NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s.

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS INCLUDING ANNUAL REPORT PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS APPROVED BY THE EU

for the year ended 31 December 2023

NOVIS Insurance Company,
NOVIS Versicherungsgesellschaft,
NOVIS Compagnia di Assicurazioni,
NOVIS Poisťovňa a.s.

Annual Report
31. december 2023

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Ladies and Gentlemen, Dear Members of the NOVIS Ecosystem,

We are pleased to present the 2023 Annual Report of NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s. (hereinafter referred to as the "Company" or "NOVIS"), which consists of this introduction and the individual financial statements.

1. Business Development and Impact of Regulatory Measures in 2023

On June 1, 2023, the National Bank of Slovakia (NBS) revoked the Company's license to carry out insurance activities. From the date this decision took effect, i.e. from June 5, 2023, NOVIS was prohibited to carry out insurance activities, with the exception of activities necessary for the collection of receivables and settlement of its liabilities. As a result of this decision NOVIS is not allowed to conclude acquire new insurance contracts. NOVIS believes that the NBS decision is unlawful, based on an incorrect assessment of the facts and reflects an incorrect application of the relevant legal regulations. NOVIS has therefore filed an administrative appeal against the NBS decision with the competent administrative court. At the time of preparation of the annual report, the court proceedings are still in progress and the company expects the court to schedule a hearing.

After the license was revoked, the NBS submitted a proposal to the competent court for the dissolution and liquidation of the Company and the appointment of a liquidator. This process was not completed in 2023.

Due to the revocation of the license, NOVIS could acquire new insurance contracts only in the first half of 2023. Subsequently, the Company focused exclusively on servicing its existing portfolio. After the license revocation the Company faced an extraordinary increase in the number of canceled insurance contracts. This trend stabilized by the end of the year. As a result, the Company's insurance contract portfolio decreased by 7,000 contracts and counted 37,000 contracts at the end of the year 2023. At the same time, the volume of premiums collected decreased by EUR 9 million to EUR 49 million, while claims and surrender payments increased by EUR 12 million year-on-year. This combination of factors - reduced premium collection, increased premium payments and increasing administrative costs - led to a reported loss for the year of EUR 32.4 million, underlining the significant financial burden caused by regulatory and operational issues.
For the first time the financial results are reported in accordance with the new International Financial Reporting Standards (IFRS17 for insurance contracts and IFRS9 for financial instruments).

The trends observed in 2023 continue to have an impact also in 2024. NOVIS cannot acquire new insurance contracts and is focused on servicing its existing portfolio. Although the outflow of contracts continues, it occurs at a significantly reduced rate compared to the previous year. This ongoing outflow contributes to the continued decline in collected premiums and an increased volume of paid insurance benefits. Despite these challenges, the company remains committed to effectively manage its contracts portfolio and ensure quality services for its clients.

2. Proposed distribution of the result for the period

The loss for 2023 amounted to EUR 32,415 thousand, reported in accordance with IFRS as adopted by the European Union. The Board of Directors and the Supervisory Board proposed that the entire amount of the loss be transferred to the retained earnings account. This proposal was submitted for approval to the General Assembly on 30 December 2024.

3. Organizational structure of the Company

As of the date of issue of this annual report, there were no changes in the above organizational structure.

Given that the Company was force to stop any new business development and acquisition of new nsurance contracts after the license was revoked, the number of employees gradually decreased by approximately 25% compared to 2022. At the end of 2023, the Company had 83 employees.

4. Important developments in 2024

The most important event is that the administrative dispute in the administrative court, in which NOVIS challenged the legality of the NBS decision regarding its license, remains unresolved. During this period, NOVIS actively engaged in these proceedings by providing the court with additional supporting documents, expert opinions and three key documents obtained from the European Court of Justice. In addition, in 2024, the Municipal Court Bratislava IIII rejected the NBS's proposal to initiate liquidation. The Court of Appeal upheld this decision, effectively suspending any potential liquidation until the administrative court decides on the legality of the NBS decision to withdraw the license.

In July 2024, convertible bonds issued in previous years with a total value of EUR 20,000 thousand were converted into share capital. This transaction increased the Company's share capital from EUR 7,064 thousand to EUR 8,482 thousand. EUR and the share premium increased from EUR 3,924 thousand to EUR 21,428 thousand.

5. Risks and uncertainties

The main risks and uncertainties faced by the Company are directly related to loosing the insurance license. The main challenge remains the duration and outcome of the ongoing legal proceedings. This creates significant unpredictability regarding future client behavior, which may further affect the Company's performance. The resolution of these legal disputes will be of critical importance for ensuring the operational and financial stability of NOVIS in the future. The Company is currently focused on maintaining transparent communication with stakeholders, increasing internal cost efficiency and maintaining liquidity reserves to sustain ongoing operations.

Despite the challenging circumstances, the Board of Directors would like to express its gratitude to all NOVIS clients for their continued trust, the insurance agents for their dedication, the employees for their outstanding commitment and, last but not least, the supporting members of the international NOVIS ecosystem. NOVIS remains committed to transparency, operational efficiency and maintaining the trust placed in it by its clients and stakeholders.

Thank you!

Siegfried Fatzi
Predseda predstavenstva
NOVIS Insurance Company,
NOVIS Versicherungsgesellschaft,
NOVIS Compagnia di Assicurazioni,
NOVIS Poisťovňa a.s.

Michal Knap
Podpredseda predstavenstva
NOVIS Insurance Comapny,
NOVIS Versicherungsgesellschaft,
NOVIS Compagnia di Assicurazioni,
NOVIS Poisťovňa a.s.

Bratislava, 28. decembra 2024

Tel: +421 2 5710 6666
www.bdoslovakia.com

Eurovea - Central 3
Pribinova 10, 811 09, Bratislava
Slovak Republic

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of the company NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s.:

I. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying financial statements of NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s. („the Company"), which comprise the separate statement of financial position as at 31 December 2023, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion section* of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by European union.

Basis for Qualified Opinion

During translation of part of insurance and reinsurance portfolio which is denominated in foreign currencies into EUR not all transactions were properly recorded in the general ledger. The Company identified this problem only after financial statements were prepared and approved by the general assembly and thus is legally restricted by the Act on Accounting from their reopening. Had the foreign exchange differences been correctly recognized, net Insurance finance expense would have been higher by EUR 631 thousand and Equity would have been higher by EUR 1,218 thousand (2022: net Insurance finance expense would have been lower by EUR 1,849 thousand and Equity would have been higher by EUR 1,849 thousand), net Insurance Contract Asset would have been higher by EUR 1,878 thousand (2022: by EUR 3,674 thousand) and the net Reinsurance Contract Asset would have been lower by EUR 660 thousand (2022: by EUR 1,825 thousand).

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of the Act No. 423/2015 Coll. on Statutory Audit and on amendments and supplements to the Act on Accounting No. 431/2002 Coll. as per later amendments (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1.2 to the financial statements, which states that the Company's license to conduct insurance business was revoked effective 5 July 2023. As of that date, the Company is prohibited from entering into new insurance contracts and may only continue activities related to the recovery of its receivables and the settlement of its obligations. As noted in Note 2.1.2, these circumstances, along with other matters disclosed therein, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor whose report dated 25 August 2023 expressed a disclaimer of opinion on those financial statements with respect to going concern uncertainty.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Uncertainty in the Measurement of Insurance Contract Assets and Liabilities, and Reinsurance Contract Liabilities

Description of Key Audit Matters	*How the Matters Were Addressed*
As at 31 December 2023, the Company reports value of insurance contract assets of EUR 91,442 thousand and insurance contract liabilities of EUR 72,386 thousand, as well as reinsurance contract assets amounting to EUR 100,730 thousand and reinsurance contract liabilities amounting to EUR 338 thousand. These items have been accounted for, effective 1 January 2023, in accordance with the new insurance standard IFRS 17. The Company applies a combination of the General Measurement Model (GMM) and Variable Fee income Approach Model (VFA) for their valuation. These measurement models represent a complex actuarial approach based on significant assumptions regarding the estimated future cash flows related to groups of insurance and reinsurance	We assessed the Company's internal controls over actuarial procedures, including the controls over assumption process management. We obtained understanding of the approach, how the Company is setting the key assumptions and what input data it uses in calculation of insurance and reinsurance contract assets and liabilities. We verified estimated future cash flows per type of insurance contracts. We verified the setup for used discount rate. We verified the methodology and calculation of the risk adjustment. We verified the completeness of the insurance portfolio used in the calculation of insurance and reinsurance contract assets and liabilities, as well

contracts, as well as the determination of the discount rate used to calculate the present value of those estimated cash flows.

The most significant assumptions used in estimating future cash flows relate to morbidity, accident and mortality rates of the insured population, policy lapse rates, claims ratios, expected administrative expenses, and the applied discount rate.

The accounting policies applied in the measurement of insurance and reinsurance contracts, along with further explanatory information, are disclosed in Note 2.3.

Insurance contract assets and liabilities, as well as reinsurance contract assets and liabilities, represent a significant portion of the Company's assets and liabilities and constitute a material accounting estimate. This estimate is based on complex assumptions determined by the Company's management.

Given that this area involves significant accounting estimates and judgments regarding the uncertainty of future cash flows and requires the involvement of actuarial specialists, we consider it to be a key audit matter.

as the accuracy of the parameters of insurance and reinsurance contracts.

We agreed reports regarding the amount of insurance and reinsurance balances and relevant input data to supporting calculations and documentation.

With regard to the implementation of the new insurance standard IFRS17, the above-mentioned procedures have been processed on the data as of January 1, 2022, December 31, 2022 and December 31, 2023.

We discussed with actuaries and management of the Company the methods used to determine the key assumptions, and, if necessary, we asked management to justify it. We compared the accuracy of the calculations and assumptions used by the Company to available internal, market and historical data.

We assessed accuracy and completeness of the disclosures in the notes to the financial statements, including required information relating to the transition to the new insurance standard IFRS 17.

Responsibilities of the Statutory Body and Those Charged with Governance for the Financial Statements

Statutory body of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs as adopted by European union, and for such internal control as statutory body determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide those charged with governance with a statement on our compliance with the relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to be threaten our independence, and where applicable, we discuss related protective measures. From the matters communicated with those charged with governance, we determine those matters that were most significant in the audit of the financial statements for the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

II.1 Report on Information Disclosed in the Annual Report

The statutory body is responsible for the information disclosed in the annual report, prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of the financial statements, it is our responsibility is to gain an understanding of the information disclosed in the annual report and to consider whether such information is not materially inconsistent with the audited financial statements, or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We considered whether the Company's annual report contains information which is required to be disclosed by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for the year 2023 is consistent with the financial statements for the relevant year; and
- The annual report contains information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained during the audit of the financial statements, we are required to report whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. In this respect, there are no other findings, except for those presented in Basis for Qualified Opinion paragraph, that we should report on.

II.2 Further requirements for the content of an auditor's report within the meaning of Regulation (EU) No 537/2014 of the European Parliament and of the Council dated 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and Approval of the Auditor

We were appointed as auditor by statutory body of the Company on 28 May 2024 based on the resolution of the Company's General Meeting on 28 June 2024. The period of our total uninterrupted engagement including our previous renewals and reappointments of the statutory auditors is one year.

Consistency with the additional report for Audit Committee

Our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit committee of the Company which we issued on the same date as the issue date of this report.

Non-audit Services

We have not provided non-audit services that are prohibited under article 5, paragraph 1 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council from 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and we are independent of the Company.

Except for statutory audit and services published in annual report and financial statements, we have not provided to the Company any other services.

Bratislava, 13 May 2025

Ing. Stanislav KUBALA
Responsible auditor
Licence UDVA No. 1062

On behalf of the audit company:
BDO Audit, spol. s r. o.
Pribinova 10
Bratislava, Slovak republic
Licence UDVA No. 339

Note - This is a translation of the original Slovak Auditor´s Report to the accompanying financial statements translated into English language.

NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s.

Separate Financial Statements
in accordance with IFRS as adopted by the EU
31 December 2023

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Contents

A. SEPARATE STATEMENT OF FINANCIAL POSITION

In thousands of EUR	Note	31-12-23	31-12-22 (restated)	01-01-22 (restated)
ASSETS				
Intangible Assets	3.1.1.	501	581	609
Tangible Assets	3.1.2.	451	381	249
Insurance Contract Assets	3.3	91 442	132 360	118 990
Reinsurance Contract Assets	3.3	100 730	86 058	93 493
Other Assets	3.1.7	12 200	4 851	5 219
Investment in Subsidiaries	3.1.3	2 856	2 856	1 656
Investment - Financial Assets	3.1.5	45 186	62 032	81 150
Cash and cash equivalents	3.1.8	8 288	3 625	5 079
TOTAL ASSETS		**261 654**	**292 743**	**306 445**
Equity	**3.2.1.**	**4 032**	**36 396**	**56 758**
Other Liabilities	3.2.3	118 039	107 464	105 420
Insurance Contract Liabilities	3.3	72 386	77 397	79 666
Reinsurance Contract Liabilities	3.3	338	8 486	12 435
Insurance Linked Liabilities	3.2.5	42 969	46 518	40 754
Tax Liabilities	3.2.4	0	0	0
Borrowings	3.2.2	23 890	16 483	11 412
TOTAL LIABILITIES		**257 622**	**256 347**	**249 686**
TOTAL EQUITY AND LIABILITIES		**261 654**	**292 743**	**306 445**

The notes on pages 5 to 123 are an integral part of these Separate financial statements.

B. SEPARATE STATEMENT OF COMPREHENSIVE INCOME

In thousands of EUR	Note	2023	2022 (restated)
Insurance revenue	3.4.1	20 491	30 106
Insurance service expenses	3.4.2	-37 505	-14 898
Net income/(expense) from reinsurance contract	3.4.4	-7 894	20 973
Insurance Service Result		**-24 908**	**36 181**
Net finance expenses from insurance contracts	3.4.3	-4 576	-2 800
Net finance income/(expense) from reinsurance contracts	3.4.3	5 700	-31 448
Net Insurance finance income/expense		**1 124**	**-34 248**
Investment income/(expense)	3.5	6 577	-14 150
Other finance expense	3.6.1	-2 255	-860
Other operational expense	3.6.2	-12 382	-10 357
Other income/(expense) net	3.6.3	-571	-685
LOSS BEFORE TAX		**-32 415**	**-24 119**
Income Tax	3.6.4	0	0
LOSS AFTER TAX		**-32 415**	**-24 119**
Other Comprehensive Income		51	759
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		**-31 364**	**-23 360**

The notes on pages 5 to 123 are an integral part of these Separate financial statements.

C. SEPARATE STATEMENT OF CASH FLOWS

In thousands of EUR	Note	2023	2022 *(restated)*
Profit before tax		-32 415	-24 119
Adjustments for:			
Depreciation and Amortisation		254	226
Insurance result		19 198	-14 882
Reinsurance and ILS Result		2 194	10 475
Interest Income		-7	-24
Revaluation of Financial Assets		-6 570	14 174
Interest Expense		2 255	860
Δ financial assets measured at fair value through OCI		4	8 536
Δ financial assets measured at fair value through PL		23 463	-2 833
Δ insurance contracts		4 177	1 037
Δ reinsurance contracts		-8 160	-7 857
Δ ILS		-5 255	8 064
Δ other assets		796	368
Δ other liabilities		-186	-1 183
Interest received on investments		7	24
Cash flow from operating activities		**-245**	**-7 134**
Purchase of tangible and intangible assets		-244	-330
Acquisition of subsidiaries		0	-1 200
Net cash flows from investment activities		**-244**	**-1 530**
Δ Borrowings		6 739	4 857
Interest paid		-1 587	-646
Increse in equity - share issue		0	2 999
Financing Cash Flows		**5 152**	**7 210**
Net increase/decrease in cash and cash equivalents		4 663	-1 454
Cash and Cash Equivalents at the Beginning of Period		**3 625**	**5 079**
Cash and Cash Equivalents at the End of Period*		**8 288**	**3 625**

The notes on pages 5 to 123 are an integral part of these Separate financial statements.

D. SEPARATE STATEMENT OF CHANGES IN EQUITY

in thousands of EUR	Share Capital	Share Premium	Statutory Reserve Fund	FVOCI Reserve	Own Shares	Retained Earnings	Total Equity
As at 1 January 2022	**6 815**	**1 174**	**1 363**	**-904**	**-964**	**26 700**	**34 184**
Impact of initial application of IFRS 17	-	-	-	-	-	22 573	**22 573**
Impact of initial application of IFRS 9	-	-	-	-	-	-	-
Restated balance as at 1 January 2022	**6 815**	**1 174**	**1 363**	**-904**	**-964**	**49 273**	**56 757**
Total Comprehensive Income/(expense) for 2022	-	-	-	759	-	(24 119)	**(23 360)**
Capital transactions with owners:							
Increase in Share Capital	250	2 750	-	-	-	-	**3 000**
As at 31 December 2022	**7 064**	**3 924**	1 363	-145	-964	**25 154**	**36 396**
Total Comprehensive Income/(expense) for 2023	-	-	-	51	-	(32 415)	**(32 364)**
As at 31 December 2023	**7 064**	**3 924**	**1 363**	**-94**	**-964**	**-7 261**	**4 032**

The notes on pages 5 to 123 are an integral part of these Separate financial statements.

E. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. General information about the reporting entity

Registered name:	NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s.
Registered in:	Bratislava, I District Court, Section Sa, Insert No 5851/B (till 30th of May 2023) Municipal Court Bratislava III, Section Sa, Insert No 5851/B (from 1st of June 2023)
Registration number (IČO):	47 251 301
Tax registration number (DIČ):	2023885314

NOVIS Insurance Company, NOVIS Versicherungsgesellschaft, NOVIS Compagnia di Assicurazioni, NOVIS Poisťovňa a.s. (also the "Company", or "Insurance company" or "NOVIS") was founded on 19 September 2012 and registered on 11 October 2013 as a Joint Stock Company.
The registered seat of Novis is Námestie Ľudovíta Štúra 2, 81102 Bratislava.
NOVIS operated under the license no. ODT-13166/2012-16 granted by the National Bank of Slovakia (also "NBS") on 3. October 2013 and conducts its life insurance activity based on the Slovak Insurance Act (no. 39/2015) – according to Annex 1 part B point 1. character a), b), c) and point 3., being an implementation of the Directive 2009/138/EC enacted by the European Union on 25 November 2009 ("Solvency II Directive") until its revocation effective from 5 June 2023.

Prior to its revocation, the license authorized NOVIS to conduct insurance activities in Member States of the European Union or a Member State of the European Free Trade Agreement, which has signed the Treaty establishing the European Economic Area (hereinafter only "Member State"). Once NOVIS decided to perform insurance in another Member State under the freedom to provide services, without establishing a branch, it had to notify the National bank of Slovakia in writing of this intention prior to commencing such insurance activities. At the end of 2022 and 2023, NOVIS operated through its registered branches in the Czech Republic, Germany and Austria and based on the cross-border freedom of service principle in Hungary, Italy, Poland, Finland, Sweden, Iceland and Lithuania.

As of 31.12.2023 and 31.12.2022 The Management Board (MB) had 3 members: Siegfried Fatzi - Chairman; Michal Knap – Vice-Chairman and Rainer Norbert Alt - Member.

As of 31.12.2023 The Supervisory Board had the following members: Freimut Dobretsberger – Chairman, Karel Zvolský – Vice-Chairman, Deborah Sturman, Slobodan Ristic, Stanislav Kamenár, Alfred Finz, Štefan Gyurik, Kristína Kupková, Trausti Ágústsson, Michael Schönberg.

As of 31.12.2022 The Supervisory Board had the following members: Freimut Dobretsberger – Chairman, Karel Zvolský – Vice-Chairman, Deborah Sturman, Slobodan Ristic, Stanislav Kamenár, Alfred Finz, Štefan Gyurik, Kristína Kupková, Trausti Ágústsson.

As of 31.12.2023 and 31.12.2022 none of the shareholders owns a stake exceeding 10% in NOVIS therefore no ultimate parent company of NOVIS exists.

NOVIS has a fully owned subsidiary Novis Tech, a. s., The company's main activity is development and maintenance of the Apollon insurance software. NOVIS also holds a non-controlling interest in ASSIVNEST ITALIA s.r.l. which focuses on providing broker services.

The number of employees in 2023 was 83 (2022: 108), and the average calculated number of employees for the period 2023 was 80 (2022: 104).

Regulatory Affairs

"NOVIS, as a legal entity whose license to carry out insurance activities has been revoked, is not subject to the obligation to submit accounting and statistical statements or reports to the National Bank of Slovakia ("NBS"). However, NOVIS remains a supervised entity supervised by the NBS, primarily in relation to the management of the existing insurance portfolio, compliance with relevant legal regulations and consumer protection. At the same time, NOVIS regularly provides information to the NBS based on its specific requests, with the scope of this information often exceeding the standard reporting obligations of insurance companies."

2. Significant Accounting Policies

2.1. Principles of preparation of the financial statements

These financial statements have been prepared as Individual financial statements in accordance with Paragraph 17a), point 1 of Act No. 431/2002 Coll. on Accounting, as amended ("the Accounting Act") and in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS").

Significant investments in subsidiaries are described in Note 3.1.3. The method of accounting for investments in subsidiaries is described in Note 2.3.2.

The Company has applied the exception set out in the Accounting Act, paragraph 22, clause 12 and has not prepared the consolidated financial statements as at 31 December 2023.

Individual financial statements of NOVIS for the previous year ending 31.12.2022 were approved by the general assembly on 28 June 2023.

2.1.1. Background for the preparation of financial statements

These Individual financial statements have been prepared under the historical cost convention, except for the insurance contracts and reinsurance contracts held, financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss, where changes are recognised in profit or loss.

The preparation of financial statements in accordance with IFRS requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are:

- classification of financial instruments
- classification of insurance and reinsurance contracts
- measurement of the fair value of instruments
- measurement of insurance and reinsurance contracts
- impairment of financial instruments
- impairment of shares in subsidiaries
- useful life of long-term assets
- corporate income tax and deferred tax

All figures in the Notes are shown in thousands of EUR, unless stated otherwise.

The accounting policies described below have been applied consistently in all periods shown in these financial statements.

For the details see the particular accounting policy.

2.1.2. Going concern assumption

These financial statements have been prepared using the going concern assumption.

Effrective from 5 June 2023, the NBS revoked the Company's license to carry out insurance activities. The NOVIS company is therefore prohibited from carrying out insurance activities, except for activities necessary for the application of its claims and settlement of liabilities. NOVIS may not originate new insurance contracts.

It is important to say that the revocation of NOVIS' license does not impact the validity of existing insurance policies. NOVIS continues to bear the responsibility of effectively managing its insurance portfolio.

For annual accounting periods starting on January 1, 2023, the new accounting standards IFRS 17 - Insurance contracts and IFRS 9 – Financial Instruments came into force. Despite the fact that the Company's license to carry out insurance activities was revoked during 2023, it is obliged to report in accordance with this new standard because, regardless of the license, the Company still manages insurance contracts whose reporting falls under this standard.

NOVIS is convinced that the NBS decision is illegal and is based on an incorrect assessment of the facts and incorrect application of the relevant laws.

NOVIS filed an administrative lawsuit against the NBS decision to the competent administrative court and requested a postponement of the decision's enforceability. On 15 January 2024, the NOVIS company received a court decision, by which the court did not grant the administrative action a suspensory effect. As it is explicitly stated in the justification of the court's decision, when deciding on the suspensive effect of the administrative action, the court did not examine the legality of the NBS decision, which NOVIS challenged.

At the time of preparation of these notes, the legal proceedings are still ongoing, and the Company expects that the relevant administrative court in the proceedings will order a hearing.

On June 7, 2023, Národná banka Slovenska submitted to the relevant court a proposal for the dissolution and liquidation of the Company and for the appointment of a liquidator. On February 13, 2024, the Municipal Court of Bratislava III suspended this proceeding pending a final decision on the legality of the NBS decision in the administrative court proceeding. NBS filed an appeal against the first-instance court decision. On August 21, 2024, the Court of Appeal confirmed the decision of the Court of First Instance and confirmed the suspension of the liquidation proceedings. Therefore, the liquidation proceedings remain suspended until the administrative court decides in the main proceedings regarding the administrative lawsuit challenging the NBS decision on the license withdrawal.

If, as a result of the decision of the administrative court, a liquidator is legally appointed, the liquidator thus appointed would take over the complete management of the company. The task of the liquidator in such a situation would be to ensure the management of the insurance portfolio and fulfill the goal of the liquidation, which is the monetization of the Company's assets and the distribution of proceeds between creditors and shareholders.

If the NBS decision on license revocation is not overturned, NOVIS cannot enter into new insurance contracts. However, it retains all responsibilities related to the management of its existing insurance contracts portfolio. At the same time, the Company is entitled to carry out activities aimed at collecting its receivables and settling its obligations.

The above-mentioned reasons represent significant uncertainties to meet the conditions for the preparation of financial statements under the going concern assumption. Given the current circumstances, there remains uncertainty regarding the future developments of the administrative court's assessment of the Company's proposal to annul the NBS decision. The fact that the liquidation proceedings have been suspended by the court pending the administrative court's decision provides additional context for considering the going concern assumption. Furthermore, the Company continues its limited operations, including the management of its existing portfolio, for at least another 12 months after the end of the accounting period presented in these financial statements. Taking these factors into account, the management of NOVIS has decided that the financial statements should be prepared under the going concern assumption.

As of 1 January 2023 NOVIS applied IFRS 17 and IFRS 9. As a result of this application Novis has restated certain comparative amounts and presents a third statement of financial position.
The nature and key changes in the Company's accounting policies resulting from its adoption of IFRS 17 and IFRS 9 are summarized in the next part of this section.

2.2. Adoption of new or revised standards and interpretations

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that have been endorsed for use in the European Union (the "EU") and that are relevant to its operations and are effective for reporting periods beginning on 1 January 2023. Except for IFRS 17 and IFRS 9, impact of their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

Description of NOVIS's approach and impact the adoption of IFRS 17 had on the financial statements is described in note [2.3.11.20]. The quantified impact on equity is disclosed in part D of the financial statements – Separate Statement of Changes in Equity.

Description of NOVIS's approach and impact the adoption of IFRS 9 had on the financial statements is described in note [2.3.12.3]. The quantified impact on equity is disclosed in part D of the financial statements – Separate Statement of Changes in Equity.

The following standards, amendments to the existing standards, and interpretations issued by the International Accounting Standards Board and adopted by the EU are effective for the current reporting period:

IFRS 17 Insurance Contracts issued by IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts and related interpretations while applied. Amendments to IFRS 17 Insurance Contracts issued by IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments issued on 25 June 2020 introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.

Amendments to IFRS 17 Insurance contracts - Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by IASB on 9 December 2021. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

Amendments to IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies issued by IASB on 12 February 2021. Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates issued by IASB on 12 February 2021. Amendments focus on accounting estimates and provide guidance how to distinguish between accounting policies and accounting estimates.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued by IASB on 6 May 2021. According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

Amendments to IAS 12 Income Taxes - International Tax Reform — Pillar Two Model Rules issued by IASB on 23 May 2023. The amendments introduced a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules and disclosure requirements about company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Standards and amendments to existing standards issued by the IASB and approved by the EU that have not yet entered into force.

At the date of approval of these financial statements, the IASB issued, and the EU adopted the new standard and these amendments to existing standards that have not yet entered into force:

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback issued by IASB on 22 September 2022. Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current issued by IASB on 23 January 2020 and Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants issued by IASB on 31 October 2022. Amendments issued on January 2020 provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments issued on October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements issued by IASB on 25 May 2023. Amendments add disclosure requirements, and 'signposts' within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability issued by IASB on 15 August 2023. Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

2.3. Significant Accounting Policies

2.3.1. Cash and Cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, other highly liquid investments with original maturity of three months, and overdraft bank accounts.

2.3.2. Investment in subsidiaries

Investments in subsidiaries are recognised at acquisition cost. At each balance sheet date, the Company assesses evidence of impairment triggers in investments in subsidiaries. If such objective evidence exists, the Company appropriately decreases their carrying amount and recognises an impairment loss in profit or loss.

2.3.3. Property, plant and equipment

Property, plant and equipment represent immovable property and equipment. Each item of premises and equipment is recognised at cost, less accumulated depreciation and any recognised impairment losses. Acquisition costs include all expenditures that are directly attributable to the acquisition of the respective asset. Subsequent expenditure is included in the carrying amount of the asset or recognised as a separate asset only if it is probable that future economic benefits associated with the asset will flow to the Company, and the amount of expenditure can be measured reliably. Expenses for all other repairs and maintenance are charged to profit or loss in the period in which they are incurred.

2.3.4. Intangible assets

An entity recognises an intangible asset only if it is probable that the expected future economic benefits associated with the asset will flow to the Company and if the cost of the asset can be measured reliably.
Acquired intangible assets are initially recognised at cost, i.e. the costs incurred to acquire the asset at the time of acquisition or construction. After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses.
Expenses that are not part of the cost of an intangible asset are recognised as an expense when incurred.
The entity amortises the Intangible assets on a straight-line basis over its useful life up to 6 years.

2.3.5. Impairment of non-financial assets

The recoverable amount of an asset is the higher of its value in use or fair value less costs to sell. In assessing value in use, the present value of the estimated future cash flows is discounted at a pre-tax discount rate that reflects current market conditions and the risks specific to the asset. For an asset that does not generate largely independent cash flows, its recoverable amount is measured for the cash-generating unit (hereinafter referred to as the "CGU") to which the asset belongs. An impairment loss is reversed if the assumptions used to calculate the recoverable amount have changed. An impairment loss is reversed or reduced only to the extent that the asset's carrying amount does not exceed the asset's carrying amount less any accumulated depreciation that would have been recognised if no impairment loss had been recognised.

2.3.6. Leasing

The Company applies IFRS 16, which eliminates the distinction between operating leases and finance leases. Under IFRS 16, a contract is a lease or includes a lease if it conveys the right to control the use of the identified asset for a specified period of consideration. In such contracts, the new model requires the lessee to recognise the right-of-use assets, and at the same time the lease liability. A right-of-use asset is recognised at the commencement of the lease, and its initial value is determined as the sum of the initial value of the lease liability and the rent payments, made before or on the commencement date of the lease. The lease term is based on the agreed lease term, as well as the possibility of its early termination or extension of the contract. Assets are depreciated on a straight-line basis over the lease term, from the commencement date to termination of the lease term. Depreciation begins on the commencement date of the lease. The lease liability is initially measured at the present value of the lease payments over the lease term, using an incremental borrowing rate based on available financial information. Subsequent remeasurement of the liability is performed when contractual terms change. The Company applies practical expedients in accordance with IFRS 16 and does not include leases with less than 12 months lease term without a call option or low-value leases.

2.3.7. Corporate Income Tax/Deferred Tax/Other Taxes

Current income tax is calculated from the pre-tax profit reported in accordance with IFRS, which is adjusted according to the Measure of the Ministry of Finance No. MF/011053/2006-72 of 15 February 2006 and is further adjusted for the items attributable and deductible from the tax base for the purposes of calculating income tax.

Deferred income tax is recognised in the financial statements using the balance sheet method, on the basis of temporary differences between the tax bases of assets and liabilities, and their carrying amounts. Deferred tax is calculated using the rate and applicable tax laws or laws that are deemed to be in force at the balance sheet date and are expected to apply at the time the temporary differences are realised. Deferred tax assets are recognised to the extent of recoverability, under the assumption that temporary differences will be applied against the achieved taxable profit.

The Company has analyzed whether the taxable profits from regulated activities will exceed EUR 3 million in considerable future. If yes, it would mean that the special levy rate corresponding to 4.356% p.a. would be applicable for calculation of effective tax rate for the purposes of quantification of Deferred Tax Liability. Using an individual contract view, or company view, both views led to the same outcome, that as at the end of 2023 within considerable future period NOVIS will not be exposed to taxable profits from regulated activities exceeding EUR 3 million.

2.3.8. Other Provisions

Other provisions are created when an entity has a legal or other obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Other provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market conditions, the time value of money and the risks specific to the obligation. If an outflow of economic benefits is possible but not probable, the entity does not recognise a provision but recognises any potential loss as a contingent liability, disclosing for each class of contingent liabilities a brief description of the nature of the contingent liability and, where possible, (a) an estimate of its financial impact, (b) an indication of the uncertainties relating to its amount or timing, and (c) the possibility of recovery. The entity reassesses the probability of losing in passive litigation and, in cases where it assumes a probability of losing higher than 50%, creates a provision for passive litigation.

2.3.9. **Segment Reporting**

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

An entity shall disclose the following for each period for which a statement of comprehensive income is presented:

- factors used to identify the entity's reportable segments, including the basis of organisation
- the judgements made by management in applying the aggregation criteria
- types of products and services from which each reportable segment derives its revenues
- information about reported segment profit or loss, including specified revenues and expenses included in reported segment profit or loss, segment assets, segment liabilities and the basis of measurement
- reconciliations of the totals of segment revenues, reported segment profit or loss, segment assets, segment liabilities and other material segment items to corresponding entity amounts

In Novis an operating segment is defined by the countries in which Novis has its presence. The results are reviewed up to the level of Insurance service result. Other components of the Statement of Comprehensive Income are manged on an aggregated level.

The results are periodicaly reviewed by the Board of Directors.

Even though local discretions exist which relate to different business strategies as well as local legal requirements, the core principals of Novis' product remain the same, therefore no product segmentation criteria are used when determining operating segments.

2.3.10. **Insurance Linked Liabilities**

The Company has entered into a structured arrangement with a third-party, which issued Insurance-Linked Securities (ILS). Insurance Linked Securities are financial instruments whose performance is tied to insurance-related risks.

In Novis' financial statements this arrangement is recognized under IFRS 17 – Insurance Contracts, as it relates to the underwriting of new insurance contracts and the associated cash flows. Commission expenses financed through this arrangement are included within the contractual service margin (CSM) or as an immediate expense, depending on policy classification under IFRS 17. The related liabilities are recognized as insurance contract liabilities, with measurement based on expected future cash flows, adjusted for risk and the time value of money.

2.3.11. **IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, within the scope of the standard.

2.3.11.1. **IFRS 17 Insurance Contracts**

The main principles of IFRS 17 are:

- Measurement of insurance contract liabilities on the balance sheet using the present value of estimates of future cash flows and risk adjustment for non-financial risks.
- A revaluation of the present value of future cash flows arising from insurance contracts each reporting period, using current assumptions and discount curves.
- The contractual service margin recognised on the balance sheet is equal to the unearned portion of the profit attributable to the group of contracts at the date of their issue and is subsequently recognised in profit or loss for the remaining life of the group of contracts. The loss from issued onerous insurance contracts is directly recognised in profit or loss.
- Insurance contracts are aggregated at the contract group level. A group of contracts consists of insurance contracts belonging to the same portfolio, the same profitability group and the same annual time period and cohort. A portfolio of insurance contracts consists of insurance contracts that are subject to similar risks and that are managed together. The company uses at least three profitability groups: onerous insurance contracts; insurance contracts that are not linked to a significant possibility that they will subsequently become onerous; other insurance contracts. Insurance contracts issued in the same annual time period are referred to as the annual cohort.
- Expected changes for future service in liabilities under insurance contracts adjust the contractual service margin and are subsequently recognised in profit or loss for the remaining life of the group of contracts.
- Changes in expected cash flows for past or current year service are recognized in profit and loss.
- Depending on the method chosen at the level of the portfolio of insurance contracts for which the general measurement model (GMM) is used, the impact of changes in discount rates is recognised either directly in profit or loss or in other comprehensive income (OCI) in equity.
- The presentation of the balance sheet, profit and loss account and notes to the financial statements has changed fundamentally. The profit and loss account is presented broken down into the result for insurance services, financial result, investment result and other income and expenses.

2.3.11.2. **Basic differences between IFRS 17 and the IFRS4 standard**

The fundamental differences in the requirements for the measurement of liabilities arising from insurance contracts under IFRS17 compared to IFRS4 are as follows:

- IFRS 17 requires the measurement of liabilities arising from insurance contracts using an up-to-date estimate of assumptions and up-to-date market data for all actuarial and financial assumptions. IFRS 4 allowed for the use of the same assumptions that were used in determining premium rates in combination with the liability adequacy test when applying current assumptions.

- Liabilities arising from insurance contracts under IFRS 17 contain an explicit risk adjustment for non-financial risks and an explicit contractual service margin that represents the unrealised portion of profit under IFRS 17. These items were not explicitly recognised under IFRS4.
- IFRS 17 allows some of the changes in assumptions to be recognised against a change in the contractual service margin or other comprehensive income. Under IFRS 4, changes in assumptions were recognised in profit or loss where relevant.
- Under IFRS 4, the Deferred Acquisition Costs ("DAC") and the value of business required (VOBA) were recognised as an asset and gradually amortised to profit or loss. According to IFRS 17, DAC and VOBA are (implicitly) part of the obligations arising from insurance contracts.

2.3.11.3. **Identification of contracts under IFRS17**

IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features (DPFs).

In identifying contracts under IFRS 17, the company assesses whether a set or series of contracts should be treated as a single contract and whether it is necessary to separate embedded derivatives, investment components and components of goods and services and recognise them according to a different Standard.

The approach to assessing the materiality of insurance risk is based on assessing the materiality of the amount at risk at the evaluation date, which is the commencement of the insurance contract as well as the possible loss from the insurance contract in later years. Due to the typical nature of insurance products, there is always a significant insurance risk at the beginning of the insurance contract and a possible loss in future years.

In addition to the approach to assessing the materiality of an insurance risk based on the materiality of the amount at risk, the Company also takes into account the "materiality" of the risk in terms of how that risk affects the price of the product. For all of the Company's insurance contracts, insurance risk is a significant factor influencing the pricing of products.

Therefore, the Company classifies all contracts in the portfolio as insurance contracts falling within the scope of IFRS17.

In addition, IFRS17 applies to all reinsurance contracts (no evaluation is required, reinsurance contracts involve significant insurance risk because the Company transfers only the insurance risk from its portfolio of insurance contracts to the reinsurance company).

2.3.11.4. **Contract boundaries Insurance Contracts**

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

- A substantive obligation to provide services ends when; the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and
- the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

2.3.11.5. Contract boundaries Reinsurance Contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or has a substantive right to terminate the coverage.

2.3.11.6. Group of contracts

IFRS 17 requires entities to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and are managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio is divided into annual cohorts. At minimum, the entity must further divide cohorts into the following categories:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any;
- and a group of the remaining contracts in the portfolio, if any.

2.3.11.7. Initial Recognition

The Company recognises a group of insurance contracts it issues from the earliest of the following:

a) the beginning of the coverage period of the group of contracts;
b) the date when the first payment from a policyholder in the group becomes due; and
c) for a group of onerous contracts, when the group becomes onerous.

2.3.11.8. Measurement

On initial recognition, an entity shall measure a group of insurance contracts at

a) the total of the fulfilment cash flows, which comprise (i) estimates of future cash flows; (ii) an adjustment to reflect the time value of money and the financial risks associated with the future cash flows; and (iii) a risk adjustment for non-financial risk; and
b) the contractual service margin.

The Company uses a variable fee approach (VFA) model for contracts with direct participation features and a general measurement model (GMM) for insurance contracts issued without direct participation features. Insurance contracts with direct participation elements are contracts where the risk of investing in the underlying assets is borne by the client.

For reinsurance contracts the Company applies the general measurement model (GMM).

The company will value a group of contracts as the sum of:

- the present value of the fulfilment cash flows (FCF), which includes estimates of future cash flows, adjusted for the time value of money and related financial risks, and risk adjustment for non-financial risks; and
- Contractual Service Margin (CSM)
- an estimate of the final costs of settling all claims arising from insured events that have occurred and remain unpaid at the date on which the financial statements are prepared, whether or not they have been reported.

All cash flows are discounted using risk-free yield curves adjusted to reflect the cash flow characteristics and liquidity characteristics of the contracts. Cash flows that change on the basis of the returns on the underlying assets are adjusted for the impact of this variability using risk-neutral valuation methods and discounted using risk-free rates adjusted for illiquidity.

The risk adjustment for non-financial risk for a group of contracts shall be determined separately from other estimates. It constitutes the compensation that the Company would require to bear the uncertainty about the amount and timing of cash flows that arise from non-financial risk.

The CSM of the group of contracts represents the profit not yet realized, which the Company will recognize over time as it provides services under these agreements. When a contract group is initially recognized, a contract group is not onerous if the sum of the following items:

- (the present value of future cash flows, including risk adjustment for non-financial risks;
- any cash flows accruing at that date; and
- the amount that arises from the derecognition of assets or liabilities previously recognized for cash flows related to a group of contracts (including assets for cash flows related to initial costs; see below);

represents net income.

In this case, the CSM is measured as an addition to the amount of net cash flow income so that no income or expense is incurred at initial recognition.

If the sum represents a net cash outflow, then the group is loss-making and the net cash outflow is generally recognized as a loss in the profit and loss account; a loss component is created in the amount of the net cash flow outflow. This determines the values that will be recognised in the profit and loss account in subsequent periods as the cancellation of losses on onerous contracts.

Consequently, the carrying amount of a group of contracts at each date of preparation of the financial statements is the sum of the liability for the remaining coverage and the liability arising from the incurred insurance claims. The liability for the remaining coverage includes:

- the present value of future cash flows from services that will be provided under contracts in future periods, including a risk adjustment for non-financial risks; and

- the remaining CSM at that date.

The liability arising from insurance claims includes cash flows for incurred and unpaid insurance benefits and risk adjustment for non-financial risks.

The present value of cash flows from groups of contracts is measured at the date at which the financial statements are prepared using current estimates of future cash flows, current discount rates and current estimates of risk adjustment for non-financial risk. Changes in cash flow (FCF) are reported as follows.

- Changes that affect future services adjust the CSM (or recognized in the insurance service result in profit or loss if the group is onerous until the loss component is eliminated);
- Changes related to the current or past service are recognized in the insurance service result in profit or loss;
- Impact of the time value of money, financial risk and its changes on estimated future cash flows is recognized as insurance finance income or expense, except for direct participating contract (see below), where such effects adjust CSM.

The CSM at each reporting date is then calculated as follows.

Insurance contracts without direct participation features (GMM Measurement model)

The carrying amount of the CSM at each reporting date is the carrying amount at the beginning of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss;
  - the effect of any currency exchange differences on the CSM (if any); and
  - the amount recognised as insurance revenue because of the services provided in the year

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
- differences between (a) any non-distinct investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM. The Company does disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. Entity makes such a disaggregation by adjusting the CSM for the change related to non-financial risk, measured at the discount rates determined on initial recognition, and recognises the effect of the time value of money and changes therein as insurance finance income or expenses.

Insurance contracts with direct participation features (VFA Measurement model)

Direct participating contracts are contracts under which the Company's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Company's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Company provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Company adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Company then adjusts any CSM for changes in the amount of the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Company's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
    - the Company has applied the risk mitigation option to exclude from the CSM changes in the effect of financial risk on the amount of its share of the underlying items or fulfilment cash flows;
    - a decrease in the amount of the Company's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
    - an increase in the amount of the Company's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
- the effect of any currency exchange differences on the CSM (if any); and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees

Reinsurance Contracts

To measure a group of reinsurance contracts, the Company applies the same accounting policies that are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date (see 'Reinsurance of onerous underlying insurance contracts' below).

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of a loss-recovery component (see 'Net expenses from reinsurance contracts') to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and

- the amount recognised in profit or loss because of the services received in the year.

Reinsurance of onerous underlying insurance contracts

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- the percentage of claims on the underlying contracts that the Company expects at the date of acquisition to recover from the reinsurance contracts.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

As of 31.12.2023 the Company is not applying this policy as based on preliminary assessment related impact is not material, but will consider full applying in next accounting periods.

Derecognition and contract modification

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and

- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

Unavoidable Accounting Mismatch

An entity shall not adjust the contractual service margin for a group of insurance contracts without direct participation features for the effect of time value of money and changes in time value of money and the effect of financial risk and changes in financial risk in fulfilment cash flows because they do not relate to future service.

On the other hand, changes in time value of money and financial risk not arising from the underlying items, for insurance contracts with direct participation features, these relate to future service and adjust the contractual service margin.

Cash flows from the acquisition of insurance contracts

Insurance acquisition cash flows arise from the sale, underwriting and establishment of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Insurance acquisition cash flows are allocated directly to the insurance contract.

2.3.11.9. Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows;
- risk adjustment for non-financial risk
- non distinct investment components.

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available at the date of the financial statements without undue cost or effort. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the date at which the financial statements are prepared, as long as the estimates of any relevant market variables are consistent with observable market prices.

In estimating future cash flows, the Company considers current expectations regarding future events that may affect these cash flows. However, expectations of future changes in legislation that would amend or repeal existing obligations or create new obligations under existing contracts are not taken into account until the change in legislation has been validly enacted.

Cash flows within the boundary of a contract relate directly to the fulfillment of the contract, including those for which the Company has the authority to decide on their amount or timing. This includes payments made by and to policyholders (or on their behalf), cash flows related to upfront costs and other costs incurred in fulfilling contracts.

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract.

Cash flows are allocated at the entity level to acquisition activities and activities related to the maintenance and administration of a portfolio of contracts. Cash flows are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. The Company generally allocates insurance acquisition cash flows into groups of contracts based on the number of new contracts, and maintenance and administration costs based on the number of contracts in force.

2.3.11.10. **Assumptions about mortality, morbidity, loss ratio**

Assumptions about mortality, morbidity, loss ratio and policyholder behavior that are used in estimating future cash flows are derived by product type and country level, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality assumptions are generally derived using a mixture of national mortality data and the Company's experience. Experience is monitored through regular analyses, the results of which are reflected in the measurement of existing contracts.

As a basis on country level, the Company applies national mortality tables provided by the local National Institutes. The rates are then adjusted by factors that represent the Company's experience.

The loss ratio assumption is determined on the basis of the probability of relevant claims, the estimated amount of a claim, severity and selection factors.

Policyholder behavior is a key assumption in the measurement of insurance contracts. The Company regularly performs an analysis of contract cancellation in its own portfolio and applies statistical methods to determine lapse rates according to different product groups and countries and adjusted based on trends in recent experience.

The assumptions used are implicitly derived from the historical development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

2.3.11.11. **Liabilities for incurred claims**

Liabilities for incurred claims are an estimate of the final costs of settling all claims arising from insured events that have occurred and remain unpaid at the date on which the financial statements are prepared, whether or not they have been reported. These are insurance benefits from contracts that have been classified as insurance contracts, insurance benefits from riders related to them and reasonable internal and external costs related to the settlement of insurance claims.

Changes in liabilities for incurred claims created in the past and in the current period are reflected in the financial statements in the period in which the change was made. The methods used and the estimates made are regularly reviewed.

2.3.11.12. Discount rates

To quantify as an insurance liabilities under IFRS17, it is necessary to determine discount rates that reflect time value of money, the characteristics of cash flows (FCF) and the specifics of insurance contracts. The Company has chosen to use the "bottom-up" approach as a method for calculating the discount rates where the liquidity risk premium is assumed to be zero.

Discount rates are determined based on the EIOPA risk-free interest rate term structure for each currency in line with the currencies of the cohorts.

The following table shows the risk-free curves for EUR currency used in discounting the cash flows as at 31.12.2023 compared to the previous year:

Y	2021-12-31	2022-12-31	2023-12-31
1	-0.6%	3.2%	3.4%
2	-0.4%	3.3%	2.7%
3	-0.2%	3.2%	2.4%
4	-0.1%	3.2%	2.4%
5	-0.1%	3.1%	2.3%
10	0.2%	3.1%	2.4%
15	0.4%	3.0%	2.5%
20	0.5%	2.8%	2.4%
25	0.7%	2.7%	2.4%
30	1.1%	2.7%	2.5%
40	1.6%	2.9%	2.7%
50	2.0%	3.0%	2.8%

2.3.11.13. Risk adjustments for non-financial risk

Risk adjustment for non-financial risk is the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk as the entity fulfils insurance contracts.

The Risk Adjustment for non-financial risk relates to risk arising from insurance contracts other than financial risk. The risks covered by the Risk Adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

Risk Adjustment for non-financial risk is intended to reflect the compensation that the Company would require for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Company fulfills insurance contracts and the degree of its risk aversion. For risk adjustments for non-financial risk in reinsurance contracts, the Company uses the same method as in the case of insurance contracts.

Risk Adjustment calculation is based on ultimate Value at Risk. The method requires calculation of the projection of Risk-Based Capital which is calculated at the total level and is further subject to disaggregation to level of cohorts.

Calculation of risk-based level of capital (ultimate VaR) is carried out for each considered risk, given the normal distribution with defined mean and ultimate Value-at-Risk standard deviation parameters, the Company calculates the level of capital for a specified percentile of the normal distribution.

The risk adjustments for non-financial risk for the whole portfolio correspond to the following confidence levels: 75% for 2022 and 67% for 2023.

2.3.11.14. **Contractual service margin (CSM)**

CSM represents the unearned profit under the group of contracts that relates to future service to be provided under the contracts. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- (a) the initial recognition of an amount for the FCF;
- (b) the derecognition at that date of any asset or liability recognised for insurance acquisition cash flows; and
- (c) any cash flows arising from the contracts in the group at that date.

The CSM of a group of contracts is reported in profit or loss to represent the services provided in each year based on the number of coverage units provided in the year. The number of coverage units reflects the amount of services provided (benefits) under the contracts in the group and is determined for each contract by taking into account the quantity of services provided and the expected period of coverage. Coverage units are reviewed and updated at each reporting date. The CSM allocated to coverage units provided in the current year shall be recognized in profit or loss.

The Company determines the quantity of the benefits provided under each contract as follows: for risk products sum insured for death; for performance-linked products sum insured for death + fund value.

2.3.11.15. **Investment components**

The Company identifies the non-distinct investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

The investment component excluded from insurance revenue and insurance service expenses is determined as minimum of payment if insured event occurs and payment if insured event does not occur (surrender value).

Surrender value for risk products equals to zero, thus these kinds of product do not contain investment component.

2.3.11.16. **Presentation in the statement of financial position**

An entity shall present separately in the statement of financial position the carrying amount of groups of:

- insurance contracts issued that are assets;
- insurance contracts issued that are liabilities;
- reinsurance contracts held that are assets;
- reinsurance contracts held that are liabilities.

2.3.11.17. **Insurance service result and reinsurance result**

Insurance Revenue
The Company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount as insurance revenue and an equal amount as insurance service expenses.

Insurance Service Expense
Insurance service expense arising from insurance contracts are generally recognised in profit or loss when they are incurred. They include items such as claims incurred and other insurance service costs, amortisation of cash flows related to the acquisition of insurance contracts and losses on onerous contracts and the reversal of those losses.

Expenses that are directly attributable to fulfilling contracts or that can be allocated to groups of contracts are recognised in profit or loss as costs of insurance services, usually at the time of their incurrence. Expenses that are not directly attributable to fulfilling contracts and cannot be allocated to groups of contracts are presented outside the result for insurance services.

Non-distinct investment components (NDICs) are excluded. All changes in the risk adjustment for non-financial risk recognised in profit or loss are included in the result for insurance services.

Net expenses from reinsurance contracts

Benefits received from reinsurers and reinsurance costs are not recognised separately in profit or loss, as the Company will recognise them in net profit or loss as "net reinsurance expenses".

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration.

2.3.11.18. **Insurance finance income and expenses**

Changes in the carrying amounts of groups of contracts arising from the time value of money, financial risk and changes thereto are generally recognised as insurance finance income or expenses.

In the case of insurance contracts measured using the GMM method, the Company has chosen to recognise full insurance finance income or expenses in profit or loss.

For contracts with direct participation feature, the Company recognizes full insurance finance income or expenses in profit or loss for the current year, as the underlying assets will generally be measured at fair value through profit or loss (FVTPL).

2.3.11.19. **Finance income and expenses from reinsurance contracts**

Reinsurance financing income and expense include the change in the carrying amount of a group of insurance contracts resulting from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in assumptions relating to financial risk.

2.3.11.20. **Transition**

The standard asks the entities to apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach (MRA) or the fair value approach (FV).

After a thorough deliberation NOVIS made the decision to use Fair Value Approach for its Insurance contracts, based on expected cash flows and Modified Retrospective Approach for the Reinsurance contracts held as it could not obtain reasonable and supportable information to proceed otherwise.

Modified retrospective approach

The modified retrospective approach aims to achieve a result that is as close as possible to the retrospective method, using appropriate and supportable information available without undue cost or effort.

The main reasons for using the modified retrospective approach method are:

- Unavailability of historical data on the share of indirectly allocated costs;

- Unavailability of data for full cash flow modelling (cash flow model, insurance portfolio data in the necessary granularity, best assumptions).

Fair value approach

Under the fair value method, the CSM (or loss component) as at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the present value of cash flows at that date. The Company measured the fair value of the contracts as the sum of:

- the present value of net cash flows that it expects to be generated from the contracts, as determined by the discounted cash flow method and
- the additional margin determined by the cost of capital (CoC) method

The cash flows considered in the fair value measurement are consistent with those within the boundaries of the contract. Therefore, the determination of the fair value of these contracts did not consider the cash flows related to the expected future renewals of the insurance contracts if they are outside the contract boundary. The present value of future cash flows considered in fair value measurements was largely consistent with the present value determined by IFRS17.

2.3.12. IFRS 9 Classification and measurement of financial assets and liabilities

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. However, the company complied with the relevant requirements and applied a temporary exemption from IFRS 9 for annual periods prior to 1 January 2023. As a result, the Company applied IFRS 9 for the first time on 1 January 2023.

IFRS 9 governs the accounting for financial instruments, requiring entities to classify and measure financial assets and liabilities based on the entity's business model and the contractual cash flow characteristics of the financial assets. The classification affects how the instruments are recognized and measured in financial statements.

2.3.12.1. Classification of financial assets and liabilities

There are three main categories of measurement of financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – and removes the previous categories of IAS 39 – held-to-maturity investments, loans and receivables, and financial assets held for sale.

A debt instrument that meets the following two conditions must be measured at amortised cost (net of any write down for impairment) unless the asset is designated at FVTPL under the fair value option:

- Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument that meets the following two conditions must be measured at FVTOCI unless the asset is designated at FVTPL under the fair value option (see below):

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'. There is no 'cost exception' for unquoted equities.

IFRS 9 doesn't change the basic accounting model for financial liabilities under IAS 39. Two measurement categories continue to exist: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied. All Financial liabilities at NOVIS are measured at amortised cost.

NOVIS' Business model

The business model reflects how the Company manages assets to generate cash flows and reflects whether the Company's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. Factors considered by the Company in determining the business model for a group of assets include :

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity;
- how the asset's performance is evaluated and reported to key management personnel;
- the risks that affect the performance of the financial assets held within the business model and how those risks are managed;

For most debt investments, the objective of the Company's business model is to fund insurance contract liabilities.

Based on these considerations the company holds debt instruments within a business model that aims both to collect contractual cash flows and to sell financial assets. This dual objective serves a dual purpose : generating predictable cash flows to meet liabilities and maintaining the flexibility to adjust portfolios in response to changing market conditions.

The Insurance company may have the need to rebalance its portfolios to optimize the risk-return profile. This may involve selling certain debt instruments to reduce exposure to specific sectors, geographies, or interest rate risks.

The Insurance company may also have the need to sell assets to manage liquidity, especially in response to unexpected claims or cash flow needs. This ensures that the company remains solvent and operationally sound even in some stressed conditions.

Significant portion of NOVIS' products include an investment component that is usually invested in various mutual funds or other similar instruments. Performance of these instruments is marked-to-market and reported and disclosed to clients on regular basis. By definition all of them meet the criteria of equity instruments and therefore are to be measured at fair value in the statement of financial position.

IFRS 9 implementation Impact

The impact of IFRS 9 on financial assets as at 1 January 2023 is as following:

- All the underlying assets of contracts with participation elements and some other financial investments that have been measured at FVTPL under IAS 39 are also measured at FVTPL under IFRS 9,
- Debt instruments that have been classified as AFS and FVTPL under IAS 39 are measured at FVOCI under IFRS 9,
- Cash and cash equivalents measured at amortised cost in accordance with IAS 39 continue to be carried at amortised cost in accordance with IFRS 9,

Due to the fact that the measurement categories match with an immaterial exception in debt instruments portfolio, after the transition to IFRS 9, the new classification had no impact on the Company's total equity as at 1 January 2023 or 2022.

2.3.12.2. Impairment of financial assets

The impairment model in IFRS 9 is based on the premise of providing for expected losses. This forward-looking approach requires judgement to be used about both micro and macro economic factors that may affect the expected credit loss (ECL).

IFRS 9 requires that the same impairment model apply to all of the following:

- Financial assets measured at amortised cost,
- Financial assets measured at FVTOCI,
- Loan commitments when there is a present obligation to extend credit

Expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The standard refers to significant increases in credit risk since initial recognition as the main trigger of how the ECLs must be calculated. For those assets that do not show significant increase in credit risk since initial recognition, the loss allowance shall be calculated for a timespan of one year, resulting in a 12-month ECL. Those assets are being referred to as stage 1 assets.

The IFRS 9 standard states that for those assets that show a significant increase in credit risk though (referred to as stage 2 assets), the loss allowance must be calculated on a timespan covering the remaining lifetime of the asset. Moreover, the standard introduces a third stage, including assets that also show significantly increased credit risk and where a default event has occurred. For such assets, the standard also requires the calculation of a lifetime ECL.

The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition. The application guidance of IFRS 9 provides a list of qualitative and quantitative factors that entities may use to assess whether there has been a significant increase in credit risk. These factors include but are not limited to:

- Change in Probability of Default (PD)
- Change in credit rating
- Adverse changes in market pricing
- Increase in days past due (but not yet in default)
- Adverse changes in business or economic conditions
- Regulatory or legal changes

Stage 3 only contains assets fulfilling the default definition of the Company. Within this stage credit losses have already incurred, or assets have been actually credit-impaired. Due to that fact, the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate should be considered. As a result of fulfilling Company's default criterion, the Probability of Default must be set equal to 1 and the Loss Given Default should be assessed on individual basis. The definition of default covers at least two dimensions, namely one rating-based dimension (C, D) as well as one days past due (90 days past due) based criterion. The calculation is based on a lifetime expected credit losses (EIR on amortised costs).

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). The key inputs into the measurement of ECL are:

- The Probability of Default - is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information, such as GDP growth and Central Bank base rates.
- The Exposure at Default - is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default - is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

ECL for financial assets for which credit risk has not significantly increased are calculated by multiplying the 12-month PD by the respective LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by the respective LGD and EAD.

Impairment of financial assets – Implementation impact

In accordance with IFRS 9, the Company has assessed the expected credit losses (ECL) related to its financial assets, including trade receivables, loans, and other financial instruments subject to impairment. As part of this assessment, the Company performed a detailed default analysis, considering historical credit loss experience, forward-looking information, and the creditworthiness of counterparties.

Based on this evaluation, management determined that the impact of recognizing expected credit losses is immaterial to the financial statements. The Company's credit risk exposure remains low.

Accordingly, the Company has elected not to recognize an ECL allowance for these financial assets categorized as at fair value through comprehensive income, as the expected impact is insignificant. The Company will continue to monitor its credit risk exposure and reassess its ECL model regularly to ensure compliance with IFRS 9 requirements.

2.3.12.3. **Transition**

The general requirement in IFRS 9 is that an entity must apply IFRS 9 at the date of initial adoption retrospectively.
Retrospective application means adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.
IFRS 9 does not require an entity to restate prior periods and any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in opening retained earnings.

The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2023:

- Determination of business model
- Designation and revocation of previous designations of financial assets measured at FVTPL

2.3.12.4. **Accounting Policies and Fair Value Hierarchy**

NOVIS differentiates the following classes of securities:

- Fixed Income Securities - Government bonds covering liabilities related to the Guaranteed Insurance Fund are measured at Fair Value with fair value gains or losses recognized in Other Comprehensive Income
- All other financial instruments covering Insurance conract liabilities are booked at their fair value through profit or loss to avoid mismatch between valuation of assets and related liabilities and ensure that the recognized change in value of these financial instruments is matched by the investment result assigned to the policyholder.

Initial recognition

A financial asset is recognized in the financial statements when, and only when, the entity becomes a party to the contractual provisions of the instrument. Recognition occurs on settlement date.

Financial instruments at fair value through profit or loss are initially recognised at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price that can be evidenced by other observable current market transactions in the same instrument or by a valuation technique, whose inputs include only data from observable markets. All regular way purchases and sales of financial assets are recorded at settlement date, which is the date on which the Company receives or delivers a financial asset. This method is consistently applied to all purchases and sales of financial assets. As a source for valuation at fair value, the Company is using market prices stated in securities statements of companies Tatra banka a.s., CAIAC fund management, Eljovi Multi Strategy Fund and Fondita Fund Management Company Ltd.

Subsequent measurement and gains and losses

Debt instruments at FVOCI are measured at fair value. Interest income is calculated using the effective interest method and foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL Measured at fair value. Net gains and losses, including any interest or eividend income and foreign exchange gains and losses, are recognised in profit or loss.

Financial assets at amortised costs are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Reclassification

For financial assets, reclassification is required between FVTPL, FVTOCI and amortised cost, if and only if the entity's business model objective for its financial assets changes so its previous model assessment would no longer apply.

If reclassification is appropriate, it must be done prospectively from the reclassification date which is defined as the first day of the first reporting period following the change in business model. An entity does not restate any previously recognised gains, losses, or interest.

Fair value

Fair values are analysed by level in the fair value hierarchy both for financial assets and for liabilities from financial instruments (other than insurance contracts) as follows:

- Level-1 are measurements at quoted (unadjusted) prices in active markets for identical assets or liabilities,
- Level-2 measurements are valuation techniques with all material inputs observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- Level-3 measurements are valuations not based on observable market data (i.e. input variables require management judgement).

Management applies judgement in categorizing financial instruments using the fair value hierarchy and the Levels are indicated in respective Notes.

2.3.13. **Conversion of foreign currencies**

The Company is exposed to foreign exchange rate risks to a limited extent because assets that are denominated in other currencies are, according to its investment policy, matched by insurance liabilities that the Company carries, or expects in the near future to carry towards the policyholders in these respective currencies.

Insurance premiums paid in non-euro currencies are booked at the end of each month by using European Central Banks exchange rates of the last day of the respective month. Costs paid in other currencies are booked as Euro positions with the exchange rate of the booking day.

No material foreign exchange translation gains and losses arose through other comprehensive income because foreign branches either have euro as their functional currency or do not have significant net assets nor significant position in non-monetary assets or liabilities. When determining the functional currency of foreign branches, management considers that their activity is distribution of the Company's products, they are not autonomous and are thus an extension of the Company's activities, which leads to a conclusion that their functional currency is the same as that of the Company, that is, the euro.

3. NOTES TO FINANCIAL STATEMENTS

3.1. Assets

3.1.1. Intangible Fixed Assets

The movements in Intangible Fixed Assets were as follows:

in thousands of EUR	Acquired Software	Acquired product design	Other	Internal Development and Acquisition	Total
Net Book Value as at 31 December 2021	**113**	**496**	**0**	**0**	**609**
Additions	52	0	0	0	**52**
Disposal	0	0	0	0	**0**
Amortisation Expense	-38	-42	0	0	**-80**
Acquisition Cost as at 31 December 2022	557	826	0	0	**1 383**
Accumulated Amortisation	-430	-372	0	0	**-802**
Net Book Value as at 31 December 2022	**127**	**454**	**0**	**0**	**581**
Additions	42	0	0	0	**42**
Disposal	0	0	0	0	**0**
Amortisation Expense	-47	-75	0	0	**-122**
Acquisition Cost as at 31 December 2023	599	826	0	0	**1 425**
Accumulated Amortisation	-477	-447	0	0	**-924**
Net Book Value as at 31 December 2023	**122**	**379**	**0**	**0**	**501**

3.1.1.1. Software

The Company uses various types of software mainly for accounting, actuarial or IT security purposes. Software is carried at cost less accumulated depreciation (using straight line method). Each asset has its own depreciation schedule capped to 6 years at the most.

Subsidiary of NOVIS – Novis Tech, a. s., the owner of Insurance Administration system Apollon, is responsible for operation and development. The Company has migrated its Insurance Portfolio to Apollon in June 2019 and is utilizing full scale of its services ever since.

3.1.1.2. Acquired product design

When the Company was established, it received both financial and in-kind capital contribution. The in-kind capital contribution included insurance product design and business model, and the documentation associated with it. This intangible asset was acquired in a share-based payment transaction for issuing 7 000 shares each with an EUR 100 nominal value when the market issue price was EUR 118 per share.

3.1.1.3. Impairment Assessment

IAS 36 requires entities to assess at each reporting date whether there are indicators that an asset may be impaired. If such indicators exist, an impairment test must be performed.

With regards to Apollon, wholly owned by Subsidiary of NOVIS – Novis Tech, a. s., the software remains fully operational and critical to the administration of the company's insurance portfolio. It continues to provide significant economic benefits by reducing administrative costs, enhancing operational efficiency, and ensuring compliance with regulatory requirements. These benefits are ongoing and measurable, supporting the asset's carrying value.

The software is being adequately maintained and upgraded, ensuring that it remains functional and relevant for its intended purpose. There are no indicators of technological obsolescence or functionality loss that would warrant impairment.

Based on the software's continuing utility, marketability, and ability to generate economic benefits, NOVIS concluded that there is no need for impairment.

However, due to circumstances described above in 2.1.2 NOVIS decided to revise useful life reflecting the company's operational horizon and thus to consume the economic benefits quicker than originally expected.

3.1.2. Tangible Fixed Assets

The Tangible Fixed Assets are carried at cost less accumulated depreciation and impairment, if any. Each asset has its own depreciation schedule and is depreciated over its useful life from 4 to 5 years using straight line method. The movements in Tangible Fixed Assets were as follows:

in thousands of EUR	Hardware	Other Tangible Assets	Right of use Assets*	Total
Net Book Value as at 31 December 2021	**3**	**53**	**193**	**249**
Additions	88	0	191	**279**
Disposals	0	0	-43	**-43**
Depreciation Expense	-5	-19	-80	**-104**
Acquisition Cost as at 31 December 2022	108	97	596	**801**
Accumulated Depreciation	-22	-63	-335	**-420**
Net Book Value as at 31 December 2022	**86**	**34**	**261**	**381**

Additions	0	0	151	**191**
Disposals	0	0	-140	**-43**
Depreciation Expense	-23	-19	-171	**-213**
Acquisition Cost as at 31 December 2023	108	97	607	**812**
Accumulated Depreciation	-45	-82	-234	**-361**
Net Book Value as at 31 December 2023	**63**	**15**	**373**	**451**

3.1.2.1. Hardware

Hardware represents solely the IT equipment of the Company.

3.1.2.2. Other Tangible Fixed Assets

Other Tangible Fixed Assets represent mainly furniture.

3.1.2.3. Right of Use Assets

This category contains right of use for vehicles acquired under lease agreement in the amount of EUR 607 thousand.

3.1.3. Investment in subsidiaries

The investment is subsidiaries as of 31 December 2023 were:

in thousands of EUR	2023	2022 (restated)
Novis Tech,a.s.	1 650	1 650
Novis Insurance Services sp. z o.o.	6	6
ASSINVEST ITALIA S.r.l.	1 200	1 200
Total	**2 856**	**2 856**

Novis Tech, a.s. registered address is Nám. Ľ. Štúra 2, Bratislava 811 02. The principal activity of this 100% owned subsidiary is software development and IT services. The subsidiary had net assets of EUR 1 754 thousand at 31 December 2023 and its balance sheet comprises mainly of software Apollon EUR 6 344 thousand (2022: EUR 6 018 thousand). Liabilities comprise mainly of liabilities towards parent company of EUR 4 251 thousand (2022: EUR 4 146 thousand). No impairment of investment in subsidiary was recognized.

ASSINVEST Italia s.r.l.
The Company had net assets of EUR 1 764 thousand as at 31 December 2023. For the financial year ending 31 December 2023 the company produced a total loss of EUR 66 ths.

3.1.4. Financial Instruments by Category

The following table provides a reconciliation of classes of financial instruments for the purpose of disclosure under IFRS 7 (Financial Instruments: Disclosures) and their measurement categories defined in IFRS 9 as of 31 December 2023.

in thousands of EUR	Loans and Receivables	Assets at FVTPL	Assets at FVOCI	**Total**
Bank Deposits	7 217	-	-	**7 217**
Restricted Bank Account Balance	1 071	-	-	**1 071**
Fixed Income Securities	-	-	298	**298**
Variable Income Securities	-	926	-	**926**
Assets Invested for UL	0	43 962	-	**43 962**
Other Assets	3 946	-	-	**3 946**

The following table provides a reconciliation of classes of financial instruments for the purpose of disclosure under IFRS 7 (Financial Instruments: Disclosures) and their measurement categories defined in IFRS 9 as of 31 December 2022.

in thousands of EUR	Loans and Receivables	Assets at FVTPL	Assets at FVOCI	**Total** (restated)
Bank Deposits	3 042	-	-	**3 042**
Restricted Bank Account Balance	583	-	-	**583**
Fixed Income Securities	-	-	250	**250**
Variable Income Securities	-	1 979	-	**1 979**
Assets Invested for UL	0	59 802	-	**59 802**
Other Assets	4 463	-	-	**4 463**

* The analysis includes only items that fall in the scope of IFRS 7, *Financial Instruments: Disclosure*

3.1.5. **Investment – Financial Assets**

in thousands of EUR	31.12 2023	31.12 2022 (restated)
Government Bonds	298	251
Variable income securities	926	1 979
Investments within internal funds	43 962	59 802
Total Carrying Value	**45 186**	**62 032**

3.1.6. **Fair Value Hierarchies**

The following tables analyse financial instruments measured at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

As at 31.12.2023 and 31.12.2022 the financial instruments were categorized as following:

in thousands of EUR	Level1	Level2	Level3	31.12.2023 Total
Government Bonds	298	0	0	298
Variable income securities	0	0	926	926
Investments within internal funds	43 887	0	75	43 962
Total Carrying Value	**44 186**	**0**	**1 001**	**45 186**

in thousands of EUR	Level 1	Level 2	Level 3	31.12.2022 Total (restated)
Government Bonds	251	0	0	251
Variable income securities	0	0	1 979	1 979
Investments within internal funds	59 443	0	358	59 802
Total Carrying Value	**59 694**	**0**	**2 337**	**62 031**

The following table shows a reconciliation from the opening balances to the closing balances for recurring fair value measurements in Level 3 of the fair value hierarchy and analyses the total gains and losses recognised in profit or loss during the year.

in thousands of EUR	*FVTPL* *Variable Income Securities*	*2023* *FVTPL* *Investments within internal funds*
Carrying amount as at 1 January	358	1 979
Gains (losses) recognised in profit or loss	-283	-1 053
Carrying amount as at 31 December	75	926

in thousands of EUR	*FVTPL* *Variable Income Securities*	*2022* (restated) *FVTPL* *Investments within internal funds*
Carrying amount as at 1 January	1 300	1 869
Gains (losses) recognised in profit or loss	-941	111
Carrying amount as at 31 December	358	1 979

3.1.6.1. **Government Bonds**

The government bonds as of 31 December 2023 were:

Bonds *in thousands of EUR*	SK4120007543 SLOVAKIA 4.350% EUR	HU0000403555 HUNGARY 3.000% HUF	AT0000A1K9F1 AUSTRIA 1.500% EUR	CZ0001001796 CZECH REP. 4.200% CZK	PL0000112736 POLAND 1,250% PLN
Issue date	14.10.2010	27.10.2018	23.2.2016	04.12.2006	25.10.2019
Maturity date	14.10.2025	27.10.2038	19.2.2047	04.12.2036	25.10.2030
Standard & Poor's Rating	A+	BBB-	AA+	AA-	A-
Average Purchase Price in % of the nominal value	134	104	132	140	101
Bonds at FVOCI*	23	90	40	80	66
Total Carrying Value	**23**	**90**	**40**	**80**	**66**
Nominal Value	**22**	**127**	**50**	**76**	**83**

** Fair Value through Other Comprehensive Income*

The government bonds as of 31 December 2022 were:

Bonds *in thousands of EUR*	SK4120011420 SLOVAKIA 1.625% EUR	SK4120007543 SLOVAKIA 4.350% EUR	HU0000403001 HUNGARY 3.250% HUF	HU0000403555 HUNGARY 3.000% HUF	AT0000A1K9F1 AUSTRIA 1.500% EUR
Issue date	14.10.2010	27.10.2018	23.2.2016	04.12.2006	25.10.2019
Maturity date	14.10.2025	27.10.2038	19.2.2047	04.12.2036	25.10.2030
Standard & Poor's Rating	A+	BBB-	AA+	AA-	A-
Average Purchase Price in % of the nominal value	134	104	132	140	101
Bonds at FVOCI*	23	65	38	73	52
Total Carrying Value	**23**	**65**	**38**	**73**	**52**
Nominal Value	**22**	**121**	**50**	**78**	**77**

** Fair Value through Other Comprehensive Income*

in thousands of EUR	**31-12 2023**	**31-12 2022** (restated)
Fair Value through Other Comprehensive Income	298	251
Total Carrying Value	**298**	**251**

3.1.6.2. **Variable Income Securities**

in thousands of EUR	**31-12 2023**	**31-12 2022** (restated)
KYG3004A1004 ELJOVI Multi-Strategy Fund	926	1 979
Total Carrying Value	**926**	**1 979**

3.1.6.3. **Assets Invested within internal funds**

These assets are an integral part of financial assets valued and fair value through profit and loss measurement category. Policyholders of the Company can choose from twelve non-guaranteed insurance funds in addition to the guaranteed insurance fund. These are:

- NOVIS ETF Shares Insurance Funds invests in listed equities ETFs (Exchange Traded Funds) to give the customers an opportunity to participate in the equity market.
- NOVIS Gold Insurance Fund invests in gold ETFs copying the changes in the price of gold.
- NOVIS Entrepreneurial Insurance Fund invests in private and venture equity, at present time mostly in ETFs replicating index of listed private equity companies and in tradable funds that are specializing in impact investment.
- NOVIS Mortgage Insurance Fund invests primarily in financial instruments linked with the real estate sector such as ETFs investing in covered bonds issued by financial institutions financing the real estate sector, real estate funds, corporate bonds dedicated to financing of real estate projects, mortgage bonds and in other financial instruments which are secured by loans or the value of which applies to real estate development.
- NOVIS Family Office Insurance Fund gives customers a chance to invest in alternative investment funds that are focused on non-listed financial instruments and various assets.
- NOVIS World Brands Insurance Fund invests to the fund called Wealth Fund primarily focused on shares of the companies having the high value of their brand and having the potential to enhance the value of their share price.
- NOVIS Digital Assets Insurance Fund invests in investment funds or ETFs focused on IT companies (e.g. cloud computing providers).
- NOVIS FIXED INCOME Insurance Fund invests directly or indirectly into government and corporate bonds with fixed interest targeting lower volatility and stable positive performance, while debt securities with floating interest may have minor share.
- NOVIS GLOBAL SELECT Insurance Fund invests directly or indirectly into stocks listed on major stock exchanges worldwide. It is expected although not guaranteed, that this Fund may have high performance due to large share of stocks but also bears higher risk of volatility. Minor share may be invested into corporate or government bonds.
- NOVIS Fondo Interno – NOVIS PIR Insurance Fund invests directly or indirectly into stocks or bonds in line with Italian regulation of individual savings plan (PIR) and thus focus on companies active in Italy, including significant share of small and medium sized companies.
- NOVIS SUSTAINABILITY Insurance invests directly or indirectly into stocks of companies which comply with strict corporate governance, environmental and social criteria. Fund´s aim is to include substantial share of impact investments.
- NOVIS DISCOVERY Insurance Fund – invests primarily into stocks or stock investment funds aiming to achieve high performance, although this also means potentially higher volatility. The insurance Company mainly uses investment funds that comply with the UCITS directive and exceed their reference values.
- NOVIS SUSTAINABILITY PLUS - invest primarily into stock of companies with majority of Fund's assets is invested into „clean energy" or „blue economy" while issuers violating United Nations Global Compact principles are fully excluded from the Fund's assets. The Fund has a sustainable investment objective.

NOVIS Co-Branded Insurance Funds are exclusively designed for customers of specific distribution partners. Currently such insurance funds are offered mainly to customers, who were advised by the Hungarian distribution firm "Quantis Consulting Zrt".

The investment strategy and asset classes are defined in the Statute of each NOVIS Insurance Fund. All assets in this class are designated at fair value through profit or loss.

Detail breakdown of underlying assets with allocation to individual Funds follows:

3.1.6.4. NOVIS ETF Shares Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
iShare MSCI WORLD ETF (USD)	4 156	6 874
iShare MSCI EM - ACC (EUR)	371	666
iShare MSCI EM - ACC (USD)	0	15
Total Carrying Value	**4 527**	**7 554**

3.1.6.5. NOVIS Gold Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
SPDR Gold Trust USD	2 155	4 687
Total Carrying Value	**2 155**	**4 687**

3.1.6.6. NOVIS Entrepreneurial Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
ISHARES S&P LISTED PRIVATE USD (LN)	795	1 164
iShares Listed Private Equity UCITS ETF USD	569	826
responsAbility Micro and SME Finance Fund II	545	870
iShares Euro High Yield Corporate Bond EUR (GF)	278	601
Total Carrying Value	**2 186**	**3 461**

3.1.6.7. NOVIS Mortgage Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
iShares Euro Covered Bond UCITS ETF	929	1 680
Total Carrying Value	**929**	**1 680**

3.1.6.8. NOVIS Family Office Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
BP Family Office EUR THES (in liquidation)	75	358
Amundi S&P Global Luxury UCITS ETF EUR ©	342	579
UBS (Lux) Bond SICAV – China Fixed Income (EUR) Q-acc.	226	441
UBS Bond Inflation – linked Global (EUR hedged) Q-acc.	238	437
Total Carrying Value	**881**	**1 815**

3.1.6.9. NOVIS World Brands Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
H2Progressive Vermögensfreunde	0	56
H2Conservative Vermögensfreunde	0	57
Wealth Fund World Class Brands Vermögensfreunde Cap	0	115
IP PENSIONPLN BAL-EUR A FUND	460	0
IP PENSN PLN CH-EUR A FUND	493	0
Total Carrying Value	**953**	**228**

3.1.6.10. NOVIS Digital Assets Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
First Trust Cloud Computing UCITS ETF USD Acc.	1 317	1 652
First Trust Nasdaq Cybersecurity UCITS ETF USD Acc.	1 311	1 809
GLOBAL X FUTURE ANALYTICS TE FUND	625	866
Total Carrying Value	**3 253**	**4 327**

3.1.6.11. NOVIS FIXED INCOME Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Invesco Bond Fund	1 098	2 079
Baillie Gifford Worldwide Global Strategic Bond Fund Class A USD Acc Fonds	842	1 507
UBS (Lux) Bond Fund - Euro High Yield (EUR) I-A1-acc	1 367	2 227
Total Carrying Value	**3 306**	**5 813**

3.1.6.12. NOVIS GLOBAL SELECT Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Invesco Global Income Fund A EUR	912	808
UBS LUX INST-KEY GLB EQY-AAE FUND	3 646	3 089
BAI GIF WW LT GB GRW-AEURA FUND	1 740	1 300
UBS LUX B-GL ST FX USD-EHIA 1 FUND	1 685	1 626
Total Carrying Value	**7 983**	**6 823**

3.1.6.13. NOVIS Fondo Interno NOVIS PIR

in thousands of EUR	31-12 2023	31-12 2022 (restated)
LYXOR FTSE ITA MID CAP PIR FUND	1 370	1 197
GENER SM PIR VALOR ITALIA- IX FUND	714	635
GENER SM PIR EVOLU ITALIA-IX FUND	310	266
Total Carrying Value	**2 394**	**2 098**

3.1.6.14. NOVIS SUSTAINABILITY Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
UBS Global Sustainable Q-acc	1 283	1 072
Baillie Gifford Worldwide Global Stewardship Fund Class A EUR Acc	1 202	1 025
INVESCO Fds Inv Sust Alloc Fd A EUR Cap	419	379
Fondita Sustainable Europe B EUR	465	500
Total Carrying Value	**3 369**	**2 974**

3.1.6.15. NOVIS DISCOVERY Insurance Fund

in thousands of EUR	31-12 2023	31-12 2022 (restated)
UBS (D) Equity Fund - Global Opportunity	175	162
Baillie Gifford Worldwide Positive Change Fund Class A EUR Acc	200	179
Scottish Mortgage Investment Trust plc fund	111	97
Total Carrying Value	**486**	**437**

3.1.6.16. NOVIS Sustainability Plus Insurance Funds

in thousands of EUR	31-12 2023	31-12 2022 (restated)
BNP ECPI BLUE ECONOMY ETF FUND	5	5
ISHARES GLOBAL CLEAN ENERGY UCITS USD (SW)	3	4
Total Carrying Value	**9**	**9**

3.1.6.17. NOVIS Co-Branded Insurance Funds

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Fidelity Global Dividend A-Acc-EUR-Hdg	2 230	3 032
JPMorgan Global Income Fund D Acc EUR	1 381	2 786
JPMorgan Emerging Markets Dividend Fund	2 344	3 241
Concorde Hold Alapok Alapja	1 463	2 424
Fidelity Global Multi Asset Income Fund	1 114	1 953
Concorde Rövid Futamidejű Kötvény Befektetési Alap	1 156	1 405
Templeton Global Bond N Acc USD	1 121	1 715
JPMorgan Funds - Latin America Equity Fund	389	643
Fidelity Emerging Asia Fund	332	696
Total Carrying Value	**11 531**	**17 895**

3.1.7. **Other Assets**

in thousands of EUR	2023	2022 (restated)
Receivables with distributors	8 255	118
Intercompany	3 922	4 146
Miscellaneous	23	587
Total Carrying Value	**12 200**	**4 851**

Intercompany receivables represent remaining receivables related to transfer of the ownership of internally developed Insurance Administration system Apollon and prepayments related to provision of SW leasing services and maintenance to fully owned subsidiary Novis Tech, a.s..

Receivables with distributors represent uncollected Clawbacks net of any credit loss provision.

3.1.8. **Bank Deposits**

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Current Bank Accounts - unrestricted	7 217	3 042
Resticted cash balance on current bank account	1 071	583
Total Carrying Value	**8 288**	**3 625**

The bank accounts belong to the Level 2 in fair value hierarchy (Note 2.3.12.4.) and their carrying value approximates fair value. The restricted account balance relates to terms and conditions of the borrowings (Note 3.2.2.) and ILS financing.

3.1.8.1. **Current Bank Accounts**

Current bank accounts are in eight countries of the EU.

in thousands of EUR	Credit rating (Moody's/S&P)	31-12 2023	31-12 2022 (restated)
Intesa Sanpaolo	BBB	3 055	1 291
Anadi Bank Austria	n/a	546	615
Granit Bank Hungary	n/a	702	152
UniCredit Bank CZ and SK	A	1 594	226
Landsbankinn Iceland	BBB	224	485
Volksbank Italy	BBB	61	100
Nordea Bank	AA	0	70
Tatra Banka Slovakia	A	1 928	604
LBBW Bank Germany	n/a	92	46
PKO Banka Poland	A	76	27
BKS Bank Austria	n/a	10	7
SLSP Slovakia	A	0	2
NHB Bank	n/a	0	0
Total Carrying Value		**8 288**	**3 625**

3.2. Equity and Liabilities

3.2.1. **Equity**

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Share Capital	7 064	7 064
Share Premium	3 924	3 924
Own Shares	-964	-964
Statutory Reserve Fund	1 363	1 363
FVOCI Reserve	-94	-145
Retained Earnings	25 154	49 273
Profit (Loss) for the Current Year	-32 415	-24 119
Total Equity	**4 032**	**36 396**

3.2.1.1. Share Capital

The registered share capital of the Company corresponds to issued 65 142 shares at a par value of 100 Euro per share and 300 000 shares at par value of 1 Euro per share - they differ only in par value, which defines the voting rights and share on profit. In 2022 the company issued 2 499 priority shares at a par value 100 Euro per share. The total par value of registered share capital amounts to 7 064 100 Euro.

3.2.1.2. Share Premium

After the Company was registered in 2013, four share capital increases were realized. During first two capital increases shares with a par value of EUR 100 per share, or par value of EUR 1 per share were issued at an offering price of EUR 118 per share, or EUR 1.18 per share and were fully paid-up. Third capital increase has been realised in 2018. Shares with a par value of EUR 100 per share were issued at an offering price of EUR 300 per share. In 2022 has been realised fourth capital increase priority shares a par value of EUR 100 EUR per share was issued at an offering price of 1 200 EUR per share. The difference between the par value of the issued shares and the offering price represents share premium.

3.2.1.3. Own Shares

Company owned 6 370 own shares with nominal values of EUR 100 per share at the end of 2022 and 2023 in total purchase price EUR 964 thousand (2022: 6 370 in total purchase price EUR 964 thousand).

In 2023 Company did not make any further purchases or sales of own shares.

3.2.1.4. Statutory Reserve Fund

The Company's Statutory Reserve Fund is established and replenished pursuant to the Slovak Commercial Code with 10% of the Net Profit for each year until it reaches 20% of the Share Capital, which is the case since 28th June 2019, when the last decision of the ordinary general meeting about replenishing the Statutory Reserve Fund has been taken. Use of the Statutory Reserve Fund is restricted and decisions regarding it are taken by the Company's MB in accordance with Company's Articles of Association and the Commercial Code.

3.2.1.5. FVOCI Reserve

Fair value gains or losses from financial assets through other comprehensive income (FVOCI) are recognized in other comprehensive income reserve. Movements in the reserve represent solely changes in fair value in the underlying financial assets except for sale or impairment, whereas the cumulative gain or loss previously recognized here will be reclassified to profit or loss as a reclassification adjustment.

3.2.1.6. Retained Earnings

Retained Earnings represent sum of the net profits after contribution to Statutory Reserve Fund and losses for the previous reporting periods.

3.2.1.7. Loss for the Current Year

The amount represents the reported loss after tax for the current reporting year.

3.2.2. Borrowings

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Bank Loans	4 190	5 583
Subordinated Loans	19 700	10 900
Other borrowings	4	16
Total Carrying Value	**23 894**	**16 499**

in thousands of EUR	31-12 2023	31-12 2022 (restated)
Opening borrowings	16 499	11 412
Cash drawdowns	7 592	5 753
Accrued Interest	369	843
Discount/Premium	1 218	-197
Cash repayments	-1 784	-1 312
Closing balance of borrowings	**23 894**	**16 499**

3.2.2.1. Bank Loans

On 25 July 2017, the Company obtained a 5-year loan from the Austrian Anadi Bank AG of EUR 4 900 thousand. In December 2020, the Company prolonged and increased the loan to EUR 7 000 thousand in total. The loan carries a variable interest rate linked to Euribor with a final maturity in 2026.

Fair value of the bank loan equals approximately its carrying value. The fair value belongs to level 2 in fair value hierarchy.

3.2.2.2. Subordinated Loans

The Company has issued subordinated convertible bonds in June 2021 fulfilling the criteria of Tier 2 capital under the Solvency 2 requirements. Total volume of EUR 19 700 thousand has been placed until 31 December 2023 (2022: EUR 10 900 thousand) and is classified as subordinated loan.

3.2.3. **Other Liabilities**

The carrying value of other liabilities that are financial instruments equals approximately their fair value.

in thousands of EUR	31.12 2023	31.12 2022 (restated)
Reinsurance Settlement	57 252	40 787
Reinsurance Deposit	52 556	55 021
ILS Settlement	2 985	1 971
Employees and Social Security	365	418
Suppliers and Contractors	1 428	1 178
Payables with distributors	2 139	6 529
Accruals	994	665
Tax Authorities	-111	288
Miscellaneous	431	607
Total Carrying Value	**118 039**	**107 464**

3.2.3.1. Employees and Social Security

This item represents liabilities from employee benefits and related social security contributions. Salaries, wages, contributions to government and private pensions and social funds, paid leave and sick leave, bonuses and non-financial benefits are recognized as a liability in the period in which the Company's employees are entitled to receive them in exchange for their services. The Company has no contractual or constructive obligation to pay any further contributions to the state social insurance, government or private pension funds beyond the contributions set by laws in exchange for past employee service.

3.2.3.2. Suppliers and Contractors

Suppliers are defined as business partners other than distribution partners who provide services and deliver goods or rent premises to the Company. Contractors are specific suppliers providing either specific consultancy or legal services or substituting the labour force of the reporting entity on a regular basis.

3.2.3.3. Accruals

Accruals represent accrued expense liability related to unbilled goods or services, consisting mainly of provision for untaken vacation, accrual for statutory audit of financial statements and other services.

3.2.3.4. Tax Authorities

The net liability corresponds to the VAT, Austrian insurance tax and employee income tax on their salaries.

3.2.3.5. Reinsurance Settlement

Reinsurance settlement represents liabilities from reinsurance contracts that as of the reporting date are past due.

3.2.3.6. Reinsurance Deposit

Reinsurance Deposit represents an offset of the Reinsurance Contract Assets and belongs to past cash flows. This amount is not expected to be settled based on the contractual conditions.

3.2.3.7. ILS Settlement

ILS Settlement represents a timing difference between expected and actual settlement of the amounts due.

3.2.4. Tax Provision

3.2.4.1. Tax Loss Carry Forwards

The tax loss carry-forwards expire as follows:

In thousands of EUR	**31-12 2023**	**31-12 2022** (restated)
Expires in 2023	-	6 496
Expires in 2024		0
Expires in 2025	37 179	37 179
Expires in 2026	20 838	20 838
Expires in 2027	35 569	35 569
Expires in 2028	32 414	-
Tax loss carry forward	**126 000**	**100 081**

A deferred tax asset is recognised for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilized.

Due to uncertainty described in 2.1.2 NOVIS decided not to recognize Deferred Tax Asset from the unused tax losses.

3.2.4.2. Tax Impact on Transition

Changes in accounting policy related to implementation of IFRS 17 and restatement of financial statements had an impact on Retained Earnings of the Company in 2022. The total impact was a decrease in Retained Earnings of EUR 6 907 thousand.

A deferred tax asset is recognised for an unused tax loss carryforward or unused tax credit if, and only if, it is considered probable that there will be sufficient future taxable profit against which the loss or credit carryforward can be utilized.

Due to uncertainty described in Note 2.1.2 NOVIS decided not to recognize Deferred Tax Asset from this impact on equity.

3.2.5. Insurance Linked Liabilities

As described in 2.3.10 these liabilities are recognized under IFRS 17 using General Measurement Model (GMM).

The following reconciliations show how the net carrying amounts of these liabilities changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss. A reconciliation is performed that shows changes in estimates of the present value of future cash flows, risk adjustment and contractual service margin.

Second table represents movement of the liability for remaining coverage and movement in the liability for incurred claims.

Revenue and expense related to these liabilities are presented in the statement of comprehensive income as Net income/(expense) from reinsurance contracts and Net finance income/(expense) from reinsurance contracts.

in thousands of EUR					31.12.2023
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**		**Total**
			Contracts measured under the modified retrospective approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening reinsurance contracts held assets IFRS 17(99)(b)	0	0	0	0	0
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	55 788	-6 433	-2 086	-751	46 518
Net opening balance IFRS 17(99)(b)	55 788	-6 433	-2 086	-751	46 518
Changes that relate to current service IFRS 17(104)(b)					
CSM recognised in profit or loss for the services received IFRS 17(104)(b)(i)	0	0	218	-75	143
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	1 208	0	0	1 208
Changes in the FCF of reinsurance contracts held that result from changes in the FCF of underlying (re)insurance contracts issued not measured under the PAA IFRS 17(66)(c)(i), (105)(d)					

- changes that result from underlying (re)insurance contracts issued other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	-12 992	0	10 853	2 139	0
Subtotal	- 12 992	-	10 853	2 139	-
Changes in the FCF of reinsurance contracts held that result from changes in the LRC of underlying (re)insurance contracts issued measured under the PAA IFRS 17(66)(c)(ii), (105)(d)					
Changes that relate to the FCF of reinsurance contracts held solely IFRS 17(66)					
- other changes that relate to reinsurance contracts held to the extent that the change relates to future service	9 183	1 209	-9 361	-1 031	0
Subtotal	9 183	1 209	-9 361	-1 031	0
Change in estimates that do not adjust the loss reversal component of reinsurance contracts held	- 3 809	1 209	1 493	1 107	-
Net income (expenses) from reinsurance contracts held	-3 809	2 417	1 710	1 033	1 351
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	1 438	0	8	2	1 447
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-79	0	0	0	-79
Net finance income or expenses from reinsurance contracts held	1 359	0	8	2	1 369
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	1 359	0	8	2	1 369
Total changes in the statement of profit and loss and other comprehensive income	-2 450	2 417	1 718	1 034	2 720
Cash flows IFRS 17(105)(a)					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-6 269	0	0	0	-6 269
	-6 269	0	0	0	-6 269
Total cash flows	-6 269	0	0	0	-6 269
FX Effect	0	0	0	0	0

Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	0	0	0	0	0
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	47 068	-4 015	-368	283	42 969
Net closing balance adjustments	0	0	0	0	0
Net closing balance	47 068	-4 015	-368	283	42 969

in thousands of EUR					**31.12.2022**
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**		**Total**
			Contracts measured under the modified retrospective approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening reinsurance contracts held assets IFRS 17(99)(b)	0	0	0	0	0
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	47 192	-6 438	0	0	40 754
Net opening balance IFRS 17(99)(b)	47 192	-6 438	0	0	40 754
Changes that relate to current service IFRS 17(104)(b)					
CSM recognised in profit or loss for the services received IFRS 17(104)(b)(i)	0	0	641	165	806
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	2 192	0	0	2 192
Changes that relate to future service IFRS 17(104)(a)					
Effect of reinsurance contracts held initially recognised in the period IFRS 17(104)(a)(iii), (105)(d)					
- effect of underlying (re)insurance contracts issued ***IFRS 17(105)(d)***					
- underlying (re)insurance contracts issued recognised at the same time as reinsurance contracts held are recognised IFRS 17(105)(d), (66)(ba)	-922	0	0	-2 880	0

- underlying (re)insurance contracts issued recognised before the time reinsurance contracts held are recognised IFRS17(105)(d)	-922	0	0	0	-922
Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)	-	-	-	- 2 880	922
Changes in the FCF of reinsurance contracts held that result from changes in the FCF of underlying (re)insurance contracts issued not measured under the PAA IFRS 17(66)(c)(i), (105)(d)					
- changes that result from underlying (re)insurance contracts issued other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	-7 441	0	7 441	0	0
Subtotal	- 7 441	-	7 441	-	-
Changes in the FCF of reinsurance contracts held that result from changes in the LRC of underlying (re)insurance contracts issued measured under the PAA IFRS 17(66)(c)(ii), (105)(d)					
Changes that relate to the FCF of reinsurance contracts held solely IFRS 17(66)					
- other changes that relate to reinsurance contracts held to the extent that the change relates to future service	9 474	693	-10 167	0	0
Subtotal	9 474	693	-10 167	0	0
Change in estimates that do not adjust the loss reversal component of reinsurance contracts held	2 033	693	- 2 727	-	0
Net income (expenses) from reinsurance contracts held	5 835	5	-2 086	-757	2 998
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	-312	0	0	5	-306
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-3 021	0	0	0	-3 021
Net finance income or expenses from reinsurance contracts held	-3 332	0	0	5	-3 327
of which:					

Net finance income or expenses from reinsurance contracts held recognised in profit or loss	-3 332	0	0	5	-3 327
Total changes in the statement of profit and loss and other comprehensive income	2 503	5	-2 086	-751	-329
Cash flows IFRS 17(105)(a)					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-8 150	0	0	0	-8 150
- reinsurance ceding commissions	14 244	0	0	0	14 244
Total cash flows	6 094	0	0	0	6 094
FX Effect				0	0
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	0	0	0		0
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	55 788	-6 433	-2 086	-751	46 518
Net closing balance adjustments	0	0	0	0	0
Net closing balance	55 788	-6 433	-2 086	-751	46 518

Reconciliation by liability type:

in thousands of EUR					31.12.2023
	Liabilities (assets) for remaining coverage		**Insurred claims (assets)**		**Total**
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening reinsurance contracts held assets IFRS 17(99)(b)	0	0	0	0	0
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	46 518	0	0	0	46 518
Net opening balance IFRS 17(99)(b)	46 518	0	0	0	46 518
Net income (expenses) from reinsurance contracts held	0	0	0	0	0
Allocation of reinsurance premiums paid IFRS 17(103)(a)	0	0	0	0	0

-reinsurance contracts held not measured under the PAA	1 351	0	0	0	1 351
Total	1 351	0	0	0	1 351
Net income (expenses) from reinsurance contracts held	**1 351**	**0**	**0**	**0**	**1 351**
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	1 447	0	0	0	1 447
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-79	0	0	0	-79
Net finance income or expenses from reinsurance contracts held	1 369	0	0	0	1 369
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	1 369	0	0	0	1 369
Total changes in the statement of profit and loss and other comprehensive income	**2 720**	**0**	**0**	**0**	**2 720**
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-6 269	0	0	0	-6 269
Total	-6 269	0	0	0	-6 269
Total cash flows	-6 269	0	0	0	-6 269
Fx Effect	0	0	0	0	0
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	0	0	0	0	0
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	42 969	0	0	0	42 969
Net closing balance adjustments	0	0	0	0	0
Net closing balance	42 969	0	0	0	42 969

in thousands of EUR					31.12.2022
	Liabilities (assets) for remaining coverage		**Insurred claims (assets)**		**Total**
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening reinsurance contracts held assets IFRS 17(99)(b)	0	0	0	0	0
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	40 754	0	0	0	40 754
Net opening balance IFRS 17(99)(b)	40 754	0	0	0	40 754
Net income (expenses) from reinsurance contracts held					
Allocation of reinsurance premiums paid IFRS 17(103)(a)					
-*reinsurance contracts held not measured under the PAA*	2 998	0	0	0	2 998
Total	2 998	0	0	0	2 998
Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)					
Reinsurance contracts held not measured under the PAA					
- *underlying (re)insurance contracts issued not measured under the PAA*	0	0	0	0	0
Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)					
Net income (expenses) from reinsurance contracts held	2 998	0	0	0	2 998
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	-306	0	0	0	-306
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-3 021	0	0	0	-3 021

Net finance income or expenses from reinsurance contracts held	-3 327	0	0	0	-3 327
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	-3 327	0	0	0	-3 327
Total changes in the statement of profit and loss and other comprehensive income	-329	0	0	0	-329
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-8 150	0	0	0	-8 150
- reinsurance ceeding commissions	14 244	0	0	0	14 244
Total	6 094	0	0	0	6 094
Total cash flows	6 094	0	0	0	6 094
Fx Effect	0	0	0	0	0
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	0	0	0	0	0
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	46 518	0	0	0	46 518
Net closing balance adjustments	0	0	0	0	0
Net closing balance	46 518	0	0	0	46 518

3.3. Insurance and Reinsurance Contracts

NOVIS' products fall in the following categories:

VFA Insurance – performance linked type of contracts
GMM Insurance – all other contracts that do not belong to VFA
GMM reinsurance – life reinsurance contracts

in thousands of EUR	31.12 2023	31.12 2022 (restated)
Insurance Contract Assets VFA	91 020	130 635
Insurance Contract Assets GMM	422	1 725
Total Carrying Amount	**99 696**	**132 478**

in thousands of EUR	31.12 2023	31.12 2022 (restated)
Insurance Contract Liabilities VFA	72 370	77 397
Insurance Contract Liabilities GMM	16	-2
Total Carrying Amount	**75 371**	**77 395**
Insurance Contracts	**19 055**	**54 965**
Insurance Contracts VFA	18 649	53 238
Insurance Contracts GMM	406	1 727

in thousands of EUR	31.12 2023	31.12 2022 (restated)
Reinsurance Contract Assets GMM	100 730	86 058
Total Carrying Amount	**100 730**	**86 327**
Reinsurance Contract Liabilities GMM	339	8 487
Total Carrying Amount	**110 147**	**104 295**
Reinsurance Contracts	**100 391**	**77 571**

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss. In 3.3.1 and 3.3.2 a reconciliation is performed that shows changes in estimates of the present value of future cash flows, risk adjustment and contractual service margin.

Meanwhile in 3.3.3 and 3.3.4 a movement is presented of the liability for remaining coverage and movement in the liability for incurred claims.

3.3.1. Reconciliation of Insurance Contracts by measurement components

in thousands of EUR	*VFA*				31.12.2023
			Contractual service margin		Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contracts measured under the fair value approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	57 295	7 022	12 939	134	77 390
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-196 730	29 632	9 611	26 852	-130 635
Net opening balance IFRS 17(99)(b)	-139 435	36 654	22 550	26 986	-53 244
Changes that relate to current service					
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	-6 797	0	0	-6 797
CSM recognised in profit or loss for the services provided IFRS 17(104)(b)(i)	0	0	-2 765	-682	-3 447
Change in the risk adjustment for non-financial risk that does not relate to future service or past service IFRS 17(104)(b)(ii)	0	13	0	0	13
Experience adjustments IFRS 17(104)(b)(iii)	-2 274	0	0	0	-2 274
Changes that relate to future service					
Contracts initially recognised in the period IFRS 17(104)(a)(iii)	-28 053	3 730	0	24 416	93
Changes in estimates that adjust the CSM					
- effect of changes in economic valuation assumptions	-4 179	0	812	3 367	0
- effect of changes in operating valuation assumptions	0	0	0	0	0
- other adjustments that relate to future services, if any, as specified in paragraph B96(a), (c),(ca) and B98	42 709	-9 111	-12 133	-21 465	0
Changes in estimates that result in onerous contract losses or reversal of losses [illegible]					
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	0	0	0	0	0

- effect of changes in economic valuation assumptions	10 865	0	0	0	10 865
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	84 105	0	0	0	84 105
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	0	0	0	0	0
- effect of changes in economic valuation assumptions	-11 490	0	0	0	-11 490
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	-50 331	-4 125	0	0	-54 456
Changes that relate to past service - adjustments to the LIC					
Changes that relate to past service - adjustments to the RBNP	-384	0	0	0	-384
Changes that relate to past service - adjustments to the IBNR	-768	-20	0	0	-788
Changes that relate to past service - other items adjustments	0	0	0	0	0
Insurance service result	40 200	-16 310	-14 085	5 636	**15 440**
Net finance income or expenses from (re)insurance contracts issued					
Changes in fair value of underlying assets - contracts measured under the VFA	4 869	0	0	0	4 869
Net finance income or expenses from (re)insurance contracts issued	4 869	0	0	0	4 869
of which:	0	0	0	0	0
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	4 869	0	0	0	4 869
Total changes in the statement of profit and loss and other comprehensive income	45 069	-16 310	-14 085	5 636	**20 309**
Cash flows					
Premiums received, including (i) overdue premiums or (ii) premiums paid in advance IFRS 17(105)(a)(i)	48 602	0	0	0	48 602
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-33 494	0	0	0	-33 494
Insurance acquisition cash flows IFRS 17(105)(a)(ii)	- 946	-	-	-	**- 946**
-amounts related to existing contracts	-946	0	0	0	-946
Total cash flows	14 161	0	0	0	**14 161**
FX effect	0	0	120	4	124
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	31 548	7 000	7 977	25 845	72 370
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-111 752	13 344	608	6 781	-91 020
Net closing balance	-80 205	20 344	8 585	32 626	-18 649

in thousands of EUR	*VFA*				**31.12.2022** (restated)
	Present value of future cash flows	**Risk adjustment for non-financial risk**	Contracts measured under the fair value approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	**Total**
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	67 445	6 093	6 126	0	79 664
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-190 472	37 965	38 286	0	-114 220
Net opening balance IFRS 17(99)(b)	-123 026	44 058	44 412	0	-34 556
Changes that relate to current service					
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	-14 325	0	0	-14 325
CSM recognised in profit or loss for the services provided IFRS 17(104)(b)(i)	0	0	-3 045	-712	-3 758
Change in the risk adjustment for non-financial risk that does not relate to future service or past service IFRS 17(104)(b)(ii)	0	20	0	0	20
Experience adjustments IFRS 17(104)(b)(iii)	203	0	0	0	203
Changes that relate to future service					
Contracts initially recognised in the period IFRS 17(104)(a)(iii)	-41 725	16 661	0	25 761	696
Changes in estimates that adjust the CSM					
- effect of changes in economic valuation assumptions	399	0	389	-788	0
- effect of changes in operating valuation assumptions	0	0	0	0	0
- other adjustments that relate to future services, if any, as specified in paragraph B96(a), (c),(ca) and B98	25 788	-9 474	-19 039	2 725	0
Changes in estimates that result in onerous contract losses or reversal of losses					
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in economic valuation assumptions	474	0	0	0	474
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	11 835	18	0	0	11 853
Reversal of losses for onerous groups of (re)insurance contracts issued					

- effect of changes in operating valuation assumptions	0	0	0	0	0
- effect of changes in economic valuation assumptions	-407	0	0	0	-407
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	-10 489	-284	0	0	-10 773
Changes that relate to past service - adjustments to the LIC					
Changes that relate to past service - adjustments to the RBNP	-940	0	0	0	-940
Changes that relate to past service - adjustments to the IBNR	-709	-19	0	0	-729
Insurance service result	-15 573	-7 404	-21 695	26 986	**-17 686**
Net finance income or expenses from (re)insurance contracts issued					
Changes in fair value of underlying assets - contracts measured under the VFA	2 512	0	0	0	2 512
Net finance income or expenses from (re)insurance contracts issued	2 512	0	0	0	2 512
of which:	0	0	0	0	0
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	2 512	0	0	0	2 512
Total changes in the statement of profit and loss and other comprehensive income	-13 060	-7 404	-21 695	26 986	**-15 173**
Cash flows					
Premiums received, including (i) overdue premiums or (ii) premiums paid in advance IFRS 17(105)(a)(i)	57 528	0	0	0	57 528
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-20 995	0	0	0	-20 995
Repayments of policy loans	-	-	-	-	-
Insurance acquisition cash flows IFRS 17(105)(a)(ii)	- 39 881	-	-	-	**- 39 881**
-amounts related to existing contracts	-39 881	0	0	0	-39 881
Total cash flows	-3 348	0	0	0	**-3 348**
FX effect	0	0	-166	0	-166
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	57 295	7 022	12 939	134	77 390
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-196 730	29 632	9 611	26 852	-130 635
Net closing balance	-139 435	36 654	22 550	26 986	-53 238

in thousands of EUR	*GMM*				31.12.2023
			Contractual service margin		**Total**
	Present value of future cash flows	**Risk adjustment for non-financial risk**	Contracts measured under the fair value approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	1	3	0	0	5
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-1 887	161	0	0	-1 725
Net opening balance IFRS 17(99)(b)	-1 885	165	0	0	-1 720
Changes that relate to current service					
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	-8	0	0	-8
CSM recognised in profit or loss for the services provided IFRS 17(104)(b)(i)	0	0	0	-110	-110
Experience adjustments IFRS 17(104)(b)(iii)	-55	0	0	0	-55
Changes that relate to future service					
Contracts initially recognised in the period IFRS 17(104)(a)(iii)	-104	9	0	100	5
Changes in estimates that adjust the CSM					
- effect of changes in economic valuation assumptions	0	0	0	0	0
- effect of changes in operating valuation assumptions	-8	-1	0	10	0
- other adjustments that relate to future services, if any, as specified in paragraph B96(a), (c),(ca) and B98	3	0	0	-3	0
Changes in estimates that result in onerous contract losses or reversal of losses					
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	2 327	0	0	0	2 327
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	154	0	0	0	154
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	-656	-66	0	0	-722

- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	-15	0	0	0	-15
Changes that relate to past service - adjustments to the LIC					
Changes that relate to past service - adjustments to the RBNP	-1	0	0	0	-1
Changes that relate to past service - adjustments to the IBNR	-2	0	0	0	-2
Insurance service result	1 644	-67	0	-3	**1 573**
Net finance income or expenses from (re)insurance contracts issued					
Interest accreted	-59	0	0	3	-56
Effect of changes in interest rates and other financial assumptions	-10	97	0	0	87
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	-352	-97	0	0	-449
Net finance income or expenses from (re)insurance contracts issued	-421	0	0	3	-417
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	-421	0	0	3	-417
Total changes in the statement of profit and loss and other comprehensive income	1 223	-67	0	0	**1 156**
Cash flows					
Premiums received, including (i) overdue premiums or (ii) premiums paid in advance IFRS 17(105)(a)(i)	229	0	0	0	229
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-70	0	0	0	-70
Total cash flows	159	0	0	0	**159**
FX effect	0	0	0	0	0
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	10	6		0	16
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-514	91		0	-422
Net closing balance	-503	97	0	0	-406

in thousands of EUR	GMM				31.12.2022
	Present value of future cash flows	**Risk adjustment for non-financial risk**	Contracts measured under the fair value approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	**Total**
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	0	0	0	0	0
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-5 202	215	217	0	-4 770
Net opening balance IFRS 17(99)(b)	-5 202	215	217	0	-4 770
Changes that relate to current service					
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	-19	0	0	-19
CSM recognised in profit or loss for the services provided IFRS 17(104)(b)(i)	0	0	-10	-361	-371
Experience adjustments IFRS 17(104)(b)(iii)	-41	0	0	0	-41
Changes that relate to future service					
Contracts initially recognised in the period IFRS 17(104)(a)(iii)	-392	29	0	364	0
Changes in estimates that adjust the CSM					
- effect of changes in economic valuation assumptions	0	0	0	0	0
- effect of changes in operating valuation assumptions	192	-4	-188	0	0
- other adjustments that relate to future services, if any, as specified in paragraph B96(a), (c),(ca) and B98	18	0	-18	0	0
Changes in estimates that result in onerous contract losses or reversal of losses					
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	3 163	1	0	0	3 163
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	259	0	0	0	259
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions	-447	-57	0	0	-504

Changes that relate to past service - adjustments to the LIC					
Changes that relate to past service - adjustments to the RBNP	-2	0	0	0	-2
Changes that relate to past service - adjustments to the IBNR	0	0	0	0	0
Changes that relate to past service - other items adjustments	0	0	0	0	0
Insurance service result	2 741	-51	-216	3	**2 478**
Net finance income or expenses from (re)insurance contracts issued					
Interest accreted	32	0	-1	-2	28
Effect of changes in interest rates and other financial assumptions	426	165	0	0	591
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	0	-165	0	0	-165
Net finance income or expenses from (re)insurance contracts issued	458	0	-1	-2	455
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	458	0	-1	-2	455
Total changes in the statement of profit and loss and other comprehensive income	3 199	-51	-217	0	**2 932**
Cash flows					
Premiums received, including (i) overdue premiums or (ii) premiums paid in advance IFRS 17(105)(a)(i)	173	0	0	0	173
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-56	0	0	0	-56
Total cash flows	117	0	0	0	**117**
FX effect	0	0	0	0	0
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	1	3	0	0	5
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-1 887	161	0	0	-1 725
Net closing balance	-1 885	165	0	0	-1 720

3.3.2. Reconciliation of Reinsurance Contracts by measurement components

in thousands of EUR					31.12.2023
	Present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**		**Total**
			Contracts measured under the modified retrospective approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening reinsurance contracts held assets IFRS 17(99)(b)	-44 965	-10 428	-30 402	-263	-86 058
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	7 622	-1 048	1 003	909	8 486
Net opening balance IFRS 17(99)(b)	-37 343	-11 475	-29 399	646	-77 571
Changes that relate to current service IFRS 17(104)(b)					
CSM recognised in profit or loss for the services received IFRS 17(104)(b)(i)	0	0	4 351	-53	4 298
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	1 718	0	0	1 718
Change in the risk adjustment for non-financial risk that does not relate to future service or past service IFRS 17(104)(b)(ii)	0	-1	0	0	-1
Experience adjustments IFRS 17(104)(b)(iii)	19 577	0	0	0	19 577
Changes that relate to future service IFRS 17(104)(a)					
Effect of reinsurance contracts held initially recognised in the period IFRS 17(104)(a)(iii), (105)(d)					
Changes in the FCF of reinsurance contracts held that result from changes in the FCF of underlying (re)insurance contracts issued not measured under the PAA IFRS 17(66)(c)(i), (105)(d)					

- changes that result from underlying (re)insurance contracts issued other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	5 641	0	-5 646	5	0
Subtotal	5 641	-	-5 646	5	-
Changes in the FCF of reinsurance contracts held that result from changes in the LRC of underlying (re)insurance contracts issued measured under the PAA IFRS 17(66)(c)(ii), (105)(d)					
Changes that relate to the FCF of reinsurance contracts held solely IFRS 17(66)					
- other changes that relate to reinsurance contracts held to the extent that the change relates to future service	24 135	4 076	-28 104	-107	0
Subtotal	24 135	4 076	-28 104	-107	0
Change in estimates that do not adjust the loss reversal component of reinsurance contracts held	29 777	4 076	- 33 750	-102	-0
Changes in the FCF of reinsurance contracts held that adjust the loss recovery component IFRS 17(66)(c)(i), (66)(c)(ii),(105)(d)					
Changes that relate to past service - adjustments to the incurred claims assets **IFRS 17(104)(c),(105)(d)**					
Changes that relate to past service - adjustments to the RBNP	10	0	0	0	10
Changes that relate to past service - adjustments to the IBNR	-53	2	0	0	-52
Adjustments to the reinsurance contracts held assets for incurred claims	-44	2	0	0	-42
Net income (expenses) from reinsurance contracts held	49 309	5 795	-29 400	-155	25 549
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	-1 425	0	-268	-1	-1 693
Effect of changes in interest rates and other financial assumptions	0	0	0	0	0
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-6 540	41	0	0	-6 499
Foreign exchange differences	1 973	4	0	0	1 977

Net finance income or expenses from reinsurance contracts held	-5 992	46	-268	-1	-6 215
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	-5 992	46	-268	-1	-6 215
Total changes in the statement of profit and loss and other comprehensive income	43 317	5 840	-29 667	-156	19 334
Reinsurance held acquisition cash flows assets (liabilities) IFRS 17(105)(d)					
Cash flows IFRS 17(105)(a)					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-32 402	0	0	0	-32 402
- reinsurance ceeding commissions	-9 089	0	0	0	-9 089
	-41 491	0	0	0	-41 491
Recoveries from reinsurance IFRS 17(105)(a)(iii)					
- claims and benefits recoveries	191	0	0	0	191
Total cash flows	-41 301	0	0	0	-41 301
FX Effect	0	0	-854	0	-854
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	-35 179	-5 415	-59 862	-275	-100 730
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	-148	-220	-58	764	338
Net closing balance adjustments	0	0	0	0	0
Net closing balance	-35 326	-5 635	-59 920	489	-100 392

in thousands of EUR					31.12.2022 (restated)
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin		Total
			Contracts measured under the modified retrospective approach at transition	New contracts, contracts measured under the full retrospective and other approach at transition	
Opening balance					
Opening reinsurance contracts held assets IFRS 17(99)(b)	-24 800	-17 344	-51 349	0	-93 493

Opening reinsurance contracts held liabilities IFRS 17(99)(b)	10 458	-818	2 795	0	12 435
Net opening balance IFRS 17(99)(b)	-14 341	-18 162	-48 554	0	-81 057
Changes that relate to current service IFRS 17(104)(b)					
CSM recognised in profit or loss for the services received IFRS 17(104)(b)(i)	0	0	-12 743	-28	-12 772
Change in the risk adjustment for non-financial risk for the risk expired IFRS 17(104)(b)(ii)	0	3 959	0	0	3 959
Change in the risk adjustment for non-financial risk that does not relate to future service or past service IFRS 17(104)(b)(ii)	0	-2	0	0	-2
Experience adjustments IFRS 17(104)(b)(iii)	12 075	0	0	0	12 075
Changes that relate to future service IFRS 17(104)(a)					
Effect of reinsurance contracts held initially recognised in the period IFRS 17(104)(a)(iii), (105)(d)					
- effect of underlying (re)insurance contracts issued ***IFRS 17(105)(d)***					
- underlying (re)insurance contracts issued recognised at the same time as reinsurance contracts held are recognised IFRS 17(105)(d), (66)(ba)	678	0	0	-656	0
- underlying (re)insurance contracts issued recognised before the time reinsurance contracts held are recognised IFRS17(105)(d)	678	0	0	0	678
Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)	-	-	-	- 656	- 678
Changes in the FCF of reinsurance contracts held that result from changes in the FCF of underlying (re)insurance contracts issued not measured under the PAA IFRS 17(66)(c)(i), (105)(d)					
- changes that result from underlying (re)insurance contracts issued other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98	6 481	0	-6 481	0	0
Subtotal	6 481	- -	6 481	-	-

Changes in the FCF of reinsurance contracts held that result from changes in the LRC of underlying (re)insurance contracts issued measured under the PAA IFRS 17(66)(c)(ii), (105)(d)					
Changes that relate to the FCF of reinsurance contracts held solely IFRS 17(66)					
- other changes that relate to reinsurance contracts held to the extent that the change relates to future service	-40 505	3 461	37 044	0	0
Subtotal	-40 505	3 461	37 044	0	0
Change in estimates that do not adjust the loss reversal component of reinsurance contracts held	- 34 024	3 461	30 564	-	- 0
Changes in the FCF of reinsurance contracts held that adjust the loss recovery component IFRS 17(66)(c)(i), (66)(c)(ii),(105)(d)					
Changes that relate to past service - adjustments to the incurred claims assets IFRS 17(104)(c),(105)(d)					
Changes that relate to past service - adjustments to the RBNP	434	0	0	0	434
Changes that relate to past service - adjustments to the IBNR	55	3	0	0	58
Adjustments to the reinsurance contracts held assets for incurred claims	489	3	0	0	492
Net income (expenses) from reinsurance contracts held	-21 482	6 765	17 820	650	3 753
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	113	0	-275	-4	-166
Effect of changes in interest rates and other financial assumptions	0	0	0	0	0
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	37 950	0	0	0	37 950
Foreign exchange differences	-4 540	-78	0	0	-4 618
Net finance income or expenses from reinsurance contracts held	33 523	-78	-275	-4	33 165
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	33 523	-78	-275	-4	33 165

Total changes in the statement of profit and loss and other comprehensive income	12 041	6 687	17 545	646	36 919
Cash flows IFRS 17(105)(a)					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-37 285	0	0	0	-37 285
- reinsurance ceeding commissions	1 957	0	0	0	1 957
	-29 234	0	0	0	-29 234
Recoveries from reinsurance IFRS 17(105)(a)(iii)					
- claims and benefits recoveries	286	0	0	0	286
	286	0	0	0	286
Total cash flows	-35 042	0	0	0	-35 042
FX Effect	0	0	1 610	0	1 610
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	-44 965	-10 428	-30 402	-263	-86 058
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	7 622	-1 048	1 003	909	8 486
Net closing balance adjustments	0	0	0	0	0
Net closing balance	-37 343	-11 475	-29 399	646	-77 571

3.3.3. Reconciliation of Insurance Contracts by Liability type

in thousands of EUR	*VFA*				31.12.2023
	Liabilities (asset) for remaining coverage		Liabilities for insurred claims		Total
	Excluding loss component IFRS 17(100)(a)	Loss component IFRS 17(100)(b)	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	75 714	742	916	20	77 391
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-131 911	1 027	250	0	-130 635
Net opening balance IFRS 17(99)(b)	-56 197	1 768	1 165	20	-53 244
Insurance revenue					
Contracts measured under the fair value approach at transition IFRS 17(103)(a)	-16 175	0	0	0	-16 175
New contracts and contracts measured under the full retrospective approach at transition IFRS 17(103)(a)	-4 148	0	0	0	-4 148
Total insurance revenue from (re)insurance contracts issued	-20 322	0	0	0	-20 322
Insurance service expenses					
Claims and other insurance service expenses incurred in the period - excluding investment components IFRS 17(103)(b)(i), (105)(d)					
- paid claims and other insurance service expenses	2 336	0	4 620	0	6 956
- reported but not paid claims and other insurance service expenses	0	0	502	0	502
- incurred but not reported claims	0	0	921	13	934
Changes in the LRC allocated to loss component - excluding investment components IFRS 17(103)(b)(iv), (105)(d)					
(Re)insurance contracts issued not measured under the PAA					
Release of expected claims and other insurance service expenses incurred allocated to loss components	0	-514	0	0	-514
Release of risk adjustment for non-financial risk allocated to loss components	0	-456	0	0	-456
Claims and other insurance service expenses from (re)insurance contracts issued incurred in the period presented in profit or loss statement	**2 336**	**-970**	**6 042**	**13**	**7 422**
Insurance acquisition cash flows amortisation IFRS 17(103)(b)(ii)	400	0	0	0	400

Losses on onerous contracts and reversal of those losses **IFRS 17(103)(b)(iv), (105)(d)**					
Onerous groups of (re)insurance contracts originated					
- (re)insurance contracts issued not measured under the PAA	0	93	0	0	93
-(re)insurance contracts issued measured under the PAA	0	0	0	0	0
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in economic valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	10 865	0	0	10 865
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	84 105	0	0	84 105
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in economic valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	-11 490	0	0	-11 490
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	-54 456	0	0	-54 456
Changes that relate to past service - adjustments to the LIC IFRS 17(103)(b)(iii), (105)(d)					
Changes that relate to past service - adjustments to the RBNP	0	0	-384	0	-384
Changes that relate to past service - adjustments to the IBNR	0	0	-768	-20	-788
Total insurance service expenses from (re)insurance contracts issued	2 736	28 148	4 890	-7	35 767
Insurance service result	-17 591	28 148	4 890	-7	15 440
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c), (105)(d)					
Changes in fair value of underlying assets - contracts measured under the VFA	4 869	0	0	0	4 869
Net finance income or expenses from (re)insurance contracts issued	4 869	0	0	0	4 869
of which:	0	0	0	0	0
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	4 869	0	0	0	4 869
Total changes in the statement of profit and loss and other comprehensive income	-12 721	28 148	4 890	-7	20 309

Investment components IFRS 17(103)(c)	-26 538	0	26 538	0	0
Insurance acquisition cash flows asset and other pre-recognition cash flows derecognised IFRS 17(105)(d)					
Cash flows IFRS 17(105)(a)					
Premiums received IFRS 17(105)(a)(i)	48 602	0	0	0	48 602
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-2 336	0	-31 158	0	-33 494
Insurance acquisition cash flows paid IFRS 17(105)(a)(ii)	-946	0	0	0	-946
-amounts related to existing contracts	-946	0	0	0	-946
Total cash flows	45 320	0	-31 158	0	14 161
FX effect	124	2	0		126
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	65 019	6 102	1 237	13	72 370
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-115 033	23 816	198	0	-91 020
Net closing balance	-50 015	29 918	1 434	13	-18 649

in thousands of EUR	*VFA*				31.12.2022 (restated)
	Liabilities (asset) for remaining coverage		**Liabilities for insurred claims**		**Total**
	Excluding loss component IFRS 17(100)(a)	Loss component IFRS 17(100)(b)	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	78 549	0	1 097	18	79 664
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-114 794	0	572	1	-114 220
Net opening balance IFRS 17(99)(b)	-36 245	0	1 669	19	-34 556
Insurance revenue					
Contracts measured under the fair value approach at transition IFRS 17(103)(a)	-22 761	0	0	0	-22 761
New contracts and contracts measured under the full retrospective approach at transition IFRS 17(103)(a)	-6 855	0	0	0	-6 855
Total insurance revenue from (re)insurance contracts issued	-29 617	0	0	0	-29 617
Insurance service expenses					
Claims and other insurance service expenses incurred in the period - excluding investment components IFRS 17(103)(b)(i), (105)(d)					
- paid claims and other insurance service expenses	2 522	0	7 739	0	10 261
- reported but not paid claims and other insurance service expenses	0	0	383	0	383
- incurred but not reported claims	0	0	762	20	782

Changes in the LRC allocated to loss component - excluding investment components **IFRS 17(103)(b)(iv), (105)(d)**					
(Re)insurance contracts issued not measured under the PAA					
Release of expected claims and other insurance service expenses incurred allocated to loss components	0	-30	0	0	-30
Release of risk adjustment for non-financial risk allocated to loss components	0	-32	0	0	-32
Claims and other insurance service expenses from (re)insurance contracts issued incurred in the period presented in profit or loss statement	**2 522**	**-62**	**8 883**	**20**	**11 363**
Insurance acquisition cash flows amortisation IFRS 17(103)(b)(ii)	395	0	0	0	395
Losses on onerous contracts and reversal of those losses **IFRS 17(103)(b)(iv), (105)(d)**					
Onerous groups of (re)insurance contracts originated					
- (re)insurance contracts issued not measured under the PAA	0	696	0	0	696
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in economic valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	474	0	0	474
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	11 853	0	0	11 853
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in economic valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	-407	0	0	-407
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	-10 773	0	0	-10 773
Changes that relate to past service - adjustments to the LIC IFRS 17(103)(b)(iii), (105)(d)					
Changes that relate to past service - adjustments to the RBNP	0	0	-940	0	-940
Changes that relate to past service - adjustments to the IBNR	0	0	-709	-19	-729

Total insurance service expenses from (re)insurance contracts issued	2 916	1 780	7 234	0	11 931
Insurance service result	-26 700	1 780	7 234	0	-17 686
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c), (105)(d)					
Changes in fair value of underlying assets - contracts measured under the VFA	2 512	0	0	0	2 512
Net finance income or expenses from (re)insurance contracts issued	2 512	0	0	0	2 512
of which:					
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	2 512	0	0	0	2 512
Total changes in the statement of profit and loss and other comprehensive income	-24 188	1 780	7 234	0	-15 173
Investment components IFRS 17(103)(c)	-10 735	0	10 735	0	0
Cash flows IFRS 17(105)(a)					
Premiums received IFRS 17(105)(a)(i)	57 528	0	0	0	57 528
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-2 522	0	-18 473	0	-20 995
Insurance acquisition cash flows paid IFRS 17(105)(a)(ii)	-39 881	0	0	0	-39 881
-amounts related to existing contracts	-39 881	0	0	0	-39 881
Total cash flows	15 125	0	-18 473	0	-3 348
FX effect	-166			0	-166
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	75 714	742	916	20	77 391
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-131 911	1 027	250	0	-130 635
Net closing balance	-56 197	1 768	1 165	20	-53 238

in thousands of EUR	*GMM*				**31.12.2023**
	Liabilities (asset) for remaining coverage		**Liabilities for insurred claims**		**Total**
	Excluding loss component IFRS 17(100)(a)	Loss component IFRS 17(100)(b)	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	-5	9	1	0	5
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-4 628	2 902	2	0	-1 725
Net opening balance IFRS 17(99)(b)	-4 633	2 910	3	0	-1 720
Insurance revenue					
Contracts measured under the fair value approach at transition IFRS 17(103)(a)	-20	0	0	0	-20
New contracts and contracts measured under the full retrospective approach at transition IFRS 17(103)(a)	-144	0	0	0	-144
Total insurance revenue from (re)insurance contracts issued	-164	0	0	0	-164
Insurance service expenses					
Claims and other insurance service expenses incurred in the period - excluding investment components IFRS 17(103)(b)(i), (105)(d)					
- paid claims and other insurance service expenses	56	0	14	0	70
- reported but not paid claims and other insurance service expenses	0	0	2	0	2
- incurred but not reported claims	0	0	3	0	3
Changes in the LRC allocated to loss component - excluding investment components IFRS 17(103)(b)(iv), (105)(d)					
(Re)insurance contracts issued not measured under the PAA					
Release of expected claims and other insurance service expenses incurred allocated to loss components	0	-79	0	0	-79
Release of risk adjustment for non-financial risk allocated to loss components	0	-5	0	0	-5
Claims and other insurance service expenses from (re)insurance contracts issued incurred in the period presented in profit or loss statement	**56**	**-84**	**19**	**0**	**-9**
Losses on onerous contracts and reversal of those losses IFRS 17(103)(b)(iv), (105)(d)					
Onerous groups of (re)insurance contracts originated					

- (re)insurance contracts issued not measured under the PAA	0	5	0	0	5
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	2 327	0	0	2 327
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	154	0	0	154
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	-722	0	0	-722
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	-15	0	0	-15
Changes that relate to past service - adjustments to the LIC IFRS 17(103)(b)(iii), (105)(d)					
Changes that relate to past service - adjustments to the RBNP	0	0	-1	0	-1
Changes that relate to past service - adjustments to the IBNR	0	0	-2	0	-2
Total insurance service expenses from (re)insurance contracts issued	56	1 665	17	0	1 738
Insurance service result	-108	1 665	17	0	1 573
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c), (105)(d)					
Changes in the effect of the time value of money and financial risk that do not adjust the CSM - contracts measured under the VFA					
Share of changes in fair value of underlying items or fulfilment cash flows that do not adjust the CSM - contracts measured under the VFA IFRS 17(112)					
Interest accreted	-50	-6	0	0	-56
Effect of changes in interest rates and other financial assumptions	87	0	0	0	87
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	-449	0	0	0	-449
Net finance income or expenses from (re)insurance contracts issued	-412	-6	0	0	-417
of which:					
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	-412	-6	0	0	-417

Total changes in the statement of profit and loss and other comprehensive income	**-520**	**1 659**	**17**	**0**	**1 156**
Cash flows **IFRS 17(105)(a)**					
Premiums received IFRS 17(105)(a)(i)	229	0	0	0	229
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-56	0	-14	0	-70
Total cash flows	**173**	**0**	**-14**	**0**	**159**
FX effect	0	0	0	0	0
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	-2	14	4	0	16
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-4 979	4 556	1	0	-422
Net closing balance	**-4 981**	**4 570**	**5**	**0**	**-406**

in thousands of EUR	*GMM*				**31.12.2022** (restated)
	Liabilities (asset) for remaining coverage		**Liabilities for insurred claims**		**Total**
	Excluding loss component IFRS 17(100)(a)	Loss component IFRS 17(100)(b)	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening balance					
Opening (re)insurance contracts issued liabilities IFRS 17(99)(b)	0	0	0	0	0
Opening (re)insurance contracts issued assets IFRS 17(99)(b)	-4 772	0	2	0	-4 770
Net opening balance **IFRS 17(99)(b)**	**-4 772**	**0**	**2**	**0**	**-4 770**
Insurance revenue					
Contracts measured under the fair value approach at transition IFRS 17(103)(a)	-113	0	0	0	-113
New contracts and contracts measured under the full retrospective approach at transition IFRS 17(103)(a)	-376	0	0	0	-376
Total insurance revenue from (re)insurance contracts issued	**-489**	**0**	**0**	**0**	**-489**
Insurance service expenses					
Claims and other insurance service expenses incurred in the period - excluding investment components **IFRS 17(103)(b)(i), (105)(d)**					
- paid claims and other insurance service expenses	48	0	8	0	56
- reported but not paid claims and other insurance service expenses	0	0	1	0	1
- incurred but not reported claims	0	0	2	0	2
	0	0	0	0	0
Changes in the LRC allocated to loss component - excluding investment components **IFRS 17(103)(b)(iv), (105)(d)**					

Claims and other insurance service expenses from (re)insurance contracts issued incurred in the period presented in profit or loss statement	**48**	**0**	**11**	**0**	**59**
Losses on onerous contracts and reversal of those losses IFRS 17(103)(b)(iv), (105)(d)					
Losses on onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	3 163	0	0	3 163
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	259	0	0	259
Reversal of losses for onerous groups of (re)insurance contracts issued					
- effect of changes in operating valuation assumptions - (re)insurance contracts issued not measured under the PAA	0	-504	0	0	-504
- other adjustments that relate to future services, if any, for example as specified in paragraph B96(a), (c),(ca) and B98 - (re)insurance contracts issued not measured under the PAA	0	-8	0	0	-8
Changes that relate to past service - adjustments to the LIC IFRS 17(103)(b)(iii), (105)(d)					
Changes that relate to past service - adjustments to the RBNP	0	0	-2	0	-2
Total insurance service expenses from (re)insurance contracts issued	48	2 910	8	0	2 967
Insurance service result	-441	2 910	8	0	2 478
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c), (105)(d)					
Share of changes in fair value of underlying items or fulfilment cash flows that do not adjust the CSM - contracts measured under the VFA IFRS 17(112)					
Interest accreted	28	0	0	0	28
Effect of changes in interest rates and other financial assumptions	591	0	0	0	591
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	-165	0	0	0	-165
Net finance income or expenses from (re)insurance contracts issued	455	0	0	0	455
of which:	0	0	0	0	0
Net finance income or expenses from (re)insurance contracts issued recognised in profit or loss	455	0	0	0	455

Total changes in the statement of profit and loss and other comprehensive income	**13**	**2 910**	**8**	**0**	**2 932**
Cash flows IFRS 17(105)(a)					
Premiums received IFRS 17(105)(a)(i)	173	0	0	0	173
Premiums refunds IFRS 17(105)(a)(i)	0	0	0	0	0
Claims and other insurance service expenses incurred - including investment components IFRS 17(105)(a)(iii)	-48	0	-8	0	-56
Repayments of policy loans	0	0	0	0	0
Insurance acquisition cash flows paid IFRS 17(105)(a)(ii)	0	0	0	0	0
-amounts related to existing contracts	0	0	0	0	0
-amounts related to contracts that are expected to arise from renewals of the existing contracts	0	0	0	0	0
Total cash flows	**125**	**0**	**-8**	**0**	**117**
FX effect	0	0	0	0	0
Net closing balance					
Closing (re)insurance contracts issued liabilities IFRS 17(99)(b), IFRS 17(105)(d)	-5	9	1	0	5
Closing (re)insurance contracts issued assets IFRS 17(99)(b), IFRS 17(105)(d)	-4 628	2 902	2	0	-1 725
Net closing balance	**-4 633**	**2 910**	**3**	**0**	**-1 720**

3.3.4. Reconciliation of Reinsurance Contracts by Liability type

in thousands of EUR					31.12.2023
	Liabilities (assets) for remaining coverage		**Insurred claims (assets)**		**Total**
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening reinsurance contracts held assets IFRS 17(99)(b)	-85 886	0	-170	-2	-86 058
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	8 531	0	-45	0	8 486
Net opening balance IFRS 17(99)(b)	**-77 354**	**0**	**-215**	**-2**	**-77 571**
Net income (expenses) from reinsurance contracts held					
Allocation of reinsurance premiums paid IFRS 17(103)(a)					
-reinsurance contracts held not measured under the PAA	25 783	0	0	0	25 783
Total	25 783	0	0	0	25 783

Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)					
Reversals of recoveries of losses from reinsurance contracts held					
- underlying (re)insurance contracts issued not measured under the PAA					
Claims and other insurance service expenses recoverable from reinsurers IFRS 17(103)(b)(i)	0	0	-191	-1	-192
Changes that relate to past service - adjustments to the incurred claims assets					
- adjustments to the RBNP	0	0	10	0	10
- adjustments to the IBNR	0	0	-53	2	-52
Adjustments to the reinsurance contracts held assets for incurred claims	0	0	-44	2	-42
Net income (expenses) from reinsurance contracts held	25 783	0	-235	0	25 549
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
Interest accreted	-1 693	0	0	0	-1 693
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	-6 499	0	0	0	-6 499
Foreign exchange differences	1 977	0	0	0	1 977
Net finance income or expenses from reinsurance contracts held	-6 215	0	0	0	-6 215
of which: Net finance income or expenses from reinsurance contracts held recognised in profit or loss	-6 215	0	0	0	-6 215
Total changes in the statement of profit and loss and other comprehensive income	19 568	0	-234	0	19 334
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-32 402	0	0	0	-32 402
- reinsurance ceeding commissions	-9 089	0	0	0	-9 089
-refunds of premiums	0	0	0	0	0

-brokerage and commissions	0	0	0	0	0
- other cash flows	0	0	0	0	0
Total	-41 491	0	0	0	-41 491
Recoveries from reinsurance IFRS 17(105)(a)(iii)					
- claims and benefits recoveries	0	0	191	0	191
Total	0	0	191	0	191
Total cash flows	-41 491	0	191	0	-41 301
Fx Effect	-854	0		0	-854
Net closing balance					
Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	-100 500	0	-229	-1	-100 730
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	368	0	-30	0	338
Net closing balance adjustments	0	0	0	0	0
Net closing balance	-100 132	0	-259	-1	-100 392

in thousands of EUR					**31.12.2022** (restated)
	Liabilities (assets) for remaining coverage		**Insurred claims (assets)**		**Total**
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows IFRS 17(100)(b)(i), IFRS 17(105)(d)	Risk adjustment for non-financial risk IFRS 17(100)(b)(ii), IFRS 17(105)(d)	
Opening reinsurance contracts held assets IFRS 17(99)(b)	0	0	0	0	0
Opening reinsurance contracts held liabilities IFRS 17(99)(b)	12 472	0	-37	0	12 435
Net opening balance IFRS 17(99)(b)	-80 564	0	-491	-3	-81 057
Net income (expenses) from reinsurance contracts held	0	0	0	0	0
Allocation of reinsurance premiums paid IFRS 17(103)(a)					
-reinsurance contracts held not measured under the PAA	3 762	0	0	0	3 762
Total	3 762	0	0	0	3 762
Increase in reinsurance contracts held assets from contracts recognised in the period applying paragraph IFRS17(66A)					
Reinsurance contracts held not measured under the PAA					

- *underlying (re)insurance contracts issued not measured under the PAA*	0	678	0	0	678
Claims and other insurance service expenses recoverable from reinsurers IFRS 17(103)(b)(i)	0	0	-498	-2	-500
Changes that relate to past service - adjustments to the incurred claims assets					
- *adjustments to the RBNP*	0	0	434	0	434
- *adjustments to the IBNR*	0	0	55	3	58
Adjustments to the reinsurance contracts held assets for incurred claims	0	0	489	3	492
Net income (expenses) from reinsurance contracts held	3 762	0	-9	1	3 753
Net finance income or expenses from reinsurance contracts held IFRS 17(105)(c)					
	0	0	0	0	0
Interest accreted	-166	0	0	0	-166
Effect of changes in interest rates and other financial assumptions	0	0	0	0	0
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	37 950	0	0	0	37 950
Foreign exchange differences	-4 618	0	-1	0	-4 618
Net finance income or expenses from reinsurance contracts held	33 166	0	-1	0	33 165
of which:					
Net finance income or expenses from reinsurance contracts held recognised in profit or loss	33 166	0	-1	0	33 165
Total changes in the statement of profit and loss and other comprehensive income	36 928	0	-10	1	36 919
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid IFRS 17(86)(b), (105)(a)(i),(iii)					
- reinsurance premiums paid	-37 285	0	0	0	-37 285
- reinsurance ceeding commissions	1 957	0	0	0	1 957
Total	-35 328	0	0	0	-35 328
Recoveries from reinsurance IFRS 17(105)(a)(iii)					
- claims and benefits recoveries	0	0	286	0	286
Total	0	0	286	0	286
Total cash flows	-35 328	0	286	0	-35 042
Fx Effect	1 610	0			1 610
Net closing balance	0	0	0	0	0

Closing reinsurance contracts held assets IFRS 17(99)(b), IFRS 17(105)(d)	-85 886	0	-170	-2	-86 058
Closing reinsurance contracts held liabilities IFRS 17(99)(b), IFRS 17(105)(d)	8 531	0	-45	0	8 486
Net closing balance adjustments	0	0	0	0	0
Net closing balance	-77 354	0	-215	-2	-77 571

3.3.5. **CSM release**

The following table sets out when the Company expects to recognise the remaining CSM in profit or loss after the reporting date.

31-12-23									
in thousands of EUR	*1*	*2*	*3*	*4*	*4 - 10*	*11 - 15*	*16 - 20*	*Rest*	*Total*
Insurance contracts	2 048	1 905	8 914	8 836	30 509	6 195	4 989	13 374	107 279
Reinsurance contracts*	2 957	2 751	2 603	2 490	13 248	8 947	7 205	19 314	59 515

*Reinsurance contracts CSM contain also CSM related to Insurance Linked Liabilities in the total amount of EUR 85 thousand as of 31.12.2023

31-12-22									(restated)
in thousands of EUR	*1*	*2*	*3*	*4*	*4 - 10*	*11 - 15*	*16 - 20*	*Rest*	*Total*
Insurance contracts	2 520	2 359	2 228	2 127	11 237	7 472	5 914	15 680	60 774
Reinsurance contracts*	1 607	1 505	1 421	1 356	7 166	4 765	3 771	9 999	31 590

*Reinsurance contracts CSM contain also CSM related to Insurance Linked Liabilities in the total amount of EUR 2 837 thousand as of 31.12.2022

3.3.6. **New Business**

			31.12.2023
in thousands of EUR	**GMM**	**VFA**	**Total**
Present value of cash inflows	*-325*	*-93 914*	*-94 239*
Present value of cash outflows	*239*	*68 152*	*68 391*
Present value of cash flows	**-86**	**-25 762**	**-25 848**
Risk Adjustment for nonfinancial risk	7	3 173	3 181
Contractual Service Margin	0	25 739	25 739
Loss Component Initial Recognition	0	0	0

GMM			
in thousands of EUR	**OtherProfitable**	**Onerous**	**Total**
Present value of cash inflows	*-314*	*-11*	*-325*
Present value of cash outflows	*225*	*14*	*239*
Present value of cash flows	**-89**	**3**	**-86**
Risk Adjustment for nonfinancial risk	6	1	7
Contractual Service Margin	0	0	0
Loss Component Initial Recognition	0	0	0

VFA			
in thousands of EUR	**OtherProfitable**	**Onerous**	**Total**
Present value of cash inflows	*-93 911*	*-3*	*-93 914*
Present value of cash outflows	*68 148*	*4*	*68 152*
Present value of cash flows	**-25 763**	**1**	**-25 762**
Risk Adjustment for nonfinancial risk	3 173	0	3 173
Contractual Service Margin	25 739	0	25 739
Loss Component Initial Recognition	0	0	0

in thousands of EUR	GMM	VFA	31.12.2022 Total (restated)
Present value of cash inflows	*-747*	*-225 855*	*-226 602*
Present value of cash outflows	*443*	*154 184*	*154 627*
Present value of cash flows	**-304**	**-71 671**	**-71 976**
Risk Adjustment for nonfinancial risk	21	11 101	11 121
Contractual Service Margin	0	26 986	26 987
Loss Component Initial Recognition	0	0	0

GMM *in thousands of EUR*	OtherProfitable	Onerous	Total (restated)
Present value of cash inflows	*-747*	*0*	*-747*
Present value of cash outflows	*443*	*0*	*443*
Present value of cash flows	**-304**	**0**	**-304**
Risk Adjustment for nonfinancial risk	21	0	21
Contractual Service Margin	0	0	0
Loss Component Initial Recognition	0	0	0

VFA *in thousands of EUR*	OtherProfitable	Onerous	Total (restated)
Present value of cash inflows	*-225 822*	*-33*	*-225 855*
Present value of cash outflows	*154 141*	*42*	*154 184*
Present value of cash flows	**-71 681**	**9**	**-71 671**
Risk Adjustment for nonfinancial risk	11 096	4	11 101
Contractual Service Margin	26 986	0	26 986
Loss Component Initial Recognition	0	0	0

3.4. Insurance Service Result

3.4.1. Insurance Revenue

in thousands of EUR				2023
Insurance revenue IFRS 17(106) Amounts relating to the changes in the LRC	Contracts measured under the fair value approach at transition IFRS 17(114)	Contracts measured under the modified retrospective approach at transition IFRS 17(114)	New contracts and contracts measured under the full retrospective approach at transition	Total
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	2 765	0	792	3 557
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	3 831	0	2 514	6 345
Expected incurred claims and other expenses after loss component allocation, , excluding: (i) repayments of investment components, (ii) policy loan reversal cash flows deducted from benefit payout in excess of investment components, (iii) premiums due reversal cash flows deducted from benefit payout, (iv) amounts allocated to loss component IFRS 17(106)(a)(i)	9 599	0	589	10 188
Insurance acquisition cash flows recovery IFRS 17(106)(b)	4	0	397	400
Total insurance revenue from (re)insurance contracts issued	**16 199**	**0**	**4 292**	**20 491**

in thousands of EUR				**2022**
Insurance revenue IFRS 17(106) Amounts relating to the changes in the LRC	Contracts measured under the fair value approach at transition IFRS 17(114)	Contracts measured under the modified retrospective approach at transition IFRS 17(114)	New contracts and contracts measured under the full retrospective approach at transition	Total (restated)
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	3 055	0	1 074	4 128
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	8 748	0	5 564	14 312

Expected incurred claims and other expenses after loss component allocation, , excluding: (i) repayments of investment components, (ii) policy loan reversal cash flows deducted from benefit payout in excess of investment components, (iii) premiums due reversal cash flows deducted from benefit payout, (iv) amounts allocated to loss component IFRS 17(106)(a)(i)	11 069	0	203	11 271
Insurance acquisition cash flows recovery **IFRS 17(106)(b)**	2	0	392	395
Insurance revenue from contracts measured under the PAA	0	0	0	0
Insurance revenue	0	0	0	0
Total insurance revenue from (re)insurance contracts issued	**22 874**	**0**	**7 232**	**30 106**

3.4.2. **Insurance Service Result**

in thousands of EUR			2023
Insurance revenue from (re)insurance contracts issued	*Reinsurance contracts*	*Insurance Contracts*	*Total*
Insurance revenue from contracts not measured under the PAA IFRS 17(106) Amounts relating to the changes in the LRC			
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	0	3 557	3 557
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	0	6 345	6 345
Expected incurred claims and other expenses after loss component allocation, , excluding: (i) repayments of investment components, (ii) policy loan reversal cash flows deducted from benefit payout in excess of investment components, (iii) premiums due reversal cash flows deducted from benefit payout, (iv) amounts allocated to loss component IFRS 17(106)(a)(i)	0	10 188	10 188
Insurance acquisition cash flows recovery IFRS 17(106)(b)	0	400	400
Insurance revenue from contracts measured under the PAA	0	0	0
Insurance revenue	0	0	0
Total insurance revenue from (re)insurance contracts issued	0	20 491	20 491
Insurance service expenses	0	0	0
Incurred claims and other directly attributable expenses	0	-7 413	-7 413
Changes that relate to past service - adjustments to the LIC	0	1 175	1 175
Losses on onerous contracts and reversal of those losses	0	-30 866	-30 866
Insurance acquisition cash flows amortisation - insurance service result	0	-400	-400
Total insurance service expenses from (re)insurance contracts issued	0	-37 505	-37 505
Total insurance service result from (re)insurance contracts issued	0	-17 014	-17 014
Net income (expenses) from reinsurance contracts held - underlying (re)insurance contracts issued			
Amounts relating to the changes in the LRC			

CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	-4 441	0	-4 441
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	-2 927	0	-2 927
Expected incurred claims and other expenses after loss component allocation IFRS 17(106)(a)(i)	-10 929	0	-10 929
Other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service as specified in paragraph B124(d) IFRS 17(106)(a)(iv)	-8 838	0	-8 838
Claims and other insurance service expenses recovered	192	0	192
Changes that relate to past service - adjustments to incurred claims	42	0	42
Value Adjustment	19 422	0	19 422
Other reinsurance expense	-416	0	-416
Total net income (expenses) from reinsurance contracts held - underlying (re)insurance contracts issued	**-7 894**	**0**	**-7 894**

in thousands of EUR *Insurance revenue from (re)insurance contracts issued*	*Reinsurance contracts issued*	*Insurance Contracts*	**2022** *Total* (restated)
Insurance revenue from contracts not measured under the PAA IFRS 17(106)			
Amounts relating to the changes in the LRC			
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	0	4 128	4 128
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	0	14 312	14 312
Expected incurred claims and other expenses after loss component allocation, , excluding: (i) repayments of investment components, (ii) policy loan reversal cash flows deducted from benefit payout in excess of investment components, (iii) premiums due reversal cash flows deducted from benefit payout, (iv) amounts allocated to loss component IFRS 17(106)(a)(i)	0	11 271	11 271
Insurance acquisition cash flows recovery IFRS 17(106)(b)	0	395	395
Insurance revenue from contracts measured under the PAA	0	0	0
Insurance revenue	0	0	0
Total insurance revenue from (re)insurance contracts issued	**0**	**30 106**	**30 106**

Insurance service expenses			
Incurred claims and other directly attributable expenses	0	-11 421	-11 421
Changes that relate to past service - adjustments to the LIC	0	1 671	1 671
Losses on onerous contracts and reversal of those losses	0	-4 753	-4 753
Insurance acquisition cash flows amortisation - insurance service result	0	-395	-395
Other pre-recognition cash flows assets derecognised at the date of initial recognition IFRS 17(B123A)	0	0	0
Total insurance service expenses from (re)insurance contracts issued	**0**	**-14 898**	**-14 898**
Total insurance service result from (re)insurance contracts issued	0	15 208	15 208

Net income (expenses) from reinsurance contracts held - underlying (re)insurance contracts issued			
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	11 966	0	11 966
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	-6 151	0	-6 151
Expected incurred claims and other expenses after loss component allocation IFRS 17(106)(a)(i)	-10 290	0	-10 290
Other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service as specified in paragraph B124(d) IFRS 17(106)(a)(iv)	-2 283	0	-2 283
Claims and other insurance service expenses recovered	500	0	500
Changes that relate to past service - adjustments to incurred claims	-492	0	-492
Value Adjustment	28 207	0	28 207
Other reinsurance expense	-483	0	-483
Total net income (expenses) from reinsurance contracts held - underlying (re)insurance contracts issued	20 973	0	20 973

3.4.3. Finance Income or Expense

3.4.3.1. Net finance expenses from insurance contracts issued

Net finance expenses from insurance contracts issued:

	Contracts measured under the GMM	Contracts measured under the VFA	Total
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c)			
Changes in fair value of underlying assets of contracts measured under the VFA	0	-4 869	-4 869
Changes in the effect of the time value of money and financial risk on share in fair value of underlying items or fulfilment cash flows that do not adjust the CSM - contracts measured under the VFA IFRS 17(B115)	0	0	0
Interest accreted	56	0	56
Effect of changes in interest rates and other financial assumptions	-87	-124	-211
Effects of changes in policyholder loan financial assumptions	0	0	0
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	449	0	449
Total net finance income or expenses from (re)insurance contracts issued	**417**	**-4 993**	**-4 576**

in thousands of EUR			**2022**
	Contracts measured under the GMM	Contracts measured under the VFA	Total (restated)
Net finance income or expenses from (re)insurance contracts issued IFRS 17(105)(c)			
Changes in fair value of underlying assets of contracts measured under the VFA	0	-2 512	-2 512
Interest accreted	-28	0	-28
Effect of changes in interest rates and other financial assumptions	-425	0	-425
Effects of changes in policyholder loan financial assumptions	0	0	0
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	0	0	0
Foreign exchange differences	165	0	165
Reclassification adjustments - amounts previously recognised in other comprehensive income	0	0	0

Total net finance income or expenses from (re)insurance contracts issued	-289	-2 512	-2 801

3.4.3.2. Net finance income/(expense) from reinsurance contracts held

in thousands of EUR		2023
	Contracts measured under the GMM	Total
Net finance income (expenses) from (re)insurance contracts held - underlying (re)insurance contracts issued		
Interest accreted	246	246
Effect of changes in interest rates and other financial assumptions	0	0
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	6 578	6 578
Foreign exchange differences	-1 123	-1 123
Reclassification adjustments - amounts previously recognised in other comprehensive income	0	0
Net finance income (expenses)	5 701	5 701

in thousands of EUR		2022 (restated)
	Contracts measured under the GMM	Total
Net finance income (expenses) from (re)insurance contracts held - underlying (re)insurance contracts issued		
Interest accreted	472	472
Effect of changes in interest rates and other financial assumptions	0	0
Effect of measuring changes in estimates at current rates and adjusting the CSM at locked-in rates	-34 929	-34 929
Foreign exchange differences	3 008	3 008
Net finance income (expenses)	-31 448	-31 448

3.4.4. Income or Expense from Reinsurance Contracts Held

in thousands of EUR			2023
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the modified retrospective approach at transition IFRS 17(114)	**Total**
Net income (expenses) from contracts not measured under the PAA			
Amounts relating to the changes in the LRC			
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	128	-4 568	**-4 441**
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	-396	-2 530	**-2 927**
Expected incurred claims and other expenses after loss component allocation IFRS 17(106)(a)(i)	-116	-10 814	**-10 929**
Other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service as specified in paragraph B124(d) IFRS 17(106)(a)(iv)	-1 191	-7 647	**-8 838**
Brokerage and other acquisition expenses or insurance acquisition cash flows recovery	0	0	0
Allocation of reinsurance premiums paid — contracts not measured under the PAA	**-1 575**	**-25 559**	-27 134
Net income (expenses) from contracts measured under the PAA	0	0	0
Allocation of reinsurance premiums paid — contracts not measured under the PAA	**0**	**0**	**0**
Allocation of reinsurance premiums paid	-1 575	-25 559	-27 134
Reinsurance service expenses	0	0	0
Claims and other insurance service expenses recovered	0	192	**192**
Changes that relate to past service - adjustments to incurred claims	9	33	**42**
Value Adjustment	0	19 422	**19 422**
Other reinsurance expense	0	-416	**-416**
Total net income (expenses) from reinsurance contracts held	-1 566	-6 328	-7 894

in thousands of EUR	2022

(restated)	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the modified retrospective approach at transition IFRS 17(114)	**Total**
Net income (expenses) from contracts not measured under the PAA			
Amounts relating to the changes in the LRC			
CSM recognised in profit or loss for the services provided IFRS 17(106)(a)(iii)	-137	12 102	**11 966**
Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation IFRS 17(106)(a)(ii)	-1 153	-4 998	**-6 151**
Expected incurred claims and other expenses after loss component allocation IFRS 17(106)(a)(i)	0	-10 290	**-10 290**
Other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service as specified in paragraph B124(d) IFRS 17(106)(a)(iv)	0	-2 283	**-2 283**
Brokerage and other acquisition expenses or insurance acquisition cash flows recovery			
Allocation of reinsurance premiums paid — contracts not measured under the PAA	**-1 290**	**-5 469**	**-6 759**
Net income (expenses) from contracts measured under the PAA	0	0	0
Allocation of reinsurance premiums paid — contracts not measured under the PAA	**0**	**0**	**0**
Allocation of reinsurance premiums paid	-1 290	-5 469	-6 759
Reinsurance service expenses	0	0	0
Claims and other insurance service expenses recovered	21	479	**500**
Changes that relate to past service - adjustments to incurred claims	0	-492	**-492**
Value Adjustment	0	28 207	**28 207**
Other reinsurance expense	0	-483	**-483**
Total net income (expenses) from reinsurance contracts held	-1 270	22 243	20 973

3.5. Investment Income

in thousands of EUR	2023	2022 (restated)
Gains less losses on financial assets at Fair value through profit or loss	7 779	-13 233
Accrued Interest	7	24
Valuation adjustment of Variable Income Securities	-1 209	-941
Total	**6 577**	**-14 150**

3.6. Expenses

3.6.1. Other Finance Expense

These costs result from external financing of the Company.

in thousands of EUR	2023	2022 (restated)
Interest on Bank Loans and Subordinated Loans	-1 560	-860
Interest on other borrowings	-696	0
Total	**-2 255**	**-860**

3.6.1.1. Interest on Bank Loans and Subordinated Loans

This item represents interest costs related to items described in Notes 3.2.2.1 (Bank Loans) and 3.2.2.2. (Subordinated Loans).

3.6.1.2. Interest on Other Borrowings

This item represents interest cost corresponding to paid and accrued interest on other borrowings.

3.6.2. **Operating Expenses**

in thousands of EUR	**2023**	**2022** (restated)
Gross Salaries	3 809	3 842
Employer Pension Contribution	1 323	1 374
Outsourcing	730	930
Other Employer Social Security Contributions	90	91
Personnel costs	**5 952**	**6 237**
Professional Services	3 927	2 172
IT related - SW licenses, Cloud and Data Services	1 829	1 720
Other Taxes, Fees and Fines	425	762
Rent of Premises	713	647
Bad Debt Provisions	0	0
Advertising and Marketing	96	157
Other Financial Costs	228	144
Depreciation and Amortization	621	226
Travel, Car Rental and Car Fuel	425	379
Audit Expense	589	192
Other Operating Costs	-119	133
Other Acquisition Costs	12	94
Utilities and Related Costs	77	65
Insurance Absorbed Cost	-2 392	-2 570
Total	**12 382**	**10 357**

3.6.2.1. Personnel Costs

This item includes all expenses related to employees, including related employer pension contributions to the state and private defined contribution pension funds (the 1st and 2nd pension pillar) as well as other mandatory social security contributions. Outsourcing line items represents personnel contracted either through other companies (staff leasing) or as freelancers who are engaged based on a service contract rather than an employment contract.

3.6.2.2. Rent of Premises

NOVIS is currently renting premises in Bratislava, Prague, Vienna and Stuttgart. The rent is expensed on a straight-line basis of the period of the lease as it has been determined that those rents do not meet requirements to account for as per IFRS 16.

3.6.2.3. IT related - SW licenses, Cloud and Data Services

This category contains SW licenses and maintenance fees, cloud services provided by IBM and Rackscale, voice and data connection and also postal and courier services.

3.6.2.4. Professional Services

This item mainly represents legal and advisory services. The Company uses services of several law firms specialized in corporate, transactional, labour, civil, insurance, tax and consumer protection law on the respective markets.

3.6.2.5. Audit Expense

Since 2023 BDO Audit, spol. s r.o. serves as the statutory auditor of the entity. The statutory audit fee is EUR 576 thousand (incl. VAT) and includes audit of financial statements for year 2023 that are for the first time based on new standards IFRS 17 and IFRS 9. Previous auditor was Mazars Slovensko, s.r.o. (fee for audit 2022: EUR 180 thousand incl.VAT).

3.6.2.6. Research and Development

The Company does not allocate funds to research and development activities.

3.6.3. Other Income/Expense Net

in thousands of EUR	2023	2022 (restated)
Other Income	10	0
Other Expense	-540	-761
Other Insurance Result Unmodelled	-41	76
Total	**-571**	**-685**

3.6.4. Current Income Tax

The Current Income Tax consists of the Corporate Income Tax calculated from respective taxable profits (not equal to the accounting profit due to temporarily non-taxable items) and a Special Levy on Profits.

in thousands of EUR	**2023**	**2022** (restated)
Corporate Income Tax – Slovakia	-	-
Special Levy on Profits	-	-
Total	-	-

3.6.4.1. Corporate Income Tax – Slovakia

The applicable corporate income tax represents 21% (2022: 21%) from the taxable profits reduced by the respective part of the tax losses (Note 3.2.4.).

4. OTHER DISCLOSURES

4.1. Structure of the Company's business by countries

The Company offers in all markets the same unique insurance product. For this reason, the Company structures its business not by product lines but solely by respective markets.

Number of Insurance Contracts - Portfolio Size (count)

	HU	IT	SK	IS	CZ	DE	FI	AT	SE	PL	Total
2023	5 669	21 047	2 784	5 098	1 760	376	5	117	0	62	**36 918**
2022	6 522	22 246	5 968	6 388	2 169	626	7	138	13	83	**44 160**
2021	6 937	17 627	6 498	6 031	2 433	735	18	110	6 517	92	**46 998**

4.1.1. Operating Segments

In the following disclosures NOVIS presents profit or loss and total assets and liabilities for each reportable segment. Category Other includes all other countries after applying the quantitative thresholds as specified by the standard.

In thousands of EUR	31-12-23	IT	IS	HU	SK	Other
ASSETS						
Intangible Assets	501	0	0	0	0	0
Tangible Assets	451	0	0	0	0	0
Insurance Contract Assets	91 442	89 664	1 641	0	0	136
Reinsurance Contract Assets	100 730	22 980	12 632	49 064	6 368	9 685
Other Assets	12 200	0	0	0	0	0
Investment in Subsidiaries	2 856	0	0	0	0	0
Investment - Financial Assets	45 186	0	0	0	0	0
Cash and cash equivalents	8 288	0	0	0	0	0
TOTAL ASSETS	**216 468**	**112 644**	**14 274**	**49 064**	**6 368**	**9 821**
Equity	**36 396**	0	0	0	0	0
Other Liabilities	118 039	0	0	0	0	0
Insurance Contract Liabilities	72 387	2 997	5 920	44 834	9 988	8 648
Reinsurance Contract Liabilities	338	-1 157	1 489	0	-7	12
Insurance Linked Liabilities	42 969	41 475	1 494	0	0	0
Tax Liabilities	0	0	0	0	0	0
Borrowings	23 890	0	0	0	0	0
TOTAL LIABILITIES	**257 623**	**43 315**	**8 903**	**44 834**	**9 981**	**8 660**
TOTAL EQUITY AND LIABILITIES	**294 019**	**43 315**	**8 903**	**44 834**	**9 981**	**8 660**

In thousands of EUR	31-12-22	IT	IS	HU	SK	Other
ASSETS						
Intangible Assets	581	0	0	0	0	0
Tangible Assets	381	0	0	0	0	0
Insurance Contract Assets	132 360	124 890	7 091	0	2	376
Reinsurance Contract Assets	86 058	16 428	9 056	46 185	7 403	6 986
Other Assets	4 851	0	0	0	0	0
Investment in Subsidiaries	2 856	0	0	0	0	0
Investment - Financial Assets	62 032	0	0	0	0	0
Cash and cash equivalents	3 625	0	0	0	0	0
TOTAL ASSETS	**230 712**	**141 319**	**16 147**	**46 185**	**7 405**	**7 362**
Equity	**36 396**	0	0	0	0	0
Other Liabilities	107 464	0	0	0	0	0
Insurance Contract Liabilities	77 395	191	2 986	48 492	15 070	10 655
Reinsurance Contract Liabilities	8 486	-596	8 748	0	30	304
Insurance Linked Liabilities	46 518	44 373	2 145	0	0	0
Tax Liabilities	0	0	0	0	0	0
Borrowings	16 483	0	0	0	0	0
TOTAL LIABILITIES	**256 346**	**43 969**	**13 879**	**48 492**	**15 100**	**10 959**
TOTAL EQUITY AND LIABILITIES	**292 742**	**43 969**	**13 879**	**48 492**	**15 100**	**10 959**

In thousands of EUR	2023	IT	IS	HU	SK	Other
Insurance revenue	20 491	8 134	1 933	4 338	4 257	1 828
Insurance service expenses	-37 505	-25 372	-3 520	-5 428	-1 643	-1 542
Net income/(expense) from reinsurance contract	-7 894	-2 556	-1 942	-1 455	-909	-1 032
Insurance Service Result	**-24 908**	**-19 794**	**-3 528**	**-2 545**	**1 705**	**-746**
Net finance expenses from insurance contracts	-4 576	-1 184	-637	-2 259	-235	-262
Net finance income/(expense) from reinsurance contracts	5 700	-2 485	2 941	3 803	624	819
Net Insurance finance income/(expense)	**1 124**	**-3 669**	**2 304**	**1 544**	**389**	**557**
Investment income/(expense)*	6 577	0	0	0	0	0
		0	0	0	0	0
Other finance expense	-2 255	0	0	0	0	0
Other operational expense	-12 382	0	0	0	0	0
Other income/(expense) net	-571	0	0	0	0	0
		0	0	0	0	0
LOSS BEFORE TAX	**-32 415**	**-23 463**	**-1 224**	**-1 001**	**2 094**	**-189**
Income Tax	0					
LOSS AFTER TAX	**-32 415**	**-23 463**	**-1 224**	**-1 001**	**2 094**	**-189**
Other Comprehensive Income	51					
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	**-32 364**	**-23 463**	**-1 224**	**-1 001**	**2 094**	**-189**

** Investment portfolio is managed by NOVIS on an aggregated level based on the investment strategy for each fund. It is not presented to the BoD and segmented by country. It is rather attributed on a policy level to each individual client based on the investment strategy they follow.*

In thousands of EUR	2022	IT	IS	HU	SK	other
Insurance revenue	30 106	15 932	2 771	5 341	3 981	2 082
Insurance service expenses	-14 898	-9 212	-933	-1 686	-1 836	-1 232
Net income/(expense) from reinsurance contract	20 973	33 162	9 339	-50 383	16 542	12 312
Insurance Service Result	**36 181**	**39 882**	**11 177**	**-46 727**	**18 688**	**13 161**
Net finance expenses from insurance contracts	-2 800	-328	108	-2 011	-319	-250
Net finance income/(expense) from reinsurance contracts	-31 448	-5 584	-6 424	-16 542	-1 214	-1 683
Net Insurance finance income/(expense)	**-34 248**	**-5 913**	**-6 317**	**-18 553**	**-1 533**	**-1 933**
Investment income/(expense)*	-14 150	0	0	0	0	0
		0	0	0	0	0
Other finance expense	-860	0	0	0	0	0
Other operational expense	-10 357	0	0	0	0	0
Other income/(expense) net	0	0	0	0	0	0
		0	0	0	0	0
LOSS BEFORE TAX	**-23 434**	**33 969**	**4 860**	**-65 280**	**17 155**	**11 228**
Income Tax	0					
LOSS AFTER TAX	**-23 434**	**33 969**	**4 860**	**-65 280**	**17 155**	**11 228**
Other Comprehensive Income	759					
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	**-22 675**	**33 969**	**4 860**	**-65 280**	**17 155**	**11 228**

** Investment portfolio is managed by NOVIS on an aggregated level based on the investment strategy for each fund. It is not presented to the BoD and segmented by country. It is rather attributed on a policy level to each individual client based on the investment strategy they follow.*

4.2. Risk Management

NOVIS as a regulated, internationally active insurance company operates based on a comprehensive risk management scheme. The major elements are elaborated in the following subchapters of this section.

4.2.1. Risk of loss bearing insurance contracts

The Company considers as its biggest potential risk, the possibility that part of its insurance contracts will not be profitable. For this reason, the following approach is applied: (1) **Intelligence Phase**: when approaching a new market, the Company tries to find out, if the conditions in a potential new market/country will enable NOVIS to fine-tune its product to make it attractive both for its potential clientele and for selected Distribution Partners. (2) **Consequence**: if the Intelligence Phase doesn't bring a satisfactory result in the described way, NOVIS does not enter the new market. This means, NOVIS has a pure opportunistic expansionary strategy. There is no country (market) into which NOVIS would enter without being convinced that its activity in this country will be profitable.

4.2.2. Underwriting Risk

The Company sets the price for its risk coverage fees in such a way that the insurance claims are expected to reach an amount representing 50% of the risk fees over all markets in the long run. It is understood that there can be significant differences among markets in respect to risk coverages, risk fees and time periods when the expected goal is reached. Paid Claims as % of Risk Coverage fees for respective risks and markets:

Insurance risks concentration:

In thousands of EUR		HU	IT	SK	IS	CZ	DE	FI	AT	PL	SE	Total
2023	Sum insured for risk of death	10 687	464 193	35 495	130 392	16 706	9 228	0	3 361	1 275	0	**672 210**
	Sum insured for critical illness	665	2 448	58 852	61 302	33 803	2 317	0	390	495	0	**160 272**
	Sum insured for injury	778	130	52 079	15 075	42 025	1 368	0	295	203	0	**111 953**
	Sum insured for disability	0	3 602	5 654	1 379	15 150	0	0	0	0	0	**25 785**
	Total	**12 131**	**470 373**	**152 080**	**208 148**	**107 684**	**12 914**	**0**	**4 046**	**1 973**	**0**	**970 220**
2022	Sum insured for risk of death	13 035	515 885	80 935	161 835	21 158	15 781	63	3 868	1 530	809	**814 900**
	Sum insured for critical illness	727	1 817	122 353	71 451	42 795	3 537	0	520	454	0	**243 654**
	Sum insured for injury	958	200	104 127	18 125	52 891	1 772	0	380	201	0	**178 653**
	Sum insured for disability	0	1 745	13 785	1 365	19 794	0	0	0	0	0	**36 689**

	Total	**14 719**	**519 647**	**321 200**	**252 776**	**136 639**	**21 090**	**63**	**4 768**	**2 185**	**809**	**1 273 897**
2021	Sum insured for risk of death	22 378	449 588	90 110	158 358	25 431	18 277	159	4 383	1 746	460 143	**1 230 573**
	Sum insured for critical illness	1 092	850	131 369	70 705	46 459	4 299	0	435	484	0	**255 693**
	Sum insured for injury	1 146	200	113 665	20 146	58 227	1 902	0	510	235	0	**196 030**
	Sum insured for disability	0	616	14 919	1 286	22 596	0	0	0	0	0	**39 417**
	Total	**24 616**	**451 254**	**350 063**	**250 495**	**152 714**	**24 478**	**159**	**5 328**	**2 465**	**460 143**	**1 721 714**

4.2.3. Risk of premature termination of insurance contracts (Lapse Risk)

One of key assumptions of calculation is the expected terminations of the insurance contracts in the various years. If the lapse-rate becomes higher than assumed at the outset of the contract, a loss of future profit will occur. In order to prevent such an adverse development, the Company assesses each potential Distribution Partner in respect of the quality of its advisory activities. Potential partners that do not fit the assessment requirements of the Company will not be accepted as a Distribution Partner. Due to its international orientation, NOVIS can concentrate more on the cooperation with those Distribution Partners showing a favourable insurance advisory quality.

4.2.4. Risk of Non-payment of Insurance Premiums

As long as an insurance contract is valid, and the insurance contract is not yet fully paid up, the policyholder has to pay further insurance premiums. For situations where the policyholder does not behave in accordance with his contractual obligations, the Company has a communication strategy towards such clients. The aim of this strategy is to encourage the policyholder to resume the premium payments.

4.2.5. Concentration risk

Concentration (count) of life insurance risk according to the amount of insurance coverage as of 31.12.2023:

in thousands of EUR	*Death*	*Decreasing Death*	*Critical Illnes package*	*Accident package*	*Disability*
0 - 10	134 809	495	8 286	8 885	3 502
10 - 20	191 444	1 653	24 721	26 023	4 454
20 - 30	108 495	1 908	29 174	22 550	5 754
30 - 40	14 581	1 643	22 634	13 167	1 613
40 - 50	19 946	1 169	24 562	14 127	7 122
more than 50	190 656	4 536	50 896	27 202	3 340

Concentration of life insurance as of 31.12.2023:

in thousands of EUR	*In Force Portfolio*	*Sum insured (tousands EUR)*
0 - 10	17 325	122 600
10 - 20	9 651	189 850
20 - 30	4 276	122 351
30 - 40	781	29 446
40 - 50	905	43 055
more than 50	3 973	462 045

Concentration (count) of life insurance risk according to the amount of insurance coverage as of 31.12.2022:

in thousands of EUR	*Death*	*Decreasing Death*	*Critical Illnes package*	*Accident package*	*Disability*
0 - 10	115 558	771	18 073	20 135	7 601
10 - 20	219 992	2 404	44 055	47 560	6 939
20 - 30	141 342	2 682	45 734	35 707	8 086
30 - 40	18 435	3 766	34 911	19 115	2 026
40 - 50	24 863	3 761	33 678	20 843	9 217
more than 50	209 398	10 669	65 888	34 518	1 664

Concentration of life insurance as of 31.12.2022:

in thousands of EUR	*In Force Portfolio*	*Sum insured (tousands EUR)*
0 - 10	11 475	89 268
10 - 20	11 011	218 172
20 - 30	6 001	171 084
30 - 40	1 378	51 490
40 - 50	1 514	72 424
more than 50	5 532	606 953

4.2.6. **Sensitivity analysis**

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred, assuming all other variables remain constant.

PVFCF + RA *in thousands of EUR*	2023	2022 (restated)
Interest rate - 100 basis points change	829	6 599
Interest rate + 100 basis points change	-17 779	-17 802
Operating costs of insurance contracts per unit - 10% decrease	-6 141	-2 827
Operating costs of insurance contracts per unit +10% increase	-11 964	-9 437
Lapse rate -10% decrease	2 200	6 959
Lapse rate +10% increase	-18 870	-17 526
Mortality -10% decrease	-7 617	-4 610
Mortality +10% increase	-10 453	-7 617

CSM *in thousands of EUR*	2023	2022 (restated)
Interest rate - 100 basis points change	3 602	4 312
Interest rate + 100 basis points change	-7 402	-12 920
Operating costs of insurance contracts per unit - 10% decrease	-1 529	-2 454
Operating costs of insurance contracts per unit +10% increase	1 436	2 456
Lapse rate -10% decrease	-5 813	-11 070
Lapse rate +10% increase	3 695	6 768
Mortality -10% decrease	-445	-748
Mortality +10% increase	428	728

Equity *in thousands of EUR*	2023	2022 (restated)
Interest rate - 100 basis points change	13 484	17 042
Interest rate + 100 basis points change	-16 129	-24 591
Operating costs of insurance contracts per unit - 10% decrease	1 382	850
Operating costs of insurance contracts per unit +10% increase	-1 476	-850
Lapse rate -10% decrease	5 440	2 020
Lapse rate +10% increase	-6 123	-4 626
Mortality -10% decrease	990	773
Mortality +10% increase	-972	-758

4.2.7. Risk related to Asset Allocation

Changes in the value of assets invested within the non-guaranteed insurance funds (Note 3.1.5.) are in full attributed to the respective customer insurance accounts, thus the policyholder carries the investment result in full. The Company places the assets in line with the statutes of the various insurance funds and the current investment policy based on considering both the return potential and the risks.

A significant risk mitigation (from the policyholder's point of view) can be achieved through the diversification effect if the policyholder chooses to invest in all insurance funds of the company.

4.2.8. Credit Risk

Credit risk of the Company can be split into the following groups:

1. Banks - due to the increased bail-in risk established through EU-law being in force since the beginning of 2016, the Company launched a process of diversifying its bank deposits among a steadily increasing number of banks in various countries.
2. Government Bonds – It is set by the Company's Risk Management Policy, that the Company is not investing in government bonds of countries having significant negative trade balance current account (NOVIS has invested to government bonds of Slovakia[1], Hungary[2], Czech Republic[3], Poland[4] and Austria[5] till the end of the reporting period). The Company's risk policy is based on the learning that one cannot find any sovereign defaults in peace time from countries that had positive or at least balanced current accounts.
3. Claims towards distribution partners – past due receivables from distribution partners are actively enforced by legal means unless there is a realistic prospect that the open claim will be compensated by further commissions for new insurance contracts.

4.2.8.1. Loss Allowance

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance.

				2023
in thousands of EUR	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Balance as at 1 January	**0**	**0**	**6 131**	**6 131**
Remeasurement of loss allowance	0	0	23	**23**
Financial assets derecognised	0	0	-14	**-14**
Balance as at 31 December	**0**	**0**	**6 140**	**6 140**

[1] https://knoema.com/atlas/Slovakia/Current-account-balance-as-a-share-of-GDP
[2] https://knoema.com/atlas/Hungary/Current-account-balance-as-a-share-of-GDP
[3] https://knoema.com/atlas/Czech-Republic/Current-account-balance-as-a-share-of-GDP
[4] https://knoema.com/atlas/Poland/Current-account-balance-as-a-share-of-GDP
[5] https://knoema.com/atlas/Austria/Current-account-balance-as-a-share-of-GDP

in thousands of EUR	Stage 1	Stage 2	Stage 3	2022 Total (restated)
Balance as at 1 January	0	0	**6 157**	**6 157**
Remeasurement of loss allowance	0	0	-1	**-1**
Financial assets derecognised	0	0	-25	**-25**
Write-offs	0	0	0	**0**
Balance as at 31 December	**0**	**0**	**6 131**	**6 131**

4.2.9. **Risk of Non-Compliance**

The insurance business is highly regulated, and this risk grows with enhanced regulation in consumer protection and distribution of the products. To comply with these requirements, the Company cooperates in every country with a local law firm specializing in insurance questions with the intention to achieve an optimal combination of adapting its insurance product to local requirement in the necessary extent and at the same time to preserve the unique product concept as much as possible.

The simultaneous business activity in many countries provides the staff and decision makers of NOVIS with a learning curve that cannot be achieved when an insurance company is active only in one country.

4.2.10. **Operational Risks**

The Company is naturally confronted with numerous minor operational risks. Many of them are mitigated by the internal rules of the entity.

Company has identified one important operational risk: the possibility that its IT system would not fully comply with its international business development and the related requirements. To nearly eliminate this risk, Group has been developing during years 2015 to 2019 an in-house insurance software that fully reflects all features of its insurance product. The insurance software Apollon has been launched in all markets during 2019. Novis improves Apollon continuously with a focus on achieving the highest levels of data security and data quality, stabilization, restructuring of hardware resources for sufficient performance based on the requirements and needs of the Company.

4.2.11. **Financial Risks**

The entity is exposed to financial risks through its financial assets, financial liabilities and assets or liabilities from its insurance contracts.

Currency risk is the risk associated with movements in foreign exchange rates and it is attributed to the impact of changes in foreign exchange rates on the values of assets and liabilities.

The foreign currency exchange rate risk on Financial instruments is born by policyholders and would be reflected in the Investment income/(expense). Functional currency of the reinsurance contracts is EUR. The foreign currency exchange rate risk on Insurance Contracts relates to exposures in the Contract Currency. The weakening / strengthening of Euro by 5% against other non-EUR currencies is as following:

In thousands of EUR	31.12.2022 (restated)	5,00%	-5,00%	31.12.2023	5,00%	-5,00%
Total Assets	**292 744**	**0**	**0**	**261 654**	**0**	**0**
EUR	292 744	0	0	261 654	0	0
Total Liabilities	**256 348**	**-2 550**	**2 678**	**257 622**	**-2 390**	**2 510**
EUR	202 666	0	0	207 305	0	0
HUF	46 594	-2 219	2 330	43 928	-2 092	2 196
CZK	6 960	-331	348	6 269	-299	313
Other	129	0	0	120	0	0

Equity price risk is a risk of change in the fair value of financial instruments due to changes in prices in equity markets. The Company is exposed to equity price risk due to its investment in equity securities (Variable Income Securities) and this risk is influenced mostly by developments on the stock markets. The impact of price risk on profit and equity is insignificant for equity securities at fair value through profit, as the related liabilities arising from these contracts are affected to the same extent through change in the non-distinct investment component.

Interest rate risk - Interest rate risk is the risk that future cash flows from financial instruments will fluctuate due to changes in market interest rates.
Interest rate risk arises also from the potential impact of changes in market interest rates on the fair value of financial instruments. Novis holds debt securities that are classified as Fair Value through Other Comprehensive Income (FVOCI) under IFRS 9. All these bonds bear a fixed interest rate [3.1.5]. These instruments are subject to fluctuations in their market value due to changes in interest rates. Due to the current total amount of debt securities classified as FVOCI, the impact on the valuation reserve a therefore equity is negligent.

Interest rate risk from Insurance and Reinsurance Contracts is quantified and disclosed in [4.2.6].

As described in 3.2.2, Novis secured a 5-year loan that carries a variable interest rate linked to Euribor. A change in interest rates by 100 bps will impact the total finance expense of Novis by approximately EUR 50 thousand.

Liquidity risk - The Company is exposed to liquidity requirements arising from potential insurance claims and obligations to other entities. Liquidity risk is the risk that cash may not be available at a reasonable cost to settle obligations when they are due. Liquidity needs are monitored continuously and any unexpected need for liquid funds is reported in advance to ensure that necessary funds are available. The expected cash inflows plus the existing balance of liquid financial assets exceed the expected cash outflows over the period of one year after the end of the reporting period.

Insurers have a choice how to present the maturity analysis of financial instruments and insurance contracts, either (a) as expected periods to maturity or (b) contractual periods to maturity assuming worst-case scenario. The entity has chosen to present the worst-case scenario assuming that all of their customers terminate the insurance contracts at the year-end in full. In this scenario, (i) surrender value is immediately due to the customers, (ii) the reinsurer liability is nil as it is contingent on future insurance premium income, (iii) a cash inflow exists from claw-back of previously paid acquisition commission and (iv) the borrowings are due in at their contractual maturity, unless the entity is in breach of loan covenants at the end of the reporting period. Assets are presented as short-term if they are liquid and can be expected to be disposed of in the short-term in case of a liquidity need.

The table below summarises the expected undiscounted contractual cash flows of financial and insurance assets and liabilities in 2023 and 2022:

In thousands of EUR	Net Book Value	0 - 1 year	1 - 5 years	More than 5 years	31-12-23 **Total**
Assets					
Investment fund at FVTPL	43 962	43 962	0	0	**43 962**
Other Instruments at FVTPL	926	926	0	0	**926**
Bonds at FVOCI	298	22	0	336	**358**
Other Assets	12 200	8 978	3 222	0	**12 200**
Bank Deposits	1 071	7 217	1 071	0	**8 288**
Total	**58 457**	**61 105**	**4 293**	**336**	**65 734**
Liabilities					
Other Liabilities*	-118 039	-60 787	-	-	**-60 787**
Borrowings	-23 890	-1	-5 058	-18 831	**-23 890**
Total	**-141 929**	**-60 788**	**-5 058**	**-18 831**	**-84 677**
Insurance Contracts	19 055	32 112	96 895	-311 199	**-182 192**
Reinsurance Contracts	100 392	-6 683	-14 360	115 399	**94 356**
Insurance Linked Liabilities	42 969	-23 206	-25 411	-	**-48 617**
Total	**162 416**	**2 224**	**57 124**	**-195 800**	**-136 453**

In thousands of EUR	Net Book Value	0 - 1 year	1 - 5 years	More than 5 years	31-12-22 **Total**
Assets					
Investment fund at FVTPL	59 802	59 802	0	0	**59 802**
Other Instruments at FVTPL	1 979	1 979	0	0	**1 979**
Bonds at FVOCI	251	22	0	336	**358**
Other Assets	4 851	1 005	3 846	0	**4 851**
Bank Deposits	583	3 042	583	0	**3 625**
Total	**67 466**	**65 850**	**4 429**	**336**	**70 615**
Liabilities					
Other Liabilities*	-107 464	-52 443	0	0	**-52 443**
Borrowings	-16 483	0	-5 476	-11 007	**-16 483**
Total	**-123 947**	**-52 443**	**-5 476**	**-11 007**	**-68 926**
Insurance Contracts	54 965	52 066	148 575	-412 001	**-211 360**
Reinsurance Contracts	77 572	-16 209	-34 747	179 833	**128 877**
Insurance Linked Liabilities	42 969	-19 261	-39 455	-	**-58 716**
Total	**175 506**	**16 596**	**74 373**	**-232 168**	**-141 199**

*As described in [3.2.3.6] Reinsurance deposit has no contractual maturity. It is therefore excluded from the liquidity risk disclosure.

4.3. Information about related parties' transactions

in thousands of EUR	2023	2022 (restated)
Services provided by related party to the Company*	36	36
Salaries and remuneration of the MB members	488	414
Salaries and remuneration of the SB members	265	226
Social security contributions for MB members	127	110
Social security contributions for SB members	65	63

**Services provided directly by members of the MB and SB, or through their companies.*

4.4. Contingencies and Commitments

4.4.1. Lawsuits

Apart from few court proceedings in Italy related to disputes with clients, the Company was not involved as a defendant in any other litigious court proceedings in 2023.

4.4.2. Rent

As at 31 December 2023, future minimum rent payable for offices within one year is EUR 590 thousand (2022: EUR 620 thousand), thus payable in 2-5 years is 2 363 EUR thousand (2022: EUR 2 475 thousand).

4.4.3. Uncertain Tax Positions

Legislation requires interpretation, and a possible risk exists that management's interpretation will not coincide with those of the relevant authorities.
The Company will be vigorously defending its tax positions and interpretations that it has taken.

4.5. Significant events after the end of the reporting period

Effective in July 2024 Convertible Bonds that were issued by NOVIS in total amount of EUR 20 000 thousand previous years were converted to share capital. The Transaction increased the total amount of NOVIS' share capital from EUR 7 064 thousand to EUR 8 482 thousand, furthermore, share premium increased from EUR 3 924 thousand to EUR 21 428 thousand.

As mentioned in Note 2.1.2., on February 13, 2024, the Municipal Court of Bratislava III suspended the liquidation proceedings initiated by Národná banka Slovenska (NBS) on June 7, 2023. The court ruled that the proceedings would remain suspended until a final decision is made by the administrative court regarding the legality of the NBS decision on the license withdrawal. NBS subsequently filed an appeal against this first-instance decision. However, on August 21, 2024, the Court of Appeal upheld the Municipal Court's ruling, confirming the suspension of the liquidation proceedings. As a result, the liquidation process remains on hold until the administrative court resolves the main proceedings related to the Company's lawsuit challenging the NBS decision.

There are no other significant events after reporting period which would not be reflected in these individual financial statements and would have material impact on fair presentation of information in the individual financial statements.