



Annual Report 2024





Founding member of the
Czech Insurance Companies Association



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



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



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

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The English wording is a translation from the original of the Czech Annual Report 2023.

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

ERGO Reiseversicherung AG (Germany) is the single and thus 100% owner of the Company at the balance sheet date.

Management Board

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

Confidential Clerk

Václav Urbanec, Praha
Veronika Nováková, Praha
Tomáš Hudeček, Praha

Supervisory Board

Jens Gruss, Germany - Chairman
Anja Berner, Germany - Member
Christine Voss, Germany - Member
Richard Bader, Germany - Member (until 11 December, 2024)
Sebastian Schmidtke, Germany - Member (since 11 December, 2024)

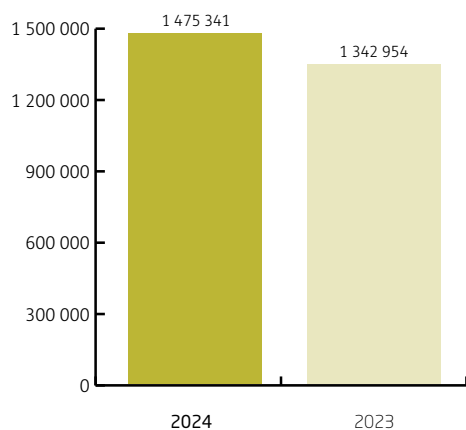


Key Figures

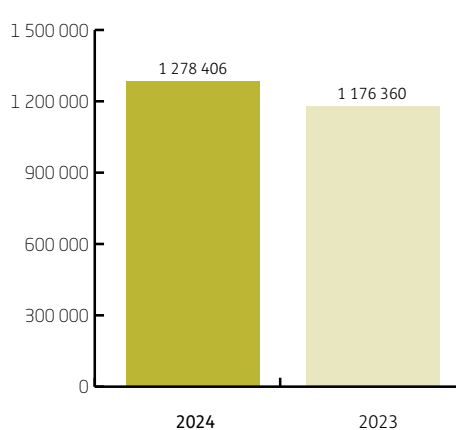
	(in TEUR) ¹⁾	2024 (in TCZK)	2023 (in TCZK)
Gross premium written	58 580	1 475 341	1 342 954
Technical result	7 620	191 922	217 125
Result for the year	6 607	166 406	184 061
Total assets	50 761	1 278 406	1 176 360
Shareholders' equity	30 396	765 527	706 249
Technical provisions - gross	12 568	316 536	246 932

¹⁾ 1 EUR = 25,185

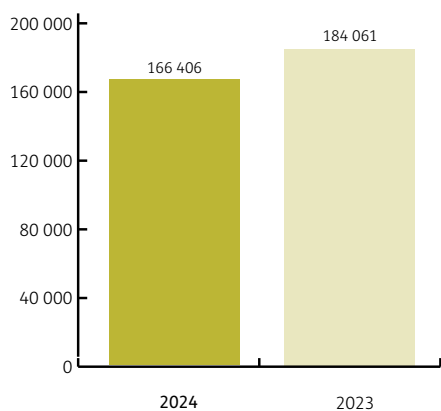
Gross Premium Written (TCZK)



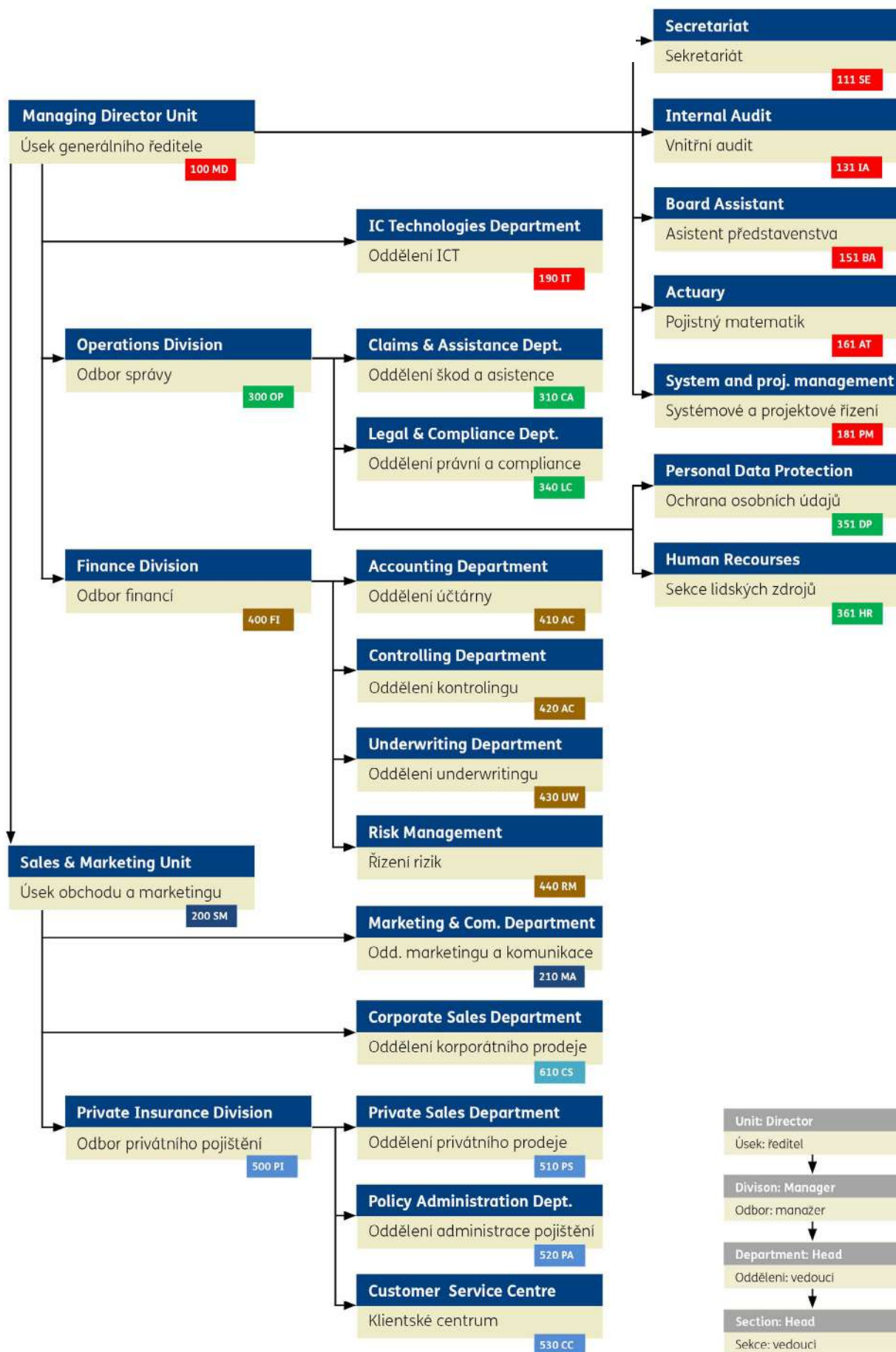
Total Assets (TCZK)



Result of the Year (TCZK)



Organizational Structure as at 31st December 2024



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 especially in Denmark, Sweden, Spain, United Kingdom, Italy, Poland and China.



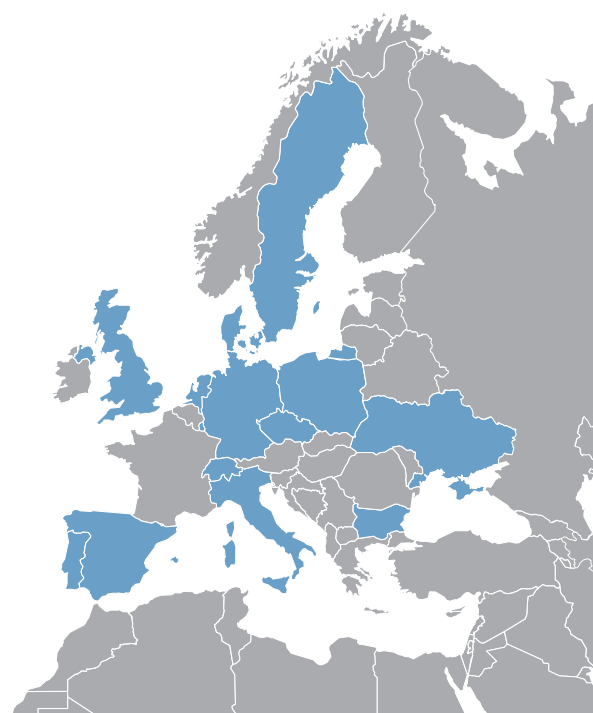
Via our shareholders we belong to the Group of Munich Re - the international reinsurance leader. In 1994 Evropská Cestovní Pojišťovna (today ERV Evropská pojišťovna) became a member of the International Association of European Travel Insurers (IAE) uniting specialised insurers bearing similar name from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

Bulgaria	Portugal
Czech Republic	Spain
Danmark	Sweden
Italy	Switzerland
Germany	Ukrain
Netherlands	United Kingdom
Poland	



Management Board Report on Company Activities in 2024

Last year, our insurance company succeeded in building on the successful development of the previous two years. Although we expected stagnation after a significant tourism and travel insurance market recovery, we achieved double-digit growth in written premiums. We believe that not only thanks to the growth in turnover, but also thanks to the innovations in our products and services, we have confirmed our leading position among travel insurers, which is not easy in a fierce competition. The economic results have once again placed us among the most successful members of our international group, which the entire team of our employees is rightly proud of.

We are incredibly pleased and committed, that we defended the first place in the Insurance Company of the Year poll run by the Association of Czech Insurance Brokers. With this, we have "rounded" the number of our victories in this survey to an incredible 15. We perceive this professional public award as a significant obligation strengthening our will not to compromise on the high quality of the services we provide to our customers and business partners.

According to the available information, it seems likely that after three years of growth, outbound tourism stagnated or even turned into a slight decline last year. This development was to be expected, however, when compared to the growth of GDP and the non-life insurance market, our expectations during the year were slightly more optimistic. The growth of premiums in the travel insurance segment can therefore be attributed mainly to a higher insurance penetration, i.e. the number of insured persons travelling abroad and the growth of prices.

Last year, as in the past, sales via tour operators, agencies, ticket sellers and carriers stood for the most significant part of our turnover. We are honoured to work closely with all key travel market players. Last year, we managed to provide large tour operators' clients with an option to download a fully digital travel insurance card. This card fully replaces the paper version informing a client on the basic parameters of the cover, also offers an opportunity to quickly communicate with the insurer and the assistance service and, finally, to adjust the scope of cover. For medium-sized and smaller travel agents, we presented a new ERVin application for policy take out.

Thanks to the particularly good economic results of most of our partners and the consistent work of my colleagues with international reinsurers, we managed to secure the necessary insurance capacities in the event of bankruptcy even in a situation of ever-increasing amounts in demand.

We were pleased with the result of direct sales to private clients, whose turnover, as well as the number of insureds, surpassed 2023 by almost 20 %. Last year, the trend of growth in the number of policies directly taken via the internet (and, newly, using our digital insurance card) continued. We also made a significant improvement to the MultiTrip annual insurance. We firmly believe that this product sets new standards on the market, not only in the scope of insurance protection and flexibility in its composition, but also in the simplicity of additional modifications made directly by the customer. We also went on innovating our claims reporting and settlement system, where our ambition is to make the claim reporting as easy as possible and to continue reducing the settlement time.

In corporate insurance sales, we were particularly successful in direct acquisitions. Their significant growth together with a stable portfolio obtained through cooperation with insurance brokers, resulted in more than 10% higher turnover. We also continued to cooperate with other insurers within the framework of co-insurance. In this segment, close cooperation with insurance brokers remains key for us, both in the acquisition of new corporate or institutional clients and in the care of existing ones.

In 2024, our insurance company reported gross written premiums of CZK 1,475 million, which means that we surpassed the record level achieved in the previous year by 10 %. Over 1.6 million clients purchased our travel insurance, which is another record in the company's history.

The number of reported claims increased by 15 %, mainly due to a higher frequency of claims associated with medical expenses and a further increase in trip cancellation. We again saw an increase in the average cost of medical treatments, which resulted in a 17 % increase in the total cost of claims. It is obvious that a timely analysis of the claims development, the quality of care and the network set-up of partner health-care facilities play a key role in the management of this area. No less important is the coordinated approach with our Euro-Center international assistance network focusing on managing the quality of treatment and costs in all major tourist destinations in the world.

Commission costs grew at a similar pace to the company's turnover, and therefore we managed to achieve a similar ratio as in the previous year. Our operating costs grew mainly because of an increase in personnel costs, both due to the salaries adjustment related to high inflation in 2023, and the need to expand our team. However, the growth rate of

operating costs was significantly lower than the achieved increase in income, and so the operating cost ratio fell again and reached the second lowest level in the entire history of our company.

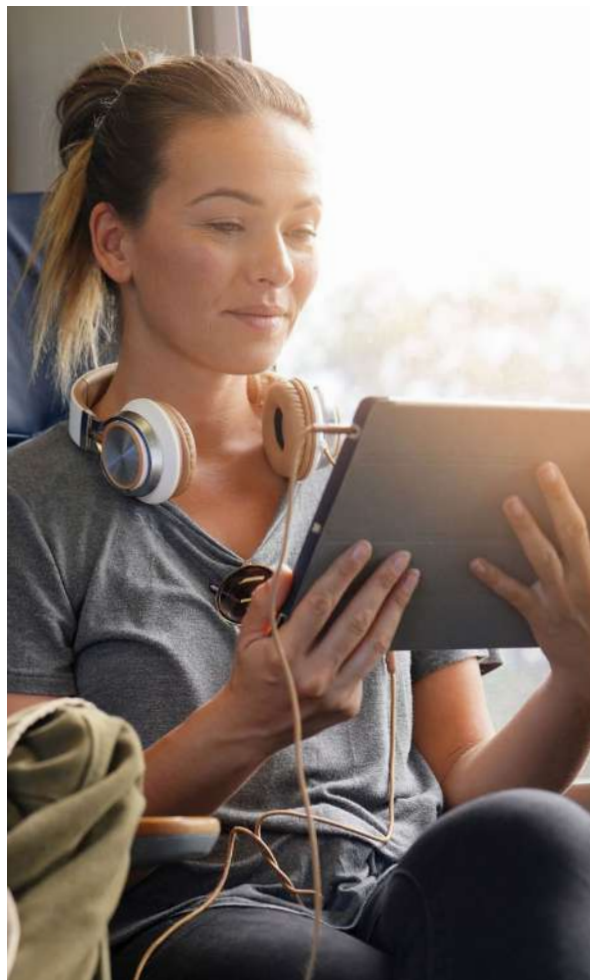
Thanks to excellent business results and effective cost management, our company achieved a very good economic result in 2024. This would not have been possible without the significant contribution of the entire team of more than 60 employees, whom the Board would like to thank once again for their commitment. Our thanks for the support and cooperation also go to the shareholders and the entire international ERGO Travel, ERGO and Munich Re groups. We greatly appreciate their support and trust in our company.

Here we would also like to thank our clients and business partners. We will go on convincing them that we are significantly different from competitors and that our path of specialisation and maximum client care is precisely the greatest benefit for them. Our devise still applies: "You travel. We care."

Prague, February 2025



Libor Dvořák
Chairman of the Management Board



Supervisory Board Report on Activities in 2024

The Supervisory Board of the ERV Evropská pojišťovna, a. s., held four meetings during the year 2024 carrying out its duties in accordance with the Company's Articles of Association.

In the year under review, there was a change in the composition of the Supervisory Board. At the beginning of December, Mr. Richard Gustav Johann Bader re-signed as members of the Supervisory Board. At the Supervisory Board's meeting in December, the Supervisory Board, in accordance with the Company's Articles of Association, appointed Mr. Sebastian Schmidtke as the Supervisory Board member until the next General Meeting of Shareholders. Throughout all the year Mr. Jens Gruss (Chairman), Ms. Anja Berner and Ms. Christine Voß were members of the Board. All members had access to all Company documents at any time upon request.

Co-operation with the Management Board was at a good level and all documents were presented to us upon request. During the year, the Management Board informed us, both in writing and orally, about the business development and the financial position of the Company.

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 2024. After due consideration of these documents, we agree to the proposal on the balance sheet profit distribution and have nothing to add to the Annual Report.

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

The final result of our examination does not constitute a reason to raise any objections, and we recommend the General Meeting of Shareholders to approve all documents presented by the Company's Management Board.

During 2024, the Supervisory Board carried out all functions of the audit committee in accordance with the Act No. 93/2009 Coll. on auditors.

Munich, March 2025

Jens Gruss
Chairman of the Supervisory Board



Report on Relations between Related Parties in 2024

ERV Evropská pojišťovna, a. s. (hereinafter ‘the Company’) is a 100% subsidiary of the German insurance company ERGO Reiseversicherung AG, Munich, Germany.

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. 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 employee-related service sharing agreement.

Relations to other related parties

Euro-Center Holding SE, Czech Republic, is a company coordinating assistance services within the concern of ERGO Reiseversicherung AG. The Company has concluded a cooperation agreement on the provision of assistance services to clients 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.

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 has with the Company a cooperation agreement in the sale of products of corporate travel insurance 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 2023 2024 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 2024 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, February 2025



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 2024 in the amount of TCZK 166 406 as follows:

- allocate TCZK 8 320 to the statutory reserve fund in accordance with the Articles of Association,
- use TCZK 108 500 to pay out dividends to the shareholders in accordance with their share in the Company's equity capital,
- transfer the remaining TCZK 49 586 to retained earnings.

Prague, February 2025



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.

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.

Balance Sheet (as at 31st December 2024 in TCZK)

Assets	Gross	Correction	2024	2023
			Net	Net
Intangible fixed assets	94 330	60 445	33 885	17 536
Investment	911 609	0	911 609	859 638
Investments in aff. undertakings and particip. inter., thereof	3 368	0	3 368	2 764
Participations in controlled entities	3 368	0	3 368	2 764
Other investment, thereof:	908 241	0	908 241	856 874
Shares and other variable-yield securities, other particip. inter.		0		0
Bonds (debt securities) recognized in fair value (AFS)	807 226	0	807 226	755 369
Deposits with financial institutions	101 015	0	101 015	101 505
Debtors	89 692	487	89 205	32 363
Receivables arising from direct insurance, thereof:	53 858	487	53 371	13 086
Policyholders	7 160	83	7 077	1 476
Intermediaries	46 698	404	46 294	11 610
Other receivables	35 834	0	35 834	19 277
Other assets	194 208	18 054	176 154	227 136
Tangible fixed assets other than are noted in section "C I. Land and buildings", and inventories	48 675	18 054	30 621	19 218
Cash on accounts in financial institutions and cash in hand	145 533		145 533	207 918
Temporary assets accounts	67 553		67 553	39 687
Deferred insurance acquisition costs, thereof:	63 045		63 045	35 327
In non-life insurance	63 045		63 045	35 327
Other temporary assets accounts	4 508		4 508	4 360
Total assets	1 357 392	78 986	1 278 406	1 176 360



Equity and Liabilities	2024	2023
Capital and reserves	765 527	706 249
Share capital, thereof:	160 000	160 000
Other capital funds	4 495	1 623
Statutory reserve fund and other funds from profit	62 098	52 896
Profit or loss brought forward	372 528	307 669
Profit or loss for the financial year	166 406	184 061
Technical provisions	286 044	216 986
Provision for unearned premium	184 338	124 991
Gross amount	213 038	153 257
Reinsurance value (-)	28 700	28 266
Provision for outstanding claims	101 321	91 755
Gross amount	103 113	93 435
Reinsurance value (-)	1 792	1 680
Provision for bonuses and rebates	385	240
Gross amount	385	240
Provisions	0	12 187
Tax provision	0	12 187
Creditors	155 330	131 013
Payables arising from direct insurance	17 578	10 959
Payables arising from reinsurance	24 502	5 325
Other payables, thereof:	113 250	114 729
Tax liabilities and payables due to social security and health insurance institutions	5 293	4 868
Temporary liability accounts	71 505	109 925
Accrued expenses and deferred revenues	2 532	2 326
Other temporary liabilities accounts, thereof:	68 973	107 599
Total liabilities	1 278 406	1 176 360



Profit & Loss Account (as at 31st December 2024 in TCZK)

Technical account non-life	2024	2023
Earned premium, net of reinsurance	1 299 203	1 208 340
Gross premium written	1 475 341	1 342 954
Ceded premium (-)	116 792	91 201
Change in unearned premium, gross (+/-)	59 780	54 596
Change in unearned premium, ceded (-)	434	11 183
Allocated investment return transferred from the non-technical account	15 512	16 639
Other technical revenues, net of reinsurance	1 973	2 829
Net claims incurred	504 933	420 053
Claims paid	495 364	403 320
Gross amount	504 643	426 519
Reinsurance value (-)	9 279	23 199
Change in outstanding claims provisions (+/-)	9 569	16 733
Gross amount	9 681	16 526
Reinsurance value (-)	112	-207
Change in other technical provisions, net of reinsurance (+/-)	145	-657
Bonuses and rebates, net of reinsurance	2 934	2 397
Expenses for underwriting business, net	616 654	587 288
Acquisition costs in insurance policies	613 224	564 786
Change in deferred acquisition costs (+/-)	-27 721	-8 256
Administrative expenses	56 291	52 446
Reinsurance commissions and profit participation (-)	25 140	21 688
Other technical expenses, net of reinsurance	100	1 602
Non-life technical result (item I. 10)	191 922	217 125

Non-technical account	2024	2023
Investment income	43 951	41 844
Affiliated undertakings and participating interests income	303	616
Other investment income	43 648	41 228
Other investment income from controlled entities	43 648	41 228
Income from disposal of investments	0	62
Investment expenses	0	62
Transfer of investment return to the technical account	15 512	16 639
Other income	1 648	4 183
Other expenses	10 332	15 044
Income tax on ordinary activities	45 079	47 074
Profit or loss for ordinary activities after taxation	166 598	184 333
Other taxes not shown under preceding items	192	272
Profit or loss for the financial year	166 406	184 061

Statement on Changes in Equity (as at 31st December 2024 in TCZK)

	Share capital	Reserve funds	Other capital funds	Profit/loss brought forward	Profit/loss for the fin. year	Total
Balance at 1. 1. 2024	160 000	52 896	1 623	307 669	184 061	706 249
FX gains (losses) and changes in valuation not included in the P/L statement			2 872			2 872
Net profit/loss for accounting period					166 406	166 406
Transfer to funds		9 202		64 859	-74 061	0
Payment of dividends					-110 000	-110 000
Balance at 31. 12. 2024	160 000	62 098	4 495	372 528	166 406	765 527
Balance at 1. 1. 2023	160 000	42 348	-2 718	107 273	210 944	517 847
FX gains (losses) and changes in valuation not included in the P/L statement			4 341			4 341
Net profit/loss for accounting period					184 061	184 061
Transfer to funds		10 548		200 396	-210 944	0
Balance at 31. 12. 2023	160 000	52 896	1 623	307 669	184 061	706 249



Notes to the Financial Statements

(Year ending 31st December 2024 in TCZK)

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 (ID 492 40 196). Company name was changed on 1. 7. 2014 last time.

The Company's Shareholders

ERGO Reiseversicherung AG (Germany) is the single and thus 100% owner of the Company at the balance sheet date.

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 (hereinafter CNB) 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 as at 31st December 2024

Management Board

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

Confidential Clerk

Václav Urbanec, Praha
Veronika Nováková, Praha
Tomáš Hudeček, Praha

Supervisory Board

Jens Gruss, Germany - Chairman
Anja Berner, Germany - Member
Christine Voss, Germany - Member
Richard Bader, Germany - Member (until 11 December, 2024)
Sebastian Schmidtke, Germany - Member (since 11 December, 2024)

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.

These notes to the financial statements and the financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

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 i.L. GmbH.

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 thousands of CZK (“TCZK”) as at 31 December (i.e. balance sheet date), 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 of the amount assessed for payment based on the claims settlement process, external and internal claims handling costs and a deduction for recourses 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.

Transfers 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.

Transfers 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.

Claim 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 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 necessity of adjustments is identified. The procedures and methods used in making estimates are reviewed regularly.

Provisions 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.

Investments

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.

Debts Securities held to maturity

Bonds held to 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 expect 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.

The company is a member of the large multinational group and has become a taxpayer of the supplementary top-up Tax. The top-up tax is calculated based on the effective tax rate for all entities within the given jurisdiction. The effective tax rate is determined as the ratio of the total of current and deferred taxes to the total of qualified profits. This effective tax rate is then compared with the minimum required effective tax rate of 15%. If the effective tax rate is lower than 15%, a top-up tax is calculated. The calculated top-up tax is then distributed among those entities whose effective tax rate does not reach the minimum of 15%, based on the ratio of their profits, so that the total effective tax rate reaches at least 15%.

Income Tax Provision

An income tax provision is created in the amount of the estimated corporate income tax liability at the balance sheet date. Its value is offset against the amount of advances paid for expected tax liability as of the date of preparation of the financial statements, and only its balance is reported on the liabilities side as a Provision for income tax or as part of Other receivables in the company's assets. This balance is released 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 of Münchener Rückversicherung-Gesellschaft, Königinstrasse 107, München, Germany, where the consolidated financial statements are stored. The accounting data of the subsidiary Etics ITP, s.r.o. are also included in the consoli-

dated financial statements of Münchener Rückversicherung-Gesellschaft; the company is therefore not required to prepare consolidated financial statements for itself and its affiliated undertakings.

Changes in Accounting Principles and Procedures

In 2024 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 non-proportional 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 for receivables from Policyholders".

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

The company did not identify any other notable facts (other than those publicly known) that could affect the company's financial position.

Additional Information to the Statement of Financial Position

Long term Intangible Assets

At 31. 12. 2024 intangible assets of the Company comprised software with a net book value of TCZK 25 900 (2023: TCZK 13 508). The software acquisition account balance amounted to TCZK 7 985 (2023: TCZK 4 028) and other intangible assets with a net book value of CZK 0 (2023: CZK 0).

Investments

Purchase Price and Fair Value of the Investments

In TCZK, for the year ending 31 st December	Purchase price		Fair value	
	2024	2023	2024	2023
Equity participations	2 000	2 000	3 368	2 764
Stocks and bonds with variable interest - available for sale				
stocks issued by nonfin. institutions – unlisted	77	77	0	0
with fixed interest - available for sale				
issued in CR - listed in CR	770 479	729 063	807 226	755 369
Stocks and bonds total	770 556	729 140	807 226	755 369
Short-term bank deposits	101 015	101 505	101 015	101 505
Investment total	873 571	832 645	911 609	859 638

Currency Structure of the Investments

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

Securities (in TCZK, for the year ending 31 st December) thereof:	Shares, bonds and other variable-interest securities		Bonds and other fixed-income securities	
	2024	2023	2024	2023
CZK	0	0	807 226	755 369
EUR	0	0	0	0
Securities total	0	0	807 226	755 369

Equity Participations in Controlled Entities (Investment in affiliated undertakings and partici- pating 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., Křižíkova 237/36a, 186 00 Praha 8	100%	2 000	2 000	3 368	907
Total at 31. 12. 2024		2 000	2 000	3 368	907
Etics ITP, s.r.o., Křižíkova 237/36a, 186 00 Praha 8	100%	2 000	2 000	2 764	319
Total at 31. 12. 2023		2 000	2 000	2 764	319

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 2024 and 2023 for relevant accounting period. There were not identified any material difference between estimates and final results.

Receivables

At 31. 12. 2024 (in TCZK)	Policy holders	Insurance intermed.	Reins. re- ceivables	Others	Total
Due	6 969	44 294	0	35 834	87 097
Overdue	191	2 404	0	0	2 595
Total	7 160	46 698	0	35 834	89 692
Adjustments	83	404	0	0	487
Adjustments Net total	7 077	46 294	0	35 834	89 205
At 31. 12. 2023 (in TCZK)	Policy holders	Insurance intermed.	Reins. re- ceivables	Others	Total
Due	1 328	11 317	0	19 277	31 922
Overdue	230	597	0	0	827
Total	1 558	11 914	0	19 277	32 749
Adjustments	82	304	0	0	386
Adjustments Net total	1 476	11 610	0	19 277	32 363

The increase in the item receivables - policyholders, receivables - intermediaries is resulting from the higher sale of tours and related travel insurance by travel agencies, known as "the first moment" type.

Other Receivables

At the balance sheet date, the following receivables were registered:

In TCZK, for the year ending 31 st December	2024	2023
Intercompany advances and payments	22 666	2 473
Other advances	1 233	7 474
Deferred tax receivables	5 793	8 317
Prepaid taxes	5 571	0
Other receivables	571	1 013
Total	35 834	19 277

The item "prepaid taxes" consists of paid advances and has been reduced by the expected tax liability.

Intercompany advances and prepayments consist of an increased advance for the company EURO-CENTER HOLDING, Czech Republic, in the amount of EUR 900 thousand (TCZK 22 667), which covers clients' claims in connection with resolved insurance claims so as to avoid a lack of liquid funds of the assistance company.

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

At 31. 12. 2024 the Company has no long-term receivables (2023: CZK 0).

Other Assets

Long-term Tangible Assets

In TCZK, for the year ending 31 st December	2024	2023
Acquisition cost at the beginning of the acc. period	39 527	25 312
Accumul. depr. at the beginning of the acc. period	20 309	22 785
Net book value at the beginning of the acc. period	19 218	2 527
Additions	17 638	19 070
Disposals	-8 490	-4 855
Accumulated depr. at disposals	-8 490	-4 645
Depreciation of the current accounting period	6 235	2 169
Acquisition cost at the end of the acc. period	48 675	39 527
Accumul. depr. at the end of the acc. period	18 054	20 309
Net book value at the end of the acc. period	30 621	19 218

The item "Additions" in 2024 consisted mainly of the renewal of the furniture, revitalisation and expansion of the company's operating premises, totalled to TCZK 13 290 and the purchase of new hardware totalled to TCZK 4 222. In the account of the acquisition of long-term tangible assets, yet inactivated, were recorded in the amount of TCZK 126 in connection with the reconstruction and expansion of the company's operating premises.

Temporary Asset Accounts

Deferred Acquisitions Costs

At 31. 12. 2024 the balance of deferred acquisition costs amounts to TCZK 63 045 (2023: TCZK 35 327). The balance of deferred acquisition costs copies the development trend of the provision for unearned premiums .

Estimated Receivables and Prepaid Expenses

At 31. 12. 2024 the balance of estimated receivables amounts to CZK 0 (2022: CZK 0).

At 31. 12. 2024 the Company shows a balance of the prepaid expenses in the amount of TCZK 4 508 (2023: TCZK 4 360).

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. 2024 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

The Annual General Meeting will decide on the method of distribution of the ordinary profit amounted to TCZK 166 406 (2023: TCZK 184 061); the management board will propose to allocate TCZK 8 320 to the reserve funds and amount of TCZK 49 586 to keep in the retained earnings. Outstanding amount will be paid in accordance with the proposal to the shareholder.

Valuation Differences Arising from Revaluation of Assets to Fair Value

In TCZK	2024	2023
Balance at 1. 1.	1 623	-2 718
Change in fair value	3 502	5 432
Deferred tax change	-630	-1 091
Balance at 31. 12.	4 495	1 623

Technical Provisions

Technical Provisions Movements

Provision types (in TCZK)	Unearned premium	Outstanding claims	Bonuses and Rebates	Total
Balance at 1. 1. 2024	153 257	93 435	240	246 932
Creation	213 038	103 113	385	316 536
Release	153 257	93 435	240	246 932
Balance at 31. 12. 2024	213 038	103 113	385	316 536
Balance at 1. 1. 2023	98 652	76 907	897	176 456
Creation	153 257	93 435	240	246 932
Release	98 652	76 907	897	176 456
Balance at 31. 12. 2023	153 257	93 435	240	246 932

In addition to the above-mentioned technical provisions, the company books for the reinsurers' share of these provisions in accordance with the concluded reinsurance contracts.

Claims Provision

The claims run-off result is given by the difference between the balance of the claims provision at 1. 1. 2024, less payments made (of claims included in the provision) and the balance of the provision at 31. 12. 2024.

In TCZK, for the year ending 31 st December	2024	2023
Gross claims run-off result	28 217	9 348

Provision for Bonuses and Rebates

In 2024 the provision amounted to TCZK 385 (2023: TCZK 240).

Provisions

Provision type (in TCZK)	Balance at 1. 1. 2024	Creation	Release	Balance at 31. 12. 2024
Tax provision	12 187	43 703	55 890	0
Total	12 187	43 703	55 890	0
Provision type (in TCZK)	Balance at 1. 1. 2023	Creation	Release	Balance at 31. 12. 2023
Tax provision	34 900	12 187	34 900	12 187
Total	34 900	12 187	34 900	12 187

The creation of a tax provision of TCZK 43 703 (expected tax liability for 2024) was offset against tax advances paid as of the balance sheet date.

The balance from 2023 of TCZK 12 187 was settled as part of the tax return for fiscal year 2023.

Liabilities

At 31. 12. 2024 (in TCZK)	Policy holders	Insurance intermed.	From reinsur. transactions	Received deposits	Other	Total
Due	12 166	5 412	24 502	94 669	18 581	155 330
Overdue	0	0	0	0	0	0
Total	12 166	5 412	24 502	94 669	18 581	155 330
At 31. 12. 2023 (in TCZK)	Policy holders	Insurance intermed.	From reinsur. transactions	Received deposits	Other	Total
Due	6 804	4 155	5 325	98 768	15 961	131 013
Overdue	0	0	0	0	0	0
Total	6 804	4 155	5 325	98 768	15 961	131 013

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.

Social Security and Health Insurance Payables

At 31. 12. 2024 social security and health insurance payables amounted to TCZK 3 025 (2023: TCZK 2 765), of which TCZK 1 949 represents social security payables (2023: TCZK 1 758) and TCZK 1 076 represents health insurance payables (2023: TCZK 1 007). None of these payables are overdue.

State - Tax Liabilities and Grants

At 31. 12. 2024 the Company shows tax liabilities in the total amount of TCZK 3 4683 (2023: TCZK 3 907). None of these payables are overdue.

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

At 31. 12. 2024 the Company has no long-term liabilities (2023: CZK 0).

Payables on Reinsurance

The Company presents a net payable to reinsurers in the amount of TCZK 24 502 (2023: TCZK 5 325), of which the inter-company balance is TCZK 1 621 (2023: TCZK 1 586).

Temporary Liabilities Accounts

Estimated Payables

At 31. 12. 2024 estimated payables amount to TCZK 68 973 (2023: TCZK 107 599), which includes the estimated costs of services used but not invoiced in the accounting period, employee bonus payments for achieving the budget for 2024, which will be paid out in the next accounting period, the estimated costs of non-proportional commissions related to the year 2024.

Intercompany Receivables and Payables

Equity Participations in Controlled Entities

At 31 December 2024, the Company registered short-term receivables from controlled companies in the amount of CZK 0 (2023: CZK 0) and liabilities to controlled companies in the amount of CZK 0 (2023: CZK 0).

Other (in TCZK for the year ending 31 st December)	Receivables		Payables	
	2024	2023	2024	2023
ERGO Group, Germany	0	0	0	22
ERGO Versicherung, Germany	0	0	1 621	1 586
Munich RE, Germany	20	63	0	0
EURO-CENTER HOLDING, Czech Republic	22 667	2 472	0	0
Total	22 687	2 535	1 621	1 608

The receivable due from EURO-CENTER HOLDING, Czech Republic, in the amount of EUR 900 thousand (TCZK 22,667) is an advance payment that covers clients' claims in connection with resolved insurance claims, so that the assistance does not lack the necessary liquid funds.

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

At 31. 12. 2024 the Company has neither long-term inter-company receivables nor long-term inter-company payables (2023: 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 1,3 billion CZK at of 31. 12. 2024 (2023: 1,6 billion CZK). The change in the value of received guarantees is caused by expected increasing of client's foreign trips from the portfolio of insured travel agencies in the event of insolvency and by the change in the guarantee's portfolio.

The guarantees provided by the Company amounted to TEUR 152, i.e. TCZK 3 828 (2023: TEUR 152, i.e. TCZK 3 768).

The Company has no contingent liabilities.



Additional Information to Profit and Loss Accounts

Insurance Overview - Non-life Insurance

2024 (in TCZK)	Gross premium written	Gross premium earned	Gross claims costs	Gross operating expenses	Reinsurance result
Gross amount					
Property insurance	4 837	5 446	605	2 201	0
Liability insurance	9 096	9 272	4 116	982	-1 360
Suretyship insurance	82 767	83 539	0	9 051	-69 434
Misc. finan. loses insurance	17 535	16 048	3 520	7 824	0
Travel insurance	1 361 106	1 301 256	506 083	621 736	-11 033
Total for 2024	1 475 341	1 415 561	514 324	641 794	-81 827
2023 (in TCZK)	Gross premium written	Gross premium earned	Gross claims costs	Gross operating expenses	Reinsurance result
Gross amount					
Property insurance	5 833	5 515	814	2 022	0
Liability insurance	8 506	8 404	2 063	922	-1 393
Suretyship insurance	75 230	65 153	0	8 198	-27 267
Misc. finan. loses insurance	11 318	11 178	2 801	6 165	0
Travel insurance	1 242 067	1 197 276	437 367	591 669	-6 678
Total for 2023	1 342 954	1 287 526	443 045	608 976	-35 338

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

Bonuses and Rebates

In 2023 bonuses and rebates totalled TCZK 2 934 (2023: TCZK 2 397). Bonuses based on the amount of premium amounted to TCZK 2 305 (2023: TCZK 701) and no-claims bonuses amounted to TCZK 629 (2023: TCZK 1 696).

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	2024	2023
Creation of the provision	385	240
Release of the provision	240	897
Change of the provision	145	-657

Commissions and Other Insurance Contract's Acquisitions Costs

In TCZK for the year ending 31 st December	2024	2023
Commissions	511 661	466 863
Other acquisition costs	101 563	97 923
Change in deferred acquisition costs	-27 721	-8 256
Total	585 503	556 530

There is a commission paid for annual travel renewals amounting to TCZK 9 579 (2023: 9 314) reported as a part of the account „Commissions“ above.

Overheads

In TCZK for the year ending 31 st December	2024	2023
Personnel costs (payroll expenses, social security)	20 415	20 056
Rent	3 282	2 785
Office maintenance and equipment	5 991	7 435
Depreciation of tang. and intang. assets	5 541	3 174
Consultancy	4 033	1 941
Software services	812	3 094
SAP costs	2 192	1 648
Travel costs	289	400
Other administrative costs	4 157	2 599
Overheads total	46 712	43 132

Employees and Executives

The average number of employees and executives and payroll expenses for 2023 and 2024:

	Number	Total	Payroll exp.	Soc. sec.	Soc. exp.
Employees	60	62 115	46 253	14 789	1 073
Management	5	23 919	19 454	4 376	89
Total at 31. 12. 2024	65	86 034	65 707	19 165	1 162
Employees	55	60 490	44 112	15 383	995
Management	5	21 428	17 359	3 978	91
Total at 31. 12. 2023	60	81 918	61 471	19 361	1 086

Administration staff personnel costs are shown in overheads (see paragraph “Overheads”). Sales staff personnel costs are included in acquisition costs and amounted to TCZK 46 845 in 2024 (2023: TCZK 43 950). Personnel costs related to claims handling staff are included in claims costs and amounted to TCZK 16 636 in 2024 (2023: TCZK 16 945). Personnel costs related to the other employees are shown in other non-technical expenses and amounted to TCZK 2 660 in 2024 (2023: TCZK 2 691).

No remuneration was paid to the members of the statutory bodies in 2023 or 2024 in connection with their membership of these bodies, other than those shown in the table above.

As at 31. 12. 2024 the Company has no record of loans provided to members of statutory bodies (2023: CZK 0).

Information on the Statutory Auditor Fees

The Company shows the statutory auditor fee in other expenses and in 2024 this auditor fee was agreed to TCZK 1 572 in a contract (2023: TCZK 1 450).

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

In 2024, there were transferred expenses from the non-technical account in the total amount of TCZK 188 410 (2023: TCZK 169 499), of which TCZK 30 941 (2023: TCZK 28 444) was transferred to claims costs, TCZK 101 563 (2023: TCZK 97 923) was transferred to acquisition costs and TCZK 55 906 (2023: TCZK 43 132) was transferred to administrative expenses.

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

In 2024 investment returns were transferred from the non-technical account to the technical account in the amount of TCZK 15 512 (2023: TCZK 16 639).

Non-technical Account Result

In 2024 the non-technical account result was TCZK 19 563 (2023: TCZK 14 010).

Result before Tax

In 2024 the result before tax was TCZK 211 485 (2023: TCZK 231 135).

Taxation

Income Tax in Profit and Loss Statement

In TCZK for the year ending 31 st December	2024	2023
Income tax provision	43 703	51 090
Change relating to tax due for previous period and release of prior tax provision	-1 472	-858
Change in the deferred taxes	2 848	-3 158
Total income tax	45 079	47 074

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

The company has become a potential payer of the supplementary tax in accordance with the Act on Global minimum taxes for large multinational groups. Based on the preliminary calculation as of 31. 12. 2024, the company would not have a tax liability due to the supplementary tax, as the effective tax rate is higher than the specified minimum. For 2024, the obligation to pay the supplementary tax was not required by the Czech state.

Deferred Tax

Reported deferred tax receivables and payables.

In TCZK for the year ending 31 st December	Receivables		Payables		Difference	
	2024	2023	2024	2023	2024	2023
Tangible fixed assets	0	0	188	274	-188	-274
Intangible fixed assets	0	0	707	297	-707	-297
Receivables	101	80	0	0	101	80
Technical provisions	1 830	3 813	0	0	1 830	3 813
Employees bonuses	3 863	4 425	0	0	3 863	4 425
Total	5 794	8 318	895	571	4 899	7 747
Impact to Profit/Loss	-2 524	3 405	324	-247	-2 848	3 158
Investment assets (in balance sheet)	0	0	832	202	-832	-202
Impact to equity	0	-889	-630	-202	-630	-687
Total deferred tax. receivables/payables	5 794	8 318	1 727	773	4 067	7 545

For deferred tax calculation, tax rate that will be valid in period when tax receivable or payable is applied, i.e. 21% (2023: 21 %) 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 at the year-end closing date.

In Prague, 18th March 2025



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 2024, and the income statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a material accounting policy 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 2024, 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 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 and any changes in estimates compared to previous year.

We evaluated actuarial judgements used in the models 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 16 April 2024 and our uninterrupted engagement has lasted for 5 years.

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 18 March 2025 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 December 2024, based on which this independent auditor's report has been prepared.

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

A handwritten signature in blue ink, appearing to read 'Lenka Bízová', is written over the printed name.

Lenka Bízová, Auditor
License No. 2331

A handwritten signature in blue ink, appearing to read 'Tomáš Němec', is written over the printed name.

Tomáš Němec
Procurist

18 March 2025
Prague, Czech Republic



We are an insurance company, but just for travellers.

We do things differently, since travelling has been our life for more than 110 years. Each year, we personally verify the standard of medical care abroad. We have built our own network of assistance centres on every continent. Claims are settled fairly and within 7 working days. Over million clients a year make us No. 1 on the Czech market. You travel. We care.



Own specialized assistance service

Limit is important, price is important, but neither will save your life. We have a unique global network of assistance centres that gives us detailed knowledge of the situation in the areas you travel to. That is why we are ready to arrange care at vetted medical facility for you at any times.



Awards

We have won the Association of Czech Insurance Brokers' Insurance Company of the Year award fifteen times. Also, we have been voted by travel industry experts as the insurer with the best travel insurance in the TTG Travel Awards sixteen times in a row.



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