

**ANNUAL REPORT
FOR THE PERIOD
01.01.2025. – 31.12.2025.**

2025

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1. GENERAL INFORMATION

The reinsurance company "Dunav Re" a.d.o. Belgrade (hereinafter referred as: the Company) was registered with the Serbian Business Registers Agency under number 43206 on July 22, 2005, as a shareholding company specializing in reinsurance operations.

The Company's registered seat is: Belgrade, Savski venac, Zorana Žunovića 13/5. The Company was originally established on July 1, 1977, under the name Reinsurance Community "Dunav Re." The Company was originally established on July 1, 1977, under the name Reinsurance Community "Dunav Re." The activity code is 6520. The Company Registration Number is 07046901. The Tax Identification Number (TIN) is 100001327. The person authorized to represent the Company is the President of the Executive Board, Vladimir Uzelac.

The Company's internal organization and governance are regulated by its Statute and other general acts.

The audit of the financial statements is performed by the auditing company Deloitte Ltd. Belgrade.

The Company has no branches under its ownership.

Members of the Supervisory Board:

- Aleksa Aksentijević (Dunav Insurance Company), **President**;
- Milica Milićević (Dunav Insurance Company), Member;
- Siniša Nišić, Independent Member.

Members of the Executive Board:

- Vladimir Uzelac, **President**;
- Bojan Maričić, Member;
- Vladimir Purić, Member.

Members of the Audit Committee:

- Zoran Subotić (Dunav Insurance Company), **President**;
- Simonida Nisić (Dunav Insurance Company), Member;
- Bojana Anđelić (Sava Insurance), Member

Shareholders

The majority owner of the Company is Dunav Insurance Company a.d.o. Belgrade, holding an 87.12% share in the Company's share capital.

The Company is not engaged in the repurchase of its own shares.

Market Capitalization

As at December 31, 2025, the Company's share capital and other equity amount to RSD 2.404.733. Of this amount, 99.86% relates to share capital, while 0.14% pertains to other equity.

The share price on the stock exchange as at December 31, 2025, was RSD 10.800,00 per share, with a nominal value of RSD 2.450,00 per share. Compared to September 30, 2025, the market price remained unchanged.

Stock market indicators

Market Capitalization: **10.585.263.600 RSD**

EPS **911,57**

P/E **11,85**

P/B **2,49**

Employees

Qualification structure of employees as at 31.12.2024. and 31.12.2025.

Level of professional qualification	31.12.2024.	31.12.2025.
Bachelor/Master degree	31	33
College degree	6	4
Secondary education	7	6
Total	44	43

2. BUSINESS ENVIRONMENT IN 2025

Based on data from the latest Monthly Statistical Bulletin published by the Republic Statistical Office with data for November 2025, then the February (2026) Inflation Report published by the National Bank of Serbia, and the Macroeconomic and Fiscal Data published by the Ministry of Finance of the Republic of Serbia on February 4, 2025, the following results emerge:

- Prolonged global uncertainty, rising protectionism and pronounced geopolitical tensions, along with socio-political developments in the country, have contributed to a slowdown in economic growth to 2.0% in 2025. In addition, the entry into force of US sanctions on the Serbian oil industry in October and the resulting reduced production of the entire processing industry have contributed to economic activity in the fourth quarter of 2025, instead of accelerating more strongly, maintaining a similar growth rate to that in the previous part of the year (2.2% year-on-year).
- On an annual basis, economic growth in 2025 was led by the service sectors, followed by industry, primarily due to increased production capacities in the automotive industry. A decline in activity was recorded in construction and, to a lesser extent, in agriculture due to unfavorable weather conditions for the production of autumn crops and fruits.
- Year-on-year inflation during the last quarter of 2025 was slightly below the central target value of 3%, falling to 2.7% in December. This inflation trend was primarily driven by food prices, which recorded negative year-on-year growth rates, mostly as a result of the implementation of the Regulation on Special Conditions for Carrying Out Trade for Certain Types of Goods of the Government of the Republic of Serbia. Energy prices had an opposite effect, primarily due to the rise in electricity prices in October. Core inflation continued to fluctuate around the level of 4% year-on-year, with about three quarters of the contribution to core inflation coming from service prices.
- At the consolidated level, in 2025, the general government sector deficit amounted to 271.4 billion dinars, or 2.6% of gross domestic product, which is a better result than planned by 42.6 billion dinars (0.4% of gross domestic product), given that a deficit of 314 billion dinars (3% of gross domestic product) was foreseen.
- The share of public debt in gross domestic product at the end of 2025 was 44.5%. Considering the percentage of public debt in relation to GDP at the end of 2024, which was 46.7%, this represents a continuation of the trend of decreasing public debt in relation to GDP.

Throughout 2025, the Executive Board of the National Bank of Serbia kept the reference interest rate unchanged at 5.75%, a level maintained since September 2024.

The credit rating of the Republic of Serbia

On January 23, 2026, the rating agency Fitch Ratings maintained/affirmed rating of Serbia at BB+ with a positive outlook for its upgrade, one level above investment grade

On October 4, 2024, the rating agency Standard and Poor's upgraded Serbia's credit rating to BBB- with a stable outlook for its further upgrade.

With this announcement, the Republic of Serbia officially entered the group of countries with investment grade credit ratings. The rating agency's explanation states that the upgrade reflects the Republic of Serbia's strong macroeconomic resilience to external influences, disciplined macroeconomic management, and that it is expected that further policy will be conducted in the same manner.

On March 2, 2026 Rating Agency Moody's changed the outlook for the Republic of Serbia from positive to stable, while affirming the credit rating at the Ba2.

Rating Agency	Moody's	Fitch Ratings	S&P Ratings
Date	March 2, 2026	January 23, 2026	October 4, 2024
Activity	Confirmed rating	Confirmed rating	Increased rating
Rating	Ba2/Stable outlook	BB+/positive outlook	BBB-/stable outlook

Economic aspect

The public debt as of December 31, 2025 amounted to 4.614,5 billion dinars (39.3 billion euros). Compared to the end of 2024, when it amounted to 4.548,9 billion dinars (38.9 billion euros), the public debt recorded an increase in absolute terms, while the share of public debt in relation to GDP further decreased and amounted to 44.5% at the end of 2025.

Structure of the Public debt

Category	December 31, 2023	December 31, 2024	December 31, 2025
Public debt of the central government in RSD (in million)	4.236.147	4.548.864	4.614.458
Public debt of the central government in EUR (in million)	36.153	38.874	39.345
Total domestic debt in EUR (in million)	10.791	11.032	12.051
Total external debt in EUR (in million)	25.362	27.842	27.294

International insurance market

Global insurance premiums for 2024, expressed as a percentage of GDP, increased by 6.2% to \$7,550 billion, with global non-life insurance premiums growing by 4.20% while life insurance premiums grew by 7.8% year-on-year. Insurance markets continued to recover in 2024, mostly driven by a return to positive premium growth in the life sector. This year, still-strong labor markets and improving real wages will drive demand for both life and non-life insurance, while in life insurance, higher interest rates will drive strong sales in fixed-rate savings.

According to forecasts for the end of 2025, the expectations for the insurance industry are as follows:

- Growth in life and non-life insurance premiums, as well as total premium growth, is expected to remain at similar level as in 2024. The highest growth is expected in Asia, Europe and Africa with moderate growth in other markets
- Geoeconomic fragmentation potentially impacts insurers through key transmission channels, including financial market volatility, inflationary pressures, and supply chain disruptions.
- The trend of increasing insurance and reinsurance rates in the global market continues, especially for coverage related to protection against natural hazards, but the greatest growth is being achieved in property insurance and motor vehicle insurance.
- Including climate risks into both risk-taking and investment processes.
- As the market is affected by a number of significant events around the world; the number and magnitude of losses from extreme natural disasters is expected to increase.

- The market is more concerned with limiting coverage related to secondary risks, considering the increase in losses caused by these risks in the previous period
- The process of digitalization increases exposure to cyber risks at the global level
- In the coming period, an increase in reinsurance and retrocession capacity is expected, considering the decrease in the previous period, but also the changed guidelines of reinsurers
- Supply chain issues continue to affect the development of the entire market in this period
- The trend of including ESG factors in business as an important factor in the process of long-term business sustainability continues.

Catastrophe losses

According to published data, total economic losses in 2025 are estimated at \$ 233 billion and after eight years, total economic losses are below \$300 billion. Tropical storms generated the largest amount of economic losses.

Total insured losses are \$107 billion, exceeding \$100 billion for the six consecutive years.

The largest single insured loss was caused by the Los Angeles wildfires, where insured losses totaled \$40 billion.

The United States accounted for 83% of global insured losses, with severe convective storms accounting for \$50 billion.

Hurricane Melissa, which hit Jamaica in October, is considered the strongest hurricane to ever hit Jamaica and one of the strongest hurricanes ever in the Atlantic Ocean. The estimated insured damage is \$2.5 billion.

Also, 2025 was the year in which, after a period of 10 years, no hurricanes hit the coast of the United States.

Insurance market of the Republic of Serbia

The report of the National Bank of Serbia for the third quarter of 2025 highlights the following key indicators of the insurance sector in the Republic of Serbia:

There are 20 insurance companies operating in the market of the Republic of Serbia, of which 16 companies are exclusively engaged in insurance business, and 4 companies in reinsurance business. Of the companies engaged in insurance business, 6 companies are engaged in non-life insurance only, 4 companies in life insurance, while 6 companies are engaged in both non-life and life insurance.

The total insurance premium in the period from January to September 2025. amounted 143,8 billion dinars (1.23 million euros or 1.37 million USD), which represents an increase of 8,5% compared to the same period of the previous year

In the premium structure, the share of life insurance premiums decreased from 17,7% in the third quarter of 2024 to 16.7% in the same quarter of 2025, due to a higher nominal growth in non-life insurance premiums than the growth in life insurance premiums.

Observed by line of business, the premium structure in the period I-IX 2025 does not differ significantly compared to the same period of the previous year.

Observed by line of business, the largest share is recorded by motor vehicle liability insurance in the total premium of 28.4%, followed by property insurance with 18.7%, then life insurance with 16.7%, motor vehicle insurance - comprehensive with 11.8% and voluntary health insurance with 11.5%.

The balance sheet total of (re)insurance companies increased to 444.1 billion dinars (3.79 billion euros or 4,45 billion dollars) at the end of the third quarter of 2025, by 6.5% compared to the end of Q3 of the previous year.

Total capital amounts to 82.7 billion dinars and increased by 10.0%, compared to the same period of the previous year.

Technical provisions increased by 3,2% and amounted to 299.5 billion dinars, with the full amount of technical provisions invested in prescribed forms of assets.

The available solvency margin of (re)insurance companies in the Republic of Serbia as of 30 September 2025 amounted to 69.3 billion dinars, and the required solvency margin was 30.7 billion dinars. For companies that primarily deal with non-life insurance, the basic capital adequacy indicator (the ratio of available to required solvency margin) was 221,8%, while for companies that primarily deal with life insurance it was 243,8%.

Financial market of the Republic of Serbia

The Executive Board of the National Bank of Serbia did not change the reference interest rate during 2025, so it has been at the level of 5.75% since January 2024.

Depending on the inflation trend at the global level (primarily in the euro area and among the largest foreign trade partners) as well as on internal cost pressures, the National Bank of Serbia will use the reference interest rate as an effective monetary policy instrument.

Total turnover on the Belgrade Stock Exchange in 2025 amounted to 24,6 billion dinars (210 million EUR), and compared to 2024, this represents a 32% decrease in turnover, but the number of transactions is a closer indicator of the state of trading on the stock exchange and is lower by 37,7% (11.896 transactions were made in 2025, 19,095 transactions in 2024).

The index of the most liquid shares BELEX15 at the end of 2025 amounted to 1275.21 index points and increased by 11,20% compared to the end of 2024 (1.146,76 index points).

BELEX15 index movement in the past 365 days:

VALUE



Source:BELEX15

The general BELEXLine stock index recorded an increase of 16.14% at the end of 2025, compared to the end of 2024, and amounted to 2.849,71 index points.

BELEXLine index movement over the past 365 days:

VALUE



Source: BELEXLine

The structure of turnover on the stock market was dominated by trading in bonds of the Republic of Serbia, accounting for more than 93% of total turnover. When it comes to shares, the most traded shares were those of the issuers Jugoprevoz Kruševac j.s.c., Dunav insurance j.s.c. Belgrade, Nikola Tesla Aeroport j.s.c. Belgrade, Metalac j.s.c. Gornji Milanovac, Messer Tehnogas j.s.c. Belgrade, BAS j.s.c. Belgrade and Impol Seval j.s.c. Sevojno.

Currency exchange rate

RSD to EUR has remained stable since the beginning of 2025, with a slight decline of 0.10% during the year, despite turbulent events in the global economy.

During the year, the average RSD/EUR exchange rate stood at 117.2026, reflecting a mild depreciation trend of the dinar, given that 2025 opened at 117.0149 and closed at 117.2820 dinars per euro.

Sociological aspect

According to data from the Republic Statistical Office, the average gross salary for December 2025 was 169.921 RSD and was nominally 14.5% higher than in December 2024. In the same period, the average net salary nominally increased by approximately 14.6% (real growth is 11.6%).

3. BUSINESS RESULTS

The previous year for Dunav Re, despite the old and new challenges from the environment we faced, was marked by a series of good business results, primarily new record levels of premium and net profit, growth in assets and investment portfolio, validated external rating of the company, staff reinforcements of the Company's professional services and internal organizational improvements.

As the leading reinsurance company in the Serbian market and the third reinsurer in the region, in 2025 we were an active player in the development and improvement of the local insurance market by supporting our partners, existing and new, in implementing their business plans, by providing quality and professional service.

The Company's business results for 2025, reflected in a double-digit growth in premiums, which reached 16,1 billion dinars, or 137,7 million euros, as well as a profit before tax of 1.021,9 million dinars, or 8,7 million euros, demonstrate the Company's commitment to achieving sustainable long-term growth.

At the same time, the Company's assets grew to 17,5 billion dinars, or 149 million euros, accompanied by a double-digit growth in the Company's investment portfolio to 6,8 billion dinars, or 58,4 million euros. The Company's total capital, at the end of 2025, reached 4,2 billion dinars, or 36,2 million euros

In August 2025, the rating agency AM Best affirmed the Company's rating to B++ with a stable outlook, as a result of the Company's commitment to achieving good business results on a stable basis.

The guarantor of achieving good business results for the Company in the future remains, as before, a team of dedicated professionals with decades of experience, who face complex tasks and challenges.

Balance sheet

In 2025, the profit before tax amounted to 1.021.992 thousand RSD, which represents an increase of 10,79% compared to the previous year and a higher amount compared to the 2025 plan by 4,42%.

The investment result is higher by 24,83% compared to the result achieved in 2024, which is caused by a higher average level of the investment portfolio and higher rates of return.

in 000 RSD

Description	Actual 2024	Plan 2025	Actual 2025	INDEX (4/3)
(1)	(2)	(3)	(4)	(5)
Operating income	5.541.590	5.901.953	5.988.106	101,46
Operating expenses	4.076.624	4.280.451	4.315.492	100,82
Gross operating result	1.464.966	1.621.502	1.672.614	103,15
Investment income	209.035	232.425	258.097	111,05
Investment expenses	9.443	16.800	8.941	53,22
Result from investment activities	199.592	215.625	249.156	115,55
Acquisition , administrative and other operating expenses	1.544.116	1.698.959	2.362.322	139,05
Commission income	812.041	866.580	1.509.058	174,14
Operating expenses	732.075	832.379	853.264	102,51
NET BUSINESS RESULT	932.483	1.004.748	1.068.506	106,35
Financial result	(4.414)	(4.767)	(34.060)	714,48
Result from impairment	15.649	181	23.316	12881,80
Other result	(20.272)	(21434)	(34.746)	162,11
Profit from ordinary operations	923.446	978.729	1.023.016	104,52
Result from adjustments from previous periods	(994)	-	(1024)	-
PROFIT BEFORE TAX	922.452	978.729	1.021.992	104,42
Income tax	145.363	156.597	128.702	82,19
NET PROFIT	777.089	822.132	893.290	108,66

Business indicators

In the observed period, the Company's performance indicators were maintained at a level significantly better than the reference values for the reinsurance industry.

The Company's net claims ratio remained at the same level as in the previous year, while the expense ratio has decreased by 0.35 pp compared to the ratio 2024, the combined ratio 2 is below 85%. Driven by premium growth, productivity further improved with premium per employee increased by 14.42% year-on-year.

DESCRIPTION	Actual2024	Plan 2025	Actual2025
C1: " Premium in equity / Total own equity "	127,22	120,85	130,43
C2: " Total own capital / Total assets "	25,69	27,38	24,18
C3: " Total own capital / Technical reserves"	48,40	52,03	49,90
QUALITY OF ASSESTS - A			
A1: "Non-liquid assets / Total assets "	22,89	24,14	27,16
REINSURANCE AND ACTUARIAL POSITIONS - R			
R1: " Applicable right to join / Applicable total premium	34,30	33,20	34,89
PRODUCTIVITY - MANAGEMENT - M			
M1: "Gross premium / Number of employees"	328.303	371.777	375.646
M2: "Total assets / Number of employees "	330.221	362.583	408.731
PROFITABILITY - E			
E1: loss ratio	63,84	62,96	63,80
E2: expense ratio	15,53	16,61	15,18
E3: investment return ratio	4,23	4,30	4,43
E4: Combined ratio 1	79,37	79,57	78,98
E5: Combined ratio 2	75,14	75,26	74,55
ROE: Net result / Basic capital*	37,22	39,32	37,20
ROE 2: Net result / average total capital*	22,14	23,42	22,38
ROA: Net result /assets*	5,67	5,68	5,56
LIQUIDITY - L			
L1- Liquidity ratio of the 1st level	0,32	0,32	0,06
L2: Liquidity ratio of the 2nd level	5,11	5,60	3,91
L2(A): Liquidity ratio of the 1st level	0,18	0,16	0,04
L4: Liquidity ratio	1,88	2,13	1,53

* annualized rate

4. COMPANY BUSINESS POLICY IN 2025

Despite the shocks experienced in previous business years, both at the geopolitical and global economic levels, in 2025 there was a partial stabilization of the financial and economic outlook in the international environment. There is an additional slowdown in inflation, which is the result of restrictive monetary policy measures from the previous period. Despite the challenges the world economy was exposed to, the global economy has confirmed its resilience with energy diversification and the preservation of supply chains.

The objectives set by the Reinsurance Company Dunav Re for 2025 were achieved and exceeded in most segments, primarily due to strong cooperation and the trust placed by clients, which resulted in the conclusion of new covers during the year with risk assumption supported by the preservation of capital strength. Adequate risk management along with continuous process improvement contributed to the successful achievement of all set goals.

The Company's capital strength, solvency, and achieved results were confirmed by the improvement of the outlook on its long-term credit rating by A.M. Best (London) to „BBB with a positive outlook, while the Financial Strength Rating of „B++“ was maintained with a stable outlook.

In line with the goals set for this year, we expanded cooperation with cedants and enabled the development of their portfolios with the solutions offered. We also achieved further diversification of the reinsurance portfolio and confirmed the stability of capacity and the leading position in the market of the Republic of Serbia.

In international markets, we have strengthened and deepened cooperation with existing partners while expanding our presence by establishing new collaborations.

During the year, the Company continued to follow the established policy of sustainable development, which is the basis of a long-term strategy with ingrained principles of responsible management in all areas of business. In addition to focusing on products and programs that are established with elements of sustainability, the Company also directed its operations in other business segments towards establishing principles that will contribute to the preservation of such a strategy.

The Company's business policy in 2025 is characterized primarily by the achievement of strategic goals that include a return on equity rate of more than 5%, a combined ratio of less than 93%, responsible growth while maintaining the level of portfolio quality, and improving the outlook of the credit rating.

5. PORTFOLIO STRUCTURE

The structure of the Company's portfolio continues to be traditionally dominated by LoB 08 (Property Insurance) and 09 (Other Property Insurance), which jointly account for more than 50% of the total portfolio. The share of property insurance, exceeding 50% of the total portfolio, is in line with the planned structure. Property insurance also remains dominant within the Company's retained portfolio, accounting for 58.11% in 2025.

Reinsurance portfolio structure by line of business

TYPE OF INSURANCE	Actual 2024	Actual 2025	INDEX (4=3/2)
(1)	(2)	(3)	(4)
Property (08 and 09)	61,03%	57,20%	93,73
Liability (13)	5,19%	7,70%	148,35
Motor liability (10)	6,24%	5,86%	93,89
Motor hull (03)	9,27%	12,66%	136,54
Other non-life	17,32%	15,67%	90,48
Life	0,95%	0,91%	95,80
Total	100,00%	100,00%	

Retained portfolio by the line of business

TYPE OF INSURANCE	Actual2024	Actual2025	INDEX (4=3/2)
(1)	(2)	(3)	(4)
Property (08 and 09)	60,98%	58,11%	95,29
Liability (13)	1,17%	1,51%	129,01
Motor liability (10)	3,85%	3,46%	89,84
Motor hull (03)	24,34%	29,37%	120,64
Other non-life	9,19%	7,15%	77,81
Life	0,47%	0,40%	85,10
Total	100,00%	100,00%	

6. MARKET POSITION OF THE COMPANY

The Company measures its market position regarding other six companies operating in the territory of the former Yugoslavia. Measured by the gross premium, the Company ranks high third position in the ex-YU region.

In the territory of the Republic of Serbia, the Company is the absolute leader both in terms of gross premium and net retained premium

According to the assessment of the rating agency AM Best, the Company is in the group of financially secure partners and has a rating of B++with stable outlook /BBB with positive outlook.

FSR ratings by AM Best

Sava Re / FSR A / Country Category CRT 2

Triglav Re / FSR A / Country Category CRT 2

Dunav Re / FSR B++ / Country Category CRT 4

Bosna Re / FSR B+ / Country Category CRT 5

Wiener Re / unrated

Generali Re / unrated

DDOR Re/ unrated



B++ / bbb

7. REINSURANCE PREMIUM

Reinsurance premium by line of business

In 2025 reinsurance premium exceeded the planned by 3.45%, in line with the business plan. Compared to the same period of the previous year, growth amounted 11,82%. The higher level of reinsurance premium achieved was primarily driven by the contracting of new covers in LoB 08 and the growth of cedents portfolios in LoBs 03 and 11, in line with the targets set for the year.

IN 000 RSD

Code	LINE OF BUSINESS	Actual 2024	Plan 2025	Actual 2025	INDEX% (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	302.729	307.270	302.873	98,57
2	Voluntary health insurance	141.453	144.282	202.736	140,51
3	Motor hull insurance	1.339.249	1.497.334	2.044.809	136,56
4	Rail insurance	17.230	13.784	19.781	143,51
5	Aircraft insurance	490.338	500.145	440.602	88,09
6	Insurance of vessels	12.749	12.622	14.833	117,52
7	Goods in transit insurance	391.026	398.846	404.159	101,33
8	Property Insurance fire and other perils	4.121.916	4.255.816	4.858.099	114,15
9	Other property insurance	4.694.159	5.173.868	4.381.922	84,69
10	Motor liability insurance	901.153	946.211	947.129	100,10
11	Aircraft liability insurance	232.771	235.099	234.876	99,91
12	Vessel liability insurance	49.265	49.758	47.819	96,10
13	General liability insurance	749.676	1.053.176	1.243.630	118,08
14	Credit insurance	408.901	421.168	330.199	78,40
15	Guarantee insurance	22.401	22.625	22.986	101,60
16	Financial loss insurance	406.397	417.079	484.224	116,10
18	Travel assistance insurance	26.070	26.331	25.533	96,97
20	Life insurance	103.382	104.415	110.513	105,84
22	Supplementary life insurance	34.458	34.803	36.060	103,61
	TOTAL	14.445.323	15.614.632	16.152.783	103,45

Net reinsurance premium by line of business

The Company's net retained premium at the end of 2025 recorded an increase of 16,72% compared to the previous year. Compared to the planned values in the revised plan for 2025, an increase of 10,01% was achieved. The largest share is held by LoBs 08 - property insurance

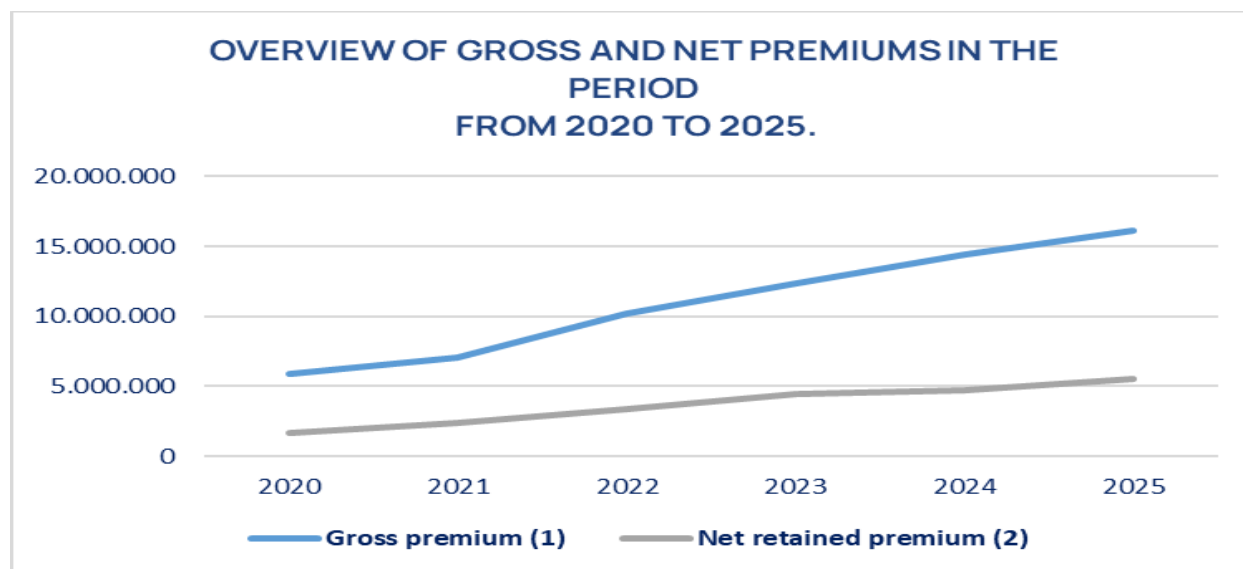
against fire and other perils and 09 - other property insurance, which jointly recorded an decrease of 2,87% compared to the previous year. In addition to the listed property insurance lines, the LoBs that have a share of more than 5% are 01 - accident insurance and 03 - motor hull insurance.

Code	LINE OF BUSINESS	Actual 2024	Plan 2025	Actual2025	INDEX% (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	271.056	275.914	219.541	79,57
2	Voluntary health insurance	5.659	5.772	12.087	209,39
3	Motor hull insurance	1.156.048	1.318.817	1.627.828	123,43
4	Rail insurance	14.334	11.467	9.602	83,73
5	Aircraft insurance	46.404	47.333	40.112	84,75
6	Insurance of vessels	10.158	10.005	13.360	133,54
7	Goods in transit insurance	26.970	27.510	39.099	142,13
8	Property Insurance fire and other perils	1.742.945	1.754.845	1.868.321	106,47
9	Other property insurance	1.153.153	1.264.478	1.352.612	106,97
10	Motor liability insurance	182.893	206.403	191.570	92,81
11	Aircraft liability insurance	5.539	5.594	4.385	78,38
12	Vessel liability insurance	14.806	14.954	18.015	120,47
13	General liability insurance	55.681	57.681	83.905	145,46
14	Credit insurance	7.244	7.462	6.036	80,89
15	Guarantee insurance	937	946	934	98,72
16	Financial loss insurance	33.256	7.389	33.090	447,82
18	Travel assistance insurance	164	165	169	102,40
20	Life insurance	17.238	17.410	17.513	100,59
22	Supplementary life	4.834	4.882	5.053	103,51
	TOTAL	4.749.319	5.039.027	5.543.232	110,01

8.NET RETAINED PREMIUM IN THE PERIOD FROM 2020 TO 2025

in 000 RSD

	2020	2021	2022	2023	2024	2025
Gross premium (1)	5.919.145	7.059.352	10.177.129	12.352.961	14.445.323	16.152.783
Net retained premium (2)	1.677.100	2.346.313	3.379.577	4.454.588	4.749.319	5.543.232
Participation (2/1)	28,33%	33,24%	33,21%	36,06%	32,88%	34,32%



9. LOSSES

Gross Settled claims by line of business

In this period, 7.58% more claims were settled than planned for 2025. Total settled claims increased by 9,38% compared to the same period last year. The increase in settled claims is the result of the final settlement of claims from previous years.

Co	LINE OF BUSINESS	Actual 2024	Plan 2025	Actual 2025	INDEX% (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	223.237	290.510	264.060	90,90
2	Voluntary health insurance	90.586	94.996	94.430	99,40
3	Motor hull insurance	774.343	809.921	985.585	121,69
4	Rail insurance	2.036	1.200	5.873	489,40
5	Aircraft insurance	122.661	108.000	47.461	43,94
6	Insurance of vessels	4.936	6.228	2.345	37,65
7	Goods in transit nsurance	31.044	30.006	12.705	42,34
8	Property Insurance fire and other perils	1.252.583	1.244.479	1.309.932	105,26
9	Other property insurance	2.062.864	2.098.291	1.997.392	95,19
10	Motor liability insurance	292.349	337.773	276.168	81,76
11	Aircraft liability insurance	1.495	0	21.634	0
12	Third party liability insurance for vessel	8.847	50	6.345	12.690,04
13	General liability insurance	82.963	60.183	243.083	403,91
14	Credit insurance	222.919	228.000	420.820	184,57
15	Guarantee insurance	59.884	3.500	1.401	40,02
16	Financial loss insurance	14.403	18.190	34.101	187,46
18	Travel assistance insurance	5.743	6.500	9.970	153,38
20	Life insurance	19.501	21.000	22.638	107,80
22	Supplementary life insurance	10.497	12.100	22.314	184,42
	TOTAL	5.282.891	5.370.927	5.778.257	107,58

Net settled claims by line of business

Compared to plan for 2025, 96,63% of claims were settled in this period. While compared to the same period of the previous year, settled claims were higher by 7.80%.

Co	LINES OF BUSINESS	Actual 2024	Plan 2025	Actual 2025	INDEX% (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	214.449	281.364	246.299	87,54
2	Voluntary health insurance	2.175	2.535	3.033	119,63
3	Motor hull insurance	624.585	708.458	819.677	115,70
4	Rail insurance	1.083	6	903	15.050,04
5	Aircraft insurance	952	54	3.422	6.337,04
6	Insurance of vessels	4.195	5.233	2.211	42,25
7	Goods in transit nsurance	9.454	8.721	3.817	43,77
8	Property Insurance fire and other perils	829.371	923.090	845.362	91,58
9	Other property insurance	675.332	788.388	680.069	86,26
10	Motor liability insurance	41.790	19.570	23.036	117,71
11	Aircraft liability insurance	4	0	8	0
12	Third party liability insurance for vessels	497	0	3	1.276,81
13	General liability insurance	6.652	15.593	15.305	98,16
14	Credit insurance	2.658	2.721	6.566	241,30
15	Guarantee insurance	57.034	130	17	13,08
16	Financial loss insurance	4.222	4.954	16.611	335,34
18	Travel assistance insurance	29	33	50	151,48
20	Life insurance	2.572	2.752	3.069	111,53
22	Supplementary life insurance	1.333	1.494	2.361	158,04
	TOTAL	2.478.387	2.765.096	2.671.819	96,63

Gross outstanding claims by line of business

gross outstanding claims as at December 31, 2025 increased by 5,91% compared to December 31, 2024. Compared to planned values, 13.42% more claims were realized on the same day. As in previous years, this increase is a consequence of the settlement process by cedents as well as the reporting of new claims in this period across all types of contracts.

Cod	LINE OF BUSINESS	Actual 31.12.2024	Plan 2025	Actual 31.12.2025	INDEX (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	29.863	6.105	17.450	285,83
2	Voluntary health insurance	27.127	27.127	26.827	98,89
3	Motor hull insurance	94.535	101.223	173.942	171,84
4	Rail insurance	774	774	2.806	362,52
5	Aircraft insurance	57.325	57.325	321.593	561,00
6	Insurance of vessels	41	41	806	1.965,85
7	Goods in transit nsurance	298.059	301.766	324.278	107,46
8	Property Insurance fire and other perils	1.373.565	1.343.724	1.776.298	132,19
9	Other property insurance	1.653.683	1.368.446	895.262	65,42
10	Motor liability insurance	280.348	285.348	520.929	182,56
11	Aircraft liability insurance	579	2.579	581	22,51
12	Third party liability insurance for vessels	990	990	11.779	1.189,80
13	General liability insurance	70.123	123.402	142.968	115,86
14	Credit insurance	135.326	136.032	39.161	28,79
15	Guarantee insurance	212	212	251	118,40
16	Financial loss insurance	523	550	9.100	1.654,56
18	Travel assistance insurance	0	0	0	0
20	Life insurance	7.385	7.500	5.429	72,39
22	Supplementary life insurance	5.173	5.325	4.678	87,88
	TOTAL	4.035.631	3.768.469	4.274.138	113,42

Net outstanding claims by line of business

Net outstanding claims as at 31.12.2025 recorded an increase of 25,49 % compared to the planned values in the revised plan for 2025. The greatest impact on the increase in provisions was recorded in LoBs 08 Property insurance against fire and other perils and 09 Other property insurance due to newly reported claims and an increase in provisions. An increase in reservations also occurred in types 03 Motor hull insurance and 10 Motor liability insurance.

Cod	TYPE OF INSURANCE	Actual	Plan 2025	Actual 31.12.2025	INDEX
(1)	(2)	(3)	(4)	(5)	(6)
1	Personal Accident insurance	28.226	4.468	13.966	312,57
2	Voluntary health insurance	915	915	865	94,54
3	Motor hull insurance	94.131	101.157	167.118	165,21
4	Rail insurance	774	774	46	5,90
5	Aircraft insurance	1.142	1.142	5.113	447,71
6	Insurance of vessels	41	41	806	1.965,85
7	Goods in transit insurance	58.944	59.685	62.976	105,51
8	Property Insurance fire and other perils	653.637	725.929	1.015.262	139,86
9	Other property insurance	232.601	445.332	363.860	81,71
10	Motor liability insurance	82.408	87.409	159.445	182,41
11	Aircraft liability insurance	579	585	581	99,30
12	Third party liability insurance for vessels	55	55	654	1.189,05
13	General liability insurance	5.646	6.534	6.569	100,53
14	Credit insurance	1.505	1.392	472	33,93
15	Guarantee insurance	18	18	20	111,07
16	Financial loss insurance	523	550	4.923	895,13
18	Travel assistance insurance	0	0	0	0
20	Life insurance	840	860	855	99,43
22	Supplementary life insurance	788	830	646	77,82
	TOTAL	1.162.773	1.437.676	1.804.177	125,49

10. TECHNICAL PROVISIONS

Technical provisions as at December 31, 2025 recorded an increase of 6,27% compared to the planned in the business plan for 2025. The most significant impact on the increase of 10,42% compared to the values on the same day of the previous year was the settlement of claims that were outstanding as at December 31, 2024

In 000 Rsd

No.	TECHNICAL PROVISION	Actual 31.12.2024	Plan 2025	Actual 31.12.2025	INDEX % (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Total Outstanding Claims	5.618.678	5.402.609	6.376.737	118,03
2	Unearned Premium	2.064.649	2.580.811	2.110.717	81,79
3	Mathematical Reserve	26.504	26.670	26.014	97,54

4	Unexpected Risk Reserves (URR)	0	0	239	0
5	Risk Equalization Reserves (RZIR)	3.019	3.914	2.929	74,84
	TOTAL	7.712.850	8.014.004	8.516.636	106,27

Net retained technical provisions as at 31 Dec 2025 recorded an increase of 18,72% compared to the business plan for 2025. The increase in technical provisions compared to the same day of the previous year is primarily the result of higher outstanding claims provisions.

No.	TECHNICAL PROVISION	Actual 31.12.2024	Plan 2025	Actual 31.12.2025	INDEX% (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1	Total Outstanding Claims	1.687.436	2.049.985	2.573.172	125,52
2	Unearned Premium	146.719	173.809	69.817	40,17
3	Mathematical Reserve	4.324	4.534	3.988	87,97
4	Unexpected Risk Reserves (URR)	0	0	239	0
5	Risk Equalization Reserves (RZIR)	3.019	3.914	2.929	74,84
	TOTAL	1.841.498	2.232.242	2.650.145	118,72

11. KEY BUSINESS INDICATORS FOR 2025

The realized loss ratio as at December 31, 2025, recorded an increase of 1,32% compared to the planned values, while compared to the performance in the same period of the previous year, a decrease of 0.08% was recorded. The loss ratio and combined ratio were realized in accordance with the planned values.

	NET INDICES	Actual31.12.2024	Plan 2025	Actual31.12.2025	INDEX (6=5/4)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Loss Ratio	63,84	62,96	63,80	101,32
2.	Expense Ratio	15,53	16,61	15,18	91,39
3.	Combined Ratio	79,37	79,56	78,98	99,26

12. RETRO PORTFOLIO PROTECTION

In 2025, the Company did not change the maximum retention per risk and it amounted to EUR 2.5 million.

The Company defined the necessary levels of portfolio protection and aligned them with both defined procedures and conducted analyses and stress tests. By contracting retrocession, the Company achieves better management of exposures and assumed risks in reinsurance. In addition to contracting individual facultative and retrocession automatic contracts, the Company also contracts portfolio protection on both a proportional, non-proportional and stop loss basis, while ensuring protection of the entire portfolio with reinsurers whose rating is AA- assigned by international rating agencies.

13. INVESTMENT OF REINSURANCE FUNDS

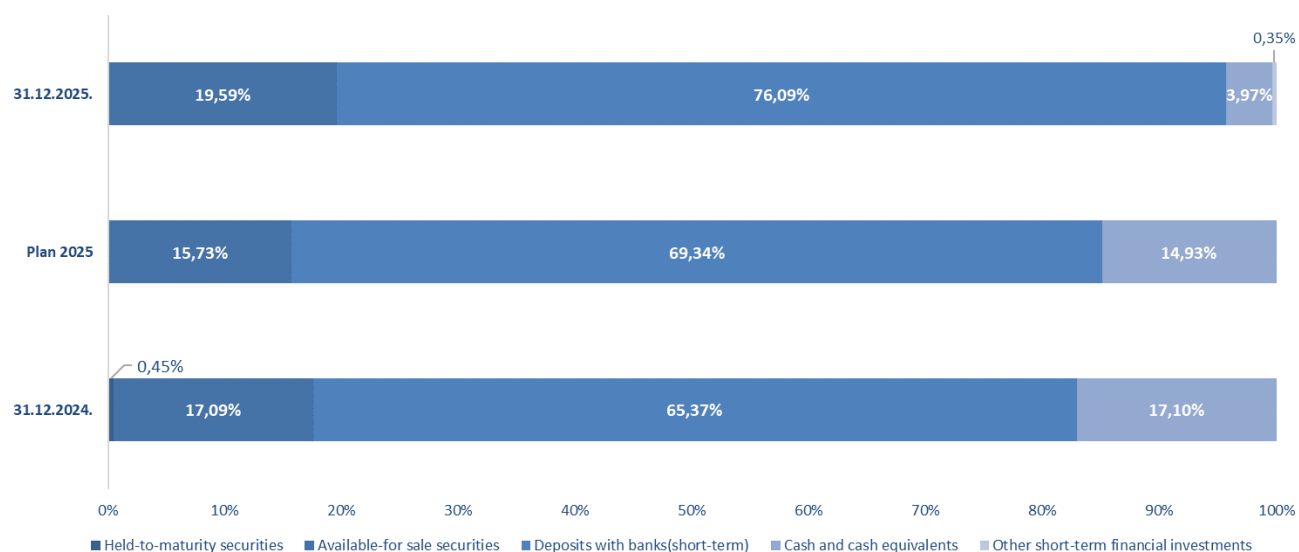
Investment portfolio

Compared to the level of the investment portfolio at the end of 2024, there was a growth of 28,80% at the end of 2025.

The structure of the investment portfolio recorded an increase in bank deposits by 49.94% compared to the end of the previous year and a decrease in the position of cash and cash equivalents by 70.11% compared to the previous year.

In 000 RSD

DESCRIPTION	Actual 2024	Plan 2025	Actual2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Securities held to maturity/Securities at amortized costs	23.898	-	-	-
Securities available for sale/Securities at fair value through other comprehensive income	910.000	905.000	1.343.967	148,50
Deposits with banks (short-term)	3.480.836	3.989.686	5.219.001	130,81
Cash and cash equivalents	910.456	859.002	272.154	31,68
Other short-term financial investments	-	-	23.955	-
TOTAL	5.325.190	5.753.688	6.859.077	119,21

Investment portfolio structure in 000 RSD

Reinsurance investments results

In 000 RSD

DESCRIPTION	Actual2024	Plan 2025	Actual2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Income from the Investment of Insurance Funds				
Interest	190.016	218.425	240.105	109,93
Income from Value Adjustments	6.825	8.000	12.263	153,29
Positive Foreign Exchange Differences	10.560	4.000	5.183	129,58
Other Income Arising from inv. activities	1.634	2.000	546	27,30
Total	209.035	232.425	258.097	111,05
Expenses from the Investment of Insurance Funds				
Expenses based on adjusted value	4.766	5.800	6.211	107,09
Negative exchange rate differences from current investments	4.677	11.000	2.730	24,82
Other expenses				
Total	9.443	16.800	8.941	53,22
PROFIT FROM INVESTMENT ACTIVITIES	199.592	215.625	249.156	115,55

Investment income in 2025 increased by 23,47% compared to the previous year, as a result of a higher average portfolio level during the year. Interest income increased in 2025 by 26,36% compared to 2024.

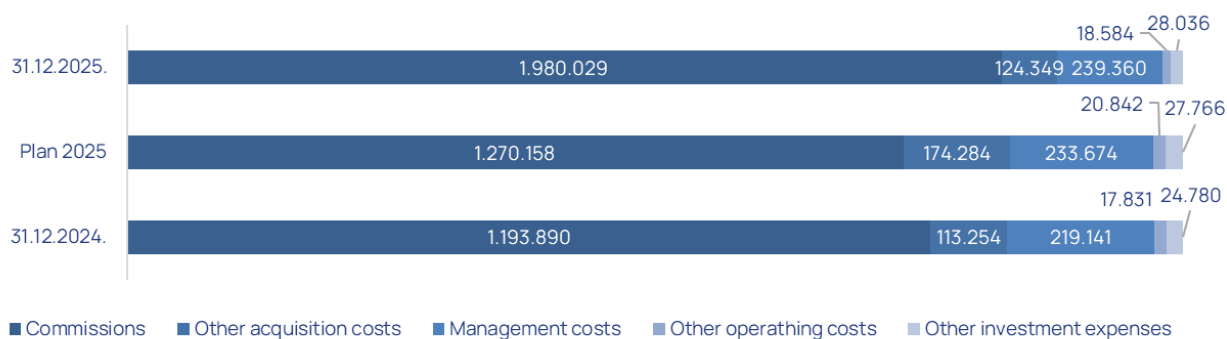
14. BUSINESS EXPENSES

Total operating expenses in 2025 amount to RSD 881,300 thousand, representing an increase of RSD 124,445 thousand compare to the previous year.

The increase in expenses was mainly influenced by the increase in commission expenses from reinsurance business of 65.85%, in line with the growth in reinsurance premiums.

CATEGORY	Actual 2024	Plan 2025	Actual 2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Acquisition costs	1.307.144	1.444.443	2.104.378	145,69
Commissions	1.193.890	1.270.158	1.980.029	155,89
Other acquisition costs	113.254	174.285	124.349	71,35
Administrative costs	219.141	233.674	239.360	102,43
Other reinsurance administration costs	17.831	20.842	18.584	89,17
Reinsurance commission	812.041	866.580	1.509.058	174,14
Total	732.075	832.379	853.264	102,51
Survey and appraisal costs	24.780	27.766	28.036	100,97
Total Expense	756.855	860.145	881.300	102,46

Cost Structure



15. BALANCE SHEET

Total assets (the Company's assets) are 20,96% higher compared to 31 December 2024.

Current assets dominate the asset structure, accounting for 99,44%.

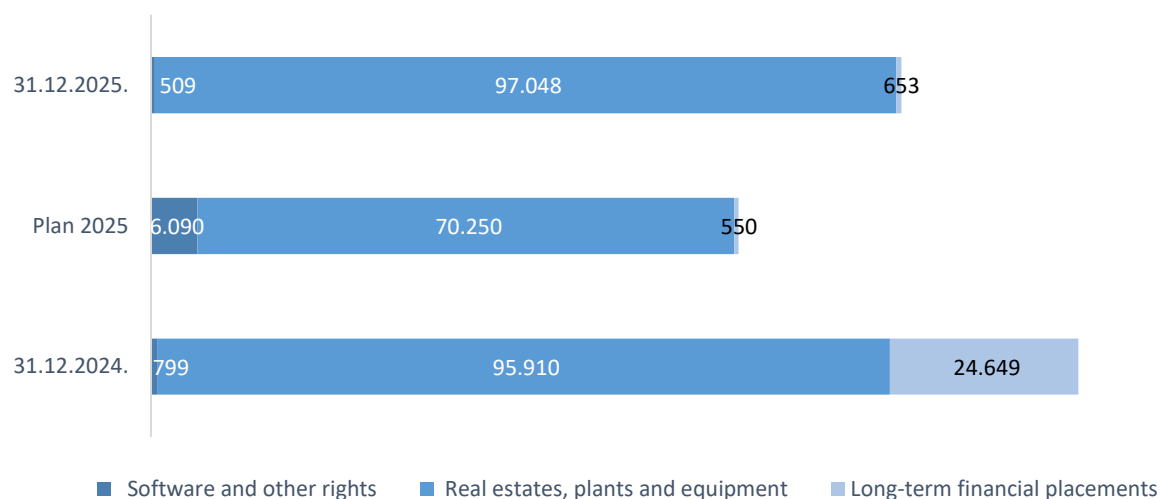
Assets

In 000 RSD

CATEGORY	Actual2024	PLAN 2025	Actual2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Intangible assets	-	-	-	-
Software and other rights	799	6.090	509	8,36
Property, plant and equipment	95.910	70.250	97.048	138,15
Long-term financial investments	24.649	550	653	118,73
Fixed assets	121.358	76.890	98.210	127,73
Inventories	3.715	4.500	2.191	48,69
Receivables	3.226.074	3.601.333	4.674.883	129,81
Income tax receivable	-	-	4.822	-
Financial investments	4.390.836	4.894.686	6.586.923	134,57
Cash and cash equivalents	910.456	859.002	272.154	31,68
<i>Prepaid expenses</i>	5.913	10.300	69.609	675,82
Retroceded unearned premium	1.917.930	2.407.002	2.040.901	84,79
Retroceded claims provisions	3.931.242	3.352.624	3.803.564	113,45
Other technical provisions	22.179	22.136	22.026	99,50
Current assets	14.408.345	15.151.583	17.477.073	115,35
TOTAL ASSETS	14.529.703	15.228.473	17.575.283	115,41

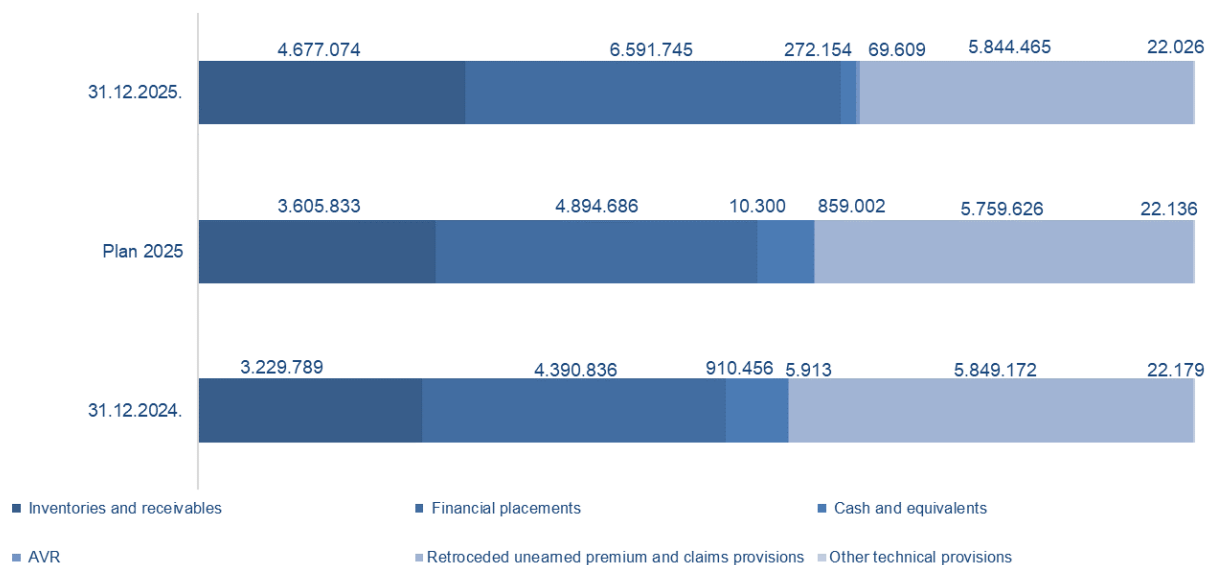
Fixed assets

Fixed assets are 19.07% lower than last year, which is a consequence of the decrease in long-term financial investments. The aforementioned decrease is a consequence of the transfer of securities held to maturity from fixed to current assets, as the maturity is shorter than one year.



Current assets

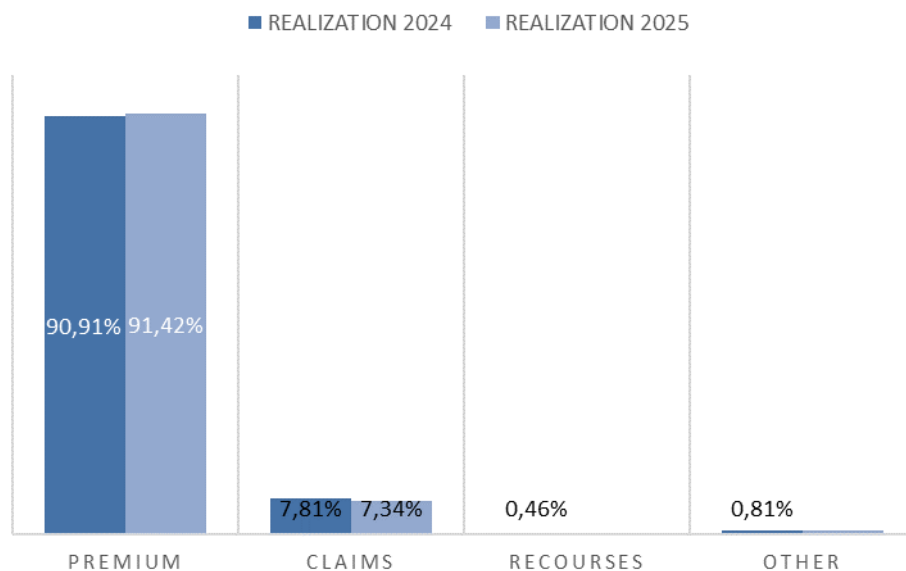
Current assets increased by 21.30% compared to the previous year. The growth in current assets is a consequence of the growth in receivables and financial investments. In the structure of current assets, receivables and financial investments are the most significant positions with a share of 25-40%.



Structure of Receivables

Total net receivables are RSD 1,448,808 thousand higher than at the end of 2024. The largest increase was recorded in premium receivables of RSD 1,218,774 thousand.

	31.12.2024.			31.12.2025.		
	Gross	Value adjustment	Net	Gross	Value adjustment	Net
Premiums	3.105.157	172.204	2.932.953	4.385.049	111.086	4.273.964
Losses	296.793	44.728	252.065	426.534	83.578	342.956
Recourses	14.922	-	14.922	8.474	-	8.474
Other	26.134	-	26.134	49.490	-	49.490
TOTAL	3.443.006	216.932	3.226.074	4.869.547	194.664	4.674.883

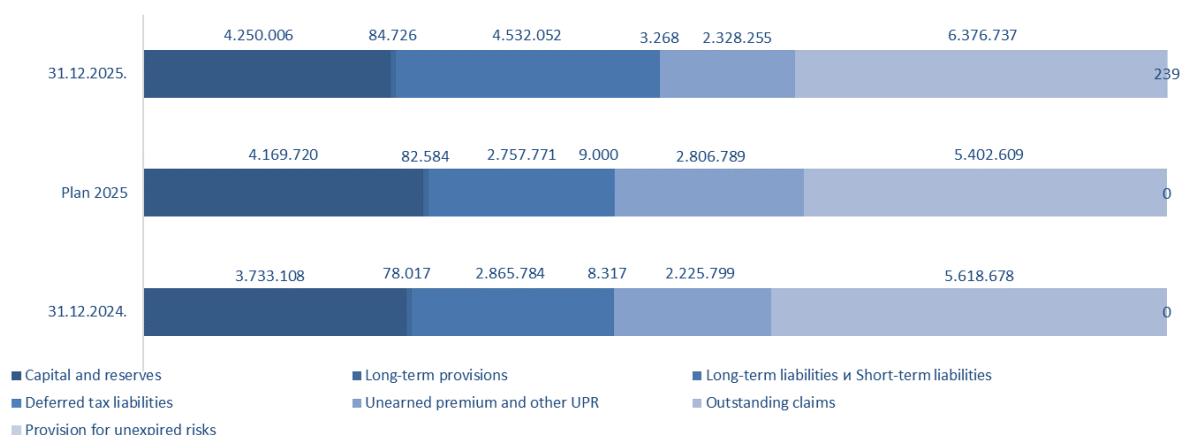


Liabilities

Liabilities at the end of 2025 are 20,96% higher compared to the end of 2024, with a comparable structure of equity and liabilities positions to those at the end of the previous year.

In 000 RSD

CATEGORY	Actual2024	PLAN 2025	Actual2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Capital and reserves	3.733.108	4.169.720	4.250.006	101,93
Long-term provisions	78.017	82.584	84.726	102,59
Long-term liabilities	49.077	55.000	58.406	106,19
Deferred income liabilities	8.317	9.000	3.268	36,31
Short-term liabilities	2.816.707	2.702.771	4.473.646	165,52
Unearned premiums	2.064.649	2.580.811	2.110.717	81,79
Unexpired risk reserves	-	-	239	-
Accrued expenses	161.150	225.978	217.538	96,27
Provisions for claims	5.618.678	5.402.609	6.376.737	118,03
TOTAL LIABILITIES	14.529.703	15.228.473	17.575.283	115,41



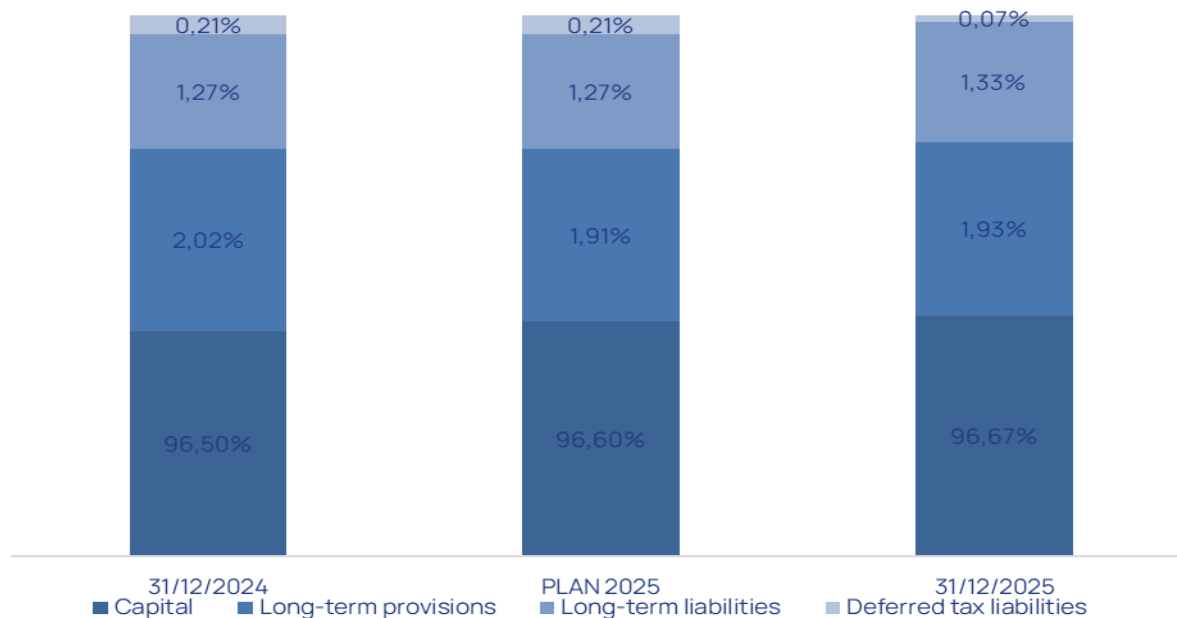
Equity, Long-Term Provisions, Long-Term Liabilities, and Deferred Tax Liabilities

Total equity, reserves, long-term provisions, and long-term liabilities of the Company as of 31 December 2025 amount to RSD 4.396.406 thousand, representing an increase of 13.65% compared to 31 December 2024.

Y 000 RSD

CATEGORY	Actual 2024	PLAN 2025	Actual 2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Capital	3.733.108	4.169.720	4.250.006	101,93
Long-term provisions	78.017	82.584	84.726	102,59
Long-term liabilities	49.077	55.000	58.406	106,19
Deferred tax liabilities	8.317	9.000	3.268	36,31
TOTAL	3.868.519	4.316.304	4.396.406	101,86

Article 27 of the Insurance Law prescribes a limit of EUR 3.2 million for conducting reinsurance operations.



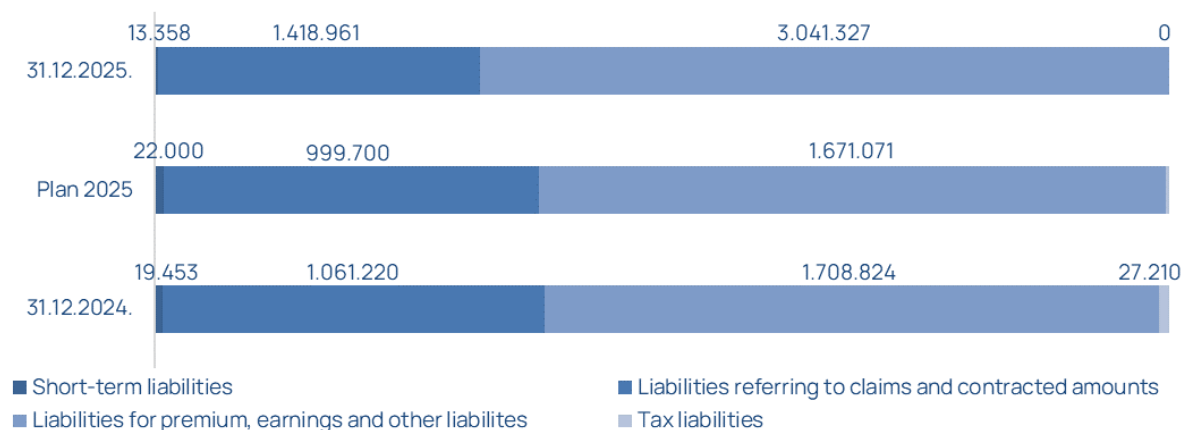
Short-Term Liabilities

Short-term liabilities are 58.83% higher than at the end of 2024.

In the structure of short-term liabilities, the largest share is held by liabilities based on reinsurance premiums and wages (67.98%) and liabilities based on claims (31.72%).

In 000 RSD

DESCRIPTION	Actual 2024	PLAN 2025	Actual 2025	INDEX (5=4/3)
(1)	(2)	(3)	(4)	(5)
Short-term financial liabilities	19.453	22.000	13.358	60,72
Liabilities referring to claims and contracted amounts	1.061.220	999.700	1.418.961	141,94
Liabilities for premiums, earnings and other liabilities	1.708.824	1.671.071	3.041.327	182,00
Liabilities for income tax	27.210	10.000	0	-
TOTAL	2.816.707	2.702.771	4.473.646	165,52



Guarantee Reserve and Capital Adequacy

The Company's primary capital amounts to RSD 3.799 million. The Company meets all capital adequacy requirements, as in previous years. The guarantee capital exceeds the required solvency margin by a factor of 2,69.

	DESCRIPTION	Actual 2023	Actual 2024	PLAN 2025	Actual 2025
I	PRIMARY CAPITAL	2.920.367	3.341.119	3.755.208	3.799.915
II	GR, FINAL RESULT, AVAILABLE SOLVENCY MARGIN (VI-16-17- 18)	-	-	-	-
III	DECLUDING ITEMS, FIRST PART (9+10+11+12)	155	-	-	-
IV	GUARANTEE CAPITAL (I+II-III)	2.920.212	3.341.119	3.755.208	3.799.915
V	DECLUDING ITEMS, SECOND PART	-	-	-	-
VI	GUARANTEE RESERVE, PRELIMINARY RESULT (I+II-III-V)	2.920.212	3.341.119	3.755.208	3.799.915
VII	GUARANTEE RESERVE, FINAL RESULT, AVAILABLE SOLVENCY MARGIN	2.612.358	3.341.119	3.483.769	3.504.074
VIII	REQUIRED SOLVENCY MARGIN FOR REINSURANCE	1.089.035	1.255.402	1.361.342	1.411.917
IX	DIFFERENCE BETWEEN AVAILABLE AND REQUIRED SOLVENCY	1.523.323	2.085.717	2.122.427	2.092.157

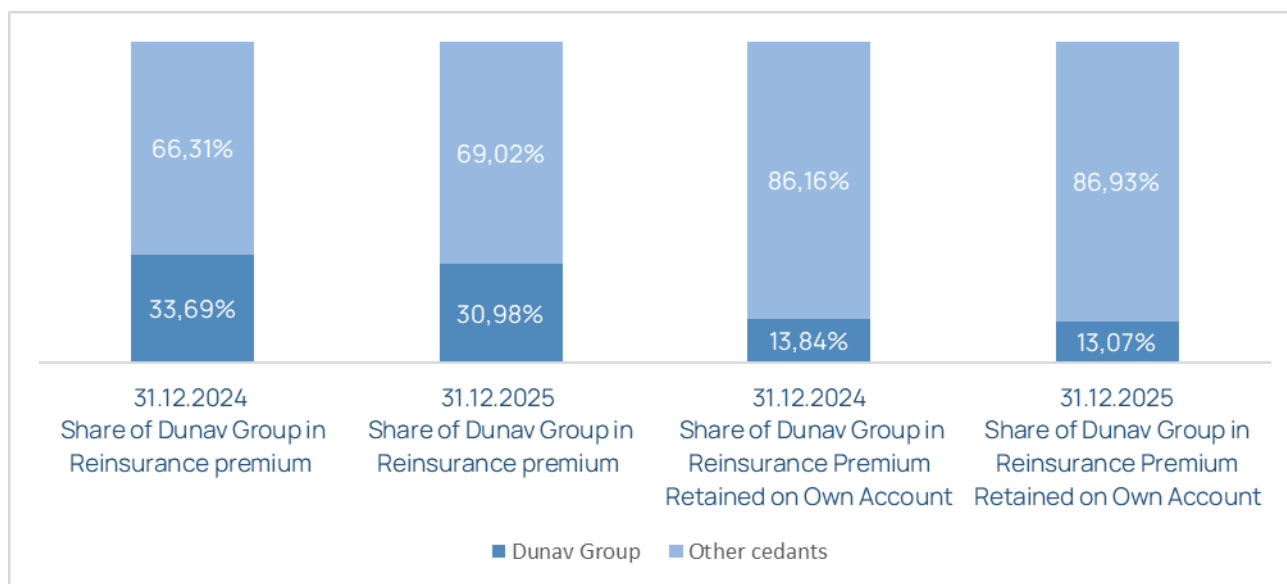
	MARGIN FOR REINSURANCE VII-VIII ≥ 0				
X	RATIO OF REQUIRED SOLVENCY MARGIN FOR REINSURANCE AND GUARANTEE CAPITAL (Article 128, paragraph 1 of the Law)	0,37	0,38	0,36	0,37
XI	AMOUNT PRESCRIBED BY ARTICLE 27 OF THE LAW (in accordance with the valid operating permit)	374.956	374.448	377.472	375.302
XII	DIFFERENCE BETWEEN GUARANTEE CAPITAL AND THE AMOUNT PRESCRIBED BY ARTICLE 27 OF THE LAW (Article 128, paragraph 2 of the Law) IV-XI ≥ 0)	2.545.256	2.966.671	3.377.736	3.424.613

16. PARTICIPATION OF ASSOCIATED ENTITIES IN REINSURANCE PREMIUM

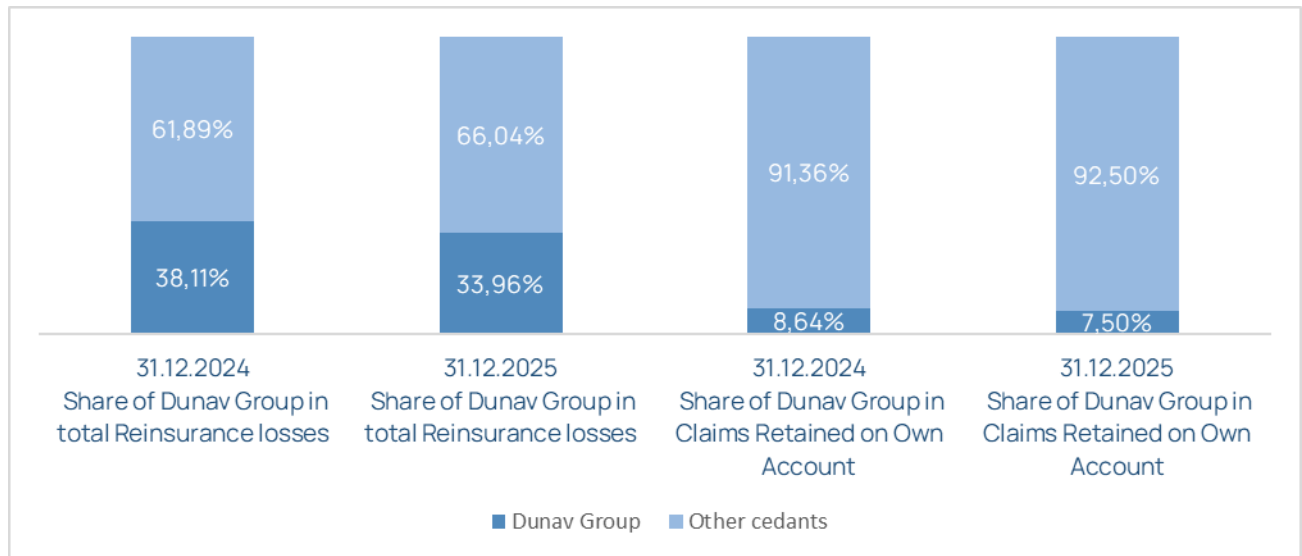
The share of the companies Dunav Insurance and Dunav Insurance Banja Luka in reinsurance premium decreased by 2,71 percentage points compared to the same period in 2024.

In absolute terms, the total premium increased by 2.75%.

The share of Dunav Insurance and Dunav Insurance Banja Luka in total reinsurance claims decreased by 4.15 percentage points at the end of 2025 compared to the same period last year. In absolute terms, a decrease of 0.64% was recorded.



The share of Dunav Insurance and Dunav Insurance Banja Luka in net retained premium decreased by 0,77 percentage points. The same downward trend is observed in self-retention reinsurance claims in 2025, amounting to 1.14 percentage points compared to the same period last year.



17. BUSINESS POLICY FOR THE UPCOMING PERIOD

The following activities are planned for the upcoming period:

- The Company will continue to improve the execution of existing reinsurance contracts, including their efficient implementation.
- The Company plans to continue intensive efforts aimed at further developing the contracting and contract execution process.
- Further diversification of the reinsurance portfolio is planned, maintaining an optimal balance between capacities secured through proportional and non-proportional treaties.
- In the upcoming period, activities are planned aimed at developing the portfolio within existing lines of business, with the aim of reinsurance premiums within the planned framework.
- Portfolio profitability and maintaining quality levels are a prerequisite for further expansion of cooperation with existing and new partners.

- The focus will continue to be on strengthening cooperation with existing cedants and attracting new ones, while developing personalized and adaptable reinsurance programs that will meet their growing and specific needs.
- The Company will be focused on providing support to cedants in the development of new and innovative products that will be competitive in the market and sustainable in the long term.
- Taking risks based on a conservative principle while maintaining a stable and profitable portfolio remains one of the important goals.
- Monitoring progress in the implementation of all existing contracts and improving mechanisms for identifying and quickly resolving any problems.
- Continue implementing the activities necessary for the preparation of the implementation of IFRS 17 in the Company.
- Continuous strengthening of the Company's capital base by increasing the share capital from the Company's retained earnings and reserves.
- Further strengthening of the presence in the international market through expanding cooperation with existing and establishing new partnerships with foreign cedants and brokers.
- Diversification of the geographical exposure of the portfolio to reduce concentration risk and improve the stability of results.
- Aligning operations with relevant international regulatory frameworks and best practices in the field of reinsurance.
- Strengthening analytical and actuarial capacities for the purpose of better risk assessment in different markets.
- Actively monitoring global trends in reinsurance, including climate risks, geopolitical factors and changes in capital requirements.
- Development of cooperation with international rating agencies in order to maintain and improve the Company's credit rating.

18. RISK MANAGEMENT

- In 2025, the Company maintained strong capital strength and financial flexibility, as confirmed by the AM Best Credit rating agency through the FSR (Financial Strength Rating) of B++ with a stable medium-term outlook, as well as by upgrade ICR rating to bbb, with the outlook improved from stable to positive.
- In the period of 2025, the Company actively managed potential risks arising from extreme weather conditions, macroeconomic conditions with inflationary trends and the situation on the financial market in the processes of engaging its capacities.

- Given that the Company is predominantly focused on assuming property risks, in addition to managing exposures to all business risks, special attention was focused on the tools and analytics necessary for adequate assuming and transferring natural hazard risks.
- Planned alignment of assets and liabilities, as well as adequate diversification of investments, were carried out.
- All groups of business risks were kept within the targeted limits, in order for the Company to achieve its defined strategic objectives.
- Development activities were focused on improving the risk management system, sustainability and information security.

Risk Management System

The Company organizes, implements and develops a risk management and internal control system in accordance with Article 147 of the Insurance Law, the Decision on the Management System in an Insurance/Reinsurance Company ("Official Gazette of the Republic of Serbia" No. 51/2015, 29/2018, 84/2020, 94/2022, 82/2024) and, the Risk Management Strategy of February 25, 2022 and the new Risk Management Strategy of December 23, 2024.

Competencies and responsibilities

The competencies and responsibilities of the holders of the risk management system are regulated by the Insurance Law, by-laws of the National Bank of Serbia, the Company's Statute, the Rules on Internal Organization and Systematization of Affairs, and other general acts of the Company.

The holders of the risk management system in the Company are:

- Supervisory Board
- Audit Committee
- Executive Board
- Controlling Department
- Employees



The Executive Board and the Supervisory Board of the Company play a key role in the effective functioning and support of the overall risk management system. The Supervisory Board defines the strategy and establishes and oversees the risk management system on the one hand, while the Executive Board, on the other hand, ensures the continuous improvement of procedures and provides overall organizational, staffing, and IT support for the development of an adequate risk management process.

Operational risk management is carried out within the competent organizational units of the Company where such risks have been identified. Heads of organizational units are responsible for the consistent implementation of the adopted risk management policies at all levels of the Company, as well as for clearly communicating to employees the responsibilities they bear within the risk management processes in which they participate, while adhering to established ethical and professional standards. All employees of the Company are aware of their responsibilities in the risk management process in which they are involved.

Risk management activities are performed within the Company's Controlling Department. The identification, assessment, measurement, and control of risks to which the Company is exposed are continuously developed and adjusted to business conditions across all organizational units, in accordance with the internal organizational structure and job

classification system, internal regulations, professional standards, good business practices, business ethics, and applicable legal regulations

Internal control and compliance activities within the Company are carried out by the Controlling Department. The internal control system monitors and assesses changes in the legal environment, covers management, accounting, administrative, and other procedures, proposes measures for adapting operations to all identified changes, and designs internal controls to ensure the compliance of specific processes by providing guidelines, recommendations, and suggestions for their improvement.

Internal audit performs independent, regular, and comprehensive control of the Company's operations. This is achieved through regular and comprehensive assessment of the effectiveness of the risk management system to which the Company is exposed and by assessing the adequacy of the established internal controls, as well as by providing recommendations for their improvement.

Risk management process

The Company's risk management framework is aligned with the regulatory standards of the National Bank of Serbia and has been appropriately developed in accordance with the size and complexity of the Company's business activities.

The comprehensive process of risk management and risk identification to which the Company is exposed is based on the Business Strategy defined for the 2025–2028 period, as well as the 2025 Business Plan, in which the Company, based on an analysis of global and local market risks and macroeconomic forecasts, defined its strategic choices and business objectives.

The identification, assessment, measurement, and responses to business risks are defined by the Company's Risk Management Strategy, Policies, and Guidelines

Within the risk management process, comprehensive and preventive identification, assessment, and measurement of risks to which the Company is exposed in its operations are ensured, in a manner that provides for the continuous maintenance of capital adequacy and risk exposure at a level that does not endanger the Company's assets or operations.

The risk management process enables consideration of all key factors and elements, allowing financial, human, and other resources to be directed in a way that ensures optimal diversification, allocation, and minimization of risk.

The Company's risk profile is defined by an acceptable level of risk exposure, i.e., the level of risk the Company is willing to assume, and is aligned with the defined risk management policies, objectives, and principles.

In measuring exposure to individual risks, the Company uses a set of tools such as probability-impact matrices for each current business risk, as defined in the risk register.

The Controlling Department submits a Risk Management Report to the Company's Executive Board and to Dunav Insurance Company a.d.o., as the controlling entity, at least on a quarterly basis.

The Company's Executive Board continuously monitors and assesses the established risk management system and regularly reports its findings to the Supervisory Board.

Risk Groups, Descriptions, Assessments, and Activities

In accordance with the Decision on the Governance System in an Insurance/Reinsurance undertaking prescribed by the National Bank of Serbia, the Company monitors 37 risks categorized into 7 risk groups.

Risk Description: Reinsurance risk arises from the Company's inability to absorb the risks inherent to reinsurance operations. The Company enters into active reinsurance contracts under which insurance risk is transferred from insurers/reinsurers to the Company, as well as passive reinsurance contracts under which reinsurance risk is transferred from the Company to other reinsurers.

Assessment: insignificant

The Company, through its reinsurance activities, is exposed to risks arising from inadequately determined reinsurance premiums, insufficient establishment of technical reserves, catastrophic events, inadequate assessment of risks assumed in reinsurance, inadequate retention levels, and risk concentration due to insufficient portfolio diversification.

As part of reinsurance risk management, the Company regularly monitors and analyzes all subcategories to ensure the continuous maintenance of risk exposure at a level that does not jeopardize its assets or operations, while also safeguarding the interests of ceding companies and other creditors.

In monitoring concentration risk, the Company continuously reviews sets of exposures linked by common risk factors and diversifies its portfolio to the extent necessary to avoid excessive risk concentrations.

Risk Description: Market risk arises from adverse changes in the market, particularly the insurance and financial markets. The Company specifically monitors interest rate risk, securities price risk, yield risk, foreign exchange risk, competition risk, as well as changes in the value of units in open-ended alternative investment funds.

Assessment: low

The Company regularly monitors and analyzes market performance trends for each specific market risk, giving special consideration to causal links between risk categories and the overall impact of this risk on other risks to which the Company is exposed.

The Company continually works to maintain its position in the international reinsurance market in relation to the competition, its position in the local market with capacity for further product and reinsurance portfolio development, and the preservation of stable cooperation and trust with foreign partners (reinsurers and brokers).

Risk Description: Counterparty default risk refers to the risk of potential negative effects on financial results and capital due to the non-fulfillment of obligations by the Company's business partners. The Company is exposed to counterparty default risk through reinsurance and retrocession receivables, as well as through the placement and investment of assets, particularly due to changes in the credit standing of securities issuers or other counterparties.

Assessment: insignificant

In 2025, the counterparty default risk was assessed as insignificant. This has been ensured through full compliance with all legal regulations, regular and systematic management of individual exposures in all business segments, continuous monitoring of the adequacy and quality of reinsurance partners, and sound diversification of both the reinsurance partners' portfolio and the Company's investment portfolio.

Risk Description: Liquidity risk refers to the risk that the Company will be unable to liquidate its investments and other assets in order to fully and timely meet its current and future financial obligations. It particularly includes: the risk of inadequate asset and liability management, errors in the valuation, recognition, presentation, and disclosure of asset values and funding sources, as well as their income, expenses, and business results; the risk of maturity mismatch between assets and liabilities, especially regarding the mismatch between assets covering technical reserves and the technical reserves themselves; the risk of failure to meet reinsurance obligations (insufficient coverage of technical reserves); and the risk of concentration within the investment portfolio.

Assessment: insignificant

The Company has established an appropriate management system to support short-term, medium-term, and long-term financing needs, as well as liquidity management. Liquidity risk is managed by maintaining adequate cash reserves, continuously monitoring projected and actual cash flows, and maintaining a proper balance between the maturities of financial assets and liabilities.

Risk Description: Operational risk arises from employee or management errors, inadequate internal procedures and processes, poor management of IT and other systems, and unforeseeable external events.

Assessment: insignificant

To mitigate operational risks identified and quantified by management, the Company actively improves and enhances its internal control system, in line with the nature, complexity, and riskiness of its operations, and ensures the implementation of an adequate information system.

Risk Description: Legal risk arises from non-compliance of the Company's operations and documents with legal regulations, from contracts that may be wholly or partially unenforceable (e.g., null and void contracts), and from potential losses resulting from legal disputes.

Assessment: insignificant

The Company monitors all laws and by-laws governing its operations and adjusts its internal documents accordingly in response to regulatory changes.

Risk Description: Other significant risks are directly related to the Company's core activities and stem from the volume and complexity of operations. This group includes reputational and strategic risks, risks arising from outsourcing, pandemic risk, as well as environmental, social, and corporate governance (ESG) risks.

Assessment: insignificant

The Company has built a reputation as a reliable partner both in the Republic of Serbia and abroad, always ready to meet client demands with professionalism and efficiency. Through timely actions and monitoring of business results, oversight of the overall competence and integrity of entities entrusted with the Company's activities, implementation of all necessary measures to protect employee health, as well as responsible monitoring of all relevant events and legislation, and adherence to ethical practices regarding environmental, social, and overall corporate governance risks, this group of risks is successfully maintained at an insignificant level.

In the period from January 1, 2025, to December 31, 2025, there were no changes to the established set of instruments for risk identification, measurement, assessment, and control. The Company continued monitoring the impact of risks on its operations, achievement of business objectives, and implementation of its strategy.

Own Risk and Solvency Assessment Report – ORSA

The Own Risk and Solvency Assessment (ORSA) is an integral part of the Company's Business Strategy, and the results of the risk assessment are taken into account when making strategic decisions, planning business activities, and managing capital adequacy.

Indicators of capital adequacy and minimum requirements that must be met are prescribed by the Insurance Law and by the National Bank of Serbia, in accordance with the Decision on the Capital Adequacy of Insurance/Reinsurance Companies.

As of December 31, 2025, the Company's Guarantee Reserve (Available Solvency Margin) was 2.69 times higher than the Required Solvency Margin, indicating that the Company has ensured the conditions for secure operations and the prerequisites for further development, namely an adequate level of solvency capital and financial stability.

For the purposes of its own risk and solvency assessment for the year 2025, the Company conducted a risk analysis in January 2026 based on the List of Criteria for Business Year 2025.

The Own Solvency Requirement Assessment confirms the appropriateness of the regulatory method and strategic guidelines in ensuring capital adequacy. The sustainability of capital adequacy is assessed using Stress scenarios that estimate potential risks and their impact on operations, which enables the Company to take necessary measures in risk-taking, improve its internal control system, and enhance the effectiveness of strategic decision-making.

Извештај о резултатима сопствене процене ризика и солвентности - ОРСА за 2025. годину је саставни део овог годишњег извештаја о пословању (прилог уз Извештај о пословању) и не објављује се у складу са Одлуком Народне банке Србије о систему управљања у друштву за осигурање/реосигурање.

19. ESG – Environmental, Social, and Governance Factors in Business Operations

In 2025, the Company continued to consistently apply ESG factors in its operations to ensure long-term sustainability and a strategic advantage in a competitive market environment. Events and activities related to environmental, social, and governance sustainability are having an increasingly significant impact on business operations.

Environmental factors refer to the natural environment and include considerations such as climate risk, resource usage, energy consumption, pollution, and waste management.

Social factors relate to how a business system interacts with its partners, employees, and the broader community.

Governance factors refer to the procedures and processes through which a business system directs and controls its operations.

The Company manages these factors based on the following criteria:

Environmental criteria imply that the Company and its business partners actively contribute to reducing climate risk in accordance with environmental protection regulations, demonstrate responsible behavior toward nature, preserve natural resources, manage waste and toxic emissions, use energy efficiently, and implement environmental protection initiatives.

Social criteria imply that the Company and its business partners manage relationships with employees, other business partners, and the wider community in an appropriate manner. This means that ceding companies and other partners share the same professional and ethical values as the Company, respect employee rights, provide adequate working conditions, apply the highest workplace safety standards, and allocate a portion of profits to projects of significance to the broader community.

Governance criteria imply that a business system has an adequate corporate governance structure, established internal control systems, compliance with laws, transparent reporting, and respects shareholder rights, human rights, and diversity.

Implementation of Environmental, Social, and Governance (ESG) Factors in Business Operations

The Company has successfully implemented ESG factors across all segments of its operations:

- In the reinsurance underwriting process, environmental factors are assessed through negative screening to control exposure to certain industrial sectors.
- In the investment decision-making process, ESG compliance of issuers is assessed in order to achieve higher and more stable returns, preserve the real value of reinsurance assets, and adequately manage reputational risk.

Both processes include additional assessments of the social factor (employee relations, work environment, occupational safety, social responsibility, allocation of profit to community beneficial projects) as well as assessments of the governance factor (corporate governance structure, decision-making, application of appropriate accounting policies, proper reporting, transparency, and legal compliance in operations).

Throughout 2025, the Company demonstrated environmental responsibility in all business segments by using energy-efficient resources and adhering to energy-saving practices. Energy saving includes the use of lowenergy electronic devices and advanced digitalization solutions to support the transition to fully electronic operations.

The Company is fully compliant with environmental protection regulations. The management of electronic and other waste is regulated through long-term contracts with licensed companies.

The Company is committed to the implementation of green technologies and is business-oriented toward renewable energy projects, primarily solar and wind power plants, as well as technological solutions aimed at reducing harmful gas emissions from existing energy facilities (flue gas desulfurization systems and nitrogen oxide removal systems). As part of its

environmental commitment, the Company continued in 2025 to finance afforestation projects using protected tree species.

In its operations, the Company prioritizes the needs of ceding companies and other business partners in order to maintain its business reputation and market position. A high level of responsibility toward employees includes opportunities for professional development, skill enhancement, career advancement, and occupational safety in accordance with the highest standards.

The Company is committed to contributing to the broader community through participation in various humanitarian activities, primarily supporting the treatment of the most severe illnesses in children, assisting socially vulnerable groups, and helping persons with special needs.

All aspects of governance are aligned with best practices. The Company implements high standards of corporate governance, applies accurate and transparent accounting and reporting methods, conducts appropriate assessment and selection of management members, eliminates any conflicts of interest, does not undertake actions to secure preferential treatment or position, refrains from any illegal activities, strictly respects human rights and diversity, prohibits any form of discrimination, and enables shareholders to vote on all important matters at General Assembly meetings.

20. THE IMPACT OF CLIMATE CHANGE ON BUSINESS OPERATIONS

Climate change represents long-term variations in temperature and weather patterns, caused both by natural changes in the solar cycle and by deliberate human activities.

The dominant cause of climate change is the use of fossil fuels in the energy sector. The second largest emitter of harmful emissions is the transportation sector, due to the combustion of fuels, which produces so-called “greenhouse gases.” This is followed by construction, agriculture, and livestock sectors, which continuously clear forests and vegetation to meet their needs. In addition to the use of fossil fuels and global deforestation, another significant contributor to climate change is the inadequate management of organic waste, especially in developing countries, which is a major source of methane emissions into the atmosphere.

The Company monitors and assesses climate change factors within its established risk management system. Climate change is categorized as an emerging risk, the identification,

assessment, measurement, and control of which are continuously evolving and adapted to its specific characteristics.

The Company follows the global effects of climate change through multiple relevant scientific sources, analyzes their trends, and applies best international practices in managing such risks.

The Company considers climate change risk within the broader category of Environmental, Social, and Governance (ESG) risks, which is classified under Group 7 – Other Significant Risks, in accordance with the Decision on the Governance System in Insurance/Reinsurance Companies issued by the National Bank of Serbia.

Environmental risks are considered a serious threat due to the potentially rapid, unexpected, and significant impact of damages caused by natural disasters. The Company classifies natural disasters as extreme weather events resulting from climate change, such as storms, hurricanes, cyclones, floods, droughts, wildfires, and similar events.

Given the increasing frequency, regularity, and growing trend of economic losses caused by extreme weather events, the Company treats climate change risk as a systemic risk—one with the potential to cause serious adverse effects, destabilize capital markets, other financial institutions, and the broader economy.

Considering the year-on-year growth in physical damages, the Company continued in 2025 to integrate climate change risk into its core business segments and is capable of absorbing its negative effects, namely:

- In the reinsurance underwriting process, climate change risk management aims to mitigate the adverse effects of climate uncertainty and the impact of shifting climate trends on the Company's portfolio risks, which may result in catastrophic losses. Mitigating risk factors include portfolio modeling based on exposure to natural disasters using appropriate analytical tools, performance analysis, and other elements of reinsurance contracts, as well as the Company's reinsurance protection program.
- In the investment decision-making process, climate risk analysis aims to achieve higher and more stable returns and to preserve the real value of reinsurance assets. The analysis includes environmental factor assessments, particularly of potential issuers whose revenues are tied to the production, processing, sale, or handling of fossil fuels and other critical industries (so-called negative screening).

Monitoring and assessment of climate change risk is carried out within the risk management system on a quarterly and annual basis. The Company uses an internal assessment tool, within the framework of the risk management system, in accordance with the Decision on the Governance System in Insurance/Reinsurance Companies issued by the National Bank of Serbia.

As of December 31, 2025, the assessment of climate change risk within ESG risk categories is described as insignificant. Its impact on the Company's operations is considered limited.

The Company's Sustainable Business Committee oversees the process of identifying, assessing, and responding to climate change risk.

The Company's Executive Board monitors and assesses climate change risk within the risk management system and reports its findings to the Supervisory Board.

The Company's climate-related business strategy is fully aligned with applicable legislation and other binding regulations on limiting harmful gas emissions, the National Emission Reduction Plan for major combustion plants, and will continue to align long-term with the economic transition toward the reduction and eventual elimination of fossil fuel use.

The Company strives to maintain a leadership position in reducing climate impact by offering innovative reinsurance coverage for renewable energy projects from sustainable sources, and by developing expertise in low-emission sectors. The Company reinsures renewable energy projects in the Republic of Serbia, including solar power plants, wind farms, and flue gas desulfurization and nitrogen oxide removal systems in thermal power plants.

The Company is also involved in subsidized support projects for agricultural producers, through the development of new products for insurance based on parameters of arable land obtained through satellite data collection.

The Company is permanently committed to mitigating climate change and aims to achieve net-zero emissions by 2050. Decarbonization means that the Company's business strategy is aligned with legal and other regulatory frameworks in the area of climate change and will be progressively adjusted to follow the dynamics of transitioning to a low-carbon economy.

The Company's goals are aligned with the European Commission's set of policy initiatives, targeting a reduction in greenhouse gas emissions by at least 50% by 2030 and climate neutrality by 2050. As an advocate for the application of green technologies and the establishment of sustainable industrial production, the Company, within the scope of its competencies, expects these targets to be met.

21. SUSTAINABLE BUSINESS OPERATIONS

Sustainable business operations are a key factor in achieving the Company's mission: to create sustainable value for shareholders, provide security for ceding companies, and build high-quality, long-term relationships with all stakeholders.

In developing its reinsurance products and services, as well as in managing its portfolio, the Company adheres to the principles of sustainable business in four main areas:

1. Reinsurance and asset management
2. Business processes
3. Responsibility toward key stakeholders
4. Corporate governance

Reinsurance and asset management are strategic activities into which Environmental, Social, and Governance (ESG) factors are integrated, with the aim of transitioning toward a climate-neutral and resilient circular economy.

The Company's reinsurance policy entails that ESG factors are considered in the underwriting process, primarily for the purpose of identifying future costs related to climate uncertainty and reserving.

As a predominant reinsurer of property and liability risks, the Company views weather-related risks and the impact of changing climate trends as a serious threat due to their potentially significant influence on the occurrence of losses from natural catastrophes.

The Company promotes reinsurance products for renewable energy projects, including—but not limited to—wind farms and solar power plants, as well as projects aimed at reducing pollutant emissions from existing facilities. The reinsurance policy takes into account national strategies for the gradual phase-out of fossil fuels and the transition toward a climate-neutral economy.

The Company's investment policy incorporates ESG factor assessments into the investment decision-making process, with the goal of achieving higher and more stable returns and preserving the real value of insurance assets.

Business processes include the evaluation of business partners according to ESG criteria, as well as the measurement of the Company's own carbon footprint from operational activities. Although the Company has no direct influence on increasing the share of electricity from renewable sources, it does have control and the ability to effectively reduce energy consumption from existing sources, office material usage, and waste management.

Responsibility toward key stakeholders implies that the Company treats its business partners, employees, and the broader community with a high degree of responsibility. The primary goal is to preserve the reputation of a reliable business partner and employer, by providing financial security, knowledge and technology transfer to business partners and employees. As for the community, the Company will continue to participate in programs that promote social and environmental responsibility and support socially vulnerable groups.

Corporate governance entails the application of the highest management standards and adherence to ethical and professional principles in all operations. It also involves continuous efforts to improve efficiency and effectiveness at all organizational levels. The Company has adopted a Corporate Governance Code, which it consistently applies and expects the same

ethical and professional values to be upheld by its business partners and employees. When selecting personnel, the Company is guided by criteria such as competence, reputation, work experience, education, possession of specific knowledge and skills, and gender structure of employees.

The Sustainable Business Committee coordinates activities related to implementing the Company's mission in achieving sustainable goals at the strategic level, thereby creating a long-term stable foundation for profitable and secure operations, promoting the transition to a sustainable society, and reducing the impact on climate change. The Committee also analyzes trends and modalities of sustainable business based on Environmental, Social, and Governance (ESG) factors.

On May 13, 2022, the Company became a signatory of the Principles for Sustainable Insurance (PSI) and a promoter of the global initiative of the insurance, reinsurance, banking, and investment community, under the United Nations Environment Programme Finance Initiative (UNEP FI). By adopting these principles, the insurance and reinsurance industry contributes directly to economic, social, and environmental sustainability.

As part of its commitments, the Company discloses its progress and achieved results in applying the PSI Principles by publishing annual sustainable business reports, which are available on the Company's website.

22. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant business events that occurred after the close of the 2025 financial year.

23. ENVIRONMENTAL PROTECTION INVESTMENT

In 2025, The Company allocated a total amount of RSD 1.5 million for the implementation of the "Forest Caravan" project and for a donation to the Institute of Neonatology.

In 2025, the Company did not carry out any activities related to research and development.

24. CORPORATE GOVERNANCE CODE

In accordance with Article 368 of the Law on Business Companies, Dunav Re Reinsurance Company a.d.o. declares that it applies the Corporate Governance Code, which was adopted by the Company's Supervisory Board and published on the Company's website: www.dunavre.rs.

There have been no deviations from the rules established by the Corporate Governance Code in the Company's corporate governance practice.

Internal Control System

The internal control system refers to appropriate procedures, processes, and actions organized in a manner suited to the nature, complexity, and risk level of the business, aimed at preventing excessive exposure of the Company to risks, as well as preventing illegal activities and irregularities in operations, and protecting the rights and interests of reinsurance policyholders and third parties.

The primary objective of the internal control system is to prevent excessive exposure to risks, illegal actions, and irregularities in the Company's operations, as well as to ensure timely and reliable reporting.

The Supervisory Board of the Company establishes the internal control system, while the Executive Board implements the established system.

Internal audit evaluates the adequacy and reliability of the established internal control system, and examines and assesses the adequacy and application of prescribed procedures in the Company.

The Executive Board reports to the Supervisory Board at least once a year on the functioning of the internal control system and proposes amendments to it as necessary.

The Company's financial statements are prepared, reviewed, adopted, and published in accordance with applicable legal regulations, International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS).

At its regular annual meeting, the Company's General Assembly, prior to the adoption of the Financial Statements and the Annual Business Report, is required to review and adopt the Opinion of the Certified Actuary on the financial statements, as well as the Independent Auditor's Report on the audit of the financial statements, thereby reducing the risks related to the financial reporting process to the lowest possible level.

Composition and Functioning of Governance Bodies and Their Committees

General Assembly

The General Assembly of the Company consists of all shareholders, who exercise their voting rights either directly or through their representatives (proxies). The General Assembly is convened, scheduled, and held in accordance with the Law, the Company's Founding Agreement, its Articles of Association, and the Rules of Procedure.

Supervisory Board

The Supervisory Board consists of three (3) members, including the Chairperson. It is composed of two representatives of the shareholders with controlling interest and one independent member. Supervisory Board meetings are held at least once every three months. The convening of meetings, procedures, and decision-making processes of the Supervisory Board are governed in detail by the Supervisory Board's Rules of Procedure.

Audit Committee

The Supervisory Board establishes the Audit Committee. The Audit Committee consists of three (3) members, including the Chairperson of the Committee. At least one member of the Committee must be a certified auditor in accordance with the law regulating accounting and auditing, or a person with appropriate knowledge and work experience in the field of finance, who is independent from the Company within the meaning of the law. The Rules of Procedure regulate the Committee's working methods, procedures for preparation, convening, and holding of meetings, the decision-making process, the manner of adopting acts and reporting to the Supervisory Board, as well as other matters related to the functioning of the Audit Committee.

Executive Board

The Executive Board of the Company consists of three (3) members, including the Chairperson. The Chairperson and members of the Executive Board are appointed and dismissed by the Company's Supervisory Board.

The rights, duties, and responsibilities of the Chairperson and members of the Executive Board are defined by the Employment Contract concluded with the Supervisory Board. The Rules of Procedure regulate the organization and working methods of the Executive Board, the procedures for preparing, convening, and holding meetings, decision-making procedures, as well as the adoption and implementation of decisions and reporting of the Executive Board.

25. DIVERSITY POLICY FOR MANAGEMENT BOARD MEMBERS

Diversity Policy

Management board members are appointed based on their competencies, knowledge, and skills, while also taking into account diversity criteria such as gender, age, length of service, and individual differences in professional and personal experience.

In the Supervisory Board, women make up 33% of the members, while in the Company's Audit Committee they account for 66%. There is also diversity in terms of educational background and age.

The goals of the diversity policy are mutual respect and appreciation of individual differences among management members, which encourages the development and utilization of their full potential, thereby positively influencing the Company's overall business results. Pursuant to Article 368 of the Law on Business Companies ("Official Gazette of RS", Nos. 36/11, 99/11, 83/14 – other law, 5/15, 44/18, 95/18, 91/19, 109/21 and 19/25) and Article 42 of the Company's Articles of Association (consolidated text as of April 1, 2022), the Supervisory Board issues a Statement on the Application of the Corporate Governance Code, which forms an integral part of the Business Report.

26. CONCLUSION

Reinsurance Company Dunav Re achieved record-breaking results in 2025, both in terms of gross written premium, which reached EUR 137 million (RSD 16.1 billion), and in terms of the Company's retained premium, amounting to EUR 47.2 million (RSD 5.54 billion).

The increase in premium compared to the previous period stands at nearly 12% when considering total gross written premium, while the retained premium increase by 16.72%.

The year 2025 also marked a record high in net profit, which amounted to approximately EUR 7.62 million.

Considering its long-standing tradition, capacity, and professional staff, Dunav Re has held the leading position on the reinsurance market of the Republic of Serbia for years, based on the level of retained premium.

We believe this positive trend will continue in the years to come.

Given that Dunav Re also operates on the international reinsurance market, it is important to note that, in terms of premium volume, the Company ranks third in the region. Additionally, in 2025 the credit rating agency AM Best affirmed the Company's credit rating of FSR B++ with a stable outlook and ICR BBB with a positive outlook.

The results achieved have further strengthened client confidence, justifying expectations of continued growth and development of the portfolio.

President of the Executive Board

Uzelac Vladimir

Member of the Executive Board

Maričić Bojan
