

Annual Report 2021





Founding member of the
Czech Insurance Companies Association



We have won the Association of
Czech Insurance Brokers' Insurance
Company of the Year award twelve times.



We were voted the best
travel insurance company by tourism
professionals for sixteen years in a row.



www.linkabezpeci.cz

We help, not only on your travels.
We support the Linka bezpečí,
a helpline for children in need.

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The English texts are translations of the original Czech ones in the Annual Report 2021.
The Czech wording is the only legally binding version.



Basic Information

Registered Address

ERV Evropská pojišťovna, a. s.
Křížíkova 237/36a
186 00 Praha 8
The Company is registered at the Commercial Register
of the Municipal Court of Prague, sect. B, file, 1969;
reg. no. 49240196.

Shareholders

In 2021, the international group ERGO, of which our Company is a part, changed its organizational structure. The aim of this change was to simplify the ownership within the ERGO group and more direct management of individual companies. ERGO Reiseversicherung AG (Germany) bought 10% of the Company's shares from Europäische Reiseversicherung AG (Austria) during April 2021 and 75% of the Company's shares from Europaeiske Rejseforsikring A/S (Denmark) during September 2021. Currently, ERGO Reiseversicherung AG (Germany) is the single and thus 100% owner of the Company.

Management Board

Libor Dvořák, Čelákovice - Chairman
Štěpán Landík, Prague - Member

Confidential Clerk

Václav Urbanec, Prague
Veronika Nováková, Prague
Irena Filipová, Prague

Supervisory Board

Christof Flosbach, Germany - Chairman
Mag. Wolfgang Lackner, Austria - Vice-chairman (till 19 April, 2021)
Dr. Oliver Alexander Wild, Germany - Member
Jens Gruss, Germany - Member (since 20 April, 2021)

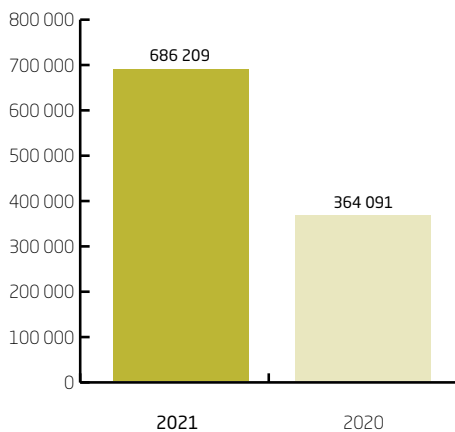


Key Figures

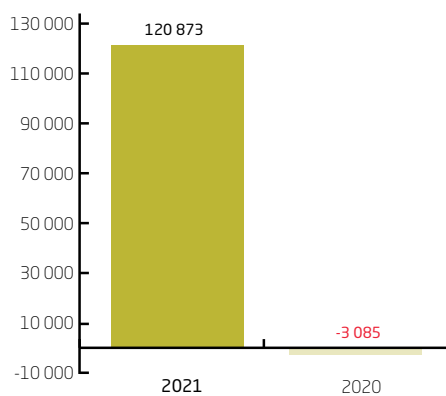
	(TEUR) ¹⁾	2021 (TCZK)	2020 (TCZK)
Gross premium written	27 603	686 209	364 091
Technical result	5 250	130 526	-1 955
Result for the year	4 862	120 873	-3 085
Total assets	29 984	745 411	515 227
Shareholders' equity	14 685	365 071	270 495
Technical provisions - gross	6 226	154 780	176 376

¹⁾ 1 EUR = 24,860 CZK

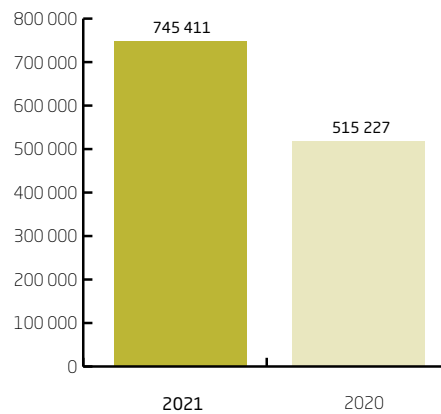
Gross Premium Written (TCZK)



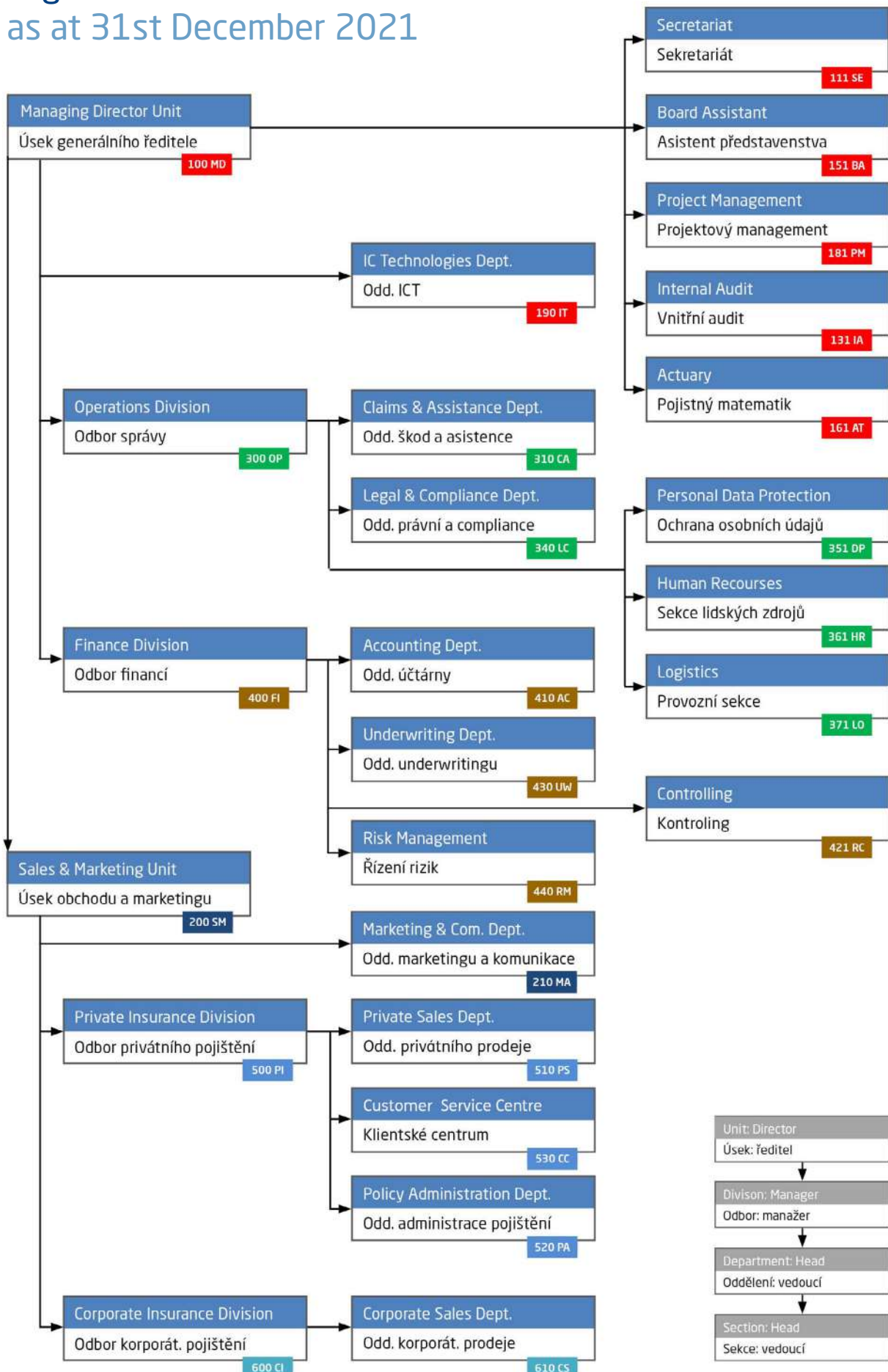
Result of the Year (TCZK)



Total Assets (TCZK)



Organisational Chart as at 31st December 2021



International Group

The Danish Europaeiske Rejseforsikring A/S that has been dealing with travel insurance for already more than 100 years founded our Company in 1992. Europaeiske sold 75% share in September 2021 to German company ERGO Reiseversicherung AG, which had already bought 10% from Austrian Europäische Reiseversicherung AG in April and thus became the sole owner of the Company. In 1995 the German company started to form one of the largest international travel insurance groups that includes nowadays also activities in Denmark, Sweden, Spain, United Kingdom, Italy, Poland, Russia and China.



Via our shareholders we belong to the Group of Munich Re - the international reinsurance leader. In 1994 Evropská Cestovní Pojišťovna (today ERV Evropská pojišťovna) became a member of the International Association of European Travel Insurers (IAE) uniting specialised insurers bearing similar name from all around Europe.

Via this association, today called International Travel Insurance Alliance (ITIA), we can closely co-operate with many travel insurers on an international level.



ITIA Members

Austria	Portugal
Bulgaria	Russia
Czech Republic	Slovakia
Denmark	Spain
Germany	Sweden
Hungary	Switzerland
Italy	Turkey
Netherlands	Ukraine
Norway	United Kingdom
Poland	



Management Board Report on Company Activities in 2021

Like our personal lives, our company's activities have been affected by the ongoing global Covid-19 pandemic throughout the past year. We faced several waves of an increase in the number of infections and the related tightening of government measures against the spread of the disease, which, as in 2020, significantly affected tourism and thus the results of our specialised insurance company. Although the release of the adopted restrictions brought, especially in the summer season, the opportunity to travel more abroad, in the entire calendar year there were approximately 40% less travellers than in 2019.

As with any event that affects our lives, the ongoing pandemic can be viewed either negatively, that nothing works and will not work as it used to, or taken as an opportunity for reflection and making the changes needed for a better future. We have chosen a view for the future, which is, after all, deeply rooted in the DNA of the ERV Evropska. And most of our partners in travel trade and insurance seem to have made a similar decision. I am extremely pleased with this finding, because it brings many new and positive thoughts and ideas that, I firmly believe, are and will be the engine of future development.

In the outbound tourism and especially at tour operators, I see the unexpectedly low number of bankruptcies as an evidence for my statement. If we imagine the great difficulties the whole sector has faced and still faces, where for two consecutive years it has provided services to about half of its clients compared to 2019, the bankruptcy of less than 20 entities out of some 900 is an almost negligible number. Unfortunately, even this result, together with the relatively good financial results of the insured tour operators, did not significantly change the situation on the international market for insolvency reinsurance capacities. The willingness of reinsurers to provide reinsurance capacity remains very low, despite a further increase of rates and guarantees. I am afraid that this situation will not change significantly in the future, as the Czechia and Poland remain one of the last countries in the EU where the protection of tour operator clients is solved only with the products of commercial financial institutions without a significant government involvement.

The year 2021 was very successful for our Company in terms of turnover. Premiums written reached CZK 686 million, both due to a year-on-year increase

in insured clients of more than 60% and due to increased sales of modified products involving new risks. In a difficult environment, last year we not only managed to expand Covid-19 supplementary insurance, but also substantially improve the range of SingleTrip short-term travel insurance products and significantly simplify the purchase process on our website.

It is a great satisfaction for us that nowadays almost three quarters of fellow citizens travelling on holiday abroad with a tour operator use our services. We appreciate that we have been able to work closely with all major tour operators for many years. We believe that this cooperation is also beneficial for our partners, not only thanks to the provided insurance, but also thanks to the support we try to provide to this sector. Although the conditions of tour operator's insolvency insurance have changed significantly, especially in the area of required guarantees, we are pleased that we were able to provide such cover to the majority of our regular partners.

Due to the significant increase in revenues, the Company also registered a large increase in commission costs last year. At the same time, the cost of claims grew, albeit at a slightly slower pace than income. Compared to 2020, which was significantly affected by the first wave of the pandemic, the claims ratio improved, despite the growing frequency of reported claims and their average amount. Our administration costs increased in 2021 mainly due to significantly higher investments in information technology, as well as in personnel and marketing costs. Even so, the ratio of administration costs decreased significantly year-on-year and approached the level of 2019. After the loss in 2020, the Company again achieved not only a positive technical result, but thanks to an extraordinary investment income also a very good overall economic result.

Most of the above, especially in the area of tour operator's insolvency insurance, would be difficult or impossible to do without the cooperation and strong background of the international ERGO Travel group, ERGO and Munich Re. Many thanks to them for their support throughout the year.

I believe that our team has been able to actively face all the challenges in the past year and has continued to fulfil our very simple commitment to our clients - the motto "You travel. We care."

The Management Board is once again grateful to the entire team of almost 50 members for their support of common goals and, of course, for the results achieved.

To estimate the development in the coming year is no easier than it was a year ago. It is very likely that our private and professional lives will continue to be affected by the development of the epidemic. However, I firmly believe that thanks to advances in medicine and perhaps the experience gained by state institutions in coping with the situation, this disease will limit our lives less and less. Our task is to focus on those areas that we can influence, i.e. to bring customers and business partners solutions that reflect their changing needs. Therefore, we will further modify all product lines and improve sales processes for both direct clients and business partners. We will also continue to introduce new technologies that enable even greater automation of key processes.

I am sure that our team is very well prepared to face all these challenges, but also others that we have no idea about at the moment. We believe that the year 2022 will be successful not only for us, but also for the entire segments of insurance and travel trade, of which we will continue to be an active part.

Prague, January 2022



Libor Dvořák
Chairman of the Management Board



Supervisory Board Report on Activities in 2021

The Supervisory Board of the ERV Evropská pojišťovna, a. s., held four meetings during the year 2021 carrying out its duties in accordance with the Company's Articles of Association. All meetings have been held either via phone conference calls or video conference due to Covid-19 epidemic and related travel restrictions.

In the year under review one change occurred in the composition of the Supervisory Board. After the General Meeting of Shareholders held in April 2021 Mr. Jens Gruss became a new member of the Supervisory Board replacing its long-term Vice-Chairman Mr. Wolfgang Lackner. Throughout all the year Mr. Christof Flosbach (Chairman) and Mr. Oliver Wild were members of the Board. The members had access to all Company documents when required.

Co-operation with the Management Board was on a good level and all support materials were delivered on request. By means of written and personal reports the Management Board kept us informed of the business development and the financial position of the Company in the year under review.

The Supervisory Board examined financial statements for the year, the Management Board Report, and the Management Board proposal on the balance sheet profit

distribution for the year 2021. Having studied these documents, we agree to the proposal on the balance sheet loss settlement and have nothing to add to the annual report.

The auditor's report on the year's financial statements presented by Ernst & Young Audit, s.r.o., showed that the accounting and financial statements comply with the Czech legal regulations. We find the result of the audit satisfactory and have no further comments to it.

According to the final result of our examination, we have no objection to raise and we are going to recommend the General Meeting of Shareholders to approve all documents submitted by the Management Board.

During 2021 the Supervisory Board carried out all functions of the audit committee in accordance with the Act No. 93/2009 Coll. on auditors.

Munich, February 2022



Christof Flosbach
Chairman of the Supervisory Board



Report on Relations between Related Parties in 2021

ERV Evropská pojišťovna, a. s. (hereinafter 'the Company') is a 100% subsidiary of the German insurance company ERGO Reiseversicherung AG, Munich, which purchased its shares during the year 2021 from the Danish travel insurance leader Europaeiske Rejseforsikring A/S, Copenhagen, and the Austrian Europäische Reiseversicherung AG, Vienna.

Controlling parties and relation description

ERGO Reiseversicherung AG, Germany, is the 100% parent company of the Company. The parent company of the Company participates in the insurance company's reinsurance program in the area of the tour operator insolvency insurance. Reinsurance is accounted on the basis of reinsurance contracts which are concluded between the insurance company and the reinsurer under the conditions applicable to third parties. The Company also has agreements with this company, respectively with its Polish branch, regarding the usage of the daGama computing system in Poland, an agreement on user support of the respective software, an agreement on personal data protection, and an agreement on claims management.

ERGO Group AG, Germany, is the 100% shareholder of ERGO Reiseversicherung AG, Germany. The Company has an agreement with ERGO Group AG on the usage of group's accounting system. Furthermore, there is an agreement between the companies on support and consulting services in respect of Solvency II reporting, an agreement on internal audit service provision and an agreement on implementation of the Smaragd IT system.

Münchener Rückversicherung AG, Germany, is the 100% shareholder of ERGO Group AG, Germany. Münchener Rückversicherung AG participates on the reinsurance scheme of the Company with respect to the tour operator insolvency insurance. Reinsurance billing is stated in reinsurance contracts signed between the Company and the reinsurer, under conditions applicable to third parties. The company provides services in the area of investment and asset management to the Company.

Controlled parties and relations description

Etics ITP, s. r. o., Czech Republic, is a 100% subsidiary of the Company and was established in 2005. The subject of its business is insurance mediation and claims settlement. With this brokerage company, the Company has an agreement on sales representation, an agreement on claims settlement cooperation, an agreement on cooperation on controlling and monitoring travel agencies financial results, and an agreement on sub tenancy.

Relations to other related parties

Euro-Center Holding SE, Czech Republic, is a company coordinating assistance services within the concern of ERGO Reiseversicherung AG, which controls 83.33% of its shares. During 2021, The Company sold a 16.66% share in EURO-CENTER Holding to ERGO Reiseversicherung AG. The Company has concluded a cooperation agreement on the provision of assistance services to clients and an agreement on sub-tenancy with Euro-Center Holding SE.

Euro-Center Prague, s. r. o., Czech Republic, was a 100% subsidiary of the Company until 2016. In 2016 the Company sold all its shares to Euro-Center Holding SE. The subject of its business is the provision of assistance services in respect of travel insurance. With Euro-Center Prague, s.r.o., the Company has signed a cooperation agreement on the provision of assistance service for clients and a cooperation agreement on claims handling in tour operator insolvency insurance.

JSC "ERV Travel Insurance", Russia, is a 100% subsidiary of ERGO Reiseversicherung AG, Germany. In 2020 the Company concluded an amendment to the cooperation agreement from 2011 with the Russian company in particular related to cooperation in IT, management processes, and internal audit principles implementation.

MEAG MUNICH ERGO AssetManagement GmbH, Germany, belongs to the concern of Münchener Rückversicherung AG and provides asset management and investment advisory services. The company provides services in the area of investment and asset management to the Company.

ERGO Versicherung AG, Germany, is a 100% subsidiary of the ERGO Group AG, Germany. This company participates in the insurance company's reinsurance program in the area of travel insurance and travel agency liability insurance. The reinsurance is settled on the basis of reinsurance contracts that are concluded between the insurance company and the reinsurer, under conditions that also apply to third parties.

Europaeiske Rejseforsikring A/S, Denmark is the founder and until September 2021 was the owner of 75% of the shares of The Company. The insurance company has a cooperation agreement with this company in the sale of products of corporate travel insurance company on the Czech market.

All contracts with the above-mentioned parties have been concluded under the arm's-length principle.

In the past year, the Company has not concluded any other agreement with any other company belonging to the Münchener Rückversicherung concern. The exact amount of mutual receivables and liabilities as at the balance sheet date has been stated in the notes to the financial statements.

Shareholders control the Company mainly through decisions taken during General Meetings.

The Company has neither controlling agreements with shareholders nor agreements on profit transfer.

In 2021 has not been performed any actions taken in the past accounting period, which were taken at the initiative or in the interest of the controlling entity or the entities controlled by the controlling entity, where such actions concerned assets exceeding 10% of the controlled entity's equity as determined from the last financial statements.

We declare that, according to Section 82 of the Act on Commercial Corporations, as amended, in this report on relations between related parties in 2021 we have

stated to the best of our knowledge all new or valid relations between controlling and controlled party, as well as relations between the controlled party and parties controlled by the same party, roles of the controlled parties, methods and means of control, and assessment of loss inception.

We declare that we are not aware of any losses caused to the Company by the above-mentioned agreements. At the same time we declare that no potential liability has arisen for the Company from the above-mentioned relations and that they therefore pose no consequent risk for the Company.

Prague, January 2022



Libor Dvořák

Chairman of the Management Board



Štěpán Landík

Member of the Management Board

Balance Sheet Profit Distribution

The Management Board proposes to distribute the profit for the financial year 2021 in the amount of TCZK 120 873 as follows:

- allocate TCZK 6 044 to the statutory reserve fund in accordance with the Articles of Association,
- transfer the remaining TCZK 54 392 to retained earnings,
- use TCZK 60 437 to pay out dividends to the Company's shareholder.

Prague, February 2022



Libor Dvořák

Chairman of the Management Board

Additional Information

The Company did not undertake any activity in research and development, environmental protection and employment relations. The Company did not acquire any own shares. The Company has no branch or any other part of its business outside of the territory of the Czech Republic. In 2021 there were no remarkable facts apart from those mentioned in the Notes to these financial statements. The Company is not aware of any significant facts that occurred between the end of the accounting period and the date of issue of the annual report.

Covid-19 Epidemic

For the past two years, the entire world has been facing a coronavirus epidemic that has significantly affected the travel trade and our Company's results. ERV Evropská felt the impact of the epidemic right at the beginning, during March and April 2020. On the revenue side, there was an almost immediate drop in travel insurance sales, while on the expense side, clients' claim due to trip cancellation increased significantly. With the passing of the Lex Voucher law, the Company was faced with another difficult challenge. This was eventually resolved by a pro-client decision to keep the original insurance in force for the new tour for all those who purchased our insurance and then accepted the voucher.

The pandemic has also brought new demands from clients and business partners to modify the Company's products to reflect the new risks they face in connection with the pandemic. During the summer season 2020, the Company launched a new product, which in the form of an additional insurance offers an extension of the coverage of medical expenses regarding Covid-19 pandemic and insurance protection for other situations connected with this pandemic. This product was expanded at the beginning of the year in the part of travel cancellation insurance. A new situation was also included in the insurance coverage when the insured person or his travel companion could not leave due to an individually ordered quarantine, even if they themselves did not fall ill. The introduction of Covid-19 supplementary insurance proved to be a very good step, as this supplementary insurance contributed significantly to the total set insurance of CZK 686 million.

The decline in sales, which was recorded by travel agencies, especially in 2020, had a significant impact on business and economic results and thus the financial stability of individual TOs, i.e. the increased risk of their bankruptcy. The Company had 100 TOs insured for insolvency in its portfolio at the end of 2020. Our "pessimistic" expectations have not been confirmed. To date, our Company has registered the bankruptcies of only three smaller travel agencies, and even from the point of view of the entire market, the number of bankruptcies known so far is significantly lower than expected. Unfortunately, despite this positive development, our long-term reinsurers have gradually stopped providing their reinsurance capacities for this type of risk due to the still high risk of the entire tourism industry. Throughout 2021, we were looking for both new reinsurance partners, which we succeeded in, as well as setting insurance parameters so that it was acceptable for all parties, starting with reinsurers, through our

shareholders and, last but not least, for our travel agency clients. In addition to the significantly higher level of guarantees required from travel agencies, we were forced to reduce the number of insured entities by another almost 20%.

The Company responded to a significant decrease in written premiums in 2020 during the year by introducing a number of cost-saving measures, which significantly reduced the impact on the overall economic result.

The year 2021, and especially its second half, brought increased interest of clients in travel, in some months, approaching the record year 2019. However, from the point of view of the whole year 2021, we expect that approximately 50-60% of tourists travelled abroad, compared to 2019. It is evident that the share of tourists who have taken out travel insurance before their trip has increased significantly. These factors, together with the good sale of the aforementioned co-insurance for the risks associated with the Covid-19 epidemic, have contributed to a significant increase in premiums written. Thanks to the ongoing cost-saving measures, the quality of the entire claims settlement system, including cooperation with Euro-Centers, and especially the expectations of significantly lower damage costs in the case of travel agency bankruptcy insurance, the Company also achieved a very good technical result. Together with the income from the sale of the share in EURO-CENTER Holding SE and the income from dividends from European Assistance Holding GmbH, this means achieving an extraordinary profit for the entire Company.

Since the outbreak of the Covid-19 epidemic, the Company in compliance with the decision of the entire Munich Re group, has not asked for any support from programs announced by the government and government organizations to mitigate its impact.

We anticipate that our lives, including professional ones, will be further affected by the Covid-19 pandemic and possible government measures in 2022 to prevent its spread, both domestically and abroad. However, development in the second half of 2021 has shown that, thanks to better preparedness for new and changing conditions, both tour operators, destination conditions, clients and our Company and its products, it is possible to travel abroad at an acceptable risk level of illness, or changes or cancellation of the trip, even in the volume of tourists approaching 2019. On the other hand, the current economic development in our country will likely result in reduced demand for unnecessary services, and therefore travel abroad. Therefore, the Company does not expect a significant increase in clients, and thus sales in 2022.

Balance Sheet

(as at 31st December 2021 in TCZK)

Assets			2021	2020
	Gross	Correction	Net	Net
Intangible fixed assets	54 057	-44 932	9 125	7 764
Investment	493 406	0	493 406	394 683
Investments in aff. undertakings and particip. interests, thereof:	2 786	0	2 786	2 734
Participations in controlled entities	2 786	0	2 786	2 734
Other investment, thereof:	490 620	0	490 620	391 949
Shares and other variable-yield securities, other participating interests	75	0	75	27 127
Bonds (debt securities)	218 528	0	218 528	227 812
Securities recognized in fair value (AFS)	218 528	0	218 528	227 812
Deposits with financial institutions	272 017	0	272 017	137 010
Debtors	37 859	-502	37 357	40 277
Receivables arising from direct insurance, thereof:	22 866	-502	22 364	29 253
Policyholders	5 289	-333	4 956	7 578
Intermediaries	17 577	-169	17 408	21 675
Receivables arising from reinsurance	2 396	0	2 396	0
Other receivables	12 597	0	12 597	11 024
Other assets	198 954	-22 332	176 622	26 460
Tangible fixed assets other than are noted in section "C I. Land and buildings", and inventories	26 156	-22 332	3 824	5 791
Cash on accounts in financial institutions and cash in hand	172 798	0	172 798	20 669
Temporary assets accounts	28 901	0	28 901	46 043
Deferred insurance acquisition costs, thereof:	25 205	0	25 205	42 358
In non-life insurance	25 205	0	25 205	42 358
Other temporary assets accounts, thereof:	3 696	0	3 696	3 685
Total assets	813 177	-67 766	745 411	515 227



Equity and Liabilities	2021	2020
Capital and reserves	365 071	270 495
Share capital, thereof:	160 000	160 000
Other capital funds	-4 987	21 310
Statutory reserve fund and other funds from profit	36 305	36 305
Profit or loss brought forward	52 880	55 965
Profit or loss for the financial year	120 873	-3 085
Technical provisions	145 427	157 629
Provision for unearned premium	91 520	118 408
Gross amount	94 106	127 665
Reinsurance value (-)	-2 586	-9 257
Provision for outstanding claims	53 071	38 747
Gross amount	59 838	48 237
Reinsurance value (-)	-6 767	-9 490
Provision for bonuses and rebates	836	474
Gross amount	836	474
Provisions	25 305	0
Tax provision	25 305	0
Creditors	148 448	50 981
Payables arising from direct insurance	20 220	10 319
Payables arising from reinsurance	2 960	1 151
Other payables, thereof:	125 268	39 511
Tax liabilities and payables due to social security and health insurance institutions	3 487	3 047
Temporary liability accounts	61 160	36 122
Accrued expenses and deferred revenues	289	2 315
Other temporary liabilities accounts, thereof:	60 871	33 807
Total liabilities	745 411	515 227



Profit & Loss Account

(as at 31st December 2021 in TCZK)

Technical account non-life	2021	2020
Earned premium, net of reinsurance	669 947	302 589
Gross premium written	686 209	364 091
Ceded premium (-)	43 135	56 527
Change in unearned premium, gross (+/-)	-33 544	4 493
Change in unearned premium, ceded (-)	-6 671	-482
Allocated investment return transferred from the non-technical account	1 061	2 041
Other technical revenues, net of reinsurance	1 673	953
Net claims incurred	215 821	132 035
<i>Claims paid</i>	<i>201 495</i>	<i>141 393</i>
gross amount	207 275	145 946
reinsurance value (-)	5 780	4 553
<i>Change in outstanding claims provisions (+/-)</i>	<i>14 326</i>	<i>-9 358</i>
gross amount	11 603	-9 949
reinsurance value (-)	-2 723	-591
Change in other technical provisions, net of reinsurance (+/-)	363	-471
Bonuses and rebates, net of reinsurance	432	669
Expenses for underwriting business, net	325 477	174 794
Acquisition costs in insurance policies	281 388	163 201
Change in deferred acquisition costs (+/-)	17 153	-4 130
Administrative expenses	34 731	24 982
Reinsurance commissions and profit participation (-)	7 795	9 259
Other technical expenses, net of reinsurance	62	511
Non-life technical result (item I. 10)	130 526	-1 955
Non-technical account	2021	2020
Investment income	28 320	3 240
Affiliated undertakings and participating interests income	342	212
Other investment income	9 250	3 028
Other investment income from controlled entities	9 250	3 028
Income from disposal of investments	18 728	0
Investment expenses	8 346	128
Investment management expenses, including interest	0	128
Revaluation losses on investments	99	0
Book value of disposed investments	8 247	0
Allocated investment return transferred to the non-life insurance technical account	1 061	2 041
Other income	2 536	4 732
Other expenses	5 414	6 580
Income tax on ordinary activities	25 456	172
Profit or loss for ordinary activities after taxation	121 105	-2 904
Other taxes not shown under preceding items	232	181
Profit or loss for the financial year	120 873	-3 085

Statement on Changes in Equity

(as at 31st December 2021 in TCZK)

	Share capital	Reserve funds	Other cap. funds	Profit/loss brought forward	Profit/loss for the fin. year	Total
Balance at 1. 1. 2020	160 000	33 871	35 805	9 731	48 668	288 075
FX gains (losses) and changes in valuation not included in the profit and loss statement	0	0	-14 495	0	0	-14 495
Net profit/loss for accounting period	0	0	0	0	-3 085	-3 085
Dividends	0	0	0	0	0	0
Transfer to funds	0	2 434	0	46 234	-48 668	0
Balance at 31. 12. 2020	160 000	36 305	21 310	55 965	-3 085	270 495
Balance at 1. 1. 2021	160 000	36 305	21 310	55 965	-3 085	270 495
FX gains (losses) and changes in valuation not incl. in the profit and loss statement	0	0	-26 297	0	0	-26 297
Net profit/loss for accounting period	0	0	0	0	120 873	120 873
Dividends	0	0	0	0	0	0
Transfer to funds	0	0	0	-3 085	3 085	0
Balance at 31. 12. 2021	160 000	36 305	-4 987	52 880	120 873	365 071



Notes to the Financial Statements

Year ending 31st December 2021 (in thousands of Czech Crowns "TCZK")

GENERAL CONTENT

Description and Main Activities

ERV Evropská Pojišťovna, a. s., was entered into the Commercial Register under the name Evropské Cestovní Pojištění, a.s., on 23. 4. 1993 (IČ 492 40 196). Company name was changed on 1. 7. 2014 last time.

The Company's Shareholders

In 2021, the international group ERGO, of which our Company is a part, changed its organizational structure. The aim of this change was to simplify the ownership within the ERGO group and more direct management of individual companies.

ERGO Reiseversicherung AG (Germany) bought 10% of the Company's shares from Europäische Reiseversicherung AG (Austria) during April 2021 and 75% of the Company's shares from Europaeiske Rejseforsikring A/S (Denmark) during September 2021. Currently, ERGO Reiseversicherung AG (Germany) is the single and thus 100% owner of the Company.

The Company obtained its insurance licence on 16. 9. 1993. On 28. 11. 2001 the Company applied to the Ministry of Finance for renewal of its licence to carry on insurance activities in accordance with Insurance Act No. 363/1999 Coll. The Ministry of Finance issued decision no. 322/2732/2002, setting out the scope of licensed insurance activities on 23. 1. 2002. On 15. 12. 2009 Czech national bank issued decision no. 2009/9875/570 licensing extension of the scope of insurance activities for non-life insurance branches no. 1, 2, 7, 13 Coll. d), 15, 16 Coll. a), c), f), i), j) and 17. On 29. 2. 2012 Czech national bank issued decision no. 2012/1900/570 licensing extension of the scope of insurance activities for non-life insurance branches no. 3, 8 and 9.

The Company carries out the following classes of non-life insurance:

- Insurance against damage to or loss of property in the range of non-life insurance industry No. 8
- Insurance against damage to or loss of property in the range of non-life insurance industry No. 9
- Liability insurance for damage
- Suretyship insurance
- Insurance of miscellaneous financial losses
- Assistance insurance to persons who get into difficulties while travelling or while away from their residence including insurance of financial losses directly connected to travelling

Registered Address

ERV Evropská pojišťovna, a. s.
Křížíkova 237/36a
186 00 Praha 8

Statutory Bodies at 31st December 2021

Management Board
Libor Dvořák, Čelákovice - Chairman
Štěpán Landík, Prague - Member

Confidential Clerk
Václav Urbanec, Prague
Veronika Nováková, Prague
Irena Filipová, Prague

Supervisory Board
Christof Flosbach, Germany - Chairman
Mag. Wolfgang Lackner, Austria - Vice-chairman (till 19 April, 2021)
Dr. Oliver Alexander Wild, Germany - Member
Jens Gruss, Germany - Member (since 20 April, 2021)

The Company shall be represented by at least two members of the Management Board. When signing on behalf of the Company, the printed or written name of the Company must always be accompanied by the signature of at least two members of the Management Board. The Confidential Clerk is entitled to act on behalf of the Company solely with either a member of the Management Board or another Confidential Clerk of the Company.

Organizational Structure

The Company is divided into two units - Managing Director Unit and Sales & Marketing Unit. Units are split into divisions and departments.

Legal Conditions

At the day of closing the accounts all legal conditions of the Company are in accordance with Insurance Act No. 277/2009 Coll., as amended (hereinafter "the Law"), with the Civil Code No. 89/2012 Coll., as amended, and with Insurance and Reinsurance Distribution Act No. 170/2018 Coll. as amended, including relevant execution directives and subsequent valid legal enactments.

Affiliated Undertakings

In 2005, the Company set up 100 % subsidiary company Etics ITP, s.r.o., providing brokerage services and services of an independent loss adjuster. Etics ITP, s.r.o. was entered into the Commercial Register on 1. 2. 2006 and its share capital is TCZK 2 000.

The Company also holds a 10 % share in the company European Assistance Holding GmbH. Its share in the company EURO-CENTER HOLDING SE in the amount of 16,66 % of the company was sold at the end of May 2021 to the company ERGO Reiseversicherung AG, Germany. Both companies European Assistance Holding GmbH and EURO-CENTER HOLDING SE are controlled by ERGO Reiseversicherung AG group.

Main Accounting and Valuation Principles

The Company kept and closed its books in accordance with the Act on Accounting No. 563/1991 Coll., as amended, with the Ministry of Finance Directive No. 502/2002 from 6 November 2003, implementing certain provisions of the Act on Accounting No. 563/1991 Coll. (hereinafter "the Directive 502"), as amended, for insurance companies, with the Czech Accounting Standards for insurance companies and with other related regulations.

The accounting books respect all general accounting principles, in particular the fair value principle, the historic cost principle, the matching principle, the prudence principle and the going concern principle.

All the above data are in TCZK as at 31 December, unless stated otherwise.

Gross Premium Written

Gross premium written includes all amounts due according to the insurance contracts written during the accounting period, irrespective of whether these amounts are fully or partially related to future accounting periods.

Claims Paid

Claims paid comprise the amount assessed for payment based on the claims settlement process, external and internal claims handling costs and a deduction for the salvage value and other recoveries.

Claims paid are recorded upon completion of the settlement of the claim and in the amount of the assessed settlement.

Acquisition Costs

Acquisition costs include all direct and indirect expenses incurred in connection with concluding insurance contracts.

Deferred Acquisition Costs

Deferred acquisition costs include the part of expenses arising from the conclusion of insurance contracts during the current accounting period, which relates to income in future accounting periods.

In respect of non-life insurance, deferred acquisition costs are based on total commission costs incurred in the current period and the ratio of the gross provision for unearned premiums at the balance sheet date to the total gross premiums written for the financial year.

Transfer of Expenses between Technical Accounts and the Non-Technical Account

During the accounting period all administrative costs are posted to the non-technical accounts. Costs are distributed between claims handling costs, acquisition costs and administrative expenses (the technical account), and costs of investment management and other non-technical costs (the non-technical account). At first costs are allocated to the individual cost centres, and then further distributed to the appropriate non-technical accounts based on the defined ratios for each cost centre.

This procedure is not applied for taxes and fees or for other expenses not related to insurance or reinsurance activities.

Transfer of Investment Returns between Technical and the Non-Technical Account

During the accounting period all investment returns are posted to the non-technical account. At the end of the accounting period interests returns from that part of the investment, covering the technical provisions, are transferred to the technical account. Gains and Losses from investments sale are kept on non-technical account.

Unearned Premium Provision

The unearned premium provision is created from the part of the gross premium written related to future accounting periods. It represents the sum of all provisions calculated for each individual insurance contract using the "pro rata temporis" method. In respect of some long-term policies, the provision includes the gross premium written but not yet used for travel.

Premium provision-vouchers

Act No. 185/2020 Coll. on certain measures to mitigate the effects of the SARS CoV-2 coronavirus pandemic on the tourism industry (hereinafter "Lex Voucher") allowed TOs during the year 2020 to issue a travel voucher to a client in the event of a trip cancellation instead of a refund. In the case of acceptance of the voucher by a client, who also purchased travel insurance, the insurance coverage was extended to a new trip purchased with this voucher. If the client used the voucher by the end of the year 2020, the creation of the provision was governed by the standard procedure mentioned above, as the insurance company already had known the date of departure and return of the client. If the voucher had not been redeemed by the end of the year 2020, the date of the departure was considered to be 31 August 2021, i.e. the day by which the client should have redeemed the voucher or by when the money should have been returned to the client by the travel agency. During 2021, a large part of the issued vouchers was redeemed and thus the use of travel insurance, which was associated with these vouchers. Clients who did not use the voucher were contacted by the travel agencies as well as by our Company. All those who confirmed the payment details were refunded the money paid not only for the trip but also, in case of arranged travel insurance, unused premiums. However, not all vouchers were settled during 2021 as some travel agencies agreed with their clients to postpone the validity of vouchers until 2022. The Company proceeded with the validity extension of vouchers in the same way as in the previous year. The Company extended the possibility of applying the agreed insurance via vouchers until the end of October 2022.

Claims Provisions

Claims provisions are created in the amount of the expected costs for:

- claims reported but not settled in the current accounting period (RBNS),
- claims incurred but not reported by the end of the current accounting period (IBNR),
- claims handling costs (CSC).

The provision for claims reported but not settled by the end of the accounting period (RBNS) is set as the total sum of provisions calculated for each and every claim.

The provision for the incurred but not reported claims (IBNR) is set for each class of insurance as follows: a) the method of the expected percentage of claims is used in case of property insurance and surety ship insurance classes; b) for other insurance classes as a difference between total claims provision calculated by using Chain Ladder method and already registered amount of RBNS provision. The provision also contains all estimated external costs connected with a claims settlement.

The Company perform neither discounting nor deductions in Non-life Outstanding claims provision.

Claims handling costs provision (CSC) contains all expected internal costs connected with claims handling.

Although the Management Board considers that the provision for outstanding claims is fairly stated on the basis of the information currently available to them, the ultimate liability may vary as a result of subsequent events or new information, which may result in significant adjustments to the amounts provided for. Adjustments to the amounts of the provisions are reflected in the financial statements for the period in which the adjustments are made. The procedures and methods used in making estimates are reviewed regularly.

Provision for Bonuses and Rebates

A provision for bonuses and rebates is created in accordance with the insurance contract conditions. The provision is created for cases where the Company is liable to refund to policyholders a portion of the premiums relating to the current financial year due.

Changes in this provision are presented under "Bonuses and Rebates" in the profit and loss account.



Other Provisions

The Company does not create any other technical provisions.

Reinsurance Value

The Company shows technical provisions in the net amount on the liabilities side of balance sheet, i.e. after consideration of the reinsurance value. The calculation of the reinsurance value is based on the provisions of the particular reinsurance agreements and the reinsurance settlement method. The Company reports the reinsurance value of the unearned premium provision and the claims provision. Reinsurers do not participate in the other technical provisions.

Dividends

Dividends received are recognized in profit or loss in favor of investment income.

Investment

Affiliated undertakings and participating interests

A participating interest with controlling influence is understood to be a participation of more than 50% in an enterprise of a third party. A participating interest with significant influence is understood to be a participation in of more than 20%, but less than 50 %, in an enterprise of a third party.

Participating interests are booked at their acquisition cost, which includes the purchase price and other direct costs connected with the acquisition. At the balance sheet date participating interests are valued by equivalent method (acquisition value corrected by the share on equity changes). Revaluation differences are shown in shareholder equity.

Debt Securities

Debt securities are booked at their purchase price on the day they are purchased. The Company carries out amortisation of any premium or discount for all debt securities in the portfolio at the date of closing the accounts. Premiums and discounts are amortised to the profit and loss account on the basis of the effective interest rate method from the date of acquisition to the date of their maturity.

Debt securities held to the maturity

Bonds held to the maturity are shown in the amortized costs value in the balance sheet. The amortised cost value is taken as the purchase price increased by related costs and lowered for discount/premium amortisation and adjustments.

Debt Securities Available for Sale

Debt securities available for sale are revaluated to fair value in accordance with the Ministry of Finance Directive No. 502/2002, as amended, at the date of closing the accounts. Differences arising from revaluation are shown in shareholder equity. The fair value is taken as the market price announced by home or foreign Stock Exchange or presented on alternative public (organized) market. The Company applies the market value announced at the moment no later than the day of closing the accounts and closest to this date. If the market value had not been available or insufficiently represented the fair value, the market value would have been determined by an expert estimate method.

Shares and Other Variable-yield Securities

Shares and other variable-yield securities except those described in paragraph "Affiliated Undertakings and participating interests" are reported as follows:

On the day the securities are purchased they are classified as the securities available for sale and booked at their acquisition cost.

The acquisition cost of a share or other variable-yield security includes the purchase price and other direct costs connected with the acquisition.

At the balance sheet date, these shares and other variable-yield securities are revaluated to fair value. Revaluation changes are posted into shareholder equity.

In case shares and other variable-yield securities are issued in foreign currency, their value is valued in Czech crown using exchange rate set by Czech national bank. The exchange rate difference becomes a part of the revaluation to fair value. If there is no reliable way of measuring the fair value, the securities are valued at the purchase price.

Deposits with Financial Institutions

Bank deposits are initially recognised at their nominal value. At the date of closing the accounts these assets are revaluated to amortized value. For short-term deposits with financial institutions amortized value means the nominal value increased by accrued interest.

In case of deposits issued in foreign currency, their value is valued in Czech crown using exchange rate set by Czech national bank. The exchange rate difference becomes a part of the revaluation to amortized value. Revaluation changes are posted into profit and loss account.

Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are stated at their purchase price.

Tangible fixed assets with their purchase price under TCZK 40 and intangible assets with their purchase price under TCZK 60 are booked as expenses in an accounting period in which they were acquired, unless it was agreed otherwise to record them in assets in a balance sheet.

An annual rate of accounting depreciation reflects the expected useful lifetime of assets.

The Company calculates depreciation using the methods and over the periods shown in the following table:

Fixed Assets	method	rate %
Software	straight-line	33,3
Other intangible assets		66,7
Machines, PCs		33,3
Furniture, equipment		20
Cars		20
Buildings, rebuilding		2-25

Foreign Currency Translation

Transactions during the year are translated at the CNB rate effective on the transaction date.

At the balance sheet date, foreign currency assets and liabilities at a monetary nature are translated at the CNB official rate on that date. Foreign currency gains and losses are recorded in the Company's profit and loss account.

Adjustments

Adjustments are created for receivables. The adjustments represent a temporary reduction in the value of individual receivables as evaluated by the Management of the Company.

The Company creates the adjustments using the net method, i.e. the net release or net creation of adjustments in the current accounting period is charged to the profit or loss account.

Adjustments for Receivables from Policyholders

Adjustments for receivables from policyholders are created based on an analysis of their recoverability. The adjustments are created in accordance with the age of the receivables and reflect the risk of non payment in some individual cases.

Permanent decrease of assets' value

At the balance sheet date, the Company performs a test of permanent or long-term decrease of assets' value that are not revalued to fair value and assets that are revalued but the change in fair value is accounted in the balance sheet. Permanent and long-term decrease of a given asset is reflected in the profit and loss account.

Estimated items

The Company creates estimated receivables and estimated payables. Both of these categories are based on an estimate or past development experiences. The creation of estimated items is accounted against the pertinent profit and loss account to which the item would be accounted to directly. The moment the Company accounts the actual revenue or expense, the estimated item is used by an accounting record to the opposite side of the same profit and loss account that was used in creating the estimated item.

Corporate Tax

Corporate income tax on the profit for the year comprises current income tax and the change in deferred tax. Current income tax comprises the tax payable calculated on the basis of the expected taxable income for the year, using the tax rate valid at the balance sheet date and any adjustment to the tax payable for previous years. Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes multiplied by the income tax rate prescribed by the Income Tax Act for the next period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which this asset can be utilised.

Income Tax Provision

An income tax provision is created in the amount of the estimated corporate income tax liability at the balance sheet date. This provision is accounted for at the moment the corporate income tax return is filed.

Consolidation

These financial statements have been prepared on a non-consolidated basis. The financial statements of the Company are included into the consolidated financial statements prepared by the Company as a consolidating accounting unit. The company Etics ITP, s.r.o. is included in the consolidation unit. The financial statements will also be included into the consolidated financial statements of Münchener Rückversicherung-Gesellschaft, Königinstrasse 107, München, Germany, where the consolidated financial statements are stored.

Changes in Accounting Principles and Procedures

In 2021 the Company has not performed any change in accounting methods and processes. During the financial year the Company has applied no deviations from these methods and processes and has not made any corrections of errors from previous years.

Risk Management

The Company's management and control system is set up in accordance with the requirements of the insurance solvency assessment rules (hereinafter "Solvency II"). The System of Governance is in accordance with legal requirements and includes all activities of the Company, which enables continuous and systemic risk management. The Company is exposed to insurance risk naturally resulting from underwritten insurance contracts as well as to other risks, especially market, credit, operational, liquidity and concentration risk.

Insurance Risk in Non-life Insurance

The Company is exposed to an insurance risk and a risk arising from underwriting insurance contracts within its product portfolio.

The insurance risk results from uncertainty relating to a period, frequency and a claims burden covered by insurance contracts.

The most significant risk is the one resulting from an insufficient technical reserve as well as the risk arising from a premium volume. The premium volume is arranged upon historical background, which may differ from reality. An assessment of a reserve may be significantly influenced by the risk of trend, risk of estimation, change in background etc. Tests of reserve sufficiency are being used while assessing reserves to eliminate the risk resulting from it.

To manage the insurance risk the Company utilizes internal guidelines for product development, internal rules for calculation of technical reserves, and obtains a strategy on reinsurance undertakings.

Concentration of Insurance Risk

A concentration of an insurance risk may exist in cases, when some event or a sequence of events may significantly affect liabilities of the Company. The concentration of insurance risk then determines the scope of a possible influence of these events on the volume of liabilities of the Company. This concentration may result from one insurance contract or from a large number of connected insurance contracts, and it relates to circumstances that constituted the reason for creation of significant liabilities. A concentration of insurance risk may result from accumulation of risks within several individual group of contracts, may arise in cases of less frequent large-scale events (e.g. natural disasters), as well as in cases of serious legal processes, or in cases of change of legislation.

Strategy of Reinsurance

The Company reinsures some risks arising from insurance contracts to mitigate a risk of loss and protect its own sources of capital. The reinsurance program of the Company is based upon a combination of reinsurance treaties with external reinsurers and reinsurance treaties with its own parent company.

The Company concludes both proportional and disproportionate reinsurance treaties to reduce its exposure to risks. To obtain a supplementary protection the Company utilizes facultative reinsurance at some insurance contracts.

Market Risk

With respect to the nature of pursued insurance activities, market risk does not represent a significant threat to the operation of the Company, including interest rate fluctuations, and its ability to fulfil its obligations towards its clients. The only field being monitored by the Company is a monetary risk.

Monetary Risk

The Company is exposed to monetary risk through transactions conducted in foreign currencies. Since the Company closes its books in Czech crowns, any changes in rates of exchange of Czech crown may have an impact on the financial statement of the Company.

Credit Risk

The Company is exposed to credit risk, which results from inability of a counterparty to pay sums due from a debt in full amount.

Main areas where the Company is exposed to credit risk are:

- Reinsurer's share on insurance liabilities
- Debt of a reinsurer concerning a settled claim
- Outstanding premium
- Deposits with financial institutions

An outstanding premium is continuously monitored and a methodology of creation of adjustments is described in the paragraph "Adjustments".

The Company conducts its own recovery of debt from insurance. Efficiency of this process is regularly controlled.

Operational Risk

Operational risk is a risk of a potential loss resulting from missing or insufficient internal processes, human resources and/or systems, or from other reasons, which may arise from either internal or external events.

The Company analyses these risks and proposes adjustments of working procedures and processes with the aim to eliminate events incurring loss related to operational risk.

Liquidity Risk

The Company is exposed to daily requirements for liquidity resulting from compensation payments. The risk of liquidity is represented by an event when an amount of money necessary to meet obligations is not available for adequate costs at its due date. The need for liquidity is continuously monitored in order to ensure necessary sources. The Company has several disposable sources of financing, and keeps, in accordance with the legislation, a sufficient proportion of financial placements in liquid financial instruments.

Other Remarkable Facts

Covid-19 Epidemic

During the year 2020, the whole world faced a global coronavirus pandemic (Covid-19), which also had a very significant impact on the Company not only in 2020 but also in 2021. The Company recorded the first significant signs of this pandemic during March and April 2020, when there was an immediate decline in travel insurance sales, but especially a large increase in clients' claims for indemnification due to trip cancellation. As mentioned above, the Lex Voucher law was passed to support and stabilize the tourism situation, and TOs began offering vouchers to their clients instead of refunds for missed trips due to the pandemic. In this context, the Company accepted the following decision. All clients who purchased the Company's insurance and then accepted the voucher were left with the original insurance valid for a new trip, but no longer than the period specified by law, ie until 31 August 2021. During 2021, a significant part of the vouchers was settled and thus the travel insurance, which was associated with the vouchers. Some travel agencies have agreed with their clients to extend the vouchers until 2022. In this case, the company extended the validity of its insurance until 2022.

This approach had an impact on the amount of the unearned premium provision (see paragraph "Technical provisions movements") because the time of earning the premium was postponed until the use of the voucher for a new trip, which led to a year-to-year increase of this reserve between 2019 and 2020. Despite the extension of the validity of insurance associated with unused vouchers until 2022, the unearned premium provision decreased at the end of 2021. This fact is caused both by the use of most Lex Vouchers and by a change in the shopping behaviour of clients consisting in a significant reduction in time from the purchase of insurance to departure and at the same time very low advance sales of trips for 2022 before the end of 2021. In the same way, the accrual of the acquisition costs for insurance contracts were affected (see paragraph "Deferred Acquisition Costs"), the calculation is based on the unearned premium provision.



ADDITIONAL INFORMATION TO STATEMENT OF FINANCIAL POSITION

Long Term Intangible Assets

At 31. 12. 2021 intangible assets of the Company comprised software with a net book value of TCZK 7 157 (2020: TCZK 7 601). The software acquisition account balance amounted to TCZK 1 920 (2020: CZK 0) and other intangible assets with a net book value of TCZK 48 (2020: TCZK 163).

Investment

Purchase Price and Fair Value of the Investments

In TCZK, for the year ending 31 st December	Purchase price		Fair Value	
	2021	2020	2021	2020
Equity participations	2 000	2 000	2 786	2 734
Stoks and bonds, thereof:				
with variable interest				
issued by nonfin. inst. – unlisted	77	8 324	75	27 127
with fixed interest available for sale				
issued by CZ – listed in CZ	224 214	223 330	218 528	227 812
Stock and bonds total	224 291	231 654	218 603	254 939
Short-term bank deposits	272 017	137 010	272 017	137 010
Investment total	498 308	370 664	493 406	394 683

The year-on-year decrease in the fair value of investments with variable returns was due to the sale of a share in EURO-CENTER Holding SE (TCZK -19 401). In July 2021, European Assistance Holding GmbH paid dividends to the Company in the amount of TCZK 7 281 CZK, which led to a decrease in the fair value of the share in this company (TCZK -7 651).

Currency Structure of the Investments

The Company's investments are kept in CZK except securities (see table below).

Securities (in TCZK, for the year ending 31 st December), thereof:	Shares and other variable-yield securities		Bonds and other fixed-income securities	
	2021	2020	2021	2020
CZK	0	19 401	218 528	227 812
EUR	75	7 726	0	0
Total	75	27 127	218 528	227 812

Equity Participations with Controlling Influence (Investment in Affiliated Undertakings and participating interests)

Business Name, head-office	Share in %	Purchase price	Total amount		P/L for the fin. year
			Share capital	Equity	
Etics ITP, s.r.o., Křížkova 237/36a, 186 00 Praha 8	100	2 000	2 000	2 786	394
Total at 31. 12. 2021		2 000	2 000	2 786	394
Etics ITP, s.r.o., Křížkova 237/36a, 186 00 Praha 8	100	2 000	2 000	2 734	360
Total at 31. 12. 2020		2 000	2 000	2 734	360

The company information is taken from unaudited financial statements. The Equity and Profit for the year were determined by the estimate of result for the years 2021 and 2020 for relevant accounting period.

Receivables

At 31. 12. 2021 (in TCZK)	Policy holders	Insurance intermed.	From re-ins. trans.	Other	Total
Due	4 948	17 401	2 396	12 597	37 342
Overdue	341	176	0	0	517
Total	5 289	17 577	2 396	12 597	37 859
Adjustments	333	169	0	0	502
Adjustments Net total	4 956	17 408	2 396	12 597	37 357
At 31. 12. 2020 (in TCZK)	Policy holders	Insurance intermed.	From re-ins. trans.	Other	Total
Due	6 967	21 488	0	11 024	39 479
Overdue	1 417	487	0	0	1 904
Total	8 384	21 975	0	11 024	41 383
Adjustments	806	300	0	0	1 106
Adjustments Net total	7 578	21 675	0	11 024	40 277

Other Receivables

In TCZK, for the year ending 31 st December	2021	2020
Inter-company Receivables	1 285	1 537
Inter-company Prepayments	2 486	2 625
Other Prepayments	220	306
Deferred Tax Receivables	7 683	3 461
Prepaid Taxes	-11	2 151
Other Receivables	934	944
Total	12 597	11 024

Long-term Receivables (due in more than 5 years)

At 31. 12. 2021 the Company has no long-term receivables (2020: CZK 0).

Other Assets

Long-term Tangible Assets

In TCZK, for the year ending 31 st December	2021	2020
Acquisition cost at the beginning of the acc. period	25 467	24 043
Accumul. depr. at the beginning of the acc. period	19 676	16 763
Net book value at the beginning of the acc. period	5 791	7 280
Additions	689	1 424
Depreciation of the current accounting period	2 656	2 913
Acquisition cost at the end of the acc. period	26 156	25 467
Accumul. depr. at the end of the aacc. period	22 332	19 676
Net book value at the end of the acc. period	3 824	5 791

Temporary Asset Accounts

Deferred Acquisition Costs

At 31. 12. 2021 the balance of deferred acquisition costs amounts to TCZK 25 205 (2020: TCZK 42 358). The balance of deferred acquisition costs copies the development trend of the provision for unearned premiums (see paragraph "Covid-19 epidemic").

Estimated Receivables and Prepaid Expenses

At 31. 12. 2021 the balance of estimated receivables amounts to TCZK 0 (2020: TCZK 393).

At 31. 12. 2021 the Company shows a balance of the prepaid expenses in the amount of TCZK 3 696 (2020: TCZK 3 292), thereof TCZK 1 167 (2020: TCZK 1 217) represents prepaid commissions relating to the future accounting periods.

Equity

Share Capital

The share capital consists of common registered shares in booked-entry form. The share capital consists of 303 shares with a booked value of TCZK 500, 41 shares with a booked value of TCZK 100, and 88 shares with a booked value of TCZK 50. All shares are in booked-entry form. At 31. 12. 2021 100 % of the registered capital was fully paid up, i.e. TCZK 160 000.

The level of the registered equity is in accordance with the requirements of the Law, taking into account the insurance classes in which the Company is licensed to do business.

Expected distribution of profit generated in the current period

Profit of the current year (in TCZK)	120 873
Allocation to the reserve fund (in TCZK)	-6 044
Transfer to retained earnings account (in TCZK)	-54 392
Dividends payment from the current year profit (in TCZK)	-60 437

The Annual General Meeting will decide on the method of profit distribution.

Valuation Differences Arising from Revaluation of Assets to Fair Value

In TCZK	2021	2020
Balance at 1. 1.	21 310	35 805
Change in fair value	-16 344	-13 952
Change from sales or permanent value decrease or maturity	-11 726	25
Diferred tax change	1 773	-568
Balance at 31. 12.	-4 987	21 310

Technical Provisions

Technical Provisions Movements

Provision types (in TCZK)	Unearned premium	Outstanding claims	Bonuses and Rebates	Total
Balance at 1. 1. 2020	123 158	58 181	945	182 284
Creation	127 665	48 237	474	176 376
Drawings	123 158	58 181	945	182 284
Balance at 31. 12. 2020	127 665	48 237	474	176 376
Balance at 1. 1. 2021	127 665	48 237	474	176 376
Creation	94 106	45 671	836	140 613
Drawings	127 665	34 070	474	162 209
Balance at 31. 12. 2021	94 106	59 838	836	154 780

The change of unearned premium provision between 2019 and 2020 is related to Lex Voucher, its decline in 2021 is associated with the use of most Lex Vouchers, as well as with a change in clients' shopping behavior consisting in a significant reduction in the time between trip / insurance purchases and departure abroad (see paragraph "Premium provision - vouchers" and "Covid-19 epidemic").

Claims Provision

The claims run-off result is given by the difference between the balance of the claims provision at 1. 1. 2021, less payments made (of claims included in the provision) and the balance of the provision at 31. 12. 2021.

In TCZK, for the year ending 31 st December	2021	2020
Gross claims run-off result	22 213	-9 093

Provision for Bonuses and Rebates

In 2021 the provision amounted to TCZK 836 (2020: TCZK 474).

Provisions

Provision type (in TCZK)	Balance at 1. 1. 2021	Creation	Drawings	Balance at 31. 12. 2021
Tax provision	0	25 305	0	25 305
Total	0	25 305	0	25 305

Tax provision creation is reduced by paid tax prepayments in the amount of TCZK 3 670 (2020: TCZK 3 701).

Liabilities

At 31. 12. 2021 (in TCZK)	Policyhold.	Insurance intermed.	From reins. trans.	Received deposits	Other	Total
Due	13 156	7 064	2 960	115 912	9 356	148 448
Overdue	0	0	0	0	0	0
Total	13 156	7 064	2 960	115 912	9 356	148 448
At 31. 12. 2020 (in TCZK)	Policyhold.	Insurance intermed.	From reins. trans.	Received deposits	Other	Total
Due	6 888	3 431	1 151	31 063	8 448	50 981
Overdue	0	0	0	0	0	0
Total	6 888	3 431	1 151	31 063	8 448	50 981

The value of other liabilities includes especially liabilities against suppliers for provided goods and services as well as liabilities to employees due to recorded wages and related social insurance, health insurance and personal income tax.

Payables in Respect of Social Security and Health Insurance

At 31. 12. 2021 social security and health insurance payables amounted to TCZK 2 131 (2020: TCZK 1 252), of which TCZK 1 391 represents social security payables (2020: TCZK 783) and TCZK 740 represents health insurance payables (2020: TCZK 469). None of these payables are overdue.

State -tax Liabilities and Grants

At 31. 12. 2021 the Company shows tax liabilities in the total amount of TCZK 1 356 (2020: TCZK 1 795). None of these payables are overdue.

Long-term Liabilities and Payables

(due in more than 5 years)

At 31. 12. 2021 the Company has no long-term liabilities (2020: CZK 0).

Payables on Reinsurance

The Company presents a net payable to reinsurers in the amount of TCZK 2 960 (2020: TCZK 1 151), of which the inter-company balance is TCZK 1 365 (2020: TCZK 1 138).

Temporary Liability Accounts

Passive Adjustments

At 31. 12. 2021 estimated payables amount to TCZK 60 871 (2020: TCZK 33 807), which includes the estimated costs of services used but not invoiced in the accounting period, employee bonus payments for achieving the budget for 2021, which will be paid out in the next accounting period, the estimated costs of non-proportional commissions related to the year 2021 and the estimate of quota share reinsurance.

Inter Company Receivables and Payables

Equity Participations with Controlling Influence

At 31 December 2021, the Company registered short-term receivables from controlled companies in the amount of TCZK 1 (2020: TCZK 0) and liabilities to controlled companies in the amount of CZK 0 (2020: CZK 0).

Short-term Inter-company Receivables and Payables Other Companies

Other (in TCZK, for the year ending 31 st December)	Receivables		Payables	
	2021	2020	2021	2020
Euro-Center Prague, Czech Republic	37	203	0	0
ERGO Reiseversicherung, Germany	0	0	232	0
ERGO Group, Germany	0	0	2 389	1 490
Munich RE, Germany	1 979	0	0	1 138
Euro-Center Holding, Czech Republic	2 486	2 775	0	7
JSC "ERV Travel Insurance", Russia	1 247	1 183	0	0
D.A.S. Prague	0	0	3	0
Total	5 749	4 161	2 624	2 635

Long-term Receivables and Payables (due in more than 5 years)

At 31. 12. 2021 the Company has neither long-term inter-company receivables nor long-term inter-company payables (2020: receivables of CZK 0, payables of CZK 0).

Items not Mentioned in Balance Sheet

The guarantees received by the Company from tour operators for insolvency insurance represent 0,7 billion CZK at of 31. 12. 2021 (2020: 1,2 billion CZK). The decrease in the value of received guarantees is caused by reduction in the portfolio of insured travel agencies in the event of bankruptcy.

The guarantees provided by the Company amounted to TEUR 72, i.e. TCZK 1 798 (2020: TEUR 72, i.e. TCZK 1 898).

The Company has no contingent liabilities.



ADDITIONAL INFORMATION TO PROFIT AND LOSS STATEMENT

Insurance Overview - Non-life Insurance

2021 (in TCZK)	Gross premium written	Gross premium earned	Gross claims costs	Gross operating expenses	Reinsurance result
Gross amount					
Property insurance	5 200	6 050	775	2 832	0
Liability insurance	4 339	4 672	-5 926	1 524	-1 119
Suretyship insurance	44 041	41 813	5 632	7 551	-33 877
Misc. finan. loses ins.	8 105	6 530	565	3 149	0
Travel insurance	624 524	660 688	217 832	318 216	-3 958
Total for 2021	686 209	719 753	218 878	333 272	-38 954
2020 (in TCZK)	Gross premium written	Gross premium earned	Gross claims costs	Gross operating expenses	Reinsurance result
Gross amount					
Property insurance	6 216	6 950	1 181	3 001	0
Liability insurance	4 961	5 929	9 071	1 333	-453
Suretyship insurance	56 189	56 622	2 192	6 214	-38 917
Misc. finan. loses ins.	2 006	1 720	1 081	1 382	0
Travel insurance	294 719	288 377	122 472	172 124	-4 419
Total for 2020	364 091	359 598	135 997	184 054	-43 789

Czech Republic is the country of origin of insurance risk in the vast majority of premiums written.

Bonuses and Rebates

In 2021 bonuses and rebates totalled TCZK 432 (2020: TCZK 669). Bonuses based on the amount of premium amounted to TCZK 61 (2020: TCZK 56) and no-claims bonuses amounted to TCZK 371 (2020: TCZK 613).

In accordance with a paragraph "Provision for Bonuses and Rebates", in the notes to the financial statements, the Company posted following changes in the provision for bonuses and rebates:

In TCZK, for the year ending 31 st December	2021	2020
Creation of the provision	836	474
Disposal of the provision	474	945
Change in the provision	362	-471

Commissions and Other Insurance Contract's Acquisition Costs

In TCZK, for the year ending 31 st December	2021	2020
Commissions	218 773	111 196
Other acquisition costs	67 992	52 005
Change in deferred acquisition costs	17 153	-4 131
Total	303 918	159 070

In „Commissions“, revenues and costs of commissions paid for annual travel renewals in the amount of TCZK 5 377 (2020: TCZK 5 483) are reported. The value of commissions shows year-on-year decline, which is caused by a decrease in the Company's turnover.

Overheads

In TCZK, for the year ending 31 st December	2021	2020
Personnel costs (payroll expenses, social security)	15 364	13 060
Rent	1 846	2 039
Office maintenance and equipment	1 732	1 445
Depreciation of tang. and intang. assets	2 467	2 443
Consultancy	1 311	1 067
Software services	1 244	1 612
SAP costs	2 551	234
Travel costs	196	223
Other administrative costs	2 643	2 860
Total administrative costs	29 354	24 983

Employees and Executives

The average number of employees and executives and payroll expenses for 2021 and 2020:

	Average number of employees	Total	Payroll expenses	Social security	Social expenses
Employees	49	44 246	31 671	10 592	1 983
Management	5	20 580	16 379	3 361	840
At 31. 12. 2021	54	64 826	48 050	13 953	2 823
Employees	48	41 427	30 094	9 928	1 405
Management	5	16 140	11 823	3 521	796
At 31. 12. 2020	53	57 567	41 917	13 449	2 201

Administration staff personnel costs are shown in overheads (see paragraph "Overheads"). Sales staff personnel costs are included in acquisition costs and amounted to TCZK 35 855 in 2021 (2020: TCZK 31 639). Personnel costs related to claims handling staff are included in claims costs and amounted to TCZK 11 965 in 2021 (2020: TCZK 10 735). Personnel costs related to investment management staff are included in financial placement expenses and amounted to TCZK 0 in 2021 (2020: TCZK 113). Personnel costs related to the other employees are shown in other non-technical expenses and amounted to TCZK 1 642 in 2021 (2020: TCZK 2 019).

In 2021 no remuneration was paid to members of the statutory bodies connected with their membership in these bodies.

As at 31. 12. 2021 the Company has no record of loans provided to members of statutory bodies.

Information on the Statutory Auditor Fees

The Company shows the statutory auditor fee in other expenses and in 2021 this auditor fee was agreed to TCZK 1 314 in a contract (2020: TCZK 1 362).

Transfers of Expenses Between the Technical Accounts and the Non-technical Account

In 2021 expenses were transferred from the non-technical account in the total amount of TCZK 115 743 (2020: TCZK 93 295), of which TCZK 18 397 (2020: TCZK 16 307) was transferred to claims costs, TCZK 67 992 (2020: TCZK 52 005) was transferred to acquisition costs and TCZK 29 354 (2020: TCZK 24 983) was transferred to administrative expenses.

Transfers of Investment Returns Between the Technical Account and the Non-technical Account

In 2021 investment returns were transferred from the non-technical account to the technical account in the amount of TCZK 1 061 (2020: TCZK 2 041).

Non-technical Account Result

In 2021 the non-technical account result was TCZK 15 803 (2020: TCZK -957). The year-on-year increase in the result of the non-technical account is caused by one-off gain from the sale of the share in EURO-CENTER Holding SE and the receipt of dividends from the share held in European Assistance Holding GmbH.

Result Before Tax

In 2021 the result before tax was TCZK 146 329 (2020: TCZK -2 912).

Taxation

Income Tax in Profit and Loss Statement

In TCZK, for the year ending 31 st December	2021	2020
Income tax provision	28 975	1 470
Change relating to tax due for previous period and release of budgetted provision	-571	-569
Change in the balance of a deferred tax rec./pay.	-2 948	-729
Total income tax	25 456	172

The reserve for corporate income tax was calculated on the basis of Act No. 586/1992 Coll. on income taxes. In 2020, for the first time, technical reserves calculated according to the Solvency II methodology were used to quantify the tax base and estimate the corporate income tax reserve.

Differed Tax

Reported deferred tax receivables and payables.

In TCZK, for the year ending 31 st December	Receivables		Payables		Difference	
	2021	2020	2021	2020	2021	2020
Tangible Fixed Assets	0	0	131	114	-131	-114
Intangible Fixed Assets	0	0	166	266	-166	-266
Receivables	95	207	0	0	95	207
Technical Provisions	3 062	1 422	0	0	3 062	1 422
Employees Bonuses	3 169	1 832	0	0	3 169	1 832
Total	6 326	3 461	297	380	6 029	3 081
Impact to Profit/Loss	2 865		83		2 948	
Investment assets (in balance sh.)	1 357	0	0	416	1 357	-416
Impact to Equity	1 357		416		1 773	
Total Deferred Tax. Rec. / Pay.	7 683	3 461	297	796	7 386	2 665

For deferred tax calculation, tax rate that will be valid in period when tax receivable or payable is applied, i.e. 19% (2020: 19 %) was used.

OTHER INFORMATION

Actual Concern

The Company has not concluded a controlling agreement with its single shareholder ERGO Reiseversicherung AG, Germany. A report on relations between related parties is a part of the Annual Report.

Events Subsequent to the Balance Sheet Date

The management of the Company is not aware of any other events that have occurred since the balance sheet date that would have a material impact on the Company's financial statements as at 31. 12. 2021.

In Prague, February 28th, 2022



Libor Dvořák
Chairman of the Management Board



Štěpán Landík
Member of the Management Board

(Translation of a report originally issued in Czech - see Notes to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ERV Evropská pojišťovna, a. s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ERV Evropská pojišťovna, a. s. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the profit and loss statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ERV Evropská pojišťovna, a. s. as at 31 December 2021, and of its financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic 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.

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. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Calculation of technical reserves, including estimates used and Liability Adequacy Test

The Company's technical reserves, disclosed in Notes "Technical provisions movements", "Claims Provision" and "Provision for Bonuses and Rebates" represent a significant part of the Company's total liabilities. Technical reserves are valued in accordance with accounting principles generally accepted in the Czech Republic. The company also calculates its provisions based on Solvency II for Corporate tax income purposes. Consistent with the insurance industry, the Company uses actuarial models to support the valuation of the insurance contract liabilities. Technical Reserves.

Economic and actuarial assumptions, such as investment return, costs, interest rates, mortality, morbidity, claims settlement expectations and patterns and customer behavior are key inputs used to estimate these long-term liabilities.

This area involves significant management estimate and judgement over uncertain future outcomes, including primarily the timing and ultimate full settlement of long-term policyholder liabilities, including consideration of impacts of Covid-19 pandemic, which requires significant audit effort. For this reason we assessed this area as a key audit matter.

We used actuarial specialists to assist us in performing our audit procedures. Our audit focused on the models considered more complex or requiring significant judgement in the setting of assumptions such as claims development.

We assessed the governance and process over the calculation of technical reserves. We tested the design of internal controls over the actuarial process including governance and approval process for setting of economic and actuarial assumptions.

We also assessed the process over the Company's actuarial analyses including estimated versus actual results and experience studies. For the assumption setting process, we assessed the experience analyses performed by the Company. Our assessments also included, as necessary, review of specified economic and actuarial assumptions considering management's rationale for the actuarial judgments applied along with comparison to applicable industry experiences.

We evaluated actuarial judgements used in the models, including consideration of impacts of Covid-19 pandemic, which may vary depending on the product and the specifications of the product, and also the compliance of the models with the accounting principles generally accepted in the Czech Republic and with Solvency II for Corporate tax income purposes. Furthermore, we performed audit procedures on sample basis to determine the models were calculating the technical reserves accurately and completely.

We verified the validity of management's liability adequacy testing which is a test performed to check that the technical reserves are adequate as compared to the expected future contractual obligations. Our work on the liability adequacy tests included review of the projected cash flows and of the assumptions adopted in the context of both the Company and industry experience and specific product features.

We also assessed the adequacy of the disclosures regarding technical reserves in Notes "Technical provisions movements", "Claims Provision" and "Provision for Bonuses and Rebates" and "Technical Provisions" to determine they were in accordance with accounting principles generally accepted in the Czech Republic.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Board of Directors and Supervisory Board

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is 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 above regulations 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 the above law or regulation, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 the Board of Directors and the Supervisory Board 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 the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors and the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 23 March 2021 and our uninterrupted engagement has lasted for 2 year.

Consistence with Additional Report to Audit Committee

We confirm that 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 2 March 2022 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the financial statements.


Statutory auditor responsible for the engagement

Lenka Bízová is the statutory auditor responsible for the audit of the financial statements of the Company as at 31.12.2021, based on which this independent auditor's report has been prepared.

Ernst & Young Audit, s.r.o.
License No. 401



Lenka Bízová, Auditor
License No. 2331



Tomáš Němec
Procurist

2 March 2022
Prague, Czech Republic

ERV Evropská pojišťovna, a. s.

Křižíkova 237/36a

186 00 Praha 8

Web: www.ERVpojistovna.cz

E-mail: klient@ERVpojistovna.cz

Klientská linka: 221 860 860