

## 1Q 2024 Results

Lisbon, June 17, 2024

*Unaudited figures*

Net Income reached 42M€, up 100.2% YoY, driven by insurance and investment results growth. Consolidated 1Q 2024 Gross Written Premiums (“GWP”) reached 1,310M€, a 17.9% increase YoY, shored up by both Portuguese (+22.9%) and international operations (+7.5%).

Key Figures (M€, otherwise noted)	1Q 2023	1Q 2024	Change YoY
Gross Written Premiums	1,111	1,310	17.9%
Net Income	21	42	100.2%

Rogério Henriques, Fidelidade’s Chief Executive Officer, commented on the main highlights of 1Q 2024:

“The beginning of 2024 has been a period in which we have seen previous business decisions produce sound results”.

“During the 1Q 2024, we achieved significant growth in the Life Financial business in Portugal after a tough 2023. Although market conditions remain challenging, Fidelidade’s long-run strategic commitment to developing the unit-link business and the tactical adjustment implemented last year to develop capital-light products have resulted in significant growth in the Portuguese Life Financial business for the first time in over a year. Our local unit-linked and guaranteed businesses (capital-light products) have registered strong profitable and capital-accretive growth”.

“In addition, the 1Q 2024 Portuguese Non-Life business’ double-digit growth is also an achievement underpinned by a decision made in 2022: to define and execute a disciplined, data-driven repricing process”.

“Finally, in late May we issued a green RT1 bond. As the first green euro RT1 in the insurance sector globally, the transaction execution entailed some uncertainty. Issuing the instrument was a key step in our capital optimization strategy; however, making the RT1 a green instrument was part of Fidelidade’s commitment to make ESG initiatives an integral part of our day-to-day operations. This mind frame was incorporated when we defined Fidelidade’s new ESG strategy two years ago.”

## Gross Written Premiums

The year-to-date consolidated GWP reached 1,310M€, reflecting a 17.9% growth compared to the 1Q 2023. This increase was driven by Portuguese operations' growth (+22.9% YoY) and international business expansion (+7.5%).

Consolidated Life GWP raised 37.7% to 503M€, supported by the Portuguese Life business (+54.4%). In particular, local Life Financial volumes experienced remarkable growth on the back of the launch of new guaranteed capital-light products (+62.4%) and the renewed demand for unit-linked products (+93.4%) due to better market conditions. Internationally, activity in Peru and at the Prosperity Company drove Life GWP (+14.6%).

Consolidated Non-Life premiums reached 808M€, a solid 8.2% YoY growth, driven by a 10.5% increase in Portuguese operations, particularly from Workers' Compensation, Health, and Motor businesses. While this increase is primarily attributed to repricing efforts, risk units also rose. International Non-Life GWP raised a more subdued 2.3% due to local currency depreciation in Chile and Angola, which rendered GWP essentially flat for the former country and down for the latter. Additionally, Peru experienced mid-single-digit growth in the quarter.

Total Gross Premiums Written (M€)	1Q 2023	1Q 2024	Change YoY
<b>Portugal</b>	<b>753</b>	<b>925</b>	<b>22.9%</b>
<u>Non-Life</u>	<u>540</u>	<u>597</u>	<u>10.5%</u>
Workers' Compensation	99	115	15.7%
Health	144	165	14.5%
Motor	167	184	9.8%
Fire and Other Damages	93	93	0.1%
Other	37	41	10.4%
<u>Life</u>	<u>212</u>	<u>328</u>	<u>54.4%</u>
Risk & Annuities	53	51	-3.4%
Life Financial – Guaranteed	102	166	62.4%
Unit-Linked	57	111	93.4%
<b>International</b>	<b>359</b>	<b>386</b>	<b>7.5%</b>
<u>Non-Life</u>	<u>206</u>	<u>210</u>	<u>2.3%</u>
Workers' Compensation	28	30	8.3%
Health	23	23	-1.8%
Motor	47	48	2.1%
Fire and Other Damages	57	64	12.0%
Other	50	45	-10.2%
<u>Life</u>	<u>153</u>	<u>175</u>	<u>14.6%</u>
Risk & Annuities	71	80	11.8%
Life Financial – Guaranteed	20	25	22.9%
Unit-Linked	61	71	15.2%
<b>Total Premiums Management Accounts</b>	<b>1,111</b>	<b>1,310</b>	<b>17.9%</b>

Total Gross Premiums Written (M€)	1Q 2023	1Q 2024	Change YoY
<b>Non-Life</b>	<b>746</b>	<b>808</b>	<b>8.2%</b>
Workers' Compensation	127	145	14.1%
Health	167	188	12.2%
Motor	215	232	8.1%
Fire and Other Damages	150	157	4.6%
Other	88	86	-1.4%
<b>Life</b>	<b>365</b>	<b>503</b>	<b>37.7%</b>
Risk & Annuities	124	131	5.3%
Life Financial – Guaranteed	122	190	56.0%
Unit-Linked	119	182	53.0%

During the first quarter, Fidelidade maintained its leadership position in the Portuguese market, increasing its 1Q 2024 overall market share in Portugal to 25.9% (+1.8 p.p.). Local Life market share rose to 21.2%, an increase of 4.8 p.p. YoY, due to significantly stronger Life Financial volumes in the first quarter of this year than a year ago. The Non-Life market share in Portugal remained steady at 29.6%.

## Profitability

Net Income reached 42M€ in 1Q 2024, up 100.2% compared to 1Q 2023, on the back of better Insurance Service and Investment Results.

During the 1Q 2024, consolidated CoR improved by 4.1 p.p. YoY to 91.9%. Repricing efforts, underwriting adjustments, and cost mitigation initiatives explained the ratio reduction. The quarterly Insurance Service Result was 39M€, up 68.4% YoY.

1Q 2024 Investment Result stood at 42M€, a 43% YoY rise. The investment yield increased to 3.4%, 1.6 p.p. higher YoY. During the 1Q 2024, favorable financial markets shored up the Investment Result, and Fidelidade's low asset duration enabled access to higher yields.

Profitability (M€, otherwise noted)	1Q 2023	1Q 2024	Change YoY
Insurance Service Result	23	39	68.4%
<i>Non-Life Combined Ratio</i>	<i>96.0%</i>	<i>91.9%</i>	<i>-4.1 p.p.</i>
Investment Result	30	42	43.0%
<i>Investment Yield*</i>	<i>1.8%</i>	<i>3.4%</i>	<i>1.6 p.p.</i>
<b>Net Income</b>	<b>21</b>	<b>42</b>	<b>100.2%</b>

\* Excluding unit-linked

## **Recent Developments**

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On 22 May 2024, Fidelidade successfully priced its inaugural 500M€ green RT1 offering at 7.750%. This transaction is part of Fidelidade's capital optimization strategy. With the RT1 issuance, the pro-forma, unaudited, consolidated YE 2023 Solvency Ratio stands at 206%, above the 160% to 190% target range defined in the new Risk Appetite Framework.