CO Group companies in North Macedonia continually implement a financial education program in cooperation with faculties, aimed at raising awareness among students of the importance of insurance as a key segment of

financial security. This program targets the future generations, teaching them that insurance is not just an industry, but also an important part of their personal financial strategy. Through lectures, workshops and interactive activities, students are encouraged to reflect on their future careers and opportunities offered by the insurance industry. In addition, the students are informed in more detail about the Company's operations and values, and Croatia osiguranje is presented to them as a potential workplace, giving them a glimpse of what working for such an organisation entails. In course of the year, students with outstanding academic records are given an opportunity to complete a traineeship at the company. During this traineeship, students get an opportunity to learn firsthand how the Company's operations proceed, to participate in real projects and to work with the Company's experts, which provides them with valuable experience. Such experience helps students better understand the insurance industry and helps them make informed career planning decisions. Also, the programme cultivates a connection between the academic community and the business sector, which may result in new opportunities for students as well as for the Company as an employer.¹³⁰

Activities aimed at encouraging positive impacts and achieving a better understanding of the needs and expectations of affected communities are carried out continuously. This process includes the collection and analysis of relevant data and consultations with key internal and external stakeholders in order to ensure an effective approach to managing impacts on affected communities, in accordance with regulatory requirements and industry standards.

CO Group has established systems for monitoring the effectiveness of its measures, which it implemented continuously during 2025, and has defined the related quantitative indicators (metrics). The effectiveness of the actions related to financial literacy is tracked on a yearly basis through the evaluation of initiatives and projects in which CO Group participates, while the financial literacy situation at the national level is tracked through the results of relevant surveys. Croatian companies are required to report the amount of their revenue earmarked for financial literacy on a yearly basis to the regulator, and this information is tracked as a relevant metric of this impact on a yearly basis. A total of EUR 107,263.57 was spent at CO Group level on financial literacy projects in 2025 (in 2024: EUR 127,833.50). This amount is a metric that is used for tracking the funds earmarked for education and raising awareness on financial topics. Activities are tracked and evaluated by the organisational units responsible for marketing and corporate communications. The decrease in the amount does not reflect lower investment in financial literacy, but rather a change in the definition of the activities included in this amount, in accordance with the above-mentioned HANFA Guidelines, which was applied to the last quarter of 2025. Collaboration projects with educational institutions are tracked in the same vein on a yearly basis, with the number of implemented collaboration projects as the tracked metric. Organizational units responsible for human resource management as well as marketing and corporate communications are in charge of this tracking. CO Group implemented a total of 22 collaboration projects with faculties in 2025.¹³¹

| Number of realized collaboration projects at the CO Group level | | | |
|---|------|------|--------|
| Form of collaboration with educational institutions | 2024 | 2025 | % YoY |
| Formal study programmes | 2 | 2 | 0% |
| Other collaboration projects (sponsorships, lectures, contests, career fairs) | 15 | 20 | 33.33% |

The positive impact in terms of contribution to economic stability and resilience of the community is tracked using internal and external surveys and CO Group's performance. The amount of insurance revenue from non-life insurance, not including motor third party liability insurance, has been identified as the quantitative metric of this impact at the CO Group level. In 2025, this revenue amounted to EUR 447,607 thousand (in 2024: EUR 383,234 thousand).¹³²

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In relation to affected communities, CO Group identified actual positive impacts reflected in its contribution to the economic stability and resilience of communities, the empowerment of communities through financial and

¹³⁰ S3-4 30., 32. a), c)

¹³¹ S3-4 32. d)

¹³² MDR-T 81. b) i

digital literacy for the purpose of improving access to insurance, and collaboration with educational institutions. These positive impacts are achieved through the Company's continuous and targeted activities, including collaboration with educational institutions and initiatives aimed at strengthening the financial and digital literacy of communities, which are carried out in line with business priorities and the identified needs of communities.

At the CO Group level, no quantitative target values related to the above-mentioned positive impacts are currently defined. The Company manages them through its existing strategies, policies and operational processes, including the development of insurance products, activities aimed at increasing financial and digital literacy, and long-term cooperation with educational and scientific institutions. This approach enables the continuous creation of a positive social impact, while maintaining flexibility in adapting to the needs of different communities.

CO Group monitors relevant activities and results at a qualitative level and, in line with the development of internal monitoring systems and the availability of data, it will consider the possibility of setting measurable target values in future reporting periods, particularly in the area of strengthening community resilience and access to insurance coverage.¹³³

ESRS S4 Consumers and end-users

ESRS 2 SBM-2 Interests and views of stakeholders

The interests and views of CO Group's consumers and end-users arise from their direct contractual relationship with the Company and relate to the quality, reliability and transparency of insurance products and services throughout the entire life cycle of the contract. Consumers' key expectations include clear and understandable information on insurance terms and conditions, fair and efficient claim settlement, accessible customer support, personal data protection and affordability of insurance coverage in relation to the perceived risk.

The Company collects information on the consumers' interests and views primarily through regular client satisfaction surveys, analysis of complaints, enquiries and feedback received through the call centre, digital channels and the business network, as well as through monitoring the customer experience at key client touchpoints. These mechanisms make it possible to identify areas where there is a risk of consumers' insufficient understanding of the product, misalignment of expectations or dissatisfaction.

The collected insights are used to improve product design, adapt insurance terms and conditions, enhance communication with clients and strengthen consumer protection measures, including the prevention of mis-selling and the ensuring of compliance with regulatory requirements. Particular attention is given to the availability of information and support for consumers with limited financial means or digital access, as well as for clients who are more exposed to specific risks.

By taking into account the interests and views of consumers and end-users, CO Group seeks to ensure a high level of trust, long-term client relationships and the stability of its business model, while at the same time reducing the social and reputational risks associated with the provision of insurance services¹³⁴, which is achieved by incorporating the interests of consumers and end-users into policy setting through mechanisms for receiving and resolving grievances and complaints, as well as through monitoring regulatory requirements and best practices in this area.¹³⁵

ESRS 2 SBM-3 Material impacts, risks, and opportunities, and their interaction with strategy and business model

The business strategy includes the development of products and services integrating sustainability elements and digitalisation, thus satisfying the consumers' expectations of increasingly sustainable options. Regular market research and client satisfaction monitoring allow the Company to understand the levels of client satisfaction, and to adjust its business processes to the clients' needs. CO Group strives to make a positive impact on improving

¹³³ S3-5 39.

¹³⁴ S4 SBM-2 8.

¹³⁵ MDR-P 65. e), S4-3 27., 26. a)

the safety level in the community through initiatives promoting more responsible client behaviours, such as the LaqoPrevent mobile app, which promotes responsible driving behaviour that results in fewer traffic accidents. The table below shows the identified impacts and risks in the segment of consumers and end-users:

| Topic | Sustainability matters and related impacts, risks and opportunities | Potential or actual impact/risk/opportunity |
|-----------------------------------|--|--|
| S4 Consumers and end-users | Impacts related to client information | |
| | User data privacy and security risks | Potential negative impact |
| | Personal safety of clients | |
| | Economic stability and client resilience | Actual positive impact |
| | Social inclusion of clients | |
| | Irresponsible marketing | Risk |

Potential impacts on CO Group consumers and end-users arise from CO Group's very business model, which is based on providing insurance services that endow its clients with financial protection from various risks. This approach creates a positive impact by contributing to the financial security of consumers and the stability of economy.

On the other hand, CO Group collects and processes a large amount of sensitive personal data in its daily operations (including clients' health and financial data), which can lead to a potential negative impact in the event of improper use of data. Possible inadequate data protection or abuse of information could expose consumers to risks. For this reason, privacy protection and data security are important aspects of CO Group's business operations. CO Group's business model also entails a risk of irresponsible marketing, which may arise from the complexity of insurance products or lack of understanding of contractual obligations. Clients depend on clear and transparent information about insurance terms and conditions, fees and coverage. Unambiguous and easy-to-understand contractual terms and conditions, manuals and digital tools are the key to avoiding potentially harmful misunderstandings in the use of insurance services.¹³⁶

The Company provides insurance products and services to a wide range of consumers and end-users, including individuals, younger and older population, families, companies and public institutions. Given the nature of insurance products, there are no adverse impacts on the consumers and their health.¹³⁷

Vulnerable groups include senior citizens, persons with low financial literacy, children (insurance of minors) and financially disadvantaged individuals who can have limited access to insurance protection.¹³⁸

Material negative impacts

i. Widespread or systemic impacts

A potential negative impact related to the Company concerns the protection of insured persons' personal information. Regulatory requirements and standards in the insurance sector strictly define how data is processed, and potential omissions can result in violations of privacy or regulatory sanctions.

ii. Impacts related to individual incidents or a specific business relationship

Negative impacts may occur through individual cases of excessive processing of data, or systemic negative impacts may occur in the case of a malicious cyber breach, as described in more detail under topical standard ESRS G1.¹³⁹

Positive impacts of the business

The Company contributes to the financial security of the citizens and companies through its offer of services and products, thus improving the community's economic resilience. Specifically¹⁴⁰:

- Insurance coverage of insurance products reduces the financial consequences of various risks and adverse events

¹³⁶ S4 SBM-3 9. a) i., b)

¹³⁷ S4 SBM-3 10. a) i., 11.

¹³⁸ S4 SBM-3 10. a)

¹³⁹ S4 SBM-3 10. b)

¹⁴⁰ S4 SBM-3 10. c)

- Digital innovation in insurance, including apps that allow for faster resolution of claims and better understanding of insurance products facilitates access to insurance and contribute to a better user experience
- Activities aimed at strengthening clients' financial literacy result in better information and more responsible risk management.

In this way, the Company's operations have a positive effect on its end-users, contributing to their long-term security and stability.

Material risks for the business

In the Double Materiality Assessment process, CO Group identified a material risk arising from short-term impacts and dependencies on consumers and/or end-users: irresponsible marketing practices.

Given that Croatia osiguranje runs sales campaigns for its insurance products several times a year, an increased risk of distorting competition is present on account of the Company's market share and market leader position. To manage this risk responsibly, the Company has adopted the Code of Conduct of Croatia osiguranje d.d. in the implementation of competition rules, which, among other things, prohibits dumping and aggressive sales techniques that can mislead consumers about the actual value and price of insurance products. The primary objective of competition protection is to create a higher consumer protection standard, and to create a level playing field for all entrepreneurs in the market. In every sales campaign and every instance of communication with the market and clients, the Compliance Sector ensures compliance with competition rules.

In the Double Materiality Assessment process, CO Group identified no material risks arising from impacts and dependencies on consumers and/or end-users that would concern specific consumer and/or end-user groups (such as certain age groups) rather than all consumers and/or end-users collectively.¹⁴¹

S4-1 Policies related to consumers and end-users

Policies related to consumers and/or end-users described under this topical standard relate to the Company, and include all its consumers and end-users. At CO Group level, companies implement policies in accordance with applicable local laws. The Company has adopted a number of rulebooks and policies regulating the rights, obligations and protective mechanisms relating to consumers and end-users in order to minimize the potential negative impacts affecting them. The Company has not adopted dedicated policies addressing end-users specifically in regard to ensuring economic stability and resilience, but it has adopted a number of policies partially covering the management of identified material positive impacts on consumers and end-users.

Managing the potential negative impact relating to data privacy is regulated by the Policy on the System for Managing Personal Data and Protecting the Privacy of Individuals, by which the Company lays down its strategy for managing the personal data of natural persons, and the rights of the individuals whose personal data is being processed. Personal data protection refers to the Company's obligation to ensure lawful, fair, transparent, limited and accurate processing of personal data in a way that achieves integrity, confidentiality and accessibility of personal data. In 2025, the Company also adopted the Rules on the Secure Development and Use of ML and AI Technologies, which also include measures for the protection of personal data in the development and use of these technologies. Croatia osiguranje Rulebook on Handling Grievances and Complaints Filed by Interested Persons is one of the key rulebooks dealing with mechanisms for raising concerns. The Rulebook defines the procedure for filing grievances and complaints and the process of issuing decisions in that regard, along with the oversight of the implementation of the Rulebook. The Rulebook applies to insured persons, policyholders, beneficiaries of insurance contracts and other interested persons, including all independent insurance distribution channels (internal sales network, web, LAQO and the Company's other digital platforms) as well as credit intermediation channels.

The Company also adopted the Rulebook on Brand Management, Marketing Communication and Promotion, which regulates the brand management and commercial and direct communication processes. Commercial communication includes external communication with clients and key stakeholders by means of advertising and PR activities using traditional and digital channels while respecting the principles of lawfulness, truthfulness, transparency and social and professional responsibility. Additionally, the Insurance Distribution Strategy Policy regulates the process and relationships between process participants in the distribution of insurance products,

¹⁴¹ S4 SBM-3 10. d), 12.

and it also regulates how distribution channels are chosen with care, having in mind the characteristics of the product and its target market. The Company also adopted a Product Oversight and Governance Policy (POG Policy). This Policy ensures that the following criteria are taken into account when designing products:

- The product takes into account the clients' goals, interests and characteristics, including sustainability goals
- The product has no negative impact on the clients
- The product prevents or mitigates damage to clients

Proper management of conflicts of interest is supported. The Company's Compliance Sector performs the alignment and internal control of all aspects of the Company's operations and of all products before they are placed in the market. In cooperation with the Product Development and Underwriting Sector, the Compliance Sector ensures the transparency and the truthfulness of product descriptions and contractual terms and conditions, and takes part in product marketing.¹⁴²

The Company's Management Board is responsible for the establishment of the insurance distribution strategy and the product approval process. Organisational units responsible for the distribution of insurance to retail clients, SME clients and corporate clients, and for the management of the distribution channels are in charge of the Strategy's implementation. Meanwhile, the Function for the Monitoring and Control of Insurance Distribution ensures proper implementation of the approved Strategy, controls the implementation of monitoring for the Strategy at least once a year, and delivers a report about the findings of this control to the Company's Management Board. The control in question includes making appropriate checks and taking appropriate actions to ensure that the employees and distributors meet the high ethical standards and integrity, which happens as soon as they are hired or as soon as business cooperation is established, and continues throughout their entire employment/engagement, as well as the remuneration strategy, taking into account fair treatment of clients. The organisational unit responsible for product development and underwriting is in charge of implementing the POG Policy.¹⁴³

The Company's procedures in the area of consumer and end-user protection are designed and implemented within the framework of a strictly defined regulatory framework for insurance. As part of that framework, all of the Company's products are subject to the regulatory supervision of the Croatian Financial Services Supervisory Agency (HANFA) and are aligned with the applicable legislation, secondary legislation and guidelines of the European Insurance and Occupational Pensions Authority (EIOPA). This regulatory framework constitutes a key mechanism for preventing and mitigating potential negative impacts on consumers, particularly with regard to product transparency, the appropriateness of distribution and the protection of clients' rights.¹⁴⁴

At this time, the Company has not formally aligned its rulebooks relating to consumers' and end-users' human rights protection with the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. However, the Company complies with the national regulatory requirements that include the protection of consumers and end-users in its operations, and continually keeps track of the development of European and international legislative framework to ensure alignment with the best practices. The Company ensures transparency in its operations, protection of consumers' personal information and fair contractual terms and conditions for its services in compliance with the national legislation.¹⁴⁵ The Company provides consumers with mechanisms for filing complaints and complies with the relevant consumer protection and competition laws.¹⁴⁶

No human rights incidents or cases of non-compliance with the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that would involve consumers and/or end-users further down in the value chain occurred in 2025.¹⁴⁷

¹⁴² MDR-P 65. a), b), c)

¹⁴³ MDR-P 65. c)

¹⁴⁴ MDR-P 65. d)

¹⁴⁵ S4-1 16. a)

¹⁴⁶ S4-1 16. c), 17.a)

¹⁴⁷ S4-1 17. b), c)

S4-2 Processes for engaging with consumers and end-users about impacts

The Company tracks and measures clients' satisfaction with its products and services in connection with distribution, claims handling, policy changes, communication, and more. The results of these procedures are used to manage material impacts and risks:

- Clients' economic stability and resilience: through the use of methods such as NPS, analysis of complaints and customer journey mapping, the Company identifies clients' needs and challenges and develops products that correspond to their financial means, level of knowledge and risk tolerance. In this way, the risk of the sale of unsuitable products is reduced and the financial resilience of households and companies is strengthened.
- Irresponsible marketing: the results of research (e.g. UX analysis, focus groups, workshops with distributors) are used to verify the clarity and transparency of communication with clients, thereby ensuring that product information is clear, comparable and tailored to the target group. In this way, the risk of misleading or inappropriate marketing practices is reduced.
- Privacy and security risks relating to user data: in all research activities and surveys, the Company ensures that data is collected and processed in accordance with the GDPR and internal data protection rulebooks, thereby reducing the risk of privacy breaches and loss of clients' trust.

The organizational unit responsible for market research presents the results quarterly, or more frequently if necessary, to the relevant departments (product development, risk management and marketing). On the basis of these results, the Company adapts its products, distribution and communication, thereby ensuring that procedures relating to consumers are aligned with their rights, needs and long-term interests.¹⁴⁸

The Company has the Croatia osiguranje Rulebook on Handling Grievances and Complaints Filed by Interested Persons, an integral part of which is the Procedure on the Company's Handling of Enquiries, Grievances and Complaints from insured persons, policyholders, beneficiaries under insurance contracts and other interested persons. The submission of grievances and complaints is possible in several ways: in person at a branch office, by post, by e-mail, by telephone via the contact centre and website, as well as through social media.¹⁴⁹ In this way, insight is also gained into the views of insured persons, policyholders, beneficiaries under insurance contracts and other interested persons. A written response to grievances and complaints is provided no later than 15 days from the date of receipt of the grievance or complaint and, in exceptional cases, where a response cannot be provided within that period, the client is informed that additional time is required for verification and/or additional documentation in order to provide a complete response to the grievance or complaint.¹⁵⁰ The Rulebook applies to all natural and legal persons that have rights and obligations under an insurance contract, users of insurance and/or reinsurance distribution services, injured parties in the process of claims handling and parties intending to conclude an insurance contract. It also includes representatives of consumer groups and consumer protection associations. The Rulebook does not apply to entities that do not fall within the categories set out in the Rulebook or in cases where competence for resolving the grievance or complaint lies with another body.¹⁵¹ The organizational unit competent for managing grievances and complaints is the organizational unit competent for customer support. The director of the organizational unit responsible for customer support adopts amendments to the Procedure depending on changes in the relevant legislation and the Company's business processes. In addition, the management of grievances and complaints is subject to the supervision of HANFA and the Croatian National Bank (CNB), and the Company submits a semi-annual report on grievances and complaints, which, in addition to the number of grievances and complaints, also includes the reasons for grievances and complaints according to a predefined categorization. In other countries in which CO Group companies operate, these processes are managed in accordance with locally applicable laws.¹⁵²

¹⁴⁸ S4-2 20., 21., 22., ESRS 2 MDR-T 81. b) i.

¹⁴⁹ S4-1 16. b), S4-3 23., 27., S4-4 32. c), MDR-P 65.

¹⁵⁰ S4-1 15., AR 10., S4-3 AR 24.

¹⁵¹ S4-1 15. S4-3 25. a), c)

¹⁵² S4-4 34.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In relation to the identified potential negative impact associated with privacy and security risks relating to user data, the Company has established procedures for the receipt, handling and remediation of grievances and complaints from consumers and end-users, including those relating to the processing of personal data, the confidentiality of information and information security.

The Company maintains an electronic register of the received grievances and complaints, where documentation is stored on a durable medium for three years after the Company's receipt of the grievance and complaint. In addition, the Company supervises and analyses the internal audit reports and takes action to remediate the identified irregularities, taking into consideration the recommendations it has received regarding their remediation. In this process, the Company analyses the causes of individual grievances and complaints and identifies the primary cause that all types of grievances and complaints have in common, where such a cause can be identified. It is the duty of the Company's Management Board to consider if the identified causes can impact other processes or insurance products, including those to which the grievances and complaints do not directly refer, and to take the appropriate actions to eliminate, limit and prevent the causes of the grievances and complaints from occurring. In the case of complaints related to privacy or data security, appropriate corrective procedures are initiated in cooperation with the competent organizational units, including the information security and compliance functions, in order to prevent the recurrence of similar incidents.

In addition to these channels established by the Company, third-party mechanisms are also available to the clients. Interested persons also have the option to petition the regulator (HANFA) in connection with actions taken by insurance companies. HANFA handles each received petition by checking the statements made in the petition and, where relevant, requesting relevant documentation and a statement from the company to which the petition refers, and it delivers its response to the petitioner within 30 days of receiving the petition. The Croatian Insurance Bureau handles the out-of-court resolution of disputes between insured persons/policyholders/consumers and insurance companies/insurance service suppliers.

In addition, the Mediation Centre with the Croatian Insurance Bureau provides the service of mediation in disputes relating to insurance and claims handling relations as per the insurance contract and the law, with regard to the rights of injured parties, insured persons or insurance companies, and is validated as the body for alternative consumer dispute resolution. This method for out-of-court resolution of disputes is financially more affordable for the clients, having in mind that the cost of mediation is borne by the insurance company that initiated the mediation procedure or agreed to have the mediation procedure conducted, whereas the administrative costs of the mediation procedure are borne by the Croatian Insurance Bureau.¹⁵³

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Measures related to significant impacts on consumers and end-users

With regard to the identified potential negative impact associated with privacy and security risks relating to user data, the Company continually works on improving and modernising the business processes that involve the collection and processing of personal data, in accordance with the actions required by member states' supervisory bodies and the guidelines issued by the European Data Protection Board. The Company keeps an up-to-date record of personal data processing activities and regularly supervises the data processors with respect to implementation of technical and organisational protection measures. An Information Security Management System (ISMS) has been established at the Company level; more information on it is provided under topical standard ESRS G1. These measures are aimed at preventing breaches of privacy, unauthorized access to data and potential adverse consequences for clients.¹⁵⁴

In order to achieve a genuine positive impact related to the clients' economic stability and resilience and reduce the risk of irresponsible marketing, the Company applies a systematic approach to the development and distribution of insurance products, with an emphasis on their appropriateness regarding the needs, interests and characteristics of the target market. The Company defines the characteristics of the distribution channels and

¹⁵³ MDR-T 81. b) i, S4-3 25. b), d)

¹⁵⁴ S4-4 31. a), 34.

the criteria for choosing appropriate distributors, and continually monitors the quality of distribution. This ensures that insurance products contribute to clients' financial security and to the reduction of their financial risks. In addition, in order to best protect its clients and their interests, the Company defines management and prevention of conflicts of interest in all phases of its dealings with clients.¹⁵⁵

The Company contractually obligates the insurance distributors to properly and transparently present the products to clients and to hand over to them all relevant pre-contractual documentation. Application mechanisms for identifying the clients' requirements and needs are applied before contract conclusion, in accordance with the Insurance Distribution Directive (IDD). These measures contribute to the protection of clients' personal security, the reduction of the risk of products being misunderstood and the prevention of misalignment between clients' expectations and the actual scope of coverage.

The Company gathers feedback from insurance distributors to ascertain if the products are still aligned with the needs, characteristics and goals of the target market. The competent organizational unit regularly (at least once a year) reviews the quality of distribution for each distributor, and in particular reviews if the product is being distributed in accordance with the identified target market. If the Company estimates that the product could negatively impact a client, the Company takes appropriate corrective actions, such as changing the product's characteristics and insurance terms and conditions, changing the target market, changing the distribution strategy, withdrawing the products from the market, etc.¹⁵⁶

At the CO Group level, no significant actual negative impacts related to consumers and/or end-users have been identified, and no serious issues or cases related to human rights violations have been reported in this context.¹⁵⁷

The Company ensures appropriate human and financial resources for the management of impacts relating to consumers and end-users. These resources include budgets and professional teams in organizational units responsible for product development and underwriting, compliance, marketing and corporate communications, as well as sales channel development and analytical sales support. The Company also invests in external service providers for the purposes of monitoring and analysis of consumer data, which allows for better understanding of their needs and expectations.¹⁵⁸

Measures related to managing significant risks associated with consumers and end-users¹⁵⁹

In relation to the identified risk of irresponsible marketing, the Company has established internal controls that include the mandatory review of all marketing communication and promotional materials relating to an insurance product, first by the Product Development and Underwriting Sector and then by the Compliance Sector. The purpose of these measures is to ensure that the information communicated to clients is clear, truthful, complete and based on verifiable data, in accordance with the Consumer Protection Act and the relevant regulations.

Ensuring clear and credible information allows for better understanding of the products by the clients, reducing the mismatch of expectations and increasing the clients' satisfaction. By avoiding greenwashing, the Company maintains its reputation and avoids legal consequences while ensuring ethical advertising and respect of environmental standards.¹⁶⁰ Even though promotional materials and marketing activities are not a part of insurance contracts, the organizational unit responsible for marketing and corporate communications makes sure that the information is clear, truthful, complete and based on credible data, and that it does not contain misleading or unclear elements. Clients must be equipped to understand product covers, and in particular exclusions, to avoid a mismatch of expectations. Marketing materials are reviewed continually to ensure clear and credible information, including regular updates depending on the changes in the products and the legislation, along with efforts to ensure compliance with the Advertising Code.¹⁶¹

The effectiveness of the measures for managing significant risks and risks connected with consumers and end-users is monitored through regular processes of the competent organizational units, the marketing and corporate communications sector, the product development sector and the sales channel development and analytical sales support sector, as well as through annual internal control system reports, both at the individual sector level and

¹⁵⁵ S4-4- 31. c)

¹⁵⁶ S4-4 32. a), 31. d)

¹⁵⁷ S4-4 35.

¹⁵⁸ S4-4 37.

¹⁵⁹ S4-4 33. a)

¹⁶⁰ MDR-A 68. a)

¹⁶¹ MDR-A 68. c)

in the report of the Internal Control Committee. The results of these processes are used to improve existing measures and to ensure a timely response to identified risks or changes in clients' needs.¹⁶²

The area of implementation of the key measures includes all marketing communications and promotional materials related to insurance products. Affected stakeholder groups include clients, potential clients, employees in the marketing and corporate communications sector and regulatory authorities. The geographic features of the implementation of these measures concern all markets where the Company operates, with special focus on compliance with the local legal provisions.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

No targets relating to consumers and/or end-users have been defined at the CO Group level. However, activities aimed at better understanding the specific needs and expectations of consumers and end-users are implemented continually at CO Group level. This process includes gathering and analysing data, and consulting with the relevant internal stakeholders to ensure that the defined targets are realistic, measurable and aligned with the business model. Also, the defined targets will be aligned with the latest regulatory requirements and industry standards.¹⁶³

ESRS G1 Business conduct

ESRS 2 SBM-3 Material impacts, risks and opportunities

Through the double materiality assessment process, CO Group has identified actual positive impact in the segment of business conduct, particularly in the segment of supplier and business partner relations management. This positive impact is particularly evident in the upstream and downstream parts of the value chain, where CO Group has the ability to actively influence its suppliers and business partners. By promoting sustainable practices, setting clear expectations and systematically collecting relevant information, CO Group contributes to the improvement of sustainability within the value chain, as well as to strengthening transparency and the quality of reporting in accordance with regulatory requirements. In addition to the actual positive impacts, within the DMA process, two risks have been identified: risk related to compliance and risk management, and cybersecurity-related risk, which stands out as a specific risk for CO Group. Their timely recognition enables the proactive management of potential challenges and strengthens the resilience of CO Group.

| Topic | Sustainability matters and related impacts, risks and opportunities | Potential or actual impact/risk/opportunity |
|---------------------------------|--|--|
| ESRS G1 Business conduct | Management of supplier relationships, including payment practices | |
| | Supplier and partner relations management | Actual positive impact |
| | Corporate culture | |
| | Compliance and risk management | Risk |
| | Company-specific | |
| | Cybersecurity | Risk |

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

In order to ensure responsible and ethically grounded business conduct, the Company's Management Board has adopted the Code of Ethics of Croatia osiguranje, which defines fundamental principles of conduct and the expected standards in relationships within the Company and with business partners. The Code covers key issues relating to ethical business conduct, transparency, protection of confidential information and integrity in business relationships, together with clearly defined oversight mechanisms of the Ethics Committee and

¹⁶² ESRS 2 MDR-T 81. b) i., S4-4 33. b), S4-4 AR 40.

¹⁶³ S4-5 38.

procedures to be followed in the event of irregularities. It applies to all employees, regardless of their level or business function, as well as to all other persons acting on behalf of the Company.

The Company's Supervisory Board monitors the implementation of the Code and assesses its effectiveness based on reports from the Management Board, while the Management Board supervises its enforcement through reports from the Ethics Committee, the organizational unit responsible for human resources management, and authorized persons appointed in accordance with legal regulations. Reports are submitted in accordance with the Code and other internal documents of the Company, as agreed with the Supervisory Board.¹⁶⁴

In accordance with applicable legal regulations, the Company's Management Board has adopted an internal document on the appointment of a confidential person and the internal procedure for reporting irregularities. This document designates authorized persons responsible for receiving and handling complaints related to the protection of employee dignity. The document, along with the decision on the appointment of the authorized person, is available to all Company employees on the employee portal.

The Company's Management Board has also appointed an authorized person for the prevention of money laundering and terrorism financing, whose powers and responsibilities are prescribed by an internal document. The Company continuously monitors developments in the field of money laundering and terrorism financing prevention, works on improving its internal system and takes appropriate measures to enhance its effectiveness in proportion to the size, type, scope and complexity of the Company's operations. The Company's Management Board has adopted an annual professional training and education program aimed at raising awareness of the importance of implementing measures for the prevention of money laundering and terrorism financing through the Company's e-learning platform.

Additionally, the Company's Management Board has adopted an internal document on the internal control system, with the approval of the Supervisory Board. This document defines the principles, roles and responsibilities of key participants in the internal control system, with an emphasis on control and key functions (key functions here include the risk management function, the actuarial function and the compliance function) and internal audit as the third internal control level. The internal control system includes internal monitoring mechanisms established within the Company to oversee, among other things, compliance with legal regulations and internal documents. A reporting system to the Management Board and the Supervisory Board has also been established, ensuring access to reliable and relevant information necessary for decision-making.¹⁶⁵

The Company adopted the Fit and Proper Policy, which regulates the Company's conduct in the appointment of Management Board members, Supervisory Board members and holders of key functions, as well as the guidelines for continuous verification that the nominated holders of those positions meet the requirements of expertise and fitness for their positions.¹⁶⁶ The Fit and Proper assessment of candidates for key functions is primarily based on documents that confirm the completion of education, professional training, certifications of specific skills, regulatory authorizations, etc. Individuals managing the Company and holders of key functions must have a suitable reputation, uphold high ethical standards and must not have a criminal or financial history that could jeopardize the Company's operations or reputation, or lead to conflicts of interest. When assessing a candidate's suitability, the Company considers the following:

- Is the candidate a defendant in criminal proceedings?
- Has the candidate been convicted by a final judgment of a criminal offense?
- Has a relevant authority previously rejected the candidate's application?
- Is there an ongoing process for revoking or restricting a professional license to work in financial institutions?
- Is the candidate subject to ongoing proceedings for a serious misdemeanour or criminal violation related to actions within a financial institution?
- Has the candidate served as a member of a management or supervisory body of a legal entity that has entered bankruptcy or pre-bankruptcy proceedings?
- Has the candidate been subject to personal bankruptcy proceedings?

¹⁶⁴ G1-1 7., MDR-P 65. a), b), f)

¹⁶⁵ G1 ESRS 2 GOV-1 5. a)

¹⁶⁶ G1 ESRS 2 GOV-1 5. b)

- Are there circumstances indicating that the candidate's financial instability may affect their good reputation?

The Company has adopted a Conflict-of-Interest Management Policy, which defines the fundamental principles for avoiding and managing conflicts of interest among employees and members of the Management Board. The Policy is aligned with the Corporate Governance Code and the Ordinance on Requirements for Performing the Function of Management and Supervisory Board Member, Authorized Signatory and Authorized Representative of a Branch of an Insurance or Reinsurance Undertaking. All employees of the Company undergo annual conflict of interest management training via the e-learning platform.

The Company's Management Board and the Supervisory Board have ensured the conditions for responsible and ethically grounded business conduct, based on core corporate values, legal compliance and integrity.

G1-1 Business conduct policies and corporate culture

The Code of Ethics represents the overarching policy on business conduct and corporate culture, which is applied in all countries where CO Group's subsidiaries operate. Specific business conduct policies described in this topical standard apply to the Company, while at CO Group level, individual entities implement separate policies in compliance with applicable local laws. The policies described in this disclosure requirement are not at present aligned with the United Nations Convention against Corruption, and the Company plans to align them in the medium term.

The Company's Code of Ethics establishes the obligation to report any breach or potential breach of the Code, including cases of bribery and corruption, with protection of rights of the reported persons and data confidentiality. In case of ethical dilemmas, employees may consult their line manager or a designated contact person within the Company. Additionally, guidance and/or advice may be sought from the Human Resources Department or Legal Department. If none of the aforementioned channels are deemed appropriate for a particular situation, employees may directly contact the Ethics Committee, which periodically reviews cases without disclosing personal data and reports to the Management Board on ethical proceedings initiated against individuals who have violated the Code. The Ethics Committee monitors ethics training, conducts ethics proceedings, supports the implementation of the Code and prepares reports for the Management Board.

In order to strengthen corporate culture and awareness of ethical business conduct, training on the Code of Ethics, including a knowledge assessment, is available to employees through the e-learning platform. The Company's competent organizational units continuously review the entire content of the training materials. The training of insurance distributors, carried out in accordance with the Rulebook on Training for IDD Employees, is the responsibility of the Department for Sales Channel Development and Improvement. This training program for distributors includes a mandatory module on business conduct, among other professional topics.¹⁶⁷

G1-2 – Management of relationships with suppliers

The Company has not established a separate policy for preventing late payments; however, through its processes, which are aligned with relevant legislation and regulated by internal documents, it ensures timely payments to all suppliers. In accordance with the Company's General Terms and Conditions for the Supply of Goods and Services, the Company settles invoices issued by suppliers within 60 days from the date of goods delivery or service execution. Payment terms are defined as an integral part of each contract, with specific payment deadlines individually agreed upon depending on types of goods and services. The Company does not apply separate payment practices for small and medium-sized enterprises; instead, in line with its Code of Ethics, it ensures timely payments to all suppliers, fostering a responsible and transparent business relationship based on trust and sustainability. Additional control over timely payments is ensured through process automation in the DMS system, where a signalling mechanism (traffic light system) is activated based on due dates. The system also sends notifications to users as reminders for invoices that are due or overdue.¹⁶⁸

¹⁶⁷ G1-1 10. g)

¹⁶⁸ G1-2 14.

The Company has integrated sustainability principles into its General Terms and Conditions for the Supply of Goods and Services, which were updated during 2025 in the part relating to the Supplier Code of Conduct through a more detailed elaboration of suppliers' obligations with regard to sustainability. By accepting the Code, suppliers undertake to adhere to socially responsible conduct, including the protection of human and labour rights, the prevention of discrimination, the prohibition of forced labour and child labour, environmental protection and the fight against corruption. Violations of these principles may result in contract termination or other sanctions in accordance with the contractual provisions and applicable laws.¹⁶⁹ Suppliers accept the General Terms and Conditions for the Supply of Goods and Services upon registration in the e-Supply system, which is a prerequisite for participating in tenders. These terms and conditions form an integral part of all contracts and purchase orders. Procurement contracts include clauses regulating the control of subcontractors. The Company monitors the engagement or replacement of subcontractors and requires suppliers to ensure adequate oversight and accountability for the operations of their subcontractors.

In 2025, an internal desk research analysis was carried out on a sample of strategic and other significant suppliers, with a focus on compliance with the obligations under the Supplier Code of Conduct and the most important sustainability matters, including labour and human rights, environmental protection, climate indicators and anti-corruption. In this way, the Company laid the foundations for future, more detailed monitoring and evaluation of suppliers in sustainability matters. Selected suppliers were analysed on the basis of publicly available sustainability information and, where an elevated risk is identified in relation to a supplier, the necessary measures will be considered. The Company plans to monitor the compliance of significant suppliers on an annual basis and to assess the risk level of significant suppliers based on their business sector, geographical location and publicly available indications of breaches of the obligations under the Code.

In line with the Code of Ethics, the Company ensures that suppliers are always familiar with its corporate procedures that define the business relationship. Additionally, the Company supports suppliers in meeting expectations while avoiding excessive dependence on the Company. The Company ensures the protection of confidential data, both supplier-related and its own, and strictly adheres to provisions for preventing conflicts of interest.

G1-6 – Payment practices

All invoices from the Company's suppliers are paid upon maturity, subject to prior approval by the certifier in the system, and the same conditions apply to all suppliers, including small and medium-sized enterprises. This applies to payments to suppliers and does not cover insurance claims payments.

The average time required to settle an invoice from the start of the contractual or statutory payment term is nine days. Since some suppliers submit invoices that are already due, for calculation purposes the average number of days elapsed between the date of receipt of the invoice and the invoice due date is used.

During contract negotiations, standard payment terms are agreed upon, and all payments are executed in accordance with the contractual terms set at the individual contract level, applying equally to all suppliers, including small and medium-sized enterprises. Currently, there are no ongoing legal proceedings related to delayed payments.¹⁷⁰

Company-specific – Cybersecurity

In the double materiality assessment process, the Company identified cybersecurity as a specific matter of importance to its business. Cyber incidents may have a significant impact on business continuity, the protection of personal and confidential data, the Company's financial stability and the trust of clients and other key stakeholders. Given the high degree of digitalisation of business processes and the regulatory requirements applicable to the financial sector, cybersecurity represents one of the Company's key operational and governance matters.

¹⁶⁹ G1-2 15. a), b)

¹⁷⁰ G1-6 33. a), b), c)

Modern information technologies bring numerous advantages to CO Group and its clients, contributing to the optimization of business processes and operational costs, enabling efficient quality management and significantly supporting the achievement of strategic goals and business improvement for the benefit of clients. However, information systems based on digital technologies are exposed daily to various ICT (information and communications technology) risks and attacks by malicious actors who are becoming increasingly skilled in exploiting weaknesses in information and communication technologies.

To proactively address these threats and ICT risks, the Company has established an Information Security Management System (ISMS) in accordance with the best global security practices from the ISO/IEC 27000 standards group, based on information systems risk management. ISMS is a part of governance system that ensures business continuity and relies heavily on established security measures intended for protection of information and other business resources. The Company's Information Security Policy defines the rules, roles and responsibilities for managing information security within the Company.

In 2021, Croatia osiguranje d.d. became the first insurance company in Croatia to obtain certification for its Information Security Management System under the international ISO/IEC 27001:2013 standard, demonstrating its commitment to security and the implementation of protection measures to maintain a high level of business security. Through continuous improvements, in 2025, the Company successfully conducted a surveillance audit in accordance with the ISO/IEC 27001:2022, ensuring compliance with the latest information security management standards. Following a successful surveillance audit aligned with the new standard and a positive evaluation by the certification body, it can be concluded that the ISMS is effectively implemented, regularly maintained and continuously improved. Holding the ISO/IEC 27001:2022 certification contributes to compliance with legal and regulatory requirements and strengthens the confidence of clients and business partners in the protection of the Company's information assets.

The Company initiated the implementation of a Business Continuity Management System (BCMS) in accordance with the requirements of ISO 22301. During the year, key preparatory activities were carried out, including an analysis of the current state, the optimisation of business processes and the preparation and alignment of the necessary documentation. At the end of 2025, the system was at a high level of maturity and readiness for the certification process, which will significantly improve the Company's preparedness to manage crisis situations and ensure business continuity.

In line with the digitalisation of business operations and process optimisation through the use of machine learning (ML) and artificial intelligence (AI), in 2025 the Company adopted the Rules on the Secure Development and Use of ML and AI Technologies, which lay down rules for the secure, ethical and effective use of ML and AI technologies within the Company, in accordance with the relevant regulations and standards. This internal act is aligned with the Artificial Intelligence Act (Regulation (EU) 2024/1689). Among other things, the Rules cover the identification and assessment of ICT risks in the development and use of ML or AI technologies, the implementation of security measures, monitoring and improvements and personal data protection. The Rules further define roles and responsibilities in the related processes and prescribe employee training on the proper use of ML and AI technologies, as well as on potential risks and ways of mitigating them.¹⁷¹

In 2025, the Company acquired specialised software for third-party risk management, which will improve the assessment, monitoring and management of risks related to external suppliers and partners.

Additionally, the Company has implemented continuous (24/7) monitoring of security events via the security monitoring and incident management system that enables timely detection of potential threats and prompt response to incidents that could negatively impact business operations. The Security Operations Centre (SOC) services are continuously improved through the development of professional competences, processes and technical tools, contributing to increased resilience of the Company's information system.

In 2025, the implementation of the Business Impact Analysis (BIA) was initiated for critical ICT services (information and communications technology) supporting key or important processes, along with an ICT risk assessment regarding these services. Based on the assessment of identified ICT risks above the acceptable level, a Risk Treatment Plan will be prepared, the implementation of which will be defined in cooperation between the

¹⁷¹ MDR-P 65. a), d)

IT Sector and the Security Department. Conducting the Business Impact Analysis provides the Company with essential insights for defining a business continuity strategy in the event of critical incidents or disruptions.

Additionally, information security incident management processes have been enhanced, and implementation activities have been initiated for the penetration testing of important ICT services. In 2025, the vulnerability assessment system was optimized, enhancing the quality and frequency of vulnerability identification within the Company's information system. This provides a more accurate view of newly discovered ICT risks both within the internal and external perimeters of the Company's IT network and services. Alongside regular implementation of security measures, testing and controls, the Company develops and updates educational materials, ensuring that all information system users receive regular information security training. While no organization can ever be entirely immune to all ICT risks and cyber threats, the Company is confident that the level of protection of information systems and data is appropriate for the complexity of business operations and regulatory requirements, ensuring top-tier insurance services for clients while maintaining a high level of data security.

In January 2025, the Digital Operational Resilience Act (DORA) came into force; it is a key European Union regulation which aims to strengthen the resilience of financial institutions against operational risks, with special emphasis on ICT risks. As an entity subject to DORA, the Company conducted a GAP analysis in 2024 and developed a compliance plan, implementing advanced systems and processes to enhance cybersecurity resilience, and ensuring greater security for clients' data while strengthening trust in the Company's services.

The Company's main areas of compliance with the DORA regulation include:

- ICT risk management: Establishing strict procedures for managing information and communications technologies
- Resilience testing: Conducting regular tests to ensure resilience against technological threats
- Data protection: Ensuring high security standards for data protection and risk management
- Third-party monitoring: Ensuring that IT service providers comply with regulatory requirements to mitigate risks from external providers.

The Company implements a wide range of measures to maintain a high level of information security. As part of this approach, it has adopted the Master Security Policy, a fundamental document through which the Company's Management Board highlights the strategic importance of security within all business operations. The Security Policy defines responsibilities and security system components, providing essential guidelines for implementing security measures within the Company's business framework. The ISMS applies to the Company, while affiliated companies are not covered by this information security management system.¹⁷²

The Company's Management Board assigns clear roles and responsibilities related to security and approves the introduction and improvement of security management processes. The Security Organizational Unit is responsible for planning, monitoring and overseeing the implementation of security policies, measures and regulations relevant to security, while the IT Organizational Unit is responsible for planning, implementing and executing ICT protection and security measures. All organizational units of the Company are responsible for implementing prescribed security measures within their respective business areas. Each user of the Company's information system is required to familiarize themselves with the rules defined by the Policy and actively apply the prescribed security measures within their scope of responsibilities. The Information Security Policy is aligned with ISO/IEC 27001:2022 standard.¹⁷³

The interests of key stakeholders are considered through the adoption of best practices and the implementation of advanced ICT solutions, ensuring compliance with regulatory requirements and stakeholder expectations. Information relevant to employees regarding information security is available to all employees on the Company's intranet. Through the e-learning platform, employees undergo training on safe handling of the Company's information system and raising awareness on information security, which is crucial in reducing security risks, preventing unauthorized access and protecting confidential data, thereby ensuring business security and regulatory compliance.¹⁷⁴ The Company's official website provides detailed instructions and contact information

¹⁷² MDR-P 65. a), b), MDR-T 80. c)

¹⁷³ MDR-P 65. c), d)

¹⁷⁴ MDR-P 65. e), f)

CROATIA osiguranje d.d.

Management Report for 2025

for submitting complaints and/or grievances related to data security and/or confidential information. Additionally, the Company's official website displays a dedicated telephone number and email address for submitting complaints and/or grievances regarding data protection. In implementing security measures, controls and ISMS-related activities, the Security Department and the IT Sector utilize allocated resources.¹⁷⁵

Subsidiaries in Croatia independently manage information security within their organizations while utilizing ICT services provided by the parent company. Conversely, subsidiaries outside Croatia rely on their own IT infrastructure and engage internal experts and/or external partners to manage information security.

In CO Group companies in North Macedonia, the security threat monitoring system is defined by an internal document titled the "Procedure for Monitoring Security Alerts and Threats." The Information Technology (IT) Sector is responsible for managing information security within the organization, with technical assistance from a subcontractor responsible for the IPS security solution. The primary security responsibility lies with the System Administrator of the IT sector, who ensures the implementation of security measures and oversees system protection.

The Information Security Management System (ISMS) at Milenijum osiguranje (MIOS) is defined by internal documents, including: Information Security Strategy, Information Security Policy, Business Impact Analysis (BIA), Business Continuity Plan (BCP) and the Information System Management Framework. MIOS has appointed an Information Security Officer (ISO) responsible for security management, coordinating with an externally engaged Chief Information Security Manager (CISM). Milenijum osiguranje holds the ISO 27001 certification.

The goal of implementing technical and organizational measures under the ISO 27001 standard is the successful maintenance of ISMS targets values and the overall security and resilience of the system.

Key measures encompass Company employees, who play a key role in enforcing security policies, maintaining ICT system resilience and ensuring business stability; clients, whose data is protected using high information security standards; business partners and suppliers; regulatory and supervisory authorities, for compliance with legal and security requirements; and visitors and external collaborators, to prevent unauthorized access to premises and systems, thus safeguarding confidential information and the Company's IT infrastructure. All implemented security measures and controls are continuously updated and executed in line with ISMS-defined measurement targets. The Company regularly reports on the execution of these security measures at specified intervals.

The key objectives of the ISMS are the following: raising employee awareness through training programs, timely monitoring and response to security incidents, and continuous management of vulnerabilities in ICT systems.

The key cybersecurity metric monitored by CO Group is a "Significant Cyber Incident." A Significant Cyber Incident is a security event that severely impacts the confidentiality, integrity or availability of the organization's information systems, data or services. Such incidents may disrupt business operations, cause significant financial damage or lead to major regulatory penalties, such as fines related to GDPR violations. The Company considers cybersecurity incident data to be a business secret and will not publicly disclose it unless required by competent authorities in accordance with the law.¹⁷⁶

¹⁷⁵ MDR-A 68 a), b), c), d), 69. a)

¹⁷⁶ ESRS 1 7.7.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of CROATIA osiguranje d.d.

We have conducted a limited assurance engagement on the Sustainability Report included in section CO Group 2025 Sustainability Statement of the Management Report for 2025 of CROATIA osiguranje d.d. (the “Company”) and its subsidiaries (the “Group”) as at 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (the “Sustainability Statement”).

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council (“ESRS”), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the “Process”) is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) within the Appendix B section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

This version of the independent limited assurance report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009–1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/en/about to learn more.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Responsibility of the Management Board of the Company

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) within the Appendix B section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Practitioner's Responsibility (continued)

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Summary of Work Performed (continued)

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
 - o performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) within the Appendix B section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Goran Končar

Director and Certified auditor

Deloitte d.o.o.

7 April 2026

Radnička cesta 80,
10 000 Zagreb,
Croatia

For signatures, please refer to the original Croatian auditor's report, which prevails.

Other


During 2025, Deloitte d.o.o. did not provided any services other than audit services. During 2024, it provided permitted educational services.

Zagreb, 7 April 2026

For and on behalf of the Company CROATIA osiguranje d.d.:



Luka Babić
Member of the Management Board



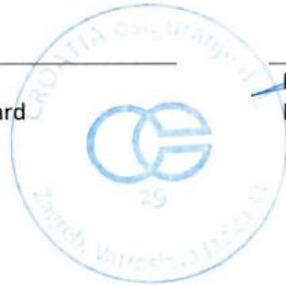
Davor Tomašković
President of the Management Board



Vesna Sanjković
Member of the Management Board



Robert Vučković
Member of the Management Board



CROATIA osiguranje d.d.
Vatroslava Jagića 33
10 000 Zagreb
Republic of Croatia

Corporate Governance Statement

CROATIA osiguranje d.d., PIN 26187994862, Vatroslava Jagića 33, Zagreb (hereinafter: the Company), applies the Corporate Governance Code, which was jointly adopted by the Croatian Financial Services Supervisory Agency (HANFA) and Zagreb Stock Exchange and is available on their web sites.

By applying the provisions of the Corporate Governance Code, Rules of the Zagreb Stock Exchange (which are available Zagreb Stock Exchange's website), the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15; 40/19, 34/22, 114/22, 18/23, 130/23, 136/24) and the Capital Market Act (Official Gazette 65/18, 17/20, 83/21, 151/22, 85/24, 126/25), the Company makes its operations and operating results transparent and accessible to the public. All explanations and possible deviations from the above rules are going to be published in the Compliance Questionnaire, in accordance with the Corporate Governance Code.

In order to take the necessary measures to achieve its business objectives, the Company has established a system of internal controls as a totality of elements: an adequate organisational structure, an implemented management system with the establishment of key and control functions, prescribed control activities for portfolio management, administrative and accounting procedures, claims handling, security and adequate information system including a reporting system at all levels of the Company.

The system of internal controls in financial reporting ensures that the Company's financial statements present its financial results and financial position with reasonable accuracy and that they comply with International Financial Reporting Standards (IFRS).

The Company's accounting policies represent the principles, rules and practices that the Company applies in preparing and presenting financial statements. The Company's accounting policies are defined by a special Rulebook. A summary of significant accounting policies is disclosed in the Company's financial statements.

The internal accounting control procedures include the control of formal, substantive and computational accuracy of an accounting document:

- Control of formal accuracy of an accounting document determines whether the document has been prepared in accordance with applicable regulations,
- Substantive control of an accounting document determines whether the business changes actually occurred and in the range as indicated,
- Control of computational accuracy of an accounting document means the control of mathematical operations (division, multiplication, addition and subtraction), based on which the results are obtained in the document.

The control of accounting documents is carried out in accordance with the Company's organizational structure and internal regulations by a person holding authorisation to do so as defined in the internal documents of the Company. The organisational chart is located on the internal network and is available to all employees.

In accordance with the provisions of the Insurance Act, the Company has formed an internal audit function at the highest organizational level which structurally reports directly to the Management Board and functionally to the Audit Committee and the Supervisory Board. Activities of the internal audit function are based on the work plans adopted by the Supervisory Board following a positive opinion of the Management Board. The internal audit function analyses and evaluates the activities of the Company and provides expert advice, recommendations and advice on controls. Internal audit assists the Company in meeting the set goals by introducing a systematic and disciplined approach to assessing and improving the effectiveness of risk management, control and corporate governance.

The Company has established a risk management function in the form of an independent organisational unit directly responsible to the Management Board. This function established a risk management system consisting of a set of internal acts, procedures and methodologies to identify, estimate or measure, control and report risks. The risk management system is regularly being improved in line with best market practices and the requirements

of external regulations. More detailed information on risk management can be found in the Notes to the financial statements.

In accordance with the Insurance Act, the Company has formed an effective compliance function which includes advising and reporting to the Management Board and Supervisory Board on Company compliance with the Insurance Act and other regulations governing the operation of an insurance company, carrying out an assessment of the possible impact of changes in the legal environment on Company operations, and determining and assessing compliance risk.

The Company has established an effective actuarial function that according to the Insurance Act coordinates calculation of technical reserves, ensures the appropriateness of methodologies and models, evaluates the adequacy and quality of data needed to evaluate technical reserves, compares the assumptions and experience, and gives its opinion to the Management Board and Supervisory Board about calculating technical reserves, insurance risk takeovers, the appropriateness of the reinsurance program and participation of actuarial function in the implementation of the Company's risk management system.

In accordance with the Insurance Act, the Company has appointed a certified actuary who verifies data, methods and underlying documents for the calculation of statutory technical provisions, and whether the statutory technical provisions and premiums are designed to enable a permanent fulfilment of all Company obligations under the insurance or reinsurance contract regarding which the actuary provides an Opinion and Report to the Management Board and Supervisory Board.

Under the Insurance Act, the Company applies internal control systems to Group companies involved in the insurance part of business, while the companies concerned apply systems of internal controls in accordance with its legal framework.

As at 31 December 2025, significant direct holders of shares in the Company are:

- ADRIS GRUPA d.d. with a share of 67.47% and
- Restructuring and Sales Centre, for the Republic of Croatia, with a share of 30.1%.

The data on the 10 largest shareholders is available on the website of the Central Depository and Clearing Company.

According to the Company's applicable Articles of Association, the limitation of voting rights of shareholders or partial restriction of voting rights does not exist.

The Company does not own treasury shares, and the General Assembly did not authorise the Company to acquire treasury shares.

The bodies of the Company are the General Assembly, the Supervisory Board and the Management Board.

General Assembly

The General Assembly of the Company consists of all shareholders of the Company.

The General Assembly of the Company, in accordance with the provisions of the Articles of Association, makes decisions by public voting at sessions, convened usually by the Management Board and the Supervisory Board only when it deemed this necessary for the benefit of the Company. The powers of the General Assembly are regulated by the Company's Articles of Association and do not deviate from the powers which General Assembly of a public limited company has under the Companies Acts. A shareholder has the right to participate and vote at the General Assembly only if he / she has registered his / her participation in writing to the Management Board no later than six days before the General Assembly.

The Company's Articles of Association may be amended at the General Assembly in accordance with the provisions of the Companies Act, and the Supervisory Board is authorized to amend the provisions of the Articles of Association based on the decision of the General Assembly to the extent of editorial changes.

Supervisory Board

The right to appoint individual members of the Supervisory Board are set out in Article 24 of the Articles of Association in favour of the Republic of Croatia and employees of the Company. In accordance with the provisions of the Articles of Association, and in connection with the provision of Article 256, paragraph 3 of the Companies Act, the Republic of Croatia has the right to directly appoint two members of the Supervisory Board, as long as it holds at least 25% of the Company's ordinary shares plus one ordinary share; however, as long as it holds at least 10% of ordinary shares of the Company, pursuant to the same statutory provisions, and in connection with the provision of Article 256 paragraph 3 of the Companies Act, the Republic of Croatia has the right to directly appoint one member of the Supervisory Board. One member of the Supervisory Board is appointed by the work council of the Company, i.e. by employees, through direct and secret elections in the manner prescribed for the election by the work council, and they are entitled to this right as long as the conditions prescribed by the Labour Act are met. The remaining 4 (four) members, ie the remaining 5 (five) members of the Supervisory Board are elected by the General Assembly of the Company.

The Supervisory Board has competencies prescribed by law and the Company's Articles of Association.

In the period from 1 January 2025 to 31 December 2025, the Supervisory Board of the Company consisted of:

- | | | |
|---|-------------------------|---|
| • | Roberto Škopac | President |
| • | Željko Lovrinčević, PhD | Member and Vice President until 20 September 2025 |
| • | Hrvoje Šimović, PhD | Member until 20 September 2025 and Vice President since 21 September 2025 |
| • | Vitomir Palinec | Member |
| • | Hrvoje Patajac | Member |
| • | Zoran Barac, PhD | Member until 11 October 2025 |
| • | Pero Kovačić | Member |
| • | Hana Zoričić | Member since 21 September 2025 |
| • | Erika Zgrablić | Member since 12 October 2025 |

During 2025, the Supervisory Board held a total of 11 meetings, and all members of the Supervisory Board attended all meetings of the Supervisory Board during 2025.

Out of a total of seven (7) members of the Supervisory Board of the Company, in the reporting period members of the Supervisory Board, independent of the Company, its affiliated companies, shareholders and members of the Management Board were the following: Hrvoje Šimović, PhD, Hana Zoričić and Željko Lovrinčević, PhD until the end of the mandate.

Members of the Company's Supervisory Board, experts in the fields of accounting and auditing of financial statements, are as follows: Mr. Vitomir Palinec, Mr. Hrvoje Patajac, Hrvoje Šimović, PhD, Hana Zoričić and Željko Lovrinčević, PhD, until the end of the mandate.

The Supervisory Board performed a self-assessment of its effectiveness, profile and composition, as well as the effectiveness and composition of its committees. The assessment was carried out by the President of the Supervisory Board without engaging an external auditor.

The Supervisory Board operates with an optimal number of seven (7) members, ensuring that its members possess the appropriate knowledge, skills, and professional experience necessary to properly perform their duties. The Supervisory Board also supports diversity in the Supervisory Board, and during 2025, two female members were appointed or elected to the Supervisory Board, fulfilling all the criteria prescribed by the Companies Act, the Insurance Act and other acts. At the same time, in the elections for employee representative on the Supervisory Board held in 2025, Matilda Mrković Kalik was elected, which will contribute to the balanced representation of women and men on the Company's Supervisory Board in 2026.

The evaluation of the Supervisory Board's committees confirmed that the composition and profile of its committees meet the needs of the Supervisory Board as well as the needs and activities of CROATIA osiguranje d.d.

The Supervisory Board formed the Audit Committee and the Nomination and Remuneration Committee.

The Audit Committee consists of three members appointed by the Supervisory Board from among its members.

In the period from 1 January 2025 to 31 December 2025, the Audit Committee consisted of:

- | | | |
|---|-------------------------|--------------------------------|
| • | Hrvoje Patajac | President |
| • | Željko Lovrinčević, PhD | Member until 20 September 2025 |
| • | Vitomir Palinec | Member |
| • | Erika Žgrablić | Member since 17 December 2025 |

In the reporting period, Željko Lovrinčević, PhD was an independent member of the Company's Audit Committee until 20 September 2025 when his mandate ended. In terms of expertise in the areas of accounting and auditing of financial statements in the reporting period the following expert members stand out: Mr. Hrvoje Patajac, Mr. Vitomir Palinec and Željko Lovrinčević, PhD until the end of his mandate.

➤ *Report on the work of the Audit Committee for the period from 1 January 2025 to 31 December 2025.*

The Audit Committee is an expert body that provides support to the Supervisory Board in terms of improving the quality of supervision that the Supervisory Board is obliged to conduct in accordance with the prescribed competencies.

The Audit Committee performs the tasks determined by the Audit Committee's Rules and Procedures, and in accordance with the provisions of the Audit Act, Regulation (EU) no. 537/2014, Code of Corporate Governance of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency and other applicable regulations. The task description of the Audit Committee is publicly available, free of charge, on the website of CROATIA osiguranje d.d.

The organization and manner of work of the Audit Committee are regulated in more detail by the Audit Committee's Rules and Procedures.

During 2025, the Audit Committee held a total of eight (8) sessions and all members of the Audit Committee attended all sessions of the Audit Committee during 2025.

At its sessions during 2025, the Audit Committee discussed the following:

- consolidated and non-consolidated financial statements for 2024;
- Report on own risk and solvency assessment for 2024;
- Report on the adequacy of the procedures and effectiveness of the internal control system for 2024;
- annual internal audit plan for 2025;
- strategic internal audit plan for 2025 - 2027;
- internal audit reports for 2024;
- actuarial function of non-life insurance reports for 2024;
- actuarial function of life insurance reports for 2024;
- report on the work of the Audit Committee for the year 2024;
- Solvency and financial condition report (SFCR) for 2024;
- Related party report for 2024;
- audit engagement and review of Sustainability report of CROATIA osiguranje d.d. for 2025 and 2026.;
- risk management strategy of the Group CROATIA osiguranje;
- the main policy of the CROATIA osiguranje Group management;
- annual risk management report for 2024;
- internal audit report for I – VI 2025;
- risk management strategy;
- work policy of the key risk management function;
- risk management policy;
- investment limits of CROATIA osiguranje d.d.
- Reports of the external auditor (Deloitte d.o.o.) on the audit plan for 2025.

The Audit Committee regularly reported to the Supervisory Board on the recommendations made at its meetings.

The Nomination and Remuneration Committee consists of three members appointed by the Supervisory Board from among its members.

In the period from 1 January 2025 to 31 December 2025, Nomination and Remuneration Committee consisted of:

- | | | |
|---|-----------------|-----------|
| • | Roberto Škopac | President |
| • | Vitomir Palinec | Member |
| • | Hrvoje Patajac | Member |

➤ *Report on the work of the Nomination and Remuneration Committee for the period from 1 January 2025 to 31 December 2025.*

The Nomination and Remuneration Committee is an expert body that provides support to the Supervisory Board in terms of improving the quality of supervision that the Supervisory Board is obliged to carry out in accordance with the prescribed competencies.

The Nomination and Remuneration Committee performs tasks determined by the Decision of the Supervisory Board on the establishment of the Nomination and Remuneration Committee and the appointment of the members of the Committee, and in accordance with the provisions of the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency applicable to the role of the Board. The task description of the Nomination and Remuneration Committee is publicly available, free of charge, on the website of CROATIA osiguranje d.d.

The Nomination and Remuneration Committee shall apply the Rules of Procedure of the Supervisory Board to the manner of work, as well as to other issues that are important for the work of the Committee.

During 2025, the Nomination and Remuneration Committee held a total of seven (7) sessions, and all members of the Nomination and Remuneration Committee attended all sessions of the Nomination and Remuneration Committee in 2025.

At its sessions during 2025, the Nomination and Receipts Committee performed the following tasks:

- Consideration of the Policy on the selection and assessment of the conditions for the performance of the duties of a member of the Supervisory Board of CROATIA osiguranje d.d.
- Consideration of the proposal of the Decision on the adoption of the Report on remuneration for 2024 and determination of the proposal of the Decision of the General Assembly on the approval of the Report on remuneration for 2024;
- Consideration of the proposal of the Decision on payment of bonuses for 2024 to the members of the Management Board of CROATIA osiguranje d.d.,
- considered the assessment of the existence of the conditions for a candidate for a member of the Supervisory Board of CROATIA osiguranje d.d. for Ms. Erika Zgrablić
- considered the proposal for a Decision on the determination of the proposal for a Decision of the General Assembly on the election of a member of the Supervisory Board of CROATIA osiguranje d.d. (Ms. Erika Zgrablić)
- considered the assessment of the existence of the conditions for a candidate for a member of the Supervisory Board of CROATIA osiguranje for Ms. Hana Zoričić
- Regular annual assessment of the existence of conditions for performing the function of a member of the Management Board for Mr. Davor Tomašković, President of the Management Board of CROATIA osiguranje d.d.,
- Regular annual assessment of the existence of conditions for the performance of the position of a member of the Management Board for Mr. Robert Vučković, member of the Management Board of CROATIA osiguranje d.d.,

CROATIA osiguranje d.d.

Corporate Governance Statement

- Regular annual and extraordinary assessment of the existence of conditions for the performance of the position of a member of the Management Board for Mr. Luka Babić, member of the Management Board of CROATIA osiguranje d.d.
- Regular annual and extraordinary assessment of the existence of conditions for the performance of the position of a member of the Management Board for Ms. Vesna Sanjković, member of the Management Board of CROATIA osiguranje d.d.
- assessment of the existence of conditions for the performance of the position of a member of the Supervisory Board for Mr. Robert Škopac,
- assessment of the existence of conditions for the performance of the position of a member of the Supervisory Board for Mr. Hrvoje Patajac,
- considered the proposal of the Decision on establishing the proposal of the Decision of the General Assembly on the election of members of the Supervisory Board of CROATIA osiguranje d.d. (Mr. Roberto Škopac and Mr. Hrvoje Patajac).

The Nomination and Remuneration Committee regularly reported to the Supervisory Board on the recommendations made at its meetings.

Management Board

According to the Company's Articles of Association, the Management Board consists of a minimum of three and a maximum of seven members, one of whom is the President of the Management Board. As of 31 December 2025, the Management Board consisted of four (4) members.

The Management Board of the Company manages all the affairs of the Company jointly, and the Company is represented jointly by at least two members of the Management Board. Members of the Management Board, in conducting the Company's affairs, must adhere to the restrictions prescribed by positive legal regulations, the Company's Articles of Association, decisions of the Supervisory Board and the General Assembly of the Company.

In the period from 1 January 2025 to 7 April 2026, the Management Board of the Company operated as follows:

- | | | |
|---|------------------|-----------|
| • | Davor Tomašković | President |
| • | Robert Vučković | Member |
| • | Luka Babić | Member |
| • | Vesna Sanjković | Member |

Balanced representation between female and male

Out of a total of eleven (11) members of the Supervisory Board and Management Board, eight (8) members are male and the percentage of male members is 72.72%, while three (3) members are female and the percentage of female members is 27.28%. Furthermore, out of a total of seven (7) members of the Supervisory Board, five (5) are male and the percentage of male members is 71,42% and two (2) are female, and the percentage of female members is 28.58%. In the composition of the Management Board, out of a total of four (4) members of the Management Board, three (3) members are male, and the percentage of male members is 75.00% while one (1) member is a female and the percentage of female members is 25.00%.

As of 31 December 2025, the Company did not achieve balanced representation of female and male in the Company's bodies. However, during 2025, two female members were appointed or elected to the Supervisory Board, while in the workers' elections, Matilda Mrković Kalik was elected as the employee representative to the Supervisory Board, which will contribute to the balanced representation of women and men on the Supervisory Board of the Company in 2026, in accordance with the criteria prescribed by the Companies Act and the Directive on improving gender balance among directors of listed companies and related measures.

The Company pays special attention to the aspect of diversity within the Company, as confirmed by the fact that women make up 45.45% of the total number of senior management (B-1) in the Company.


Furthermore, during 2025 the Company actively implemented measures to promote gender equality at all levels of the Company. The focus was on equal conditions regarding gender and age in conducting recruitment competitions as well as in the internal reassignment of employees. Equal criteria were applied in hiring employees for managerial positions in the Company. There were also no recorded differences in salary for the same work or work of equal value. At all levels there is an equal representation of experts regardless of gender and age. Regarding professional criteria, the Company applies a strategy of hiring and developing management functions with appropriate expertise and education levels according to the nature of the function and its requirements. The Company also continuously conducts education and training for employees for the purpose of further improvement and development of competencies.

Zagreb, 7 April 2026

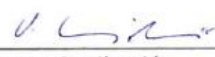
For and on behalf of the Company CROATIA osiguranje d.d.:



Luka Babić
Member of the Management Board



Davor Tomašković
President of the Management Board



Vesna Sanjković
Member of the Management Board



Robert Vučković
Member of the Management Board

CROATIA osiguranje d.d.

Vatroslava Jagića 33

10 000 Zagreb

Republic of Croatia





**Consolidated and separate financial statements
for 2025**

| | |
|--|------------|
| <i>Responsibility for the Annual report</i> | 113 |
| INDEPENDENT AUDITOR'S REPORT | 114 |
| <i>Statement of comprehensive income</i> | 122 |
| <i>Statement of financial position</i> | 124 |
| <i>Statement of changes in equity</i> | 125 |
| <i>Cash flow statement</i> | 129 |
| Notes to the financial statements | 131 |
| 1. GENERAL INFORMATION ON THE COMPANY | 131 |
| 1.1. Legal framework, activities and employees..... | 131 |
| 1.2. Company bodies | 131 |
| 1.3. Subsidiaries..... | 132 |
| 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 133 |
| 2.1. Statement of compliance | 133 |
| 2.2. Basis of preparation..... | 133 |
| 2.3. Adoption of new and amended International Financial Reporting Standards ("IFRSs") | 133 |
| 2.4. Critical accounting judgements and key sources of estimation uncertainty | 135 |
| 2.5. Consolidation..... | 135 |
| 2.6. Presentation currency..... | 137 |
| 2.7. Foreign currency transactions | 137 |
| 2.8. Revenue recognition | 137 |
| 2.9. Operating expenses..... | 137 |
| 2.10. Investment income and expenses..... | 137 |
| 2.11. Other financial expenses | 138 |
| 2.12. Intangible assets and goodwill..... | 138 |
| 2.13. Property and equipment..... | 138 |
| 2.14. Leases..... | 139 |
| 2.15. Investment property | 141 |
| 2.16. Investments in subsidiaries, associates and joint ventures | 141 |
| 2.17. Financial instruments | 141 |
| 2.18. Receivables..... | 148 |
| 2.19. Cash and cash equivalents and short-term deposits..... | 148 |
| 2.20. Income tax..... | 149 |
| 2.21. Capital..... | 149 |
| 2.22. Insurance contracts | 150 |
| 2.23. Accounts payables and other liabilities | 157 |
| 2.24. Employee benefits and pension plans | 157 |
| 2.25. Provisions..... | 158 |
| 2.26. Impairment of non-financial assets | 158 |
| 2.27. Contingent liabilities and assets..... | 158 |
| 2.28. Events after the balance sheet date | 159 |
| 2.29. Earnings per share | 159 |
| 2.30. Segment reporting..... | 160 |
| 2.31. Key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies | 160 |
| 2.32. Insurance risk management | 166 |
| 2.33. Financial risk management | 170 |
| 2.34. Capital management..... | 195 |
| 3. Segment reporting | 195 |
| 4. Insurance revenue | 205 |
| 5. Insurance service expenses | 206 |
| 5.1. Other insurance expenses..... | 206 |
| 5.2. Other expenses related to sale of insurance..... | 207 |
| 6. Net investment income | 207 |
| 6.1. Interest revenue calculated using the effective interest rate method..... | 207 |
| 6.2. Other income/(expenses) from investments..... | 208 |
| 6.3. Realised gains/(losses) (net) from financial assets at fair value through profit or loss | 208 |
| 6.4. Income from investment property..... | 208 |
| 6.5. Net (impairment)/release of impairment of financial assets..... | 209 |

| | | |
|--------------|--|------------|
| 7. | Net financial result from insurance and (passive) reinsurance contracts | 209 |
| 8. | Other income | 209 |
| 9. | Other financial expenses | 210 |
| 10. | Other operating expenses | 211 |
| 11. | Income tax | 212 |
| 12. | Earnings per share..... | 213 |
| 13. | Intangible assets and goodwill | 214 |
| 14. | Property at revaluation model | 217 |
| 14.1. | Property and equipment at cost model..... | 218 |
| 15. | Investment property | 220 |
| 16. | Investments in subsidiaries, associates and participation in joint ventures..... | 221 |
| 16.1. | The Company's investments in subsidiaries and associates and participation in joint ventures..... | 221 |
| 16.2. | The Group's investments in subsidiaries and associates and participation in joint ventures..... | 222 |
| 16.3. | Movements in investments in subsidiaries, associates and participation in joint ventures..... | 224 |
| 17. | Insurance and reinsurance contracts..... | 226 |
| 17.1. | Movements in insurance and reinsurance contract balances | 226 |
| 17.2. | Effects of insurance and reinsurance contracts initially recognized in the year | 242 |
| 17.3. | Contractual service margin (CSM) | 243 |
| 17.4. | Non-life claims development..... | 245 |
| 18. | Financial assets | 246 |
| 18.1. | Overview of investments | 247 |
| 18.2. | Financial investments exposed to credit risk | 252 |
| 18.3. | Loans | 258 |
| 18.4. | Derivative financial instruments..... | 260 |
| 19. | Deferred taxes..... | 261 |
| 20. | Trade receivables and other receivables | 265 |
| 20.1. | Other receivables, net..... | 266 |
| 20.2. | Analysis of other receivables by maturity:..... | 267 |
| 20.3. | Movements in impairment of receivables maturity | 267 |
| 21. | Cash and cash equivalents..... | 268 |
| 22. | Capital and reserves | 268 |
| 22.1. | Subscribed share capital | 268 |
| 22.2. | Reserves | 269 |
| 22.3. | Revaluation reserve..... | 270 |
| 23. | Financial liabilities at fair value through profit and loss | 271 |
| 24. | Financial liabilities at amortised cost..... | 271 |
| 24.1. | Lease liabilities | 272 |
| 25. | Provisions..... | 273 |
| 26. | Account payable and other liabilities | 275 |
| 26.1. | Accrued expenses and deferred income..... | 276 |
| 27. | Off balance sheet items..... | 276 |
| 28. | Related party transactions | 276 |
| 29. | Contingent liabilities | 280 |
| 30. | Commitments | 281 |
| 31. | Audit of financial statements | 281 |
| 32. | Events after the balance sheet date | 281 |
| | <i>Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency.....</i> | <i>282</i> |

Responsibility for the Annual report

The Management Board of the Company is required to prepare separate and consolidated financial statements for each financial year which give a true and fair view of the financial position of the Company and the Group and the results of their operations and cash flow, in accordance with applicable accounting standards, and is responsible for keeping proper accounting records so that it can, at any time, enable the preparation of financial statements. Also, the Management Board of the Company is responsible for preparing the Sustainability Report, in accordance with Articles 32 and 36 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU. The Management Board has a general responsibility for taking such steps as are reasonably available to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

The Management Board is responsible for selecting suitable accounting policies that are in accordance with the International Financial Reporting Standards as adopted in the European Union and then applying them consistently; adopting reasonable and prudent judgments and estimates; and preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

In accordance with Accounting Act, the Management Board is obliged to prepare an Annual report of the Company and the Group comprising the Annual financial statements, Management Report and Corporate Governance Report. Management Report and Corporate Governance Report have been prepared in line with the requirements of Article 21, 22, 24 and 25 of the Accounting Act.

The Management Board is responsible for submitting the Annual report of the Company and the Group, which includes the Annual financial statements, to the Supervisory Board, following which the Supervisory Board should approve these for submitting to the General Assembly for acceptance.

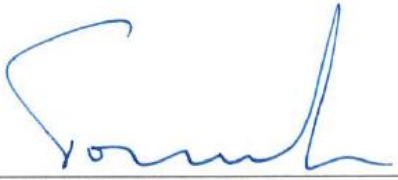
The separate and consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted in the European Union and which are presented on the following pages, as well as the forms, prepared in accordance with the *Ordinance on the structure and content of financial statements and additional reports of insurance and reinsurance companies (Official Gazette 20/23, 153/25)* adopted by the Croatian Financial Services Supervision Agency were approved by the Management Board on 7 April 2026 and submitted for issue to the Supervisory Board. In acknowledgment, the financial statements have been signed by the Company's authorized persons, as follows.

Zagreb, 7 April 2026

For and on behalf of the Company CROATIA osiguranje d.d.:



Luka Babić
Member of the Management Board



Davor Tomašković
President of the Management Board



Vesna Sanjković
Member of the Management Board



Robert Vučković
Member of the Management Board



CROATIA osiguranje d.d.

Vatroslava Jagića 33

10 000 Zagreb

Republic of Croatia

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CROATIA osiguranje d.d.

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of CROATIA osiguranje d.d. (the Company) and consolidated financial statements of the CROATIA osiguranje d.d. and its subsidiaries (the Group) which comprise the separate and the consolidated statement of financial position as at 31 December 2025, the separate and the consolidated statement of comprehensive income, the separate and the consolidated statement of changes in equity and the separate and the consolidated statement of cash flow for the year then ended, and notes to the separate and the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Croatia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters is that matter that, in our professional judgment, was of most significance in our audit of the separate and the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt. Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

| |
|--|
| Valuation of assets and liabilities from insurance contracts |
| For accounting policies please see description of key assumptions, methodologies and models used in the measurement of assets and liabilities from insurance contract presented in Note 2.22. <i>Insurance contracts</i> that have a material effect on the amount, timing and uncertainty of future cash flows of the financial statements. |
| Key audit matter |
| <p>Insurance contracts represent a significant component of financial statements, reflecting the financial obligations and uncertainties arising from the Company's and Group's insurance activities. The valuation of assets and liabilities from insurance contracts is crucial as it directly impacts the financial position, performance, and overall risk profile of the Company and the Group.</p> <p>Under IFRS 17, insurance contracts, that meet the scoping criteria of the Standard, are required to be valued using specific measurement models such as the General Measurement Model ('GMM'), the Variable Fee Approach ('VFA'), or the Premium Allocation Approach ('PAA'). The valuation process involves estimating the present value of expected future cash flows, incorporating both financial and non-financial risks, with a particular focus on the contractual service margin ('CSM') in GMM and VFA.</p> <p>In the consolidated financial statements, assets and liabilities from insurance contracts as of 31 December 2024, total EUR 891,204 thousand (31 December 2024: EUR 844,460 thousand). Liability for remaining coverage ("LRC") totals EUR 483,633 thousand, while liability for incurred claims ("LIC") totals EUR 421,481 thousand. Asset for remaining coverage ("ARC") totals EUR 3,016 thousand, while asset for incurred claims totals EUR 10,892 thousand. In the separate financial statements, assets and liabilities from insurance contracts as of 31 December 2025, total EUR 733,642 thousand (31 December 2024: EUR 698,309 thousand). LRC totals EUR 373,621 thousand, while LIC totals EUR 373,930 thousand. ARC totals EUR 3,016 thousand, while AIC totals EUR 10,892 thousand.</p> <p>The process of valuation of assets and liabilities from insurance contracts involves significant management judgment in developing and using input data within the actuarial calculation models. This judgement is reliant on various factors, including historical trends, future expectations, internal and external variables, any of which could significantly impact the value of these assets and liabilities. There is also a high degree of complexity due to the numerous assumptions and actuarial valuation models applied with key assumptions including but not limited to estimation of risk adjustment return on investment, interest rates, costs, mortality, longevity, withdrawal assumptions, damage quotas and cost quotas being integral to the valuation.</p> <p>Considering the pervasive complexities of the overall valuation process and the specific challenges associated with the transition to IFRS 17, we consider the valuation of assets and liabilities from insurance contracts in accordance with IFRS 17 a key audit matter for our audit of the financial statements.</p> |

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matter (continued)

How we addressed the key audit matter:

To address the risks associated with the valuation of assets and liabilities from insurance contracts identified as a key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on that matter.

For the valuation of the assets and liabilities from insurance contracts, we performed the following audit procedures with the use of our own actuarial experts:

Evaluation of internal controls

- Gaining an understanding of the control environment and relevant internal controls by the Management in the valuation process of assets and liabilities from insurance contracts, including the applications and information technology tools used;
- Evaluating the adequacy of the design and verifying the implementation of identified relevant internal controls;
- Testing the operating effectiveness of identified relevant internal controls.

Test of actuarial models

- Testing the reliability and accuracy of relevant actuarial models used for the valuation of assets and liabilities from insurance contracts;
- Verifying mathematical calculations, logic, and appropriateness of relevant actuarial model's inputs;
- Reviewing and verifying projected cash flows and assumptions used in the actuarial models on a sample basis.

Assessment of management assumptions

- Reviewing key technical and accounting decisions, judgments and assumptions made by the Management;
- Reviewing sensitivity analyses to assess the impact of changes in key assumptions on the valuation of assets and liabilities from insurance contracts and CSM.

Review of disclosures in the financial statements

- Verifying completeness and accuracy of the disclosures made in the financial statements in accordance with the requirements of the IFRS.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the separate and the consolidated financial statements and our auditor's report.

Our opinion on the separate and the consolidated financial statements does not cover the other information.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report, the Corporate Governance Report, which are included in the Annual Report, we have also performed the other procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in the Articles 22 and 25 of the Accounting Act.

Based on the procedures performed during our audit, to the extent we are able to assess it, we report that:

- 1) Information included in the other information is, in all material respects, consistent with the attached separate and consolidated financial statements.
- 2) Management Report has been prepared, in all material respects, in accordance with the Articles 22 and 24 of the Accounting Act, excluding the requirements on sustainability reporting. In respect of the Sustainability Report, which is included as part of the other information and constitutes a separate part of the Management Report, we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
- 3) Corporate Governance Report has been prepared, in all material aspects, in accordance with the Articles 22 and 25 of the Accounting Act,

Based on the knowledge and understanding of the Company and the Group and its environment, which we gained during our audit of the separate and the consolidated financial statements, we have not identified material misstatements in the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and the consolidated financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and the consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of separate and consolidated financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the Company the Group for the financial year ended 31 December 2025 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file *croatiaosiguranjedd-2025-12-31-1-en*, have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Company Management is responsible for the following:

- public reporting of financial statements presented in the Annual Report in valid XHTML format
- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

Quality management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, as well as in compliance with the independence and the ethical requirements in Croatia. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) (continued)

Procedures performed

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Company and the Group, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to give our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the separate and the consolidated report have been prepared in valid XHTML format;
- Data included in the separate and the consolidated financial statements required by the ESEF Regulation have been marked up and meet all of the following requirements:
 - XBRL has been used for markups.
 - Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
 - Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

Conclusion

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Company and the Group presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and Annual Report for the year ended 31 December 2025, we do not express any opinion on the information contained in these documents or other information contained in the above mentioned file.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act

We were appointed as the statutory auditor of the Company and the Group by the shareholders on General Shareholders' Meeting held on 5 June 2025 to perform audit of accompanying separate and consolidated financial statements. Our total uninterrupted engagement has lasted 5 years and covers period 1 January 2021 to 31 December 2025.

We confirm that:

- our audit opinion on the accompanying separate and consolidated financial statements is consistent with the additional report issued to the Audit Committee of the Company on 7 April 2026 in accordance with the Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;
- no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Based on the Regulation on the Form and Content of Financial and Additional Reports of Insurance and Reinsurance Companies (OG 20/23, 153/25 – the "Regulation"), the Company's Management has prepared forms presented in the appendix to these financial statements on pages 282 to 308. These forms include the separate and consolidated statement of comprehensive income, the separate and consolidated statement of financial position, the separate and consolidated statement of changes in equity, the separate and consolidated statement of cash flows, and reconciliation notes. The Company's Management is responsible for these forms and the accompanying reconciliation notes. They do not form an integral part of the financial statements presented on pages 122 to 281 but are prescribed by the Regulation.

The engagement partner on the audit resulting in this independent auditor's report is Goran Končar.

Goran Končar

Director and Certified auditor

Deloitte d.o.o.

7 April 2026

Radnička cesta 80,

10 000 Zagreb,

Croatia

For signatures, please refer to the original Croatian auditor's report, which prevails.

This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Statement of comprehensive income for 2025

| | Note | Company | | Group | |
|---|------|----------------|----------------|-----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Insurance revenue | 4 | 502,019 | 448,837 | 606,800 | 540,812 |
| Insurance service expenses | 5 | (453,509) | (408,644) | (538,145) | (489,117) |
| Net result of (passive) reinsurance contracts | | (20,218) | (14,809) | (22,763) | (14,611) |
| Result from insurance contracts | | 28,292 | 25,384 | 45,892 | 37,084 |
| Interest revenue calculated using the effective interest rate method | 6 | 26,852 | 25,759 | 31,689 | 30,274 |
| Net losses from derecognition of financial assets at amortized costs | 6 | (3,764) | - | (3,764) | - |
| Net gains/losses (net) from financial assets at fair value through profit or loss | 6 | 10,430 | 8,078 | 10,602 | 8,248 |
| Net impairment/release of impairment of financial assets | 6 | 2,628 | 2,352 | 2,126 | 625 |
| Income from investment property | 6 | 1,327 | 4,329 | 21,512 | 15,015 |
| Net exchange rate differences | 6 | (3,846) | 1,531 | (3,868) | 1,521 |
| Other income/expenditure from investments | 6 | 20,197 | 16,661 | 11,487 | 2,724 |
| Net investment income | 6 | 53,824 | 58,710 | 69,784 | 58,407 |
| Net financial result from insurance contracts | 7 | (8,029) | (7,134) | (11,251) | (10,175) |
| Net financial result from (passive) reinsurance contracts | 7 | 1,026 | 739 | 1,192 | 914 |
| Net financial result from insurance and (passive) reinsurance contracts | 7 | (7,003) | (6,395) | (10,059) | (9,261) |
| Other income | 8 | 6,524 | 7,323 | 45,337 | 38,987 |
| Other financial expenses | 9 | (1,454) | (1,420) | (2,015) | (2,080) |
| Other operating expenses | 10 | (16,619) | (12,103) | (72,788) | (54,944) |
| Share of profit of companies consolidated using equity method, net of tax | | - | - | 1,480 | 1,430 |
| Profit before tax | | 63,564 | 71,499 | 77,631 | 69,623 |
| Income tax | 11 | (8,090) | (5,926) | (12,175) | (8,535) |
| Profit for the year | | 55,474 | 65,573 | 65,456 | 61,088 |

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income (continued)
for 2025

| | Note | Company | | Group | |
|---|----------|----------------|----------------|----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Other comprehensive income for the year | | | | | |
| <i>Items that will not be subsequently recognised in profit or loss</i> | | | | | |
| Net change in fair value of equity securities (OCI) | 22.3/i/ | 92,223 | 41,658 | 92,223 | 41,658 |
| Change in fair value of property for own use, net of deferred tax | | (7) | 2,655 | 170 | 6,975 |
| | | 92,216 | 44,313 | 92,393 | 48,633 |
| <i>Items that can be subsequently recognised in profit or loss</i> | | | | | |
| Net change in fair value of debt securities (OCI) | 22.3/ii/ | 506 | 12,168 | 1,197 | 16,395 |
| Foreign exchange differences | 22.3/ii/ | 20 | - | (26) | 38 |
| Effects of hedging instruments | | 24 | - | 37 | - |
| Net financial income/expenditure from insurance contracts | | (751) | (13,691) | (2,161) | (17,261) |
| Net financial income/expenditure from (passive) reinsurance contracts | | 262 | 449 | 128 | 573 |
| | | 61 | (1,074) | (825) | (255) |
| Other comprehensive (loss)/income for the year | | 92,277 | 43,239 | 91,568 | 48,378 |
| Total comprehensive (loss)/income for the year | | 147,751 | 108,812 | 157,024 | 109,466 |
| Profit attributable to: | | | | | |
| - Company shareholders | | 55,474 | 65,573 | 65,389 | 61,025 |
| - Non-controlling interest | | - | - | 67 | 63 |
| | | 55,474 | 65,573 | 65,456 | 61,088 |
| Total comprehensive (loss)/income attributable to: | | | | | |
| - Company shareholders | | 147,751 | 108,812 | 156,946 | 109,413 |
| - Non-controlling interest | | - | - | 78 | 53 |
| | | 147,751 | 108,812 | 157,024 | 109,466 |
| Earnings per share attributable to the Company's shareholders | | | | | |
| Basic and diluted earnings per share (EUR) | 12 | - | - | 155.34 | 144.97 |

The accompanying notes form an integral part of these financial statements.

Statement of financial position
as at 31 December 2025

| | Note | Company | | Group | |
|---|------|------------------|------------------|------------------|------------------|
| | | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Assets | | | | | |
| Intangible assets and goodwill | 13 | 15,799 | 14,907 | 25,689 | 24,531 |
| Property at revaluation model | 14 | 23,236 | 23,930 | 62,327 | 61,046 |
| Property and equipment at cost model | 14.1 | 38,788 | 37,571 | 69,146 | 64,356 |
| Investment property | 15 | 35,976 | 34,914 | 169,956 | 152,459 |
| Investments in subsidiaries, associates and participation in joint ventures | 16 | 112,934 | 111,010 | 10,449 | 9,869 |
| Assets from reinsurance contracts | 17 | 68,558 | 53,498 | 74,013 | 59,141 |
| Assets from insurance contracts | 17 | 13,909 | 15,030 | 13,909 | 15,030 |
| Financial assets | 18 | 1,196,678 | 1,105,762 | 1,342,334 | 1,259,569 |
| <i>Financial assets at amortised cost</i> | 18 | 262,128 | 317,574 | 291,064 | 362,527 |
| <i>Financial assets at fair value through other comprehensive income</i> | 18 | 807,100 | 695,006 | 912,012 | 793,105 |
| <i>Financial assets at fair value through profit and loss account</i> | 18 | 127,450 | 93,182 | 139,258 | 103,937 |
| Deferred tax assets | 19 | - | - | 1,528 | 1,422 |
| Current income tax assets | | - | 4,388 | 4 | 4,417 |
| Trade receivables and other receivables | 20 | 24,804 | 27,335 | 38,870 | 38,875 |
| Cash and cash equivalents | 21 | 122,542 | 63,756 | 152,955 | 85,703 |
| Total assets | | 1,653,224 | 1,492,101 | 1,961,180 | 1,776,418 |
| Capital and reserves | | | | | |
| Subscribed share capital | 22 | 78,296 | 78,296 | 78,296 | 78,296 |
| Premium on issued shares | | 90,448 | 90,448 | 90,448 | 90,448 |
| Reserves | 22 | 53,283 | 53,283 | 53,283 | 53,283 |
| Revaluation reserve | 22 | 200,876 | 118,310 | 219,751 | 138,153 |
| Retained earnings | | 337,579 | 318,035 | 428,483 | 398,776 |
| Equity attributable to shareholders of the Company | | 760,482 | 658,372 | 870,261 | 758,956 |
| Non-controlling interests | | - | - | 509 | 482 |
| Total capital and reserves | | 760,482 | 658,372 | 870,770 | 759,438 |
| Liabilities | | | | | |
| Liabilities from insurance contracts | 17 | 747,551 | 713,339 | 905,113 | 859,490 |
| Liabilities from reinsurance contracts | 17 | 4,406 | 6,191 | 5,102 | 6,639 |
| Financial liabilities at fair value through profit and loss account | 23 | 21 | 832 | 21 | 832 |
| Financial liabilities at amortized cost | 24 | 39,840 | 38,798 | 48,895 | 48,560 |
| Provisions | 25 | 6,198 | 5,418 | 8,404 | 7,424 |
| Deferred tax liability | 19 | 37,767 | 19,233 | 46,274 | 27,497 |
| Accounts payable and other liabilities | 26 | 54,954 | 49,760 | 72,374 | 64,996 |
| Current income tax liability | | 2,005 | 158 | 4,227 | 1,542 |
| Total liabilities | | 892,742 | 833,729 | 1,090,410 | 1,016,980 |
| Total capital, reserves and liabilities | | 1,653,224 | 1,492,101 | 1,961,180 | 1,776,418 |

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for 2025

| Company | Subscribed | Premium on | Reserves | Revaluation | Retained | Total capital |
|---|---------------|---------------|---------------|----------------|----------------|------------------|
| | share capital | issued shares | | reserve | earnings | and reserves |
| | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Balance at 1 January 2024 | 78,296 | 90,448 | 53,279 | 78,275 | 364,136 | 664,434 |
| Total comprehensive income for the year | | | | | | |
| Change in fair value of property for own use (Note 14) | - | - | - | 3,238 | - | 3,238 |
| Deferred tax on change in fair value of property for own use (Note 19) | - | - | - | (583) | - | (583) |
| Change in fair value of financial assets at fair value through OCI, net of amounts realised | - | - | - | 65,641 | - | 65,641 |
| Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19) | - | - | - | (11,815) | - | (11,815) |
| Financial expenditure from insurance contracts | - | - | - | (16,692) | - | (16,692) |
| Deferred taxes on financial income/expenditure from insurance contracts (Note 19) | - | - | - | 3,001 | - | 3,001 |
| Financial income from (passive) reinsurance contracts | - | - | - | 548 | - | 548 |
| Deferred taxes on financial income/expenditure from (passive) reinsurance contracts (Note 19) | - | - | - | (99) | - | (99) |
| <i>Other comprehensive income</i> | - | - | - | 43,239 | - | 43,239 |
| <i>Profit for the year</i> | - | - | - | - | 65,573 | 65,573 |
| Total comprehensive income for the year | - | - | - | 43,239 | 65,573 | 108,812 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Other transfers | - | - | 4 | - | (4) | - |
| Dividends paid | - | - | - | - | (114,874) | (114,874) |
| Transfer of revaluation reserve based on realization of equity securities at fair value through OCI | - | - | - | (1,694) | 1,694 | - |
| Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19) | - | - | - | 305 | (305) | - |
| Transfer due to depreciation and sale of revalued property for own use | - | - | - | (2,213) | 2,213 | - |
| Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19) | - | - | - | 398 | (398) | - |
| Balance at 31 December 2024 | 78,296 | 90,448 | 53,283 | 118,310 | 318,035 | 658,372 |

Statement of changes in equity (continued)
for 2025

| Company | Subscribed share capital | Premium on issued shares | Reserves | Revaluation reserve | Retained earnings | Total capital and reserves |
|---|--------------------------|--------------------------|---------------|---------------------|-------------------|----------------------------|
| | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Balance at 1 January 2025 | 78,296 | 90,448 | 53,283 | 118,310 | 318,035 | 658,372 |
| Total comprehensive income for the year | | | | | | |
| Change in fair value of property for own use (Note 14) | - | - | - | (8) | - | (8) |
| Deferred tax on change in fair value of property for own use (Note 19) | - | - | - | 1 | - | 1 |
| Change in fair value of financial assets at fair value through OCI, net of amounts realised | - | - | - | 113,084 | - | 113,084 |
| Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19) | - | - | - | (20,355) | - | (20,355) |
| Financial expenditure from insurance contracts | - | - | - | (916) | - | (916) |
| Deferred taxes on financial income/expenditure from insurance contracts (Note 19) | - | - | - | 165 | - | 165 |
| Financial income from (passive) reinsurance contracts | - | - | - | 320 | - | 320 |
| Deferred taxes on financial income/expenditure from (passive) reinsurance contracts (Note 19) | - | - | - | (58) | - | (58) |
| Change from cash flow hedge | - | - | - | 29 | - | 29 |
| Deferred taxes on change from cash flow hedge | - | - | - | (5) | - | (5) |
| Foreign exchange differences on translation of foreign operations | - | - | - | 20 | - | 20 |
| <i>Other comprehensive income</i> | - | - | - | 92,277 | - | 92,277 |
| <i>Profit for the year</i> | - | - | - | - | 55,474 | 55,474 |
| Total comprehensive income for the year | - | - | - | 92,277 | 55,474 | 147,751 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Dividends paid | - | - | - | - | (45,641) | (45,641) |
| Transfer of revaluation reserve based on realization of equity securities at fair value through OCI | - | - | - | (11,685) | 11,685 | - |
| Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19) | - | - | - | 2,103 | (2,103) | - |
| Transfer due to depreciation and sale of revalued property for own use | - | - | - | (158) | 158 | - |
| Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19) | - | - | - | 29 | (29) | - |
| Balance at 31 December 2025 | 78,296 | 90,448 | 53,283 | 200,876 | 337,579 | 760,482 |

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity (continued)

for 2025

| Group | Subscribed share capital | Premium on issued shares | Reserves | Revaluation reserve | Retained earnings | Total | Non-controlling interest | Total capital and reserves |
|---|--------------------------|--------------------------|---------------|---------------------|-------------------|----------------|--------------------------|----------------------------|
| | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Balance at 1 January 2024 | 78,296 | 90,448 | 53,279 | 91,431 | 450,957 | 764,411 | 747 | 765,158 |
| Total comprehensive income for the year | | | | | | | | |
| Change in fair value of property for own use (Note 14) | - | - | - | 8,465 | - | 8,465 | 3 | 8,468 |
| Deferred tax on change in fair value of property for own use (Note 19) | - | - | - | (1,493) | - | (1,493) | - | (1,493) |
| Change in fair value of financial assets at fair value through OCI, net of amounts realised | - | - | - | 70,404 | - | 70,404 | - | 70,404 |
| Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19) | - | - | - | (12,351) | - | (12,351) | - | (12,351) |
| Financial expenditure from insurance contracts | - | - | - | (20,692) | - | (20,692) | (16) | (20,708) |
| Deferred taxes on financial expenditure from insurance contracts (Note 19) | - | - | - | 3,445 | - | 3,445 | 2 | 3,447 |
| Financial income from (passive) reinsurance contracts | - | - | - | 695 | - | 695 | 1 | 696 |
| Deferred taxes on financial income from (passive) reinsurance contracts (Note 19) | - | - | - | (123) | - | (123) | - | (123) |
| Foreign exchange differences on translation of foreign operations | - | - | - | 38 | - | 38 | - | 38 |
| <i>Other comprehensive income</i> | - | - | - | 48,388 | - | 48,388 | (10) | 48,378 |
| <i>Profit for the year</i> | - | - | - | - | 61,025 | 61,025 | 63 | 61,088 |
| Total comprehensive income for the year | - | - | - | 48,388 | 61,025 | 109,413 | 53 | 109,466 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Other transfers | - | - | 4 | - | (4) | - | - | - |
| Dividends paid | - | - | - | - | (114,874) | (114,874) | (28) | (114,902) |
| Purchase of non-controlling interest | - | - | - | - | 6 | 6 | (290) | (284) |
| Transfer of revaluation reserve based on realization of equity securities at fair value through OCI | - | - | - | (1,694) | 1,694 | - | - | - |
| Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19) | - | - | - | 305 | (305) | - | - | - |
| Transfer due to depreciation and sale of revalued property for own use | - | - | - | (384) | 384 | - | - | - |
| Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19) | - | - | - | 107 | (107) | - | - | - |
| Balance at 31 December 2024 | 78,296 | 90,448 | 53,283 | 138,153 | 398,776 | 758,956 | 482 | 759,438 |

Statement of changes in equity (continued)
for 2025

| Group | Subscribed share capital | Premium on issued shares | Reserves | Revaluation reserve | Retained earnings | Total | Non-controlling interest | Total capital and reserves |
|---|--------------------------|--------------------------|---------------|---------------------|-------------------|----------------|--------------------------|----------------------------|
| | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 | In EUR'000 |
| Balance at 1 January 2025 | 78,296 | 90,448 | 53,283 | 138,153 | 398,776 | 758,956 | 482 | 759,438 |
| Total comprehensive income for the year | | | | | | | | |
| Change in fair value of property for own use (Note 14) | - | - | - | 121 | - | 121 | 7 | 128 |
| Deferred tax on change in fair value of property for own use (Note 19) | - | - | - | 42 | - | 42 | - | 42 |
| Change in fair value of financial assets at fair value through OCI, net of amounts realised | - | - | - | 113,873 | - | 113,873 | - | 113,873 |
| Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19) | - | - | - | (20,453) | - | (20,453) | - | (20,453) |
| Financial expenditure from insurance contracts | - | - | - | (2,480) | - | (2,480) | 7 | (2,473) |
| Deferred taxes on financial expenditure from insurance contracts (Note 19) | - | - | - | 313 | - | 313 | (1) | 312 |
| Financial income from (passive) reinsurance contracts | - | - | - | 173 | - | 173 | (2) | 171 |
| Deferred taxes on financial income from (passive) reinsurance contracts (Note 19) | - | - | - | (43) | - | (43) | - | (43) |
| Change from cash flow hedge | - | - | - | 45 | - | 45 | - | 45 |
| Deferred taxes on change from cash flow hedge | - | - | - | (8) | - | (8) | - | (8) |
| Foreign exchange differences on translation of foreign operations | - | - | - | (26) | - | (26) | - | (26) |
| <i>Other comprehensive income</i> | - | - | - | 91,557 | - | 91,557 | 11 | 91,568 |
| <i>Profit for the year</i> | - | - | - | - | 65,389 | 65,389 | 67 | 65,456 |
| Total comprehensive income for the year | - | - | - | 91,557 | 65,389 | 156,946 | 78 | 157,024 |
| Transactions with owners, recognised directly in equity | | | | | | | | |
| Dividends paid | - | - | - | - | (45,641) | (45,641) | (51) | (45,692) |
| Transfer of revaluation reserve based on realization of equity securities at fair value through OCI | - | - | - | (11,685) | 11,685 | - | - | - |
| Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19) | - | - | - | 2,103 | (2,103) | - | - | - |
| Transfer due to depreciation and sale of revalued property for own use | - | - | - | (436) | 436 | - | - | - |
| Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19) | - | - | - | 59 | (59) | - | - | - |
| Balance at 31 December 2025 | 78,296 | 90,448 | 53,283 | 219,751 | 428,483 | 870,261 | 509 | 870,770 |

The accompanying notes form an integral part of these financial statements.

Cash flow statement for 2025

| | Note | Company | Company | Group | Group |
|--|-----------------|----------------|----------------|----------------|----------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Cash flows from operating activities | | | | | |
| Profit after tax | | 55,474 | 65,573 | 65,456 | 61,088 |
| <i>Adjustments for:</i> | | | | | |
| Depreciation and amortisation | 13, 14, 14.1 | 8,239 | 8,956 | 16,479 | 16,040 |
| Impairment of property and equipment and intangible assets | 10 | 172 | (772) | 1,977 | (952) |
| Impairment of shares in subsidiaries and associates | 6.5 | (524) | (1,784) | - | - |
| Interest expense | 9 | 1,454 | 1,420 | 1,868 | 1,959 |
| Interest income | 6.1, 6.3 | (26,852) | (25,858) | (31,689) | (30,373) |
| Dividend income and share in profit of associates and joint ventures | 6.2 | (22,412) | (23,595) | (15,522) | (11,266) |
| (Gains)/losses on sale of intangible asset and property and equipment | | (228) | (1,219) | (417) | 63 |
| Income tax expense | 11 | 8,090 | 5,926 | 12,175 | 8,535 |
| Net foreign exchange differences on cash and cash equivalents | | (38) | (1,535) | (32) | 151 |
| Other adjustments | | 85 | (159) | 1,149 | 1,279 |
| Cash flows before changes in operating assets and liabilities | | 23,460 | 26,953 | 51,444 | 46,524 |
| Changes in financial assets at fair value through other comprehensive income | | 950 | 43,473 | (5,549) | 35,740 |
| Changes in financial assets and financial liabilities at fair value through profit or loss | | (34,273) | 44,067 | (35,333) | 41,825 |
| Changes in financial assets at amortised cost | | 54,443 | 32,278 | 70,087 | 30,360 |
| Changes in assets/liabilities from insurance contract | | 34,417 | (33,508) | 44,272 | (21,221) |
| Changes in assets/liabilities from reinsurance contract | | (16,526) | 1,248 | (16,239) | (1,394) |
| Changes in trade receivables and other receivables | | 5,103 | 5,806 | 2,288 | 6,756 |
| Changes in investment property | | (1,005) | 33,547 | (17,976) | (7,566) |
| Changes in financial liabilities | | (508) | 738 | (895) | 102 |
| Changes in provisions | | 780 | (1,349) | 981 | (622) |
| Changes in tax liabilities | | (54) | (3) | (825) | (454) |
| Changes in accounts payable and other liabilities | | 5,191 | 9,294 | 7,353 | 10,152 |
| Changes in operating assets and liabilities | | 48,518 | 135,591 | 48,164 | 93,678 |
| Income tax paid | | (3,517) | (19,630) | (5,731) | (21,833) |
| Interest income | | 25,687 | 24,456 | 30,721 | 27,438 |
| Dividends income | | 22,074 | 22,584 | 13,705 | 9,836 |
| Net cash flows used from/(in) operating activities | | 116,222 | 189,954 | 138,303 | 155,643 |

Cash flow statement (continued)

for 2025

Continued:

| | | Company | Company | Group | Group |
|---|-------------|-----------------|------------------|-----------------|------------------|
| | Note | 2025 | 2024 | 2025 | 2024 |
| | | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of tangible assets | | 489 | 6,904 | 703 | 336 |
| Purchase of tangible assets | | (3,072) | (2,173) | (13,147) | (9,649) |
| Proceeds from sale of intangible assets | | - | 39 | - | 41 |
| Purchase of intangible assets | | (4,251) | (3,495) | (6,936) | (4,856) |
| Increase in investment in subsidiaries | | (1,400) | (54,696) | (455) | (1,660) |
| Net cash flows from investing activities | | (8,234) | (53,421) | (19,835) | (15,788) |
| Cash flows from financing activities | | | | | |
| Cash inflows from loan received | | - | - | 491 | - |
| Cash outflows from loan repayments | | - | - | (398) | (534) |
| Cash outflows for repayment of principal element of lease liabilities | | (3,431) | (3,062) | (5,486) | (5,125) |
| Cash outflows for payment of share in profit (dividend) | | (45,771) | (115,004) | (45,823) | (115,032) |
| Acquisition of minority interest | | - | - | - | (284) |
| Net cash flows from financing activities | | (49,202) | (118,066) | (51,216) | (120,975) |
| Cash and cash equivalents at beginning of period | 21 | 63,756 | 45,289 | 85,703 | 66,823 |
| Cash and cash equivalents at end of period | 21 | 122,542 | 63,756 | 152,955 | 85,703 |
| Net increase/(decrease) in cash and cash equivalents | | 58,786 | 18,467 | 67,252 | 18,880 |

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. GENERAL INFORMATION ON THE COMPANY

1.1. Legal framework, activities and employees

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (the "Company"), in Republic of Croatia is registered in the Court Register of the Commercial Court in Zagreb, Republic of Croatia, under the Company's Court Reg. No. ("MBS") 080051022 and PIN ("OIB") 26187994862 as a joint stock company.

The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group in the territory of Republic of Croatia, while the Group also operates in the territory of Northern Macedonia, Bosnia and Herzegovina and Serbia. Since 2004 the Company's shares have been listed at Official Market of the Zagreb Stock Exchange, Zagreb.

The Company is the parent company of the CROATIA osiguranje d.d. Group (the "Group").

Company is majorly owned by ADRIS GRUPA d.d., Rovinj (Adris is also an ultimate parent of the Company) and is included in the consolidated financial statements of ADRIS GRUPA d.d. which are available on the ADRIS GRUPA d.d.'s website, Zagreb Stock Exchange and the Officially appointed mechanism for the central storage of regulated information.

Average number of employees of the Company is 2,373 (2024: 2,327), and of the Group 3,971 (2024: 3,785).

1.2. Company bodies

The Company's bodies are the General Assembly, the Supervisory Board and the Management Board.

Members of the Supervisory Board:

- | | | |
|---|-------------------------|---|
| • | Roberto Škopac | President |
| • | Željko Lovrinčević, PhD | Vice President and Member until 20 September 2025 |
| • | Hrvoje Šimović, PhD | Member until 20 September 2025 and Vice President since 21 September 2025 |
| • | Vitomir Palinec | Member |
| • | Hrvoje Patajac | Member |
| • | Zoran Barac, PhD | Member until 11 October 2025 |
| • | Pero Kovačić | Member |
| • | Hana Zoričić | Member since 21 September 2025 |
| • | Erika Zgrablić | Member since 12 October 2025 |

Members of the Management Board:

- | | | |
|---|------------------|-----------|
| • | Davor Tomašković | President |
| • | Robert Vučković | Member |
| • | Luka Babić | Member |
| • | Vesna Sanjković | Member |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

1.3. Subsidiaries

The Group consolidated the following entities as at 31 December 2025:

| Group | Principal activity | 31 December 2025 | | |
|---|---|------------------------------------|------------------------------|--|
| | | Shares directly held by parent (%) | Shares held by the Group (%) | Shares held by non-controlling interests (%) |
| Subsidiaries registered in Croatia which are consolidated: | | | | |
| Croatia premium d.o.o., Zagreb | Real estate business | 100 | 100 | - |
| - <i>M teh d.o.o.</i> | <i>Equipment rental</i> | 100 | 100 | - |
| Croatia Nekretnine d.o.o., Zagreb | Real estate business | 100 | 100 | - |
| Razne usluge d.o.o. (u likvidaciji), Zagreb | - | 100 | 100 | - |
| Auto Maksimir Vozila d.o.o., Zagreb | Insurance agency | 100 | 100 | - |
| Koreqt d.o.o. | Trade brokerage | 100 | 100 | - |
| - <i>Koreqt Distribucija d.o.o.</i> | <i>Insurance distribution</i> | 100 | 100 | - |
| Strmec projekt d.o.o. | Real estate business | 100 | 100 | - |
| CO Zdravlje d.o.o., Zagreb | Consulting and services | 100 | 100 | - |
| - <i>CROATIA Poliklinika Zagreb</i> | <i>Healthcare</i> | - | 100 | - |
| - <i>POLIKLINIKA MARIN MED</i> | <i>Healthcare</i> | - | 100 | - |
| - <i>Ustanova za zdravstvenu njegu MARIN MED PLUS</i> | <i>Healthcare</i> | - | 100 | - |
| - <i>MARIN MED ZADAR d.o.o. u likvidaciji</i> | <i>Healthcare</i> | - | 100 | - |
| - <i>Ustanova za zdravstvenu skrb MEDROS</i> | <i>Healthcare</i> | - | 100 | - |
| Croatia-Tehnički pregledi d.o.o., Zagreb | <i>MOT*</i> | 100 | 100 | - |
| - <i>Herz d.d., Požega</i> | <i>MOT</i> | - | 100 | - |
| - <i>Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod</i> | <i>MOT</i> | - | 76 | 24 |
| - <i>STP Pitomača, Pitomača</i> | <i>MOT</i> | - | 100 | - |
| - <i>STP Blato</i> | <i>MOT</i> | - | 100 | - |
| - <i>Autoprijevoz d.d.</i> | <i>MOT</i> | - | 79.12 | 20.88 |
| - <i>Crotehna d.o.o., Ljubuški</i> | <i>MOT</i> | - | 100 | - |
| - <i>Tia auto d.o.o. u likvidaciji</i> | <i>Technical examination and analysis of motor vehicles</i> | - | 100 | - |
| Croatia osiguranje mirovinsko društvo d.o.o., Zagreb | <i>Fund management</i> | 100 | 100 | - |
| Subsidiaries registered abroad which are consolidated: | | | | |
| Milenijum osiguranje a.d.o., Belgrade | <i>Insurance</i> | 100 | 100 | - |
| Croatia osiguranje d.d., Mostar | <i>Insurance</i> | 97.12 | 97.12 | 2.88 |
| - <i>Croatia remont d.d., Čapljina</i> | <i>MOT</i> | - | 100 | - |
| - <i>Auto inspekt d.o.o.</i> | <i>Technical examination and analysis of motor vehicles</i> | - | 100,00 | - |
| - <i>Croauto d.o.o., Mostar</i> | <i>MOT</i> | - | 100 | - |
| - <i>Skadenca d.o.o.</i> | <i>Insurance agency</i> | - | 100 | - |
| - <i>AUTO_THE d.o.o.</i> | <i>Technical examination and analysis of motor vehicles</i> | - | 100 | - |
| Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje | <i>Insurance</i> | 100 | 100 | - |
| Croatia osiguranje d.d., društvo za osiguranje života, Skopje | <i>Insurance</i> | 95 | 100 | - |

* MOT - Motor vehicle examination stations

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies adopted in the preparation of financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Hereinafter, the policies applied by the Group also mean the policies applied by the Company, unless otherwise stated.

2.1. Statement of compliance

In accordance with Accounting Act (Official Gazette 85/24, 145/24, 151/25), the financial statements for 2025 have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union and in accordance with the Ordinance on the structure and content of the financial statements for insurance or reinsurance companies (Official Gazette 20/23, 153/25).

These are consolidated financial statements of the Group that also include separate financial statements of the Company ("Parent" of the Group) as defined in International Accounting Standard 27 "Separate Financial Statements" and International Financial Reporting Standard 10 "Consolidated financial statements".

2.2. Basis of preparation

The consolidated and unconsolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of land and buildings, investment property, financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss account, and by evaluating the estimated cash flows and contractual service margin when valuing insurance and reinsurance contracts.

The preparation of financial statements in conformity with IFRS as adopted in the EU requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgement in the process of applying the Group's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and unconsolidated financial statements, are disclosed in Note 2.31.

2.3. Adoption of new and amended International Financial Reporting Standards ("IFRSs")

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated and disclosed. In the current year, the Group and the Company have applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025.

New and amended IFRS Accounting Standards that are effective for the current year

| Standard | Title |
|----------------------|---|
| Amendments to IAS 21 | The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability |

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Company and the Group has not applied the following revised IFRS that have been issued by IASB and adopted by EU but are not yet effective:

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Standard | Title | Effective date |
|---|---|-----------------------|
| Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 | Annual Improvements to IFRS Accounting Standards - Volume 11 | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| IFRS 18 | Presentation and Disclosures in Financial Statements | 1 January 2027 |

Regarding the amendments to IFRS 9 and 7, the Group is currently evaluating the effect of those amendments to the accounting standards. IFRS 18 Presentation and disclosure in financial statements replaces IAS 1 and although it will not have an impact on the recognition and measurement of items in the financial statements, it is expected to have an impact on the presentation and disclosure of certain items in the financial statements, which includes different categorization and subtotals in the statement of comprehensive income.

New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

| Standard | Title | EU adoption status |
|-----------------------------------|--|---------------------------|
| IFRS 19 and subsequent amendments | Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027) | Not yet adopted by EU |
| Amendments to IAS 21 | The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (IASB effective date: 1 January 2027) | Not yet adopted by EU |

The Group and the Company do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group and the Company in future periods.

2.4. Critical accounting judgements and key sources of estimation uncertainty

In preparing financial statements, certain estimates were used which influence the presentation of assets and liabilities of the Group, the income and expenses of the Group and the disclosure of contingent liabilities of the Group.

Future events and their effects cannot be reliably anticipated, and therefore actual results may differ from these estimates. The accounting estimates used in the preparation of the financial statements are subject to change as new events occur, as more experience is gained, additional information is obtained and due to the changing environment in which the Group operates.

The key estimates used in applying accounting policies in the preparation of the financial statements relate to impairment losses on financial assets and calculation of expected credit losses (note 2.17), impairment of non-financial assets (note 2.26 and note 13), the classification, grouping of insurance contracts and the measurement of insurance contracts (note 2.22) and determination of the fair value of investment property (note 2.33).

During the current reporting period, the Group and the Company applied the following significant judgments for the first time:

a) Separation of embedded derivative from Virtual Power Purchase Agreement (VPPA) - The embedded derivative represented by the electricity swap is component of the VPPA contract and determining whether such derivatives should be separated from the host contract involves significant judgement. This includes an assessment of the terms and conditions of the VPPA contract and the characteristics of the embedded derivative. The Group and the Company made an assessment and concluded that the economic risks and characteristics of embedded derivative are not closely related to the underlying host contract. Consequently, the Group and the Company separately recognized embedded derivative as derivative financial instruments – electricity swap (notes 2.17 and 2.33).

b) Fair value measurement of electricity swaps - The fair value of the electricity swap generally cannot be measured based on quoted prices in active markets, therefore the Group and the Company use other valuation techniques, in particular the discounted cash flow (DCF) models. The inputs to these models are taken from observable market data where possible, but also a significant degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as production volumes, long-term electricity prices, credit risk or wind or solar capture profiles. Changes in assumptions relating to these inputs could affect the reported fair values (note 2.33).

Information about the assessments of the Management regarding the application of IFRS, which have a significant impact on the financial statements, and the information about the estimates with a high risk of likely significant adjustment in the next year, is presented in note 2.31 while carrying amounts of the assets and liabilities are presented in notes 13, 15, 17 and 18.

2.5. Consolidation

The consolidated financial statements comprise the Company and its subsidiaries (together "the Group").

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are reported in the statement of comprehensive income as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises non-controlling interest in the acquiree on an acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of identifiable acquiree's net assets.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the fair value of non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. If this is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Transactions eliminated at consolidation

Balances and transactions between Group members and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only if there are no indicators of impairment.

Non-controlling interests

Non-controlling interests in subsidiaries are included in the total equity of the Group.

Losses applicable to non-controlling interests in subsidiaries are added to non-controlling interests in situations where this causes non-controlling interests to be disclosed with negative value. The reconciliation of non-controlling interest is based on the proportionate amount of the net assets of the subsidiary, with no adjustment to goodwill and recognition of profit or loss in the income statement.

Loss of control

At the moment of loss of control, the Group derecognises assets and liabilities of subsidiaries, interests of minority shareholders and other elements of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any share in the subsidiary, such share is measured at fair value at the date that control ceases. After that, this is reported as an investment valued using the equity method or as financial assets at fair value through other comprehensive income, depending on the level of influence retained.

Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Merger of entities under common control

A merger or a business combination involving entities under common control is a business combination in which all of the entities participating in the business combination are controlled by the same party (or parties) both before and after the business combination, so that no transfer of control occurs. The predecessor method of accounting is used to account for the mergers of entities under common control. According to the predecessor method of accounting, the carrying amount of the assets (including goodwill, if any) and liabilities of the acquired or merged company (or the company that has ceased to exist as a result of the merger) are transferred to the successor company from the consolidated financial statements of the highest entity that has common control and which prepares consolidated financial statements or a lower level entity if justified. The merged entity's results and balance sheet are incorporated prospectively from the date on which the merger or business combination between entities under common control occurred.

On the date of the merger, inter-company transactions, balances and unrealised gains and losses on mutual transactions are eliminated.

The difference between the transferred fee and the carrying amount of the net assets of the acquired company is recognised in equity (in retained earnings).

2.6. Presentation currency

The Group's financial statements are presented in euros (EUR) as the functional currency of the Company and subsidiaries in Croatia and presentation currency of the Group.

2.7. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency using the exchange rate effective at the reporting day. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate effective on the date their fair value is determined.

Changes in the fair value of monetary securities denominated in or linked to a foreign currency and classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Foreign exchange rate differences resulting from the conversion of monetary assets and liabilities are recognised through profit or loss and are presented within finance income or finance cost.

2.8. Revenue recognition

/i/ For the revenue recognition arising from insurance and reinsurance contracts and the net financial result from insurance and reinsurance contracts, please see note 2.22.

/ii/ Group recognise other operating income not directly related to insurance business and sales income from subsidiaries which main activities are not insurance business. Other operating income is recognised when an invoice is issued.

The Group provides vehicle inspection services and similar services under fixed price contracts, where price lists are an integral part of each contract. The services are delivered in a short time (within one day), and revenue is recognized on the basis of the actual service after the Group fulfils the obligation to perform. Purchase contracts are simple and usually involve a single performance obligation. Customers are invoiced immediately after the delivery of the service, and payment follows the delivery of the service at the point of sale.

2.9. Operating expenses

/i/ Expenses from the insurance contract includes the costs of obtaining insurance and other costs incurred in the execution of the contract and which can be directly attributable to the execution of the insurance contract (so-called attributable costs). For more details, please see note 2.22.

/ii/ Other operating expenses consist of all costs that are not attributable, are not allocated to groups of insurance contracts and are reported in the financial statements separately from the items of the technical result, i.e. the result from the insurance contract.

2.10. Investment income and expenses

Net investment income comprises of gains on investments in land and buildings, interest income calculated using the effective interest rate method, net gains/losses from financial assets at fair value through profit or loss, net impairment/release of impairment of financial assets, net foreign exchange rate differences, income realised through participating interests (dividends, profit share, write-ups – increases in value) and other income and expenses from investments.

Gains on investments in land and buildings consist of income realised due to an increase in the value of land and buildings, gains on sale of land and buildings, land and buildings rental income and other gains on investments in land and buildings.

Land and buildings rental income and income from other operating leases are recognised in profit or loss on a straight-line basis over the entire term of the lease.

Recognition of interest income and expenses from investments is disclosed in Note 2.17 "Financial instruments".

2.11. Other financial expenses

Other financial expenses refer to interest costs based on lease agreements (see chapter 2.14 Leases), interest expenses on preferred shares and interest expenses based on other liabilities measured at amortized cost and fair value (see chapter 2.17 Financial instruments).

2.12. Intangible assets and goodwill

Intangible assets are initially carried at cost, which includes the purchase price, including import duties and non-refundable tax after deducting trade discounts and rebates, as well as all other costs directly attributable to bringing the asset to their working condition for their intended use.

Non-current intangible assets are recognised if it is probable that future economic benefits associated with the item will flow to the Group, if the cost of the asset can be reliably measured, and if the cost exceeds EUR 465.

After initial recognition, assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The amortisation of assets commences when the assets are ready for use, i.e. when the assets are at the required location and the conditions necessary for use have been met. The amortisation of assets ceases when the assets are fully amortised or classified as assets held for sale. The amortisation is calculated by writing off the purchase cost of each particular asset during the estimated useful life of the asset, by applying the straight-line method. The estimated useful life of intangible assets is from 2 to 15 years (2024: from 2 to 15 years).

Goodwill

Goodwill represents the difference between the fair value of the acquisition cost and the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the acquisition date. Goodwill arising on the acquisition of a subsidiary is recognized as intangible assets. Separately recognized goodwill is tested for impairment annually or whenever there is an indication of impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arises.

2.13. Property and equipment

Property, plant and equipment are initially carried at cost, which includes the purchase price, including import duties and non-refundable tax after deducting trade discounts and rebates, as well as all other costs directly attributable to bringing the asset to their working condition for their intended use.

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the item will flow to the Group, if the cost of the asset can be reliably measured, and if the cost exceeds EUR 465.

After initial recognition, land and buildings are carried at revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The increase in value of assets due to the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

A revaluation is performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. The Group assessed the fair value of these assets during 2024.

After initial recognition, equipment and other tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Maintenance and repairs, replacements and improvements of minor scale are expensed when incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an asset beyond its originally assessed standard performance, the expenditures are capitalised and included in the carrying value of the asset.

Gains or losses on the retirement or disposal of assets are included in the income statement in the period when incurred.

The depreciation of assets commences when the assets are ready for use, i.e. when the assets are at the required location and the conditions necessary for use have been met. The depreciation of assets ceases when the assets are fully depreciated or classified as assets held for sale. Depreciation is charged so as to write off the cost of each asset, other than land and tangible assets under construction, over their estimated useful lives, using the straight-line method, as follows:

| | 2025 | 2024 |
|-------------------------|----------------------------------|----------------------------------|
| | Estimated useful life | Estimated useful life |
| Buildings | 40 years | 40 years |
| Furniture and equipment | 4-10 years | 4-10 years |
| Computer equipment | 3-4 years | 3-4 years |
| Vehicles | 5 years | 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.14. Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- initial direct costs incurred,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee

incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the commencement date, the Group measures the right-of-use asset applying a cost model. To apply a cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Lease agreements are made for fixed and indefinite periods. For a lease that is made for an indefinite period, the Group estimates the lease term with respect to the possibility of extension or termination, the historical lease term or the significant cost of replacing the leased asset. The same was applied to lease agreements with a fixed period, and the lease term was reviewed on a case-by-case basis.

The Group mainly leases offices, vehicles and IT equipment.

At the commencement date, a lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined (mostly in case of office premises lease), the Group use the incremental borrowing rate. As of 31.12.2025 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 ranged from 2.57% to 5.32% (31.12.2024: from 2.57% to 5.32%). The Group determines its incremental borrowing rate based on publicly available information, considering various factors such as the lease term, the value of the leased asset, the economic environment, and the specifics related to the creditworthiness of the lessee.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, a Group measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made,
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate, or if applicable the revised discount rate.

The Group as lessee, in accordance with IFRS 16, elected not to apply the requirements of standard to:

- short-term leases (lease term of 12 months or less),
- leases for which the underlying asset is of low value (such as tablets and personal computers, telephones etc.).

In that case, the Group recognise the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

In statement of financial position, right-of-use assets are presented within Property and equipment at cost model, while lease liabilities are presented within Financial liabilities at amortized cost.

Lease income in which the Group is lessor, are recognised in the statement of comprehensive income on a straight-line basis over the lease term in note 6.4 Income from Investment property. The Group leases business premises for a period of 1 to 20 years. Lease receivables are disclosed as Trade receivables in note 20 Trade receivables and other receivables.

2.15. Investment property

Investment property (land and buildings) that are not used for operations and that are owned by the Group that are held to enable the Group to earn rental income and/or for capital appreciation and are measured at fair value through profit or loss.

The Group measures the fair value of its investment property at the end of each accounting period, and such measurement is based on the appraisal by a hired appraiser.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to property and equipment, and its carrying amount at the date of reclassification becomes its deemed cost to be subsequently depreciated.

2.16. Investments in subsidiaries, associates and joint ventures

Associates are companies in which the Company has significant influence but not control over the adoption and implementation of financial and operating policies. Subsidiaries are entities which are controlled by the Group.

Investments in subsidiaries, associates and joint ventures are presented in separate financial statements using the cost method.

2.17. Financial instruments

/i/ Classification and recognition

The Group allocates its financial instruments, i.e. financial assets, into the following categories regarding to the valuation method:

- valuation according to the amortized cost method ("AC"),
- valuation at fair value through the profit and loss account ("FVTPL") and
- valuation at fair value through other comprehensive income. ("FVOCI").

The classification of financial assets depends on the business model used for the financial assets management in which the individual instrument is acquired, the characteristics of the contracted cash flows, i.e. the results of the SPPI test, but also the fair valuation options provided by the IFRS 9 standard.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- is held within a business model aimed at holding assets in order to collect contracted cash flows ("Held to collect").

Financial assets within this business model are managed by the Group in order to generate cash flows by collecting contractual payments during the life of the instrument. The Group assesses the performance of assets based on realised interest income and credit losses. Collection of cash flows is an integral element of achieving the goal of this model, while sales of financial assets are limited to certain situations (sale close to maturity or if it is driven by credit risk, infrequent sale of significant amount of financial assets or frequent sale of insignificant amount of financial asset).

Although the goal of this business model is to hold assets in order to collect contractual cash flows, the Group does not have to hold all instruments until they mature, that is, financial assets

can be held within this model even if a certain part has been sold or is expected to be sold in the future periods.

- contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test' - test which requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding, ie cash flows that are consistent with a basic lending arrangement. The test consists from a set of criteria defined in alignment with the IFRS 9 standard, which are prescribed within the Group's internal acts).

Financial assets are measured at fair value through other comprehensive income if they meet both of the following conditions:

- is held within a business model aimed at holding assets in order to collect contracted cash flows and sell financial assets ('Holdings for collection and sale').

The goal of this business model is the collection of contractual cash flows and the sale of financial assets. The group holds financial assets as part of this model in order to maintain a certain interest yield profile and to manage liquidity. Also, the goal of the model is to harmonize the maturities of financial assets and liabilities. The Group assesses the performance of assets based on realised interest income and profit or loss from sales.

- contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test').

All financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income as described above (the "Other" business model), are measured at fair value through profit and loss. Furthermore, at initial recognition, the Group may irrevocably designate financial assets, which otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, measured at fair value through profit and loss if this eliminates or significantly reduces the accounting mismatch that would otherwise arise.

As a rule, equity instruments do not have contractual cash flows, which are only the payment of principal and interest, and they are measured at fair value through profit or loss, unless upon initial recognition, for equity instruments that are not held for trading, the Group irrevocably decided to presents subsequent changes in the fair value of the investment in the equity instrument (recognition option through other comprehensive income) in the other comprehensive income. Investment funds and derivative financial instruments (except derivative financial instrument – electricity swap) are recognized through classification which valuation is carried out through the profit and loss account.

In addition, for each individual debt instrument at the time of acquisition, it is determined whether it is an instrument whose value at the time of (initial) recognition has been reduced by credit losses, due to the established significant credit risk. After the analysis, the Group identifies whether it is an asset that contains a significant credit risk at the time of (initial) recognition, i.e. whether it is classified as a "POCI asset". POCI assets are recognized at fair value at the time of acquisition. For POCI assets, the effective interest rate modified for credit risks ("CRAEIR") is calculated. CRAEIR is a rate that discounts all expected cash flows, adjusted for expected credit losses, to fair value at the time of (initial) recognition, and which also represents the amortized cost of the instrument at that time.

The initial recognition of financial assets related to debt securities, bank deposits, reverse repo contracts and loans, and long-term receivables is recorded at fair value (acquisition cost), whereby transaction costs incurred during the investment are attributed to the acquisition cost. As an exception to the previous provision, the initial recognition of the mentioned financial asset, if it is classified at fair value through the profit and loss account, is recorded at fair value (acquisition cost), whereby transaction costs do not constitute the cost of acquisition but charge the expenses of the accounting period in which they are arose.

/ii/ Subsequent measurement

Subsequent recognition of transactions related to the holding of financial instruments according to valuation methods is as follows:

- valuation according to the amortised cost method - at amortised cost using the effective interest rate method. Interest income, gains and losses from exchange differences and impairment are recognized in the income statement. Any gain or loss from derecognition is also recognized in the income statement.
- valuation at fair value through profit and loss account - subsequent measurement is at fair value and all net gains and losses, including interest income, dividends and gains and losses from exchange differences are recognized in the income statement.
- valuation at fair value through other comprehensive income for debt securities – subsequent measurement is at fair value. Interest income, calculated using the effective interest method, gains and losses from exchange differences and impairment are recognized in the income statement. Other net gains and losses (changes from fair value) are recognized in other comprehensive income and accumulated in the fair value reserve. Upon derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
- valuation at fair value through other comprehensive income for equity securities - subsequent measurement is at fair value. Dividends are recognized as income in the profit and loss account when the Group's right to dividend payment is established. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss. After derecognition, cumulative gains and losses recognized in other comprehensive income are transferred to retained earnings.

In the case of POCI assets, the CRAEIR calculated at the time of (initial) recognition is used for the calculation of interest income on POCI instruments throughout their lifetime and for subsequent determinations of the value of the instrument at amortized cost. For POCI assets, when calculating interest income, CRAEIR is applied to the amortized cost of POCI assets (net book value).

Principles of fair value measurement

Fair value is the price that can be realised on the measurement date by selling an asset or paying for the transfer of a liability in a regular transaction on the primary market, or, if such a market does not exist, on the most favorable market accessible on that date. The fair value of the liability reflects the risk of default. When available, the fair value of the instrument is based on a quoted price in an active market. A market is considered active if transactions related to assets or liabilities occur frequently enough and in sufficient volume to provide constant information on quoted prices.

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets through other comprehensive income is:

- their value determined on the basis of (non-adjusted) prices quoted on the active market for identical assets or liabilities on the reporting date (Level 1),
- If the market for financial assets or liabilities is not active (and for securities that are not listed) or if, for other reasons, the fair value cannot be reliably determined based on the market price, the Group determines the fair value based on the price for similar assets or on the basis of other inputs which are observable and not related to quoted prices, such as interest rates and yield curves available at regular intervals, credit spreads, etc. (Level 2),
- When neither of the above is available, the Group applies various valuation techniques that use all relevant information and inputs that can help estimate fair value (Level 3) such as the discounted cash flow method, the comparable company method, etc.

When applying the discounted cash flow method, the estimated future cash flows are based on the best estimate of the management, and the discount rate is the market rate valid on the reporting date for financial instruments with similar terms.

/iii/ Impairment of financial assets - calculation and recognition of expected credit losses

Expected credit losses related to a particular instrument are estimated on the basis of expected future cash flows (based on principal, interest, fees and commissions) related to the contract, including the amounts that may arise from the realization of the relevant collateral. All expected cash flows are reduced to present value by discounting at the relevant effective interest rate. The calculation of expected credit losses depends on the estimated assumed credit risk and on the change in credit risk arising from the moment of the initial assessment, i.e. from the initial recognition.

For each reporting date, the Group recognizes impairment provisions for expected credit losses ("ECL") for debt financial instruments classified as AC or FVOCI.

Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probabilistically determined amount based on an assessment of the range of possible outcomes;
- the time value of money and
- reasonable and substantiated information, available at the reporting date without undue cost or effort, about past events, current conditions and forecasts of future economic conditions.

When measuring expected credit losses, the Group does not determine every possible scenario, but takes into account the estimated risk or probability of credit loss in possible scenarios of changes in macroeconomic conditions.

In simplified terms, expected credit losses are calculated as the product of the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EaD"). Default status is considered to have occurred when one or both circumstances have occurred: the improbability of payment by the debtor, when the Group considers that the payment of existing loan obligations in full by the debtor is unlikely to be without the realization of collateral and when there has been a materially significant delay in payment, i.e. the debtor is late with the payment of due obligations towards the Group for more than 90 days.

Probability-weighted scenarios- expected credit losses are modeled by several forward-looking scenarios, which take into account the probability of occurrence of "stressful" and favorable economic conditions, so that the resulting value of the ECL represents a probable-weighted number based on the results of several analyzed economic scenarios within which credit risk parameters are modeled.

The appropriate selection of a set of representative economic scenarios based on the impartial and objective information available to the Group, as well as the probability of a particular (representative) economic scenario, is determined by the relevant organizational units of the Group by the expert method.

There are 3 credit risk groups for debt financial assets:

- Stage 1 – the first level of credit risk, i.e. the level of the lowest risk initially assigned to all new exposures, except in the case of POCI instruments. If, after initial recognition, the credit risk of a financial instrument has not significantly increased by the reporting date, the amount of provisions for impairment for that financial instrument is equal to the expected credit losses in the twelve-month period, whereby the one-year probability of default (PD) of the observed issuer is taken into account for the calculation and the total possible loss given default (LGD).
- Stage 2 – if after initial recognition until the reporting date there was a significant increase in the credit risk of a financial instrument, the amount of provisions for impairment for that financial instrument is equal to the lifetime expected credit losses for the entire period, taking into account the cumulative probability of default of the observed issuer (cumulative PD) and total possible loss given default (LGD).

- Stage 3 – the third level of credit risk assigned to individual credit exposures for which the status of default has been established from the moment of initial recognition. For all credit exposures where default status has been identified, the lifetime expected credit loss is calculated, taking into account the observed issuer's probability of default (PD), which is 100%, and the total possible loss given default (LGD).

Changes in the total calculated ECL within the reporting periods are shown through the profit and loss account. Any change in the fair value of a debt instrument includes the effect of a change in the credit risk of the issuer of that financial instrument. For all debt instruments that are measured at fair value through other comprehensive income, it is necessary to estimate and report value adjustments, i.e. provisions for expected credit losses. All changes in the amount of provisions for expected credit losses are recognized in the profit and loss account, and the book value of financial assets at fair value through other comprehensive income in the statement of financial position is not reduced, but an increase in the revaluation reserve in equity is recognized since the amount of value adjustments in the name of expected credit losses, already included in the cumulative amount of the change in fair value, also shown in other comprehensive income. Changes in fair value that were previously recognized in other comprehensive income are recycled in full to the income statement after the derecognition of the debt instrument.

If Group identified increased credit risk during initial classification, financial instrument is classified as POCI – credit-impaired instrument (purchased or originated credit-impaired instrument, i.e. purchased or originated credit-impaired asset). For POCI assets, the Group recognizes in the reporting period only the cumulative change in expected credit losses over the entire life of the financial asset compared to initial recognition. If there is a positive change in the expected credit losses in relation to the initially determined expected credit losses, the Group recognizes a reversal of impairment loss, even if the expected credit losses during the lifetime are lower than the amount of expected credit losses that were included in the estimated cash flows, while in the event of a negative change in expected credit losses in relation to the initially determined expected credit losses, impairment provisions are formed.

For financial assets classified as Stage 1 and Stage 2, interest income is calculated using the effective interest rate on the gross book value, while for financial assets classified as Stage 3, interest income is calculated using the effective interest rate on the net book value, i.e. to the value minus the expected credit risk.

/iv/ Reclassification of financial instruments

Reclassification of financial instruments is possible if and only if the business model is changed for the purpose of managing the financial assets in question. Such changes are expected to be very rare. Such changes must be significant for the business and must be able to be proven by a sequence of external and internal changes.

If the Group reclassifies financial assets, it is obliged to apply the reclassification prospectively from the date of reclassification, which means that it will not revise previously recognized gains, losses (including impairments) and interests.

/v/ Specific instruments and financial liabilities

Other financial liabilities

Obligations for preferred shares - a preferred share with the feature of mandatory payment by the issuer for a precisely determined or determinable amount, on a determined or determinable future date, or which gives the holder the right to demand payment by the issuer on or after a specified date, for a precisely determined or determinable amount, represents a financial obligation.

The Group classifies preferred shares as financial liabilities and values them at amortized cost.

Other financial liabilities at amortized cost except lease liabilities (loan liabilities, repo liabilities, etc.) – are measured at amortized cost using the effective interest rate method. Interest expenses and gains and losses from exchange differences are recognized in the income statement. Gain or loss on derecognition is also recognized in the income statement.

Derivative financial instruments

As part of its regular operations, the Group concludes contracts on derivative financial instruments for the purpose of managing risk (contribution to risk reduction) or to facilitate efficient portfolio management. Therefore, these financial instruments are classified as Financial assets or liabilities held for trading – at fair value through profit and loss - derivatives.

Increase / decrease in fair value is recognized as an asset if their fair value is positive and liabilities if their fair value is negative and changes in fair value of derivatives are included in profit or loss i.e. in Net investment income.

Virtual Power Purchase Agreement (VPPA) and hedge accounting

The Virtual Power Purchase Agreement (VPPA) is considered as a hybrid contract, and the guarantee of origin (GoO) component within the VPPA contract is considered a "host" contract for the delivery of a non-financial item (GoO) to the customer, while the cash-settled electricity component is reported as an "embedded derivative" in the form of a commodity swap (difference between the contracted price and the market price of cash-settled electricity).

While the embedded derivative is separately recognised under IFRS 9, the residual non-financial host component of the contract is accounted by the Group as a purchase contract to receive the GoO from the seller of the VPPA contract and are recognized in profit or loss.

The embedded derivative separated from the VPPA contract represents electricity swap that is used by the Group to hedge the price risk of forecast physical purchases of electricity. The Group does not enter into these electricity swaps for speculative purposes.

The electricity swap is initially recognised on the date on which the respective VPPA contract is concluded and initially measured at nil (due to its non-optional nature) in accordance with IFRS 9. The electricity swap is subsequently measured at fair value.

The Group has designated the electricity swap as hedging instrument in cash flow hedge relationships to hedge the exposure to variability in highly probable forecast transactions that is attributable to the electricity price risk associated with the highly probable forecast transactions.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedge relationship meets the hedge effectiveness requirements.

Given their classification within cash flow hedge relationships, the Group presents the electricity swaps as *Financial assets at fair value through other comprehensive income* when their fair value is positive, or *Liabilities from other derivative financial instruments – cash flow hedge* when their fair value is negative.

Accounting for cash flow hedges

The effective portion of the gain or loss on the electricity swaps is presented as the *Effects of hedging instruments* within Other comprehensive income, and is further accumulated in the cash flow hedge reserve, presented within Revaluation reserves. Any ineffective portion of the gain or loss on the electricity swaps is recognised immediately in profit or loss.

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses the electricity swaps as hedges of its exposure to volatility in the spot electricity prices arising from highly probable future purchases of electricity.

The cash flow hedge reserve accumulated in equity is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. This is generally when the hedged future cash flows are recognized as items of income or expense. This reclassification adjustment affects the same line items of profit or loss as those that are affected by the hedged items (*Electricity costs*).

If a cash flow hedge relationship is discontinued, the cash flow hedge reserve remains in equity if the hedged future cash flows are still expected to occur. Once the hedged cash flows occur, the respective amount of the cash flow hedge is reclassified to profit or loss in the same period. However, if the hedged future cash flows are no longer expected to occur, the cash flow hedge reserve will be immediately reclassified to profit or loss.

/vi/ Offsetting of financial instruments

Financial assets and liabilities are offset and presented in the financial statement on a net basis when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis, or the acquisition of assets and settlement of liabilities take place simultaneously.

/vii/ Derecognition of financial assets and financial liabilities

Derecognition of asset finance occurs when the contractual right to receive cash flows from the financial asset or its sale expires, which means that the Group essentially transfers all the risks and benefits of ownership to another business entity or when the rights have been realised, transferred or expired.

Similar as with financial liability, the Group ceases to recognize a financial liability (or part of a financial liability) from its statement of financial position only when it is settled, that is, when the contractual obligation is fulfilled, canceled or when it expires.

At the moment of sale or other derecognition of financial assets, all realised gains or losses for the period are reported in the income statement.

An exception is the sale of equity instruments for which the OCI option was selected during initial recognition, or which are classified as FVOCI. In the case of the sale of these equity instruments, all realised gains and losses resulting from gains on the value (price) as well as all effects arising from exchange rate differences are recognized in retained earnings, not in the current period's income statement.

In the case of a financial liability, the difference between the carrying amount of the financial liability (or part of the financial liability) that is settled or transferred to another party and the consideration paid, including any non-monetary assets transferred or liabilities assumed, is recognized in the income statement.

Upon derecognition, previously recognized financial assets and liabilities are removed from the Group's financial position statement.

2.18. Receivables

/i/ Receivables from customers and other receivables include receivables from customers for goods sold or services delivered, receivables from the government, card companies, advances, etc.

Receivables from customers are stated at amortized cost less impairment.

Revenue recognition is described in Note 2.8. Revenue recognition.

/ii/ For short-term receivables without significant financial components, the Group applies a simplified approach in accordance with the requirements of IFRS 9 and estimates the value adjustment for the expected lifetime of credit losses from the initial recognition of the receivable (described in chapter 2.17 Financial instruments).

/iii/ Receivables for default interest together with the related income are recognized when the default interest is collected.

/iv/ Prepaid expenses - refers to expenses that relate to future periods and/or are paid in advance (eg rent, insurance premiums, license costs, advertising costs, professional literature costs, etc.) and are recorded as a deferred cost.

2.19. Cash and cash equivalents and short-term deposits

/i/ Cash consists of balances with banks and cash on hand. Cash equivalents are short-term, high-liquidity investments that can be converted at any time into known amounts of cash and are not exposed to significant changes in value. The carrying amounts of cash and cash equivalents generally approximate their fair value.

/ii/ For the purposes of reporting on cash flows, cash and cash equivalents refer to cash with banks and in hand, as well as deposits with original maturity up to three months.

/iii/ At each reporting date, the Group recognizes loss allowance for expected credit losses, which is described in detail in chapter 2.17 Financial instruments.

2.20. Income tax

The tax expense represents the sum of the current tax liability and deferred tax.

Current tax

The current tax liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax is the amount for which it is expected that a liability will arise based on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized on the basis of revaluation of land and buildings and of financial assets through other comprehensive income and insurance and reinsurance contracts.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. The calculation of deferred tax liabilities and assets reflects the amount at which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are not discounted and are classified as non-current assets and/or liabilities.

Current and deferred income tax for the period

Current and deferred tax is recognised as an expense or income in income statement, except when they relate to items credited or debited to other comprehensive income in which case the deferred tax is also recognised in comprehensive income.

2.21. Capital

In its financial records the Group records capital categorized as follows: subscribed capital, share premium, fair value reserve, reserves (statutory reserves, legal reserves, other reserves), retained profit and current year profit/(loss).

/i/ Subscribed capital represents the indivisible share capital of the Company, paid in full

/ii/ Revaluation reserve

The revaluation reserve includes profits from the revaluation of properties, net of deferred taxes. The revaluation reserve is transferred directly to retained profit in proportion to the depreciation of the asset.

Revaluation reserve of financial assets at fair value through other comprehensive income includes unrealised gains and losses from changes in fair value of financial assets, net of deferred tax.

The revaluation reserve also includes the financial reserve from insurance and reinsurance contracts, net of taxes, which includes the effects of changes in the valuation of assets and liabilities from insurance and reinsurance contracts resulting from a change in the current discount rate compared to the initial one (the so-called "locked-in") discount rate.

Revaluation reserve – cash flow hedge reserve – is related to effective part of gain or loss from electricity swap.

/iii/ Allocations to statutory reserves, legal reserves, other reserves and retained profit are regulated by the Decisions of the Company's General Assembly.

/iv/ The current year income is presented according to the balance as at reporting date and it is transferred to the upcoming fiscal year. The utilization or allocation of profit is determined by the Decision of the Company's General Assembly.

2.22. Insurance contracts

An insurance contract is contract on the basis of which one party (issuer) assumes a significant insurance risk from the other party (the policyholder) and agrees to pay the policyholder compensation if the policyholder suffers damage due to an uncertain future event (insured event).

The Group is required to make a classification of all insurance contracts and conducts a test to determine whether the Group accepts a significant insurance risk from the policyholder when creating new product.

Certain insurance contracts issued by the Group in which the investor is entitled to and expected to receive, in addition to an amount not subject to the Group's discretion, potentially significant supplemental benefits based on the return of certain pools of investment assets, meet the criteria of a contract with a discretionary participation feature (DPF).

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts should be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and calculated according to a different standard.

In the Group's insurance contracts, there are no contracts that contain one or more components whose separation from the basic contract would be required under IFRS 17.

/i/ Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes and are determined firstly by identifying insurance portfolios, each comprising contracts subject to similar risks which are managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into groups of contracts for which the recognition and measurement requirements under IFRS 17 apply. Upon initial recognition, The Group divides each portfolio into annual cohorts according to the beginning of the coverage year and each annual cohort is classified into one of the following groups:

- a group of contracts that are onerous upon initial recognition;
- a group of contracts for which, upon initial recognition, there is no significant possibility of becoming onerous subsequently;
- other groups of contracts, if they exist.

After the initial recognition, the classification of the contract in the insurance group is no longer changed. Reinsurance contracts are generally valued individually.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, through deferred recognition of contractual service margin ("CSM"), against losses on groups of onerous contracts, which are recognized immediately.

/ii/ Contract boundaries

The coverage period represents the contract boundary relevant when applying IFRS 17 requirements because the measurement of a group of contracts includes all of the future cash flows within the boundaries of each contract in that group.

○ Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or in which the Group has a substantive obligation to provide the policyholder with the insurance contract services. A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and as a result, can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contract contains, and consequently, can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Groups of issued insurance contracts are initially recognized upon the occurrence of the first of the following events at the beginning of the coverage period:

- coverage start date,
- when the first payment from the policyholder becomes due,
- when the Company determines that a group of insurance contracts becomes onerous.

In the portfolio of life insurance contracts it is not possible to change the terms of the insurance contract in the context of the requirements of IFRS 17.72. Therefore, the only criterion for derecognition of an insurance contract is the expiration or fulfillment of the obligations specified in the contract in accordance with the requirement of IFRS 17.74.

○ Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

/iii/ Initial and subsequent measurement of insurance contracts

Measurement method depends on the insurance contract characteristics. Below are more detailed individual models.

○ *General measurement model – GMM and Variable fee approach – VFA*

At initial recognition, the Group measures the contract group with a general model (General measurement model – GMM). The general model measures the group of insurance contracts at the level of:

(a) total cash flows from the performance of the contract, which include:

- (i) estimates of future cash flows;
- (ii) adjustments to reflect the time value of money and the financial risks associated with future cash flows where financial risks are not included in future cash flow estimates; and
- (iii) adjustment of value for non-financial risk.

(b) the total margin for the service contracted (Contractual service margin – CSM).

The fulfillment cash flows from the group of contracts do not reflect the risk of non-performance of Group's obligations. Estimation of the value of future cash flows is measured as the present value of future gross expenditure (fees and expenses) reduced by the present value of future gross income (gross premium of future periods) taking into account the estimated probabilities of possible outcomes. All cash flows are discounted using risk-free interest rates adjusted to reflect the characteristics of the cash flows and, where applicable, the liquidity characteristics of the contracts.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for uncertainty regarding the amount and timing of the cash flows arising from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those insurance contracts.

Upon initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

- (a) cashflows from the fulfillment of contract;
- (b) any cash flows arising from related group of contracts at that date; and
- (c) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to a group of contracts.

In the case of net outflows, the group of contracts constitutes onerous contracts and the net outflow is recognized as a loss in the profit and loss account. The Group determines the loss component of the liability for remaining coverage period for the onerous group by stating the losses displayed in accordance with the above mentioned. The loss component determines the amounts that are recognized in the profit and loss account as reversals of losses under onerous contracts and are, therefore, excluded from income from insurance contracts.

Subsequently, the carrying amount of an insurance contract assets and liabilities (statutory technical provisions of insurance contracts) at each reporting date is the sum of the liability for remaining coverage and the liability for claims incurred. The liability for remaining coverage comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date or loss component at that date. The liability for claims incurred includes the fulfilment cash flows for claims incurred and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognized as follows:

| | |
|---|--|
| Changes related to future services | Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous) |
| Changes related to current or past services | Recognized in the insurance service result in profit or loss |
| Effects of time value of money, financial risk and changes on estimated future cash flows | Recognized as part of net financial income or expense from the insurance contract |

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognized in profit or loss account as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognized in profit or loss account because it relates to future service.

Regarding reinsurance contracts, which are valued using the GMM method, the Group applies the same accounting policies as for the measurement of a group of insurance contracts.

Cash flows from acquisition costs arise from the activities of sales and underwriting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. For life insurance contracts, cash flows from insurance acquisition are allocated to groups of contracts using systematic and rational methods. The Group applies the above model for life insurance contracts and loan insurance contracts in the non-life insurance segment.

A variation of the general measurement model, called the "variable fee approach", is also envisaged, which shall be applied to certain life insurance contracts in which the owners of insurance policies participate in the change in the fair value of the specific items defined by the relevant insurance contracts. Application of this model is mandatory if certain criterias are met. Reinsurance contracts cannot have the characteristics of direct participation. It is considered that insurance contracts with features of direct participation essentially create a liability to the policyholders in an amount equal to the fair value of the underlying investments less the variable service fee. This fee is equal to the amount of the Group's share in the fair value of underlying investments less fulfilment cash flows that do not vary based on the returns on underlying investments.

Insurance contracts with direct participation features are insurance contracts that are essentially investment-related service contracts under which the entity promises a return on investment based on the related investments. Therefore, they are defined as insurance contracts for which the following applies:

- it is established in the contractual conditions that the policyholder participates in a part of a clearly defined set of related investments;
- the Group expects to pay the policyholder an amount equal to a substantial share of the recovery of the fair value of the related investments; and
- the Group expects that a significant proportion of any changes in amounts payable to the policyholder will change based on changes in the fair value of the related investments.

The Group assesses whether the specified conditions are met when concluding the contract and does not re-evaluate these conditions later, unless the contract is amended. IFRS 17 specifies how CSM is adjusted in subsequent measurements, i.e. at the end of the reporting period. This adjustment differs from GMM method because it requires additional adjustments for changes in the amount of the Group's share in underlying investments and financial risks other than those arising from related investments, for example the effect of financial guarantees.

○ *Premium allocation approach – PAA*

The Premium allocation approach (PAA) is a simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts for which the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from GMM measurement or the coverage period of each contract in the group is one year or less.

The Group applies PAA to all contracts in the non-life insurance segment, except loan insurance to which the general measurement model as described in the life insurance section is applied, as the following criteria are expected to be met at initial recognition:

- Insurance contracts and disproportionate reinsurance contracts: the coverage of each contract in the group of contracts is one year or less.
- Reinsurance contracts containing related risks: the result of measuring assets for the remaining coverage does not differ significantly from the results obtained of the application of the general measurement model.

Upon initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured on the premiums received upon initial recognition. The Group recognizes the cash flows from the acquisition of insurance as an expense when they arise, except for commission costs, which are accrued for the duration of the insurance contract and recognized based on the passage of time. Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognized as insurance revenue for services provided and decreases by the paid commission and increased by the amortized part of the commission. The time between providing each part of the services and the related premium due date will not exceed one year. Accordingly, as permitted by IFRS 17, the Group does not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognizes a loss in profit or loss account and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. In that case, the fulfilment cash flows are discounted.

The Group recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims and the future cash flows are discounted.

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

/vi/ Measurement - significant judgments and estimates

○ *Estimates of future cash flows*

In estimating future cash flows, the Group includes in an unbiased manner all reasonable and reliable data available without undue cost and effort regarding the amount, timing and uncertainty of those future cash flows at the reporting date. This information includes both internal and external historical data about claims and other experiential data, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or annul a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. This includes premiums (including policyholders' premium adjustments and installment premiums and any additional cash flows resulting from these premiums), payments to (or on behalf of) the policyholder, cash flows from the acquisition of insurance and other costs incurred in performing the contract. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads which can be directly attributed to the execution of the insurance contract (i.e. attributable costs).

Cost cash flows are distributed into groups of contracts using systematic and meaningful methods that are consistently applied to all costs with similar characteristics. A significant part of direct administrative costs are directly allocated to life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group on the basis of an analysis of the allocation of administrative employees and their salaries on activities related to life and non-life insurance. The allocation of these costs within a particular segment to the associated insurance groups is carried out on the basis of a share of the annual insurance income. The above annual assessment is based on last year's income for non-life insurance contracts, and on last year's collected insurance premium for life insurance contracts. Further allocation of non-life insurance contracts costs to non-life insurance groups is carried out on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance contracts, the further allocation of costs to the insurance groups is based on the number of active policies in the accounting period.

Other non-attributable expenses are not allocated to groups of insurance contracts and are reported in the financial statements separately from the technical result items, i.e. results from the insurance contract.

○ Discount rates

The Group sets discount rates with the so-called Bottom-up approach, creating a risk-free interest curve using market yields of government bonds as well as the market yields of other highly liquid financial instruments in the corresponding currency, with the application of credit risk correction and EIOPA methodology for extrapolation. To reflect the liquidity characteristics of insurance contracts, risk-free interest curves can be further adjusted by illiquidity adjustment, if needed. The discount rates used on the date of initial recognition (so-called "locked-in") are determined as the average of the discount rates at the end of the months within the accounting period in which new contracts enter the group of insurance contracts.

The Group measures life insurance obligations by discounting future cash flows (cash flows from the execution of life insurance group contracts) with the application of current discount rates at the appropriate measurement date. The current discount rates are also used for the margin for the contractual obligation and the loss component of the VFA method. Locked-in discount rates are used for the margin for contractual obligations and for the loss component of the GMM method and for coverage units.

The Group discounts cash flows of non-life insurance contracts measured in accordance with the general measurement model (loan insurance). For all other contracts, for which the premium distribution model – PAA applies, cash flows from the performance of contracts relating to claims incurred are also discounted. Applicable discount rates are determined in accordance with the methodology described earlier.

○ Adjustment of value for non-financial risk

Risk adjustments for non-financial risk is determined to reflect the compensation that the Group requires for bearing non-financial risk and its level of risk aversion. They are determined separately for the life and non-life contracts.

The adjustment of value for non-financial risk is determined using the following techniques:

- for measurement of the adjustment of value for non-financial risk in non-life insurances two methods are used: the quantum method and the cost of capital method, where the choice of the method depends on the availability of data and the stability of the results of statistical calculations of a particular portfolio; exceptionally, due to the nature of the risk, a method based on shock scenarios can also be used for liabilities for annuity claims. The confidence level of the adjustment for non-financial risk for the non-life insurance segment is 80%, and it was calculated from the net cash flows for claims using the copula method.
- for life insurance contracts: for the reserve for residual coverage, the calculation of the value adjustment for non-financial risk for life insurance is based on shock scenarios with explicit margins. These margins are derived on the basis of the corresponding shocks from the life insurance risk submodules defined in Solvency II. The shocks calibrated by EIOPA in Solvency II were adjusted to the requirements of IFRS 17 and the target confidence interval. The confidence level of the adjustment for non-financial risk for the life insurance segment is 80%, and it was calculated on the basis of the correlation matrix and individual confidence levels. The value adjustment for non-financial risk for the provision for incurred claims is valued as the present value of 1% of the amount of claims in the provision on the calculation date.

○ CSM - Contractual Service Margin

The CSM of a group of contracts is recognized in profit or loss account to reflect the services provided under the group of insurance contracts in that period. This amount is determined by identifying the coverage units in the group of contracts, evenly distributing the CSM at the end of the period (before any allocation) to each

coverage unit insured in the current period and expected to be insured in the future, and recognized in the profit and loss account the amount of the units allocated to the coverage units insured in that period. The number of coverage units is the measure of quantity of services provided by a group of contracts, taking into account for each contract the quantity of benefits provided and the expected coverage period.

If there is a loss component instead of a contractual service margin, the Group allocates the following items between the loss component and the remain reserve for residual coverage:

- Expected insurance claims and administration costs in the period
- Change in risk adjustment in the period.

Allocations are made based on the ratio of the loss component and the cash flows from the fulfillment of the insurance contract, which refer to the expected future cash outflows.

/v/ Presentation and disclosure

Amounts recognized in the profit or loss statement are disaggregated into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- net financial income or expense from insurance contracts.

The amounts from the reinsurance contract are reported separately.

- Insurance service result

For contracts that are not measured using PAA, the revenue from the insurance contract for each year represents changes in liabilities for the remaining coverage relating to the services the Group expects to receive compensation from and the distribution of part of the premiums related to the return of cash flows from obtaining insurance. For contracts measured using PAA, the income from the insurance contract is recognized on the basis of the passage of time or based on the expected dynamics of service provided.

Expenses that relate directly to the fulfilment of contracts are recognized in profit or loss account as insurance service expenses, when they are incurred. Expenses that do not relate directly to the fulfilment of contracts are presented outside the insurance service result.

Investment components are not included in insurance revenue and insurance service expenses according to IFRS 17. The Group identifies the investment component of a contract by determining the amount required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. The Group has established an investment component in the amount of the redemption value for all life insurance contracts with a savings component. The Group separates changes in the adjustment for non-financial risk between results from insurance contracts and net financial income or expenses from insurance contracts. The release of the discounting effect of the value adjustment for non-financial risk is recognized through the income statement, while the difference between the current and initial discount rates is recognized in other comprehensive income.

- Insurance finance income and expense

Changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items.

For most insurance and reinsurance contracts, the Group is using the option of recognizing a change in the value of liabilities and assets from insurance and reinsurance contracts based on the current discount rates in relation to the initial (so-called "locked-in") discount rate in other comprehensive income and accordingly separates net financial income or expenses from the insurance contract to the aforementioned part to be recognized in other comprehensive income and the part that is recognized through profit and loss account as release of the discount effect. Insurance contracts that are assets and those which are liabilities, and reinsurance contracts that are assets and those which are liabilities, are presented separately in the statement of financial position as assets from insurance or reinsurance contracts and as liabilities from insurance or reinsurance contracts.

2.23. Accounts payables and other liabilities

/i/ Accounts payable and other liabilities are recognized when the Group has a present obligation arising from past events and is expected to result in an outflow of economic resources. The Group recognizes liabilities at amortized cost.

/ii/ Liabilities for claims and contracted insurance amounts - refers to liabilities for liquidated claims that are recognized upon claim liquidation, i.e. when the amount that will be paid to settle the claim is determined.

/iii/ Liabilities for contributions - regarding to defined contribution plans, the Group pays contributions to state pension and health insurance funds in accordance with legal regulations or at its own discretion. The Group's obligation ends when the contributions are settled. Contributions are recognized as an expense in the income statement as incurred.

/iv/ Liabilities to the guarantee fund - The Company makes monthly payments to the guarantee fund of the Croatian Insurance Bureau for the settlement of claims for damages caused by uninsured and unknown vehicles. The monthly fee is determined according to the share of collected insurance premium or the number of risks in certain type of compulsory insurance in the year to which the contribution relates.

/v/ Accrued expenses and deferred income of the future period includes the calculated costs for the delivery of goods and services performed by the balance sheet date, if no invoice or other documentation necessary for recording a business event has been submitted for the same, and deferred income that is recognized when it is not possible to recognize income in the statement of comprehensive income since not all conditions for revenue recognition have been met.

/vi/ Other liabilities pertain to liabilities toward domestic suppliers, liabilities for advances received, liabilities to employees, commission liabilities etc.

2.24. Employee benefits and pension plans

Pension obligations

For defined contribution plans, the Group pays contributions to state-owned pension and health insurance funds, in accordance with legal requirements or individual choice. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense in profit or loss as they occur.

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under the short-term cash bonus or profit-sharing plans if the Group has a present legal obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other employee benefits

Liabilities based on other long-term employee benefits, such as jubilee awards and termination benefits at retirement, are recorded as the net present value of the liability for defined benefits at the balance sheet date. Provisions for employee benefits for long-term employment and retirement (regular jubilee awards and termination benefits) are determined in such a manner that in each year of work, the present value of the proportional part of the expected amount of regular jubilee rewards and termination benefit depends on the total time remaining until the jubilee award is paid, less expected employee turnover. The discount rate applied is the yield on the respective bonds. The discounted future cash flow method is used for the calculation of the present value of the liability.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits, The Group recognises termination benefits at the earlier of the following dates:

- (a) when the Group can no longer withdraw the offer of those benefits and
- (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

2.25. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Provisions are determined for costs of legal disputes and costs of employee benefits for the long-term employment and retirement (regular jubilee awards and termination benefits) and incentive termination benefits as part of the redundancy plan.

2.26. Impairment of non-financial assets

The net book value of the Group's assets, other than financial assets (see Note 2.17 - "Financial instruments") is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount of the asset is estimated. For intangible assets and goodwill with no finite useful life and intangible assets not yet in use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Exceptionally, the impairment of property measured by using the revaluation model is debited to fair value reserves, if any, and the remaining amount of the impairment after these reserves have been exhausted is recognised in profit or loss for the period.

The recoverable amount of an asset and cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The value impairment loss recognised in prior periods is assessed on each reporting date in order to establish whether the loss has decreased or no longer exists. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

2.27. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are recognised as a provision in the financial statements when it is more likely than not that there will be a cash outflow. Other contingent liabilities are only disclosed in the notes to the financial statements.

Contingent assets are not recognised in the financial statements, rather they are recognized when an inflow of economic benefits is nearly certain.

2.28. Events after the balance sheet date

Events after the balance sheet date, which provide additional information on the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements, if material.

2.29. Earnings per share

Earnings per share are calculated as profit of the period attributable to Company shareholders decreased by dividends of preference shares (in the case of shares classified as equity, not financial liabilities) divided by the weighted average of ordinary shares (without treasury shares). When the parent's separate financial statements and consolidated financial statements are presented, earnings per share are presented only on the basis of the consolidated information.

2.30. Segment reporting

A segment is an integral part of the Company that carries out business activities from which it can earn income or have expenses incurred, including income and expenses relating to transactions with other constituents of the Company, whose business results are regularly reviewed by the chief operating decision maker. Profit before tax is mostly used as performance measure for segment reporting. The review is carried out in order to make decisions about resources to be allocated to a particular segment and to assess its performance, and for which there is separate financial information. Segments of the Group and the Company include the life insurance and non-life insurance segments.

Distribution of costs between life and non-life insurance segments

Investment income, realised and unrealised profits and losses, expenses and compensations arising the funds of an individual segment, are distributed to the segment to whom they relate.

A significant part of direct administrative costs is directly charged to the life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group based on an analysis of the time spent by administrative staff on tasks related to life or non-life insurance. The allocation of the mentioned costs within a particular segment to the corresponding insurance portfolios is done on the basis of an estimate of the annual revenue shares. Further allocation of non-life portfolio costs to non-life insurance groups is performed on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance portfolios, the further allocation of costs to the corresponding insurance groups is based on the number of active policies in the accounting period. Commissions are directly posted separately to the life and non-life insurance segments.

Allocation of capital, reserves and assets

Property and equipment, intangible assets and investment property are allocated to the non-life segment, unless directly related to life insurance segment. Financial investments are allocated in accordance with sources of funding. Fair value reserves are allocated according to the source of related financial assets while legal and other provisions are allocated to each segment based on the results of the related segment. Other receivables and liabilities are allocated to those segments from which they arise.

2.31. Key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies

/i/ Impairment losses on financial assets at amortised cost and fair value through other comprehensive income

The need for impairment of assets carried at amortised cost and fair value through other comprehensive income is estimated as described in Note 2.17. Financial instruments. The calculation of expected credit losses requires significant judgments related to the value and recoverability of collateral, future and macroeconomic information. The Group applies a neutral and impartial approach when dealing with uncertainties and when making decisions based on significant estimates.

Expected credit losses ("ECL") related to a specific instrument are estimated based on the expected future cash flows (based on principal, interest, fees and commissions) related to the contract in question, including amounts that may arise from the realization of relevant collateral. All expected cash flows are reduced to present value by discounting at the relevant effective interest rate.

In simplified terms, in most cases expected credit losses are calculated as the product of probability of default (PD), loss given default (LGD) and exposure at default (EaD).

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Notes to the financial statements for 2025

The gross value of financial assets at amortized cost and financial assets at fair value through other comprehensive income and the rate of recognized expected credit loss at the end of the year are listed in the table below. Also, an analysis of the sensitivity to a change in the discount rate by 1 pp (as a result of a change in the expected cash flows and/or the fair value of the insurance instrument) on the gross amount of the assets listed below for the Company and the Group is also listed below:

| | Company | Company | Group | Group |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| Bonds – at amortized cost | | | | |
| Gross exposure (EUR 000) | 169,604 | 230,401 | 188,145 | 246,019 |
| Reduction rate (%) | 0.66% | 0.51% | 0.66% | 0.52% |
| Sensitivity to a change in the reduction rate 1 pp | (1,696) | (2,304) | (1,881) | (2,460) |
| Loans | | | | |
| Gross exposure (EUR 000) | 92,168 | 88,194 | 37,526 | 49,886 |
| Reduction rate (%) | 9.18% | 10.92% | 22.33% | 19.24% |
| Sensitivity to a change in the reduction rate 1 pp | (922) | (882) | (375) | (499) |
| Deposits | | | | |
| Gross exposure (EUR 000) | 10,142 | 10,146 | 75,669 | 78,318 |
| Reduction rate (%) | 2.03% | 3.67% | 0.87% | 1% |
| Sensitivity to a change in the reduction rate 1 pp | (101) | (101) | (757) | (783) |
| Cash and cash equivalents | | | | |
| Gross exposure (EUR 000) | 122,988 | 63,758 | 153,426 | 85,731 |
| Reduction rate (%) | 0.36% | 0% | 0.31% | 0.03% |
| Sensitivity to a change in the reduction rate 1 pp | (1,230) | (638) | (1,534) | (857) |

/ii/ Fulfilment cash flows

Estimates of future cash flows

In estimating future cash flows, the Group includes in an unbiased manner all reasonable and reliable data available without undue cost and effort regarding the amount, timing and uncertainty of those future cash flows at the reporting date. This information includes both internal and external historical data about claims and other experiential data, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The Group offers different types of non-life insurance, mainly motor vehicles, property, liability insurance, marine insurance, transport insurance, and accident insurance. The main source of uncertainty affecting the amount and timing of future cash flows arises from the uncertainty of the occurrence of future insured events as well as the uncertainty associated with their amounts. The amount payable under individual claims is limited by the insured amount as established in the insurance policy.

Other significant sources of uncertainty related to non-life insurance result from legislation that entitles policyholders to report a claim before the statute of limitation, which occurs three years from the first notification of the claim, but not later than five years from the beginning of the year after the year of occurrence. This stipulation is particularly important in cases of permanent disability under accident insurance, due to difficulties in estimating the period between the occurrence of the accident and the confirmation of permanent consequences thereof.

The portfolio of non-life insurance does not include products that warrant unlimited coverage, while the maximum amount for which the insurer may be held liable per each policy due to the occurrence of one loss event is always limited by the contractually agreed insured sum. The exception to this rule is motor vehicles liability insurance in the Green Card Insurance System member states that have unlimited coverage. Since legal provisions in motor vehicles liability insurance prescribe the application of insured sums in the state where the damage occurred, this risk cannot be completely avoided, but it can be transferred through appropriate reinsurance contracts.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or annul a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. This includes premiums (including policyholders' premium adjustments and installment premiums and any additional cash flows resulting from these premiums), payments to (or on behalf of) the policyholder, cash flows from the acquisition of insurance and other costs incurred in performing the contract. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads which can be directly attributed to the execution of the insurance contract (i.e. Attributable costs).

Cost cash flows are distributed into groups of contracts using systematic and meaningful methods that are consistently applied to all costs with similar characteristics. A significant part of direct administrative costs are directly allocated to life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group on the basis of an analysis of the allocation of administrative employees and their salaries on activities related to life and non-life insurance. The allocation of these costs within a particular segment to the associated insurance groups is carried out on the basis of a share of the annual insurance income. The above annual assessment is based on last year's income for non-life insurance contracts, and on last year's collected insurance premium for life insurance contracts. Further allocation of non-life insurance contracts costs to non-life insurance groups is carried out on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance contracts, the further allocation of costs to the insurance groups is based on the number of active policies in the accounting period.

Other non-attributable expenses are not allocated to groups of insurance contracts and are reported in the financial statements separately from the technical result items, i.e. results from the insurance contract.

Life insurance risks

Assumptions about mortality/longevity, morbidity and policyholder behavior used to estimate future cash flows are developed by product type at the Group member level, reflecting the experience and profile of policyholders within a particular group of insurance contracts.

Non-life insurance

On the balance sheet date provisions are created for the estimated final cost of settling all claims resulting from events occurred by that date, whether reported or not, together with relevant costs of processing such claims, decreased by amounts already paid.

The liability for reported but unsettled claims is estimated separately for every individual claim, taking into consideration the circumstances, available information from the claims adjuster and historical evidence of amounts of similar claims. Individual claims are regularly examined and provisions are regularly updated when new information is available. The liability for reported and unliquidated claims is part of the set of input data that is used when determining the total amount of the best estimate of the final cost of settlement of the incurred damages.

Depending on the feature of each insurance type, the Group's portfolio and the form and quality of available data, the best estimate of the final cost settlement of incurred claims are formed using the most appropriate model which is based on deterministic or stochastic methods whose basis is the claims triangle. In order to describe as best as possible future claims development, the selected model may contain one or a combination of several methods. The calculations are formed according to the homogeneous risk groups.

For long-tail claims, the level of provision greatly depends on the assessment of claims development for which there is historical data until the final development. The residual factor of claims development is prudently assessed by using mathematical methods of curves which serve as projections of observed factors or which are based on actuarial assessment.

The actual method which is used depends on the year of claim occurrence and the observed historical development of claims. To the extent that these methods use historical claim rates, the past pattern of claim rates is assumed to recur in the future. There are reasons for partial fulfilment of the above, so the methods should be modified. Possible reasons may be:

- economic, political and social trends (which cause a different level of inflation than expected);
- changes in the combination of the types of insurance contracts which are acquired;
- random variations, including the effect of major losses,.

Discount rates

The Group sets discount rates with the so-called Bottom-up approach, creating a risk-free interest curve using market yields of government bonds as well as the market yields of other highly liquid financial instruments in the corresponding currency, with the application of credit risk correction and EIOPA methodology for extrapolation. To reflect the liquidity characteristics of insurance contracts, risk-free interest curves are further adjusted by illiquidity adjustment.

The Group measures life insurance obligations by discounting future cash flows (cash flows from the execution of life insurance group contracts) with the application of current discount rates at the appropriate measurement date.

The Group discounts cash flows of non-life insurance contracts measured in accordance with the general measurement model (loan insurance). For all other contracts, for which the premium distribution model – PAA applies, cash flows from the performance of contracts relating to claims incurred are also discounted. Applicable discount rates are determined in accordance with the methodology described earlier.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The tables below show the spot discount rates used to discount the insurance contract cash flows for the major currencies at the end of the period:

| Company | | | | | |
|-------------------------------------|--------|---------|---------|----------|----------|
| 2025 | 1 year | 3 years | 5 years | 10 years | 20 years |
| Life insurance contracts | | | | | |
| EUR | 2.08% | 2.28% | 2.50% | 2.98% | 3.44% |
| Non-life insurance contracts | | | | | |
| EUR | 2.08% | 2.28% | 2.50% | 2.98% | 3.44% |

| Group | | | | | |
|-------------------------------------|--------|---------|---------|----------|----------|
| 2025 | 1 year | 3 years | 5 years | 10 years | 20 years |
| Life insurance contracts | | | | | |
| EUR | 2.08% | 2.28% | 2.50% | 2.98% | 3.44% |
| BAM | 2.08% | 2.28% | 2.48% | 2.86% | 3.21% |
| MKD | 2.92% | 3.31% | 3.58% | 4.04% | 4.41% |
| RSD | 3.79% | 3.79% | 3.89% | 4.40% | 4.62% |
| Non-life insurance contracts | | | | | |
| EUR | 2.08% | 2.28% | 2.50% | 2.98% | 3.44% |
| BAM | 2.08% | 2.28% | 2.48% | 2.86% | 3.21% |
| MKD | 2.92% | 3.31% | 3.58% | 4.04% | 4.41% |
| RSD | 3.79% | 3.79% | 3.89% | 4.40% | 4.62% |

| Company | | | | | |
|-------------------------------------|--------|---------|---------|----------|----------|
| 2024 | 1 year | 3 years | 5 years | 10 years | 20 years |
| Life insurance contracts | | | | | |
| EUR | 2.55% | 2.30% | 2.41% | 2.73% | 2.91% |
| Non-life insurance contracts | | | | | |
| EUR | 2.55% | 2.30% | 2.41% | 2.73% | 2.91% |

| Group | | | | | |
|-------------------------------------|--------|---------|---------|----------|----------|
| 2024 | 1 year | 3 years | 5 years | 10 years | 20 years |
| Life insurance contracts | | | | | |
| EUR | 2.55% | 2.30% | 2.41% | 2.73% | 2.91% |
| BAM | 2.24% | 2.09% | 2.14% | 2.27% | 2.26% |
| MKD | 2.76% | 2.95% | 3.36% | 4.15% | 4.71% |
| RSD | 3.53% | 3.30% | 3.57% | 4.21% | 4.44% |
| Non-life insurance contracts | | | | | |
| EUR | 2.55% | 2.30% | 2.41% | 2.73% | 2.91% |
| BAM | 2.24% | 2.09% | 2.14% | 2.27% | 2.26% |
| MKD | 2.76% | 2.95% | 3.36% | 4.15% | 4.71% |
| RSD | 3.53% | 3.30% | 3.57% | 4.21% | 4.44% |

Adjustment of value for non-financial risk

Risk adjustments for non-financial risk is determined to reflect the compensation that the Group requires for bearing non-financial risk and its level of risk aversion. They are determined separately for the life and non-life contracts.

In accordance with the Group accounting policies, for measurement of the adjustment of values for non-financial risk in non-life insurances two methods are used: the quantum method and the cost of capital method, where the choice of the method depends on the availability of data and the stability of the results of statistical calculations of a particular portfolio and exceptionally, due to the nature of the risk, a method based on shock scenarios can also be used for liabilities for annuity claims. The confidence level of the adjustment for non-financial risk for the non-life insurance segment is 80%, and it was calculated from the net cash flows for claims using the copula method. For life insurance contracts, the calculation of the value adjustment for non-financial risk in the reserve for residual coverage is based on shock scenarios with explicit margins. These margins are derived on the basis of the corresponding shocks from the life insurance risk submodules defined in Solvency II. The shocks calibrated by EIOPA in Solvency II were adjusted to the requirements of IFRS 17 and the target confidence interval which amounts to 80%. The value adjustment for non-financial risk for the provision for incurred claims is valued as the present value of 1% of the amount of claims in the provision on the calculation date.

/ii/ Contractual Service Margin

Identification of the coverage units

The CSM of a group of contracts is recognized in income statement to reflect the services provided under the group of insurance contracts in that period. This amount is determined by identifying the coverage units in the group of contracts, evenly distributing the CSM at the end of the period (before any allocation) to each coverage unit insured in the current period and expected to be insured in the future, and recognized in the profit and loss account the amount of the units allocated to the coverage units insured in that period.

The Group determines the amount of benefits provided by insurance coverage under each contract as follows:

| Product | Basis for determining quantity of benefits provided |
|--|---|
| Profit sharing insurance | Expected sum assured payable on death / survival, i.e. in the case of annuity insurance, expected insured amount of annuity |
| Other life insurance | Expected sum assured payable on death |
| Insurance linked to the index and shares in investment funds | The expected sum insured for death resulting from the risk part of the policy |
| Loan insurance and guarantee insurance | Unearned premium |

/iii/ Investments components

Investment components are not included in insurance revenue and insurance service expenses according to IFRS 17. The Group identifies the investment component of a contract by determining the amount required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs, or the contract matures or is terminated without an insured event occurring. The Group has established an investment component in the amount of the redemption value for all life insurance contracts with a savings component.

/iv/ Fair valuation of investment property

Fair valuation of investment property of the Company and the Group is subjective in nature due to individual nature of each property, location and the expected future rental income. The management engages external appraisers to determine the fair value of the property. Fair value techniques, key inputs and sensitivity analysis are presented in Note 2.33 Fair value.

/v/ Estimation of the useful life of right-of-use assets

We distinguish between lease agreements made for a fixed period, for an indefinite period or for a fixed period with an extension option.

In the case of real property and office leases, the Company and the Group consider each lease contract and evaluate whether it is possible to extend it after its planned completion if it is defined as a fixed term contract or estimate the duration of the lease in case of contract made for indefinite period. The estimated life expectancy is based on historical experience and business plans for the future operations of the Company and the Group.

In case of lease agreements made for fixed period, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

During the current financial year there was no the financial effect of revising lease terms to reflect the effect of exercising extension options while in the year 2024 there was an increase in recognised lease liabilities and right-of-use assets of EUR 306 thousand for the Company and the Group.

/vi/ Impairment of non-financial assets (goodwill)

The Group tests goodwill for impairment annually in accordance with the accounting policy set out in Note 2.26. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates (Note 13). In 2025, the Group recognised an impairment of goodwill of EUR 1,725 thousand. The sensitivity analysis to changes in key assumptions shows that an increase in the discount rate by 100 basis points, with other assumptions held constant, would result in an additional impairment of goodwill of EUR 297 thousand. At the same time, if the terminal growth rate were to decrease by 100 basis points, with other assumptions held constant, this would result in an additional impairment of goodwill of EUR 280 thousand. A decrease in expected free cash flow by 500 basis points, with other assumptions unchanged, would lead to an additional impairment of goodwill in the amount of EUR 109 thousand.

2.32. Insurance risk management

Underwriting risk pertains to the risk that may arise if actual payments of claims and compensations exceed the net book amount of insurance liabilities due to coincidence, error and/or change in circumstances. Underwriting risk includes the risk of the occurrence of a loss event, risk of determining the amount of premium (setting the tariff), the risk of forming provisions and the risk of reinsurance.

Premium risk is present at the moment of issuing the policy, before the insured event occurs. There is a risk that the costs and losses which may occur might be greater than the premiums received. The provision risk represents the risk of having the absolute amount of liabilities from insurance contracts wrongly assessed or of having the actual losses vary around the statistical mean value. Non-life underwriting risk also includes the risk of disaster which arises from highly extraordinary events which are not sufficiently covered by the premium risk or provision risk. Life underwriting risk includes biometrical risk (which involves mortality, longevity, risk of becoming ill or disability risk) and the lapse risk. Lapse risk represents a higher or lower rate of withdrawal from policies, interruptions, changes in capitalization (cessation of payments of premium) and surrender.

The Group manages its underwriting risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, through tariff determination, product design and management of reinsurance. The underwriting strategy aims at diversity which will ensure a balanced portfolio, and which is based on a large portfolio of similar risks for several years, which reduces the variability of results. As a rule, non-life insurance contracts are concluded on a yearly basis and the policyholders have the right to decline renewal of contract or to change the contract terms upon renewal.

The fair value of financial assets related to contracts with the feature of direct participation (ie unit linked products) is stated in note 18. Financial assets.

The Group transfers a portion of the risk to reinsurance in order to control its exposure to losses and protect capital resources. The Group purchases a combination of proportional and non-proportional reinsurance contracts to reduce the net exposure to a particular risk depending on the type of insurance.

Underwriting risk in the Group is monitored by the actuaries within the scope of their tasks and the Risk Management Department, in agreement with them, takes the indicators in order to include the risks in the risk management process at the overall Group level.

A report with the opinion on the reliability and adequacy of the statutory technical reserves and the formation and adequacy of the insurance premium are submitted by the appointed certified actuary, while a report on the adequacy of reinsurance program based on which is confirmed adequacy of its own part is submitted by the actuarial function.

Concentration of insurance risk

A key aspect of underwriting risk is that the Group is exposed to is the degree of underwriting risk concentration which determines the extent to which a particular event or a series of events may affect the Group's liabilities. Such concentrations may arise from a single insurance contract or through a number of related contracts which may result in a similar liability. An important aspect of the insurance risk concentration is that it may arise from the accumulation of risk through different types of insurance.

Concentration risk may arise from events that are not frequent but with considerable consequences such as natural disasters, in situations where the Group is exposed to unexpected changes in trends, for example unexpected changes in human mortality or in policyholder behaviour; or where significant litigation or regulatory risks could cause a large single loss or have a pervasive effect on a large number of contracts.

The concentration of insurance risk after reinsurance, or retrocession in relation to the type of accepted insurance risk (line of business) is shown below with reference to the carrying value of insurance contract (net of reinsurance) arising under the insurance contract:

| | Company | Company | Group | Group |
|---|--------------------|--------------------|--------------------|--------------------|
| | 31 Dec 2025 | 31 Dec 2024 | 31 Dec 2025 | 31 Dec 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Medical expenses insurance | 6,798 | 5,449 | 8,857 | 8,159 |
| Income protection insurance | 7,649 | 7,745 | 10,125 | 9,983 |
| Workers' compensation insurance | 89 | 88 | 89 | 88 |
| Motor vehicle liability insurance | 203,030 | 184,644 | 261,395 | 236,922 |
| Other motor insurance | 60,621 | 50,646 | 68,455 | 57,286 |
| Marine, aviation and transport insurance | 13,669 | 12,137 | 13,276 | 12,215 |
| Fire and other damage to property insurance | 54,985 | 46,117 | 57,271 | 49,016 |
| General liability insurance | 56,988 | 50,431 | 57,393 | 50,692 |
| Credit and suretyship insurance | (2,939) | (4,058) | 1,954 | 1,567 |
| Legal expenses insurance | 2 | 123 | 2 | 126 |
| Assistance | 264 | 242 | 1,134 | 1,033 |
| Miscellaneous financial loss insurance | 1,596 | 1,442 | 1,647 | 1,449 |
| Non-proportional health reinsurance (non-life) | - | - | - | - |
| Non-proportional reinsurance casualty | 4,606 | 3,749 | 4,606 | 3,749 |
| Non-proportional marine, aviation and transport reinsurance | 187 | 126 | 187 | 126 |
| Non-proportional property reinsurance | 3,195 | 3,072 | 3,195 | 3,072 |
| Total non-life insurance | 410,740 | 361,953 | 489,586 | 435,483 |
| Health insurance | - | - | - | - |
| Insurance with profit participation | 255,516 | 284,797 | 316,114 | 340,754 |
| Index-linked and unit-linked insurance | 3,272 | 4,283 | 14,068 | 12,519 |
| Other life insurance | (38) | (31) | 2,525 | 3,202 |
| Health reinsurance | - | - | - | - |
| Life reinsurance | - | - | - | - |
| Total life insurance | 258,750 | 289,049 | 332,707 | 356,475 |
| Total | 669,490 | 651,002 | 822,293 | 791,958 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The Management believes that the non-life insurance has no significant exposure to any client group insured by social, professional, generation or similar criteria. The greatest likelihood of significant losses could arise from catastrophic events, such as floods, hail, storms or earthquake damage. The techniques and assumptions that the Group uses to calculate these risks include:

- Measurement of geographical accumulations,
- Assessment of probable maximum losses,
- Contracting reinsurance protection.

For life insurance contracts that cover the death of the insured, there is no significant geographic concentration of risk, although the concentration of the sum at risk can affect the insurance payout ratio at the portfolio level.

The sensitivity on profit or loss and equity to changes in significant variables regarding insurance and market risk

Profit or loss and insurance liabilities are mostly sensitive to changes in mortality and morbidity rates of life insurance contracts together with the used interest rates. The table below analyses how profit or loss and total capital would have increased (decreased) if there had been changes in the risk variables that were reasonably possible at the reporting date. This analysis presents sensitivity both before and after risk reduction by reinsurance and assumes that all other variables remain constant.

| Company | Balance as at 31 Dec 2025 | | Balance as at 31 Dec 2025 | | Balance as at 31 Dec 2024 | | Balance as at 31 Dec 2024 | |
|-------------------------------------|--|---------------|--------------------------------------|---------------|--|---------------|--------------------------------------|---------------|
| | Impact on profit or loss before taxes | | Impact on comprehensive income | | Impact on profit or loss before taxes | | Impact on comprehensive income | |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Life insurance contracts | | | | | | | | |
| Mortality rates +15% | (78) | (78) | (30) | (30) | (72) | (72) | (6) | (6) |
| Costs rates +10% | (134) | (134) | 43 | 43 | (137) | (137) | 52 | 52 |
| Interest rate + 1% | - | - | 11,438 | 11,438 | - | - | 13,382 | 13,382 |
| Interest rate - 1% | - | - | (12,767) | (12,767) | - | - | (15,041) | (15,041) |

| Group | Balance as at 31 Dec 2025 | | Balance as at 31 Dec 2025 | | Balance as at 31 Dec 2024 | | Balance as at 31 Dec 2024 | |
|-------------------------------------|--|---------------|--------------------------------------|---------------|--|---------------|--------------------------------------|---------------|
| | Impact on profit or loss before taxes | | Impact on comprehensive income | | Impact on profit or loss before taxes | | Impact on comprehensive income | |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Life insurance contracts | | | | | | | | |
| Mortality rates +15% | (216) | (216) | (29) | (29) | (122) | (122) | (3) | (3) |
| Costs rates +10% | (568) | (568) | 82 | 82 | (240) | (240) | 100 | 100 |
| Interest rate + 1% | - | - | 15,606 | 15,606 | - | - | 17,716 | 17,716 |
| Interest rate - 1% | - | - | (17,446) | (17,446) | - | - | (19,935) | (19,935) |

In non-life insurance variables, which would have the greatest impact on insurance liabilities relate to legal claims from auto insurance liability. Obligations relating to judicial damages are sensitive to legal, judicial, political, economic and social trends. The Management Board believes that it is not practicable to quantify the sensitivity of non-life insurance to changes in these variables.

2.33. Financial risk management

The Group's primary objective in financial risk management is to maintain a level of capital which is adequate for the scope and types of insurance it transacts, and with due consideration of the risks it is exposed to. The Management recognizes the importance of having an efficient and effective risk management system.

National competent authorities control the Company's and Group solvency in order to ensure that there is coverage for liabilities arising from possible economic changes or natural disasters.

The Group actively manages its assets by using an approach which balances quality, diversification, harmonization of assets and liabilities, liquidity and return on investments. Management examines and approves portfolios, determines the limits and supervises the process of managing assets and liabilities. Due attention is also given to the compliance with the rules established by the Insurance Act.

Transactions with financial instruments result in the Group assuming financial risks. These risks include market risk, credit risk and liquidity risk. Each of these risks is described below, together with a summary of the methods used by the Group to manage such risks.

Market risk

Market risk includes currency risk, interest rate risk and price risk. Market risk is the fluctuation risk of future cash flows' fair value of financial instruments resulting from changes in market prices. The comprehensive system of market risk management is prescribed by a series of internal acts of the Group.

a) Currency risk - the risk of fluctuation of fair value or cash flows under financial instruments resulting from changes in foreign currency exchange rates.

The Group is exposed to the risk of exchange rate fluctuations through its transactions in foreign currencies, with USD being the most important one. The Group is exposed to currency risk through its investments in debt and equity securities, deposits, loans and other investments. The Group manages foreign exchange risk by attempting to reduce the difference between assets and liabilities denominated in foreign currency or with a currency clause. Investments for covering insurance contracts liabilities are mostly denominated in Euro, since most of the insurance contract liabilities are also denominated in Euro. The Group actively uses derivatives in order to hedge against currency risk exposure. On December 31, 2025, the official exchange

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

rate of the euro was 0.850557 euros for 1 US dollar (31.12.2024: 0.957488). An analysis of the sensitivity of financial assets and financial liabilities to the exchange rate fluctuations is given below:

| Change in USD by 1% | 2025 | | 2025 | | 2024 | | 2024 | |
|--------------------------|--------------------------------|---------------|--------------------------------------|---------------|--------------------------------|---------------|--------------------------------------|---------------|
| | Impact on profit before tax | | Impact on comprehensive income | | Impact on profit before tax | | Impact on comprehensive income | |
| | Strength ening | Weakeni ng | Strength ening | Weakeni ng | Strength ening | Weakeni ng | Strength ening | Weakeni ng |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Company | | | | | | | | |
| Financial instruments | 29 | (29) | - | - | 31 | (31) | - | - |
| Group | | | | | | | | |
| Financial instruments | 165 | (165) | 105 | (105) | 193 | (193) | 113 | (113) |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

At the reporting date, the currency structure of the Company's assets and liabilities is as follows:

| Company in EUR'000 | 31 December 2025 | | | | 31 December 2024 | | | |
|--|------------------|---------------|------------------|------------------|------------------|---------------|------------------|------------------|
| | EUR | USD | Other currencies | Total | EUR | USD | Other currencies | Total |
| Assets | | | | | | | | |
| Investments in subsidiaries, associates, and participation in joint ventures | 112,934 | - | - | 112,934 | 111,010 | - | - | 111,010 |
| Assets from reinsurance contracts | 64,120 | 4,438 | - | 68,558 | 52,011 | 1,487 | - | 53,498 |
| Assets from insurance contracts | 13,909 | - | - | 13,909 | 15,030 | - | - | 15,030 |
| Financial assets at amortised cost | 262,128 | - | - | 262,128 | 317,574 | - | - | 317,574 |
| Financial assets at fair value through other comprehensive income | 807,039 | - | 61 | 807,100 | 694,934 | - | 72 | 695,006 |
| Financial assets at fair value through profit or loss | 99,184 | 28,266 | - | 127,450 | 64,335 | 28,847 | - | 93,182 |
| <i>Derivative financial assets at fair value through profit or loss</i> | 109 | - | - | 109 | 21 | - | - | 21 |
| <i>Non derivative financial assets at fair value through profit or loss</i> | 99,075 | 28,266 | - | 127,341 | 64,314 | 28,847 | - | 93,161 |
| Trade receivables and other receivables | 24,768 | 36 | - | 24,804 | 27,270 | 8 | 57 | 27,335 |
| Cash and cash equivalents | 122,454 | 44 | 44 | 122,542 | 63,691 | 27 | 38 | 63,756 |
| Total assets | 1,506,536 | 32,784 | 105 | 1,539,425 | 1,345,855 | 30,369 | 167 | 1,376,391 |
| Liabilities | | | | | | | | |
| Liabilities from insurance contracts | 740,461 | 7,090 | - | 747,551 | 711,595 | 1,744 | - | 713,339 |
| Liabilities from reinsurance contracts | 4,406 | - | - | 4,406 | 6,256 | (65) | - | 6,191 |
| Financial liabilities at amortised cost | 39,840 | - | - | 39,840 | 38,798 | - | - | 38,798 |
| Financial liabilities at fair value through profit or loss | 21 | - | - | 21 | 832 | - | - | 832 |
| Provisions | 6,198 | - | - | 6,198 | 5,418 | - | - | 5,418 |
| Accounts payable and other liabilities | 54,938 | 12 | 4 | 54,954 | 49,461 | 207 | 92 | 49,760 |
| Total liabilities | 845,864 | 7,102 | 4 | 852,970 | 812,360 | 1,886 | 92 | 814,338 |
| Foreign currency gap | 660,672 | 25,682 | 101 | 686,455 | 533,495 | 28,483 | 75 | 562,053 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The analysis of the currency structure of the Group's assets and liabilities at the reporting date is as follows:

| Group in EUR'000 | 31 December 2025 | | | | 31 December 2024 | | | |
|---|------------------|---------------|------------------|------------------|------------------|---------------|------------------|------------------|
| | EUR | USD | Other currencies | Total | EUR | USD | Other currencies | Total |
| Assets | | | | | | | | |
| Investments in subsidiaries, associates and participation in joint ventures | 10,449 | - | - | 10,449 | 9,869 | - | - | 9,869 |
| Assets from reinsurance contracts | 61,943 | 4,438 | 7,632 | 74,013 | 52,102 | 1,487 | 5,552 | 59,141 |
| Assets from insurance contracts | 13,909 | - | - | 13,909 | 15,030 | - | - | 15,030 |
| Financial assets at amortised cost | 213,007 | - | 78,057 | 291,064 | 288,462 | - | 74,065 | 362,527 |
| Financial assets at fair value through other comprehensive income | 853,440 | - | 58,572 | 912,012 | 741,258 | - | 51,847 | 793,105 |
| Financial assets at fair value through profit or loss | 99,183 | 28,266 | 11,809 | 139,258 | 64,335 | 28,847 | 10,755 | 103,937 |
| <i>Derivative financial assets at fair value through profit or loss</i> | 109 | - | - | 109 | 21 | - | - | 21 |
| <i>Non derivative financial assets at fair value through profit or loss</i> | 99,074 | 28,266 | 11,809 | 139,149 | 64,314 | 28,847 | 10,755 | 103,916 |
| Trade receivables and other receivables | 32,074 | 36 | 6,760 | 38,870 | 33,509 | 8 | 5,358 | 38,875 |
| Cash and cash equivalents | 147,997 | 44 | 4,914 | 152,955 | 82,225 | 29 | 3,449 | 85,703 |
| Total assets | 1,432,002 | 32,784 | 167,744 | 1,632,530 | 1,286,790 | 30,371 | 151,026 | 1,468,187 |
| Liabilities | | | | | | | | |
| Liabilities from insurance contracts | 786,312 | 7,090 | 111,711 | 905,113 | 764,277 | 1,744 | 93,469 | 859,490 |
| Liabilities from reinsurance contracts | 4,405 | - | 697 | 5,102 | 6,257 | (65) | 447 | 6,639 |
| Financial liabilities at amortised cost | 42,503 | - | 6,392 | 48,895 | 41,708 | - | 6,852 | 48,560 |
| Financial liabilities at fair value through profit or loss | 21 | - | - | 21 | 832 | - | - | 832 |
| Provisions | 7,888 | - | 516 | 8,404 | 6,921 | - | 503 | 7,424 |
| Accounts payable and other liabilities | 64,305 | 12 | 8,057 | 72,374 | 58,201 | 207 | 6,588 | 64,996 |
| Total liabilities | 905,434 | 7,102 | 127,373 | 1,039,909 | 878,196 | 1,886 | 107,859 | 987,941 |
| Foreign currency gap | 526,568 | 25,682 | 40,371 | 592,621 | 408,594 | 28,485 | 43,167 | 480,246 |

b) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or cash flows under financial instruments resulting from changes in market interest rates. The Group is exposed to interest rate risk on the basis of financial instruments whose value is sensitive to interest rate changes. Exposure of financial instruments is presented in the Note 18.1.

Interest rate changes do affect the level of liabilities and assets from insurance and reinsurance contracts, since they are measured by discounting future cash flows (cash flows from contract execution) with the application of current discount rates. The accounting amount of liabilities and assets from insurance and reinsurance contracts are presented in note 17 while the sensitivity of interest rate changes in liabilities and assets from insurance and reinsurance contracts is included in note 2.32 Insurance risk management.

The Group monitors this exposure through periodic reviews of its asset and liability positions. The Group intends to harmonize future earnings from such assets with liabilities under insurance by purchasing debt securities and other financial instruments with defined cash flows or for which cash flows can be estimated, and additionally contracts interest derivatives as protection from interest risk.

An analysis of the sensitivity of financial assets to a change in market interest rates is given below:

| Change in interest rate by +/- 100 bps | 2025 | | 2025 | | 2024 | | 2024 | |
|---|--------------------------------|---------------|--------------------------------------|---------------|--------------------------------|---------------|--------------------------------------|---------------|
| | Impact on profit before tax | | Impact on comprehensive income | | Impact on profit before tax | | Impact on comprehensive income | |
| | Strengt hening | Weaken ing | Strengt hening | Weaken ing | Strengt hening | Weaken ing | Strengt hening | Weaken ing |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Company | | | | | | | | |
| Financial instruments | (88) | 88 | (22,433) | 22,433 | - | - | (21,954) | 21,954 |
| Group | | | | | | | | |
| Financial instruments | (88) | 88 | (28,550) | 28,550 | - | - | (27,580) | 27,580 |

c) Other price risks

The equity securities and investments funds risk is caused by the fluctuation of fair value or cash flows in connection with financial instruments resulting from changes in market prices (which are not the result of interest rate risk or foreign exchange risk), whether this involves changes caused by factors relatable to an individual financial instrument or its issuer or if there are other factors which effect all similar financial instruments being traded in the market.

The marketable equity securities and investments funds portfolio, which is presented in the balance sheet at fair value, exposes the Group to this risk. The Group's portfolio comprises securities of various issuers, and the concentration risk in any individual company is monitored and limited by legal requirements and the adopted limits.

The Group assesses, or measures, and controls the exposure to market risk by monitoring exposure to investment, establishing the limits and powers of investment, and through a series of statistical and other quantitative risk measures and through contracting derivatives to protect (reduce) price risk.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Price risk analysis

| | 2025 | | 2024 | |
|---------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | Impact on profit/loss before tax | Impact on comprehensive income | Impact on profit/loss before tax | Impact on comprehensive income |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Company | | | | |
| Change in price by +/- 5% | 4,740/(4,740) | 15,720/(15,720) | 4,513/(4,513) | 9,585/(9,585) |
| Group | | | | |
| Change in price by +/- 5% | 5,476/(5,476) | 15,820/(15,820) | 4,797/(4,797) | 9,585/(9,585) |

Credit risk

Credit risk is the risk that one contractual party to a financial instrument might cause the other party to suffer financial losses as a result of failure to fulfil its obligations.

The Group is exposed to credit risk through the following financial assets:

- deposits and given loans
- debt securities (bonds and commercial bills)
- receivables from insurance brokers and other receivables
- assets from insurance and reinsurance contracts
- cash at bank

The Group manages this risk by up-front analysis of credit risk and exposure monitoring, regular reviews carried out by the Management and regular meetings held to monitor the credit risk development. The Group manages credit risk and continuously monitors exposure to credit risk. Assessments of creditworthiness of all policyholders are made, and collaterals are collected prior to payment of granted loans or renewal of such loans.

| Credit risk exposure | Company | | Group | |
|--|------------------|----------------|------------------|------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Investments in debt securities (note 18.1) | 691,999 | 732,547 | 815,317 | 846,161 |
| Investments in bank deposits (note 18.1) | 9,936 | 10,424 | 75,013 | 78,136 |
| Loans (note 18.1) | 83,708 | 78,563 | 29,145 | 40,289 |
| Assets from reinsurance contracts | 68,558 | 53,498 | 74,013 | 59,141 |
| Assets from insurance contracts | 13,909 | 15,030 | 13,909 | 15,030 |
| Trade receivables and other receivables | 20,105 | 24,263 | 30,719 | 32,371 |
| Cash and cash equivalents | 122,542 | 63,756 | 152,955 | 85,703 |
| | 1,010,757 | 978,081 | 1,191,071 | 1,156,831 |

Concentration of receivables from the Republic of Croatia as at 31 December

| | Company | | Group | |
|-------------------------|----------------|----------------|----------------|----------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Government bonds | 309,172 | 490,546 | 311,358 | 494,015 |
| Undue interest on bonds | 3,896 | 6,707 | 3,896 | 6,721 |
| Treasury bills | 1,996 | - | 1,996 | - |
| Other receivables | 230 | 754 | 759 | 1,232 |
| | 315,294 | 498,007 | 318,009 | 501,968 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The table below shows the company's asset analysis by category according to the ratings by the agencies Standard&Poor's (S&P).

| | 2025 | Company |
|--|------|------------------|
| | S&P | 31 Dec. 2025 |
| | | in EUR'000 |
| Financial assets at amortised cost – debt securities | | 168,484 |
| Ministry of Finance of the Republic of Croatia | A- | 165,662 |
| No rating | | 2,822 |
| Financial assets at fair value through other comprehensive income | | 492,680 |
| Ministry of Finance of the Republic of Croatia | A- | 147,406 |
| Ministry of Finance of the Republic of France | A+ | 18,555 |
| Ministry of Finance of Hungary | BBB- | 21,406 |
| Ministry of Finance of Romania | BBB- | 19,980 |
| Ministry of Finance of Slovenia | AA | 20,644 |
| Ministry of Finance of Bulgaria | BBB+ | 28,666 |
| Ministry of Finance of Poland | A- | 21,193 |
| Ministry of Finance of Republic of Austria | AA+ | 8,358 |
| Ministry of Finance of Netherlands | AAA | 4,082 |
| Ministry of Finance of Chile | A | 3,861 |
| Ministry of Finance of Italy | BBB+ | 4,465 |
| Ministry of Finance of Slovakia | A+ | 8,445 |
| Ministry of Finance of Spain | A+ | 27,593 |
| European Union | AA+ | 46,700 |
| Rated corporations | A+ | 6,603 |
| | A | - |
| | A- | 14,024 |
| | BBB+ | 12,513 |
| | BBB | 892 |
| | BBB- | 4,850 |
| Corporations rated by another agency | - | 70,220 |
| No rating | - | 2,224 |
| Financial assets at fair value through profit and loss account | | 30,835 |
| Ministry of Finance of the Republic of Croatia | A- | 1,996 |
| Ministry of Finance of the European Union | AA+ | 18,909 |
| Rated corporations | BBB- | 9,930 |
| Loans and receivables | | 93,644 |
| Other banks and financial institutions* | - | 9,932 |
| No rating** | - | 83,712 |
| Assets from reinsurance contracts | | 68,558 |
| Rated reinsurers | AA+ | 2,570 |
| | AA | 2,375 |
| | AA- | 23,882 |
| | A+ | 32,740 |
| | A | 1,728 |
| | A- | 1,912 |
| Reinsurers rated by another agency | - | 2,696 |
| No rating | - | 655 |
| Assets from insurance contracts | | 13,909 |
| No rating | - | 13,909 |
| Trade receivables and other receivables | | 20,105 |
| No rating | - | 20,105 |
| Cash and cash equivalents | | 122,542 |
| Other banks and financial institutions* | - | 122,542 |
| | | 1,010,757 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | 2024 | Company |
|--|------|----------------|
| | S&P | 31 Dec. 2024 |
| | | in EUR'000 |
| Financial assets at amortised cost – debt securities | | 229,237 |
| Ministry of Finance of the Republic of Croatia | A- | 226,391 |
| Corporations rated by another agency | - | - |
| No rating | | 2,846 |
| Financial assets at fair value through other comprehensive income | | 503,310 |
| Ministry of Finance of the Republic of Croatia | A- | 270,862 |
| Ministry of Finance of the Republic of France | AA- | 4,083 |
| Ministry of Finance of Hungary | BBB- | 26,973 |
| Ministry of Finance of Romania | BBB- | 10,568 |
| Ministry of Finance of Slovenia | AA- | 1,448 |
| Ministry of Finance of Bulgaria | BBB | 16,344 |
| Ministry of Finance of Poland | A- | 19,462 |
| Ministry of Finance of Chile | A | 1,700 |
| Ministry of Finance of Italy | BBB | 4,420 |
| Ministry of Finance of Slovakia | A+ | 8,475 |
| Ministry of Finance of Spain | A | 5,683 |
| European Union | AA+ | 14,861 |
| Rated corporations | A+ | 1,075 |
| | A | 5,337 |
| | A- | 9,736 |
| | BBB+ | 4,156 |
| | BBB | 10,805 |
| | BBB- | 17,801 |
| Corporations rated by another agency | - | 65,180 |
| No rating | - | 4,341 |
| Loans and receivables | | 88,987 |
| Other banks and financial institutions* | - | 10,424 |
| No rating** | - | 78,563 |
| Assets from reinsurance contracts | | 53,498 |
| Rated reinsurers | AA+ | 2,467 |
| | AA | 413 |
| | AA- | 17,657 |
| | A+ | 19,705 |
| | A | 5,532 |
| | A- | 4,551 |
| Reinsurers rated by another agency | - | 1,128 |
| No rating | - | 2,045 |
| Assets from insurance contracts | | 15,030 |
| No rating | | 15,030 |
| Trade receivables and other receivables | | 24,263 |
| No rating | - | 24,263 |
| Cash and cash equivalents | | 63,756 |
| Other banks and financial institutions* | - | 63,756 |
| | | 978,081 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | 2025 | Group |
|--|------|------------------|
| | S&P | 31 Dec. 2025 |
| | | in EUR'000 |
| Financial assets at amortised cost – debt securities | | 186,906 |
| Ministry of Finance of the Republic of Croatia | A- | 165,662 |
| Ministry of Finance of Macedonia | BB- | 12,236 |
| Republic of Bosnia and Herzegovina | B+ | 6,185 |
| No rating | - | 2,823 |
| Financial assets at fair value through other comprehensive income | | 597,576 |
| Ministry of Finance of the Republic of Croatia | A- | 149,592 |
| Ministry of Finance of France | A+ | 18,854 |
| Ministry of Finance of Hungary | BBB- | 21,406 |
| Ministry of Finance of Macedonia | BB- | 54,167 |
| Ministry of Finance of Serbia | BB+ | 45,419 |
| Ministry of Finance of Slovenia | AA | 20,644 |
| Ministry of Finance of Romania | BBB- | 19,980 |
| Ministry of Finance of Bulgaria | BBB+ | 28,666 |
| Ministry of Finance of Poland | A- | 21,193 |
| Ministry of Finance of Republic of Austria | AA+ | 8,358 |
| Ministry of Finance of Netherlands | AAA | 4,082 |
| Ministry of Finance of Chile | A | 3,861 |
| Ministry of Finance of Italy | BBB+ | 4,465 |
| Ministry of Finance of Slovakia | A+ | 8,445 |
| Ministry of Finance of Spain | A+ | 27,593 |
| European Union | AA+ | 46,700 |
| Rated corporations | A+ | 6,603 |
| | A | - |
| | A- | 14,024 |
| | BBB+ | 12,513 |
| | BBB | 892 |
| | BBB- | 4,850 |
| Corporations rated by another agency | - | 70,220 |
| No rating | - | 5,049 |
| Financial assets at fair value through profit and loss account | | 30,835 |
| Ministry of Finance of Republic of Croatia | A- | 1,996 |
| Ministry of Finance of European Union | AA+ | 18,909 |
| Ministry of Finance of Romania | BBB- | 9,930 |
| Loans and receivables | | 104,158 |
| Banks rated by another agency (Fitch, Moody's) | - | 1,564 |
| Other banks and financial institutions* | - | 73,445 |
| No rating** | - | 29,149 |
| Assets from reinsurance contracts | | 74,013 |
| Rated reinsurers | AA+ | 2,570 |
| | AA | 2,375 |
| | AA- | 23,882 |
| | A+ | 32,740 |
| | A | 1,728 |
| | A- | 1,912 |
| Reinsurers rated by another agency | - | 2,696 |
| No rating | - | 6,110 |
| Assets from insurance contracts | | 13,909 |
| No rating | - | 13,909 |
| Trade receivables and other receivables | | 30,719 |
| No rating | - | 30,719 |
| Cash and cash equivalents | | 152,955 |
| Rated banks | - | - |
| Other banks and financial institutions* | - | 152,955 |
| | | 1,191,071 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | 2024 | Group |
|--|------|------------------|
| | S&P | 31 Dec. 2024 |
| | | in EUR'000 |
| Financial assets at amortised cost – debt securities | | 244,752 |
| Ministry of Finance of the Republic of Croatia | A- | 227,210 |
| Ministry of Finance of Macedonia | BB- | 8,515 |
| Republic of Bosnia and Herzegovina | B+ | 6,180 |
| No rating | - | 2,847 |
| Financial assets at fair value through other comprehensive income | | 601,409 |
| Ministry of Finance of the Republic of Croatia | A- | 273,526 |
| Ministry of Finance of France | AA- | 5,194 |
| Ministry of Finance of Hungary | BBB- | 26,973 |
| Ministry of Finance of Macedonia | BB- | 52,805 |
| Ministry of Finance of Serbia | BB+ | 40,488 |
| Ministry of Finance of Slovenia | AA- | 1,448 |
| Ministry of Finance of Romania | BBB- | 10,568 |
| Ministry of Finance of Bulgaria | BBB | 16,344 |
| Ministry of Finance of Poland | A- | 19,462 |
| Ministry of Finance of Germany | - | - |
| Ministry of Finance of Chile | A | 1,700 |
| Ministry of Finance of Italy | BBB | 4,420 |
| Ministry of Finance of Slovakia | A+ | 8,475 |
| Ministry of Finance of Spain | A | 5,683 |
| European Union | AA+ | 14,861 |
| Rated corporations | A+ | 1,075 |
| | A | 5,337 |
| | A- | 9,736 |
| | BBB+ | 4,156 |
| | BBB | 10,805 |
| | BBB- | 17,801 |
| Corporations rated by another agency | - | 65,180 |
| No rating | - | 5,372 |
| Loans and receivables | | 118,425 |
| Other banks and financial institutions* | - | 35,728 |
| No rating** | - | 82,697 |
| Assets from reinsurance contracts | | 59,141 |
| Rated reinsurers | AA+ | 6,044 |
| | AA | 413 |
| | AA- | 17,657 |
| | A+ | 19,705 |
| | A | 5,532 |
| | A- | 4,551 |
| Reinsurers rated by another agency | - | 3,998 |
| No rating | - | 1,241 |
| Assets from insurance contracts | | 15,030 |
| No rating | | 15,030 |
| Trade receivables and other receivables | | 32,371 |
| No rating | - | 32,371 |
| Cash and cash equivalents | | 85,703 |
| Rated banks | | - |
| Other banks and financial institutions* | - | 85,703 |
| | | 1,156,831 |

* Other banks and financial institutions mostly include banks and financial institutions rated by another agency and banks and financial institutions that have no rating, but their parent banks have a rating.

** Loans and receivables with no rating relate to loans to related parties, domestic companies with no rating and retail loans that are insured.

Liquidity risk

Liquidity risk is the risk that a sudden and unexpected settlement of liabilities might require the Group to liquidate assets in a short time and at a low price. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate timeframe. The Group has a portfolio of liquid assets as a part of liquidity risk management strategy, which ensures continuation of business and satisfies legal requirements.

Legal claims for damages have been met in a timely manner. The Organizational units for finance monitor the inflows and outflows on a daily basis and develop monthly plans as well as scenarios of deteriorated liquidity. Liquidity risk is taken into account in the assessment of matching assets and liabilities.

The following table shows the amounts of contracted discounted cash flows by maturity for financial assets and, for insurance liabilities, the estimated maturity of the amounts recognized in the statement of financial position.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The maturity analysis on the reporting date is as follows:

Company in EUR'000

| | 31 December 2025 | | | | | Total | 31 December 2024 | | | | | Total |
|---|----------------------|----------------|----------------|----------------|--------------------|------------------|----------------------|----------------|----------------|----------------|--------------------|------------------|
| | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | |
| Assets | | | | | | | | | | | | |
| Investments in subsidiaries, associates and participation in joint ventures | - | - | - | - | 112,934 | 112,934 | - | - | - | - | 111,010 | 111,010 |
| Assets from reinsurance contracts | 36,747 | 22,821 | 3,539 | 3,130 | 2,321 | 68,558 | 24,529 | 19,880 | 4,145 | 2,651 | 2,293 | 53,498 |
| Assets from insurance contracts | 6,307 | 3,694 | 2,250 | 1,687 | (29) | 13,909 | 6,249 | 3,444 | 2,845 | 2,386 | 106 | 15,030 |
| Financial assets at amortised cost | 27,013 | 59,095 | 72,914 | 95,134 | 7,972 | 262,128 | 20,392 | 55,909 | 78,927 | 153,600 | 8,746 | 317,574 |
| Financial assets at fair value through other comprehensive income | 74,613 | 134,598 | 140,457 | 373,504 | 83,928 | 807,100 | 102,717 | 123,456 | 166,354 | 216,265 | 86,214 | 695,006 |
| Financial assets at fair value through profit or loss | 33,493 | 91,710 | 2,224 | 5 | 18 | 127,450 | 81,160 | 11,207 | 799 | 4 | 12 | 93,182 |
| Trade receivables and other receivables | 24,804 | - | - | - | - | 24,804 | 27,335 | - | - | - | - | 27,335 |
| Cash and cash equivalents | 122,542 | - | - | - | - | 122,542 | 63,756 | - | - | - | - | 63,756 |
| Total | 325,519 | 311,918 | 221,384 | 473,460 | 207,144 | 1,539,425 | 326,138 | 213,896 | 253,070 | 374,906 | 208,381 | 1,376,391 |
| Liabilities | | | | | | | | | | | | |
| Liabilities from insurance contracts | 316,459 | 166,281 | 69,808 | 88,058 | 106,945 | 747,551 | 271,756 | 154,789 | 78,610 | 85,544 | 122,640 | 713,339 |
| Liabilities from reinsurance contracts | 7,325 | (1,122) | (515) | (678) | (604) | 4,406 | 7,139 | (294) | (162) | (237) | (255) | 6,191 |
| Financial liabilities at amortized cost | 3,361 | 4,982 | 3,642 | 8,547 | 19,308 | 39,840 | 2,665 | 4,439 | 3,423 | 8,226 | 20,045 | 38,798 |
| Financial liabilities at fair value through profit or loss | 21 | - | - | - | - | 21 | 832 | - | - | - | - | 832 |
| Provisions | 649 | 2,526 | 2,502 | 260 | 261 | 6,198 | 367 | 2,278 | 2,273 | 249 | 251 | 5,418 |
| Accounts payable and other liabilities | 49,371 | 1,741 | 1,933 | 921 | 988 | 54,954 | 44,495 | 3,410 | 616 | 306 | 933 | 49,760 |
| Total | 377,186 | 174,408 | 77,370 | 97,108 | 126,898 | 852,970 | 327,254 | 164,622 | 84,760 | 94,088 | 143,614 | 814,338 |
| Maturity mismatch | (51,667) | 137,510 | 144,014 | 376,352 | 80,246 | 686,455 | (1,116) | 49,274 | 168,310 | 280,818 | 64,767 | 562,053 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The maturity analysis on the reporting date is as follows:

| Group in EUR'000 | 31 December 2025 | | | | | | 31 December 2024 | | | | | |
|---|----------------------|----------------|----------------|----------------|--------------------|------------------|----------------------|----------------|----------------|----------------|--------------------|------------------|
| | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total |
| Assets | | | | | | | | | | | | |
| Investments in subsidiaries, associates and participation in joint ventures | - | - | - | - | 10,449 | 10,449 | - | - | - | - | 9,869 | 9,869 |
| Assets from reinsurance contracts | 39,277 | 24,331 | 4,070 | 3,581 | 2,754 | 74,013 | 27,060 | 21,359 | 4,717 | 3,211 | 2,794 | 59,141 |
| Assets from insurance contracts | 6,308 | 3,694 | 2,250 | 1,687 | (30) | 13,909 | 6,249 | 3,444 | 2,845 | 2,386 | 106 | 15,030 |
| Financial assets at amortised cost | 64,641 | 70,276 | 63,016 | 86,335 | 6,796 | 291,064 | 58,348 | 69,523 | 74,998 | 152,948 | 6,710 | 362,527 |
| Financial assets at fair value through other comprehensive income | 89,749 | 174,218 | 147,178 | 384,778 | 116,089 | 912,012 | 115,322 | 148,905 | 166,997 | 249,201 | 112,680 | 793,105 |
| Financial assets at fair value through profit or loss | 38,216 | 92,316 | 3,755 | 1,875 | 3,096 | 139,258 | 85,945 | 12,906 | 1,544 | 1,354 | 2,188 | 103,937 |
| Trade receivables and other receivables | 38,810 | 60 | - | - | - | 38,870 | 38,847 | 6 | 22 | - | - | 38,875 |
| Cash and cash equivalents | 152,955 | - | - | - | - | 152,955 | 85,703 | - | - | - | - | 85,703 |
| Total | 429,956 | 364,895 | 220,269 | 478,256 | 139,154 | 1,632,530 | 417,474 | 256,143 | 251,123 | 409,100 | 134,347 | 1,468,187 |
| Liabilities | | | | | | | | | | | | |
| Liabilities from insurance contracts | 378,331 | 188,097 | 82,352 | 108,051 | 148,282 | 905,113 | 333,495 | 169,033 | 88,844 | 100,961 | 167,157 | 859,490 |
| Liabilities from reinsurance contracts | 8,046 | (1,142) | (518) | (680) | (604) | 5,102 | 7,588 | (295) | (162) | (237) | (255) | 6,639 |
| Financial liabilities at amortized cost | 5,340 | 7,787 | 6,015 | 10,722 | 19,031 | 48,895 | 4,598 | 7,383 | 6,759 | 10,067 | 19,753 | 48,560 |
| Financial liabilities at fair value through profit or loss | 21 | - | - | - | - | 21 | 832 | - | - | - | - | 832 |
| Provisions | 947 | 3,163 | 2,661 | 639 | 994 | 8,404 | 701 | 2,576 | 2,597 | 858 | 692 | 7,424 |
| Accounts payable and other liabilities | 66,783 | 1,741 | 1,942 | 921 | 987 | 72,374 | 58,698 | 4,440 | 619 | 306 | 933 | 64,996 |
| Total | 459,468 | 199,646 | 92,452 | 119,653 | 168,690 | 1,039,909 | 405,912 | 183,137 | 98,657 | 111,955 | 188,280 | 987,941 |
| Maturity mismatch | (29,512) | 165,249 | 127,817 | 358,603 | (29,536) | 592,621 | 11,562 | 73,006 | 152,466 | 297,145 | (53,933) | 480,246 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The following table shows a separate maturity analysis for portfolios of insurance and reinsurance contracts that are liabilities and shows the present value of future cash flows for each of the first five years after the reporting date and in total after the first five years:

| Company in EUR'000 | 31 December 2025 | | | | | | | 31 December 2024 | | | | | | |
|--|----------------------|----------------|---------------|---------------|---------------|-------------------|----------------|----------------------|---------------|---------------|---------------|---------------|-------------------|----------------|
| | No later than 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total | No later than 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
| Assets | | | | | | | | | | | | | | |
| Assets from reinsurance contracts | 36,747 | 18,097 | 4,724 | 2,172 | 1,367 | 5,450 | 68,557 | 24,529 | 14,164 | 5,716 | 2,517 | 1,628 | 4,944 | 53,498 |
| Assets from insurance contracts | 6,307 | 1,849 | 1,845 | 1,312 | 938 | 1,657 | 13,908 | 6,249 | 1,752 | 1,692 | 1,653 | 1,192 | 2,492 | 15,030 |
| Total | 43,054 | 19,946 | 6,569 | 3,484 | 2,305 | 7,107 | 82,465 | 30,778 | 15,916 | 7,408 | 4,170 | 2,820 | 7,436 | 68,528 |
| Liabilities | | | | | | | | | | | | | | |
| Liabilities from insurance contracts | 316,459 | 103,664 | 62,617 | 39,024 | 30,784 | 195,004 | 747,552 | 271,756 | 82,782 | 72,006 | 44,419 | 34,191 | 208,185 | 713,339 |
| Liabilities from reinsurance contracts | 7,325 | (787) | (335) | (279) | (236) | (1,282) | 4,406 | 7,140 | (201) | (93) | (88) | (74) | (493) | 6,191 |
| Total | 323,784 | 102,877 | 62,282 | 38,745 | 30,548 | 193,722 | 751,958 | 278,896 | 82,581 | 71,913 | 44,331 | 34,117 | 207,692 | 719,530 |
| Group in EUR'000 | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | |
| Assets from reinsurance contracts | 39,277 | 19,157 | 5,174 | 2,495 | 1,575 | 6,335 | 74,013 | 27,060 | 15,005 | 6,354 | 2,849 | 1,868 | 6,005 | 59,141 |
| Assets from insurance contracts | 6,308 | 1,849 | 1,845 | 1,312 | 938 | 1,657 | 13,909 | 6,249 | 1,752 | 1,692 | 1,653 | 1,192 | 2,492 | 15,030 |
| Total | 45,585 | 21,006 | 7,019 | 3,807 | 2,513 | 7,992 | 87,922 | 33,309 | 16,757 | 8,046 | 4,502 | 3,060 | 8,497 | 74,171 |
| Liabilities | | | | | | | | | | | | | | |
| Liabilities from insurance contracts | 378,331 | 115,185 | 72,912 | 46,084 | 36,268 | 256,333 | 905,113 | 333,495 | 89,935 | 79,098 | 49,093 | 39,751 | 268,118 | 859,490 |
| Liabilities from reinsurance contracts | 8,046 | (804) | (338) | (282) | (236) | (1,284) | 5,102 | 7,588 | (202) | (93) | (88) | (74) | (492) | 6,639 |
| Total | 386,377 | 114,381 | 72,574 | 45,802 | 36,032 | 255,049 | 910,215 | 341,083 | 89,733 | 79,005 | 49,005 | 39,677 | 267,626 | 866,129 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The table below shows the future undiscounted cash flows of financial liabilities which refer to lease liabilities:

| Lease liabilities | Company in EUR'000 | | | | | | Group in EUR'000 | | | | | |
|-------------------|----------------------|-----------|-----------|------------|--------------------|--------|----------------------|-----------|-----------|------------|--------------------|--------|
| | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total |
| 31 December 2025 | 4,104 | 7,516 | 5,633 | 11,935 | 26,066 | 55,254 | 5,823 | 9,865 | 7,970 | 12,446 | 25,727 | 61,831 |
| 31 December 2024 | 3,676 | 6,842 | 5,431 | 11,789 | 27,319 | 55,057 | 5,590 | 9,405 | 8,475 | 13,300 | 27,406 | 64,175 |

The table below shows the contractual obligations for future investments (note 30):

| Contractual obligations for future investments | Company in EUR'000 | | | | | | Group in EUR'000 | | | | | |
|--|----------------------|-----------|-----------|------------|--------------------|--------|----------------------|-----------|-----------|------------|--------------------|--------|
| | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total | No later than 1 year | 1-3 years | 3-5 years | 5-10 years | More than 10 years | Total |
| 31 December 2025 | 20,794 | 3,556 | 623 | - | - | 24,973 | 20,794 | 3,556 | 622 | - | - | 24,973 |
| 31 December 2024 | 19,225 | 6,795 | - | - | - | 26,020 | 19,225 | 6,795 | - | - | - | 26,020 |

Fair value

Fair value is the amount that should be received for an asset sold or paid to settle a liability in an arm's length transaction between market participants at the value measurement date. Fair value is based on quoted market prices, where available. If market prices are not available, fair value is estimated by using discounted cash flow models or other appropriate pricing techniques. Changes in assumptions on which the estimates are based, including discount rates and estimated future cash flows, significantly affect the estimates. Therefore, at this point the estimated fair value cannot be achieved from the sale of a financial instrument.

Details related to fair value principles are provided in chapter 2.17 Financial instruments.

The fair value of investments at amortised cost is presented below:

| | 31 Dec. 2025 | | | 31 Dec. 2024 | | |
|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| | Net book value | Fair value | Difference | Net book value | Fair value | Difference |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Company | | | | | | |
| Debt securities | 168,484 | 161,458 | (7,026) | 229,237 | 217,624 | (11,613) |
| Loans | 83,708 | 85,319 | 1,611 | 78,563 | 76,756 | (1,807) |
| Deposits | 9,936 | 9,936 | - | 9,774 | 9,774 | - |
| | 262,128 | 256,713 | (5,415) | 317,574 | 304,154 | (13,420) |
| Group | | | | | | |
| Debt securities | 186,906 | 179,676 | (7,230) | 244,752 | 232,908 | (11,844) |
| Loans | 29,145 | 30,725 | 1,580 | 40,289 | 40,289 | - |
| Deposits | 75,013 | 75,013 | - | 77,486 | 77,486 | - |
| | 291,064 | 285,414 | (5,650) | 362,527 | 350,683 | (11,844) |

The overview of fair value by individual levels for investments at amortized cost is presented below:

| | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|-----------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | Level 1 in EUR'000 | Level 2 in EUR'000 | Level 3 in EUR'000 | Total in EUR'000 | Level 1 in EUR'000 | Level 2 in EUR'000 | Level 3 in EUR'000 | Total in EUR'000 |
| Company | | | | | | | | |
| Debt securities | 33,911 | 127,373 | 174 | 161,458 | 42,679 | 174,747 | 198 | 217,624 |
| Loans | - | 85,319 | - | 85,319 | - | 76,756 | - | 76,756 |
| Deposits | - | - | 9,936 | 9,936 | - | - | 9,774 | 9,774 |
| | 33,911 | 212,692 | 10,110 | 256,713 | 42,679 | 251,503 | 9,972 | 304,154 |

| | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|-----------------|-----------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | Level 1 in EUR'000 | Level 2 in EUR'000 | Level 3 in EUR'000 | Total in EUR'000 | Level 1 in EUR'000 | Level 2 in EUR'000 | Level 3 in EUR'000 | Total in EUR'000 |
| Group | | | | | | | | |
| Debt securities | 40,153 | 139,349 | 174 | 179,676 | 49,633 | 183,077 | 198 | 232,908 |
| Loans | - | 30,342 | 383 | 30,725 | - | 39,640 | 649 | 40,289 |
| Deposits | - | - | 75,013 | 75,013 | - | - | 77,486 | 77,486 |
| | 40,153 | 169,691 | 75,570 | 285,414 | 49,633 | 222,717 | 78,333 | 350,683 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The table below analyses financial instruments and other assets carried at fair value using the valuation method.

The Company's assets measured at fair value as at 31 December 2025 are presented as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| <i>Property for own use</i> | - | - | 23,236 | 23,236 |
| <i>Investment property</i> | - | - | 35,976 | 35,976 |
| Equity securities | 292,929 | 10,847 | 10,615 | 314,391 |
| Debt securities | 426,666 | 66,014 | - | 492,680 |
| Derivative financial instruments – cash flow hedge | - | - | 29 | 29 |
| <i>Financial assets at fair value through other comprehensive income</i> | 719,595 | 76,861 | 10,644 | 807,100 |
| Equity securities | 2,328 | - | - | 2,328 |
| Debt securities | 30,536 | 299 | - | 30,835 |
| Investment funds | 1,908 | 92,270 | - | 94,178 |
| Derivative financial instruments | - | 109 | - | 109 |
| <i>Financial assets at fair value through profit or loss</i> | 34,772 | 92,678 | - | 127,450 |
| Total assets at fair value | 754,367 | 169,539 | 69,856 | 993,762 |

The Company's assets measured at fair value as at 31 December 2024 are presented as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| <i>Property for own use</i> | - | - | 23,930 | 23,930 |
| <i>Investment property</i> | - | - | 34,914 | 34,914 |
| Equity securities | 160,879 | - | 30,817 | 191,696 |
| Debt securities | 394,819 | 108,491 | - | 503,310 |
| <i>Financial assets at fair value through other comprehensive income</i> | 555,698 | 108,491 | 30,817 | 695,006 |
| Equity securities | 503 | - | - | 503 |
| Investment funds | 2,509 | 89,499 | - | 92,008 |
| Derivative financial instruments | - | 21 | - | 21 |
| Other | - | 650 | - | 650 |
| <i>Financial assets at fair value through profit or loss</i> | 3,012 | 90,170 | - | 93,182 |
| Total assets at fair value | 558,710 | 198,661 | 89,661 | 847,032 |

The Group's assets measured at fair value as at 31 December 2025 are presented as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Property for own use | - | - | 62,327 | 62,327 |
| Investment property | - | - | 169,956 | 169,956 |
| Equity securities | 292,929 | 10,847 | 10,615 | 314,391 |
| Debt securities | 477,395 | 120,181 | - | 597,576 |
| Derivative financial instruments – cash flow hedge | - | - | 45 | 45 |
| Financial assets at fair value through other comprehensive income | 770,324 | 131,028 | 10,660 | 912,012 |
| Equity securities | 2,328 | - | - | 2,328 |
| Debt securities | 30,536 | 299 | - | 30,835 |
| Investment funds | 13,716 | 92,270 | - | 105,986 |
| Derivative financial instruments | - | 109 | - | 109 |
| Financial assets at fair value through profit or loss | 46,580 | 92,678 | - | 139,258 |
| Total assets at fair value | 816,904 | 223,706 | 242,943 | 1,283,553 |

The Group's assets measured at fair value as at 31 December 2024 are presented as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Property for own use | - | - | 61,046 | 61,046 |
| Investment property | - | - | 152,459 | 152,459 |
| Equity securities | 160,879 | - | 30,817 | 191,696 |
| Debt securities | 440,114 | 161,295 | - | 601,409 |
| Investment funds | - | - | - | - |
| Financial assets at fair value through other comprehensive income | 600,993 | 161,295 | 30,817 | 793,105 |
| Equity securities | 503 | - | - | 503 |
| Investment funds | 13,264 | 89,499 | - | 102,763 |
| Derivative financial instruments | - | 21 | - | 21 |
| Other | - | 650 | - | 650 |
| Financial assets at fair value through profit or loss | 13,767 | 90,170 | - | 103,937 |
| Total assets at fair value | 614,760 | 251,465 | 244,322 | 1,110,547 |

The following table presents the changes in level 3 items for the Company:

| Company | Equity securities | Debt securities | Derivative financial instruments – cash flow hedge | Total |
|---|-------------------|-----------------|--|---------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 December 2023 | 28,984 | - | - | 28,984 |
| Transfer from/to Level 2 | - | - | - | - |
| Increase | - | - | - | - |
| Decrease | - | - | - | - |
| (Losses) recognized in other comprehensive income | - | - | - | - |
| Gains recognized in other comprehensive income | 1,833 | - | - | 1,833 |
| 31 December 2024 | 30,817 | - | - | 30,817 |
| Transfer from/to Level 2 | - | - | - | - |
| Increase | 3,848 | - | 29 | 3,877 |
| Decrease | (26.838) | - | - | (26.838) |
| (Losses) recognized in other comprehensive income | - | - | - | - |
| Gains recognized in other comprehensive income | 2,788 | - | - | 2,788 |
| 31 December 2025 | 10,615 | - | 29 | 10,644 |

Movement of property for own use and investment property for the Company are disclosed in Note 14 and 15.

The following table presents the changes in level 3 items for the Group:

| Group | Equity securities | Debt securities | Derivative financial instruments – cash flow hedge | Total |
|---|-------------------|-----------------|--|---------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 December 2023 | 28,985 | - | - | 28,985 |
| Transfer from/to Level 2 | - | - | - | - |
| Increase | - | - | - | - |
| Decrease | - | - | - | - |
| (Losses) recognized in other comprehensive income | - | - | - | - |
| Gains recognized in other comprehensive income | 1,832 | - | - | 1,832 |
| 31 December 2024 | 30,817 | - | - | 30,817 |
| Transfer from/to Level 2 | - | - | - | - |
| Increase | 3,848 | - | 45 | 3,893 |
| Decrease | (26.838) | - | - | (26.838) |
| (Losses) recognized in other comprehensive income | - | - | - | - |
| Gains recognized in other comprehensive income | 2,788 | - | - | 2,788 |
| 31 December 2025 | 10,615 | - | 45 | 10,660 |

Movement of property for own use and investment property for the Group are disclosed in Note 14 and 15.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Information on fair value measurements of equity securities, debt securities and investment funds which included significant parameters that are not available on the market (level 3):

| | Fair value at 31 Dec. 2025 | Unob- servable inputs | Range of inputs (probability- weighted average) | Relationship of unobservable inputs to fair value |
|-------------------|----------------------------------|-----------------------------|--|--|
| | in EUR'000 | | | |
| Equity securities | 10,615 | Discount rate | 7.12%-7.76% (7.44%) | An increase in the discount rate by 100 bps would decrease the fair value by EUR 1,352 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 1,514 thousand |

| | Fair value at 31 Dec. 2024 | Unob- servable inputs | Range of inputs (probability- weighted average) | Relationship of unobservable inputs to fair value |
|-------------------|----------------------------------|-----------------------------|--|--|
| | in EUR'000 | | | |
| Equity securities | 30,817 | Discount rate | 6.75%-9.22% (7.83%) | An increase in the discount rate by 100 bps would decrease the fair value by EUR 2,404 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 2,658 thousand |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

For fair value measurement of electricity swaps, the Company and the Group apply valuation techniques where the fair value is calculated as the present value of the estimated future cash flows of the instruments. The following is a summary of the main inputs and assumptions used by the Company and the Group in measuring the fair value of electricity swaps classified as Level 3:

| Inputs | Assumptions |
|----------------------------|---|
| Discount rates | Based on observable market rates for risk-free instruments of the appropriate term. |
| Forward electricity prices | Electricity price forecasts are based on both observable external market data (electricity futures) and unobservable data provided by 3 rd party valuation experts or developed internally by the management. For long-dated electricity derivatives, market prices are not generally readily observable for the corresponding term hence expert forecasts are used, considering the location and type of the particular generating facility referenced in the VPPA contract. |

For Level 3 fair value measurements, a sensitivity analysis around the key unobservable inputs is given in the table below:

| | Company | Group |
|----------------------------|----------------|---------------|
| | Impact | Impact |
| | in 000 EUR | in 000 EUR |
| 31.12.2025. | | |
| Forward electricity prices | | |
| Change +10% | 121 | 184 |
| Change -10% | (121) | (184) |
| Discount rate | | |
| Change +1% | 1 | 1 |
| Change -1% | (1) | (1) |

Cash flow hedge accounting

Additional information related to the electricity swaps designated by the Company and the Group as hedging instruments in cash flow hedge relationships:

| in 000 EUR | 31.12.2025 | | | |
|---|-------------------|-----------------|---------------------|-----------------|
| | Fair Value | Notional | Average rate | Maturity |
| Company | | | | |
| Derivative financial instrument – cash flow hedge | 29 | 13.670 MWh | 84 EUR/MWh | 31.3.2032 |
| Group | | | | |
| Derivative financial instrument – cash flow hedge | 45 | 20.620 MWh | 84 EUR/MWh | 31.3.2032 |

Cash flow hedges of electricity price risk

The Group consumes physical electricity for its business operations and, as such, it is exposed to variability of cash flows from future electricity purchases (hedged item) due to variability of Croatian electricity spot prices. To hedge against this risk, the Company concludes the electricity swaps (embedded within the VPPA contracts), under which the Company pays contractually specified fixed price for a specified volume of electricity and receives variable price from the counterparty, which is linked to the spot price relevant to the given delivery period (CROPEX day ahead).

The electricity swaps are designated as hedging instruments in a cash flow hedge relationships by the Group and the Company. At the inception of the hedge relationship and through periodic prospective effectiveness assessments, the economic relationship between the hedged items and the hedging instruments is assessed using simulation analysis and the dollar offset method.

To measure the actual ineffectiveness, the Company and the Group use the dollar-offset method and compare the change in the fair value of the hedging instrument with the change in the fair value of the hedged item, represented by a hypothetical derivative, on a cumulative basis. The hypothetical derivative represents the risk being hedged, having the notional amount equal to the hedged highly probable future cash flows, with timing corresponding to the timing of the expected hedged cash flows. The initial fair value of the hypothetical derivative is calibrated to nil in accordance with IFRS 9.

Potential sources of ineffectiveness in the designated cash flow hedge relationships are firstly due to changes in creditworthiness of the Group or the counterparties of the instrument.

The change in fair value of the electricity swaps and the hedged items, respectively, used as the basis for determining hedge effectiveness in the period of 9 months ended 31 December 2025 was EUR 29 thousand for the Company, and EUR 45 thousand for the Group. No material ineffectiveness was recognized in this period.

The Company has adopted IFRS 13, pursuant to which it is required to disclose the fair value hierarchy of financial assets that are not measured at fair value as well as a description of valuation techniques and inputs used.

Financial liabilities are recorded at amortised cost. Since the interest rate they bear is aligned with market rates, the Management Board believes that the carrying value of these instruments is not significantly different from their fair value.

The fair value of deposits, loans and financial liabilities are estimated on the basis of inputs that are not commercially available rates, and would therefore be classified as level 3, or by using publicly available rates published by the Croatian national bank (for the Company's loans) and would therefore be classified as level 2 in the fair value hierarchy. Investments with available market prices that are classified in the portfolio of held-to-maturity investments i.e. at amortised cost would be classified as level 1.

The fair values of cash and cash equivalents and trade receivables and other receivables do not differ significantly from their carrying amounts due to the short-term nature of these financial instruments. Fair value is determined based on level 2 inputs for cash and cash equivalents and based on level 3 inputs for trade receivables and other receivables.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of financial instruments that are classified as level 3 is determined by using discontinued cash flow techniques or other valuation techniques by using relevant observable market data, information about current business and estimation of issuer's future business.

The fair value of held-to-maturity investments i.e. at amortised cost is based on the available market prices and market inputs and is classified as level 1 and level 2 in accordance with IFRS 13.

Fair value of properties

An independent valuation of the Group's investment property was conducted by external valuers in order to determine the fair value as at 31 December 2025 and 31 December 2024.

To determine fair value of the property for own use, the Group use real estate appraisals conducted by independent certified authorized external valuers in 2025. The effects are listed in Note 14.

Valuation techniques used for determining fair value on Level 3

The fair value of investment property is derived primarily by applying a sales comparison and income approach, and sometimes lacking information on market parameters by applying the cost method, depending on a particular property.

The fair value of the property for own use for was carried out primarily by applying the income method.

The most significant inputs in the valuations were prices or rental income per square meter, generated based on comparable properties in the immediate vicinity and then adjusted by differences in key characteristics and discount rate.

Information on fair value measurement of investment property which included significant parameters that are not available on the market (level 3)

| Description | Fair value as at 31 December | Fair value Land as at 31 December | Fair value Building as at 31 December | Fair value as at 31 December | Fair value Land as at 31 December | Fair value Building as at 31 December | Valuation technique(s) | Unavailable parameters | Range of unavailable parameters | |
|-------------|------------------------------|-----------------------------------|---------------------------------------|------------------------------|-----------------------------------|---------------------------------------|---------------------------|----------------------------------|---------------------------------|---------------|
| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 | | | 2025 | 2024 |
| Company | 35,976 | 8,497 | 27,479 | 34,914 | 5,288 | 26,626 | Income approach | Capitalization rate | 6%-10% | 6-10% |
| | | | | | | | Cost approach | Building unit price per m2 (EUR) | 150 - 915 | 150-915 |
| | | | | | | | Sales comparison approach | Average price per m2 (EUR) | 66 – 3,881 | 61.36 – 3,881 |
| Group | 169,956 | 27,569 | 142,387 | 152,459 | 23,176 | 129,283 | Income approach | Capitalization rate | 6%-10% | 6%-10% |
| | | | | | | | | Discount rate | 10% | 10% |
| | | | | | | | Cost approach | Building unit price (EUR) | 150 - 986 | 150-915 |
| | | | | | | | Sales comparison approach | Building unit price per m2 (EUR) | 66 – 4,179 | 21 – 3,881 |

A significant increase (decrease) in the estimated capitalization rate, average building price and the average price per m2, with other variables held constant, would have an impact on a significant increase (decrease) in the fair value of investment property. A significant increase (decrease) in the discount rate, with other variables held constant, would have an impact on a significant decrease (increase) in the fair value of investment property.

There is no significant interaction between invisible inputs used in estimates that would have a significant effect on fair value.

2.34. Capital management

The Company's objectives when managing capital are:

- Ensuring the Company's going concern;
- Compliance with Croatian and EU laws and subordinate legislation, regulations and instructions of the regulatory body governing capital management;
- Maintaining a high level of capitalization and consequently financial stability, thus providing an adequate level of security to the insurers and the insured party;
- Achieving efficient and optimal capital allocation as well as maximizing return on capital;
- Ensuring continuous compliance of the Company's and the Group's business strategy with risk appetite and targeted levels of capital adequacy;
- Providing a high level of capitalization or sufficient surplus capital for further investment in the development and growth of the Company and the Group.

The Company and the Group are subject to the statutory and subordinate regulations of the Republic of Croatia and the EU governing capital management, which also define the minimum levels of capital that the Company and the Group must maintain (regulatory framework Solvency 2 applied since 2016). The above-mentioned regulatory framework defines the rules governing the method of calculation and reporting on capital adequacy. In particular, it stipulates that the Company and the Group must at all times maintain eligible own funds (available capital) in such a manner as to cover the Minimum Capital Requirement (the so-called MCR), as well as the Solvency Capital Requirement SCR).

The SCR ratio is defined as the ratio of the amount of total eligible own funds to cover the required solvency capital (SCR) and the amount of solvency capital required. The MCR ratio is defined as the ratio of the amount of total eligible own funds to cover the Minimum Capital Requirement (MCR) and the amount of minimum required capital.

Based on information provided internally to key management personnel, the Company and the Group comply with the legal and subordinate regulations governing the capital adequacy, as follows:

| | Regulatory requirement | Company | Company |
|-----------|------------------------|--------------|--------------|
| | | 31 Dec. 2025 | 31 Dec. 2024 |
| SCR ratio | >100% | 268% | 267% |
| MCR ratio | >100% | 1073% | 1014% |

| | Regulatory requirement | Group | Group |
|-----------|------------------------|---------------|----------------|
| | | 31 Dec. 2025* | 31 Dec. 2024** |
| SCR ratio | >100% | 221% | 226% |
| MCR ratio | >100% | 874% | 802% |

* Temporary quarterly data for the last reference date for which the data is available at the time of this Report are presented. The Group will disclose the final (annual) data for 31 December 2025 as part of the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2025, which will be published on the Company's website within the stipulated deadlines.

** Data presented for 31 December 2024 are the data that are published in the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2024.

The Company and the Group regularly monitor capital adequacy and conduct stress tests of capital and its adequacy in order to prevent the possibility of capital shortages in time.

3. Segment reporting

The Company's statement of comprehensive income by segments for the year is as follows:

| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Insurance revenue | 495,458 | 6,561 | 502,019 | 441,095 | 7,742 | 448,837 |
| Insurance service expenses | (449,759) | (3,750) | (453,509) | (405,587) | (3,057) | (408,644) |
| Net result of (passive) reinsurance contracts | (20,218) | - | (20,218) | (14,809) | - | (14,809) |
| Result from insurance contracts | 25,481 | 2,811 | 28,292 | 20,699 | 4,685 | 25,384 |
| Interest revenue calculated using the effective interest rate method | 19,309 | 7,543 | 26,852 | 17,117 | 8,642 | 25,759 |
| Realised gains/losses from derecognition of financial assets at amortised costs | - | (3,764) | (3,764) | - | - | - |
| Realised gains/losses (net) from financial assets at fair value through profit or loss | 7,576 | 2,854 | 10,430 | 5,918 | 2,160 | 8,078 |
| Net impairment/release of impairment of financial assets | 2,593 | 35 | 2,628 | 2,308 | 44 | 2,352 |
| Income from investment property | 1,327 | - | 1,327 | 4,329 | - | 4,329 |
| Net exchange rate differences | (3,029) | (817) | (3,846) | 1,159 | 372 | 1,531 |
| Other income/expenditure from investments | 18,831 | 1,366 | 20,197 | 17,510 | (849) | 16,661 |
| Net investment income | 46,607 | 7,217 | 53,824 | 48,341 | 10,369 | 58,710 |
| Net financial result from insurance contracts | (5,272) | (2,757) | (8,029) | (4,829) | (2,305) | (7,134) |
| Net financial result from (passive) reinsurance contracts | 1,026 | - | 1,026 | 739 | - | 739 |
| Net financial result from insurance and (passive) reinsurance contracts | (4,246) | (2,757) | (7,003) | (4,090) | (2,305) | (6,395) |
| Other income | 6,514 | 10 | 6,524 | 7,317 | 6 | 7,323 |
| Other financial expenses | (1,423) | (31) | (1,454) | (1,390) | (30) | (1,420) |
| Other operating expenses | (16,431) | (188) | (16,619) | (11,933) | (170) | (12,103) |
| Share of profit of companies consolidated using equity method, net of tax | - | - | - | - | - | - |
| Profit before tax | 56,502 | 7,062 | 63,564 | 58,944 | 12,555 | 71,499 |
| Income tax | (7,115) | (975) | (8,090) | (3,930) | (1,996) | (5,926) |
| Profit for the year | 49,387 | 6,087 | 55,474 | 55,014 | 10,559 | 65,573 |
| Profit attributable to: | | | | | | |
| - Company shareholders | 49,387 | 6,087 | 55,474 | 55,014 | 10,559 | 65,573 |
| - Non-controlling interest | - | - | - | - | - | - |
| | 49,387 | 6,087 | 55,474 | 55,014 | 10,559 | 65,573 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Total depreciation cost of the non-life segment amounts to EUR 8,152 thousand (2024: EUR 8,849 thousand), while depreciation cost of the life segment amounts to EUR 87 thousand (2024: EUR 107 thousand). The Company's statement of financial position by segments at the reporting date is as follows:

| | 31 Dec. 2025 | 31 Dec. 2025 | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2024 | 31 Dec. 2024 |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Assets | | | | | | |
| Intangible assets | 15,799 | - | 15,799 | 14,907 | - | 14,907 |
| Property at revaluation model | 23,236 | - | 23,236 | 23,930 | - | 23,930 |
| Property and equipment at cost model | 38,786 | 2 | 38,788 | 37,569 | 2 | 37,571 |
| Investment property | 35,976 | - | 35,976 | 34,914 | - | 34,914 |
| Investments in subsidiaries, associates and participation in joint ventures | 112,934 | - | 112,934 | 111,010 | - | 111,010 |
| Assets from reinsurance contracts | 68,558 | - | 68,558 | 53,498 | - | 53,498 |
| Assets from insurance contracts | 13,871 | 38 | 13,909 | 14,999 | 31 | 15,030 |
| Financial assets | 865,430 | 331,248 | 1,196,678 | 762,665 | 343,097 | 1,105,762 |
| <i>Financial assets at amortised cost</i> | 207,896 | 54,232 | 262,128 | 210,199 | 107,375 | 317,574 |
| <i>Financial assets at fair value through other comprehensive income</i> | 571,737 | 235,363 | 807,100 | 492,824 | 202,182 | 695,006 |
| <i>Financial assets at fair value through profit and loss account</i> | 85,797 | 41,653 | 127,450 | 59,642 | 33,540 | 93,182 |
| Deferred tax assets | - | - | - | - | - | - |
| Current income tax assets | - | - | - | 4,388 | - | 4,388 |
| Trade receivables and other receivables | 31,849 | - | 31,849 | 29,859 | 17 | 29,876 |
| Cash and cash equivalents | 104,908 | 17,634 | 122,542 | 47,611 | 16,145 | 63,756 |
| Total assets | 1,311,347 | 348,922 | 1,660,269 | 1,135,350 | 359,292 | 1,494,642 |
| Capital and reserves | | | | | | |
| Subscribed share capital | 72,415 | 5,881 | 78,296 | 72,415 | 5,881 | 78,296 |
| Premium on issued shares | 90,448 | - | 90,448 | 90,448 | - | 90,448 |
| Reserves | 41,965 | 11,318 | 53,283 | 41,965 | 11,318 | 53,283 |
| Revaluation reserve | 179,925 | 20,951 | 200,876 | 104,446 | 13,864 | 118,310 |
| Retained earnings | 299,518 | 38,061 | 337,579 | 287,073 | 30,962 | 318,035 |
| Total capital and reserves | 684,271 | 76,211 | 760,482 | 596,347 | 62,025 | 658,372 |
| Liabilities | | | | | | |
| Liabilities from insurance contracts | 488,763 | 258,788 | 747,551 | 424,259 | 289,080 | 713,339 |
| Liabilities from reinsurance contracts | 4,406 | - | 4,406 | 6,191 | - | 6,191 |
| Financial liabilities at fair value through profit and loss account | 15 | 6 | 21 | 616 | 216 | 832 |
| Financial liabilities at amortized cost | 39,840 | - | 39,840 | 38,796 | 2 | 38,798 |
| Provisions | 5,826 | 372 | 6,198 | 5,051 | 367 | 5,418 |
| Deferred tax liability | 33,734 | 4,033 | 37,767 | 16,741 | 2,492 | 19,233 |
| Accounts payable and other liabilities | 52,487 | 9,512 | 61,999 | 47,191 | 5,110 | 52,301 |
| Current income tax liability | 2,005 | - | 2,005 | 158 | - | 158 |
| Total liabilities | 627,076 | 272,711 | 899,787 | 539,003 | 297,267 | 836,270 |
| Total capital, reserves and liabilities | 1,311,347 | 348,922 | 1,660,269 | 1,135,350 | 359,292 | 1,494,642 |

Differences in the amounts of *Trade receivables and other receivables* and the amounts of *Account payable and other liabilities*, stated in the Statement of financial position and Note 3 arise from intersegmental receivables and liabilities.

The Company's additions to non-current assets by segments at the reporting date are as follows:

| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
|---|-----------------|-------------|---------------|-----------------|-------------|---------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Additions to non-current assets (Note 13, 14, 15) | 12,705 | - | 12,705 | 14,712 | - | 14,712 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The Group's statement of comprehensive income by segments for the year is as follows:

| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
|--|----------------|----------------|-----------------|----------------|----------------|----------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Insurance revenue | 592,938 | 13,862 | 606,800 | 526,816 | 13,996 | 540,812 |
| Insurance service expenses | (528,034) | (10,111) | (538,145) | (480,578) | (8,539) | (489,117) |
| Net result of (passive) reinsurance contracts | (22,754) | (9) | (22,763) | (14,562) | (49) | (14,611) |
| Result from insurance contracts | 42,150 | 3,742 | 45,892 | 31,676 | 5,408 | 37,084 |
| Interest revenue calculated using the effective interest rate method | 21,137 | 10,552 | 31,689 | 18,814 | 11,460 | 30,274 |
| Realised gains/losses from derecognition of financial assets at amortised costs | - | (3,764) | (3,764) | - | - | - |
| Realised gains/losses (net) from financial assets at fair value through profit or loss | 7,633 | 2,969 | 10,602 | 5,985 | 2,263 | 8,248 |
| Net impairment/release of impairment of financial assets | 2,102 | 24 | 2,126 | 550 | 75 | 625 |
| Income from investment property | 21,437 | 75 | 21,512 | 14,946 | 69 | 15,015 |
| Net exchange rate differences | (3,052) | (816) | (3,868) | 1,144 | 377 | 1,521 |
| Other income/expenditure from investments | 9,380 | 2,107 | 11,487 | 2,735 | (11) | 2,724 |
| Net investment income | 58,637 | 11,147 | 69,784 | 44,174 | 14,233 | 58,407 |
| Net financial result from insurance contracts | (6,946) | (4,305) | (11,251) | (6,359) | (3,816) | (10,175) |
| Net financial result from (passive) reinsurance contracts | 1,192 | - | 1,192 | 914 | - | 914 |
| Net financial result from insurance and (passive) reinsurance contracts | (5,754) | (4,305) | (10,059) | (5,445) | (3,816) | (9,261) |
| Other income | 44,990 | 347 | 45,337 | 38,944 | 43 | 38,987 |
| Other financial expenses | (1,957) | (58) | (2,015) | (2,022) | (58) | (2,080) |
| Other operating expenses | (72,238) | (550) | (72,788) | (54,498) | (446) | (54,944) |
| Share of profit of companies consolidated using equity method, net of tax | 1,480 | - | 1,480 | 1,430 | - | 1,430 |
| Profit before tax | 67,308 | 10,323 | 77,631 | 54,259 | 15,364 | 69,623 |
| Income tax | (10,783) | (1,392) | (12,175) | (6,190) | (2,345) | (8,535) |
| Profit for the year | 56,525 | 8,931 | 65,456 | 48,069 | 13,019 | 61,088 |
| Profit attributable to: | | | | | | |
| - Company shareholders | 56,466 | 8,923 | 65,389 | 48,021 | 13,004 | 61,025 |
| - Non-controlling interest | 59 | 8 | 67 | 48 | 15 | 63 |
| | 56,525 | 8,931 | 65,456 | 48,069 | 13,019 | 61,088 |

Total depreciation cost of the non-life segment amounts to EUR 16,045 thousand (2024: EUR 15,617 thousand), while depreciation cost of the life segment amounts to EUR 434 thousand (2024: EUR 423 thousand).

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The Group's statement of financial position by segments at the reporting date is as follows:

| | 31 Dec. 2025 | 31 Dec. 2025 | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2024 | 31 Dec. 2024 |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Assets | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Intangible assets | 25,051 | 638 | 25,689 | 24,435 | 96 | 24,531 |
| Property at revaluation model | 60,032 | 2,295 | 62,327 | 58,706 | 2,340 | 61,046 |
| Property and equipment at cost model | 68,171 | 975 | 69,146 | 63,391 | 965 | 64,356 |
| Investment property | 167,139 | 2,817 | 169,956 | 149,765 | 2,694 | 152,459 |
| Investments in subsidiaries, associates and participation in joint ventures | 10,449 | - | 10,449 | 9,869 | - | 9,869 |
| Assets from reinsurance contracts | 74,013 | - | 74,013 | 59,141 | - | 59,141 |
| Assets from insurance contracts | 13,871 | 38 | 13,909 | 14,999 | 31 | 15,030 |
| Financial assets | 918,753 | 423,581 | 1,342,334 | 829,917 | 429,652 | 1,259,569 |
| <i>Financial assets at amortised cost</i> | 208,046 | 83,018 | 291,064 | 229,195 | 133,332 | 362,527 |
| <i>Financial assets at fair value through other comprehensive income</i> | 623,293 | 288,719 | 912,012 | 538,912 | 254,193 | 793,105 |
| <i>Financial assets at fair value through profit and loss account</i> | 87,414 | 51,844 | 139,258 | 61,810 | 42,127 | 103,937 |
| Deferred tax assets | 1,528 | - | 1,528 | 1,410 | 12 | 1,422 |
| Current income tax assets | 4 | - | 4 | 4,417 | - | 4,417 |
| Trade receivables and other receivables | 51,121 | 3,555 | 54,676 | 47,285 | 4,290 | 51,575 |
| Cash and cash equivalents | 134,055 | 18,900 | 152,955 | 68,827 | 16,876 | 85,703 |
| Total assets | 1,524,187 | 452,799 | 1,976,986 | 1,332,162 | 456,956 | 1,789,118 |
| Capital and reserves | | | | | | |
| Subscribed share capital | 72,415 | 5,881 | 78,296 | 72,415 | 5,881 | 78,296 |
| Premium on issued shares | 90,448 | - | 90,448 | 90,448 | - | 90,448 |
| Reserves | 41,965 | 11,318 | 53,283 | 41,965 | 11,318 | 53,283 |
| Revaluation reserve | 193,593 | 26,158 | 219,751 | 117,612 | 20,541 | 138,153 |
| Retained earnings | 374,598 | 53,885 | 428,483 | 353,858 | 44,918 | 398,776 |
| Equity attributable to shareholders of the Company | 773,019 | 97,242 | 870,261 | 676,298 | 82,658 | 758,956 |
| Non-controlling interests | 365 | 144 | 509 | 349 | 133 | 482 |
| Total capital and reserves | 773,384 | 97,386 | 870,770 | 676,647 | 82,791 | 759,438 |
| Liabilities | | | | | | |
| Liabilities from insurance contracts | 572,368 | 332,745 | 905,113 | 503,004 | 356,486 | 859,490 |
| Liabilities from reinsurance contracts | 5,102 | - | 5,102 | 6,619 | 20 | 6,639 |
| Financial liabilities at fair value through profit and loss account | 15 | 6 | 21 | 616 | 216 | 832 |
| Financial liabilities at amortized cost | 48,102 | 793 | 48,895 | 47,772 | 788 | 48,560 |
| Provisions | 8,009 | 395 | 8,404 | 7,046 | 378 | 7,424 |
| Deferred tax liability | 41,504 | 4,770 | 46,274 | 24,247 | 3,250 | 27,497 |
| Accounts payable and other liabilities | 71,741 | 16,439 | 88,180 | 64,893 | 12,803 | 77,696 |
| Current income tax liability | 3,962 | 265 | 4,227 | 1,318 | 224 | 1,542 |
| Total liabilities | 750,803 | 355,413 | 1,106,216 | 655,515 | 374,165 | 1,029,680 |
| Total capital, reserves and liabilities | 1,524,187 | 452,799 | 1,976,986 | 1,332,162 | 456,956 | 1,789,118 |

Differences in the amounts of *Trade receivables and other receivables* and the amounts of *Account payable and other liabilities*, stated in the Statement of financial position and Note 3 arise from intersegmental receivables and liabilities.

Group's additions to non-current assets by segments at the reporting date are as follows:

| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
|--|-----------------|-------------|---------------|-----------------|-------------|---------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Additions to non-current assets (Note 13, 14 and 15) | 43,746 | 414 | 44,160 | 23,137 | 450 | 23,587 |

The measurement of the assets and liabilities segment and the revenues and result segment is based on the accounting policies set out in the notes on accounting policies. Based on the internal management reports, one of the key performance measure for measurement of profitability of each segment and insurance type identified by the Group is profit before tax.

The Group's main reportable segments are non-life and life. The Group performs insurance business in segments of non-life and life insurance. Among other important activities, the Group also carries out activities of pension fund management, technical examinations and providing medical services of clinics within the segment of non-life.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that are allocated on a reasonable basis.

The main products offered by reportable segments include:

Non-life:

- Medical expense insurance
- Income protection insurance
- Workers' compensation insurance
- Motor vehicle liability insurance
- Other motor insurance
- Marine, aviation and transport insurance
- Fire and other damage to property insurance
- General liability insurance
- Credit and suretyship insurance
- Legal expenses insurance
- Assistance
- Miscellaneous financial loss insurance
- Non-proportional health reinsurance (non-life)
- Non-proportional reinsurance casualty
- Non-proportional marine, aviation and transport reinsurance
- Non-proportional property reinsurance

Life:

- Insurance with profit participation
- Index-linked and unit-linked insurance
- Other life insurance

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

An overview of insurance revenue by type of insurance is shown below:

| | Company | Company | Group | Group |
|---|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Medical expense insurance | 83,193 | 71,304 | 94,258 | 79,363 |
| Income protection insurance | 15,556 | 15,413 | 20,330 | 19,706 |
| Workers' compensation insurance | - | - | - | - |
| Motor vehicle liability insurance | 107,411 | 96,541 | 159,194 | 143,582 |
| Other motor insurance | 95,380 | 82,654 | 109,155 | 94,621 |
| Marine, aviation and transport insurance | 13,966 | 12,311 | 15,058 | 13,020 |
| Fire and other damage to property insurance | 133,285 | 122,017 | 141,511 | 128,752 |
| General liability insurance | 28,120 | 23,164 | 29,283 | 24,073 |
| Credit and suretyship insurance | 3,460 | 3,169 | 5,402 | 5,333 |
| Legal expenses insurance | - | 1 | (2) | 1 |
| Assistance | 5,124 | 4,374 | 8,562 | 8,005 |
| Miscellaneous financial loss insurance | 7,297 | 7,220 | 7,521 | 7,433 |
| Non-proportional health reinsurance (non-life) | - | - | - | - |
| Non-proportional reinsurance casualty | 1,297 | 1,250 | 1,297 | 1,250 |
| Non-proportional marine, aviation and transport reinsurance | 41 | 43 | 41 | 43 |
| Non-proportional property reinsurance | 1,328 | 1,635 | 1,327 | 1,636 |
| Total non-life insurance | 495,458 | 441,096 | 592,937 | 526,818 |
| Health insurance | - | - | - | - |
| Insurance with profit participation | 6,331 | 7,474 | 7,875 | 9,001 |
| Index-linked and unit-linked insurance | 103 | 122 | 842 | 704 |
| Other life insurance | 127 | 145 | 5,146 | 4,289 |
| Health reinsurance | - | - | - | - |
| Life reinsurance | - | - | - | - |
| Total life insurance | 6,561 | 7,741 | 13,863 | 13,994 |
| Total | 502,019 | 448,837 | 606,800 | 540,812 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

An overview of the Company's and the Group's revenues by geographical area is shown below:

| Company in EUR'000 | 2025 | | | |
|---------------------------|---------------------|--------------|-----------------|----------------|
| | Republic of Croatia | Slovenia | Other countries | TOTAL |
| Insurance revenue | 491,305 | 1,650 | 9,064 | 502,019 |
| | 491,305 | 1,650 | 9,064 | 502,019 |

| Company in EUR'000 | 2024 | | | |
|---------------------------|---------------------|--------------|-----------------|----------------|
| | Republic of Croatia | Slovenia | Other countries | TOTAL |
| Insurance revenue | 436,747 | 4,399 | 7,691 | 448,837 |
| | 436,747 | 4,399 | 7,691 | 448,837 |

| Group in EUR'000 | 2025 | | | | | |
|-------------------------|---------------------|--------------------|------------------------|-----------------|-----------------|----------------|
| | Republic of Croatia | Republic of Serbia | Bosnia and Herzegovina | North Macedonia | Other countries | TOTAL |
| Insurance revenue | 490,524 | 58,307 | 25,552 | 29,227 | 3,190 | 606,800 |
| | 490,524 | 58,307 | 25,552 | 29,227 | 3,190 | 606,800 |

| Group in EUR'000 | 2024 | | | | | |
|-------------------------|---------------------|--------------------|------------------------|-----------------|-----------------|----------------|
| | Republic of Croatia | Republic of Serbia | Bosnia and Herzegovina | North Macedonia | Other countries | TOTAL |
| Insurance revenue | 436,165 | 49,379 | 24,340 | 24,612 | 6,316 | 540,812 |
| | 436,165 | 49,379 | 24,340 | 24,612 | 6,316 | 540,812 |

An overview of the Company's and the Group's non-current assets by geographical area is shown below:

| Company in EUR'000 | 2025 | | | |
|---|---------------------|----------|-----------------|----------------|
| | Republic of Croatia | Slovenia | Other countries | TOTAL |
| Non-current assets (note 13, 14 and 15) | 113,799 | - | - | 113,799 |

| Company in EUR'000 | 2024 | | | |
|---|---------------------|----------|-----------------|----------------|
| | Republic of Croatia | Slovenia | Other countries | TOTAL |
| Non-current assets (note 13, 14 and 15) | 111,250 | 72 | - | 111,322 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group in EUR'000 | 2025 | | | | | TOTAL |
|---|---------------------|--------------------|------------------------|-----------------|-----------------|----------------|
| | Republic of Croatia | Republic of Serbia | Bosnia and Herzegovina | North Macedonia | Other countries | |
| Non-current assets (note 13, 14 and 15) | 304,445 | 4,700 | 15,012 | 2,961 | - | 327,118 |

| Group in EUR'000 | 2024 | | | | | TOTAL |
|---|---------------------|--------------------|------------------------|-----------------|-----------------|----------------|
| | Republic of Croatia | Republic of Serbia | Bosnia and Herzegovina | North Macedonia | Other countries | |
| Non-current assets (note 13, 14 and 15) | 281,964 | 3,956 | 13,471 | 2,929 | 72 | 302,392 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

4. Insurance revenue

| Company | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
|--|----------------|---------------|----------------|----------------|---------------|----------------|
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Contracts not measured under the Premium allocation approach ("PAA") | | | | | | |
| <i>Amounts relating to changes in liabilities from remaining coverage</i> | | | | | | |
| - Changes in contractual service margin | 926 | 2,817 | 3,743 | 899 | 3,336 | 4,235 |
| - Change in risk adjustment for non-financial risk | 84 | 266 | 350 | 84 | 296 | 380 |
| - Expected incurred claims and other insurance service expenses | 1,244 | 2,737 | 3,981 | 1,311 | 3,588 | 4,899 |
| - Other changes | - | - | - | - | - | - |
| <i>Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows</i> | 737 | 741 | 1,478 | 490 | 521 | 1,011 |
| Total | 2,991 | 6,561 | 9,552 | 2,784 | 7,741 | 10,525 |
| Contracts measured under the Premium allocation approach ("PAA") | 492,467 | - | 492,467 | 438,312 | - | 438,312 |
| Total income from insurance contracts | 495,458 | 6,561 | 502,019 | 441,096 | 7,741 | 448,837 |
| | | | | | | |
| Group | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Contracts not measured under the Premium allocation approach ("PAA") | | | | | | |
| <i>Amounts relating to changes in liabilities from remaining coverage</i> | | | | | | |
| - Changes in contractual service margin | 1,337 | 3,856 | 5,193 | 1,556 | 4,106 | 5,662 |
| - Change in risk adjustment for non-financial risk | 102 | 662 | 764 | 102 | 593 | 695 |
| - Expected incurred claims and other insurance service expenses | 2,122 | 6,296 | 8,418 | 2,291 | 6,930 | 9,221 |
| - Other changes | - | - | - | - | - | - |
| <i>Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows</i> | 1,121 | 3,048 | 4,169 | 769 | 2,365 | 3,134 |
| Total | 4,682 | 13,862 | 18,544 | 4,718 | 13,994 | 18,712 |
| Contracts measured under the Premium allocation approach ("PAA") | 588,256 | - | 588,256 | 522,100 | - | 522,100 |
| Total income from insurance contracts | 592,938 | 13,862 | 606,800 | 526,818 | 13,994 | 540,812 |

5. Insurance service expenses

| | Company | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Incurring claims | 295,614 | 263,164 | 343,873 | 308,549 |
| Other insurance service expenses | 66,774 | 63,004 | 83,203 | 78,022 |
| Other expenses related to sale of insurance | 48,909 | 45,060 | 60,843 | 55,399 |
| Commissions | 53,103 | 44,890 | 64,211 | 53,816 |
| Losses and reversals of losses on onerous contracts | (648) | 365 | (344) | 807 |
| Change in liabilities for incurred claims | (10,243) | (7,839) | (13,641) | (7,476) |
| | 453,509 | 408,644 | 538,145 | 489,117 |

5.1. Other insurance expenses

| | Company | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Services | 16,373 | 16,026 | 19,272 | 18,815 |
| Net salaries and fees | 15,443 | 13,319 | 19,655 | 17,026 |
| Contributions from salaries | 3,650 | 3,171 | 4,258 | 3,689 |
| Contributions on salaries | 2,711 | 2,347 | 2,821 | 2,480 |
| Taxes and surtaxes | 2,222 | 1,971 | 2,288 | 2,031 |
| Amortisation of intangible assets | 3,359 | 3,850 | 3,576 | 4,004 |
| Depreciation of tangible assets | 2,297 | 2,737 | 3,045 | 3,402 |
| Depreciation – right-of-use assets | 2,583 | 2,369 | 2,995 | 2,955 |
| Contributions for health insurance from motor liability premium | 2,831 | 2,626 | 4,555 | 4,202 |
| Commission expenses of credit card companies, payment transactions and banking services | 2,350 | 2,148 | 2,882 | 2,642 |
| Energy consumed | 1,088 | 1,071 | 1,537 | 1,596 |
| Insurance premiums | 1,686 | 1,581 | 2,233 | 1,980 |
| Other contributions and fees | 1,189 | 1,165 | 1,444 | 1,378 |
| Fire Department fee | 744 | 894 | 1,210 | 1,270 |
| Sponsorships | 1,592 | 1,176 | 1,652 | 1,214 |
| Other employee benefits in line with collective agreement | 918 | 948 | 1,186 | 1,169 |
| Transportation to and from work | 355 | 358 | 387 | 399 |
| Other employee benefits | 146 | 148 | 192 | 176 |
| Guarantee fund fee | 595 | 374 | 1,271 | 1,035 |
| Fee to supervisory authorities (e.g. HANFA) | 476 | 398 | 891 | 774 |
| Fee to Croatian Insurance Bureau | 320 | 291 | 364 | 332 |
| Materials used | 300 | 271 | 600 | 565 |
| Severance pay and jubilee awards expenses | 16 | 23 | 45 | 38 |
| Provisions for unused vacation days (Reversal)/reservation for jubilee awards and old-age severance pay | 382 | 329 | 398 | 316 |
| | 70 | 5 | 125 | 45 |
| Other provisions | 618 | 1,248 | 705 | 1,248 |
| Other various costs and expenditures | 2,460 | 2,160 | 3,616 | 3,241 |
| | 66,774 | 63,004 | 83,203 | 78,022 |

5.2 Other expenses related to sale of insurance

| | Company | Company | Group | Group |
|--------------------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Sales staff costs | 33,618 | 32,201 | 44,134 | 41,425 |
| Marketing costs | 9,388 | 7,448 | 10,311 | 8,418 |
| Other direct sales costs | 5,903 | 5,411 | 6,398 | 5,556 |
| | 48,909 | 45,060 | 60,843 | 55,399 |

6. Net investment income

| | Company | Company | Group | Group |
|--|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Interest revenue calculated using the effective interest rate method | 26,852 | 25,759 | 31,689 | 30,274 |
| Other income/(expenditure) from investments | 20,197 | 16,661 | 11,487 | 2,724 |
| Realised gains/(losses) (net) from financial assets at fair value through profit or loss | 10,430 | 8,078 | 10,602 | 8,248 |
| Income from investment property | 1,327 | 4,329 | 21,512 | 15,015 |
| Realised gains/(losses) from derecognition of financial assets at amortized cost | (3,764) | - | (3,764) | - |
| Net (impairment)/release of impairment of financial assets | 2,628 | 2,352 | 2,126 | 625 |
| Net exchange rate differences | (3,846) | 1,531 | (3,868) | 1,521 |
| | 53,824 | 58,710 | 69,784 | 58,407 |

6.1. Interest revenue calculated using the effective interest rate method

| | Company | Company | Group | Group |
|---|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortised cost | 10,239 | 11,516 | 11,018 | 12,714 |
| Financial assets at fair value through other comprehensive income | 16,613 | 14,243 | 20,671 | 17,560 |
| | 26,852 | 25,759 | 31,689 | 30,274 |

6.2. Other income/(expenses) from investments

| | Company | | Group | |
|--|---------------|---------------|---------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Dividend income | 22,412 | 23,595 | 14,042 | 9,836 |
| Realised gains/(losses) (net) from financial assets at fair value through other comprehensive income | (394) | (6,339) | (402) | (6,321) |
| <i>-debt securities</i> | (394) | (6,339) | (402) | (6,321) |
| Other income | 345 | 1,726 | 1,399 | 2,865 |
| Other expenses | (429) | (195) | (430) | (200) |
| Foreign exchange gains from nonfinancial assets | (8) | (4) | 1 | (4) |
| Payment transactions expenses | (333) | (268) | (342) | (281) |
| Utilities - investments | (477) | (964) | (1,846) | (2,262) |
| Personnel costs - investments | (919) | (890) | (935) | (909) |
| | 20,197 | 16,661 | 11,487 | 2,724 |

6.3. Realised gains/(losses) (net) from financial assets at fair value through profit or loss

| | Company | | Group | |
|------------------------------------|---------------|--------------|---------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Net unrealised gains/(losses) | 1,660 | 3,255 | 1,792 | 3,358 |
| Interest income | - | 99 | - | 99 |
| Realised gain/(loss) from the sale | 8,770 | 4,724 | 8,810 | 4,791 |
| | 10,430 | 8,078 | 10,602 | 8,248 |

6.4. Income from investment property

| | Company | | Group | |
|--|--------------|--------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Rental income | 1,479 | 3,565 | 17,234 | 15,047 |
| Net (loss)/income from the sale of land and building | (43) | - | 2,000 | 28 |
| Change in fair value of land and buildings | (109) | 764 | 2,278 | (60) |
| | 1,327 | 4,329 | 21,512 | 15,015 |

6.5. Net (impairment)/release of impairment of financial assets

| | Company | | Group | |
|---|--------------|--------------|--------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortised cost | 2,027 | 461 | 2,063 | 559 |
| Financial assets at fair value through other comprehensive income | 77 | 107 | 63 | 66 |
| Investments in subsidiaries, associates and participation in joint ventures | 524 | 1,784 | - | - |
| | 2,628 | 2,352 | 2,126 | 625 |

7. Net financial result from insurance and (passive) reinsurance contracts

| | Company | | Group | |
|---|----------------|----------------|-----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Net financial result from insurance contracts | (8,029) | (7,134) | (11,251) | (10,175) |
| Net financial result from (passive) reinsurance contracts | 1,026 | 739 | 1,192 | 914 |
| | (7,003) | (6,395) | (10,059) | (9,261) |

8. Other income

| | Company | | Group | |
|--|--------------|--------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Other income | 2,260 | 1,932 | 3,253 | 3,301 |
| Income based on the nuclear pool | 801 | 794 | 801 | 794 |
| Income from collection of sued receivables | 1,387 | 858 | 1,387 | 858 |
| Income from the guarantee fund | 38 | 277 | 38 | 277 |
| Gains/(losses) on sale of tangible assets | 228 | 1,220 | 417 | (72) |
| Income from assessment services | 699 | 679 | 745 | 711 |
| Income from collected, previously written off, receivables | 537 | 919 | 624 | 982 |
| Income from penalty interest | 565 | 624 | 571 | 626 |
| Income from the medical services of polyclinics | - | - | 20,241 | 16,430 |
| Income from entry fees and management fees | - | - | 3,203 | 2,770 |
| Income from the technical inspection services | - | - | 13,761 | 12,124 |
| Income from the collected costs of settlement | - | - | 150 | 70 |
| Income from claims incurred abroad | 9 | 20 | 146 | 116 |
| | 6,524 | 7,323 | 45,337 | 38,987 |

Income from motor vehicle examination, polyclinic medical services and income from entry and management fees by geographical area mostly relate to the Republic of Croatia and to non-life reportable segment. Income from entry and management fees is recognized when revenue can be reliably measured, when the Group will have future economic benefits and when specific criteria are met, all in accordance with IFRS 15 Revenue from Contracts with Customers.

9. Other financial expenses

| | Company | Company | Group | Group |
|--|----------------|----------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Interest on lease liabilities | 1,308 | 1,233 | 1,622 | 1,722 |
| Interest on collateral deposits | 15 | 2 | 15 | 2 |
| Interest on repo transactions | 1 | 5 | 1 | 5 |
| Interest costs on derivative instruments | - | 50 | - | 50 |
| Interest on preference shares | 130 | 130 | 130 | 130 |
| Interest on loans | - | - | 100 | 50 |
| Costs of discounting liabilities | - | - | 147 | 121 |
| | 1,454 | 1,420 | 2,015 | 2,080 |

10. Other operating expenses

| | Company | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Intellectual costs | 9,151 | 7,843 | 9,246 | 8,003 |
| Representation costs | 1,480 | 1,163 | 2,028 | 1,550 |
| Net provision for termination benefits and jubilee awards and retirement benefits | 266 | (293) | 422 | 147 |
| Termination benefits | 213 | 587 | 351 | 762 |
| Impairment of receivables | 446 | 343 | 522 | 461 |
| Other contributions and fees | 617 | 608 | 4,606 | 3,797 |
| Other various costs and expenditures | 1,798 | 1,826 | 5,416 | 4,818 |
| Marketing costs | 529 | 463 | 2,682 | 2,306 |
| Daily allowances and transportation expenses | 429 | 475 | 650 | 630 |
| Tax expenses not depending on the result | 455 | 595 | 659 | 824 |
| Service costs | 618 | 244 | 6,184 | 4,219 |
| Impairment of intangible assets | - | 467 | 1,725 | 467 |
| Rents of business premises | - | - | 2,880 | 2,503 |
| Depreciation of tangible assets | - | - | 4,424 | 3,776 |
| Depreciation – right-of-use assets | - | - | 1,486 | 1,240 |
| Amortisation of intangible assets | - | - | 953 | 663 |
| Contributions from salaries | - | - | 3,812 | 2,889 |
| Contributions on salaries | - | - | 2,962 | 2,229 |
| Net salaries and fees | - | - | 13,859 | 10,739 |
| Net impairment/release of impairment of tangible assets | 172 | (1,239) | 252 | (1,419) |
| Other provisions | - | - | 244 | 236 |
| Other employee benefits in line with collective agreement | - | - | 520 | 424 |
| Write off of small inventory | - | - | 98 | 83 |
| Taxes and surtaxes | - | - | 2,179 | 1,667 |
| Energy consumed | - | - | 871 | 682 |
| Insurance premiums | - | - | 132 | 79 |
| Net provisions for unused vacation days | - | - | 57 | 104 |
| Transportation to and from work | - | - | 492 | 451 |
| Commission expenses of credit card companies, payment transactions and banking services | - | - | 365 | 302 |
| Vacation allowance to employees | - | - | 110 | 110 |
| Sponsorship expenses | - | - | 6 | 5 |
| Materials used | - | - | 1,984 | 1,503 |
| Income from reversal of long-term provisions | - | (25) | - | (481) |
| Provisions for legal disputes | 445 | (954) | 611 | (825) |
| | 16,619 | 12,103 | 72,788 | 54,944 |

Other various costs and expenditures relate to the costs of seminars and training, costs of administrative fees for technical inspections, etc.

11. Income tax

Income tax is calculated in accordance with legal regulations on the tax base, which represents the difference between the realised income and expenditures in the accounting period for which the tax base is determined. The initial tax base was increased by tax non-deductible expenditure and decreased by income in accordance with the tax regulations in effect in the countries of Group members.

| | Company | Company | Group | Group |
|--|----------------|----------------|---------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Net deferred tax expense (Note 19) | (1,717) | 1,461 | (1,473) | 1,191 |
| Current tax expense | 9,807 | 4,465 | 13,648 | 7,344 |
| Net income tax expense for the year | 8,090 | 5,926 | 12,175 | 8,535 |

The reconciliation between income tax and the profit before tax reported in the income statement is set out below:

| | Company | Company | Group | Group |
|---------------------------|----------------|----------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Profit before tax | 63,564 | 71,499 | 77,631 | 69,623 |
| Income tax at 18% | 11,442 | 12,870 | 13,974 | 12,532 |
| Non-deductible expenses | 2,875 | 4,966 | 4,328 | 6,030 |
| Income not subject to tax | (6,227) | (11,910) | (6,127) | (10,027) |
| Income tax | 8,090 | 5,926 | 12,175 | 8,535 |
| Effective tax rate | 12.73% | 8.29% | 15.68% | 12.26% |

As at 31 December 2025, the Company has no tax losses that can be carried forward for covering the Company's future profits. The remaining Group companies have EUR 10.7 million tax losses that can be carried forward to cover future profits.

The Minimum Global Income Tax Act was enacted in the Republic of Croatia, which is the home Member State of the Group and the ultimate parent company, and is first applied to fiscal years starting after 31 December 2023, i.e. 1 January 2024. The Minimum Global Income Tax Act transposes Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large domestic groups in the EU, in line with the "Model Rules Pillar 2" published by the Organisation for Economic Co-operation and Development (OECD). The Group is subject to the said Act and is obliged to pay additional tax on the difference between the effective tax rate per tax jurisdiction and the minimum tax rate of 15%. The Group has assessed the effects and they relate primarily to jurisdictions that have a total tax rate of less than 15% and are not material since the Group's exposure to second pillar income tax is not the full difference in the tax rates of individual jurisdictions and the minimum tax rate of 15% due to the effect of special adjustments provided for in second pillar legislation.

In accordance with local regulations, the Tax Administration may at any time inspect the Company's books and records within 3 years following the year in which the tax liability is reported and may impose additional tax liabilities and penalties. The Company's Management Board is not aware of any circumstances, which may give rise to a potential material liability in this respect.

12. Earnings per share

| | Group | Group |
|---|---------------|---------------|
| | 2025 | 2024 |
| | in EUR'000 | in EUR'000 |
| Profit for the year attributable to the Parent company's shareholders | 65,389 | 61,025 |
| Weighted average of ordinary shares | 420,947 | 420,947 |
| Earnings per share attributable to the Parent company's shareholders | | |
| Basic and diluted earnings per share in EUR | 155.34 | 144.97 |

For the purpose of calculating earnings per share, earnings are calculated as the profit for the period attributable to the Company's shareholders. The number of ordinary shares is the weighted average number of ordinary shares in circulation during the year. The weighted average number of ordinary shares used for the calculation of basic earnings per share was 420,947 (2024: 420,947). In addition, since there is no effect of options, convertible bonds or similar effects, the weighted average number of ordinary shares used to calculate diluted earnings per share was the same as the one used to calculate basic earnings per share.

13. Intangible assets and goodwill

| Company | in EUR'000 | | | |
|---------------------------------|-------------------------|---------------|-------------------------------|---------------|
| | Other intangible assets | Software | Intangible assets in progress | Total |
| Cost | | | | |
| At 31 December 2023 | 865 | 44,690 | 5,733 | 51,288 |
| Additions | - | - | 3,495 | 3,495 |
| Transfer into use | - | 3,279 | (3,279) | - |
| Disposals or retirements | - | (38) | - | (38) |
| At 31 December 2024 | 865 | 47,931 | 5,949 | 54,745 |
| Additions | - | 111 | 3,976 | 4,087 |
| Capitalized costs of salaries | - | - | 164 | 164 |
| Disposals or retirements | - | 3,000 | (3,000) | - |
| At 31 December 2025 | 865 | 51,042 | 7,089 | 58,996 |
| Accumulated amortisation | | | | |
| At 31 December 2023 | 865 | 29,868 | 4,788 | 35,521 |
| Amortisation charge for 2024 | - | 3,850 | - | 3,850 |
| Disposals or retirements | - | 145 | 322 | 467 |
| At 31 December 2024 | 865 | 33,863 | 5,110 | 39,838 |
| Amortisation charge for 2025 | - | 3,359 | - | 3,359 |
| At 31 December 2025 | 865 | 37,222 | 5,110 | 43,197 |
| Net book amount | | | | |
| At 31 December 2025 | - | 13,820 | 1,979 | 15,799 |
| At 31 December 2024 | - | 14,068 | 839 | 14,907 |

During the observed period, the Company capitalized costs of net salaries in the amount of EUR 97 thousand (2024: EUR 0 thousand), costs of contributions from salaries in the amount of EUR 27.9 thousand (2024: EUR 0 thousand), costs of taxes and surcharges from salaries in the amount of EUR 19.2 thousand (2024: EUR 0 thousand), costs of contributions to salaries in the amount of EUR 18.2 thousand (2024: EUR 0 thousand) and other costs of employees in the amount of EUR 2 thousand (2024: EUR 0 thousand).

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | in EUR'000 | | | | |
|---|--------------|-------------------------|---------------|-------------------------------|---------------|
| | Goodwill | Other intangible assets | Software | Intangible assets in progress | Total |
| Cost | | | | | |
| At 31 December 2023 | 404 | 4,046 | 48,490 | 7,516 | 60,456 |
| Additions | - | - | 538 | 4,318 | 4,856 |
| Acquisition | 3,467 | 600 | 11 | - | 4,078 |
| Transfer from/to tangible assets | - | 1,381 | - | - | 1,381 |
| Transfer into use | - | 2,274 | 3,384 | (5,658) | - |
| Disposals or retirements | - | - | (55) | - | (55) |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | - | 1 | - | 1 |
| At 31 December 2024 | 3,871 | 8,301 | 52,369 | 6,176 | 70,717 |
| Additions | - | 867 | 1,065 | 4,753 | 6,685 |
| Capitalized costs of salaries | - | - | - | 164 | 164 |
| Acquisition | 511 | - | - | - | 511 |
| Transfer from/to tangible assets | - | - | 48 | - | 48 |
| Transfer into use | - | 28 | 3,045 | (3,073) | - |
| Disposals or retirements | - | - | (503) | - | (503) |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | - | (5) | - | (5) |
| At 31 December 2025 | 4,382 | 9,196 | 56,019 | 8,020 | 77,617 |
| Accumulated amortisation | | | | | |
| At 31 December 2024 | 404 | 3,093 | 32,780 | 4,788 | 41,065 |
| Amortisation charge for 2024 | - | 522 | 4,145 | - | 4,667 |
| Impairment | - | - | 145 | 322 | 467 |
| Disposals or retirements | - | - | (13) | - | (13) |
| At 31 December 2025 | 404 | 3,615 | 37,057 | 5,110 | 46,186 |
| Amortisation charge for 2025 | - | 682 | 3,846 | - | 4,528 |
| Impairment | 1,725 | - | - | - | 1,725 |
| Disposals or retirements | - | - | (503) | - | (503) |
| Foreign exchange differences | - | - | (8) | - | (8) |
| At 31 December 2025 | 2,129 | 4,297 | 40,392 | 5,110 | 51,928 |
| Net book amount | | | | | |
| At 31 December 2025 | 2,253 | 4,899 | 15,627 | 2,910 | 25,689 |
| At 31 December 2024 | 3,467 | 4,686 | 15,312 | 1,066 | 24,531 |

During the observed period, the Group capitalized costs of net salaries in the amount of EUR 97 thousand (2024: EUR 0 thousand), costs of contributions from salaries in the amount of EUR 27.9 thousand (2024: EUR 0 thousand), costs of taxes and surcharges from salaries in the amount of EUR 19.2 thousand (2024: EUR 0 thousand), costs of contributions to salaries in the amount of EUR 18.2 thousand (2024: EUR 0 thousand) and other costs of employees in the amount of EUR 2 thousand (2024: EUR 0 thousand).

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

In 2025, the Group indirectly, through the company CROATIA osiguranje d.d., Mostar, became the owner of 100% of the business shares in AUTO_THE d.o.o. and recorded goodwill in the amount of EUR 511 thousand on a temporary basis.

An impairment test of goodwill at the balance sheet date recognized an impairment of goodwill of EUR 1,725 thousand (2024: EUR 0 thousand) in Other operating expenses in the statement of comprehensive income. The recoverable amount of the cash-generating units is determined by value-in-use calculations based on pre-tax cash flow projections based on financial plans approved by the management covering a five-year period. Cash flows beyond that five-year period are extrapolated using the estimated growth rates set out below. The residual growth rate (in the terminal period) is no higher than the risk-free interest rate.

The key assumptions used to calculate the value in use are as follows:

| Assumption | 2025: |
|---------------------------|--------------|
| Annual revenue growth /i/ | 3% |
| Annual EBITDA growth/ii/ | 6.50% |
| Discount rate /iii/ | 12.44% |
| Residual growth rate/iv/ | 1.00% |

i/ Planned revenue growth based on historical results and management's expectations for the future

ii/ Planned EBITDA growth based on historical results and management's expectations for the future

iii/ Pre-tax discount rates applied to cash flow projections that reflect industry-specific risks

iv/ The expected residual growth rate (in the terminal period) was determined based on historical data and expectations for the growth of the healthcare segment in Croatia, with a limit defined by the risk-free interest rate.

14. Property at revaluation model

in EUR'000

| Cost | Company | | | | Group | | | |
|--|--------------|---------------|---------------------------|---------------|--------------|---------------|---------------------------|---------------|
| | Land | Buildings | Assets under construction | Total | Land | Buildings | Assets under construction | Total |
| At 31 December 2023 | 3,363 | 41,455 | 130 | 44,948 | 7,966 | 77,841 | 208 | 86,015 |
| Change in fair value (through OCI) | 132 | 3,106 | - | 3,238 | 1,376 | 7,093 | - | 8,469 |
| Change in fair value (P&L) (Note 10) | 156 | 1,083 | - | 1,239 | 156 | 1,263 | - | 1,419 |
| Additions | - | - | 656 | 656 | - | 44 | 659 | 703 |
| Transfer from assets in preparation for use | - | 280 | (280) | - | - | 327 | (327) | - |
| Transfer from/to tangible assets (Note 14) | - | - | - | - | - | - | (33) | (33) |
| Transfer from investment property (Note 15) | - | (957) | - | (957) | (1,983) | (10,455) | - | (12,438) |
| Disposals or retirements | (1,344) | (9,633) | - | (10,977) | - | (767) | - | (767) |
| Foreign exchange differences | - | - | - | - | - | 1 | - | 1 |
| At 31 December 2024 | 2,307 | 35,334 | 506 | 38,147 | 7,515 | 75,347 | 507 | 83,369 |
| Change in fair value (through OCI) | - | (8) | - | (8) | - | 128 | - | 128 |
| Change in fair value (P&L) (Note 10) | - | (172) | - | (172) | - | (252) | - | (252) |
| Additions | - | 376 | 366 | 742 | 1,177 | 806 | 366 | 2,349 |
| Acquisition | - | - | - | - | 253 | - | 555 | 808 |
| Transfer from assets in preparation for use | - | 44 | (113) | (69) | - | 44 | (113) | (69) |
| Transfer from/to intangible assets (Note 13) | - | - | - | - | - | 25 | - | 25 |
| Transfer from investment property (Note 15) | - | 1 | (57) | (56) | - | 471 | (57) | 414 |
| Disposals or retirements | (31) | (550) | - | (581) | (31) | (723) | - | (754) |
| Foreign exchange differences | - | - | - | - | - | (2) | - | (2) |
| At 31 December 2025 | 2,276 | 35,025 | 702 | 38,003 | 8,914 | 75,844 | 1,258 | 86,016 |
| Accumulated depreciation and impairment | | | | | | | | |
| At 31 December 2023 | - | 19,255 | - | 19,255 | - | 27,467 | - | 27,467 |
| Depreciation charge for 2024 | - | 931 | - | 931 | - | 1,420 | - | 1,420 |
| Depreciation on revaluation effect | - | 66 | - | 66 | - | 369 | - | 369 |
| Impairment through equity | - | - | - | - | - | 5 | - | 5 |
| Transfer from investment property (Note 15) | - | (421) | - | (421) | - | (6,234) | - | (6,234) |
| Disposals or retirements | - | (5,614) | - | (5,614) | - | (704) | - | (704) |
| At 31 December 2024 | - | 14,217 | - | 14,217 | - | 22,323 | - | 22,323 |
| Depreciation charge for 2025 | - | 748 | - | 748 | - | 1,332 | - | 1,332 |
| Depreciation on revaluation effect | - | 126 | - | 126 | - | 486 | - | 486 |
| Transfer from investment property (Note 15) | - | 1 | - | 1 | - | (13) | - | (13) |
| Disposals or retirements | - | (325) | - | (325) | - | (439) | - | (439) |
| At 31 December 2025 | - | 14,767 | - | 14,767 | - | 23,689 | - | 23,689 |
| Net book amount | | | | | | | | |
| At 31 December 2025 | 2,276 | 20,258 | 702 | 23,236 | 8,914 | 52,155 | 1,258 | 62,327 |
| At 31 December 2024 | 2,307 | 21,117 | 506 | 23,930 | 7,515 | 53,024 | 507 | 61,046 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The carrying amount of land and buildings that would have been recognised had the assets been carried under the cost method would have amounted to EUR 17,115 thousand (31 December 2024: EUR 17,839 thousand) for the Company and EUR 29,256 thousand (31 December 2024: EUR 28,721 thousand) for the Group.

14.1. Property and equipment at cost model

Company

in EUR'000

| Cost | Right- of-use assets - Buildings | Equipment and furniture | Other tangible assets | Assets under construction | Right- of-use assets - Vehicles | Total |
|--|----------------------------------|-------------------------|-----------------------|---------------------------|---------------------------------|---------------|
| At 31 December 2023 | 39,607 | 31,303 | 2,733 | 55 | 3,229 | 76,927 |
| Additions | 2,518 | 1,513 | 4 | - | 1,389 | 5,424 |
| Disposals or retirements | (295) | (2,497) | (199) | - | (97) | (3,088) |
| At 31 December 2024 | 41,830 | 30,319 | 2,538 | 55 | 4,521 | 79,263 |
| Additions | 1,754 | 2,288 | 4 | - | 1,250 | 5,296 |
| Transfer from assets in preparation for use | - | 69 | - | - | - | 69 |
| Disposals or retirements | (127) | (2,119) | (1) | - | (1) | (2,248) |
| At 31 December 2025 | 43,457 | 30,557 | 2,541 | 55 | 5,770 | 82,380 |
| Accumulated depreciation and impairment | | | | | | |
| At 31 December 2023 | 8,101 | 28,063 | 1,515 | - | 2,294 | 39,973 |
| Depreciation charge for 2024 | 1,677 | 1,655 | 85 | - | 692 | 4,109 |
| Disposals or retirements | - | (2,300) | (90) | - | - | (2,390) |
| At 31 December 2024 | 9,778 | 27,418 | 1,510 | - | 2,986 | 41,692 |
| Depreciation charge for 2025 | 1,763 | 1,350 | 73 | - | 820 | 4,006 |
| Disposals or retirements | - | (2,105) | (1) | - | - | (2,106) |
| At 31 December 2025 | 11,541 | 26,663 | 1,582 | - | 3,806 | 43,592 |
| Net book amount | | | | | | |
| At 31 December 2025 | 31,916 | 3,894 | 959 | 55 | 1,964 | 38,788 |
| At 31 December 2024 | 32,052 | 2,901 | 1,028 | 55 | 1,535 | 37,571 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | | | | | | in EUR'000 |
|---|---|----------------------------|--|-------------------------------------|--|----------------|
| | Right- of- use assets - Buildings | Equipment and furniture | Transport vehicles and other tangible assets | Assets under constructio n | Right- of-use assets – Vehicles and equipme nt | Total |
| Cost | | | | | | |
| At 31 December 2023 | 53,756 | 57,954 | 9,897 | 221 | 3,258 | 125,086 |
| Additions | 1,057 | 2,314 | 2,897 | 3,735 | 159 | 10,162 |
| Acquisition | 1,995 | 3,607 | 1,403 | - | - | 7,005 |
| Transfer from assets in preparation for use | - | 3,815 | 9 | (3,824) | - | - |
| Transfer from/to intangible assets (Note 13) | - | 2 | (1,383) | - | - | (1,381) |
| Transfer from/to tangible assets (Note 14) | - | 157 | (150) | - | 26 | 33 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | 3 | 1 | 2 | - | - | 6 |
| Disposals or retirements | (538) | (3,929) | (554) | - | (91) | (5,112) |
| At 31 December 2024 | 56,273 | 63,921 | 12,121 | 132 | 3,352 | 135,799 |
| Additions | 4,086 | 7,288 | 4,467 | 86 | 89 | 16,016 |
| Acquisition | - | - | - | 84 | - | 84 |
| Transfer from assets in preparation for use | - | 145 | 6 | (83) | - | 68 |
| Transfer from/to intangible assets (Note 13) | - | - | (73) | - | - | (73) |
| Foreign exchange differences arising on translation of financial statements of foreign operations | (5) | (2) | 3 | - | - | (4) |
| Disposals or retirements | (66) | (2,841) | (1,476) | - | - | (4,383) |
| At 31 December 2025 | 60,288 | 68,511 | 15,048 | 219 | 3,441 | 147,507 |
| Accumulated depreciation and impairment | | | | | | |
| At 31 December 2023 | 11,905 | 42,993 | 6,180 | - | 2,066 | 63,144 |
| Depreciation charge for 2024 | 3,677 | 4,688 | 701 | - | 518 | 9,584 |
| Acquisition | - | 2,049 | 784 | - | - | 2,833 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | 2 | 1 | - | - | 3 |
| Disposals or retirements | (31) | (3,629) | (432) | - | (29) | (4,121) |
| At 31 December 2024 | 15,551 | 46,103 | 7,234 | - | 2,555 | 71,443 |
| Depreciation charge for 2025 | 4,155 | 4,435 | 1,218 | - | 324 | 10,132 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | (2) | (1) | (2) | - | - | (5) |
| Disposals or retirements | (42) | (2,578) | (589) | - | - | (3,209) |
| At 31 December 2025 | 19,662 | 47,959 | 7,861 | - | 2,879 | 78,361 |
| Net book amount | | | | | | |
| At 31 December 2025 | 40,626 | 20,552 | 7,187 | 219 | 562 | 69,146 |
| At 31 December 2024 | 40,722 | 17,818 | 4,887 | 132 | 797 | 64,356 |

15. Investment property

| | Company | Group |
|--|----------------|----------------|
| | in EUR'000 | in EUR'000 |
| At 31 December 2023 | 67,926 | 138,689 |
| Transfer from/to property and equipment (Note 14) | 536 | 6,204 |
| Increase in fair value recognized in the income statement (Note 6.4) | 776 | 3,178 |
| Decrease in fair value recognized in the income statement (Note 6.4) | (12) | (3,238) |
| Assets under construction | 2,087 | 2,103 |
| Additions | 3,050 | 5,763 |
| Disposals | (39,449) | (220) |
| Foreign exchange differences | - | (20) |
| At 31 December 2024 | 34,914 | 152,459 |
| Transfer from/to property and equipment (Note 14) | 56 | (427) |
| Increase in fair value recognized in the income statement (Note 6.4) | 236 | 3,271 |
| Decrease in fair value recognized in the income statement (Note 6.4) | (345) | (994) |
| Assets under construction | - | - |
| Additions | 2,416 | 18,946 |
| Disposals | (1,301) | (3,297) |
| Foreign exchange differences | - | (2) |
| At 31 December 2025 | 35,976 | 169,956 |

The Group measures investment property in accordance with IAS 40 - "Investment Property", by applying the fair value model. Accordingly, the Group recognises profit or loss arising from changes in the fair value of investment property as profit or loss for the period in which it occurred, based on the valuation provided by independent appraisers.

16. Investments in subsidiaries, associates and participation in joint ventures

| | Company | | Group | |
|---|----------------|----------------|---------------|--------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Investments in subsidiaries | 134,041 | 132,641 | - | - |
| Impairment of investments in subsidiaries | (24,823) | (25,347) | - | - |
| | 109,218 | 107,294 | - | - |
| Investments in joint ventures | 3,716 | 3,716 | 9,523 | 9,027 |
| Investments in associates | - | - | 926 | 842 |
| | 3,716 | 3,716 | 10,449 | 9,869 |
| | 112,934 | 111,010 | 10,449 | 9,869 |

16.1. The Company's investments in subsidiaries and associates and participation in joint ventures

| Activity | Country | 31 Dec. 2025 | | 31 Dec. 2024 | | |
|--|--------------------------|------------------------|----------------------|----------------------|----------------------|----------------|
| | | Ownership percentage | Amount of investment | Ownership percentage | Amount of investment | |
| | | % | in EUR'000 | % | in EUR'000 | |
| Subsidiaries | | | | | | |
| Croatia Premium d.o.o., Zagreb | Services | Croatia | 100.0 | 1,614 | 100.0 | 1,614 |
| Croatia Nekretnine d.o.o., Zagreb | Real estate | Croatia | 100.0 | 52,471 | 100.0 | 42,000 |
| Auto Maksimir Vozila d.o.o., Zagreb | Insurance representation | Croatia | 100.0 | 33 | 100.0 | 33 |
| Koreqt d.o.o. | Trade brokerage | Croatia | 100.0 | 4,203 | 100.0 | 4,203 |
| Strmec projekt d.o.o. | Real estate | Croatia | 100.0 | 1,508 | 100.0 | 1,508 |
| CO Zdravlje d.o.o., Zagreb | Consulting and services | Croatia | 100.0 | 14,300 | 100.0 | 12,900 |
| Astoria d.o.o. | Real estate | Croatia | 100.0 | - | 100.0 | 10,471 |
| Milenijum osiguranje a.d., Belgrade | Insurance | Serbia | 100.0 | 11,430 | 100.0 | 11,154 |
| Croatia osiguranje d.d., Mostar | Insurance | Bosnia and Herzegovina | 97.1 | 3,172 | 97.1 | 3,128 |
| Croatia osiguranje - život a.d., Skopje | Insurance | Macedonia | 95.0 | 2,956 | 95.0 | 2,956 |
| Croatia osiguranje - neživot a.d., Skopje | Insurance | Macedonia | 100.0 | 4,024 | 100.0 | 3,820 |
| Croatia-Tehnički pregledi d.o.o., Zagreb | Motor vehicle services | Croatia | 100.0 | 9,525 | 100.0 | 9,525 |
| Croatia osiguranje mirovinsko društvo d.o.o., Zagreb | Pension fund management | Croatia | 100.0 | 3,982 | 100.0 | 3,982 |
| Razne usluge d.o.o. – currently being wound up, Zagreb | Services | Croatia | 100.0 | - | 100.0 | - |
| | | | | 109,218 | | 107,294 |
| Joint ventures | | | | | | |
| PBZ Croatia osiguranje d.d., Zagreb | Pension fund management | Croatia | 50 | 3,716 | 50 | 3,716 |
| | | | | 112,934 | | 111,010 |

16.2. The Group's investments in subsidiaries and associates and participation in joint ventures

Group

| Activity | Country | 31 Dec. 2025 | | 31 Dec. 2024 | | |
|-------------------------------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| | | Ownership percentage | Amount of investment | Ownership percentage | Amount of investment | |
| | | % | in EUR'000 | % | in EUR'000 | |
| Joint ventures | | | | | | |
| PBZ Croatia osiguranje d.d., Zagreb | Pension fund management | Croatia | 50 | 9,523 | 50 | 9,027 |
| | | | | 9,523 | | 9,027 |
| Associates | | | | | | |
| STP Agroservis d.o.o., Virovitica | Technical testing and analysis | Croatia | 37 | 926 | 37 | 842 |
| | | | | 10,449 | | 9,869 |

Summary financial information for joint ventures

The summary financial information for PBZ Croatia osiguranje d.d. is presented below. For the Group, the information was presented using the equity method.

| Summary statement of financial position | 31 Dec. 2025 | 31 Dec. 2024 |
|--|---------------------|---------------------|
| | in EUR'000 | in EUR'000 |
| Financial assets | 18,262 | 17,325 |
| Cash and cash equivalents | 344 | 527 |
| Other assets | 1,999 | 1,638 |
| Total assets | 20,605 | 19,490 |
| Liabilities | 1,558 | 1,436 |
| Capital and reserves | 19,047 | 18,054 |
| Total equity and liabilities | 20,605 | 19,490 |
| Summary statement of comprehensive income | | |
| Income from mandatory pension funds management | 11,457 | 9,986 |
| Expenses from mandatory pension funds management | (4,650) | (3,927) |
| Other income | 23 | 19 |
| Other expenses | (3,828) | (3,244) |
| Financial income | 413 | 537 |
| Financial expenses | (8) | (9) |
| Profit before tax | 3,407 | 3,362 |
| Income tax | (614) | (606) |
| Profit for the year | 2,793 | 2,756 |
| Share in profit of joint venture @ 50% | 1,397 | 1,378 |

Other expenses include depreciation in the amount of EUR 140 thousand (2024: EUR 135 thousand).

Reconciliation of the presented summary financial information with the carrying amount of shares in the joint venture.

| Summary financial information | 31 Dec. 2025 | 31 Dec. 2024 |
|---|---------------------|---------------------|
| | in EUR'000 | in EUR'000 |
| Opening balance of net assets at 1 January | 18,055 | 18,099 |
| Profit for the period | 2,793 | 2,756 |
| Dividends | (1,800) | (2,800) |
| Closing balance of net assets | 19,048 | 18,055 |
| Share in profit of joint venture @ 50% | 9,524 | 9,027 |
| Carrying amount | 9,524 | 9,027 |

16.3. Movements in investments in subsidiaries, associates and participation in joint ventures

| | Company | | Group | |
|--|----------------|----------------|---------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| At 1 January | 111,010 | 54,531 | 9,869 | 10,123 |
| Increase in investments (i) | 1,400 | 54,696 | - | - |
| Increase/decrease by using the equity method | - | - | 580 | 30 |
| Reversal of impairment of investments (ii) | 524 | 1,783 | - | (284) |
| At 31 December | 112,934 | 111,010 | 10,449 | 9,869 |

/i/ The increase in investment in 2025 refers to the company CO Zdravlje d.o.o., Zagreb in the amount of EUR 1,400 thousand, while in 2024 it refers to the companies CROATIA nekretnine d.o.o., Zagreb in the amount of EUR 41,998 thousand, KOREQT d.o.o. in the amount of EUR 4,200 thousand and CO Zdravlje d.o.o. in the amount of EUR 8,498 thousand.

/ii/ During 2025, a higher value was determined as a result of the fair value estimation and therefore the investments were increased, ie reversal of impairment of the shares in the following subsidiaries was made: Milenijum osiguranje a.d. in the amount of EUR 276 thousand (2024: EUR 1,163 thousand), Croatia osiguranje d.d., Mostar in the amount of EUR 43 thousand (2024: EUR 43 thousand) and Croatia osiguranje - neživot a.d., Skopje in the amount of EUR 204 thousand (2024: EUR 578 thousand).

An impairment or impairment reversal is determined by calculating the recoverable amount of cash flows of an individual subsidiary. The subsidiaries were valued according to the discounted cash flow valuation (mostly dividend discount model and free cash flow to equity model) using the planned net income for the next 5 years (forecasted balance sheets and income statements), discount rates etc. The differences in the estimated fair value valuations for an individual subsidiary are due to the differences in future net income, assumptions of dividend distribution and/or other constituents of the discount rates (risk free rate, equity risk premium and beta) according to the Capital Asset Pricing model. The discount rates for the subsidiaries that were impaired or had a reversal of impairment (listed above) vary from 8.03% to 11.39% (2024: 8.36% to 11.77%).

In 2024, the Group indirectly, through the company CROATIA Poliklinika, became the owner of 100% of the business shares in the Poliklinika MARIN MED, the largest and the most renomated polyclinic in the Dubrovnik area. Poliklinika MARIN MED is also the owner of the MARIN MED PLUS health care institution and MARIN MED ZADAR d.o.o. in liquidation. By this acquisition, the Group achieved national coverage and, in addition to polyclinics in Zagreb, Varaždin, Rijeka, Osijek, Split, Zadar, Pula and Koprivnica, it is now also present in Dubrovnik. Additionally, at the end of 2024, also through the company CROATIA Poliklinika, the Group became the owner of 100% of the business shares in the MEDrOS Healthcare Institution.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

After final valuation, the fair value of identifiable assets, liabilities and goodwill recognized based on above stated acquisitions are presented below.

| in EUR'000 | Total |
|---|--------------|
| Assets | |
| Property and equipment at cost model | 4,172 |
| Intangible assets | 611 |
| Receivables | 259 |
| Cash and cash equivalents | 160 |
| Liabilities | |
| Financial liabilities at amortised cost | (3,713) |
| Provisions | (256) |
| Deferred tax liabilities | (76) |
| Accounts payable and other liabilities | (402) |
| Total net assets at fair value | 755 |
| Goodwill | 3,467 |
| Purchase fee | 4,222 |

From the total purchase fee for acquisitions, based on the purchase agreement, amount of EUR 2.4 million represents potential compensation which will be paid to the previous owners in the next three years, i.e. in three additional tranches, if the set goals are achieved. On the reporting date, the fair value of the liability was determined by discounting it to the present value and taking into account the probability of meeting the set goals. The liability for potential compensation is shown in the consolidated statement of financial position in the line Other liabilities.

Cash flows from the acquisition of subsidiaries are presented below:

| | in EUR'000 |
|-----------------------------|------------|
| Purchase fee paid in cash | 1,820 |
| Cash acquired | (160) |
| Cash flow after acquisition | 1,660 |

Up to the reporting date, the Group has disclosed in the consolidated statement of comprehensive income, in the line Other business expenses, the costs related to the acquisition of subsidiaries in the amount of EUR 60 thousand in 2023, and in the amount of EUR 36 thousand in 2024.

In the Group consolidated statement of comprehensive income, acquired companies with EUR 2.55 million of income and EUR 232 thousand of loss before tax.

If the acquired companies had been consolidated from 1 January 2024, the consolidated statement of comprehensive income would have shown higher revenues by EUR 1.79 million and profit before tax would have been higher by EUR 24 thousand.

17. Insurance and reinsurance contracts

Overview of insurance and reinsurance contracts of the Company and the Group by business segment for the year is as follows:

| Company | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. |
|---|-----------------|----------------|-----------------|-----------------|----------------|-----------------|
| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Insurance contracts | | | | | | |
| <i>Insurance contract liabilities</i> | 488,763 | 258,788 | 747,551 | 424,259 | 289,080 | 713,339 |
| <i>Insurance contract assets</i> | (13,871) | (38) | (13,909) | (14,999) | (31) | (15,030) |
| Total for insurance contracts | 474,892 | 258,750 | 733,642 | 409,260 | 289,049 | 698,309 |
| Reinsurance contracts | | | | | | |
| <i>Reinsurance contract assets</i> | (68,558) | - | (68,558) | (53,498) | - | (53,498) |
| <i>Reinsurance contract liabilities</i> | 4,406 | - | 4,406 | 6,191 | - | 6,191 |
| Total for reinsurance contracts | (64,152) | - | (64,152) | (47,307) | - | (47,307) |
| Group | | | | | | |
| | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. |
| | 2025 | 2025 | 2025 | 2024 | 2024 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| | NON-LIFE | LIFE | TOTAL | NON-LIFE | LIFE | TOTAL |
| Insurance contracts | | | | | | |
| <i>Insurance contract liabilities</i> | 572,368 | 332,745 | 905,113 | 503,004 | 356,486 | 859,490 |
| <i>Insurance contract assets</i> | (13,871) | (38) | (13,909) | (14,999) | (31) | (15,030) |
| Total for insurance contracts | 558,497 | 332,707 | 891,204 | 488,005 | 356,455 | 844,460 |
| Reinsurance contracts | | | | | | |
| <i>Reinsurance contract assets</i> | (74,013) | - | (74,013) | (59,141) | - | (59,141) |
| <i>Reinsurance contract liabilities</i> | 5,102 | - | 5,102 | 6,619 | 20 | 6,639 |
| Total for reinsurance contracts | (68,911) | - | (68,911) | (52,522) | 20 | (52,502) |

17.1. Movements in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

For each segment, the Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

An additional reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

17.1.1. Life insurance contracts

Analysis by remaining coverage and incurred claims

Company

| | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|---|---|----------------|---------------------------------|-----------------|---|----------------|---------------------------------|-----------------|
| | <i>Liabilities for remaining coverage</i> | | Liabilities for incurred claims | Total | <i>Liabilities for remaining coverage</i> | | Liabilities for incurred claims | Total |
| | Excluding loss component | Loss component | | | Excluding loss component | Loss component | | |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (103) | 72 | - | (31) | - | - | - | - |
| Insurance contract liabilities | 276,792 | (52) | 12,340 | 289,080 | 328,574 | 107 | 14,143 | 342,824 |
| Net insurance contracts as at 1 January | 276,689 | 20 | 12,340 | 289,049 | 328,574 | 107 | 14,143 | 342,824 |
| Changes in the statement of profit or loss and OCI | | | | | | | | |
| Insurance revenue | | | | | | | | |
| Contracts under the modified retrospective transition approach | - | - | - | - | - | - | - | - |
| Contracts under the fair value transition approach | (4,332) | - | - | (4,332) | (5,859) | - | - | (5,859) |
| Other contracts | (2,229) | - | - | (2,229) | (1,883) | - | - | (1,883) |
| <i>Total insurance revenue</i> | (6,561) | - | - | (6,561) | (7,742) | - | - | (7,742) |
| <i>Insurance service expense</i> | | | | | | | | |
| Incurred claims and other insurance service expenses | - | - | 2,514 | 2,514 | 1,881 | - | 840 | 2,721 |
| Provisions and other sale related insurance expenses | 770 | - | - | 770 | 518 | - | - | 518 |
| Losses and reversals of losses on onerous contracts | - | 1 | - | 1 | - | (87) | - | (87) |
| Adjustments to liabilities for incurred claims | - | - | 465 | 465 | - | - | (95) | (95) |
| <i>Total insurance service expenses</i> | 770 | 1 | 2,979 | 3,750 | 2,399 | (87) | 745 | 3,057 |
| Investment components and premium refunds | (60,583) | - | 60,583 | - | (94,853) | - | 94,853 | - |
| Insurance service result | (66,374) | 1 | 63,562 | (2,811) | (100,196) | (87) | 95,598 | (4,685) |
| Net finance income/expenses from insurance contracts | 3,991 | 52 | 632 | 4,675 | 11,239 | - | 210 | 11,449 |
| Effect of movements in exchange rates | - | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | (62,383) | 53 | 64,194 | 1,864 | (88,957) | (87) | 95,808 | 6,764 |
| Cash flows | | | | | | | | |
| Premiums received | 32,963 | - | - | 32,963 | 40,254 | - | - | 40,254 |
| Claims and other insurance service expenses paid, including investment components | - | - | (61,995) | (61,995) | - | - | (97,611) | (97,611) |
| Administrative expenses paid | - | - | (1,793) | (1,793) | (1,881) | - | - | (1,881) |
| Insurance acquisition cash flows | (1,338) | - | - | (1,338) | (1,301) | - | - | (1,301) |
| Total cash flows | 31,625 | - | (63,788) | (32,163) | 37,072 | - | (97,611) | (60,539) |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | | |
|---|---|----------------|---------------------------------|-----------------|---|----------------|---------------------------------|-----------------|---|
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 245,931 | 73 | 12,746 | 258,750 | 276,689 | 20 | 12,340 | 289,049 | |
| Assets from insurance contracts as at 31December | (111) | 73 | - | (38) | (103) | 72 | - | (31) | |
| Liabilities from insurance contracts as at 31December | 246,042 | - | 12,746 | 258,788 | 276,792 | (52) | 12,340 | 289,080 | |
| Net insurance contracts as at 31 December | 245,931 | 73 | 12,746 | 258,750 | 276,689 | 20 | 12,340 | 289,049 | |
| Group | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | | |
| | <i>Liabilities for remaining coverage</i> | | Liabilities for incurred claims | Total | <i>Liabilities for remaining coverage</i> | | Liabilities for incurred claims | Total | |
| | Excluding loss component | Loss component | for incurred claims | Total | Excluding loss component | Loss component | for incurred claims | Total | |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | |
| Insurance contract assets | (103) | 72 | - | (31) | - | - | - | - | |
| Insurance contract liabilities | 341,875 | 828 | 13,783 | 356,486 | 386,618 | 365 | 15,482 | 402,465 | |
| Net insurance contracts as at 1 January | 341,772 | 900 | 13,783 | 356,455 | 386,618 | 365 | 15,482 | 402,465 | |
| Changes in the statement of profit or loss and OCI | | | | | | | | | |
| Insurance revenue | | | | | | | | | |
| Contracts under the modified retrospective transition approach | - | - | - | - | - | - | - | - | - |
| Contracts under the fair value transition approach | (6,159) | - | - | (6,159) | (7,531) | - | - | (7,531) | |
| Other contracts | (7,703) | - | - | (7,703) | (6,465) | - | - | (6,465) | |
| Total insurance revenue | (13,862) | - | - | (13,862) | (13,996) | - | - | (13,996) | |
| Insurance service expense | | | | | | | | | |
| Incurred claims and other insurance service expenses | - | - | 5,457 | 5,457 | 3,511 | - | 1,786 | 5,297 | |
| Provisions and other sale related insurance expenses | 3,390 | - | - | 3,390 | 2,572 | - | - | 2,572 | |
| Losses and reversals of losses on onerous contracts | - | 538 | - | 538 | 8 | 404 | - | 412 | |
| Adjustments to liabilities for incurred claims | - | - | 726 | 726 | - | 21 | 237 | 258 | |
| Total insurance service expenses | 3,390 | 538 | 6,183 | 10,111 | 6,091 | 425 | 2,023 | 8,539 | |
| Investment components and premium refunds | (69,706) | - | 69,706 | - | (102,818) | - | 102,818 | - | |
| Insurance service result | (80,178) | 538 | 75,889 | (3,751) | (110,723) | 425 | 104,841 | (5,457) | |
| Net finance income/expenses from insurance contracts | 7,507 | 76 | 651 | 8,234 | 15,480 | 110 | 233 | 15,823 | |
| Effect of movements in exchange rates | 6 | 2 | - | 8 | 7 | - | - | 7 | |
| Total changes in the statement of profit or loss and OCI | (72,665) | 616 | 76,540 | 4,491 | (95,236) | 535 | 105,074 | 10,373 | |
| Cash flows | | | | | | | | | |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | |
|---|----------------|--------------|-----------------|-----------------|----------------|------------|------------------|------------------|
| Premiums received | 53,062 | - | - | 53,062 | 58,427 | - | - | 58,427 |
| Claims and other insurance service expenses paid, including investment components | - | - | (72,712) | (72,712) | - | - | (106,773) | (106,773) |
| Administrative expenses paid | - | - | (3,516) | (3,516) | (3,511) | - | - | (3,511) |
| Insurance acquisition cash flows | (5,073) | - | - | (5,073) | (4,526) | - | - | (4,526) |
| Total cash flows | 47,989 | - | (76,228) | (28,239) | 50,390 | - | (106,773) | (56,383) |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 317,096 | 1,516 | 14,095 | 332,707 | 341,772 | 900 | 13,783 | 356,455 |
| Assets from insurance contracts as at 31 December | (111) | 73 | - | (38) | (103) | 72 | - | (31) |
| Liabilities from insurance contracts as at 31 December | 317,207 | 1,443 | 14,095 | 332,745 | 341,875 | 828 | 13,783 | 356,486 |
| Net insurance contracts as at 31 December | 317,096 | 1,516 | 14,095 | 332,707 | 341,772 | 900 | 13,783 | 356,455 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Analysis by measurement component

| Company | Contractual service margin (CSM) | | | | | 31 Dec. 2025 | |
|---|---|---------------------------------------|--|--|-----------------|----------------|-----------------|
| | Estimates of present value of future cash flows | Risk adjustment for nonfinancial risk | Contracts under modified retrospective transition approach | Contracts under fair value transition approach | Other contracts | Total CSM | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (241) | 44 | - | - | 166 | 166 | (31) |
| Insurance contract liabilities | 269,873 | 2,004 | - | 13,653 | 3,550 | 17,203 | 289,080 |
| Net insurance contracts as at 1 January | 269,632 | 2,048 | - | 13,653 | 3,716 | 17,369 | 289,049 |
| Changes in the statement of profit or loss and OCI | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | |
| CSM recognised for services provided | - | - | - | (1,928) | (889) | (2,817) | (2,817) |
| Change in risk adjustment for non-financial risk for risk expired | - | (203) | - | - | - | - | (203) |
| Experience adjustments | (257) | - | - | - | - | - | (257) |
| <i>Changes that relate to future services</i> | | | | | | | |
| Contracts initially recognised in the year | (882) | 180 | - | - | 702 | 702 | - |
| Changes in estimates that adjust the CSM | 1,989 | 225 | - | (1,823) | (391) | (2,214) | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | 2 | (1) | - | - | - | - | 1 |
| <i>Changes that relate to past services</i> | | | | | | | |
| Adjustments to liabilities for incurred claims | 529 | (64) | - | - | - | - | 465 |
| Insurance service result | 1,381 | 137 | - | (3,751) | (578) | (4,329) | (2,811) |
| Net finance income/expenses from insurance contracts | 4,512 | (2) | - | 45 | 120 | 165 | 4,675 |
| Effect of movements in exchange rates | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | 5,893 | 135 | - | (3,706) | (458) | (4,164) | 1,864 |
| Cash flows | (32,163) | - | - | - | - | - | (32,163) |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 243,362 | 2,183 | - | 9,947 | 3,258 | 13,205 | 258,750 |
| Assets from insurance contracts as at 31December | (267) | 40 | - | - | 189 | 189 | (38) |
| Liabilities from insurance contracts as at 31December | 243,629 | 2,143 | - | 9,947 | 3,069 | 13,016 | 258,788 |
| Net insurance contracts as at 31 December | 243,362 | 2,183 | - | 9,947 | 3,258 | 13,205 | 258,750 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Company | Contractual service margin (CSM) | | | | | | 31 Dec. 2024 |
|---|---|---------------------------------------|--|--|-----------------|---------------|-----------------|
| | Estimates of present value of future cash flows | Risk adjustment for nonfinancial risk | Contracts under modified retrospective transition approach | Contracts under fair value transition approach | Other contracts | Total CSM | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | - | - | - | - | - | - | - |
| Insurance contract liabilities | 325,882 | 2,220 | - | 12,131 | 2,591 | 14,722 | 342,824 |
| Net insurance contracts as at 1 January | 325,882 | 2,220 | - | 12,131 | 2,591 | 14,722 | 342,824 |
| Changes in the statement of profit or loss and OCI | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | |
| CSM recognised for services provided | - | - | - | (2,512) | (824) | (3,336) | (3,336) |
| Change in risk adjustment for non-financial risk for risk expired | - | (234) | - | - | - | - | (234) |
| Experience adjustments | (933) | - | - | - | - | - | (933) |
| <i>Changes that relate to future services</i> | | | | | | | |
| Contracts initially recognised in the year | (1,011) | 191 | - | - | 830 | 830 | 10 |
| Changes in estimates that adjust the CSM | (3,743) | (120) | - | 2,900 | 963 | 3,863 | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (723) | (24) | - | 613 | 37 | 650 | (97) |
| <i>Changes that relate to past services</i> | | | | | | | |
| Adjustments to liabilities for incurred claims | (17) | (78) | - | - | - | - | (95) |
| Insurance service result | (6,427) | (265) | - | 1,001 | 1,006 | 2,007 | (4,685) |
| Net finance income/expenses from insurance contracts | 10,716 | 93 | - | 521 | 119 | 640 | 11,449 |
| Effect of movements in exchange rates | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | 4,289 | (172) | - | 1,522 | 1,125 | 2,647 | 6,764 |
| Cash flows | (60,539) | - | - | - | - | - | (60,539) |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 269,632 | 2,048 | - | 13,653 | 3,716 | 17,369 | 289,049 |
| Assets from insurance contracts as at 31December | (241) | 44 | - | - | 166 | 166 | (31) |
| Liabilities from insurance contracts as at 31December | 269,873 | 2,004 | - | 13,653 | 3,550 | 17,203 | 289,080 |
| Net insurance contracts as at 31 December | 269,632 | 2,048 | - | 13,653 | 3,716 | 17,369 | 289,049 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Contractual service margin (CSM) | | | | | 31 Dec. 2025 | |
|---|---|---------------------------------------|--|--|-----------------|----------------|-----------------|
| | Estimates of present value of future cash flows | Risk adjustment for nonfinancial risk | Contracts under modified retrospective transition approach | Contracts under fair value transition approach | Other contracts | Total CSM | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (241) | 44 | - | - | 166 | 166 | (31) |
| Insurance contract liabilities | 332,653 | 3,878 | - | 15,639 | 4,316 | 19,955 | 356,486 |
| Net insurance contracts as at 1 January | 332,412 | 3,922 | - | 15,639 | 4,482 | 20,121 | 356,455 |
| Changes in the statement of profit or loss and OCI | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | |
| CSM recognised for services provided | - | - | - | (2,316) | (1,540) | (3,856) | (3,856) |
| Change in risk adjustment for non-financial risk for risk expired | - | (590) | - | - | - | - | (590) |
| Experience adjustments | (569) | - | - | - | - | - | (569) |
| <i>Changes that relate to future services</i> | | | | | | | |
| Contracts initially recognised in the year | (1,982) | 880 | - | - | 1,663 | 1,663 | 561 |
| Changes in estimates that adjust the CSM | 2,401 | 18 | - | (2,168) | (375) | (2,543) | (124) |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | 318 | (217) | - | - | - | - | 101 |
| <i>Changes that relate to past services</i> | | | | | | | |
| Adjustments to liabilities for incurred claims | 800 | (74) | - | - | - | - | 726 |
| Insurance service result | 968 | 17 | - | (4,484) | (252) | (4,736) | (3,751) |
| Net finance income/expenses from insurance contracts | 7,927 | 87 | - | 57 | 163 | 220 | 8,234 |
| Effect of movements in exchange rates | 8 | - | - | (1) | 1 | - | 8 |
| Total changes in the statement of profit or loss and OCI | 8,903 | 104 | - | (4,428) | (88) | (4,516) | 4,491 |
| Cash flows | (28,239) | - | - | - | - | - | (28,239) |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 313,076 | 4,026 | - | 11,211 | 4,394 | 15,605 | 332,707 |
| Assets from insurance contracts as at 31December | (267) | 40 | - | - | 189 | 189 | (38) |
| Liabilities from insurance contracts as at 31December | 313,343 | 3,986 | - | 11,211 | 4,205 | 15,416 | 332,745 |
| Net insurance contracts as at 31 December | 313,076 | 4,026 | - | 11,211 | 4,394 | 15,605 | 332,707 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Contractual service margin (CSM) | | | | | | 31 Dec. 2024 |
|---|---|---------------------------------------|--|--|-----------------|---------------|-----------------|
| | Estimates of present value of future cash flows | Risk adjustment for nonfinancial risk | Contracts under modified retrospective transition approach | Contracts under fair value transition approach | Other contracts | Total CSM | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | - | - | - | - | - | - | - |
| Insurance contract liabilities | 380,320 | 3,552 | - | 15,327 | 3,266 | 18,593 | 402,465 |
| Net insurance contracts as at 1 January | 380,320 | 3,552 | - | 15,327 | 3,266 | 18,593 | 402,465 |
| Changes in the statement of profit or loss and OCI | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | |
| CSM recognised for services provided | - | - | - | (2,990) | (1,117) | (4,107) | (4,107) |
| Change in risk adjustment for non-financial risk for risk expired | - | (520) | - | - | - | - | (520) |
| Experience adjustments | (1,500) | - | - | - | - | - | (1,500) |
| <i>Changes that relate to future services</i> | | | | | | | |
| Contracts initially recognised in the year | (1,491) | 754 | - | - | 1,020 | 1,020 | 283 |
| Changes in estimates that adjust the CSM | (2,783) | 205 | - | 1,667 | 911 | 2,578 | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (245) | (127) | - | 613 | (112) | 501 | 129 |
| <i>Changes that relate to past services</i> | | | | | | | |
| Adjustments to liabilities for incurred claims | 345 | (87) | - | - | - | - | 258 |
| Insurance service result | (5,674) | 225 | - | (710) | 702 | (8) | (5,457) |
| Net finance income/expenses from insurance contracts | 14,140 | 145 | - | 1,024 | 514 | 1,538 | 15,823 |
| Effect of movements in exchange rates | 9 | - | - | (2) | - | (2) | 7 |
| Total changes in the statement of profit or loss and OCI | 8,475 | 370 | - | 312 | 1,216 | 1,528 | 10,373 |
| Cash flows | (56,383) | - | - | - | - | - | (56,383) |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 332,412 | 3,922 | - | 15,639 | 4,482 | 20,121 | 356,455 |
| Assets from insurance contracts as at 31December | (241) | 44 | - | - | 166 | 166 | (31) |
| Liabilities from insurance contracts as at 31December | 332,653 | 3,878 | - | 15,639 | 4,316 | 19,955 | 356,486 |
| Net insurance contracts as at 31 December | 332,412 | 3,922 | - | 15,639 | 4,482 | 20,121 | 356,455 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

17.1.2. Non-life insurance contracts

Analysis by remaining coverage and incurred claims

| Company | 31 Dec. 2025 | | | | | | 31 Dec. 2024 | | | | | |
|---|---|----------------|--|---|--|------------------|---|----------------|--|---|--|------------------|
| | <i>Liabilities for remaining coverage</i> | | <i>Liabilities for incurred claims</i> | | | | <i>Liabilities for remaining coverage</i> | | <i>Liabilities for incurred claims</i> | | | |
| | | | <i>Contracts under PAA</i> | | | | | | <i>Contracts under PAA</i> | | | |
| | Excluding loss component | Loss component | Contracts not under PAA | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total | Excluding loss component | Loss component | Contracts not under PAA | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (3,735) | 626 | (13,875) | 1,910 | 75 | (14,999) | (5,329) | 757 | (14,789) | 2,272 | 92 | (16,997) |
| Insurance contract liabilities | 108,999 | 1,740 | 243 | 294,639 | 18,638 | 424,259 | 96,954 | 1,135 | 348 | 272,298 | 18,563 | 389,298 |
| Net insurance contracts as at 1 January | 105,264 | 2,366 | (13,632) | 296,549 | 18,713 | 409,260 | 91,625 | 1,892 | (14,441) | 274,570 | 18,655 | 372,301 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | | | |
| Insurance service income | (495,458) | - | - | - | - | (495,458) | (441,095) | - | - | - | - | (441,095) |
| <i>Insurance service expenses</i> | | | | | | | | | | | | |
| Incurred claims and other insurance service expenses | - | - | 1,168 | 352,659 | 6,047 | 359,874 | 61,122 | - | 335 | 257,150 | 4,840 | 323,447 |
| Provisions and other sale related insurance expenses | 101,242 | - | - | - | - | 101,242 | 89,432 | - | - | - | - | 89,432 |
| Adjustments to liabilities for incurred claims | - | - | (6,200) | 697 | (5,205) | (10,708) | - | - | (6,825) | 4,685 | (5,604) | (7,744) |
| Losses and reversals of losses on onerous contracts | - | (649) | - | - | - | (649) | - | 452 | - | - | - | 452 |
| Total insurance service expenses | 101,242 | (649) | (5,032) | 353,356 | 842 | 449,759 | 150,554 | 452 | (6,490) | 261,835 | (764) | 405,587 |
| Insurance service result | (394,216) | (649) | (5,032) | 353,356 | 842 | (45,699) | (290,541) | 452 | (6,490) | 261,835 | (764) | (35,508) |
| Net finance income/expenses from insurance contracts | 195 | (7) | (353) | 4,159 | 278 | 4,272 | 225 | 22 | (565) | 11,872 | 822 | 12,376 |
| Effect of movements in exchange rates | - | - | - | - | - | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | (394,021) | (656) | (5,385) | 357,515 | 1,120 | (41,427) | (290,316) | 474 | (7,055) | 273,707 | 58 | (23,132) |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | | | | | |
|---|----------------|--------------|-----------------|------------------|---------------|----------------|----------------|--------------|-----------------|------------------|---------------|----------------|
| Cash flows | | | | | | | | | | | | |
| Premiums received | 513,809 | - | - | - | - | 513,809 | 457,363 | - | - | - | - | 457,363 |
| Claims and other insurance service expenses paid | - | - | 6,953 | (246,561) | - | (239,608) | - | - | 7,864 | (251,728) | - | (243,864) |
| Insurance acquisition cash flows | (102,162) | - | - | - | - | (102,162) | (92,286) | - | - | - | - | (92,286) |
| Administrative expenses paid | - | - | (700) | (64,280) | - | (64,980) | (61,122) | - | - | - | - | (61,122) |
| Total cash flows | 411,647 | - | 6,253 | (310,841) | - | 107,059 | 303,955 | - | 7,864 | (251,728) | - | 60,091 |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracts derecognised on disposal/loss of control of subsidiary | - | - | - | - | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 122,890 | 1,710 | (12,764) | 343,223 | 19,833 | 474,892 | 105,264 | 2,366 | (13,632) | 296,549 | 18,713 | 409,260 |
| Assets from insurance contracts as at 31December | (3,472) | 494 | (13,000) | 2,047 | 60 | (13,871) | (3,735) | 626 | (13,875) | 1,910 | 75 | (14,999) |
| Liabilities from insurance contracts as at 31December | 126,362 | 1,216 | 236 | 341,176 | 19,773 | 488,763 | 108,999 | 1,740 | 243 | 294,639 | 18,638 | 424,259 |
| Net insurance contracts as at 31 December | 122,890 | 1,710 | (12,764) | 343,223 | 19,833 | 474,892 | 105,264 | 2,366 | (13,632) | 296,549 | 18,713 | 409,260 |

| Group | 31 Dec. 2025 | | | | | | 31 Dec. 2024 | | | | | |
|---|---|----------------|--|---|--|----------------|---|----------------|--|---|--|----------------|
| | <i>Liabilities for remaining coverage</i> | | <i>Liabilities for incurred claims</i> | | | | <i>Liabilities for remaining coverage</i> | | <i>Liabilities for incurred claims</i> | | | |
| | Excluding loss component | Loss component | Contracts not under PAA | <i>Contracts under PAA</i> | | Total | Excluding loss component | Loss component | Contracts not under PAA | <i>Contracts under PAA</i> | | Total |
| | | | | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | | | | | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (3,735) | 626 | (13,875) | 1,910 | 75 | (14,999) | (5,328) | 756 | (14,790) | 2,273 | 92 | (16,997) |
| Insurance contract liabilities | 144,670 | 2,428 | 521 | 334,581 | 20,804 | 503,004 | 129,808 | 1,875 | 640 | 306,936 | 20,262 | 459,521 |
| Net insurance contracts as at 1 January | 140,935 | 3,054 | (13,354) | 336,491 | 20,879 | 488,005 | 124,480 | 2,631 | (14,150) | 309,209 | 20,354 | 442,524 |
| Changes in the statement of profit or loss and OCI | | | | | | | | | | | | |
| Insurance revenue | (592,938) | - | - | - | - | (592,938) | (526,816) | - | - | - | - | (526,816) |
| <i>Insurance service expenses</i> | | | | | | | | | | | | |
| Incurred claims and other insurance service expenses | - | - | 2,372 | 412,152 | 7,095 | 421,619 | 74,511 | - | 975 | 299,919 | 5,869 | 381,274 |
| Provisions and other sale related insurance expenses | 121,664 | - | - | - | - | 121,664 | 106,643 | - | - | - | - | 106,643 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | | | | | |
|---|------------------|--------------|-----------------|------------------|---------------|------------------|------------------|--------------|-----------------|------------------|---------------|------------------|
| Adjustments to liabilities for incurred claims | - | - | (6,138) | (2,080) | (6,149) | (14,367) | - | - | (6,750) | 5,277 | (6,261) | (7,734) |
| Losses and reversals of losses on onerous contracts | - | (882) | - | - | - | (882) | - | 395 | - | - | - | 395 |
| Total insurance service expenses | 121,664 | (882) | (3,766) | 410,072 | 946 | 528,034 | 181,154 | 395 | (5,775) | 305,196 | (392) | 480,578 |
| Insurance service result | (471,274) | (882) | (3,766) | 410,072 | 946 | (64,904) | (345,662) | 395 | (5,775) | 305,196 | (392) | (46,238) |
| Net finance income/expenses from insurance contracts | 199 | (9) | (352) | 5,341 | 341 | 5,520 | 316 | 27 | (561) | 14,351 | 955 | 15,088 |
| Effect of movements in exchange rates | (45) | (1) | - | (52) | (2) | (100) | 27 | 1 | - | 30 | 2 | 60 |
| Total changes in the statement of profit or loss and OCI | (471,120) | (892) | (4,118) | 415,361 | 1,285 | (59,484) | (345,319) | 423 | (6,336) | 319,577 | 565 | (31,090) |
| Cash flows | | | | | | | | | | | | |
| Premiums received | 613,441 | - | - | - | - | 613,441 | 547,000 | - | - | - | - | 547,000 |
| Claims and other insurance service expenses paid | - | - | 6,182 | (285,499) | 4 | (279,313) | - | - | 7,132 | (292,295) | (40) | (285,203) |
| Insurance acquisition cash flows | (123,414) | - | - | - | - | (123,414) | (110,715) | - | - | - | - | (110,715) |
| Administrative expenses paid | - | - | (1,153) | (79,585) | - | (80,738) | (74,511) | - | - | - | - | (74,511) |
| Total cash flows | 490,027 | - | 5,029 | (365,084) | 4 | 129,976 | 361,774 | - | 7,132 | (292,295) | (40) | 76,571 |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracts derecognised on disposal/loss of control of subsidiary | - | - | - | - | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | 159,842 | 2,162 | (12,443) | 386,768 | 22,168 | 558,497 | 140,935 | 3,054 | (13,354) | 336,491 | 20,879 | 488,005 |
| Assets from insurance contracts as at 31 December | (3,472) | 494 | (13,000) | 2,047 | 60 | (13,871) | (3,735) | 626 | (13,875) | 1,910 | 75 | (14,999) |
| Liabilities from insurance contracts as at 31 December | 163,314 | 1,668 | 557 | 384,721 | 22,108 | 572,368 | 144,670 | 2,428 | 521 | 334,581 | 20,804 | 503,004 |
| Net insurance contracts as at 31 December | 159,842 | 2,162 | (12,443) | 386,768 | 22,168 | 558,497 | 140,935 | 3,054 | (13,354) | 336,491 | 20,879 | 488,005 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Analysis by measurement component – Contracts not measured under the PAA

| Company | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|---|---|--|----------------------------------|-----------------|---|--|----------------------------------|-----------------|
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual service margin (CSM) | Total | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual service margin (CSM) | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (19,290) | 6,677 | - | (12,613) | (20,724) | 7,412 | - | (13,312) |
| Insurance contract liabilities | 5,554 | 141 | 2,702 | 8,397 | 5,248 | 121 | 3,028 | 8,397 |
| Net insurance contracts as at 1 January | (13,736) | 6,818 | 2,702 | (4,216) | (15,476) | 7,533 | 3,028 | (4,915) |
| Changes in the statement of profit or loss and OCI | | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | | |
| CSM recognised for services provided | - | - | (926) | (926) | - | - | (899) | (899) |
| Change in risk adjustment for non-financial risk for risk expired | - | (19) | - | (19) | - | (95) | - | (95) |
| Experience adjustments | (141) | - | - | (141) | (364) | - | - | (364) |
| <i>Changes that relate to future services</i> | | | | | | | | |
| Contracts initially recognised in the year | (935) | 113 | 822 | - | (894) | 50 | 844 | - |
| Changes in estimates that adjust the CSM | (256) | 59 | 197 | - | 316 | 10 | (325) | 1 |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | 5 | (135) | - | (130) | 45 | (124) | - | (79) |
| <i>Changes that relate to past services</i> | | | | | | | | |
| Adjustments to liabilities for incurred claims | (6,059) | (141) | - | (6,200) | (6,019) | (805) | - | (6,824) |
| Total insurance service expenses | (7,386) | (123) | 93 | (7,416) | (6,916) | (964) | (380) | (8,260) |
| Net finance income/expenses from insurance contracts | (410) | 187 | 57 | (166) | (629) | 249 | 54 | (326) |
| Effect of movements in exchange rates | - | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | (7,796) | 64 | 150 | (7,582) | (7,545) | (715) | (326) | (8,586) |
| Cash flows | | | | | | | | |
| Premiums received | 4,004 | - | - | 4,004 | 3,545 | - | - | 3,545 |
| Claims and other insurance service expenses paid | 6,953 | - | - | 6,953 | 7,864 | - | - | 7,864 |
| Insurance acquisition cash flows | (1,628) | - | - | (1,628) | (1,455) | - | - | (1,455) |
| Administrative expenses paid | (700) | - | - | (700) | (669) | - | - | (669) |
| Total cash flows | 8,629 | - | - | 8,629 | 9,285 | - | - | 9,285 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | |
|---|--|---|---|--------------|--|---|---|--------------|
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | (12,903) | 6,882 | 2,852 | (3,169) | (13,736) | 6,818 | 2,702 | (4,216) |
| Assets from insurance contracts as at 31 December | (18,532) | 6,609 | - | (11,923) | (19,290) | 6,677 | - | (12,613) |
| Liabilities from insurance contracts as at 31 December | 5,629 | 273 | 2,852 | 8,754 | 5,554 | 141 | 2,702 | 8,397 |
| Net insurance contracts as at 31 December | (12,903) | 6,882 | 2,852 | (3,169) | (13,736) | 6,818 | 2,702 | (4,216) |
| Group | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual service margin (CSM) | Total | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Contractual service margin (CSM) | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance contract assets | (19,290) | 6,677 | - | (12,613) | (20,724) | 7,412 | - | (13,312) |
| Insurance contract liabilities | 9,299 | 216 | 4,190 | 13,705 | 9,278 | 202 | 5,525 | 15,005 |
| Net insurance contracts as at 1 January | (9,991) | 6,893 | 4,190 | 1,092 | (11,446) | 7,614 | 5,525 | 1,693 |
| Changes in the statement of profit or loss and OCI | | | | | | | | |
| <i>Changes that relate to current services</i> | | | | | | | | |
| CSM recognised for services provided | - | - | (1,339) | (1,339) | - | - | (1,564) | (1,564) |
| Change in risk adjustment for non-financial risk for risk expired | - | (27) | - | (27) | - | (105) | - | (105) |
| Experience adjustments | 179 | - | - | 179 | (149) | - | - | (149) |
| <i>Changes that relate to future services</i> | | | | | | | | |
| Contracts initially recognised in the year | (929) | 132 | 857 | 60 | (887) | 64 | 853 | 30 |
| Changes in estimates that adjust the CSM | 53 | 65 | (118) | - | 683 | 6 | (689) | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | 244 | (133) | - | 111 | 45 | (124) | - | (79) |
| <i>Changes that relate to past services</i> | | | | | | | | |
| Adjustments to liabilities for incurred claims | (5,989) | (149) | - | (6,138) | (5,936) | (814) | - | (6,750) |
| Total insurance service expenses | (6,442) | (112) | (600) | (7,154) | (6,244) | (973) | (1,400) | (8,617) |
| Net finance income/expenses from insurance contracts | (359) | 188 | 63 | (108) | (497) | 252 | 65 | (180) |
| Effect of movements in exchange rates | - | - | - | - | - | - | - | - |
| Total changes in the statement of profit or loss and OCI | (6,801) | 76 | (537) | (7,262) | (6,741) | (721) | (1,335) | (8,797) |
| Cash flows | | | | | | | | |
| Premiums received | 4,877 | - | - | 4,877 | 4,455 | - | - | 4,455 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | |
|---|----------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
| Claims and other insurance service expenses paid | 6,179 | - | - | 6,179 | 7,118 | - | - | 7,118 |
| Insurance acquisition cash flows | (2,201) | - | - | (2,201) | (2,155) | - | - | (2,155) |
| Administrative expenses paid | (1,153) | - | - | (1,153) | (1,222) | - | - | (1,222) |
| Total cash flows | 7,702 | - | - | 7,702 | 8,196 | - | - | 8,196 |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - |
| Net insurance contracts as at 31 December | (9,090) | 6,969 | 3,653 | 1,532 | (9,991) | 6,893 | 4,190 | 1,092 |
| Assets from insurance contracts as at 31 December | (18,532) | 6,609 | - | (11,923) | (19,290) | 6,677 | - | (12,613) |
| Liabilities from insurance contracts as at 31 December | 9,442 | 360 | 3,653 | 13,455 | 9,299 | 216 | 4,190 | 13,705 |
| Net insurance contracts as at 31 December | (9,090) | 6,969 | 3,653 | 1,532 | (9,991) | 6,893 | 4,190 | 1,092 |

Analysis by remaining coverage and incurred claims – reinsurance

| Company | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|--|-------------------------------|---|--|-----------------|-------------------------------|---|--|-----------------|
| | Assets for incurred claims | | | | Assets for incurred claims | | | |
| | Assets for remaining coverage | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total | Assets for remaining coverage | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Reinsurance contract assets | 3,212 | 47,939 | 2,347 | 53,498 | 3,430 | 44,052 | 2,435 | 49,917 |
| Reinsurance contract liabilities | (7,966) | 1,691 | 84 | (6,191) | (2,277) | 349 | 18 | (1,910) |
| Net reinsurance contracts as at 1 January | (4,754) | 49,630 | 2,431 | 47,307 | 1,153 | 44,401 | 2,453 | 48,007 |
| Changes in the statement of profit or loss and OCI | | | | | | | | |
| Allocation of reinsurance premiums paid | (75,153) | - | - | (75,153) | (61,326) | - | - | (61,326) |
| <i>Amounts recoverable from reinsurers</i> | | | | | | | | |
| Recoveries of incurred claims and other insurance service expenses | 10,443 | 43,832 | 660 | 54,935 | 9,067 | 37,547 | (97) | 46,517 |
| Adjustments to assets for incurred claims | - | - | - | - | - | - | - | - |
| Total amounts recoverable from reinsurers | 10,443 | 43,832 | 660 | 54,935 | 9,067 | 37,547 | (97) | 46,517 |
| Effect of changes in non-performance risk of reinsurers | - | - | - | - | - | - | - | - |
| Total reinsurance service expenses | (64,710) | 43,832 | 660 | (20,218) | (52,259) | 37,547 | (97) | (14,809) |
| Net finance income/expenses from insurance contracts | 164 | 1,131 | 52 | 1,347 | (53) | 1,266 | 75 | 1,288 |
| Effect of movements in exchange rates | - | - | - | - | - | - | - | - |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | |
|---|-----------------|-----------------|--------------|-----------------|-----------------|-----------------|--------------|-----------------|
| Total changes in the statement of profit or loss and OCI | (64,546) | 44,963 | 712 | (18,871) | (52,312) | 38,813 | (22) | (13,521) |
| Cash flows | | | | | | | | |
| Premiums paid | 66,155 | - | - | 66,155 | 55,435 | - | - | 55,435 |
| Amounts received | (9,245) | (21,194) | - | (30,439) | (9,030) | (33,584) | - | (42,614) |
| Total cash flows | 56,910 | (21,194) | - | 35,716 | 46,405 | (33,584) | - | 12,821 |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - |
| Net reinsurance contracts as at 31 December | (12,390) | 73,399 | 3,143 | 64,152 | (4,754) | 49,630 | 2,431 | 47,307 |
| Assets from reinsurance contracts as at 31 December | (1,547) | 67,273 | 2,832 | 68,558 | 3,212 | 47,939 | 2,347 | 53,498 |
| Liabilities from reinsurance contracts as at 31 December | (10,843) | 6,126 | 311 | (4,406) | (7,966) | 1,691 | 84 | (6,191) |
| Net reinsurance contracts as at 1 January | (12,390) | 73,399 | 3,143 | 64,152 | (4,754) | 49,630 | 2,431 | 47,307 |

| Group | 31 Dec. 2025 | | | | 31 Dec. 2024 | | | |
|--|---|--|--------------|-----------------|-------------------------------|---|--|-----------------|
| | Assets for incurred claims | | | Total | Assets for incurred claims | | | Total |
| Assets for remaining coverage | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | in EUR'000 | | Assets for remaining coverage | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | |
| Reinsurance contract assets | 3,186 | 53,337 | 2,618 | 59,141 | 3,971 | 47,887 | 2,580 | 54,438 |
| Reinsurance contract liabilities | (8,441) | 1,737 | 85 | (6,619) | (6,375) | 2,211 | 143 | (4,021) |
| Net reinsurance contracts as at 1 January | (5,255) | 55,074 | 2,703 | 52,522 | (2,404) | 50,098 | 2,723 | 50,417 |
| Changes in the statement of profit or loss and OCI | | | | | | | | |
| Allocation of reinsurance premiums paid | (83,835) | - | - | (83,835) | (67,413) | - | - | (67,413) |
| <i>Amounts recoverable from reinsurers</i> | | | | | | | | |
| Recoveries of incurred claims and other insurance service expenses | 12,379 | 48,095 | 606 | 61,080 | 9,792 | 43,172 | (112) | 52,852 |
| Adjustments to assets for incurred claims | - | - | - | - | - | - | - | - |
| <i>Total amounts recoverable from reinsurers</i> | 12,379 | 48,095 | 606 | 61,080 | 9,792 | 43,172 | (112) | 52,852 |
| <i>Effect of changes in non-performance risk of reinsurers</i> | - | - | - | - | - | - | - | - |
| <i>Total reinsurance service expenses</i> | (71,456) | 48,095 | 606 | (22,755) | (57,621) | 43,172 | (112) | (14,561) |
| Net finance income/expenses from insurance contracts | 163 | 1,229 | 55 | 1,447 | (52) | 1,645 | 92 | 1,685 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | |
|---|-----------------|-----------------|--------------|-----------------|-----------------|-----------------|--------------|-----------------|
| Effect of movements in exchange rates | 2 | (10) | - | (8) | (4) | 7 | - | 3 |
| Total changes in the statement of profit or loss and OCI | (71,291) | 49,314 | 661 | (21,316) | (57,677) | 44,824 | (20) | (12,873) |
| Cash flows | | | | | | | | |
| Premiums paid | 74,971 | - | - | 74,971 | 66,270 | - | - | 66,270 |
| Amounts received | (10,736) | (26,530) | - | (37,266) | (11,444) | (39,848) | - | (51,292) |
| Total cash flows | 64,235 | (26,530) | - | 37,705 | 54,826 | (39,848) | - | 14,978 |
| Transfer to other items in the statement of financial position | - | - | - | - | - | - | - | - |
| Net reinsurance contracts as at 31 December | (12,311) | 77,858 | 3,364 | 68,911 | (5,255) | 55,074 | 2,703 | 52,522 |
| Assets from reinsurance contracts as at 31 December | (629) | 71,594 | 3,048 | 74,013 | 3,186 | 53,337 | 2,618 | 59,141 |
| Liabilities from reinsurance contracts as at 31 December | (11,682) | 6,264 | 316 | (5,102) | (8,441) | 1,737 | 85 | (6,619) |
| Net reinsurance contracts as at 1 January | (12,311) | 77,858 | 3,364 | 68,911 | (5,255) | 55,074 | 2,703 | 52,522 |

17.2. Effects of insurance and reinsurance contracts initially recognized in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

Life insurance contracts

| | Company | Company | Company | Group | Group | Group |
|---|-----------------------------|-------------------------|---------------|-----------------------------|-------------------------|-----------------|
| | Profitable contracts issued | Onerous contract issued | Total | Profitable contracts issued | Onerous contract issued | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 2025 | | | | | | |
| <i>Claims and other insurance costs paid</i> | (19,765) | - | (19,765) | (22,206) | (12,746) | (34,952) |
| <i>Cash flows from the acquisition of insurance</i> | (1,290) | - | (1,290) | (3,793) | (1,173) | (4,966) |
| Estimates of present value of cash outflows | (21,055) | - | (21,055) | (25,999) | (13,919) | (39,918) |
| Estimates of present value of cash inflows | 21,937 | - | 21,937 | 28,183 | 13,717 | 41,900 |
| Risk adjustment for non-financial risk | (180) | - | (180) | (521) | (359) | (880) |
| Contractual service margin | (702) | - | (702) | (1,663) | - | (1,663) |
| Losses recognised on initial recognition | - | - | - | - | (561) | (561) |
| 2024 | | | | | | |
| <i>Claims and other insurance costs paid</i> | (23,914) | (369) | (24,283) | (25,949) | (12,655) | (38,604) |
| <i>Cash flows from the acquisition of insurance</i> | (1,412) | (22) | (1,434) | (3,321) | (1,173) | (4,494) |
| Estimates of present value of cash outflows | (25,326) | (391) | (25,717) | (29,270) | (13,828) | (43,098) |
| Estimates of present value of cash inflows | 26,344 | 384 | 26,728 | 30,753 | 13,836 | 44,589 |
| Risk adjustment for non-financial risk | (188) | (3) | (191) | (463) | (291) | (754) |
| Contractual service margin | (830) | - | (830) | (1,020) | - | (1,020) |
| Losses recognised on initial recognition | - | (10) | (10) | - | (283) | (283) |

17.3. Contractual service margin (CSM)

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

| | Company | | | | | | | |
|---------------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|---------------------------|---------------|
| | 0-1 year | 1-2 years | 2-3 years | 3-4 year | 4-5 year | 5-10 year | More than 10 years | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 Dec. 2025 | | | | | | | | |
| Life insurance | 1,858 | 2,517 | 1,872 | 1,061 | 847 | 2,253 | 2,797 | 13,205 |
| Nin-life insurance | 774 | 627 | 413 | 270 | 205 | 519 | 44 | 2,852 |
| Reinsurance | 23 | 16 | 6 | - | - | - | - | 45 |
| | 2,655 | 3,160 | 2,291 | 1,331 | 1,052 | 2,772 | 2,841 | 16,102 |
| 31 Dec. 2024 | | | | | | | | |
| Life insurance | 2,817 | 2,162 | 2,860 | 1,647 | 1,251 | 2,578 | 4,054 | 17,369 |
| Nin-life insurance | 691 | 574 | 477 | 301 | 183 | 443 | 33 | 2,702 |
| Reinsurance | 17 | 13 | 10 | 4 | - | - | - | 44 |
| | 3,525 | 2,749 | 3,347 | 1,952 | 1,434 | 3,021 | 4,087 | 20,115 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | | | | | | | | Group |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|---------------|
| | 0-1 year | 1-2 year | 2-3 year | 3-4 year | 4-5 year | 5-10 years | More than 10 years | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 Dec. 2025 | | | | | | | | |
| Life insurance | 1,954 | 2,594 | 1,994 | 1,158 | 945 | 2,732 | 4,228 | 15,605 |
| Nin-life insurance | 1,088 | 845 | 549 | 341 | 246 | 542 | 42 | 3,653 |
| Reinsurance | 21 | 16 | 6 | - | - | - | - | 43 |
| | 3,063 | 3,455 | 2,549 | 1,499 | 1,191 | 3,274 | 4,270 | 19,301 |
| 31 Dec. 2024 | | | | | | | | |
| Life insurance | 2,821 | 2,161 | 2,884 | 1,648 | 1,318 | 2,921 | 6,368 | 20,121 |
| Nin-life insurance | 1,156 | 945 | 750 | 478 | 283 | 545 | 33 | 4,190 |
| Reinsurance | 18 | 11 | 9 | 4 | - | - | - | 42 |
| | 3,995 | 3,117 | 3,643 | 2,130 | 1,601 | 3,466 | 6,401 | 24,353 |

17.4. Non-life claims development

The table below illustrates development of cumulative claims for the Group's non-life segment over time on a gross reinsurance basis (before reinsurance).

| Company | in EUR'000 | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| | Before 2022 | 2022 | 2023 | 2024 | 2025 | Total |
| Gross of reinsurance | | | | | | |
| Estimates of undiscounted gross cumulative claims | | | | | | |
| Estimates of undiscounted gross cumulative claims at the end of the accident year | - | 203,902 | 266,589 | 272,090 | 305,504 | 1,048,085 |
| One year later | - | 206,798 | 267,177 | 268,131 | - | 742,106 |
| Two years later | - | 208,243 | 265,020 | - | - | 473,263 |
| Three years later | - | 209,747 | - | - | - | 209,747 |
| Estimates of the gross cumulative claims at the end of the reporting period | - | 209,747 | 265,020 | 268,131 | 305,504 | 1,048,402 |
| Cumulative gross claims paid | - | 184,682 | 233,557 | 220,242 | 172,928 | 811,409 |
| Gross liabilities – accident years from 2022 to 2023 | - | 25,065 | 31,463 | 47,889 | 132,577 | 236,994 |
| Gross liabilities – accident years before 2022 | 182,518 | - | - | - | - | 182,518 |
| Effect of discounting | (44,553) | (4,790) | (4,729) | (6,964) | (8,184) | (69,220) |
| Gross liabilities for incurred claims included in the statement of financial position | 137,965 | 20,275 | 26,734 | 40,925 | 124,393 | 350,292 |

| Group | in EUR'000 | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| | Before 2022 | 2022 | 2023 | 2024 | 2025 | Total |
| Gross of reinsurance | | | | | | |
| Estimates of undiscounted gross cumulative claims | | | | | | |
| Estimates of undiscounted gross cumulative claims at the end of the accident year | - | 241,884 | 313,336 | 326,067 | 366,206 | 1,247,493 |
| One year later | - | 244,710 | 312,403 | 318,205 | - | 875,318 |
| Two years later | - | 246,443 | 310,653 | - | - | 557,096 |
| Three years later | - | 247,771 | - | - | - | 247,771 |
| Estimates of the gross cumulative claims at the end of the reporting period | - | 247,771 | 310,653 | 318,205 | 366,206 | 1,242,835 |
| Cumulative gross claims paid | - | 219,361 | 273,655 | 262,049 | 209,306 | 964,371 |
| Gross liabilities – accident years from 2022 to 2023 | - | 28,410 | 36,998 | 56,156 | 156,900 | 278,464 |
| Gross liabilities – accident years before 2022 | 195,141 | - | - | - | - | 195,141 |
| Effect of discounting | (47,832) | (5,566) | (5,590) | (8,169) | (9,955) | (77,112) |
| Gross liabilities for incurred claims included in the statement of financial position | 147,309 | 22,844 | 31,408 | 47,987 | 146,945 | 396,493 |

18. Financial assets

| | Company | | Group | |
|---|------------------|------------------|------------------|------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortised cost | 262,128 | 317,574 | 291,064 | 362,527 |
| Financial assets at fair value through other comprehensive income | 807,100 | 695,006 | 912,012 | 793,105 |
| Financial assets at fair value through profit and loss account | 127,450 | 93,182 | 139,258 | 103,937 |
| | 1,196,678 | 1,105,762 | 1,342,334 | 1,259,569 |

18.1. Overview of investments

The Company's investment structure as at 31 December 2025 was as follows:

| | Company | | | |
|---|---|--|---|------------------|
| | Financial assets at amortised cost | Financial assets at fair value through other comprehensive income | Financial assets at fair value through profit and loss account | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Shares | | | | |
| Shares, listed | - | 314,172 | 2,328 | 316,500 |
| Shares, not listed | - | 219 | - | 219 |
| | - | 314,391 | 2,328 | 316,719 |
| Debt securities | | | | |
| Government bonds | 165,662 | 351,568 | - | 517,230 |
| Corporate bonds | 2,822 | 111,325 | - | 114,147 |
| Treasury bills | - | 29,787 | 30,835 | 60,622 |
| | 168,484 | 492,680 | 30,835 | 691,999 |
| Derivative financial instruments | | | | |
| Foreign currency forward | - | - | 109 | 109 |
| | - | - | 109 | 109 |
| Derivative financial instruments – hedge accounting | | | | |
| Electricity swap – cash flow hedge | - | 29 | - | 29 |
| | - | 29 | - | 29 |
| Investment funds | | | | |
| Alternative investment funds | - | - | 92,482 | 92,482 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 1,696 | 1,696 |
| | - | - | 94,178 | 94,178 |
| Loans and receivables | | | | |
| Deposits with credit institutions | 9,936 | - | - | 9,936 |
| Loans | 83,708 | - | - | 83,708 |
| | 93,644 | - | - | 93,644 |
| | 262,128 | 807,100 | 127,450 | 1,196,678 |

18.1. Overview of investments (continued)

The Company's investment structure as at 31 December 2024 was as follows:

| | Company | | | |
|---|---|--|---|------------------|
| | Financial assets at amortised cost | Financial assets at fair value through other comprehen- sive income | Financial assets at fair value through profit and loss account | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Shares | | | | |
| Shares, listed | - | 191,467 | 503 | 191,970 |
| Shares, not listed | - | 229 | - | 229 |
| | - | 191,696 | 503 | 192,199 |
| Debt securities | | | | |
| Government bonds | 226,391 | 370,020 | - | 596,411 |
| Corporate bonds | 2,846 | 118,429 | - | 121,275 |
| Treasury bills | - | 14,861 | - | 14,861 |
| | 229,237 | 503,310 | - | 732,547 |
| Derivative financial instruments | | | | |
| Foreign currency options | - | - | 21 | 21 |
| | - | - | 21 | 21 |
| Investment funds | | | | |
| Alternative investment funds | - | - | 89,752 | 89,752 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 2,256 | 2,256 |
| | - | - | 92,008 | 92,008 |
| Loans and receivables | | | | |
| Deposits with credit institutions | 9,774 | - | 650 | 10,424 |
| Loans | 78,563 | - | - | 78,563 |
| | 88,337 | - | 650 | 88,987 |
| | 317,574 | 695,006 | 93,182 | 1,105,762 |

18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2025 was as follows:

| | | | | Group |
|---|---|--|---|------------------|
| | Financial assets at amortised cost | Financial assets at fair value through other comprehensive income | Financial assets at fair value through profit and loss account | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Shares | | | | |
| Shares, listed | - | 314,172 | 2,328 | 316,500 |
| Shares, not listed | - | 219 | - | 219 |
| | - | 314,391 | 2,328 | 316,719 |
| Debt securities | | | | |
| Government bonds | 184,083 | 455,964 | - | 640,047 |
| Corporate bonds | 2,823 | 111,325 | - | 114,148 |
| Treasury bills | - | 30,287 | 30,835 | 61,122 |
| | 186,906 | 597,576 | 30,835 | 815,317 |
| Derivative financial instruments | | | | |
| Foreign currency forward | - | - | 109 | 109 |
| | - | - | 109 | 109 |
| Derivative financial instruments – hedge accounting | | | | |
| Electricity swap – cash flow hedge | - | 45 | - | 45 |
| | - | 45 | - | 45 |
| Investment funds | | | | |
| Alternative investment funds | - | - | 96,625 | 96,625 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 9,361 | 9,361 |
| | - | - | 105,986 | 105,986 |
| Loans and receivables | | | | |
| Deposits with credit institutions | 75,013 | - | - | 75,013 |
| Loans | 29,145 | - | - | 29,145 |
| | 104,158 | - | - | 104,158 |
| | 291,064 | 912,012 | 139,258 | 1,342,334 |

18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2024 was as follows:

| | Group | | | |
|---|--|---|---|------------------|
| | Financial assets at amortised cost | Financial assets at fair value through other comprehen- sive income | Financial assets at fair value through profit and loss account | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Shares | | | | |
| Shares, listed | - | 191,467 | 503 | 191,970 |
| Shares, not listed | - | 229 | - | 229 |
| | - | 191,696 | 503 | 192,199 |
| Debt securities | | | | |
| Government bonds | 241,874 | 467,007 | - | 708,881 |
| Corporate bonds | 2,878 | 118,429 | - | 121,307 |
| Treasury bills | - | 15,973 | - | 15,973 |
| | 244,752 | 601,409 | - | 846,161 |
| Derivative financial instruments | | | | |
| Foreign currency options | - | - | 21 | 21 |
| | - | - | 21 | 21 |
| Investment funds | | | | |
| Alternative investment funds | - | - | 94,607 | 94,607 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 8,156 | 8,156 |
| | - | - | 102,763 | 102,763 |
| Loans and receivables | | | | |
| Deposits with credit institutions | 77,486 | - | 650 | 78,136 |
| Loans | 40,289 | - | - | 40,289 |
| | 117,775 | - | 650 | 118,425 |
| | 362,527 | 793,105 | 103,937 | 1,259,569 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The Group has determined that most of equity securities (shares) will be classified as financial assets at fair value through other comprehensive income since they are not held for trading. Instead, they are held for medium and long-term strategic purposes, and the Company and the Group believe that recognizing short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with the Group's strategy of holding these investments and realizing their potential in the medium and long term. The total fair value of the mentioned investments is presented in the table below:

| | Company | Group |
|--|----------------|--------------|
| | 2025 | 2025 |
| | in EUR'000 | in EUR'000 |
| Net book (fair) value of equity securities as of December 31 | 314,391 | 314,391 |
| Dividend income recognized in PnL based on equity securities in the statement of financial position of the Company and the Group as of December 31 | 13,335 | 13,335 |
| Net book (fair) value of equity securities (at the time of sale) sold during the year | 38,015 | 38,015 |
| Dividend income recognized in PnL based on equity securities sold during the year | 2,217 | 2,217 |

The above-mentioned equity securities were sold since the Company and the Group do not plan further investments in them. Based on the sale, the Company and the Group recorded the transfer of loss/gain to retained earnings in the amount of EUR 11,685 thousand before tax.

18.2. Financial investments exposed to credit risk

18.2.1. Movement of the gross amounts and provision for credit losses of bonds at amortised cost:

| Company | Provision for credit losses | | | | | Gross amount | | | | |
|--|-----------------------------|---------------------------------------|---------------------------------------|------|----------------|----------------------------|---------------------------------------|---------------------------------------|------------|-----------------|
| | Stage 1 12-month ECL | Stage 2 ECL for the duration | Stage 3 ECL for the duration | POCI | Total | Stage 1 12-month ECL | Stage 2 ECL for the duration | Stage 3 ECL for the duration | POCI | Total |
| | in EUR'000 | | | | | in EUR'000 | | | | |
| Balance as at 31 December 2023 | (287) | - | (995) | - | (1,282) | 285,114 | - | 995 | 242 | 286,351 |
| <i>Movements affecting credit losses:</i> | | | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - | - | - |
| Increase or addition | 56 | - | - | - | 56 | (55,623) | - | - | (25) | (55,648) |
| Decrease | 62 | - | - | - | 62 | - | - | - | - | - |
| Change of assumptions in the ECL measurement model | - | - | - | - | - | 1,157 | - | - | 6 | 1,163 |
| Amortization of premium/discount | - | - | - | - | - | (1,464) | - | - | (1) | (1,465) |
| Other movements | (287) | - | (995) | - | (1,282) | 285,114 | - | 995 | 242 | 286,351 |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2024 | (169) | - | (995) | - | (1,164) | 229,184 | - | 995 | 222 | 230,401 |
| <i>Movements affecting credit losses:</i> | | | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - | - | - |
| Increase or addition | - | - | - | - | - | - | - | - | - | - |
| Decrease | 44 | - | - | - | 44 | (59,829) | - | - | (26) | (59,855) |
| Change of assumptions in the ECL measurement model | - | - | - | - | - | - | - | - | - | - |
| Amortization of premium/discount | - | - | - | - | - | (316) | - | - | 4 | (312) |
| Other movements | - | - | - | - | - | (629) | - | - | (1) | (630) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2025 | (125) | - | (995) | - | (1,120) | 168,410 | - | 995 | 199 | 169,604 |

As part of its regular operations, the Company has pledged financial assets worth EUR 11,3m (2024: EUR 7m) as collateral.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Provision for credit losses | | | | | Gross amount | | | | |
|--|-----------------------------|----------------------|----------------------|------|----------------|----------------|----------------------|----------------------|------------|-----------------|
| | Stage 1 | Stage 2 | Stage 3 | POCI | Total | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| | 12-month ECL | ECL for the duration | ECL for the duration | | | 12-month ECL | ECL for the duration | ECL for the duration | | |
| in EUR'000 | | | | | in EUR'000 | | | | | |
| Balance as at 31 December 2023 | (383) | - | (995) | - | (1,378) | 301,940 | - | 995 | 243 | 303,178 |
| <i>Movements affecting credit losses:</i> | | | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - | - | - |
| Increase or addition | (8) | - | - | - | (8) | 3,586 | - | - | - | 3,586 |
| Decrease | 60 | - | - | - | 60 | (60,414) | - | - | (26) | (60,440) |
| Change of assumptions in the ECL measurement model | 59 | - | - | - | 59 | - | - | - | - | - |
| Amortization of premium/discount | - | - | - | - | - | 1,228 | - | - | 6 | 1,234 |
| Other movements | - | - | - | - | - | (1,534) | - | - | (1) | (1,535) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | (4) | - | - | - | (4) |
| Balance as at 31 December 2024 | (272) | - | (995) | - | (1,267) | 244,802 | - | 995 | 222 | 246,019 |
| <i>Movements affecting credit losses:</i> | | | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - | - | - |
| Increase or addition | (66) | - | - | - | (66) | 11,320 | - | - | - | 11,320 |
| Decrease | 100 | - | - | - | 100 | (68,244) | - | - | (28) | (68,272) |
| Change of assumptions in the ECL measurement model | (6) | - | - | - | (6) | - | - | - | - | - |
| Amortization of premium/discount | - | - | - | - | - | (209) | - | - | 4 | (205) |
| Other movements | - | - | - | - | - | (722) | - | - | (1) | (723) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | 6 | - | - | - | 6 |
| Balance as at 31 December 2025 | (244) | - | (995) | - | (1,239) | 186,953 | - | 995 | 197 | 188,145 |

As part of its regular operations, the Group has pledged financial assets worth EUR 11,3m (2024: EUR 7m) as collateral.

18.2.2. Movement of the gross amounts and provision for credit losses of bonds at fair value through other comprehensive income:

| Company | Provision for credit losses | | | | Gross amount | | | |
|--|-----------------------------|----------------------|----------------------|--------------|----------------|----------------------|----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | 12-month ECL | ECL for the duration | ECL for the duration | | 12-month ECL | ECL for the duration | ECL for the duration | |
| | in EUR'000 | | | | in EUR'000 | | | |
| Balance as at 31 December 2023 | (650) | - | - | (650) | 534,536 | - | - | 534,536 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | - | - | - | - | 236,758 | - | - | 236,758 |
| Decrease | 295 | - | - | 295 | (287,484) | - | - | (287,484) |
| Change of assumptions in the ECL measurement model | (190) | - | - | (190) | 190 | - | - | 190 |
| Amortization of premium/discount | - | - | - | - | 4,579 | - | - | 4,579 |
| Other movements | - | - | - | - | 332 | - | - | 332 |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Change in fair value recognized in Other comprehensive income | - | - | - | - | 14,944 | - | - | 14,944 |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2024 | (545) | - | - | (545) | 503,855 | - | - | 503,855 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | (155) | - | - | (155) | 297,911 | - | - | 297,911 |
| Decrease | 228 | - | - | 228 | (309,062) | - | - | (309,062) |
| Change of assumptions in the ECL measurement model | (12) | - | - | (12) | 12 | - | - | 12 |
| Amortization of premium/discount | - | - | - | - | 571 | - | - | 571 |
| Other movements | - | - | - | - | (802) | - | - | (802) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Change in fair value recognized in Other comprehensive income | - | - | - | - | 679 | - | - | 679 |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2025 | (484) | - | - | (484) | 493,164 | - | - | 493,164 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Provision for credit losses | | | | Gross amount | | | |
|--|-----------------------------|----------------------|----------------------|--------------|----------------|----------------------|----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | 12-month ECL | ECL for the duration | ECL for the duration | | 12-month ECL | ECL for the duration | ECL for the duration | |
| in EUR'000 | | | | in EUR'000 | | | | |
| Balance as at 31 December 2023 | (955) | - | - | (955) | 618,873 | - | - | 618,873 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | (77) | - | - | (77) | 256,950 | - | - | 256,950 |
| Decrease | 310 | - | - | 310 | (298,032) | - | - | (298,032) |
| Change of assumptions in the ECL measurement model | (169) | - | - | (169) | 190 | - | - | 190 |
| Amortization of premium/discount | - | - | - | - | 4,129 | - | - | 4,129 |
| Other movements | - | - | - | - | 450 | - | - | 450 |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Change in fair value recognized in Other comprehensive income | - | - | - | - | 19,676 | - | - | 19,676 |
| Exchange rate differences and other movements | - | - | - | - | 64 | - | - | 64 |
| Balance as at 31 December 2024 | (891) | - | - | (891) | 602,300 | - | - | 602,300 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | (169) | - | - | (169) | 321,379 | - | - | 321,379 |
| Decrease | 176 | - | - | 176 | (326,168) | - | - | (326,168) |
| Change of assumptions in the ECL measurement model | 41 | - | - | 41 | - | - | - | - |
| Amortization of premium/discount | - | - | - | - | 153 | - | - | 153 |
| Other movements | - | - | - | - | (598) | - | - | (598) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Change in fair value recognized in Other comprehensive income | - | - | - | - | 1,455 | - | - | 1,455 |
| Exchange rate differences and other movements | - | - | - | - | (102) | - | - | (102) |
| Balance as at 31 December 2025 | (843) | - | - | (843) | 598,419 | - | - | 598,419 |

18.2.3. Movement of the gross amounts and provision for credit losses for deposits:

| Company | Provision for credit losses | | | | Gross amount | | | |
|--|-----------------------------|----------------------|----------------------|--------------|---------------|----------------------|----------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | | Stage 1 | Stage 2 | Stage 3 | |
| | 12-month ECL | ECL for the duration | ECL for the duration | Total | 12-month ECL | ECL for the duration | ECL for the duration | Total |
| in EUR'000 | | | | in EUR'000 | | | | |
| Balance as at 31 December 2023 | (260) | - | - | (260) | 10,149 | - | - | 10,149 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | - | - | - | - | - | - | - | - |
| Decrease | - | - | - | - | - | - | - | - |
| Change of assumptions in the ECL measurement model | (112) | - | - | (112) | - | - | - | - |
| Other movements | - | - | - | - | (3) | - | - | (3) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2024 | (372) | - | - | (372) | 10,146 | - | - | 10,146 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | - | - | - | - | - | - | - | - |
| Decrease | - | - | - | - | - | - | - | - |
| Change of assumptions in the ECL measurement model | 166 | - | - | 166 | - | - | - | - |
| Other movements | - | - | - | - | (4) | - | - | (4) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | - | - | - | - |
| Balance as at 31 December 2025 | (206) | - | - | (206) | 10,142 | - | - | 10,142 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Provision for credit losses | | | | Gross amount | | | |
|--|-----------------------------|----------------------|----------------------|--------------|---------------|----------------------|----------------------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | | Stage 1 | Stage 2 | Stage 3 | |
| | 12-month ECL | ECL for the duration | ECL for the duration | Total | 12-month ECL | ECL for the duration | ECL for the duration | Total |
| in EUR'000 | | | | in EUR'000 | | | | |
| Balance as at 31 December 2023 | (842) | - | - | (842) | 73,395 | - | - | 73,395 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | (416) | - | - | (416) | 229,019 | - | - | 229,019 |
| Decrease | 285 | - | - | 285 | (211,078) | - | - | (211,078) |
| Change of assumptions in the ECL measurement model | 141 | - | - | 141 | (13,215) | - | - | (13,215) |
| Other movements | - | - | - | - | 169 | - | - | 169 |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | 28 | - | - | 28 |
| Balance as at 31 December 2024 | (832) | - | - | (832) | 78,318 | - | - | 78,318 |
| <i>Movements affecting credit losses:</i> | | | | | | | | |
| Transfer to impairment (from stage 1 and 2 to stage 3) | - | - | - | - | - | - | - | - |
| Increase or addition | (214) | - | - | (214) | 45,737 | - | - | 45,737 |
| Decrease | 147 | - | - | 147 | (48,010) | - | - | (48,010) |
| Change of assumptions in the ECL measurement model | 243 | - | - | 243 | - | - | - | - |
| Other movements | - | - | - | - | (346) | - | - | (346) |
| <i>Movements that do not affect the provision for credit losses:</i> | | | | | | | | |
| Write-offs | - | - | - | - | - | - | - | - |
| Exchange rate differences and other movements | - | - | - | - | (30) | - | - | (30) |
| Balance as at 31 December 2025 | (656) | - | - | (656) | 75,669 | - | - | 75,669 |

18.3. Loans

| | Company | | Group | |
|------------------------|---------------|---------------|---------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | | in EUR'000 | |
| Gross book value | 92,168 | 88,194 | 37,526 | 49,886 |
| Expected credit losses | (8,460) | (9,631) | (8,381) | (9,597) |
| Net book value | 83,708 | 78,563 | 29,145 | 40,289 |

Movement in impairment of loans, i.e. expected credit losses for loans, is as follows:

| | Company | | Group | |
|--|--------------|---------------|--------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | | in EUR'000 | |
| At 1 January | 9,631 | 10,147 | 9,597 | 10,060 |
| Change of assumptions in the ECL measurement model | (1,171) | (516) | (1,216) | (463) |
| At 31 December | 8,460 | 9,631 | 8,381 | 9,597 |

The structure of loans by type of collateral:

| | Company | | Group | |
|---|---------------|---------------|---------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | | in EUR'000 | |
| Collateralised loans: | | | | |
| - vinculated life insurance policies | 1,123 | 1,584 | 1,821 | 2,466 |
| - mortgages and real estate fiduciaries | 66,322 | 69,966 | 35,593 | 46,977 |
| - other collaterals | 24,723 | 16,644 | 112 | 443 |
| | 92,168 | 88,194 | 37,526 | 49,886 |
| Value adjustment | (8,460) | (9,631) | (8,381) | (9,597) |
| Total | 83,708 | 78,563 | 29,145 | 40,289 |

The quality of loans mainly depends on the quality of the collateral. The best security instrument is considered the vinculated life insurance policy issued by the Group. Vinculated life insurance policies almost fully cover the loan exposure.

For loans neither past due nor impaired, which are secured by mortgages, mortgages are considered a secondary source of repayment only and do not impact the carrying amount of the loan. However, loans and receivables past due but not impaired would be fully impaired if there were no collaterals.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Company:

| 31 December 2025 | Excessively secured assets | | Insufficiently secured assets | | Total | |
|--|----------------------------|---------------------------|-------------------------------|---------------------------|-------------------------|---------------------------|
| | Net book value of loans | Fair value of collaterals | Net book value of loans | Fair value of collaterals | Net book value of loans | Fair value of collaterals |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Loans given based on life insurance policies | 1,121 | 1,121 | - | - | 1,121 | 1,121 |
| Loans given to legal entities | 2,026 | 47,529 | 42 | 42 | 2,068 | 47,571 |
| Loans given to related parties | 55,910 | 140,390 | 24,609 | 23,752 | 80,519 | 164,142 |
| | 59,057 | 189,040 | 24,651 | 23,794 | 83,708 | 212,834 |
| 31 December 2024 | | | | | | |
| Loans given based on life insurance policies | 1,582 | 1,582 | - | - | 1,582 | 1,582 |
| Loans given to legal entities | 12,330 | 32,921 | - | - | 12,330 | 32,921 |
| Loans given to related parties | 48,074 | 127,875 | 16,577 | 8,307 | 64,651 | 136,182 |
| | 61,986 | 162,378 | 16,577 | 8,307 | 78,563 | 170,685 |

Group:

| 31 December 2025 | Excessively secured assets | | Insufficiently secured assets | | Total | |
|--|----------------------------|---------------------------|-------------------------------|---------------------------|-------------------------|---------------------------|
| | Net book value of loans | Fair value of collaterals | Net book value of loans | Fair value of collaterals | Net book value of loans | Fair value of collaterals |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Loans given based on life insurance policies | 1,825 | 2,705 | - | - | 1,825 | 2,705 |
| Loans given to legal entities | 2,247 | 49,296 | 94 | 42 | 2,341 | 49,338 |
| Loans given to related parties | 24,979 | 53,400 | - | - | 24,979 | 53,400 |
| | 29,051 | 105,401 | 94 | 42 | 29,145 | 105,443 |
| 31 December 2024 | | | | | | |
| Loans given based on life insurance policies | 2,466 | 3,348 | - | - | 2,466 | 3,348 |
| Loans given to legal entities | 12,591 | 34,344 | 253 | - | 12,844 | 34,344 |
| Loans given to related parties | 24,979 | 53,400 | - | - | 24,979 | 53,400 |
| | 40,036 | 91,092 | 253 | - | 40,289 | 91,092 |

18.4. Derivative financial instruments

The following table presents the fair value of derivative financial instruments at the balance sheet date:

| | 31 Dec. 2025 | | | 31 Dec. 2024 | | |
|------------------------------------|----------------------------------|--------------------------|-------------|----------------------------------|--------------------------|--------------|
| | Nominal amount off-balance sheet | Fair value balance sheet | | Nominal amount off-balance sheet | Fair value balance sheet | |
| | | Assets | Liabilities | | Assets | Liabilities |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Company | | | | | | |
| Foreign currency forward contracts | 20,460 | 109 | (21) | 19,864 | - | (817) |
| Foreign currency options contracts | - | - | - | 1,000 | 21 | - |
| Total | 20,460 | 109 | (21) | 20,864 | 21 | (817) |
| Group | | | | | | |
| Foreign currency forward contracts | 20,460 | 109 | (21) | 19,864 | - | (817) |
| Foreign currency options contracts | - | - | - | 1,000 | 21 | - |
| Total | 20,460 | 109 | (21) | 20,864 | 21 | (817) |

19. Deferred taxes

(i) Movements in deferred tax assets:

| Company | in EUR'000 | | | | | | |
|---|--|---|--|---|--|--------------|----------------|
| | Impairment of investments in subsidiaries and associates | Financial assets at fair value through profit or loss | Impairment of financial assets through OCI | Impairment of investments at amortised cost | Fair valuation losses on investment property | Other | TOTAL |
| At 31 December 2023 | 77 | 658 | 448 | 2,219 | 3,002 | 2,176 | 8,580 |
| Utilised deferred tax assets through profit or loss | (7) | (464) | (178) | (203) | (2,476) | (1,411) | (4,739) |
| Deferred tax assets recognised in profit or loss | - | 443 | 54 | 206 | 620 | 1,580 | 2,903 |
| At 31 December 2024 | 70 | 637 | 324 | 2,222 | 1,146 | 2,345 | 6,744 |
| Utilised deferred tax assets through profit or loss | (8) | (212) | (86) | (455) | (241) | (1,463) | (2,465) |
| Deferred tax assets recognised in profit or loss | - | 311 | 42 | 106 | 211 | 1,379 | 2,049 |
| At 31 December 2025 | 62 | 736 | 280 | 1,873 | 1,116 | 2,261 | 6,328 |

in EUR'000

| <i>(ii) Movements in deferred tax liabilities:</i> | Property for own use | Derivative financial instrument – cash flow hedge | Financial assets through OCI | Financial reserve from the insurance contracts | Total |
|--|-------------------------|---|---------------------------------------|--|---------------|
| At 31 December 2023 | 1,280 | - | 8,696 | 6,879 | 16,855 |
| Utilisation through profit and loss account | (398) | - | 23 | - | (375) |
| Change through other comprehensive income | 582 | - | 11,816 | (2,902) | 9,496 |
| At 31 December 2024 | 1,465 | - | 20,535 | 3,977 | 25,977 |
| Utilisation through profit and loss account | (28) | - | (2,103) | - | (2,131) |
| Change through other comprehensive income | (1) | 5 | 20,355 | (109) | 20,250 |
| At 31 December 2025 | 1,435 | 5 | 38,787 | 3,868 | 44,095 |

(iii) Netting deferred taxes:

| | 31 Dec. 2025 | 31 Dec. 2024 |
|---|---------------------|---------------------|
| | in EUR'000 | in EUR'000 |
| Balance of deferred tax assets | 6,328 | 6,744 |
| Balance of deferred tax liabilities | (44,095) | (25,977) |
| Net deferred tax (liability)/assets at 31 December | (37,767) | (19,233) |

19. Deferred tax assets (continued)

(i) Movements in deferred tax assets:

| Group | | | | | | | in EUR'000 |
|---|---|--|--|--|-------------------------------|--------------|----------------|
| | Financial assets at fair value through profit or loss | Impairment of financial assets through OCI | Impairment of financial assets at amortised cost | Fair valuation losses on investment property | Impact of IFRS 17 application | Other | TOTAL |
| At 31 December 2023 | 697 | 710 | 2,334 | 2,895 | 102 | 2,999 | 9,736 |
| Reclassification | - | (6) | 7 | 94 | - | (26) | 69 |
| Utilised deferred tax assets through profit or loss | (466) | (179) | (229) | (2,480) | (120) | (1,441) | (4,915) |
| Utilised deferred tax assets in other comprehensive income | - | - | - | - | - | - | - |
| Deferred tax assets recognised in profit or loss | 444 | 54 | 206 | 619 | - | 2,371 | 3,694 |
| Deferred tax assets recognised in other comprehensive income | - | (167) | - | - | - | - | (167) |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | - | - | - | - | 1 | 1 |
| At 31 December 2024 | 675 | 412 | 2,318 | 1,128 | (18) | 3,903 | 8,418 |
| Utilised deferred tax assets through profit or loss | (212) | (95) | (463) | (241) | (156) | (1,526) | (2,693) |
| Deferred tax assets recognised in profit or loss | 311 | 42 | 113 | 213 | 41 | 1,766 | 2,486 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | 15 | (10) | - | - | (2) | 3 |
| At 31 December 2025 | 774 | 374 | 1,958 | 1,100 | (133) | 4,141 | 8,214 |

19. Deferred tax assets (continued)

(ii) Movements in deferred tax liabilities:

in EUR'000

| | Property for own use | Investment property | Derivative financial instrument – cash flow hedge | Financial assets through OCI | Impact of IFRS 17 application | Financial reserve from the insurance contracts | Other | Total |
|--|-------------------------|------------------------|--|------------------------------------|-------------------------------------|--|------------|---------------|
| At 31 December 2023 | 2,855 | 4,959 | - | 7,911 | (72) | 8,312 | 64 | 24,029 |
| Reclassification | - | 93 | - | (6) | - | - | (18) | 69 |
| Acquisition | - | - | - | - | - | - | 76 | 76 |
| Recognition/(utilization) through profit or loss | (53) | 116 | - | 22 | (137) | - | 22 | (30) |
| Recognition through equity | - | - | - | - | - | - | - | - |
| Change through other comprehensive income | 1,490 | - | - | 12,185 | - | (3,325) | - | 10,350 |
| Foreign exchange differences | - | - | - | 1 | - | (2) | - | (1) |
| At 31 December 2024 | 4,292 | 5,168 | - | 20,113 | (209) | 4,985 | 144 | 34,493 |
| Recognition/(utilization) through profit or loss | (80) | 514 | - | (2,103) | (10) | - | (4) | (1,683) |
| Change through other comprehensive income | (43) | - | 8 | 20,453 | - | (268) | - | 20,150 |
| At 31 December 2025 | 4,169 | 5,682 | 8 | 38,463 | (219) | 4,717 | 140 | 52,960 |

(iii) Netting deferred taxes:

| | 31 Dec. 2025 | 31 Dec. 2024 |
|---|---------------------|---------------------|
| | in EUR'000 | in EUR'000 |
| Total deferred tax assets | 8,214 | 8,418 |
| Netting deferred taxes (i) | (6,686) | (6,996) |
| Net movement in deferred tax assets | 1,528 | 1,422 |
| | | |
| Total deferred tax liabilities | 52,960 | 34,493 |
| Netting deferred taxes (i) | (6,686) | (6,996) |
| Net movement in deferred tax liabilities | 46,274 | 27,497 |

(iii) Netting deferred taxes is recognised where it is possible to net the future tax liability with tax receivables at the level of each Group company.

20. Trade receivables and other receivables

| | Company | Company | Group | Group |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Other receivables, net | 20,105 | 24,263 | 30,719 | 32,371 |
| Prepaid expenses | 3,236 | 2,544 | 4,733 | 3,966 |
| Receivables for return on investments, net | 1,407 | 474 | 1,309 | 340 |
| Other assets | 56 | 54 | 1,815 | 1,875 |
| Undue interest receivables | - | - | 294 | 315 |
| Accrued income | - | - | - | 8 |
| | 24,804 | 27,335 | 38,870 | 38,875 |

20.1. Other receivables, net

| | Company | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Receivables for claims from reinsurance and co-insurance | 11,766 | 13,724 | 12,840 | 14,426 |
| Receivables for funds on blocked accounts | 3,368 | 3,368 | 3,368 | 3,368 |
| Other receivables from insurance policyholders | 2,588 | 2,363 | 2,733 | 2,510 |
| Receivables from credit card companies | 1,293 | 3,532 | 1,526 | 3,702 |
| Receivables for advances given | 980 | 882 | 1,827 | 1,625 |
| Receivables for international claims | 1,909 | 1,262 | 2,914 | 1,913 |
| Receivables from employees | 891 | 922 | 1,063 | 1,092 |
| Trade receivables | 472 | 863 | 6,114 | 5,085 |
| Receivables for sold apartments | 673 | 687 | 676 | 687 |
| Receivables for default interest | 590 | 738 | 590 | 738 |
| Receivables obtained through cession | 592 | 592 | 593 | 592 |
| Receivables from the state and state institutions | 231 | 753 | 1,102 | 1,372 |
| Receivables under court decisions | 43 | 43 | 42 | 42 |
| Claims for financial assets in the settlement process | 36 | 36 | 36 | 36 |
| Other receivables | 1,650 | 1,493 | 5,074 | 5,324 |
| Expected credit losses on other receivables | (6,977) | (6,995) | (9,779) | (10,141) |
| Other receivables, net | 20,105 | 24,263 | 30,719 | 32,371 |

20.2. Analysis of other receivables by maturity:

| | Company | | | | |
|-------------------------|----------------|--------------------|--------------------|----------------------|-----------------|
| | Undue | <90 days | 90-180 days | > 180 days | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 December 2024 | | | | | |
| Gross book value | 13,647 | 8,340 | 890 | 8,380 | 31,257 |
| Expected credit losses | - | - | - | (6,994) | (6,994) |
| Net book value | 13,647 | 8,340 | 890 | 1,386 | 24,263 |
| Reduction rate (%) | 0% | 0% | 0% | 83% | 22% |
| 31 December 2025 | | | | | |
| Gross book value | 11,234 | 6,368 | 1,154 | 8,326 | 27,082 |
| Expected credit losses | - | - | - | (6,977) | (6,977) |
| Net book value | 11,234 | 6,368 | 1,154 | 1,349 | 20,105 |
| Reduction rate (%) | 0% | 0% | 0% | 84% | 26% |
| | Group | | | | |
| | Undue | <90 days | 90-180 days | > 180 days | Total |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| 31 December 2023 | | | | | |
| Gross book value | 19,514 | 10,923 | 1,331 | 10,744 | 42,512 |
| Expected credit losses | (42) | (879) | (142) | (9,078) | (10,141) |
| Net book value | 19,472 | 10,044 | 1,189 | 1,666 | 32,371 |
| Reduction rate (%) | 0% | 8% | 11% | 84% | 24% |
| 31 December 2024 | | | | | |
| Gross book value | 18,552 | 9,072 | 1,356 | 11,520 | 40,500 |
| Expected credit losses | (31) | (9) | (4) | (9,737) | (9,781) |
| Net book value | 18,521 | 9,063 | 1,352 | 1,783 | 30,719 |
| Reduction rate (%) | 0% | 0% | 0% | 85% | 24% |

The group monitors the collection of receivables and has established a process for issuing reminders, forced collection and eventual charges.

20.3. Movements in impairment of other receivables maturity

| | Company | | Group | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | u 000 EUR | u 000 EUR | u 000 EUR | u 000 EUR |
| At 1 January | 6,994 | 7,433 | 10,141 | 10,745 |
| Increase or additions | 444 | 543 | 361 | 450 |
| Collection of previously impaired amounts | (392) | (843) | (462) | (893) |
| Decrease due to derecognition of assets | - | - | (93) | - |
| Write-off | (69) | (139) | (166) | (161) |
| Transfer to off-balance | - | - | - | - |
| Foreign exchange differences | - | - | - | - |
| At 31 December | 6,977 | 6,994 | 9,781 | 10,141 |

21. Cash and cash equivalents

| | Company | | Group | |
|---|----------------|---------------|----------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Deposits with maturity up to three months | 121,172 | 62,532 | 137,059 | 76,926 |
| Cash on bank accounts | 1,816 | 1,226 | 16,270 | 8,696 |
| Cash on hand | - | - | 97 | 109 |
| Expected credit losses | (446) | (2) | (471) | (28) |
| Total cash and cash equivalents | 122,542 | 63,756 | 152,955 | 85,703 |

22. Capital and reserves

22.1. Subscribed share capital

The Company's share capital with a nominal value of EUR 79,924 thousand (31 December 2024: EUR 79,924 thousand) is divided among 429,697 shares with a nominal value of EUR 186, which have been paid entirely in cash, entered into the register of the Commercial Court in Zagreb.

The shares are marked as follows:

| Number of shares | Nominal amount (in EUR 000): |
|--|------------------------------|
| 307,598 ordinary shares I, emission with ticker CROS-R-A/CROS | 57,213 |
| 113,349 ordinary shares II, emission with ticker CROS-R-A/CROS | 21,083 |
| TOTAL ORDINARY SHARES | 78,296 |
| 8,750 preference shares I, emission with ticker CROS-P-A/CROS2 | 1,628 |
| TOTAL PREFERENCE SHARES | 1,628 |
| TOTAL ORDINARY AND PREFERENCE SHARES | 79,924 |

Preference shares provide their holders with the following rights:

- voting rights equal to the holders of ordinary shares;
- dividend payment in the amount of 8% annually on the revalued value of shares, for the year in which an appropriate profit was realised;
- cumulative dividend payment is guaranteed provided that the Company's result enables the payment;
- cumulative dividend payment if the Company's result enables the payment of a higher dividend to all shareholders than the dividend from the previous point, as well as for the years when the liability cannot be settled due to insufficient profit.

Due to the guaranteed dividend payment, preference shares are classified as financial liabilities (Note 24).

On 5 March 2024, the General Assembly passed a decision on the payment of the dividend in the total amount of EUR 65,000,265.19, or EUR 151.27 per share (ordinary and preference), and the dividend was paid on 18 March 2024. On 11 June 2024, the General Assembly passed a decision on the payment of the dividend from retained earnings in the total amount of EUR 16,049,146.52 or EUR 37.35 per share (ordinary and preference) and the payment of dividends from the net profit realized in 2023 in the total amount of EUR 33,954,693.37 or EUR 79.02 per share (ordinary and preference), and the dividend was paid on 8 August 2024.

During 2025, on 5 June 2025, The General Assembly of CROATIA osiguranje d.d. passed a decision on the payment of the dividend to holders of ordinary and preference shares, from the net profit realized in 2024 in the total amount of EUR 45,771,324.44 or EUR 106.52 per share (ordinary and preference) and the dividend was paid on 31 July 2025.

The ownership structure as at 31 December 2025 and 31 December 2024 was as follows:

| Shareholder | 31 Dec. 2025 | 31 Dec. 2024 |
|---------------------------|---------------------|---------------------|
| ADRIS GRUPA d.d. | 67.47 | 67.47 |
| CERP/ Republic of Croatia | 30.10 | 30.10 |
| Other shareholders | 2.43 | 2.43 |
| | 100.00 | 100.00 |

22.2. Reserves

| | Company | | Group | |
|--------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Legal reserves | 3,996 | 3,996 | 3,996 | 3,996 |
| Statutory reserves | 19,458 | 19,458 | 19,458 | 19,458 |
| Other reserves | 29,829 | 29,829 | 29,829 | 29,829 |
| | 53,283 | 53,283 | 53,283 | 53,283 |

Pursuant to the Companies Act, 5% of profit for the year is allocated to the legal reserve until total legal reserve reaches 5% of the share capital.

Statutory reserves and other reserves were established based on the decision on profit distribution from previous years. The Company forms statutory reserves to strengthen the security and stability of the Company's operations. The Company may use statutory reserves only for reserves for own shares and coverage of losses from the current year, if the same could not be covered from retained earnings of previous years, legal reserves and capital reserves.

22.3. Revaluation reserve

The revaluation reserve is presented as follows:

| | Company | | Group | |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Property for own use | 7,971 | 8,139 | 24,724 | 25,060 |
| Deferred tax from change in revaluation reserve of property for own use | (1,435) | (1,465) | (4,169) | (4,292) |
| Insurance finance reserve | 21,490 | 22,086 | 30,148 | 32,455 |
| Deferred tax from insurance finance reserve | (3,868) | (3,976) | (4,730) | (5,000) |
| Financial assets at fair value through other comprehensive income | 215,480 | 114,081 | 213,083 | 110,896 |
| Deferred taxes from financial assets at fair value through other comprehensive income | (38,786) | (20,536) | (38,569) | (20,219) |
| Financial assets at fair value through other comprehensive income – cash flow hedge | 29 | - | 45 | - |
| Deferred taxes from financial assets at fair value through other comprehensive income – cash flow hedge | (5) | - | (8) | - |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | (19) | (773) | (747) |
| Total revaluation reserve | 200,876 | 118,310 | 219,751 | 138,153 |

/i/ Revaluation reserve of property for own use, net of deferred tax

| | Company | Group |
|---------------------------------|--------------|---------------|
| | in EUR'000 | in EUR'000 |
| 31 December 2023 | 5,832 | 14,074 |
| Increase in revaluation reserve | 2,655 | 6,975 |
| Decrease in revaluation reserve | (1,813) | (281) |
| 31 December 2024 | 6,674 | 20,768 |
| Increase in revaluation reserve | (7) | 171 |
| Decrease in revaluation reserve | (131) | (384) |
| 31 December 2025 | 6,536 | 20,555 |

/ii/ Revaluation reserve of financial assets at fair value through other comprehensive income, net of deferred tax

| | Company | Group |
|--|----------------|----------------|
| | in EUR'000 | in EUR'000 |
| 31 December 2023 | 41,109 | 34,012 |
| Changes in fair value of debt securities through other comprehensive income | 6,970 | 11,196 |
| Realised gains of debt securities through other comprehensive income reclassified to profit and loss statement | 5,197 | 5,200 |
| Changes in fair value of equity securities through other comprehensive income | 41,658 | 41,658 |
| Realised gains of equity securities through other comprehensive income reclassified to retained earnings | (1,389) | (1,389) |
| 31 December 2024 | 93,545 | 90,677 |
| Changes in fair value of debt securities through other comprehensive income | 183 | 874 |
| Realised gains of debt securities through other comprehensive income reclassified to profit and loss statement | 325 | 322 |
| Changes in fair value of equity securities through other comprehensive income | 92,223 | 92,223 |
| Realised gains of equity securities through other comprehensive income reclassified to retained earnings | (9,582) | (9,582) |
| 31 December 2025 | 176,694 | 174,514 |

23. Financial liabilities at fair value through profit and loss

| | Company | | Group | |
|--|--------------|--------------|--------------|--------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Derivative financial instruments-liabilities | 21 | 817 | 21 | 817 |
| Other financial liabilities | - | 15 | - | 15 |
| Total financial liabilities at fair value through profit and loss | 21 | 832 | 21 | 832 |

24. Financial liabilities at amortised cost

| | Company | | Group | |
|--|---------------|---------------|---------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Lease liabilities (IFRS 16) | 37,679 | 36,951 | 45,170 | 45,300 |
| Preference shares | 1,628 | 1,628 | 1,628 | 1,628 |
| Other financial liabilities | 533 | 219 | 542 | 222 |
| Financial liabilities to financial institutions | - | - | 1,555 | 1,410 |
| Total financial liabilities at amortised cost | 39,840 | 38,798 | 48,895 | 48,560 |

Net debt:

| | Company | | Group | |
|---|---------------|---------------|----------------|---------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Cash and cash equivalents | 122,542 | 63,756 | 152,955 | 85,703 |
| Lease liabilities and financial liabilities to financial institutions | (37,679) | (36,951) | (46,725) | (46,710) |
| Net debt | 84,863 | 26,805 | 106,230 | 38,993 |

Net debt reconciliation:

| | Company | Company | Company | Group | Group | Group |
|---|---------------------------|----------------------------|---------------|---------------------------|----------------------------|----------------|
| | Cash and cash equivalents | Lease and loan liabilities | Total | Cash and cash equivalents | Lease and loan liabilities | Total |
| | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| At 1 January | 63,756 | (36,951) | 26,805 | 85,703 | (46,710) | 38,993 |
| Cash flow | 58,786 | - | 58,786 | 67,252 | - | 67,252 |
| Lease and loan payments | - | 3,431 | 3,431 | - | 5,884 | 5,884 |
| Increases based on new contracts | - | (3,005) | (3,005) | - | (4,666) | (4,666) |
| Canceled contracts | - | 154 | 154 | - | 297 | 297 |
| Interest expense | - | (1,308) | (1,308) | - | (1,722) | (1,722) |
| Non-monetary movements | - | - | - | - | 152 | 152 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | - | - | - | 40 | 40 |
| At 31 December | 122,542 | (37,679) | 84,863 | 152,955 | (46,725) | 106,230 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| | Company | Company | Company | Group | Group | Group |
|---|----------------------------------|-----------------------------------|----------------|----------------------------------|-----------------------------------|---------------|
| | Cash and cash equivalents | Lease and loan liabilities | Total | Cash and cash equivalents | Lease and loan liabilities | Total |
| | 2024 | 2024 | 2024 | 2024 | 2024 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| At 1 January | 45,289 | (35,207) | 10,082 | 66,823 | (46,295) | 20,528 |
| Cash flow | 18,467 | - | 18,467 | 18,880 | - | 18,880 |
| Lease and loan payments | - | 3,062 | 3,062 | - | 5,659 | 5,659 |
| Increases based on new contracts | - | (3,904) | (3,904) | - | (1,237) | (1,237) |
| Canceled contracts | - | 331 | 331 | - | 540 | 540 |
| Interest expense | - | (1,233) | (1,233) | - | (1,801) | (1,801) |
| Acquisition | - | - | - | - | (3,713) | (3,713) |
| Non-monetary movements | - | - | - | - | 138 | 138 |
| Foreign exchange differences arising on translation of financial statements of foreign operations | - | - | - | - | (1) | (1) |
| At 31 December | 63,756 | (36,951) | 26,805 | 85,703 | (46,710) | 38,993 |

24.1. Lease liabilities

The maturity of lease liabilities is presented below:

| | Company | Group |
|----------------|---------------------|---------------------|
| | 31 Dec. 2025 | 31 Dec. 2025 |
| | in EUR'000 | in EUR'000 |
| 2026 | 2,827 | 4,807 |
| 2027 | 2,729 | 4,118 |
| 2028 | 2,253 | 3,398 |
| 2029 | 1,836 | 3,230 |
| 2030 | 1,806 | 2,904 |
| 2031 and later | 26,228 | 28,268 |
| | 37,679 | 46,725 |

| | Company | Group |
|----------------|---------------------|---------------------|
| | 31 Dec. 2024 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 |
| 2025 | 2,446 | 4,392 |
| 2026 | 2,266 | 3,698 |
| 2027 | 2,173 | 3,788 |
| 2028 | 1,751 | 4,399 |
| 2029 | 1,671 | 2,373 |
| 2030 and later | 26,644 | 28,060 |
| | 36,951 | 46,710 |

The amounts recognised in the statement of financial position and movements of right-of-use assets during the year are presented in Note 14.1 Property and equipment at cost model.

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

The following is presented in Statement of comprehensive income:

| | Company | Company | Group | Group |
|---|----------------|----------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Depreciation expense of right-of-use assets | | | | |
| Buildings | 1,763 | 1,677 | 4,155 | 3,009 |
| Vehicles | 820 | 692 | 299 | 277 |
| Equipment | - | - | 25 | 13 |
| | 2,583 | 2,369 | 4,479 | 3,299 |
| Interest on lease liabilities | 1,308 | 1,233 | 1,622 | 1,722 |
| Expenses relating to short-term leases | 89 | 94 | 960 | 1,391 |
| Expenses relating to leases of low-value assets | 255 | 295 | 485 | 367 |

25. Provisions

| | Company | Company | Group | Group |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Provisions for legal disputes | 4,779 | 4,335 | 5,110 | 4,584 |
| Provisions for termination benefits | 360 | 94 | 361 | 95 |
| Provisions for jubilee awards and retirement benefits /i/ | 1,059 | 989 | 2,675 | 2,479 |
| Other long-term provisions | - | - | 258 | 266 |
| | 6,198 | 5,418 | 8,404 | 7,424 |

Movements in provisions for jubilee awards, pensions, legal disputes and other long-term provisions are shown in the table below:

| Company | Provisions for legal disputes | Provisions for jubilee awards and retirement benefits | Provisions for termination benefits | Other long-term provisions | Total |
|--------------------------------------|--------------------------------------|--|--|-----------------------------------|--------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| At 1 January 2023 | 5,289 | 990 | 488 | - | 6,767 |
| Additional provisions | 739 | 389 | 100 | - | 1,228 |
| Decrease in provisions (utilisation) | (1,693) | (390) | (494) | - | (2,577) |
| At 31 December 2024 | 4,335 | 989 | 94 | - | 5,418 |
| Additional provisions | 589 | 153 | 361 | - | 1,103 |
| Decrease in provisions (utilisation) | (145) | (83) | (95) | - | (323) |
| At 31 December 2025 | 4,779 | 1,059 | 360 | - | 6,198 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

| Group | Provisions for legal disputes | Provisions for jubilee awards and retirement benefits | Provisions for termination benefits | Other long-term provisions | Total |
|--------------------------------------|-------------------------------|---|-------------------------------------|----------------------------|----------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| At 31 December 2023 | 5,450 | 2,147 | 488 | - | 8,085 |
| Acquisition | - | - | - | 256 | 256 |
| Additional provisions | 876 | 818 | 100 | 10 | 1,804 |
| Decrease in provisions (utilisation) | (1,750) | (484) | (493) | - | (2,727) |
| Decrease in provisions (reversal) | 8 | (2) | - | - | 6 |
| At 31 December 2024 | 4,584 | 2,479 | 95 | 266 | 7,424 |
| Additional provisions | 755 | 377 | 361 | 3 | 1,496 |
| Decrease in provisions (utilisation) | (178) | (122) | (95) | - | (395) |
| Decrease in provisions (reversal) | (51) | (59) | - | (11) | (121) |
| At 31 December 2025 | 5,110 | 2,675 | 361 | 258 | 8,404 |

/i/ The following assumptions were used for the calculation:

- The employment termination rate for the Company is 7.8% (2024: 7.69%), while for the Group the average is 8.5% (2024: 9.23%)
- The expected inflation for the Company is 2.2% (2024: 2.25%), while for the Group is 2.48% (2024: 1.84%);
- The average tax rate of 18% for the Company and 15% for the Group was applied to the calculation of severance pay.
- The present value of the liability is calculated using the discount rate of 2.84% (2024: 2.81%) for the Company and 2.55%-3.91% for the Group (2024: 2.04%-3.52%).

The table below shows the sensitivity analysis for significant assumptions:

| | Company | | Group | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | | in EUR'000 | |
| | Change in liabilities | Change in liabilities | Change in liabilities | Change in liabilities |
| Discount rate -10% | 19 | 18 | 55 | 47 |
| Discount rate +10% | (18) | (17) | (52) | (46) |
| Employment termination rate -10% | 69 | 65 | 143 | 125 |
| Employment termination rate +10% | (62) | (59) | (130) | (113) |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

26. Account payable and other liabilities

| | Company | | Group | |
|---|-----------------|-----------------|-----------------|-----------------|
| | 31 Dec. 2025 | 31 Dec. 2024 | 31 Dec. 2025 | 31 Dec. 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Accrued expenses and deferred income | 23,187 | 23,337 | 26,830 | 26,131 |
| Liabilities for the guarantee fund | 4,393 | 4,131 | 4,488 | 4,182 |
| Liabilities for claims and contracted insurance amounts | 3,725 | 3,618 | 3,945 | 4,295 |
| Liabilities for net salaries | 3,733 | 3,351 | 5,605 | 5,052 |
| Liabilities for tax on motor liability and motor hull insurance | 1,998 | 1,749 | 2,179 | 1,918 |
| Trade payables | 8,353 | 4,460 | 11,899 | 7,057 |
| Liabilities for advances received for the insurance premium | 931 | 1,623 | 1,213 | 1,912 |
| Liabilities for intermediaries | 1,169 | 1,671 | 1,344 | 1,779 |
| Liabilities for contributions from salaries | 983 | 860 | 1,370 | 1,188 |
| Liabilities for contributions on salaries | 764 | 669 | 1,083 | 947 |
| Liabilities for tax and surtax from salaries | 503 | 429 | 571 | 478 |
| Liabilities for health insurance under motor liability premium | 212 | 190 | 357 | 319 |
| Liabilities for contribution to the Fire Department | 70 | 70 | 123 | 151 |
| Liabilities for advances received | 15 | 25 | 1,348 | 1,068 |
| Liabilities for claims from coinsurance and reinsurance | - | - | 373 | 10 |
| Liabilities due to employees | 32 | 16 | 375 | 310 |
| Other liabilities | 4,886 | 3,561 | 9,271 | 8,199 |
| Total account payable and other liabilities | 54,954 | 49,760 | 72,374 | 64,996 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

26.1. Accrued expenses and deferred income

| | Company | Company | Group | Group |
|---|----------------|----------------|----------------|----------------|
| | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. |
| | 2025 | 2024 | 2025 | 2024 |
| | in | in | in EUR'000 | in |
| | EUR'000 | EUR'000 | | EUR'000 |
| Bonus provisions for employees | 7,444 | 7,065 | 8,279 | 7,607 |
| Other deferred income | 3,759 | 3,860 | 4,262 | 4,354 |
| Accrued, but not invoiced expenses for service received | 5,274 | 6,816 | 6,625 | 7,693 |
| Accrued expenses for unused vacation days | 2,917 | 2,546 | 3,283 | 2,813 |
| Accrued, but not invoiced acquisition expenses | 1,585 | 1,351 | 1,767 | 1,638 |
| Other accrued expenses | 2,208 | 1,699 | 2,614 | 2,026 |
| Total accrued expenses and deferred income | 23,187 | 23,337 | 26,830 | 26,131 |

27. Off balance sheet items

| | Company | Company | Group | Group |
|--|----------------|----------------|----------------|----------------|
| | 31 Dec. | 31 Dec. | 31 Dec. | 31 Dec. |
| | 2025 | 2024 | 2025 | 2024 |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Derivative financial instruments (nominal amount) | 20,460 | 20,864 | 20,460 | 20,864 |
| Premium receivables from companies in bankruptcy | 12,141 | 14,274 | 14,677 | 16,809 |
| Shares and stakes of companies in bankruptcy | 1,889 | 1,907 | 3,569 | 2,874 |
| Placements and interest from companies in bankruptcy | 4,105 | 4,774 | 5,017 | 5,687 |
| Default interest on placements | 2,137 | 2,678 | 2,137 | 2,678 |
| Other off-balance-sheet items | 205 | 236 | 205 | 235 |
| | 40,937 | 44,733 | 46,065 | 49,147 |

28. Related party transactions

The Company considers that it has an immediate related party relationship with its ultimate controlling party, the company ADRIS grupa d.d. and the Republic of Croatia (CERP) and companies with majority state ownership, companies under control, under common control or under influence of key management personnel and their close family members in accordance with the definitions contained in International Accounting Standard 24 "Related Party Disclosures" (IAS 24). The Group considers the members of the Management Board and Supervisory Board, and directors of departments as key management.

Key related party transactions

The Company pays income tax in the Republic of Croatia, as described in Note 11. The Company also pays personal income tax as described in Notes 5 and 10. With regard to taxes, the Company has no outstanding liabilities towards the Republic of Croatia. The Company invests in securities of the Republic of Croatia and other state-owned companies as listed in the table below with interest rates ranging from 0.005% to 4.3% and with maturities of 2026-2041.

The Company has given loans to the related company Croatia-tehnički pregled d.o.o. in the total value of EUR 24.1m at an interest rate of 4.97%, to the company Croatia Nekretnine d.o.o. in the total amount of EUR 27.7m at an interest rates of 4%, 4.69%, 5.14% and 5.23%, to the company Croatia osiguranje d.d., non-life insurance company, Skopje in the amount of EUR 800 thousand at an interest rate of 2.625%, to the company CO Zdravlje d.o.o. in the amount of EUR 2,5m at an interest rate of 6.10%, to the company STRMEC PROJEKT d.o.o. in the amount of EUR 595 thousand at an interest rate of 4.69% , to the company CROATIA Premium d.o.o. in the total

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

amount of EUR 1.7m at an interest rate of 3.2%, and to the CROATIA POLIKLINIKA in the total amount of EUR 23m at interest rates of 4.69% and 6.07%, for the purpose of additional investments.

Other relationships with subsidiaries, joint ventures and associates within the Group and other companies that have a significant impact on the Company's financial statements as well as companies in which the state has majority ownership are presented in the following tables for 2025 and 2024:

Transactions and balances with the parent company and other related entities of the Company for 2025:

| | Subsidiaries | Associates | ADRIS GRUPA d.d. (Parent company) | Other ADRIS GRUPA companies |
|--|--------------|------------|---|-----------------------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Property and equipment at amortized cost | 6 | - | - | - |
| Financial assets at amortized cost | 55,734 | - | - | 24,979 |
| Trade and other receivables | 385 | - | 28 | 365 |
| Insurance liabilities | 2,128 | - | 6 | 152 |
| Trade payables and other liabilities | 996 | - | 197 | 33 |
| Insurance revenue | 2,547 | 42 | 97 | 4,527 |
| Insurance service expenses | 15,001 | - | 2,240 | 1,881 |
| Net result of (passive) reinsurance contracts | 53 | - | - | - |
| Interest revenue calculated using the effective interest rate method | 2,112 | - | - | 1,325 |
| Rental income | 1,522 | - | - | - |
| Other investment income/expense | 7,649 | 900 | - | - |
| Net impairment/release of impairment of financial asset | 26 | - | - | - |
| Other income | 1,542 | - | 1 | - |
| Other operating expenses | 93 | - | 106 | 178 |

Transactions and balances with the parent company and other related entities of the Group for 2025:

| | Associates | ADRIS GRUPA d.d. (Parent company) | Other ADRIS GRUPA companies |
|--|------------|--------------------------------------|--------------------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortized cost | - | - | 24,979 |
| Trade and other receivables | - | 29 | 368 |
| Insurance liabilities | - | 6 | 152 |
| Trade payables and other liabilities | - | 197 | 34 |
| Insurance revenue | 42 | 97 | 4,527 |
| Insurance service expenses | - | 2,240 | 1,881 |
| Interest revenue calculated using the effective interest rate method | - | - | 1,325 |
| Rental income | - | - | - |
| Other investment income/expense | 900 | - | - |
| Other income | - | 4 | 12 |
| Other operating expenses | - | 145 | 177 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and companies with majority state ownership) for 2025:

| | Company | Group |
|--|----------------|--------------|
| | in EUR'000 | in EUR'000 |
| Property at revaluation model | 65 | - |
| Financial assets at amortized cost | 245,285 | 245,285 |
| Financial assets at fair value through other comprehensive income | 157,159 | 159,345 |
| Financial assets at fair value through profit and loss | 1,996 | 1,996 |
| Trade and other receivables | 280 | 300 |
| Insurance liabilities | 1,468 | 1,468 |
| Trade payables and other liabilities | 26 | 26 |
| Insurance revenue | 17,722 | 17,722 |
| Insurance service expenses | 6,740 | 6,740 |
| Interest revenue calculated using the effective interest rate method | 9,711 | 9,711 |
| Net gains/losses from financial assets at fair value through profit and loss | - | - |
| Net impairment/reversal of impairment of financial assets | 174 | 174 |
| Rental income | 71 | 2,147 |
| Other investment income/expense | 794 | 794 |
| Other income | 57 | 59 |
| Other operating expenses | - | - |

Transactions and balances with the parent company and other related entities of the Company for 2024:

| | Subsidiaries | Associates | ADRIS GRUPA d.d. (Parent company) | Other ADRIS GRUPA companies |
|--|---------------------|-------------------|--|--|
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortized cost | 39,743 | - | - | 25,000 |
| Trade and other receivables | 578 | - | 26 | 358 |
| Insurance liabilities | 2,377 | - | - | 152 |
| Trade payables and other liabilities | 560 | - | 176 | 36 |
| Insurance revenue | 2,039 | 38 | 75 | 3,448 |
| Insurance service expenses | 9,515 | - | 2,436 | 3,627 |
| Net result of (passive) reinsurance contracts | 48 | - | - | - |
| Interest revenue calculated using the effective interest rate method | 1,884 | - | - | 875 |
| Rental income | 40,202 | - | - | - |
| Other investment income/expense | 12,447 | 1,400 | - | 63 |
| Other income | 7,899 | - | 1 | 3 |
| Other operating expenses | 91 | - | 100 | 132 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Transactions and balances with the parent company and other related entities of the Group for 2024:

| | Associates | ADRIS GRUPA d.d. (Parent company) | Other ADRIS GRUPA companies |
|--|------------|--------------------------------------|--------------------------------|
| | in EUR'000 | in EUR'000 | in EUR'000 |
| Financial assets at amortized cost | - | - | 25,000 |
| Trade and other receivables | - | 27 | 359 |
| Insurance liabilities | - | - | 152 |
| Trade payables and other liabilities | - | 178 | 36 |
| Insurance revenue | 38 | 75 | 3,448 |
| Insurance service expenses | - | 2,436 | 3,627 |
| Interest revenue calculated using the effective interest rate method | - | - | 875 |
| Rental income | - | - | - |
| Other investment income/expense | 1,400 | - | 63 |
| Other income | - | 5 | 14 |
| Other operating expenses | - | 138 | 140 |

Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and companies with majority state ownership) for 2024:

| | Company | Group |
|--|------------|------------|
| | in EUR'000 | in EUR'000 |
| Financial assets at amortized cost | 275,991 | 275,991 |
| Financial assets at fair value through other comprehensive income | 281,402 | 284,154 |
| Trade and other receivables | 132 | 132 |
| Insurance liabilities | 1,692 | 1,692 |
| Trade payables and other liabilities | 154 | 154 |
| Insurance revenue | 16,694 | 16,694 |
| Insurance service expenses | 7,230 | 7,230 |
| Interest revenue calculated using the effective interest rate method | 14,576 | 14,576 |
| Net gains/losses from financial assets at fair value through profit and loss | 47 | 47 |
| Rental income | 40 | 40 |
| Other investment income/expense | 1,305 | 1,305 |
| Other income | 107 | 107 |
| Other operating expenses | 6 | 6 |

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

Transactions and balances with parties related to key management of the Company, Group and Parent company for 2025 and 2024:

| | <u>Company</u> | <u>Company</u> | <u>Group</u> | <u>Group</u> |
|-----------------------|----------------|----------------|--------------|--------------|
| | <u>2025</u> | <u>2024</u> | <u>2025</u> | <u>2024</u> |
| | in EUR'000 | in EUR'000 | in EUR'000 | in EUR'000 |
| Insurance liabilities | 1 | - | 1 | - |
| Insurance revenue | 17 | 18 | 17 | 18 |
| Insurance expenses | - | - | - | - |

/i/ Key management compensation

Company:

| | <u>31 Dec.2025</u> | | | | <u>31 Dec.2024</u> | | | |
|-----------------------------|--------------------|-----------------------------|--------------------------|--------------|--------------------|-----------------------------|--------------------------|--------------|
| | in EUR'000 | | | | in EUR'000 | | | |
| | <u>Management</u> | <u>Department directors</u> | <u>Supervisory Board</u> | <u>Total</u> | <u>Management</u> | <u>Department directors</u> | <u>Supervisory Board</u> | <u>Total</u> |
| Key management compensation | 2,578 | 3,378 | 24 | 5,980 | 2,326 | 3,146 | 22 | 5,494 |
| Termination benefits | - | - | - | - | - | 119 | - | 119 |
| | 2,578 | 3,378 | 24 | 5,980 | 2,326 | 3,265 | 22 | 5,613 |

Group:

| | <u>31 Dec.2025</u> | | | | <u>31 Dec.2024</u> | | | |
|-----------------------------|--------------------|-----------------------------|--------------------------|--------------|--------------------|-----------------------------|--------------------------|--------------|
| | in EUR'000 | | | | in EUR'000 | | | |
| | <u>Management</u> | <u>Department directors</u> | <u>Supervisory Board</u> | <u>Total</u> | <u>Management</u> | <u>Department directors</u> | <u>Supervisory Board</u> | <u>Total</u> |
| Key management compensation | 4,155 | 3,853 | 37 | 8,045 | 3,693 | 4,013 | 49 | 7,755 |
| Termination benefits | 119 | 10 | - | 129 | 301 | 119 | - | 420 |
| | 4,274 | 3,863 | 37 | 8,174 | 3,994 | 4,132 | 49 | 8,175 |

The key management personnel of the Group are members of the Management Board and Supervisory Board and directors of departments.

Key management compensation includes gross salary, life insurance premiums, benefits in kind, bonuses in cash and shares of the parent company, termination benefits and compensation of the Supervisory Board. The remuneration of key management in the note above includes provisions for bonuses for 2025 and 2024. The paid bonuses of key management for 2025 amount to EUR 1,385 thousand for the Company (2024: EUR 1,374 thousand) and include EUR 1,191 thousand (2024: EUR 854 thousand) of bonus paid in shares of the parent company, and for the Group EUR 1,690 thousand (2024: EUR 1,736 thousand) and include EUR 1,268 thousand (2024: EUR: 943 thousand) of bonus paid in shares of the parent company.

29. Contingent liabilities

The Group has contingent liabilities in terms of issued collection instruments in the course of its business operations. It is unlikely that significant obligations could result from the above. The group has real estate with an estimated value of EUR 203 thousand (2024: EUR 202 thousand) on which there is a lien in favor of a third party.

On account of its principal activity, the Group is subject to legal disputes initiated by injured parties. Based on the opinions of legal advisors, the Management Board has assessed which legal disputes require provisions, since it is probable that the court will not rule in the Group's favour. Legal disputes for which no provision have been

CROATIA osiguranje d.d., Zagreb
Notes to the financial statements for 2025

made and were designated as contingent liabilities, it has been estimated that the final outcome will be in favour of the Group and that no outflow of resources will occur.

Provisions for legal disputes arising from claims incurred were provided for within claims provisions. The Management Board believes that these provisions are sufficient.

30. Commitments

As at 31 December 2025, the Company's contractual obligations for future investments amount to EUR 24,973 thousand based on binding bids for investments in venture capital funds (31 December 2024: EUR 26,020 thousand).

31. Audit of financial statements

The auditors of the Group's financial statements have provided services in 2025 in the amount of EUR 484 thousand plus value added tax (2024: EUR 441 thousand plus value added tax). The Company was provided services in the amount of EUR 270 thousand plus value added tax (2024: EUR 225 thousand plus value added tax). Services in 2025 and 2024 relate to the costs of the statutory audit of annual financial statements and related audit services.

During 2025, Deloitte d.o.o. did not provide any services other than audit services. During 2024, it provided permitted educational services.

32. Events after the balance sheet date

There were no significant events after the end of the reporting period that would require disclosure.

Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

Pursuant to the Ordinance on the structure and content of financial statements and additional reports of insurance and reinsurance companies (Official Gazette 20/23, 153/25) which was issued by the Croatian Financial Services Supervisory Agency on the basis of the Insurance Act and the Accounting Act, below we present the separate and consolidated financial statements of the company CROATIA osiguranje d.d., Zagreb in the form required by the stated Ordinance.

The reconciliation between the financial statements, as prescribed by the Ordinance on the structure and content of the financial statements of insurance and reinsurance Companies, and the annual financial statements prepared in accordance with the IFRS reporting framework is presented in section entitled "Reconciliation of the financial statements and supplementary statements for the Croatian Financial Services Supervisory Agency".

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|------------------------------|------------|--|---|---------------|---------------|---|---------------|---------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 001 | 002+003 | I | INTANGIBLE ASSETS | - | 14,907,112 | 14,907,112 | - | 15,798,570 | 15,798,570 |
| 002 | | 1 | Goodwill | - | - | - | - | - | - |
| 003 | | 2 | Other intangible assets | - | 14,907,112 | 14,907,112 | - | 15,798,570 | 15,798,570 |
| 004 | 005+006+007 | II | TANGIBLE ASSETS | 1,874 | 61,542,730 | 61,544,604 | 1,874 | 62,103,633 | 62,105,507 |
| 005 | | 1 | Land and buildings occupied by an undertaking for its own activities | - | 23,930,245 | 23,930,245 | - | 23,236,277 | 23,236,277 |
| 006 | | 2 | Equipment | 1,865 | 2,912,594 | 2,914,459 | 1,865 | 3,904,150 | 3,906,015 |
| 007 | | 3 | Other tangible assets and inventories | 9 | 34,699,891 | 34,699,900 | 9 | 34,963,206 | 34,963,215 |
| 008 | 009+010+014 | III | INVESTMENTS | 359,032,108 | 955,185,980 | 1,314,218,088 | 348,397,344 | 1,117,918,377 | 1,466,315,721 |
| 009 | | A | Investments in land and buildings not occupied by an undertaking for its own activities | - | 34,914,492 | 34,914,492 | - | 35,976,374 | 35,976,374 |
| 010 | 011+012+013 | B | Investments in subsidiaries, associates and joint ventures | - | 111,010,290 | 111,010,290 | - | 112,934,346 | 112,934,346 |
| 011 | | 1 | Shares and holdings in subsidiaries | - | 107,294,051 | 107,294,051 | - | 109,218,107 | 109,218,107 |
| 012 | | 2 | Shares and holdings in associates | - | - | - | - | - | - |
| 013 | | 3 | Shares and holdings in joint ventures | - | 3,716,239 | 3,716,239 | - | 3,716,239 | 3,716,239 |
| 014 | 015+020+025 | C | Financial assets | 359,032,108 | 809,261,198 | 1,168,293,306 | 348,397,344 | 969,007,657 | 1,317,405,001 |
| 015 | 016 + 017 + 018 + 019 | 1 | Financial assets at amortised cost | 123,310,340 | 256,795,197 | 380,105,537 | 71,381,866 | 311,473,472 | 382,855,338 |
| 016 | | 1.1 | Debt financial instruments | 105,793,328 | 123,443,252 | 229,236,580 | 53,110,286 | 115,374,149 | 168,484,435 |
| 017 | | 1.2 | Deposits with credit institutions | 15,935,471 | 56,370,628 | 72,306,099 | 17,151,013 | 113,512,614 | 130,663,627 |
| 018 | | 1.3. | Loans | 1,581,541 | 65,675,598 | 67,257,139 | 1,120,567 | 82,586,709 | 83,707,276 |
| 019 | | 1.4. | Other | - | 11,305,719 | 11,305,719 | - | - | - |
| 020 | 021 + 022 + 023 + 024 | 2 | Financial assets at fair value through other comprehensive income | 202,181,919 | 492,823,908 | 695,005,827 | 235,362,842 | 571,736,818 | 807,099,660 |
| 021 | | 2.1 | Equity financial instruments | 18,497,994 | 173,198,059 | 191,696,053 | 38,284,148 | 276,106,705 | 314,390,853 |
| 022 | | 2.2 | Debt financial instruments | 183,683,925 | 319,625,849 | 503,309,774 | 197,077,819 | 295,601,814 | 492,679,633 |
| 023 | | 2.3. | Units in investment funds | - | - | - | - | - | - |
| 024 | | 2.4. | Other | - | - | - | 875 | 28,299 | 29,174 |
| 025 | 026 + 027+.... +030 | 3 | Financial assets at fair value through profit and loss account | 33,539,849 | 59,642,093 | 93,181,942 | 41,652,636 | 85,797,367 | 127,450,003 |
| 026 | | 3.1 | Equity financial instruments | - | 502,273 | 502,273 | 1,606,497 | 720,874 | 2,327,371 |
| 027 | | 3.2 | Debt financial instruments | - | - | - | 6,975,290 | 23,860,187 | 30,835,477 |
| 028 | | 3.3. | Units in investment funds | 33,393,758 | 58,615,068 | 92,008,826 | 33,054,909 | 61,122,850 | 94,177,759 |
| 029 | | 3.4. | Derivative financial instruments | - | 20,843 | 20,843 | 15,940 | 93,456 | 109,396 |
| 030 | | 3.5 | Other | 146,091 | 503,909 | 650,000 | - | - | - |
| 031 | 032 + 036 +040 | IV | ASSETS FROM INSURANCE CONTRACTS | 30,830 | 14,998,944 | 15,029,774 | 38,441 | 13,870,282 | 13,908,723 |
| 032 | 034+035+036 | 1 | General measurement model | 30,830 | 12,612,714 | 12,643,544 | 38,441 | 11,922,593 | 11,961,034 |
| 033 | | 1.1. | - Assets for remaining coverage | 30,830 | (1,262,308) | (1,231,478) | 38,441 | (1,077,035) | (1,038,594) |
| 034 | | 1.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 035 | | 1.3. | - Assets from claims incurred | - | 13,875,022 | 13,875,022 | - | 12,999,628 | 12,999,628 |
| 036 | 037+038+039 | 2 | Variable fee approach | - | - | - | - | - | - |
| 037 | | 2.1. | - Assets for remaining coverage | - | - | - | - | - | - |
| 038 | | 2.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 039 | | 2.3. | - Assets from claims incurred | - | - | - | - | - | - |
| 040 | 041 +042 +043 | 3 | Premium allocation approach | - | 2,386,230 | 2,386,230 | - | 1,947,689 | 1,947,689 |
| 041 | | 3.1. | - Assets for remaining coverage | - | 4,370,994 | 4,370,994 | - | 4,055,084 | 4,055,084 |
| 042 | | 3.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 043 | | 3.3. | - Assets from claims incurred | - | (1,984,764) | (1,984,764) | - | (2,107,395) | (2,107,395) |
| 044 | | V | ASSETS FROM REINSURANCE CONTRACTS | 1 | 53,497,827 | 53,497,828 | - | 68,558,283 | 68,558,283 |
| 045 | 046 +047 | VI | DEFERRED AND CURRENT TAX ASSETS | 552,495 | 10,578,327 | 11,130,822 | 566,114 | 8,131,160 | 8,697,274 |
| 046 | | 1 | Deferred tax assets | 552,495 | 6,190,729 | 6,743,224 | 566,114 | 5,762,317 | 6,328,431 |
| 047 | | 2 | Current tax assets | - | 4,387,598 | 4,387,598 | - | 2,368,843 | 2,368,843 |
| 048 | | VII | OTHER ASSETS | 226,222 | 30,830,225 | 31,056,447 | 484,043 | 33,097,618 | 33,581,661 |
| 049 | 050 +051 +052 | 1 | CASH AT BANK AND IN HAND | 209,548 | 1,014,661 | 1,224,209 | 484,043 | 1,330,424 | 1,814,467 |
| 050 | | 1.1 | <i>Funds in the business account</i> | - | 1,014,661 | 1,014,661 | - | 1,330,424 | 1,330,424 |
| 051 | | 1.2 | <i>Funds in the account of assets covering liabilities from life insurance contracts</i> | 209,548 | - | 209,548 | 484,043 | - | 484,043 |
| 052 | | 1.3 | <i>Cash in hand</i> | - | - | - | - | - | - |
| 053 | | 2 | Fixed assets held for sale and discontinued operations | - | - | - | - | - | - |
| 054 | | 3 | Other | 16,674 | 29,815,564 | 29,832,238 | - | 31,767,194 | 31,767,194 |
| 055 | 001+004+008 +031+044+045+048 | VIII | TOTAL ASSETS | 359,843,530 | 1,141,541,145 | 1,501,384,675 | 349,487,816 | 1,319,477,923 | 1,668,965,739 |
| 056 | | IX | OFF-BALANCE SHEET ITEMS | 1,399,439 | 43,333,601 | 44,733,040 | 1,685,467 | 39,252,008 | 40,937,475 |

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|---|---|----------------------|----------------------|---|----------------------|----------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 057 | 058+061+062 +066+067+07 1+074 | X | CAPITAL AND RESERVES | 62,023,654 | 596,349,352 | 658,373,006 | 76,212,739 | 684,271,306 | 760,484,045 |
| 058 | 059 +060 | 1 | Subscribed capital | 5,881,322 | 72,414,820 | 78,296,142 | 5,881,322 | 72,414,820 | 78,296,142 |
| 059 | | 1.1 | <i>Paid in capital - ordinary shares</i> | 5,881,322 | 72,414,820 | 78,296,142 | 5,881,322 | 72,414,820 | 78,296,142 |
| 060 | | 1.2 | <i>Paid in capital - preference shares</i> | - | - | - | - | - | - |
| 061 | | 2 | Premium on shares issued (capital reserves) | - | 90,448,275 | 90,448,275 | - | 90,448,275 | 90,448,275 |
| 062 | 063 +064 +065 | 3 | Revaluation reserves | 2,877,628 | 97,322,332 | 100,199,960 | 11,535,195 | 171,718,975 | 183,254,170 |
| 063 | | 3.1 | <i>Land and buildings</i> | - | 6,673,633 | 6,673,633 | - | 6,536,500 | 6,536,500 |
| 064 | | 3.2 | <i>Financial assets</i> | 2,877,628 | 90,648,699 | 93,526,327 | 11,534,477 | 165,159,270 | 176,693,747 |
| 065 | | 3.3 | <i>Other revaluation reserves</i> | - | - | - | 718 | 23,205 | 23,923 |
| 066 | | 4 | Financial reserves from insurance contracts | 10,986,709 | 7,123,609 | 18,110,318 | 9,415,844 | 8,206,109 | 17,621,953 |
| 067 | 068+069+070 | 5 | Reserves | 11,317,678 | 41,965,240 | 53,282,918 | 11,317,678 | 41,965,240 | 53,282,918 |
| 068 | | 5.1. | <i>Legal reserves</i> | 294,066 | 3,702,116 | 3,996,182 | 294,066 | 3,702,116 | 3,996,182 |
| 069 | | 5.2. | <i>Statutory reserve</i> | 1,003,040 | 18,455,600 | 19,458,640 | 1,003,040 | 18,455,600 | 19,458,640 |
| 070 | | 5.3. | <i>Other reserves</i> | 10,020,572 | 19,807,524 | 29,828,096 | 10,020,572 | 19,807,524 | 29,828,096 |
| 071 | 072+073 | 6 | Retained profit or loss brought forward | 20,403,653 | 232,058,966 | 252,462,619 | 31,976,182 | 250,130,721 | 282,106,903 |
| 072 | | 6.1. | <i>Retained profit</i> | 20,403,653 | 232,058,966 | 252,462,619 | 31,976,182 | 250,130,721 | 282,106,903 |
| 073 | | 6.2. | <i>Loss brought forward (-)</i> | - | - | - | - | - | - |
| 074 | 075+076 | 7 | Profit or loss for the current accounting period | 10,556,664 | 55,016,110 | 65,572,774 | 6,086,518 | 49,387,166 | 55,473,684 |
| 075 | | 7.1. | <i>Profit for the current accounting period</i> | 10,556,664 | 55,016,110 | 65,572,774 | 6,086,518 | 49,387,166 | 55,473,684 |
| 076 | | 7.2. | <i>Loss for the current accounting period (-)</i> | - | - | - | - | - | - |
| 077 | | XI | SUBORDINATE LIABILITIES | - | - | - | - | - | - |
| 078 | | XII | MINORITY INTEREST | - | - | - | - | - | - |
| 079 | 080+084+088 | XIII | LIABILITIES FROM INSURANCE CONTRACTS | 289,080,613 | 424,258,545 | 713,339,158 | 258,787,825 | 488,763,178 | 747,551,003 |
| 080 | 081+082+083 | 1 | General measurement model | 284,797,271 | 8,397,337 | 293,194,608 | 255,516,149 | 8,753,710 | 264,269,859 |
| 081 | | 1.1. | - Liabilities for remaining coverage | 274,382,306 | 8,154,302 | 282,536,608 | 244,307,170 | 8,517,626 | 252,824,796 |
| 082 | | 1.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 083 | | 1.3. | - Liabilities for claims incurred | 10,414,965 | 243,035 | 10,658,000 | 11,208,979 | 236,084 | 11,445,063 |
| 084 | 085+086+087 | 2 | Variable fee approach | 4,283,342 | - | 4,283,342 | 3,271,676 | - | 3,271,676 |
| 085 | | 2.1. | - Liabilities for remaining coverage | 2,357,008 | - | 2,357,008 | 1,735,355 | - | 1,735,355 |
| 086 | | 2.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 087 | | 2.3. | - Liabilities for claims incurred | 1,926,334 | - | 1,926,334 | 1,536,321 | - | 1,536,321 |
| 088 | 089 +090 +091 | 3 | Premium allocation approach | - | 415,861,208 | 415,861,208 | - | 480,009,468 | 480,009,468 |
| 089 | | 3.1. | - Liabilities for remaining coverage | - | 102,584,921 | 102,584,921 | - | 119,060,920 | 119,060,920 |
| 090 | | 3.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 091 | | 3.3. | - Liabilities for claims incurred | - | 313,276,287 | 313,276,287 | - | 360,948,548 | 360,948,548 |
| 092 | | XIV | LIABILITIES FROM REINSURANCE CONTRACTS | - | 6,191,184 | 6,191,184 | - | 4,405,700 | 4,405,700 |
| 093 | | XV | LIABILITY FOR INVESTMENT CONTRACTS | - | - | - | - | - | - |
| 094 | 095+096 | XVI | OTHER PROVISIONS | 367,392 | 5,378,348 | 5,745,740 | 372,739 | 6,153,387 | 6,526,126 |
| 095 | | 1 | Provisions for pensions and similar obligations | 367,392 | 5,050,720 | 5,418,112 | 372,739 | 5,825,759 | 6,198,498 |
| 096 | | 2 | Other provisions | - | 327,628 | 327,628 | - | 327,628 | 327,628 |
| 097 | 098+099 | XVII | DEFERRED AND CURRENT TAX LIABILITIES | 3,043,391 | 23,089,920 | 26,133,311 | 4,599,008 | 43,870,239 | 48,469,247 |
| 098 | | 1 | Deferred tax liability | 3,043,391 | 22,932,237 | 25,975,628 | 4,599,008 | 39,495,757 | 44,094,765 |
| 099 | | 2 | Current tax liability | - | 157,683 | 157,683 | - | 4,374,482 | 4,374,482 |
| 100 | 101+102+...+1 05 | XVIII | FINANCIAL LIABILITIES | 218,046 | 39,411,577 | 39,629,623 | 5,872 | 39,855,734 | 39,861,606 |
| 101 | | 1 | Loan liabilities | - | - | - | - | - | - |
| 102 | | 2 | Liabilities for issued financial instruments | - | - | - | - | - | - |
| 103 | | 3 | Liabilities for derivative financial instruments | 216,246 | 600,864 | 817,110 | 5,872 | 15,422 | 21,294 |
| 104 | | 4 | Liability for unpaid dividend | - | 212,811 | 212,811 | - | 534,227 | 534,227 |
| 105 | | 5 | Other financial liabilities | 1,800 | 38,597,902 | 38,599,702 | - | 39,306,085 | 39,306,085 |
| 106 | 107+108+109 | XIX | OTHER LIABILITIES | 5,110,434 | 46,862,219 | 51,972,653 | 9,509,633 | 52,158,379 | 61,668,012 |
| 107 | | 1 | Liabilities for disposal and discontinued operations | - | - | - | - | - | - |
| 108 | | 2 | Accruals and deferred income | 2,393,708 | 20,943,503 | 23,337,211 | 2,289,697 | 20,896,992 | 23,186,689 |
| 109 | | 3 | Other liabilities | 2,716,726 | 25,918,716 | 28,635,442 | 7,219,936 | 31,261,387 | 38,481,323 |
| 110 | 057+077+078 +079+092+09 3+094+097+1 00+106 | XX | TOTAL LIABILITIES | 359,843,530 | 1,141,541,145 | 1,501,384,675 | 349,487,816 | 1,319,477,923 | 1,668,965,739 |
| 111 | | XXI | OFF-BALANCE SHEET ITEMS | 1,399,439 | 43,333,601 | 44,733,040 | 1,685,467 | 39,252,008 | 40,937,475 |

Note: Item 078 to be filled in by companies preparing consolidated financial statements

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|--|---|----------------------|----------------------|---|----------------------|----------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 001 | 002 + 003 + 004 | I | Income from insurance contracts | 7,741,832 | 441,095,168 | 448,837,000 | 6,560,519 | 495,458,111 | 502,018,630 |
| 002 | | 1 | General measurement model | 7,619,410 | 2,784,538 | 10,403,948 | 6,457,496 | 2,991,494 | 9,448,990 |
| 003 | | 2 | Variable fee approach | 122,422 | - | 122,422 | 103,023 | - | 103,023 |
| 004 | | 3 | Premium allocation approach | - | 438,310,630 | 438,310,630 | - | 492,466,617 | 492,466,617 |
| 005 | 006+007+....+012 | II | Expenditure from insurance contracts | (3,057,096) | (405,586,555) | (408,643,651) | (3,749,407) | (449,759,311) | (453,508,718) |
| 006 | | 1 | Claims incurred | (839,846) | (262,324,172) | (263,164,018) | (720,176) | (294,894,290) | (295,614,466) |
| 007 | | 2 | Commissions | (518,063) | (44,371,583) | (44,889,646) | (769,656) | (52,333,461) | (53,103,117) |
| 008 | | 3 | Other expenses related to the sale of insurance | - | (45,060,070) | (45,060,070) | - | (48,909,314) | (48,909,314) |
| 009 | | 4 | Other insurance service expenses | (1,881,348) | (61,122,252) | (63,003,600) | (1,794,112) | (64,979,638) | (66,773,750) |
| 010 | | 5 | Depreciation of insurance acquisition costs | - | - | - | - | - | - |
| 011 | | 6 | Losses and reversal of losses on onerous contracts | 87,135 | (452,517) | (365,382) | (1,087) | 648,659 | 647,572 |
| 012 | | 7 | Change in liabilities for claims incurred | 95,026 | 7,744,039 | 7,839,065 | (464,376) | 10,708,733 | 10,244,357 |
| 013 | 014 + 015 | III | Net result of (passive) reinsurance contracts | 1 | (14,808,698) | (14,808,697) | - | (20,217,830) | (20,217,830) |
| 014 | | 1 | Income from (passive) reinsurance contracts | - | 46,874,406 | 46,874,406 | - | 55,420,874 | 55,420,874 |
| 015 | | 2 | Expenditure from (passive) reinsurance contracts | 1 | (61,683,104) | (61,683,103) | - | (75,638,704) | (75,638,704) |
| 016 | 001 + 005 + 013 | IV | Result from insurance contracts | 4,684,737 | 20,699,915 | 25,384,652 | 2,811,112 | 25,480,970 | 28,292,082 |
| 017 | 018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 + 034 | V | Net investment result | 10,367,434 | 48,341,922 | 58,709,356 | 7,216,510 | 46,606,304 | 53,822,814 |
| 018 | 019 + 020 + 021 + 022 | 1 | Net result from investment in land and buildings | - | 4,329,127 | 4,329,127 | - | 1,326,723 | 1,326,723 |
| 019 | | 1.1 | Rental gains/losses (net) | - | 3,564,743 | 3,564,743 | - | 1,479,167 | 1,479,167 |
| 020 | | 1.2 | Realised gains/losses (net) from property not for own use | - | (1,478) | (1,478) | - | (43,881) | (43,881) |
| 021 | | 1.3 | Unrealised gains/losses (net) from property not for own use | - | 765,862 | 765,862 | - | (108,563) | (108,563) |
| 022 | | 1.4 | Depreciation of land and buildings not occupied by an undertaking for its own activities | - | - | - | - | - | - |
| 023 | | 2 | Interest revenue calculated using the effective interest rate method | 8,641,465 | 17,117,357 | 25,758,822 | 7,543,180 | 19,308,597 | 26,851,777 |
| 024 | | 3 | Other interest income | - | 99,389 | 99,389 | - | 201 | 201 |
| 025 | | 4 | Dividend income | 1,379,824 | 22,214,728 | 23,594,552 | 2,367,582 | 20,044,079 | 22,411,661 |
| 026 | | 5 | Unrealised gains/losses (net) from financial assets at fair value through profit or loss | 1,397,169 | 1,858,015 | 3,255,184 | 592,363 | 1,067,748 | 1,660,111 |
| 027 | 028 + 029 + 030 | 6 | Realised gains/losses | (1,869,134) | 252,730 | (1,616,404) | (2,397,095) | 7,008,789 | 4,611,694 |
| 028 | | 6.1 | Realised gains/losses (net) from financial assets at fair value through profit or loss | 762,398 | 3,960,618 | 4,723,016 | 2,261,467 | 6,508,247 | 8,769,714 |
| 029 | | 6.2 | Realised gains/losses (net) from financial assets at fair value through other comprehensive income | (2,631,532) | (3,707,888) | (6,339,420) | (894,777) | 500,542 | (394,235) |
| 030 | | 6.3 | Other realised gains/losses (net) | - | - | - | (3,763,785) | - | (3,763,785) |
| 031 | | 7 | Net impairment / reversal of impairment of investments | 43,474 | 2,308,461 | 2,351,935 | 34,104 | 2,593,500 | 2,627,604 |
| 032 | | 8 | Net exchange rate differences | 372,437 | 1,158,739 | 1,531,176 | (817,059) | (3,029,316) | (3,846,375) |
| 033 | | 9 | Other income from investments | 521,495 | 1,208,739 | 1,730,234 | 130,740 | 221,361 | 352,101 |
| 034 | | 10 | Other expenditure from investments | (119,296) | (2,205,363) | (2,324,659) | (237,305) | (1,935,378) | (2,172,683) |

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|---|---|---------------------|---------------------|---|--------------------|---------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 035 | 036 + 037 + 038 | VI | Net financial expenditure from insurance and (passive) reinsurance contracts | (2,305,271) | (4,089,666) | (6,394,937) | (2,757,454) | (4,245,391) | (7,002,845) |
| 036 | | 1 | Net financial income/expenditure from insurance contracts | (2,305,271) | (4,828,977) | (7,134,248) | (2,757,453) | (5,271,778) | (8,029,231) |
| 037 | | 2 | Net financial income/expenditure from (passive) reinsurance contracts | - | 739,311 | 739,311 | (1) | 1,026,387 | 1,026,386 |
| 038 | | 3 | Change of liability for investment contracts | - | - | - | - | - | - |
| 039 | | VII | Other income | 5,943 | 14,244,130 | 14,250,073 | 10,019 | 6,775,026 | 6,785,045 |
| 040 | | VIII | Other operating expenses | (169,855) | (18,860,414) | (19,030,269) | (187,328) | (16,691,710) | (16,879,038) |
| 041 | | IX | Other financial expenses | (30,323) | (1,389,755) | (1,420,078) | (31,099) | (1,423,008) | (1,454,107) |
| 042 | | X | Share of profit of companies consolidated using equity method, net of tax | - | - | - | - | - | - |
| 043 | 001+005+013+016+017+035+039+040+041+042 | XI | Profit or loss of the accounting period before tax (+/-) | 12,552,665 | 58,946,132 | 71,498,797 | 7,061,760 | 56,502,191 | 63,563,951 |
| 044 | 045 + 046 | XII | Tax on profit or loss | (1,996,001) | (3,930,022) | (5,926,023) | (975,242) | (7,115,025) | (8,090,267) |
| 045 | | 1 | Current tax expense | (2,031,891) | (2,432,470) | (4,464,361) | (1,211,855) | (8,595,660) | (9,807,515) |
| 046 | | 2 | Deferred tax expense/ income | 35,890 | (1,497,552) | (1,461,662) | 236,613 | 1,480,635 | 1,717,248 |
| 047 | 043+ 044 | XIII | Profit or loss of the accounting period after tax (+/-) | 10,556,664 | 55,016,110 | 65,572,774 | 6,086,518 | 49,387,166 | 55,473,684 |
| 048 | | 1 | Attributable to owners of the parent | - | - | - | - | - | - |
| 049 | | 2 | Attributable to non-controlling interest | - | - | - | - | - | - |
| 050 | 051 + 056 | XIV | Other comprehensive income | (616,795) | 43,856,247 | 43,239,452 | 8,102,569 | 84,175,911 | 92,278,480 |
| 051 | 052 + 053 + 054 + 055 | 1 | Items that will not be reclassified to statement of profit or loss | 2,087,267 | 42,226,308 | 44,313,575 | 8,852,599 | 83,363,393 | 92,215,992 |
| 052 | | 1.1. | Net change in fair value of equity securities (OCI) | 2,545,447 | 48,257,260 | 50,802,707 | 10,795,852 | 101,670,690 | 112,466,542 |
| 053 | | 1.2. | Actuarial gains/losses on defined benefit pension plans | - | - | - | - | - | - |
| 054 | | 1.3. | Other | - | 3,238,238 | 3,238,238 | - | (8,016) | (8,016) |
| 055 | | 1.4. | Tax | (458,180) | (9,269,190) | (9,727,370) | (1,943,253) | (18,299,281) | (20,242,534) |
| 056 | 057 + 058 + ...+ 063 | 2 | Items that are, or may be, reclassified to statement of profit or loss | (2,704,062) | 1,629,939 | (1,074,123) | (750,030) | 812,518 | 62,488 |
| 057 | | 2.1. | Net change in fair value of debt securities (OCI) | 5,847,932 | 8,990,928 | 14,838,860 | 1,000,143 | (382,459) | 617,684 |
| 058 | | 2.2. | Exchange rate differences from translation of foreign operations | - | - | - | - | 20,429 | 20,429 |
| 059 | | 2.3. | Effects of hedging instruments | - | - | - | 875 | 28,299 | 29,174 |
| 060 | | 2.4. | Net financial income/expenditure from insurance contracts | (9,145,568) | (7,547,120) | (16,692,688) | (1,915,689) | 999,402 | (916,287) |
| 061 | | 2.5. | Net financial income/expenditure from (passive) reinsurance contracts | - | 548,152 | 548,152 | - | 320,133 | 320,133 |
| 062 | | 2.6. | Other | - | - | - | - | - | - |
| 063 | | 2.7. | Tax | 593,574 | (362,021) | 231,553 | 164,641 | (173,286) | (8,645) |
| 064 | 047+ 050 | XV | Total comprehensive income | 9,939,869 | 98,872,357 | 108,812,226 | 14,189,087 | 133,563,077 | 147,752,164 |
| 065 | | 1 | Attributable to owners of the parent | - | - | - | - | - | - |
| 066 | | 2 | Attributable to non-controlling interest | - | - | - | - | - | - |
| 067 | | XVI | Reclassification adjustments | - | - | - | - | - | - |

Note: Items 042, 065 and 066 to be filled in by companies preparing consolidated financial statements

STATEMENT OF CASH FLOWS (INDIRECT METHOD) for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Current business period | Same period of the previous year |
|-------------|-------------------------|------------|---|-------------------------|----------------------------------|
| 001 | 002+018+035 + 036 + 037 | I | CASH FLOW FROM OPERATING ACTIVITIES | 58,064,511 | 172,580,522 |
| 002 | 003+004 | 1 | Cash flow before changes in operating assets and liabilities | 18,915,651 | 24,509,703 |
| 003 | | 1.1 | Profit/loss of the accounting period | 55,473,684 | 65,572,774 |
| 004 | 005+006+.....+017 | 1.2 | Adjustments: | (36,558,033) | (41,063,071) |
| 005 | | 1.2.1 | Depreciation of property and equipment | 4,879,751 | 5,105,615 |
| 006 | | 1.2.2 | Amortization of intangible assets | 3,359,440 | 3,849,908 |
| 007 | | 1.2.3 | Loss from impairment of intangible assets | - | 466,974 |
| 008 | | 1.2.4 | Other financial cost | - | - |
| 009 | | 1.2.5 | Impairment and gains/losses on fair valuation | (4,898,012) | (7,007,876) |
| 010 | | 1.2.6 | Interest expenses | 1,454,106 | 1,420,078 |
| 011 | | 1.2.7 | Interest income | (26,851,978) | (25,858,211) |
| 012 | | 1.2.8 | Profit from the sale of branch | - | - |
| 013 | | 1.2.9 | Share in profit of associates | - | - |
| 014 | | 1.2.10 | Equity-settled share-based payment transactions | - | - |
| 015 | | 1.2.11 | Cost of income tax | 8,090,267 | 5,926,023 |
| 016 | | 1.2.12 | Profit/loss from the sale of tangible assets (including land and buildings) | (227,481) | (1,219,197) |
| 017 | | 1.2.13 | Other adjustments | (22,364,124) | (23,746,385) |
| 018 | 019+020+...+034 | 2 | Increase/decrease in operating assets and liabilities | (5,095,558) | 120,660,105 |
| 019 | | 2.1 | Increase/decrease in financial assets at fair value through other comprehensive income | 1,026,655 | 43,580,486 |
| 020 | | 2.2 | Increase/decrease in financial assets at fair value through statement of profit or loss | (32,613,017) | 47,328,335 |
| 021 | | 2.3 | Increase/decrease in financial assets at amortised cost | (944,592) | 13,988,463 |
| 022 | | 2.4 | Increase/decrease in assets/liabilities from insurance contracts | 34,416,609 | (33,507,924) |
| 023 | | 2.5 | Increase/decrease in assets/liabilities from reinsurance contracts | (16,525,806) | 1,248,080 |
| 024 | | 2.6 | Increase/decrease in tax assets | 2,433,549 | (2,550,905) |
| 025 | | 2.7 | Increase/decrease in receivables | - | - |
| 026 | | 2.8 | Increase/decrease in investments in real estate | (1,005,442) | 33,547,262 |
| 027 | | 2.9 | Increase/decrease in property for own use | - | - |
| 028 | | 2.10 | Increase/decrease in other assets | 637,147 | 4,038,774 |
| 029 | | 2.11 | Increase/decrease in liabilities from investment contracts | - | - |
| 030 | | 2.12 | Increase/decrease in other provisions | 780,386 | (1,349,373) |
| 031 | | 2.13 | Increase/decrease in tax liabilities | (2,488,114) | 2,548,426 |
| 032 | | 2.14 | Increase/decrease in financial liabilities | (508,292) | 738,138 |
| 033 | | 2.15 | Increase/decrease in other liabilities | 9,845,881 | 3,412,553 |
| 034 | | 2.16 | Increase/decrease in accruals and deferred income | (150,522) | 7,637,790 |
| 035 | | 3 | Income tax paid | (3,517,396) | (19,629,729) |
| 036 | | 4 | Interest received | 25,687,409 | 24,456,177 |
| 037 | | 5 | Dividend received | 22,074,405 | 22,584,266 |
| 038 | 039+040+...+045 | II | CASH FLOW FROM INVESTING ACTIVITIES | (8,233,954) | (53,420,757) |
| 039 | | 1 | Cash receipts from the sale of tangible assets | 489,132 | 6,904,317 |
| 040 | | 2 | Cash payments for the purchase of tangible assets | (3,072,188) | (2,172,906) |
| 041 | | 3 | Cash receipts from the sale of intangible assets | - | 39,459 |
| 042 | | 4 | Cash payments for the purchase of intangible assets | (4,250,898) | (3,496,013) |
| 043 | | 5 | Cash receipts from the sale of branches, associates and joint ventures | - | - |
| 044 | | 6 | Cash payments for the purchase of branches, associates and joint ventures | - | - |
| 045 | | 7 | Cash receipts and payments based on other investing activities | (1,400,000) | (54,695,614) |
| 046 | 047+048+...+057 | III | CASH FLOW FROM FINANCING ACTIVITIES | (49,202,406) | (118,066,875) |
| 047 | | 1 | Cash receipts resulting from the increase of initial capital | - | - |
| 048 | | 2 | Cash receipts from issuing redeemable preference shares | - | - |
| 049 | | 3 | Cash receipts from short-term and long-term loans received | - | - |
| 050 | | 4 | Cash receipts from sales of own shares | - | - |
| 051 | | 5 | Cash receipts from exercise of share options | - | - |
| 052 | | 6 | Cash payments relating to redeemable preference shares | - | - |
| 053 | | 7 | Cash payments for the repayment of short-term and long-term loans received | - | - |
| 054 | | 8 | Cash payments for the redemption of own shares | - | - |
| 055 | | 9 | Cash payments for interest | - | - |
| 056 | | 10 | Cash payments for dividend | (45,771,324) | (115,004,105) |
| 057 | | 11 | Cash payments for rental obligations | (3,431,082) | (3,062,770) |
| 058 | 001+038+046 | IV | NET CASH FLOW | 628,151 | 1,092,890 |
| 059 | | V | EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS | (37,893) | (1,531,175) |
| 060 | 058+059 | VI | NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS | 590,258 | (438,285) |
| 061 | | 1 | Cash and cash equivalents at the beginning of period | 1,224,209 | 1,662,494 |
| 062 | 060+061 | 2 | Cash and cash equivalents at the end of period | 1,814,467 | 1,224,209 |

Note: Cash flow impairing items are to be indicated with a negative sign

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

STATEMENT OF CHANGES IN EQUITY for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Item | Attributable to owners of the parent | | | | | | | | Attributable to non-controlling interests* | Total capital and reserves |
|--------------|---|--|--------------------------|----------------------|---|--|---|--------------------------|----------------------------|--|----------------------------|
| | | Paid in capital (ordinary and preference shares) | Premium on shares issued | Revaluation reserves | Financial reserves from insurance contracts | Capital reserves (legal, statutory, other) | Retained profit or loss brought forward | Profit/loss for the year | Total capital and reserves | | |
| I. | Balance as at 1 January of the previous year | 78,296,142 | 90,448,275 | 46,921,341 | 31,352,306 | 53,278,877 | 317,257,942 | 46,879,800 | 664,434,683 | - | 664,434,683 |
| 1. | Change in accounting policies | - | - | - | - | - | - | - | - | - | - |
| 2. | Correction of errors from prior periods | - | - | - | - | - | - | - | - | - | - |
| II. | Balance as at 1 January of the previous year (restated) | 78,296,142 | 90,448,275 | 46,921,341 | 31,352,306 | 53,278,877 | 317,257,942 | 46,879,800 | 664,434,683 | - | 664,434,683 |
| III. | Comprehensive income or loss for the previous year | - | - | 56,481,440 | (13,241,988) | - | - | 65,572,774 | 108,812,226 | - | 108,812,226 |
| 1. | Profit or loss for the period | - | - | - | - | - | - | 65,572,774 | 65,572,774 | - | 65,572,774 |
| 2. | Other comprehensive income or loss for the previous year | - | - | 56,481,440 | (13,241,988) | - | - | - | 43,239,452 | - | 43,239,452 |
| 2.1. | Unrealised gains or losses on tangible assets (land and buildings) | - | - | 2,655,355 | - | - | - | - | 2,655,355 | - | 2,655,355 |
| 2.2. | Unrealised gains or losses on financial assets at fair value through other comprehensive income | - | - | 48,627,762 | - | - | - | - | 48,627,762 | - | 48,627,762 |
| 2.3. | Realised gains or losses on financial assets at fair value through other comprehensive income | - | - | 5,198,323 | - | - | - | - | 5,198,323 | - | 5,198,323 |
| 2.4. | Net financial income/expenditure from insurance contracts | - | - | - | (13,691,473) | - | - | - | (13,691,473) | - | (13,691,473) |
| 2.5. | Net financial income/expenditure from (passive) reinsurance contracts | - | - | - | 449,485 | - | - | - | 449,485 | - | 449,485 |
| 2.6. | Other changes in equity unrelated to owners | - | - | - | - | - | - | - | - | - | - |
| IV. | Transactions with owners (previous period) | - | - | (3,202,821) | - | 4,041 | (64,795,323) | (46,879,800) | (114,873,903) | - | (114,873,903) |
| 1. | Increase/decrease in subscribed capital | - | - | - | - | - | - | - | - | - | - |
| 2. | Other contributions by owners | - | - | - | - | - | - | - | - | - | - |
| 3. | Payment of share in profit/dividend | - | - | - | - | - | (81,049,412) | (33,824,493) | (114,873,905) | - | (114,873,905) |
| 4. | Other distribution to owners | - | - | (3,202,821) | - | 4,041 | 16,254,089 | (13,055,307) | 2 | - | 2 |
| V. | Balance on the last day of the previous year reporting period | 78,296,142 | 90,448,275 | 100,199,960 | 18,110,318 | 53,282,918 | 252,462,619 | 65,572,774 | 658,373,006 | - | 658,373,006 |
| VI. | Balance as at 1 January of the current year | 78,296,142 | 90,448,275 | 100,199,960 | 18,110,318 | 53,282,918 | 252,462,619 | 65,572,774 | 658,373,006 | - | 658,373,006 |
| 1. | Change in accounting policies | - | - | - | - | - | - | - | - | - | - |
| 2. | Correction of errors from prior periods | - | - | - | - | - | - | - | - | - | - |
| VII. | Balance as at 1 January of the current year (restated) | 78,296,142 | 90,448,275 | 100,199,960 | 18,110,318 | 53,282,918 | 252,462,619 | 65,572,774 | 658,373,006 | - | 658,373,006 |
| VIII. | Comprehensive income or loss for the year | - | - | 92,766,845 | (488,365) | - | - | 55,473,684 | 147,752,164 | - | 147,752,164 |
| 1. | Profit or loss for the period | - | - | - | - | - | - | 55,473,684 | 55,473,684 | - | 55,473,684 |
| 2. | Other comprehensive income or loss for the year | - | - | 92,766,845 | (488,365) | - | - | - | 92,278,480 | - | 92,278,480 |
| 2.1. | Unrealised gains or losses on tangible assets (land and buildings) | - | - | (6,573) | - | - | - | - | (6,573) | - | (6,573) |
| 2.2. | Unrealised gains or losses on financial assets at fair value through other comprehensive income | - | - | 92,405,792 | - | - | - | - | 92,405,792 | - | 92,405,792 |
| 2.3. | Realised gains or losses on financial assets at fair value through other comprehensive income | - | - | 323,273 | - | - | - | - | 323,273 | - | 323,273 |
| 2.4. | Net financial income/expenditure from insurance contracts | - | - | - | (750,873) | - | - | - | (750,873) | - | (750,873) |
| 2.5. | Net financial income/expenditure from (passive) reinsurance contracts | - | - | - | 262,508 | - | - | - | 262,508 | - | 262,508 |
| 2.6. | Other changes in equity unrelated to owners | - | - | 44,353 | - | - | - | - | 44,353 | - | 44,353 |
| IX. | Transactions with owners (current period) | - | - | (9,712,635) | - | - | 29,644,284 | (65,572,774) | (45,641,125) | - | (45,641,125) |
| 1. | Increase/decrease in subscribed capital | - | - | - | - | - | - | - | - | - | - |
| 2. | Other contributions by owners | - | - | - | - | - | - | - | - | - | - |
| 3. | Payment of share in profit/dividend | - | - | - | - | - | - | (45,641,124) | (45,641,124) | - | (45,641,124) |
| 4. | Other transactions with owners | - | - | (9,712,635) | - | - | 29,644,284 | (19,931,650) | (1) | - | (1) |
| X. | Balance on the last day of the current year reporting period | 78,296,142 | 90,448,275 | 183,254,170 | 17,621,953 | 53,282,918 | 282,106,903 | 55,473,684 | 760,484,045 | - | 760,484,045 |

Note: * To be filled in by companies preparing consolidated financial statements

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|------------------------------|------------|--|---|----------------------|----------------------|---|----------------------|----------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 001 | 002+003 | I | INTANGIBLE ASSETS | 95,507 | 24,435,268 | 24,530,775 | 637,234 | 25,051,301 | 25,688,535 |
| 002 | | 1 | Goodwill | - | 3,466,503 | 3,466,503 | 510,781 | 1,741,289 | 2,252,070 |
| 003 | | 2 | Other intangible assets | 95,507 | 20,968,765 | 21,064,272 | 126,453 | 23,310,012 | 23,436,465 |
| 004 | 005+006+007 | II | TANGIBLE ASSETS | 3,306,035 | 122,512,933 | 125,818,968 | 3,270,115 | 128,636,487 | 131,906,602 |
| 005 | | 1 | Land and buildings occupied by an undertaking for its own activities | 2,340,062 | 58,705,556 | 61,045,618 | 2,294,888 | 60,032,134 | 62,327,022 |
| 006 | | 2 | Equipment | 174,651 | 20,585,406 | 20,760,057 | 172,990 | 25,809,627 | 25,982,617 |
| 007 | | 3 | Other tangible assets and inventories | 791,322 | 43,221,971 | 44,013,293 | 802,237 | 42,794,726 | 43,596,963 |
| 008 | 009+010+014 | III | INVESTMENTS | 448,280,023 | 1,050,541,428 | 1,498,821,451 | 443,547,661 | 1,215,798,517 | 1,659,346,178 |
| 009 | | A | Investments in land and buildings not occupied by an undertaking for its own activities | 2,693,941 | 149,765,245 | 152,459,186 | 2,816,576 | 167,139,276 | 169,955,852 |
| 010 | 011+012+013 | B | Investments in subsidiaries, associates and joint ventures | - | 9,868,536 | 9,868,536 | - | 10,449,007 | 10,449,007 |
| 011 | | 1 | Shares and holdings in subsidiaries | - | - | - | - | - | - |
| 012 | | 2 | Shares and holdings in associates | - | 841,326 | 841,326 | - | 925,569 | 925,569 |
| 013 | | 3 | Shares and holdings in joint ventures | - | 9,027,210 | 9,027,210 | - | 9,523,438 | 9,523,438 |
| 014 | 015+020+025 | C | Financial assets | 445,586,082 | 890,907,647 | 1,336,493,729 | 440,731,085 | 1,038,210,234 | 1,478,941,319 |
| 015 | 016 + 017 + 018 + 019 | 1 | Financial assets at amortised cost | 149,266,891 | 290,185,401 | 439,452,292 | 100,168,674 | 327,502,509 | 427,671,183 |
| 016 | | 1.1 | Debt financial instruments | 110,128,970 | 134,622,409 | 244,751,379 | 58,052,998 | 128,852,745 | 186,905,743 |
| 017 | | 1.2 | Deposits with credit institutions | 36,644,834 | 117,767,009 | 154,411,843 | 40,262,316 | 171,351,719 | 211,614,035 |
| 018 | | 1.3. | Loans | 2,493,087 | 26,490,264 | 28,983,351 | 1,853,360 | 27,298,045 | 29,151,405 |
| 019 | | 1.4. | Other | - | 11,305,719 | 11,305,719 | - | - | - |
| 020 | 021 + 022 + 023 + 024 | 2 | Financial assets at fair value through other comprehensive income | 254,192,498 | 538,912,029 | 793,104,527 | 288,718,525 | 623,293,371 | 912,011,896 |
| 021 | | 2.1 | Equity financial instruments | 18,497,994 | 173,198,109 | 191,696,103 | 38,284,148 | 276,106,756 | 314,390,904 |
| 022 | | 2.2 | Debt financial instruments | 235,694,504 | 365,713,920 | 601,408,424 | 250,433,502 | 347,142,133 | 597,575,635 |
| 023 | | 2.3. | Units in investment funds | - | - | - | - | - | - |
| 024 | | 2.4. | Other | - | - | - | 875 | 44,482 | 45,357 |
| 025 | 026 + 027+.... +030 | 3 | Financial assets at fair value through profit and loss account | 42,126,693 | 61,810,217 | 103,936,910 | 51,843,886 | 87,414,354 | 139,258,240 |
| 026 | | 3.1 | Equity financial instruments | - | 502,273 | 502,273 | 1,606,497 | 720,874 | 2,327,371 |
| 027 | | 3.2 | Debt financial instruments | - | - | - | 6,975,290 | 23,860,187 | 30,835,477 |
| 028 | | 3.3. | Units in investment funds | 41,980,602 | 60,783,192 | 102,763,794 | 43,246,159 | 62,739,837 | 105,985,996 |
| 029 | | 3.4. | Derivative financial instruments | - | 20,843 | 20,843 | 15,940 | 93,456 | 109,396 |
| 030 | | 3.5 | Other | 146,091 | 503,909 | 650,000 | - | - | - |
| 031 | 032 + 036 +040 | IV | ASSETS FROM INSURANCE CONTRACTS | 30,830 | 14,998,944 | 15,029,774 | 38,441 | 13,870,282 | 13,908,723 |
| 032 | 034+035+036 | 1 | General measurement model | 30,830 | 12,612,714 | 12,643,544 | 38,441 | 11,922,593 | 11,961,034 |
| 033 | | 1.1. | - Assets for remaining coverage | 30,830 | (1,262,308) | (1,231,478) | 38,441 | (1,077,035) | (1,038,594) |
| 034 | | 1.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 035 | | 1.3. | - Assets from claims incurred | - | 13,875,022 | 13,875,022 | - | 12,999,628 | 12,999,628 |
| 036 | 037+038+039 | 2 | Variable fee approach | - | - | - | - | - | - |
| 037 | | 2.1. | - Assets for remaining coverage | - | - | - | - | - | - |
| 038 | | 2.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 039 | | 2.3. | - Assets from claims incurred | - | - | - | - | - | - |
| 040 | 041 +042 +043 | 3 | Premium allocation approach | - | 2,386,230 | 2,386,230 | - | 1,947,689 | 1,947,689 |
| 041 | | 3.1. | - Assets for remaining coverage | - | 4,370,994 | 4,370,994 | - | 4,055,084 | 4,055,084 |
| 042 | | 3.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 043 | | 3.3. | - Assets from claims incurred | - | (1,984,764) | (1,984,764) | - | (2,107,395) | (2,107,395) |
| 044 | | V | ASSETS FROM REINSURANCE CONTRACTS | 4 | 59,140,685 | 59,140,689 | (316) | 74,013,195 | 74,012,879 |
| 045 | 046 +047 | VI | DEFERRED AND CURRENT TAX ASSETS | 538,672 | 13,982,410 | 14,521,082 | 398,667 | 12,065,724 | 12,464,391 |
| 046 | | 1 | Deferred tax assets | 538,672 | 7,879,778 | 8,418,450 | 398,667 | 7,815,400 | 8,214,067 |
| 047 | | 2 | Current tax assets | - | 6,102,632 | 6,102,632 | - | 4,250,324 | 4,250,324 |
| 048 | | VII | OTHER ASSETS | 5,228,485 | 54,706,991 | 59,935,476 | 5,302,664 | 65,286,730 | 70,589,394 |
| 049 | 050 +051 +052 | 1 | CASH AT BANK AND IN HAND | 939,795 | 7,837,061 | 8,776,856 | 1,749,263 | 14,598,312 | 16,347,575 |
| 050 | | 1.1 | <i>Funds in the business account</i> | 547,067 | 7,727,162 | 8,274,229 | 1,205,046 | 14,500,484 | 15,705,530 |
| 051 | | 1.2 | <i>Funds in the account of assets covering liabilities from life insurance contracts</i> | 392,509 | - | 392,509 | 544,041 | - | 544,041 |
| 052 | | 1.3 | <i>Cash in hand</i> | 219 | 109,899 | 110,118 | 176 | 97,828 | 98,004 |
| 053 | | 2 | Fixed assets held for sale and discontinued operations | - | 273,867 | 273,867 | - | 268,008 | 268,008 |
| 054 | | 3 | Other | 4,288,690 | 46,596,063 | 50,884,753 | 3,553,401 | 50,420,410 | 53,973,811 |
| 055 | 001+004+008 +031+044+045+048 | VIII | TOTAL ASSETS | 457,479,556 | 1,340,318,659 | 1,797,798,215 | 453,194,466 | 1,534,722,236 | 1,987,916,702 |
| 056 | | IX | OFF-BALANCE SHEET ITEMS | 1,761,345 | 47,386,120 | 49,147,465 | 2,052,106 | 44,012,657 | 46,064,763 |

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|---|---|----------------------|----------------------|---|----------------------|----------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 057 | 058+061+062 +066+067+07 1+074 | X | CAPITAL AND RESERVES | 82,658,315 | 676,297,531 | 758,955,846 | 97,241,490 | 773,019,486 | 870,260,976 |
| 058 | 059 +060 | 1 | Subscribed capital | 5,881,322 | 72,414,820 | 78,296,142 | 5,881,322 | 72,414,820 | 78,296,142 |
| 059 | | 1.1 | <i>Paid in capital - ordinary shares</i> | 5,881,322 | 72,414,820 | 78,296,142 | 5,881,322 | 72,414,820 | 78,296,142 |
| 060 | | 1.2 | <i>Paid in capital - preference shares</i> | - | - | - | - | - | - |
| 061 | | 2 | Premium on shares issued (capital reserves) | - | 90,448,275 | 90,448,275 | - | 90,448,275 | 90,448,275 |
| 062 | 063 +064 +065 | 3 | Revaluation reserves | 246,216 | 110,451,453 | 110,697,669 | 9,248,561 | 185,084,424 | 194,332,985 |
| 063 | | 3.1 | <i>Land and buildings</i> | 9,739 | 20,736,313 | 20,746,052 | - | 20,533,169 | 20,533,169 |
| 064 | | 3.2 | <i>Financial assets</i> | 236,477 | 89,693,162 | 89,929,639 | 9,247,843 | 164,492,802 | 173,740,645 |
| 065 | | 3.3 | <i>Other revaluation reserves</i> | - | 21,978 | 21,978 | 718 | 58,453 | 59,171 |
| 066 | | 4 | Financial reserves from insurance contracts | 20,294,705 | 7,160,131 | 27,454,836 | 16,909,233 | 8,508,888 | 25,418,121 |
| 067 | 068+069+070 | 5 | Reserves | 11,317,678 | 41,965,240 | 53,282,918 | 11,317,678 | 41,965,240 | 53,282,918 |
| 068 | | 5.1. | <i>Legal reserves</i> | 294,066 | 3,702,116 | 3,996,182 | 294,066 | 3,702,116 | 3,996,182 |
| 069 | | 5.2. | <i>Statutory reserve</i> | 1,003,040 | 18,455,600 | 19,458,640 | 1,003,040 | 18,455,600 | 19,458,640 |
| 070 | | 5.3. | <i>Other reserves</i> | 10,020,572 | 19,807,524 | 29,828,096 | 10,020,572 | 19,807,524 | 29,828,096 |
| 071 | 072+073 | 6 | Retained profit or loss brought forward | 31,914,426 | 305,836,672 | 337,751,098 | 44,961,676 | 318,131,521 | 363,093,197 |
| 072 | | 6.1. | <i>Retained profit</i> | 31,914,426 | 305,836,672 | 337,751,098 | 44,961,676 | 318,131,521 | 363,093,197 |
| 073 | | 6.2. | <i>Loss brought forward (-)</i> | - | - | - | - | - | - |
| 074 | 075+076 | 7 | Profit or loss for the current accounting period | 13,003,968 | 48,020,940 | 61,024,908 | 8,923,020 | 56,466,318 | 65,389,338 |
| 075 | | 7.1. | <i>Profit for the current accounting period</i> | 13,003,968 | 48,020,940 | 61,024,908 | 8,923,020 | 56,466,318 | 65,389,338 |
| 076 | | 7.2. | <i>Loss for the current accounting period (-)</i> | - | - | - | - | - | - |
| 077 | | XI | SUBORDINATE LIABILITIES | - | - | - | - | - | - |
| 078 | | XII | MINORITY INTEREST | 133,095 | 348,875 | 481,970 | 144,223 | 364,704 | 508,927 |
| 079 | 080+084+088 | XIII | LIABILITIES FROM INSURANCE CONTRACTS | 356,485,969 | 503,003,799 | 859,489,768 | 332,745,266 | 572,368,231 | 905,113,497 |
| 080 | 081+082+083 | 1 | General measurement model | 343,966,988 | 13,704,578 | 357,671,566 | 318,677,524 | 13,454,727 | 332,132,251 |
| 081 | | 1.1. | - Liabilities for remaining coverage | 332,115,703 | 13,183,272 | 345,298,975 | 306,119,459 | 12,897,874 | 319,017,333 |
| 082 | | 1.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 083 | | 1.3. | - Liabilities for claims incurred | 11,851,285 | 521,306 | 12,372,591 | 12,558,065 | 556,853 | 13,114,918 |
| 084 | 085+086+087 | 2 | Variable fee approach | 12,518,981 | - | 12,518,981 | 14,067,742 | - | 14,067,742 |
| 085 | | 2.1. | - Liabilities for remaining coverage | 10,586,775 | - | 10,586,775 | 12,530,594 | - | 12,530,594 |
| 086 | | 2.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 087 | | 2.3. | - Liabilities for claims incurred | 1,932,206 | - | 1,932,206 | 1,537,148 | - | 1,537,148 |
| 088 | 089 +090 +091 | 3 | Premium allocation approach | - | 489,299,221 | 489,299,221 | - | 558,913,504 | 558,913,504 |
| 089 | | 3.1. | - Liabilities for remaining coverage | - | 133,914,872 | 133,914,872 | - | 152,084,737 | 152,084,737 |
| 090 | | 3.2. | - Assets for insurance acquisition cash flows | - | - | - | - | - | - |
| 091 | | 3.3. | - Liabilities for claims incurred | - | 355,384,349 | 355,384,349 | - | 406,828,767 | 406,828,767 |
| 092 | | XIV | LIABILITIES FROM REINSURANCE CONTRACTS | 19,999 | 6,619,022 | 6,639,021 | - | 5,101,700 | 5,101,700 |
| 093 | | XV | LIABILITY FOR INVESTMENT CONTRACTS | - | - | - | - | - | - |
| 094 | 095+096 | XVI | OTHER PROVISIONS | 490,651 | 7,373,390 | 7,864,041 | 405,997 | 8,336,515 | 8,742,512 |
| 095 | | 1 | Provisions for pensions and similar obligations | 377,801 | 7,045,762 | 7,423,563 | 395,554 | 8,008,887 | 8,404,441 |
| 096 | | 2 | Other provisions | 112,850 | 327,628 | 440,478 | 10,443 | 327,628 | 338,071 |
| 097 | 098+099 | XVII | DEFERRED AND CURRENT TAX LIABILITIES | 3,999,791 | 33,720,920 | 37,720,711 | 5,434,031 | 55,999,678 | 61,433,709 |
| 098 | | 1 | Deferred tax liability | 3,775,203 | 30,717,321 | 34,492,524 | 5,168,497 | 47,791,738 | 52,960,235 |
| 099 | | 2 | Current tax liability | 224,588 | 3,003,599 | 3,228,187 | 265,534 | 8,207,940 | 8,473,474 |
| 100 | 101+102+...+1 05 | XVIII | FINANCIAL LIABILITIES | 1,003,707 | 48,388,208 | 49,391,915 | 798,959 | 48,116,968 | 48,915,927 |
| 101 | | 1 | Loan liabilities | - | 1,407,480 | 1,407,480 | - | 1,554,597 | 1,554,597 |
| 102 | | 2 | Liabilities for issued financial instruments | - | - | - | - | - | - |
| 103 | | 3 | Liabilities for derivative financial instruments | 216,246 | 600,864 | 817,110 | 5,872 | 15,422 | 21,294 |
| 104 | | 4 | Liability for unpaid dividend | 1,761 | 216,738 | 218,499 | 1,761 | 541,006 | 542,767 |
| 105 | | 5 | Other financial liabilities | 785,700 | 46,163,126 | 46,948,826 | 791,326 | 46,005,943 | 46,797,269 |
| 106 | 107+108+109 | XIX | OTHER LIABILITIES | 12,688,029 | 64,566,914 | 77,254,943 | 16,424,500 | 71,414,954 | 87,839,454 |
| 107 | | 1 | Liabilities for disposal and discontinued operations | - | 875 | 875 | - | 1,443 | 1,443 |
| 108 | | 2 | Accruals and deferred income | 2,538,369 | 23,592,223 | 26,130,592 | 2,556,246 | 24,274,052 | 26,830,298 |
| 109 | | 3 | Other liabilities | 10,149,660 | 40,973,816 | 51,123,476 | 13,868,254 | 47,139,459 | 61,007,713 |
| 110 | 057+077+078 +079+092+09 3+094+097+1 00+106 | XX | TOTAL LIABILITIES | 457,479,556 | 1,340,318,659 | 1,797,798,215 | 453,194,466 | 1,534,722,236 | 1,987,916,702 |
| 111 | | XXI | OFF-BALANCE SHEET ITEMS | 1,761,345 | 47,386,120 | 49,147,465 | 2,052,106 | 44,012,657 | 46,064,763 |

Note: Item 078 to be filled in by companies preparing consolidated financial statements

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|--|---|----------------------|----------------------|---|----------------------|----------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 001 | 002 + 003 + 004 | I | Income from insurance contracts | 13,995,636 | 526,815,998 | 540,811,634 | 13,862,850 | 592,937,644 | 606,800,494 |
| 002 | | 1 | General measurement model | 13,291,774 | 4,717,593 | 18,009,367 | 13,021,078 | 4,680,206 | 17,701,284 |
| 003 | | 2 | Variable fee approach | 703,862 | - | 703,862 | 841,772 | - | 841,772 |
| 004 | | 3 | Premium allocation approach | - | 522,098,405 | 522,098,405 | - | 588,257,438 | 588,257,438 |
| 005 | 006+007+...+012 | II | Expenditure from insurance contracts | (8,538,584) | (480,578,039) | (489,116,623) | (10,109,880) | (528,033,977) | (538,143,857) |
| 006 | | 1 | Claims incurred | (1,786,364) | (306,762,538) | (308,548,902) | (1,941,018) | (341,931,929) | (343,872,947) |
| 007 | | 2 | Commissions | (2,571,188) | (51,244,863) | (53,816,051) | (3,389,866) | (60,821,218) | (64,211,084) |
| 008 | | 3 | Other expenses related to the sale of insurance | - | (55,398,590) | (55,398,590) | - | (60,842,793) | (60,842,793) |
| 009 | | 4 | Other insurance service expenses | (3,510,885) | (74,511,436) | (78,022,321) | (3,515,052) | (79,687,075) | (83,202,127) |
| 010 | | 5 | Depreciation of insurance acquisition costs | - | - | - | - | - | - |
| 011 | | 6 | Losses and reversal of losses on onerous contracts | (411,894) | (395,278) | (807,172) | (538,317) | 881,849 | 343,532 |
| 012 | | 7 | Change in liabilities for claims incurred | (258,253) | 7,734,666 | 7,476,413 | (725,627) | 14,367,189 | 13,641,562 |
| 013 | 014 + 015 | III | Net result of (passive) reinsurance contracts | (49,091) | (14,561,898) | (14,610,989) | (8,225) | (22,754,345) | (22,762,570) |
| 014 | | 1 | Income from (passive) reinsurance contracts | - | 53,208,407 | 53,208,407 | 50,003 | 61,566,782 | 61,616,785 |
| 015 | | 2 | Expenditure from (passive) reinsurance contracts | (49,091) | (67,770,305) | (67,819,396) | (58,228) | (84,321,127) | (84,379,355) |
| 016 | 001 + 005 + 013 | IV | Result from insurance contracts | 5,407,961 | 31,676,061 | 37,084,022 | 3,744,745 | 42,149,322 | 45,894,067 |
| 017 | 018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 + 034 | V | Net investment result | 14,232,341 | 44,175,171 | 58,407,512 | 11,146,344 | 58,636,892 | 69,783,236 |
| 018 | 019 + 020 + 021 + 022 | 1 | Net result from investment in land and buildings | 68,419 | 14,946,416 | 15,014,835 | 74,151 | 21,437,376 | 21,511,527 |
| 019 | | 1.1. | Rental gains/losses (net) | 13,287 | 15,033,751 | 15,047,038 | 90,134 | 17,144,194 | 17,234,328 |
| 020 | | 1.2. | Realised gains/losses (net) from property not for own use | 18,742 | 9,123 | 27,865 | - | 1,999,899 | 1,999,899 |
| 021 | | 1.3. | Unrealised gains/losses (net) from property not for own use | 36,390 | (96,458) | (60,068) | (15,983) | 2,293,283 | 2,277,300 |
| 022 | | 1.4. | Depreciation of land and buildings not occupied by an undertaking for its own activities | - | - | - | - | - | - |
| 023 | | 2 | Interest revenue calculated using the effective interest rate method | 11,459,951 | 18,814,174 | 30,274,125 | 10,551,487 | 21,137,239 | 31,688,726 |
| 024 | | 3 | Other interest income | - | 99,389 | 99,389 | - | 201 | 201 |
| 025 | | 4 | Dividend income | 1,379,824 | 8,455,676 | 9,835,500 | 2,367,582 | 11,674,777 | 14,042,359 |
| 026 | | 5 | Unrealised gains/losses (net) from financial assets at fair value through profit or loss | 1,465,324 | 1,893,001 | 3,358,325 | 699,561 | 1,092,280 | 1,791,841 |
| 027 | 028 + 029 + 030 | 6 | Realised gains/losses | (1,834,437) | 303,663 | (1,530,774) | (2,379,696) | 7,024,232 | 4,644,536 |
| 028 | | 6.1. | Realised gains/losses (net) from financial assets at fair value through profit or loss | 797,095 | 3,993,086 | 4,790,181 | 2,269,476 | 6,540,571 | 8,810,047 |
| 029 | | 6.2. | Realised gains/losses (net) from financial assets at fair value through other comprehensive income | (2,631,532) | (3,689,423) | (6,320,955) | (885,387) | 483,661 | (401,726) |
| 030 | | 6.3. | Other realised gains/losses (net) | - | - | - | (3,763,785) | - | (3,763,785) |
| 031 | | 7 | Net impairment / reversal of impairment of investments | 75,221 | 550,116 | 625,337 | 23,436 | 2,102,107 | 2,125,543 |
| 032 | | 8 | Net exchange rate differences | 377,302 | 1,143,645 | 1,520,947 | (815,107) | (3,052,410) | (3,867,517) |
| 033 | | 9 | Other income from investments | 1,382,294 | 1,490,332 | 2,872,626 | 884,530 | 531,617 | 1,416,147 |
| 034 | | 10 | Other expenditure from investments | (141,557) | (3,521,241) | (3,662,798) | (259,600) | (3,310,527) | (3,570,127) |

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Sum elements | Identifier | Item | Last day of the preceding business year | | | At the reporting date of the current period | | |
|-------------|---|------------|---|---|---------------------|---------------------|---|---------------------|---------------------|
| | | | | Life | Non-life | Total | Life | Non-life | Total |
| 035 | 036 + 037 + 038 | VI | Net financial expenditure from insurance and (passive) reinsurance contracts | (3,815,922) | (5,444,901) | (9,260,823) | (4,305,048) | (5,753,987) | (10,059,035) |
| 036 | | 1 | Net financial income/expenditure from insurance contracts | (3,815,922) | (6,359,176) | (10,175,098) | (4,305,047) | (6,945,945) | (11,250,992) |
| 037 | | 2 | Net financial income/expenditure from (passive) reinsurance contracts | - | 914,275 | 914,275 | (1) | 1,191,958 | 1,191,957 |
| 038 | | 3 | Change of liability for investment contracts | - | - | - | - | - | - |
| 039 | | VII | Other income | 43,259 | 40,552,202 | 40,595,461 | 346,805 | 45,501,130 | 45,847,935 |
| 040 | | VIII | Other operating expenses | (446,117) | (56,106,646) | (56,552,763) | (550,123) | (72,748,216) | (73,298,339) |
| 041 | | IX | Other financial expenses | (57,550) | (2,022,265) | (2,079,815) | (57,922) | (1,957,218) | (2,015,140) |
| 042 | | X | Share of profit of companies consolidated using equity method, net of tax | - | 1,430,408 | 1,430,408 | - | 1,480,470 | 1,480,470 |
| 043 | 001+005+013+016+017+035+039+040+041+042 | XI | Profit or loss of the accounting period before tax (+/-) | 15,363,972 | 54,260,030 | 69,624,002 | 10,324,801 | 67,308,393 | 77,633,194 |
| 044 | 045 + 046 | XII | Tax on profit or loss | (2,345,546) | (6,190,172) | (8,535,718) | (1,393,617) | (10,782,758) | (12,176,375) |
| 045 | | 1 | Current tax expense | (2,256,282) | (5,088,833) | (7,345,115) | (1,477,098) | (12,172,745) | (13,649,843) |
| 046 | | 2 | Deferred tax expense/ income | (89,264) | (1,101,339) | (1,190,603) | 83,481 | 1,389,987 | 1,473,468 |
| 047 | 043+ 044 | XIII | Profit or loss of the accounting period after tax (+/-) | 13,018,426 | 48,069,858 | 61,088,284 | 8,931,184 | 56,525,635 | 65,456,819 |
| 048 | | 1 | Attributable to owners of the parent | 13,003,968 | 48,020,940 | 61,024,908 | 8,923,020 | 56,466,318 | 65,389,338 |
| 049 | | 2 | Attributable to non-controlling interest | 14,458 | 48,918 | 63,376 | 8,164 | 59,317 | 67,481 |
| 050 | 051 + 056 | XIV | Other comprehensive income | 211,227 | 48,166,867 | 48,378,094 | 6,644,324 | 84,924,162 | 91,568,486 |
| 051 | 052 + 053 + 054 + 055 | 1 | Items that will not be reclassified to statement of profit or loss | 2,097,306 | 46,535,859 | 48,633,165 | 8,852,599 | 83,540,972 | 92,393,571 |
| 052 | | 1.1 | Net change in fair value of equity securities (OCI) | 2,545,447 | 48,257,260 | 50,802,707 | 10,795,852 | 101,670,690 | 112,466,542 |
| 053 | | 1.2 | Actuarial gains/losses on defined benefit pension plans | - | - | - | - | - | - |
| 054 | | 1.3 | Other | 10,039 | 8,454,686 | 8,464,725 | - | 127,981 | 127,981 |
| 055 | | 1.4 | Tax | (458,180) | (10,176,087) | (10,634,267) | (1,943,253) | (18,257,699) | (20,200,952) |
| 056 | 057 + 058 + ...+ 063 | 2 | Items that are, or may be, reclassified to statement of profit or loss | (1,886,079) | 1,631,008 | (255,071) | (2,208,275) | 1,383,190 | (825,085) |
| 057 | | 2.1 | Net change in fair value of debt securities (OCI) | 9,614,579 | 9,986,689 | 19,601,268 | 1,393,694 | 12,462 | 1,406,156 |
| 058 | | 2.2 | Exchange rate differences from translation of foreign operations | 3,474 | 34,416 | 37,890 | 322 | (26,676) | (26,354) |
| 059 | | 2.3 | Effects of hedging instruments | - | - | - | 875 | 44,482 | 45,357 |
| 060 | | 2.4 | Net financial income/expenditure from insurance contracts | (12,007,207) | (8,700,297) | (20,707,504) | (3,929,870) | 1,456,627 | (2,473,243) |
| 061 | | 2.5 | Net financial income/expenditure from (passive) reinsurance contracts | - | 695,517 | 695,517 | - | 170,979 | 170,979 |
| 062 | | 2.6 | Other | - | - | - | - | - | - |
| 063 | | 2.7 | Tax | 503,075 | (385,317) | 117,758 | 326,704 | (274,684) | 52,020 |
| 064 | 047+ 050 | XV | Total comprehensive income | 13,229,653 | 96,236,725 | 109,466,378 | 15,575,508 | 141,449,797 | 157,025,305 |
| 065 | | 1 | Attributable to owners of the parent | 13,223,056 | 96,190,110 | 109,413,166 | 15,565,786 | 141,381,304 | 156,947,090 |
| 066 | | 2 | Attributable to non-controlling interest | 6,597 | 46,615 | 53,212 | 9,722 | 68,493 | 78,215 |
| 067 | | XVI | Reclassification adjustments | - | - | - | - | - | - |

Note: Items 042, 065 and 066 to be filled in by companies preparing consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) for the period 1 January 2025 – 31 December 2025

| in EUR | | | | | |
|-------------|-------------------------|------------|---|-------------------------|----------------------------------|
| Item number | Sum elements | Identifier | Item | Current business period | Same period of the previous year |
| 001 | 002+018+035 + 036 + 037 | I | CASH FLOW FROM OPERATING ACTIVITIES | 78,652,863 | 122,192,803 |
| 002 | 003+004 | 1 | Cash flow before changes in operating assets and liabilities | 47,688,707 | 42,388,323 |
| 003 | | 1.1 | Profit/loss of the accounting period | 65,456,819 | 61,088,284 |
| 004 | 005+006+.....+017 | 1.2 | Adjustments: | (17,768,112) | (18,699,961) |
| 005 | | 1.2.1 | Depreciation of property and equipment | 11,950,778 | 11,372,873 |
| 006 | | 1.2.2 | Amortization of intangible assets | 4,528,693 | 4,666,831 |
| 007 | | 1.2.3 | Loss from impairment of intangible assets | - | 466,973 |
| 008 | | 1.2.4 | Other financial cost | - | - |
| 009 | | 1.2.5 | Impairment and gains/losses on fair valuation | (1,941,243) | (5,385,542) |
| 010 | | 1.2.6 | Interest expenses | 2,015,140 | 1,958,075 |
| 011 | | 1.2.7 | Interest income | (31,688,927) | (30,373,514) |
| 012 | | 1.2.8 | Profit from the sale of branch | - | - |
| 013 | | 1.2.9 | Share in profit of associates | (1,480,470) | (1,430,408) |
| 014 | | 1.2.10 | Equity-settled share-based payment transactions | - | - |
| 015 | | 1.2.11 | Cost of income tax | 12,176,375 | 8,535,718 |
| 016 | | 1.2.12 | Profit/loss from the sale of tangible assets (including land and buildings) | (199,339) | 62,961 |
| 017 | | 1.2.13 | Other adjustments | (13,129,119) | (8,573,928) |
| 018 | 019+020+...+034 | 2 | Increase/decrease in operating assets and liabilities | (7,730,726) | 64,364,382 |
| 019 | | 2.1 | Increase/decrease in financial assets at fair value through other comprehensive income | (5,486,224) | 35,824,743 |
| 020 | | 2.2 | Increase/decrease in financial assets at fair value through statement of profit or loss | (33,541,348) | 45,189,142 |
| 021 | | 2.3 | Increase/decrease in financial assets at amortised cost | 12,468,397 | (2,421,848) |
| 022 | | 2.4 | Increase/decrease in assets/liabilities from insurance contracts | 44,271,537 | (21,220,862) |
| 023 | | 2.5 | Increase/decrease in assets/liabilities from reinsurance contracts | (16,238,532) | (1,394,005) |
| 024 | | 2.6 | Increase/decrease in tax assets | 2,056,691 | (2,986,520) |
| 025 | | 2.7 | Increase/decrease in receivables | - | - |
| 026 | | 2.8 | Increase/decrease in investments in real estate | (17,976,148) | (7,565,731) |
| 027 | | 2.9 | Increase/decrease in property for own use | - | - |
| 028 | | 2.10 | Increase/decrease in other assets | (799,704) | 4,979,935 |
| 029 | | 2.11 | Increase/decrease in liabilities from investment contracts | - | - |
| 030 | | 2.12 | Increase/decrease in other provisions | 878,471 | (621,612) |
| 031 | | 2.13 | Increase/decrease in tax liabilities | (2,882,359) | 2,533,174 |
| 032 | | 2.14 | Increase/decrease in financial liabilities | (1,042,557) | 102,448 |
| 033 | | 2.15 | Increase/decrease in other liabilities | 9,861,344 | 3,631,608 |
| 034 | | 2.16 | Increase/decrease in accruals and deferred income | 699,706 | 8,313,910 |
| 035 | | 3 | Income tax paid | (5,730,834) | (21,833,163) |
| 036 | | 4 | Interest received | 30,720,613 | 27,437,761 |
| 037 | | 5 | Dividend received | 13,705,103 | 9,835,500 |
| 038 | 039+040+...+045 | II | CASH FLOW FROM INVESTING ACTIVITIES | (19,834,077) | (16,073,436) |
| 039 | | 1 | Cash receipts from the sale of tangible assets | 702,897 | 335,637 |
| 040 | | 2 | Cash payments for the purchase of tangible assets | (13,146,704) | (9,649,188) |
| 041 | | 3 | Cash receipts from the sale of intangible assets | - | 40,578 |
| 042 | | 4 | Cash payments for the purchase of intangible assets | (6,935,634) | (4,856,178) |
| 043 | | 5 | Cash receipts from the sale of branches, associates and joint ventures | - | - |
| 044 | | 6 | Cash payments for the purchase of branches, associates and joint ventures | (454,636) | (1,944,285) |
| 045 | | 7 | Cash receipts and payments based on other investing activities | - | - |
| 046 | 047+048+...+057 | III | CASH FLOW FROM FINANCING ACTIVITIES | (51,215,936) | (120,691,319) |
| 047 | | 1 | Cash receipts resulting from the increase of initial capital | - | - |
| 048 | | 2 | Cash receipts from issuing redeemable preference shares | - | - |
| 049 | | 3 | Cash receipts from short-term and long-term loans received | 490,840 | - |
| 050 | | 4 | Cash receipts from sales of own shares | - | - |
| 051 | | 5 | Cash receipts from exercise of share options | - | - |
| 052 | | 6 | Cash payments relating to redeemable preference shares | - | - |
| 053 | | 7 | Cash payments for the repayment of short-term and long-term loans received | (340,614) | (479,945) |
| 054 | | 8 | Cash payments for the redemption of own shares | - | - |
| 055 | | 9 | Cash payments for interest | (57,100) | (54,377) |
| 056 | | 10 | Cash payments for dividend | (45,822,751) | (115,032,126) |
| 057 | | 11 | Cash payments for rental obligations | (5,486,311) | (5,124,871) |
| 058 | 001+038+046 | IV | NET CASH FLOW | 7,602,850 | (14,571,952) |
| 059 | | V | EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS | (32,131) | 151,984 |
| 060 | 058+059 | VI | NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS | 7,570,719 | (14,419,968) |
| 061 | | 1 | Cash and cash equivalents at the beginning of period | 8,776,856 | 23,196,824 |
| 062 | 060+061 | 2 | Cash and cash equivalents at the end of period | 16,347,575 | 8,776,856 |

Note: Cash flow impairing items are to be indicated with a negative sign

CROATIA osiguranje d.d., Zagreb
Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period 1 January 2025 – 31 December 2025

in EUR

| Item number | Item | Attributable to owners of the parent | | | | | | | | Attributable to non-controlling interests* | Total capital and reserves |
|--------------|---|--|--------------------------|----------------------|---|--|---|--------------------------|----------------------------|--|----------------------------|
| | | Paid in capital (ordinary and preference shares) | Premium on shares issued | Revaluation reserves | Financial reserves from insurance contracts | Capital reserves (legal, statutory, other) | Retained profit or loss brought forward | Profit/loss for the year | Total capital and reserves | | |
| I. | Balance as at 1 January of the previous year | 78,296,142 | 90,448,275 | 47,301,688 | 44,129,212 | 53,278,877 | 392,575,916 | 58,380,781 | 764,410,891 | 746,611 | 765,157,502 |
| 1. | Change in accounting policies | - | - | - | - | - | - | - | - | - | - |
| 2. | Correction of errors from prior periods | - | - | - | - | - | - | - | - | - | - |
| II. | Balance as at 1 January of the previous year (restated) | 78,296,142 | 90,448,275 | 47,301,688 | 44,129,212 | 53,278,877 | 392,575,916 | 58,380,781 | 764,410,891 | 746,611 | 765,157,502 |
| III. | Comprehensive income or loss for the previous year | - | - | 65,062,634 | (16,674,376) | - | - | 61,024,908 | 109,413,166 | 53,212 | 109,466,378 |
| 1. | Profit or loss for the period | - | - | - | - | - | - | 61,024,908 | 61,024,908 | 63,376 | 61,088,284 |
| 2. | Other comprehensive income or loss for the previous year | - | - | 65,062,634 | (16,674,376) | - | - | - | 48,388,258 | (10,164) | 48,378,094 |
| 2.1. | Unrealised gains or losses on tangible assets (land and buildings) | - | - | 6,971,864 | - | - | - | - | 6,971,864 | 3,080 | 6,974,944 |
| 2.2. | Unrealised gains or losses on financial assets at fair value through other comprehensive income | - | - | 52,854,556 | - | - | - | - | 52,854,556 | (37) | 52,854,519 |
| 2.3. | Realised gains or losses on financial assets at fair value through other comprehensive income | - | - | 5,198,324 | - | - | - | - | 5,198,324 | - | 5,198,324 |
| 2.4. | Net financial income/expenditure from insurance contracts | - | - | - | (17,246,523) | - | - | - | (17,246,523) | (14,042) | (17,260,565) |
| 2.5. | Net financial income/expenditure from (passive) reinsurance contracts | - | - | - | 572,147 | - | - | - | 572,147 | 835 | 572,982 |
| 2.6. | Other changes in equity unrelated to owners | - | - | 37,890 | - | - | - | - | 37,890 | - | 37,890 |
| IV. | Transactions with owners (previous period) | - | - | (1,666,653) | - | 4,041 | (54,824,818) | (58,380,781) | (114,868,211) | (317,853) | (115,186,064) |
| 1. | Increase/decrease in subscribed capital | - | - | - | - | - | - | - | - | - | - |
| 2. | Other contributions by owners | - | - | - | - | - | 5,137 | - | 5,137 | (289,961) | (284,824) |
| 3. | Payment of share in profit/dividend | - | - | - | - | - | (81,049,412) | (33,824,493) | (114,873,905) | (28,021) | (114,901,926) |
| 4. | Other distribution to owners | - | - | (1,666,653) | - | 4,041 | 26,219,457 | (24,556,288) | 557 | 129 | 686 |
| V. | Balance on the last day of the previous year reporting period | 78,296,142 | 90,448,275 | 110,697,669 | 27,454,836 | 53,282,918 | 337,751,098 | 61,024,908 | 758,955,846 | 481,970 | 759,437,816 |
| VI. | Balance as at 1 January of the current year | 78,296,142 | 90,448,275 | 110,697,669 | 27,454,836 | 53,282,918 | 337,751,098 | 61,024,908 | 758,955,846 | 481,970 | 759,437,816 |
| 1. | Change in accounting policies | - | - | - | - | - | - | - | - | - | - |
| 2. | Correction of errors from prior periods | - | - | - | - | - | - | - | - | - | - |
| VII. | Balance as at 1 January of the current year (restated) | 78,296,142 | 90,448,275 | 110,697,669 | 27,454,836 | 53,282,918 | 337,751,098 | 61,024,908 | 758,955,846 | 481,970 | 759,437,816 |
| VIII. | Comprehensive income or loss for the year | - | - | 93,594,467 | (2,036,715) | - | - | 65,389,338 | 156,947,090 | 78,215 | 157,025,305 |
| 1. | Profit or loss for the period | - | - | - | - | - | - | 65,389,338 | 65,389,338 | 67,481 | 65,456,819 |
| 2. | Other comprehensive income or loss for the year | - | - | 93,594,467 | (2,036,715) | - | - | - | 91,557,752 | 10,734 | 91,568,486 |
| 2.1. | Unrealised gains or losses on tangible assets (land and buildings) | - | - | 164,194 | - | - | - | - | 164,194 | 6,813 | 171,007 |
| 2.2. | Unrealised gains or losses on financial assets at fair value through other comprehensive income | - | - | 93,096,161 | - | - | - | - | 93,096,161 | (24) | 93,096,137 |
| 2.3. | Realised gains or losses on financial assets at fair value through other comprehensive income | - | - | 323,273 | - | - | - | - | 323,273 | - | 323,273 |
| 2.4. | Net financial income/expenditure from insurance contracts | - | - | - | (2,166,633) | - | - | - | (2,166,633) | 5,620 | (2,161,013) |
| 2.5. | Net financial income/expenditure from (passive) reinsurance contracts | - | - | - | 129,918 | - | - | - | 129,918 | (1,674) | 128,244 |
| 2.6. | Other changes in equity unrelated to owners | - | - | 10,839 | - | - | - | - | 10,839 | (1) | 10,838 |
| IX. | Transactions with owners (current period) | - | - | (9,959,151) | - | - | 25,342,099 | (61,024,908) | (45,641,960) | (51,258) | (45,693,218) |
| 1. | Increase/decrease in subscribed capital | - | - | - | - | - | - | - | - | - | - |
| 2. | Other contributions by owners | - | - | - | - | - | - | - | - | - | - |
| 3. | Payment of share in profit/dividend | - | - | - | - | - | - | (45,641,124) | (45,641,124) | (51,426) | (45,692,550) |
| 4. | Other transactions with owners | - | - | (9,959,151) | - | - | 25,342,099 | (15,383,784) | (836) | 168 | (668) |
| X. | Balance on the last day of the current year reporting period | 78,296,142 | 90,448,275 | 194,332,985 | 25,418,121 | 53,282,918 | 363,093,197 | 65,389,338 | 870,260,976 | 508,927 | 870,769,903 |

Note: * To be filled in by companies preparing consolidated financial statements

Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

The reconciliation between the financial statements as prescribed by the Ordinance on the structure and content of financial statements of insurance and reinsurance companies, and the annual financial statements prepared in accordance with the IFRS reporting framework is presented below.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

1. Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework

| Position description | EUR '000 | 1 | 2 | 3 | Basic financial statements | |
|--|------------------|-------|---------|----------|----------------------------|---|
| | | | | | EUR '000 | Position description |
| Income from insurance contracts | 502,019 | | | | 502,019 | Insurance revenue |
| General measurement model | 9,449 | | | | | |
| Variable fee approach | 103 | | | | | |
| Premium allocation approach | 492,467 | | | | | |
| Expenditure from insurance contracts | (453,509) | | | | (453,509) | Insurance service expenses |
| Claims incurred | (295,614) | | | | | |
| Commissions | (53,103) | | | | | |
| Other expenses related to the sale of insurance | (48,909) | | | | | |
| Other insurance service expenses | (66,774) | | | | | |
| Depreciation of insurance acquisition costs | - | | | | | |
| Losses and reversal of losses on onerous contracts | 648 | | | | | |
| Change in liabilities for claims incurred | 10,244 | | | | | |
| Net result of (passive) reinsurance contracts | (20,218) | | | | (20,218) | Net result of (passive) reinsurance contracts |
| Income from (passive) reinsurance contracts | 55,421 | | | | | |
| Expenditure from (passive) reinsurance contracts | (75,639) | | | | | |
| Result from insurance contracts | 28,292 | | | | 28,292 | Result from insurance contracts |
| Net investment result | 53,824 | | | | 53,824 | Net investment income |
| Net result from investment in land and buildings | 1,327 | | | | 1,327 | Income from investment property |
| Rental gains/losses (net) | 1,479 | | | | | |
| Realised gains/losses (net) from property not for own use | (44) | | | | | |
| Unrealised gains/losses (net) from property not for own use | (109) | | | | | |
| Depreciation of land and buildings not occupied by an undertaking for its own activities | - | | | | | |
| Interest revenue calculated using the effective interest rate method | 26,852 | | | | 26,852 | Interest revenue calculated using the effective interest rate method |
| Other interest income | - | | - | | | |
| Dividend income | 22,412 | | | (22,412) | | |
| Unrealised gains/losses (net) from financial assets at fair value through profit or loss | 1,660 | | 8,770 | | 10,430 | Net gains/losses (net) from financial assets at fair value through profit or loss |
| Realised gains/losses | 4,612 | | | | | |
| Realised gains/losses (net) from financial assets at fair value through profit or loss | 8,770 | | (8,770) | | | |
| Realised gains/losses (net) from financial assets at fair value through other comprehensive income | (394) | | | 394 | | |
| Other realised gains/losses (net) | (3,764) | | | | (3,764) | |
| Net impairment / reversal of impairment of investments | 2,628 | | | | 2,628 | Net impairment/release of impairment of financial assets |
| Net exchange rate differences | (3,846) | | | | (3,846) | Net exchange rate differences |
| Other income from investments | 352 | | | 19,845 | 20,197 | Other income/expenditure from investments |
| Other expenditure from investments | (2,173) | | | 2,173 | | |
| Net financial expenditure from insurance and (passive) reinsurance contracts | (7,003) | | | | (7,003) | Net financial result from insurance and (passive) reinsurance contracts |
| Net financial income/expenditure from insurance contracts | (8,029) | | | | (8,029) | Net financial result from insurance contracts |
| Net financial income/expenditure from (passive) reinsurance contracts | 1,026 | | | | 1,026 | Net financial result from (passive) reinsurance contracts |
| Change of liability for investment contracts | - | | | | | |
| Other income | 6,785 | (261) | | | 6,524 | Other income |
| Other operating expenses | (16,879) | 260 | | | (16,619) | Other operating expenses |
| Other financial expenses | (1,454) | | | | (1,454) | Other financial expenses |
| Share of profit of companies consolidated using equity method, net of tax | - | | | | - | |
| Profit or loss of the accounting period before tax (+/-) | 63,564 | | | | 63,564 | Profit before tax |
| Tax on profit or loss | (8,090) | | | | (8,090) | Income tax |
| Current tax expense | (9,808) | | | | | |
| Deferred tax expense/ income | 1,717 | | | | | |
| Profit or loss of the accounting period after tax (+/-) | 55,474 | | | | 55,474 | Profit for the year |

Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of these financial statements (continued)

1. Income and expenses from the sale of land and buildings are recorded on a net basis.
2. Other interest income, Realised gains/losses (net) from financial assets at fair value through profit or loss and Unrealised gains/losses (net) from financial assets at fair value through profit or loss are presented in position Net gains/losses (net) from financial assets at fair value through profit or loss.
3. Dividend income, Realised gains/losses (net) from financial assets at fair value through other comprehensive income, Other expenditure from investments and Other income from investments are presented in position Other income/expenditure from investments.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

2. Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the financial statements in accordance with the IFRS reporting framework

| Position description | EUR '000 | 1 | 2 | 3 | 4 | Basic financial statements | |
|--|------------------|-------------|------------------|----------------|----------------|----------------------------|---|
| | | | | | | EUR '000 | Position description |
| INTANGIBLE ASSETS | 15,799 | | | | | 15,799 | Intangible asset |
| Goodwill | - | | | | | | |
| Other intangible assets | 15,799 | | | | | | |
| TANGIBLE ASSETS | 62,105 | (81) | | | | 62,024 | Property at revaluation model and Property and equipment at cost model |
| Land and buildings occupied by an undertaking for its own activities | 23,236 | (81) | | | | | |
| Equipment | 3,906 | | | | | | |
| Other tangible assets and inventories | 34,963 | | | | | | |
| INVESTMENTS | 1,466,315 | | (120,727) | | | 1,345,588 | |
| Investments in land and buildings not occupied by an undertaking for its own activities | 35,976 | | | | | 35,976 | Investment property |
| Investments in subsidiaries, associates and joint ventures | 112,934 | | | | | 112,934 | Investments in subsidiaries, associates and participation in joint ventures |
| Shares and holdings in subsidiaries | 109,218 | | | | | | |
| Shares and holdings in associates | - | | | | | | |
| Shares and holdings in joint ventures | 3,716 | | | | | | |
| Financial assets | 1,317,405 | | (120,727) | | | 1,196,678 | Financial assets |
| Financial assets at amortised cost | 382,855 | | (120,727) | | | 262,128 | Financial assets at amortised cost |
| Debt financial instruments | 168,484 | | | | | | |
| Deposits with credit institutions | 130,664 | | | | | | |
| Loans | 83,707 | | | | | | |
| Other | - | | | | | | |
| Financial assets at fair value through other comprehensive income | 807,100 | | | | | 807,100 | Financial assets at fair value through other comprehensive income |
| Equity financial instruments | 314,391 | | | | | | |
| Debt financial instruments | 492,680 | | | | | | |
| Units in investment funds | - | | | | | | |
| Other | 29 | | | | | | |
| Financial assets at fair value through profit and loss account | 127,450 | | | | | 127,450 | Financial assets at fair value through profit and loss account |
| Equity financial instruments | 2,327 | | | | | | |
| Debt financial instruments | 30,835 | | | | | | |
| Units in investment funds | 94,178 | | | | | | |
| Derivative financial instruments | 109 | | | | | | |
| Other | - | | | | | | |
| ASSETS FROM INSURANCE CONTRACTS | 13,909 | | | | | 13,909 | Assets from insurance contracts |
| General measurement model | 11,961 | | | | | | |
| - Assets for remaining coverage | (1,039) | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | |
| - Assets from claims incurred | 13,000 | | | | | | |
| Variable fee approach | - | | | | | | |
| - Assets for remaining coverage | - | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | |
| - Assets from claims incurred | - | | | | | | |
| Premium allocation approach | 1,948 | | | | | | |
| - Assets for remaining coverage | 4,055 | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | |
| - Assets from claims incurred | (2,107) | | | | | | |
| ASSETS FROM REINSURANCE CONTRACTS | 68,558 | | | | | 68,558 | Assets from reinsurance contracts |
| DEFERRED AND CURRENT TAX ASSETS | 8,697 | | | | (8,697) | - | |
| Deferred tax assets | 6,328 | | | | (6,328) | - | Deferred tax assets |
| Current tax assets | 2,369 | | | | (2,369) | - | Current income tax assets |
| OTHER ASSETS | 33,581 | 81 | 120,727 | (7,044) | | 147,345 | |
| CASH AT BANK AND IN HAND | 1,814 | | 120,727 | | | 122,541 | Cash and cash equivalents |
| <i>Funds in the business account</i> | 1,330 | | | | | | |
| <i>Funds in the account of assets covering liabilities from life insurance contracts</i> | 484 | | | | | | |
| <i>Cash in hand</i> | - | | | | | | |
| Fixed assets held for sale and discontinued operations | - | | | | | | |
| Other | 31,767 | 81 | | (7,044) | | 24,804 | Trade receivables and other receivables |

CROATIA osiguranje d.d., Zagreb**Reconciliation of the financial statements and statements for the Croatian Financial Services Supervisory Agency**

| | | | | | | |
|-------------------------|-----------|---|---|---------|---------|-----------|
| TOTAL ASSETS | 1,668,964 | - | - | (7,044) | (8,697) | 1,653,224 |
| OFF-BALANCE SHEET ITEMS | 40,937 | | | | | 40,937 |

Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework (continued)

1. Inventories are recorded together with trade and other receivables.
2. Deposits with original maturity up to three months are recorded in the Cash and cash equivalents position.
3. Internal receivables are offset with corresponding liabilities in the Basic financial statements.
4. Deferred tax assets and liabilities are recorded on a net basis in the Basic financial statements.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

| Position description | EUR '000 | 1 | 2 | 3 | 4 | 5 | Basic financial statements | |
|--|------------------|--------------|----------------|----------------|----------|----------|----------------------------|--|
| | | | | | | | EUR '000 | Position description |
| CAPITAL AND RESERVES | 760,482 | | | | | | 760,482 | Capital and reserves |
| Subscribed capital | 78,296 | | | | | | 78,296 | Subscribed share capital |
| <i>Paid in capital - ordinary shares</i> | 78,296 | | | | | | | |
| <i>Paid in capital - preference shares</i> | - | | | | | | | |
| Premium on shares issued (capital reserves) | 90,448 | | | | | | 90,448 | Premium on issued shares |
| Revaluation reserves | 183,254 | | | | 17,622 | | 200,876 | Revaluation reserve |
| <i>Land and buildings</i> | 6,536 | | | | | | | |
| <i>Financial assets</i> | 176,694 | | | | | | | |
| <i>Other revaluation reserves</i> | 24 | | | | | | | |
| Financial reserves from insurance contracts | 17,622 | | | | (17,622) | | - | |
| Reserves | 53,283 | | | | | | 53,283 | Reserves |
| <i>Legal reserves</i> | 3,996 | | | | | | | |
| <i>Statutory reserve</i> | 19,459 | | | | | | | |
| <i>Other reserves</i> | 29,828 | | | | | | | |
| Retained profit or loss brought forward | 282,105 | | | | | 55,474 | 337,579 | Retained earnings |
| <i>Retained profit</i> | 282,105 | | | | | 55,474 | | |
| <i>Loss brought forward (-)</i> | - | | | | | | | |
| Profit or loss for the current accounting period | 55,474 | | | | | (55,474) | - | |
| <i>Profit for the current accounting period</i> | 55,474 | | | | | (55,474) | | |
| <i>Loss for the current accounting period (-)</i> | - | | | | | | | |
| SUBORDINATE LIABILITIES | - | | | | | | - | |
| MINORITY INTEREST | - | | | | | | - | |
| LIABILITIES FROM INSURANCE CONTRACTS | 747,551 | | | | | | 747,551 | Liabilities from insurance contracts |
| General measurement model | 264,270 | | | | | | | |
| - Liabilities for remaining coverage | 252,825 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 11,445 | | | | | | | |
| Variable fee approach | 3,271 | | | | | | | |
| - Liabilities for remaining coverage | 1,735 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 1,536 | | | | | | | |
| Premium allocation approach | 480,010 | | | | | | | |
| - Liabilities for remaining coverage | 119,061 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 360,949 | | | | | | | |
| LIABILITIES FROM REINSURANCE CONTRACTS | 4,406 | | | | | | 4,406 | Liabilities from reinsurance contracts |
| LIABILITY FOR INVESTMENT CONTRACTS | - | | | | | | | |
| OTHER PROVISIONS | 6,526 | (328) | | | | | 6,198 | Provisions |
| Provisions for pensions and similar obligations | 6,198 | | | | | | | |
| Other provisions | 328 | (328) | | | | | | |
| DEFERRED AND CURRENT TAX LIABILITIES | 48,469 | | | (8,697) | | | 39,772 | |
| Deferred tax liability | 44,095 | | | (6,328) | | | 37,767 | Deferred tax liability |
| Current tax liability | 4,374 | | | (2,369) | | | 2,005 | Current income tax liability |
| FINANCIAL LIABILITIES | 39,861 | | | | | | 39,861 | |
| Loan liabilities | - | | | | | | | |
| Liabilities for issued financial instruments | - | | | | | | | |
| Liabilities for derivative financial instruments | 21 | | | | | | | |
| Liability for unpaid dividend | 534 | | | | | | | |
| Other financial liabilities | 39,306 | | | | | | | |
| OTHER LIABILITIES | 61,668 | 328 | (7,042) | | | | 54,954 | Accounts payable and other liabilities |
| Liabilities for disposal and discontinued operations | - | | | | | | | |
| Accruals and deferred income | 23,187 | | | | | | | |
| Other liabilities | 38,481 | 328 | | | | | | |
| TOTAL LIABILITIES | 1,668,964 | - | (7,042) | (8,697) | - | - | 1,653,224 | |
| OFF-BALANCE SHEET ITEMS | 40,937 | | | | | | 40,937 | |

1. In the Basic financial statements, Other provisions are recorded within position Accounts payable and other liabilities.
2. Internal liabilities are offset with corresponding receivables in the Basic financial statements.
3. Deferred tax assets and liabilities are offset in the Basic financial statements.
4. In the Basic financial statements, Financial reserves from insurance contracts is recorded on position Revaluation reserves.
5. Profit or loss for the current accounting period is presented together with retained earnings in the Basic financial statements.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

3. Reconciliation of the consolidated statement of comprehensive income prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework

| Position description | EUR '000 | 1 | 2 | 3 | Basic financial statements | |
|--|------------------|-------|---------|----------|----------------------------|--|
| | | | | | EUR '000 | Position description |
| Income from insurance contracts | 606,800 | | | | 606,800 | Insurance revenue |
| General measurement model | 17,701 | | | | | |
| Variable fee approach | 842 | | | | | |
| Premium allocation approach | 588,257 | | | | | |
| Expenditure from insurance contracts | (538,145) | | | | (538,145) | Insurance service expenses |
| Claims incurred | (343,875) | | | | | |
| Commissions | (64,211) | | | | | |
| Other expenses related to the sale of insurance | (60,843) | | | | | |
| Other insurance service expenses | (83,202) | | | | | |
| Depreciation of insurance acquisition costs | - | | | | | |
| Losses and reversal of losses on onerous contracts | 344 | | | | | |
| Change in liabilities for claims incurred | 13,642 | | | | | |
| Net result of (passive) reinsurance contracts | (22,763) | | | | (22,763) | Net result of (passive) reinsurance contracts |
| Income from (passive) reinsurance contracts | 61,616 | | | | | |
| Expenditure from (passive) reinsurance contracts | (84,379) | | | | | |
| Result from insurance contracts | 45,892 | | | | 45,892 | Result from insurance contracts |
| Net investment result | 69,783 | | | | 69,783 | Net investment income |
| Net result from investment in land and buildings | 21,512 | | | | 21,512 | Income from investment property |
| Rental gains/losses (net) | 17,234 | | | | | |
| Realised gains/losses (net) from property not for own use | 2,000 | | | | | |
| Unrealised gains/losses (net) from property not for own use | 2,277 | | | | | |
| Depreciation of land and buildings not occupied by an undertaking for its own activities | - | | | | | |
| Interest revenue calculated using the effective interest rate method | 31,689 | | | | 31,689 | Interest revenue calculated using the effective interest rate method |
| Other interest income | - | | | | | |
| Dividend income | 14,042 | | | (14,042) | | |
| Unrealised gains/losses (net) from financial assets at fair value through profit or loss | 1,792 | | 8,810 | | 10,602 | Realised gains/losses (net) from financial assets at fair value through profit or loss |
| Realised gains/losses | 4,644 | | | | | |
| Realised gains/losses (net) from financial assets at fair value through profit or loss | 8,810 | | (8,810) | | | |
| Realised gains/losses (net) from financial assets at fair value through other comprehensive income | (402) | | | 402 | | |
| Other realised gains/losses (net) | (3,764) | | | | (3,764) | |
| Net impairment / reversal of impairment of investments | 2,126 | | | | 2,126 | Net impairment/release of impairment of financial assets |
| Net exchange rate differences | (3,868) | | | | (3,868) | Net exchange rate differences |
| Other income from investments | 1,417 | | | 10,070 | 11,487 | Other income/expenditure from investments |
| Other expenditure from investments | (3,570) | | | 3,570 | | |
| Net financial expenditure from insurance and (passive) reinsurance contracts | (10,059) | | | | (10,059) | Net financial result from insurance and (passive) reinsurance contracts |
| Net financial income/expenditure from insurance contracts | (11,251) | | | | (11,251) | Net financial result from insurance contracts |
| Net financial income/expenditure from (passive) reinsurance contracts | 1,192 | | | | 1,192 | Net financial result from (passive) reinsurance contracts |
| Change of liability for investment contracts | - | | | | | |
| Other income | 45,848 | (511) | | | 45,337 | Other income |
| Other operating expenses | (73,298) | 510 | | | (72,788) | Other operating expenses |
| Other financial expenses | (2,015) | | | | (2,015) | Other financial expenses |
| Share of profit of companies consolidated using equity method, net of tax | 1,480 | | | | 1,480 | Share of profit of companies consolidated using equity method, net of tax |
| Profit or loss of the accounting period before tax (+/-) | 77,631 | | | | 77,631 | Profit before tax |
| Tax on profit or loss | (12,175) | | | | (12,175) | Income tax |
| Current tax expense | (13,648) | | | | | |
| Deferred tax expense/ income | 1,473 | | | | | |
| Profit or loss of the accounting period after tax (+/-) | 65,456 | | | | 65,456 | Profit for the year |

Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of these financial statements (continued)

1. Income and expenses from the sale of land and buildings are recorded on a net basis.
2. Other interest income, Realised gains/losses (net) from financial assets at fair value through profit or loss and Unrealised gains/losses (net) from financial assets at fair value through profit or loss are presented in position Net gains/losses (net) from financial assets at fair value through profit or loss.
3. Dividend income, Realised gains/losses (net) from financial assets at fair value through other comprehensive income, Other expenditure from investments and Other income from investments are presented in position Other income/expenditure from investments.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

4. Reconciliation of the consolidated statement of financial position prepared in accordance with the HANFA format and the financial statements in accordance with the IFRS reporting framework

| Position description | EUR '000 | 1 | 2 | 3 | 4 | 5 | Basic financial statements | |
|--|------------------|--------------|------------------|--------------|-----------------|-----------------|----------------------------|---|
| | | | | | | | EUR '000 | Position description |
| INTANGIBLE ASSETS | 25,689 | | | | | | 25,689 | Intangible asset |
| Goodwill | 2,253 | | | | | | | |
| Other intangible assets | 23,436 | | | | | | | |
| TANGIBLE ASSETS | 131,907 | (434) | | | | | 131,473 | Property at revaluation model and Property and equipment at cost model |
| Land and buildings occupied by an undertaking for its own activities | 62,327 | (434) | | | | | | |
| Equipment | 25,983 | | | | | | | |
| Other tangible assets and inventories | 43,597 | | | | | | | |
| INVESTMENTS | 1,659,345 | | (136,607) | | | | 1,522,738 | |
| Investments in land and buildings not occupied by an undertaking for its own activities | 169,956 | | | | | | 169,956 | Investment property |
| Investments in subsidiaries, associates and joint ventures | 10,449 | | | | | | 10,449 | Investments in subsidiaries, associates and participation in joint ventures |
| Shares and holdings in subsidiaries | - | | | | | | | |
| Shares and holdings in associates | 926 | | | | | | | |
| Shares and holdings in joint ventures | 9,523 | | | | | | | |
| Financial assets | 1,478,940 | | (136,607) | | | | 1,342,333 | Financial assets |
| Financial assets at amortised cost | 427,671 | | (136,607) | | | | 291,064 | Financial assets at amortised cost |
| Debt financial instruments | 186,906 | | | | | | | |
| Deposits with credit institutions | 211,614 | | (136,607) | | | | | |
| Loans | 29,151 | | | | | | | |
| Other | - | | | | | | | |
| Financial assets at fair value through other comprehensive income | 912,012 | | | | | | 912,012 | Financial assets at fair value through other comprehensive income |
| Equity financial instruments | 314,391 | | | | | | | |
| Debt financial instruments | 597,576 | | | | | | | |
| Units in investment funds | - | | | | | | | |
| Other | 45 | | | | | | | |
| Financial assets at fair value through profit and loss account | 139,257 | | | | | | 139,257 | Financial assets at fair value through profit and loss account |
| Equity financial instruments | 2,327 | | | | | | | |
| Debt financial instruments | 30,835 | | | | | | | |
| Units in investment funds | 105,986 | | | | | | | |
| Derivative financial instruments | 109 | | | | | | | |
| Other | - | | | | | | | |
| ASSETS FROM INSURANCE CONTRACTS | 13,909 | | | | | | 13,909 | Assets from insurance contracts |
| General measurement model | 11,961 | | | | | | | |
| - Assets for remaining coverage | (1,039) | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Assets from claims incurred | 13,000 | | | | | | | |
| Variable fee approach | - | | | | | | | |
| - Assets for remaining coverage | - | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Assets from claims incurred | - | | | | | | | |
| Premium allocation approach | 1,948 | | | | | | | |
| - Assets for remaining coverage | 4,055 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Assets from claims incurred | (2,107) | | | | | | | |
| ASSETS FROM REINSURANCE CONTRACTS | 74,013 | | | | | | 74,013 | Assets from reinsurance contracts |
| DEFERRED AND CURRENT TAX ASSETS | 12,464 | | | | | (10,932) | 1,532 | |
| Deferred tax assets | 8,214 | | | | | (6,686) | 1,528 | Deferred tax assets |
| Current tax assets | 4,250 | | | | | (4,246) | 4 | Current income tax assets |
| OTHER ASSETS | 70,590 | 434 | 136,607 | - | (15,806) | | 191,825 | |
| CASH AT BANK AND IN HAND | 16,348 | | 136,607 | | | | 152,955 | Cash and cash equivalents |
| <i>Funds in the business account</i> | 15,706 | | 136,607 | | | | | |
| <i>Funds in the account of assets covering liabilities from life insurance contracts</i> | 544 | | | | | | | |
| <i>Cash in hand</i> | 98 | | | | | | | |
| Fixed assets held for sale and discontinued operations | 268 | | | (268) | | | | |
| Other | 53,974 | 434 | | 268 | (15,806) | | 38,870 | Trade receivables and other receivables |
| TOTAL ASSETS | 1,987,917 | - | - | - | (15,806) | (10,932) | 1,961,179 | |
| OFF-BALANCE SHEET ITEMS | 46,065 | | | | | | 46,065 | |

Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework (continued)

1. Inventories are recorded together with trade and other receivables in the Basic financial statements.
2. Deposits with contractual maturity up to 3 months are recorded together with cash and cash equivalents in the Basic financial statements.
3. Fixed assets held for sale and discontinued operations is recorded on the position Trade and other receivables in the Basic financial statements.
4. Internal receivables are offset with corresponding liabilities in the Basic financial statements.
5. Deferred and current tax assets and liabilities are recorded on a net basis in the Basic financial statements.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services
Supervisory Agency

| Position description | EUR '000 | 1 | 2 | 3 | 4 | 5 | Basic financial statements | |
|--|------------------|--------------|-----------------|-----------------|----------|----------|----------------------------|--|
| | | | | | | | EUR '000 | Position description |
| CAPITAL AND RESERVES | 870,261 | | | | | | 870,261 | Capital and reserves |
| Subscribed capital | 78,296 | | | | | | 78,296 | Subscribed share capital |
| Paid in capital - ordinary shares | 78,296 | | | | | | | |
| Paid in capital - preference shares | - | | | | | | | |
| Premium on shares issued (capital reserves) | 90,448 | | | | | | 90,448 | Premium on issued shares |
| Revaluation reserves | 194,333 | | | | 25,418 | | 219,751 | Revaluation reserve |
| Land and buildings | 20,533 | | | | | | | |
| Financial assets | 173,741 | | | | | | | |
| Other revaluation reserves | 59 | | | | | | | |
| Financial reserves from insurance contracts | 25,418 | | | | (25,418) | | - | |
| Reserves | 53,283 | | | | | | 53,283 | Reserves |
| Legal reserves | 3,996 | | | | | | | |
| Statutory reserve | 19,459 | | | | | | | |
| Other reserves | 29,828 | | | | | | | |
| Retained profit or loss brought forward | 363,094 | | | | | 65,389 | 428,483 | Retained earnings |
| Retained profit | 363,094 | | | | | 65,389 | | |
| Loss brought forward (-) | - | | | | | | | |
| Profit or loss for the current accounting period | 65,389 | | | | | (65,389) | | |
| Profit for the current accounting period | 65,389 | | | | | (65,389) | | |
| Loss for the current accounting period (-) | - | | | | | | | |
| SUBORDINATE LIABILITIES | - | | | | | | | |
| MINORITY INTEREST | 509 | | | | | | 509 | |
| LIABILITIES FROM INSURANCE CONTRACTS | 905,113 | | | | | | 905,113 | Liabilities from insurance contracts |
| General measurement model | 332,131 | | | | | | | |
| - Liabilities for remaining coverage | 319,016 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 13,115 | | | | | | | |
| Variable fee approach | 14,068 | | | | | | | |
| - Liabilities for remaining coverage | 12,531 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 1,537 | | | | | | | |
| Premium allocation approach | 558,914 | | | | | | | |
| - Liabilities for remaining coverage | 152,085 | | | | | | | |
| - Assets for insurance acquisition cash flows | - | | | | | | | |
| - Liabilities for claims incurred | 406,829 | | | | | | | |
| LIABILITIES FROM REINSURANCE CONTRACTS | 5,102 | | | | | | 5,102 | Liabilities from reinsurance contracts |
| LIABILITY FOR INVESTMENT CONTRACTS | - | | | | | | | |
| OTHER PROVISIONS | 8,742 | (338) | | | | | 8,404 | Provisions |
| Provisions for pensions and similar obligations | 8,404 | | | | | | | |
| Other provisions | 338 | (338) | | | | | | |
| DEFERRED AND CURRENT TAX LIABILITIES | 61,433 | | | (10,932) | | | 50,501 | |
| Deferred tax liability | 52,960 | | | (6,686) | | | 46,274 | Deferred tax liability |
| Current tax liability | 8,473 | | | (4,246) | | | 4,227 | Current income tax liability |
| FINANCIAL LIABILITIES | 48,916 | | | | | | 48,916 | |
| Loan liabilities | 1,555 | | | | | | | |
| Liabilities for issued financial instruments | - | | | | | | | |
| Liabilities for derivative financial instruments | 21 | | | | | | | |
| Liability for unpaid dividend | 543 | | | | | | | |
| Other financial liabilities | 46,797 | | | | | | | |
| OTHER LIABILITIES | 87,839 | 338 | (15,803) | | | | 72,374 | Accounts payable and other liabilities |
| Liabilities for disposal and discontinued operations | 1 | | | | | | | |
| Accruals and deferred income | 26,830 | | | | | | | |
| Other liabilities | 61,008 | 338 | | | | | | |
| TOTAL LIABILITIES | 1,987,915 | - | (15,803) | (10,932) | | | 1,961,180 | |
| OFF-BALANCE SHEET ITEMS | 46,065 | | | | | | 46,065 | |

1. In the Basic financial statements, Other provisions are recorded within position Accounts payable and other liabilities.
2. Internal liabilities are offset with corresponding receivables in the Basic financial statements.
3. Deferred and current tax assets and liabilities are offset in the Basic financial statements.
4. In the Basic financial statements, Financial reserves from insurance contracts is recorded on position Revaluation reserves.
5. Profit or loss for the current accounting period is presented together with retained earnings in the financial statements prepared in accordance with the IFRS reporting framework.

Statement of cash flow

The statement of cash flows has been prepared in accordance with the Ordinance on the structure and content of financial statements of insurance and reinsurance companies ("the Ordinance") but its presentation differs from the statement of cash flows in the financial statements.

The main differences in presentation are described below:

1. Differences in the statement of cash flows in the financial statements prepared in accordance with the IFRS reporting framework and the statement of cash flows under the Ordinance arise due to differences in the relevant positions of assets and liabilities due to the different presentation in the financial statements compared to the Ordinance. These differences are presented in the adjustments of the statement of financial position (balance sheet).
2. Cash and cash equivalents at the beginning and end of the period presented in the Basic financial statements include deposits with contractual maturity up to 3 months as opposed to cash and cash equivalents at the beginning and end of the period presented in the statement of cash flows under the Ordinance.

Statement of changes in equity

In the statements under the Ordinance, profit/loss for the current year is presented in the eponymous column and in the subsequent period, upon adoption of the Decision of the General Assembly and the Supervisory Board, profit/loss is transferred through Other non-owner changes in equity to Retained earnings, while in the Basic financial statements it is presented under Retained earnings.



**CROATIA[®]
OSIGURANJE**

Management
Board

CROATIA osiguranje d.d.
Vatroslava Jagića 33, 10 000 Zagreb
www.crosig.hr

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of CROATIA osiguranja d.d. from 31 May 2023 and article 462 of the Capital Market Law (Official Gazette No. 65/18, 17/20, 83/21, 151/22, 85/24, 126/25), the Management Board provides this

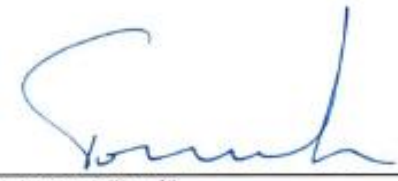
STATEMENT


That to the best of our knowledge:


- the set of audited unconsolidated financial statements of the issuer for 2025, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position and profit or loss of the issuer,
- the management report presents an objective view of the development, business results and position of the issuer with description of significant risks and uncertainties to which the issuer is exposed and contains a sustainability report that has been compiled in accordance with sustainability reporting standards as regulated by the implementing acts of the European Commission and delegated acts adopted in accordance with Article 8, paragraph 4 of Regulation (EU) 2020/852.

Zagreb, 7 April 2026


Luka Babić
Member of the Management Board


Davor Tomašković
President of the Management Board


Vesna Sanjković
Member of the Management Board


Robert Vučković
Member of the Management Board





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MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of CROATIA osiguranja d.d. from 31 May 2023 and article 462 of the Capital Market Law (Official Gazette No. 65/18, 17/20, 83/21, 151/22, 85/24, 126/25), the Management Board provides this

STATEMENT

That to the best of our knowledge:

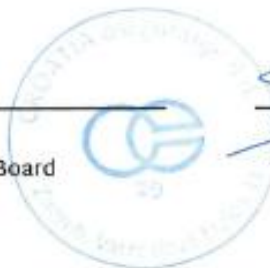
- the set of audited consolidated financial statements of the issuer for the 2025, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position and profit or loss of the issuer and entities included in consolidation,
- the management report presents an objective view of the development, business results and position of the issuer and entities included in consolidation with description of significant risks and uncertainties to which they are exposed and contains a consolidated sustainability report that has been compiled in accordance with sustainability reporting standards as regulated by the implementing acts of the European Commission and delegated acts adopted in accordance with Article 8, paragraph 4 of Regulation (EU) 2020/852.

Zagreb, 7 April 2026

Luka Babić
Member of the Management Board

Davor Tomašković
President of the Management Board

Vesna Sanjković
Member of the Management Board



Robert Vučković
Member of the Management Board

Pursuant to the provision of the Article 300b, 300c and 300d of the Companies Act and Article 26 of the Articles of Association of CROATIA osiguranje d.d. as of 31 May 2023, the Supervisory Board of the Company, at its 47th session, held in Zagreb on 7 April 2026, adopts:

Decision

on giving consent to the Consolidated and unconsolidated financial statements for 2025

Article 1

It is established that the Management Board of the Company, in accordance with the provisions of Article 300 b of the Companies Act, submitted for approval to the Supervisory Board of the Company the Consolidated and unconsolidated financial statements for the year 2025, audited by the auditing company Deloitte d.o.o.

Article 2

The Supervisory Board hereby consents to the Consolidated and unconsolidated financial statements for 2025 which were adopted by the Management Board of the Company through Decision No. UP/SFIR/10/2026, dated April 7, 2026.

Article 3

Pursuant to the provision of Article 300 d of the Companies Act, by obtaining the consent of the Supervisory Board of the Company on the Consolidated and unconsolidated financial statements of the Company for the year 2025, they have been approved by the Management Board and the Supervisory Board of the Company.

Article 4

This Decision enter into force on the day of its issuance.

President of the Supervisory Board

Roberto Škopac

Pursuant to Article 20 of the Articles of Association of CROATIA osiguranje d.d. of 31 May 2023, the Management Board of the Company, at its 149th session, held in Zagreb on 7 April 2026, adopts:

Decision

**on the adoption of the Management Report for 2025, including Sustainability report,
Corporate Governance Report,
Consolidated and unconsolidated financial statements for 2025 and
Statements prescribed by the Ordinance on the structure and content of financial and additional
reports of insurance and reinsurance companies**

Article 1.

The following is adopted:

1. Management Report for 2025 (including Sustainability report), which in terms of the Companies Act is the Annual Report on the condition of the Company and the Group;
2. Corporate Governance Report, which in terms of the Companies Act is the Corporate Governance Statement;
3. Consolidated and unconsolidated financial statements for 2025;
4. Statements prescribed by the Ordinance on the structure and content of financial and additional reports of insurance and reinsurance companies (hereinafter referred to as the "Ordinance"); compiled pursuant to Articles 250.a and 250.b of the Companies Act, Article 190 of the Insurance Act and Article 21 of the Accounting Act and are attached to this Decision and form an integral part thereof.

Article 2.

Consolidated and unconsolidated financial statements for 2025, according to accounting regulations, consist of:

1. Statement of financial position as at 31 December 2025;
2. Statement of comprehensive income for 2025;
3. Statement of changes in equity for 2025;
4. Cash flow statement for 2025;
5. Notes to the financial statements.



Article 3.

Statements according to the Ordinance, consist of:

1. Financial statements using the forms prescribed by the Ordinance
2. Reconciliation between financial reports prepared in accordance with accounting regulations and statements prepared in accordance with the Ordinance.

Article 4.

The reports referred to in Article 1, which include the consolidated and unconsolidated financial statements for 2025, together with the Independent Auditor's Report of Deloitte d.o.o. and the Proposal of the Decision on the utilization of the Company's profit for 2025 will be submitted to the Supervisory Board according to Articles 300.b, 300.c and 300.d of the Companies Act.

Article 5.

The following are in charge of the implementation of this Decision:

- Sector for Finance and Accounting, as the holder of implementation and
- Sector for Legal Affairs.

This Decision shall be delivered to:

- Sector for Finance and Accounting and
- Sector for Legal Affairs.

Article 6.

There is no need for IT resources for the purpose of implementation of this Decision.

The deadline for the implementation of this Decision is 30 September 2026.

This Decision shall enter into force on the day of its adoption.

Explanation

Pursuant to the Accounting Act (Official Gazette No. 85/24, 145/24 and 151/25), Article 250.a and 250.b Of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 152/11, 111/12, 144/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23 and 136/24) and Article 190 of the Insurance Act (Official Gazette No. 30/15, 112/18, 63/20, 133/20, 151/22, 152/24 and 151/25), the Management Report for 2025, including Sustainability report, Corporate Governance Report, the Consolidated and unconsolidated Financial Statements and the Statements prescribed by the Ordinance on the structure and content of financial and additional reports of insurance and reinsurance companies were prepared (Official Gazette No. 20/23, 153/25), of Croatian financial services supervisory Agency and the same were adopted by this Decision.

Member of the Management Board

Luka Babić

President of the Management Board

Davor Tomašković



Pursuant to Article 26, paragraph 2 of the Articles of Association of CROATIA osiguranje d.d., the Supervisory Board of the Company, at its 47th session, held in Zagreb on 7 April 2026, adopts:

Decision

on giving consent to the Proposal of the Decision on the Utilization of the Profit of CROATIA osiguranje d.d. realized in 2025

Article 1

It is established that the Management Board of the Company, at its 149th session held on April 7, 2026, adopted the Decision on determining the Proposal of the Decision on dividend payment from retained earnings, number: UP/SFIR/11/2026, which is attached to this Decision and constitutes as an integral part thereof.

Article 2

The Supervisory Board hereby consents to the text of the Proposal of the Decision on the Utilization of the Profit of CROATIA osiguranje d.d. realized in 2025 as stated in the decision of the Management Board referred to in Article 1 of this Decision and proposes that the General Assembly of CROATIA osiguranje d.d. adopts the same.

Article 3

This Decision enter into force on the day of its issuance.

President of the Supervisory Board
Roberto Škopac

Pursuant to Article 20 of the Articles of Association of CROATIA osiguranje d.d. as of 31 May 2023, the Management Board of the Company, at its 149th session, held in Zagreb on 7 April 2026, adopts:

Decision on determining the Proposal of the Decision

on the Utilization of the Profit of CROATIA osiguranje d.d. realized in 2025

Article 1.

The proposal of the decision on the utilization of the profit of CROATIA osiguranje d.d. realized in 2025 is determined with the following content:

„Pursuant to the provision of Article 275, paragraph 1, item 2 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, 136/24) and Article 32 of the Articles of Association of CROATIA osiguranje d.d. as of 31 May 2023, the 60th General Assembly of CROATIA osiguranje d.d., held on 9 June 2026, issued the following

Decision

on the Utilization of the Profit of CROATIA osiguranje d.d. realized in 2025

Article 1.

It is established that CROATIA osiguranje d.d. realized a profit (after taxation) in the amount of 55,473,683.89 euro for the year ending on 31 December 2025.

Article 2.

Realized profit after taxation shall be allocated to:

- | | | |
|----|--------------------------|---------------------------|
| 1. | <i>Dividend</i> | <i>48,915,415.58 euro</i> |
| 2. | <i>Retained earnings</i> | <i>6,558,268.31 euro</i> |

Article 3.

On the basis of the rights belonging to the shareholders of the preference shares, CROATIA osiguranje d.d. has reserved the amount of 130,200.00 euro for the payment of the preference shares dividend in the Statement of comprehensive income for the year ended 31 December 2025.

Article 4.

Total amount for dividend payment to Company's shareholders who are holders of ordinary shares marked CROS-R-A (CROS) and preference shares marked CROS-P-A (CROS2) is 49,045,615.58 euro or 114.14 euro per share. The right to dividend payout (claim) belongs to all shareholders of the shares marked as CROS-R-A and CROS-P-A inscribed on their accounts of dematerialized securities that are registered in computational system of The Central Depository and Clearing Company Inc. as of 2 July 2026 (record date). The date from which shares will be traded without the right to dividend payments is 1 July 2026 (ex date). The dividend will be paid on 31 July 2026 (payment date).

Article 5.

This Decision enter into force on the day of its issuance."

Article II.

The above proposal of the Decision on the utilization of the profit of CROATIA osiguranje d.d. realized in 2025, will be sent to the consent of the Company's Supervisory Board, in accordance with the provisions of Article 300.b of the Companies Act.

Article III.

The following are in charge of the implementation of this Decision:

- Sector for Finance and Accounting, as the holder of implementation
- Sector for Investments and
- Sector for Legal Affairs.

This Decision shall be delivered to:

- Sector for Finance and Accounting,
- Sector for Investments,
- Sector for Risk Management and
- Sector for Legal Affairs.

Article IV.

There is no need for IT resources for the purpose of implementation of this Decision.
The deadline for the implementation of this Decision is 30 September 2026.
This Decision shall enter into force on the day of its adoption.

Explanation

In 2025, the Company made a profit as previously stated in Article 1 of the proposed Decision.

The profit realized in 2025 according to the above proposal of the Decision shall be allocated to:



1. Dividend – Pursuant to the provision of Article 11 of the Articles of Association of CROATIA osiguranje d.d., it is established Company's obligation to pay a dividend for 8,750 preference shares in the amount of 8% on the nominal value of shares, which amounts to 130,200.00 euro for 2025. In addition, since Croatia osiguranje d.d. in the past years has been operating successfully, with a high level of profit and high solvency ratio, both at the level of the Company and at the level of the Group, and it is expected that during 2026 the solvency ratio should be maintained above the level of 200%, it is proposed that part of net profit, for the 2025, in the amount of 48,915,415.58 euro shall be allocated for dividend payment. Total amount of dividend payment to Company's shareholders who are holders of ordinary shares marked CROS-R-A (CROS) and preference shares marked CROS-P-A (CROS2) is 49,045,615.58 euro or 114.14 euro per share.
2. Retained earnings – remaining amount of 6,558,268.31 euro shall be allocated to retained earnings.

Member of the Management Board

Luka Babić

President of the Management Board

Davor Tomašković