



**ANNUAL  
REPORT**

**2024**

**Generali CEE Holding B.V.**

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**Generali CEE Holding B.V.,  
organisational unit**

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# Letter from the Chairman and CEO

## Dear Ladies and Gentlemen,

As the “Lifetime Partner 24: Driving Growth” business cycle ended, we are proud to share that the CEE region overdelivered on the majority of the KPIs contributing to the overall success of the Generali Group in a tough geopolitical and macro-economic environment.

Thanks to our steady growth over the last three years, mainly driven by the P&C business, we registered positive financial results with a € 1.4 bn cumulative profit over the 2022-2024 period. Consequently, the CEE region increased the net cash remittance towards our Group and consolidated its position as fourth major contributor after Italy, France and Germany. Finally, we remain the engine of growth for Generali, the most profitable insurance Group within the CEE region and among the top 3 in terms of market share with 15 million of clients.

We want to emphasize, once again, the crucial role of our operative holding in accelerating the business and supporting the local companies in achieving their targets.

## Transformed business & external challenges

In addition to the positive financial track records, we continued our transformative journey, nevertheless the unfavorable context we had to face in some of the countries where we operate. Local regulations changes, more frequent natural catastrophes and unstable insurance markets tested our capabilities, though we managed to grow both organically and inorganically performing strategic M&As with the acquisition of 4Life Direct in Poland and Doverie in Bulgaria (finalized in 2025) and consolidating our companies' structures.

Strategically, as our regional portfolio remains overweighted on P&C, we continue to leverage on our Integrated Offer to increase volumes in Life, while in the health sector, we launched in Serbia the first step of our regional project AdvanceCare establishing an integrated ecosystem with third party providers.

## Regional targets within the new Strategy

Looking ahead, we have set ambitious goals to embed our new Generali Group business plan, Lifetime Partner 27: Driving Excellence, into our regional perimeter. Our aim is to reach excellency in all the strategic priorities set by our Group: core capabilities, customer relationships and operating model, using AI& data and our people as accelerators. On the insurance business we must focus on growing above the market level in P&C, keep increasing our Life volumes across the region and accelerate our growth in the health business, though maintaining our profitability. Within the new cycle we need to enhance our Lifetime Partner commitment to a higher level with a seamless customer experience, transform our agents to advisors and enable our people to thrive and develop listening their feedback following the successful rollout of the 2024 Generali Global Engagement Survey.

Lastly, we will continue to focus on modernizing our core systems through the implementation of the Insurance in a Box project and transforming our operations by increasing the use of AI and automation. The launch of Operational Transformation initiatives is aimed at improving operational efficiency and productivity.

## Sustainable player

To deliver sustainable long-term value, we have set sustainability as originator of our previous strategic plan and identified four “Responsible” roles to play as an Investor, an Insurer, an Employer, and a Citizen. As Responsible Insurer, we met the target to growing the premiums of our internally defined category of insurance solutions with an ESG component by 5%-7% CAGR. As Responsible Investor, we overachieved the commitment to reducing the carbon footprint of our general account investment portfolio by 25% by 2024 compared to 2019 for listed corporates. As a responsible employer we managed to ensure equal opportunities with a target of 40% of women in leadership positions, placing people at the heart of our transformation with a target of 70% of employees upskilled and embracing a

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sustainable hybrid work model that is digitally rooted, with a target of 100% adoption rate among our entities. Lastly, as responsible citizens, we are delighted by the positive impact of the programs launched in every country by The Human Safety Net foundation in cooperation with local NGOs.

In the next three year we aim to further accelerate as sustainability is the driver of the new strategy for profitable growth with positive impact on people and the planet. For the next three years we aim to excel in our sustainability commitments in two key areas: enabling a green and just transition and fostering societal resilience against protection gaps due to natural catastrophes and demographic changes.

We are well positioned in continuing the journey to becoming Lifetime Partner to our customers and distributors and have a clear strategy to face a complex environment thanks to the capabilities and motivation of our people. We aim to transform our role to a trusted advisor, providing integrated solutions that add genuine value to people's lives, health, home, mobility, work and support them in achieving their life goals and dreams.

**Jaime Anchústegui Melgarejo**

Chairman, Generali CEE Holding B.V.  
Deputy CEO Insurance Generali Group

**Manlio Lostuzzi**

CEO of Generali CEE Holding B.V.CEE  
Regional Officer Generali Group

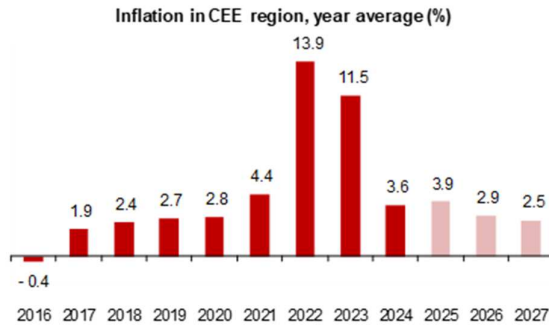
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# Economic and Insurance Market Development

## General economic situation in 2024

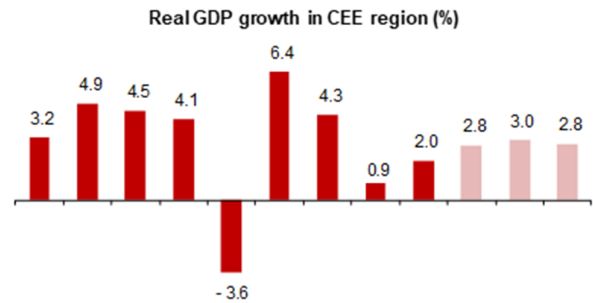
Global inflation pressures retreated further in 2024 due to development of commodity prices and the previous monetary policy tightening by major central banks including the U.S. FED and the ECB. A full-year inflation moderated also in the CEE economies in 2024, but annual CPI was volatile during the year in many cases due to statistical base effects, development of food prices and in some cases (e.g. Poland) due to deregulation of household energy prices. The inflation outlook for 2025 suggests that the picture in CEE will remain mixed, depending on the development of food and energy prices and on underlying price pressures (core CPI) in individual economies. Czech inflation is expected to stay in the CNB target range throughout the year, while Hungary, Poland, Romania and Serbia may have their inflation in the target range only in the second half of 2025 or even later.

2024 Forecast expected the full-year GDP growth in 2025 at 1.3% for the Eurozone and 1.5% for the EU but we see downside risks for both the EMU and EU growth. Developments in the CEE region were mixed in 2024 with a slow recovery in the Czech Republic or Hungary, a solid acceleration in Poland and a slowdown of GDP growth in Romania. Economic growth in the CEE was mostly driven by consumption expenditure (both household and government), and in some cases by net exports or inventories, while gross fixed capital creation was weak in most cases (modest growth or a full-year contraction; Montenegro, Poland, Romania and Serbia were exceptions with solid investment spending). The key driver of the CEE economic growth in 2025 should be domestic demand: household consumption and a recovery in gross fixed capital creation, co-financed from the EU funds. The contribution of net exports is likely to be neutral or even negative due to a combination of stronger domestic demand and only modest growth in key export markets.



Inflation, year avg. (%)	2022	2023	2024	2025f	2026f	2027f
CEE	13.9	11.5	3.6	3.9	2.9	2.5
Bulgaria	15.3	9.5	2.4	2.5	2.0	2.2
Croatia	10.8	8.0	3.0	3.3	2.5	2.5
Czech Republic	15.1	10.7	2.4	2.4	2.0	2.0
Hungary	14.5	17.6	3.7	4.8	3.6	3.0
Montenegro	13.0	8.6	3.3	4.0	3.5	2.5
Poland	14.3	11.6	3.7	4.3	3.0	2.5
Romania	13.8	10.4	5.6	4.3	3.4	3.0
Serbia	11.9	12.1	4.6	3.6	3.3	3.1
Slovakia	12.1	11.1	2.8	4.8	3.0	2.3
Slovenia	9.3	7.4	1.8	2.3	2.0	2.0

GDP performance was characterised by only a weak growth recovery in Europe. The EU GDP grew by 0.9% in 2024 (vs. 0.4% in 2023), the EMU growth reached 0.7% in 2024 (2023: 0.5%). Both EU and EMU GDP growth was driven by consumption (both private and public) and by net exports, while gross fixed capital creation and inventories had a negative contribution to GDP performance in 2024. The U.S. GDP growth was solid: it accelerated from 2.5% to 2.8% in 2024. The European Commission in its Autumn



Real GDP growth (%)	2022	2023	2024	2025f	2026f	2027f
CEE	4.3	0.9	2.0	2.8	3.0	2.8
Bulgaria	4.0	1.9	2.6	2.8	3.0	2.8
Croatia	7.3	3.3	3.8	2.8	2.5	2.5
Czech Republic	2.9	0.1	1.0	2.1	2.4	2.4
Hungary	4.6	-0.8	0.6	2.5	3.3	3.0
Montenegro	6.4	6.3	3.1	3.3	3.0	2.8
Poland	5.6	0.1	2.8	3.5	3.3	3.1
Romania	4.0	2.4	0.9	2.2	3.0	2.8
Serbia	2.6	3.8	3.9	3.9	4.2	3.9
Slovakia	0.4	1.4	2.0	1.8	2.3	2.0
Slovenia	2.7	2.1	1.6	2.0	2.2	2.0

Most of the CEE central banks cut their interest rates in 2024 (Poland was an exception with the key rate unchanged at 5.75%) but only the Czech CNB was cutting rates in all quarters of the year, taking the only pause at the December policy meeting. Other central banks started cutting rates later in the year (Romania, Serbia) and kept them unchanged in the final quarter of 2024 (Hungary,

Romania, Serbia) due to currency volatility and/or higher inflation. The ECB started cutting rates in June 2024 and by January 2025 it delivered 5 rate cuts, lowering the deposit rate to 2.75%. The FED was cutting the key rate in September and the final quarter of 2024, from 5.50% to 4.50%, and stood on hold in January.

The CEE currencies were affected by global factors (the EURUSD exchange rate development), by national monetary policy stance and by special domestic factors. The EUR weakened against the USD during the year, from area slightly below 1.10 at the start of 2024 to area of 1.04 in late December, which was negative factor for the CEE currencies. The Czech crown was impacted by the CNB monetary policy easing and weakened from area below 24.70/EUR in January 2024 to levels close to 25.20/EUR at end-2024. The Hungarian forint weakened from area of 380/EUR seen in early 2024 to levels above 410/EUR by the year-end. The HUF was hurt by monetary policy easing, which was concentrated mainly to the first half of 2024 and by the permanent loss of access to EUR 1bn from the EU funds, which was announced in December. The Polish zloty firmed from area slightly below 4.35/EUR seen in early 2024 to levels below 4.25/EUR at the year-end. The PLN benefitted from the domestic political story (the victory of the pro-European coalition in the parliamentary elections held in autumn 2023) and the reluctance of the NBP to reduce interest rates. In the SEE, preference of central banks and authorities to keep stable exchange rate remained priority also in 2024, especially as new US administration trade policies imply uncertainties for Emerging Markets. In Serbia, the central bank again acted mostly against to excessive appreciation related to plentiful investments inflow and the first rating upgrade to Investment Grade. The Romanian RON was kept stable by the central bank and the pledge will remain valid also for most part of 2025 as the country faces multiple challenges related to persisting twin deficits, weak growth and domestic political woes. Bulgaria made further progress in the euro adoption process, but above-threshold inflation caused another delay. As the inflation criterion was recently met, the euro adoption in 2026 looks highly likely.

The Czech GDP grew by 1.0% in 2024 thanks to consumption and net exports. Stronger household consumption and a recovery in investment expenditure may lead GDP growth to a 2% area in 2025. Inflation fell to the 2% target in early 2024 and spent the whole year in a target range between 1% and 3% yoy. A full-year average inflation came at 2.4% in 2024 and may reach the same level in 2025. The CNB cut the key interest rate from 6.75% to 4% in 2024. It took a pause in December but lowered the key rate in February 2025, to 3.75%, and its forecast expected the key rate to decline to 3% in 2025.

The Hungarian economy rose by 0.6% in 2024 after falling to a technical recession during the year. The full-year growth was driven by household consumption and net exports. Consumption and investment expenditure should lead to faster GDP growth at ca. 2.5% in 2025. Headline CPI fell to the 3% target level in September but rose to 4.6% yoy in December and to 5.5% at start of 2025. The MNB was cutting rates at each meeting in the first half of 2024, then took a pause in August and stood on hold in the fourth quarter with the deposit rate at 6.50%. Rates may remain stable for some time due to the higher inflation.

In Poland, GDP growth reached 2.8% in 2024 in seasonally adjusted terms according to our estimate. The growth was driven by domestic demand (private and public consumption, and gross fixed capital creation). GDP growth may accelerate to ca. 3.5% in 2025, mainly due to investment expenditure. Inflation fell to 2% yoy in March but increased in a second half of 2024, mainly due to higher cap for power prices: headline CPI reached 4.7% in December and 5.3% yoy in January 2025. The NBP kept the key rate at 5.75% in 2024 and rate cuts are unlikely to resume before the second half of 2025.

The overall macro mix in Bulgaria remains sound, as stable quarterly GDP growth prevailed throughout 2024 while annual growth kept firming to 2.6% in average. In contrast, last year was dominated by political paralysis and two early elections. Although new broad government was formed in late 2024, the uncertainties may return soon. For now, the government must tackle ballooning spending on public sector wages, which could gradually spoil the overall sound fiscal metrics in the future. Very high wage growth could also transform in renewed upside inflation risk, but it should not threaten the euro adoption expected in 2026.

In Croatia, GDP growth managed to accelerate to strong 3.8% in 2024. The solid growth momentum and fiscal strength led to further rating upgrades, as the country was awarded by A-class rating by all agencies. Inflation moderated by mid-2024 but bounced well above the EMU average afterwards, as the persisting very strong wage growth stimulates consumption. Tourism remained the key activity sector, but the central bank warned that rising prices could put Croatia in disadvantage versus competitors in the coming tourism season.

Montenegro's economy performed well in 2024. Despite increasing signs of a growth slowdown, the overall macroeconomic mix improved, which somehow reduced vulnerabilities and improved perception of the economy among investors. In response, the rating profile improved. The S&P upgraded the Outlook to Positive before it came with the rating upgrade to B+/Stable in summer. The Moody's also improved the rating to Ba3/Stable. Also, the country managed to revive the EU accession talks, although the actual membership is still distant (planned for 2028).

Romania faces tough times with challenges on multiple fronts. Combination of political woes, that shocked market in late 2024, troubled fiscal and external balances and weak growth already led to negative rating actions. Should the Investment Grade rating be retained, authorities must address the challenges. The first steps in fiscal consolidation had been made already and some upward tax adjustment combined with a freeze of public sector wages should pour cold water on consumption, which means that expected growth recovery has some downside risks. Complicated macro mix allowed only limited monetary policy easing in 2024 (to 6.50%) and it could resume only in the second half of 2025. Meanwhile, repeated presidential election due on May 4 will draw market attention.

The year 2024 was positive for Serbia in terms of growth and perception among investors. The economy retained strong growth nearing 4% amid robust consumption and also plentiful investments, mainly in the public sector. Moreover, the trend of strong growth is expected to

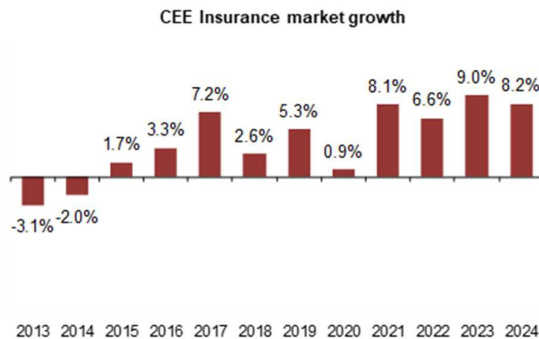
continue also in coming few years with possibility of some acceleration. Finally, Serbia received first Investment Grade rating after the S&P's lifted the rating to BBB-/Stable in October. However, as inflation remains rather sticky, the central bank delivered just a few rate cuts (to 5.75%) in 2024 and external factors, combined with some domestic political noise, halted the easing but a room to resume it could be opened soon.

Slovakia's GDP accelerated to 2% in 2024 amid robust consumption. The government initiated fiscal consolidation after the European Commission placed the country under the Excessive Deficit Procedure. As the consolidation includes higher VAT and corporate taxes, it could harm the growth ahead and lift inflation. Moreover, controversial domestic politics and the uncertain external demand outlook for the key automotive sector also imply some risks ahead and already led to negative rating actions – Moody's cut rating to A3/Stable.

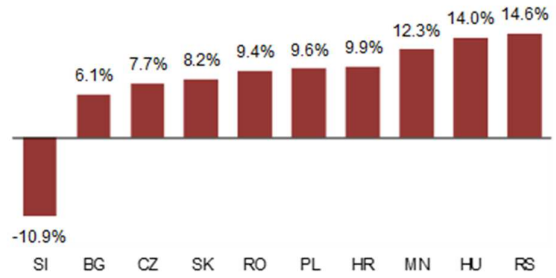
Growth of Slovenia's economy lost some steam. While decent consumption momentum was the key contributor to a 1.6% GDP growth in 2024, softer external demand and also investments activity acted oppositely. Consumption was supported by sizable slowdown of inflation, which even hit zero for a moment. Series of Outlook upgrades to Positive by both the Moody's and the S&P during 2024 appeared thanks to a combination of positive fiscal development and resilient growth outlook.

### CEE Insurance market development

Over last ten years the insurance market in CEE region was growing fairly. After a period of low growth in the first half of tenth years, including slightly negative growth rates in the years 2013 and 2014, CEE insurance market gained the momentum and started rising fairly from the year 2015. Since then, the market kept a bit volatile, however positive trend, which was significantly weakened during 2020 as the result of Covid-19 pandemic. Since 2021 the positive trend has continued, reaching 8.2 % growth rate of total insurance premiums in 2024. Non-Life segment proved to be more resilient, showing lasting growth across the years despite less favourable conditions. Trend in Life segment is more sensitive to the economic cycle with a repetitive tendency to decline slightly in economic recession periods.



Insurance market growth 2024



Note: the growth of Gross Written Premiums is expressed in local currencies. "CEE" represents the average rate (the weighted average) for countries with Generali CEE Holding presence (Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia).

Source: National Insurance Markets Associations / Regulators, Generali CEE research.

Total insurance premiums increased by +8.2 % in 2024 in CEE region. CEE Non-Life market remained on positive track also in 2024, achieving +8.8 % growth rate, exceeding the years preceding the Covid-19 pandemic.

The Non-Life segment remains affected by the inflationary years of 2022 and 2023. The impact on insurance premiums was not immediate, requiring the subsequent year, 2024, to fully absorb the increased consumer prices. The growth in Motor insurance has been strengthened by an increase in new car sales in last two years (2023 and 2024) occurring on all CEE markets. Also, Non-Motor segment kept positive trend, in 2021 and 2022 connected with post pandemic market recovery (including the upswing in Travel insurance) and further powered by inflation effect in 2023 and 2024 (increased coverages in Property, Liability, Accident and Health insurance).

CEE Life insurance market grew by a strong rate of +6.4 % in 2024. Life insurance market is not that directly affected by the inflation and growing consumer prices; therefore, such growth rate is considered as solid whereas particularly the segment of Regular Life premiums (i.e. recurring premiums) has been showing an accelerated trend.

All CEE countries reported fairly positive growth of total insurance premiums in 2024 ranging from +6.1 % to +14.6 %. The only exception was Slovenia which reported premium decrease due to abolition of supplementary health insurance as the result of health care reform in Slovenia (supplementary health insurance earlier provided by private insurers was transformed and integrated into public health insurance system). Excluding this effect, Slovenian insurance market would reach +10.6 % growth, i.e. well inside the range of other CEE countries (at the same time total CEE insurance market growth in 2024 would reach +9.6 % with this adjustment).

In Non-Life insurance, there is a continuous strong trend in Motor insurance, particularly in MOD segment (Motor Own Damage insurance). All CEE countries reached a double-digit growth in this segment. MTPL (Motor Third Party Liability insurance) continues also in positive trend albeit less strong than MOD. The growth in MTPL was strengthened by tariff increases in several countries, most

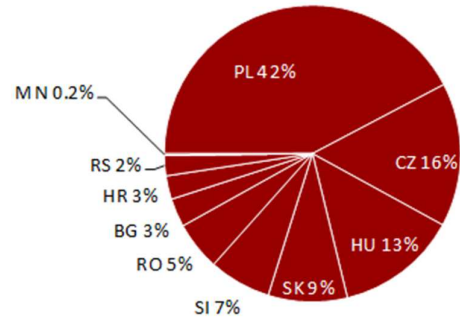


notably in Croatia, Slovenia and Poland. The growth of Motor insurance was particularly strong in southeastern region (Slovenia, Croatia, Serbia and Montenegro) together with Hungary. Also, the development in Non-Motor insurance classes remained positive and firm in all CEE markets (with the exception of the above mentioned impact of health insurance reform in Slovenia) - especially in Serbia (driven by an increase in Property, Liability, Health and Financial loss insurance), Romania (strong trend in Property, Liability and Health insurance), Hungary (highest increases in Property, Liability, Accident, Health and Travel insurance), Poland (growth in Property, Liability, Health and Travel insurance) and Slovakia (growth in Property and Health insurance).

Life insurance shows strengthening growing trend. Considering the four largest CEE Life markets (Poland, Czech Republic, Hungary and Slovakia), there was an accelerated growth in Regular premiums, exceeding the inflation in 2024, proving solid grounds and increasing demand for Life products. Past volatile development of Single Life premiums stabilised and the segment was also growing in all these countries in 2024, except of Poland with a small decrease of Single Life premiums. Still, total Life market grew also in Poland with a decent pace while such Single Life premium effect was not particularly strong. All the other markets (smaller in size and located in southeastern region) grew also well with double-digit rates in Romania, Croatia and Montenegro (driven by higher sales of traditional Life products); Life growth in Serbia, Slovenia and Bulgaria remained in a positive range of 6 % – 9 %. In the long-term scale, the southeastern region proves growing tendency since these markets are less saturated and they provide a potential for further increase.

All in all, the entire CEE insurance market reached EUR 47.8 billion in 2024 (considering the countries with the presence of Generali CEE Holding) of which Non-Life segment represents 73 % and Life segment represents 27%. CEE insurance market is economically dominated by Central European countries. The biggest market is Poland representing 42 % of CEE total insurance premium volume in CEE region, followed by the Czech Republic (16 %) and Hungary (9 %).

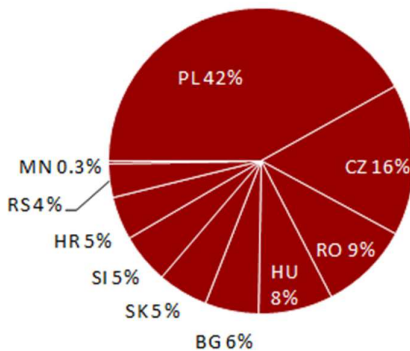
CEE Life market structure (2024)



Note: CEE countries are represented by: Poland (PL), the Czech Republic (CZ), Romania (RO), Hungary (HU), Slovenia (SI), Slovakia (SK), Bulgaria (BG), Croatia (HR), Serbia (RS) and Montenegro (MN)

Source: National Insurance Markets Associations / Regulators, Generali CEE Research

CEE Non-Life market structure (2024)



# The Holding's management

## Board of Directors

**Jaime Anchústegui Melgarejo**

Chairperson and Non-Executive Director

**Heike Ottemann-Toyza**

Vice-Chairperson and Non-Executive Director

**Manlio Lostuzzi**

Executive Director and Chief Executive Officer

**Carlo Schiavetto**

Executive Director

**Miroslav Bašta**

Executive Director

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## Executive Committee

### **Manlio Lostuzzi**

CEE Regional Officer and CEO Generali CEE Holding

### **Josef Beněš**

Chief Executive Officer CEE Asset Management

### **Samuele Borghi**

Regional Head of Middle Markets & Head of CEE Global Corporate and Commercial

### **Alberto Branchesi**

Regional Chief Operating Officer

### **Andrej Bukovčan**

Regional Chief People & Organization Officer

### **Pavel Charamza**

Chief Risk Officer

### **Mark Dassui**

Regional Chief Insurance Officer P&C *ad interim*

### **Andrea Leskovská**

Regional Chief Life & Health Insurance Officer  
(appointed on 1 February 2024)

### **Antonella Maier**

Chief Insurance Officer Life & Health  
(resigned on 31 January 2024)

### **Carlo Schiavetto**

Regional Chief Financial Officer

### **Elena Silvani**

Regional Head of Distribution & Marketing  
(appointed on 1 March 2024)

### **Miroslav Singer**

Director for Institutional Affairs & CEE Chief Economist

### **Antonio Tedesco**

Regional Chief Investment Officer  
(appointed on 1 January 2024)

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### **Manlio Lostuzzi**

Manlio Lostuzzi has been appointed Chief Executive Officer and CEE Regional Officer on 1 September 2022. With over 30 years of experience, Lostuzzi joined Assicurazioni Generali S.p.A. in 1986 and has covered a variety of managerial roles within the Generali Group. In 2003, Lostuzzi became the head of the technical and reinsurance area of the Generali Group and, in 2011, he assumed the position of deputy general manager of Generali Italia with responsibility for the agency network. In 2013, Manlio Lostuzzi was appointed to Chief Insurance Officer of Generali Italia and, after one year in 2014, Lostuzzi became CEO of Genertel and GenertelLife – the companies operating in bancassurance and direct channel businesses. In September 2019, Lostuzzi has been appointed CEO of Generali Global Corporate & Commercial until January 2023. Passionate Chess master and judo athlete, Manlio Lostuzzi graduated in Statistics, Actuarial and Economic Sciences from the Università degli Studi di Trieste.

### **Josef Beneš**

Josef Beneš has been appointed CEO of Generali Investments CEE in 2014. Subsequently, he took responsibility also for the entire CEE Asset Management perimeter. From 2014 till 2023, Josef held also the position of Chief Investment Officer at Generali CEE Holding. He joined the Executive Committee of Generali CEE Holding in July 2016. Over his extensive career, he gathered vast experience in the financial industry in the Czech Republic and abroad. Josef holds Master Degrees from the University of Economics Prague and the Columbia University New York.

### **Samuele Borghi**

Samuele Borghi has been appointed CEE Head of P&C Corporate & Commercial and Member of the Executive Committee of Generali CEE Holding B.V. in December 2022. Due to the change of GC&C CEE business perimeter and the establishment of the P&C Middle Market unit, as of January 2025 he became Regional Head of Middle Markets & Head of CEE Global Corporate and Commercial. Previously, Samuele held the position of Head of Operations and IT in the GC&C segment. Before moving to the Czech Republic in 2013, he held various managerial positions in the Netherlands, Belgium and Italy, primarily in the organizational/process improvement field within Life and P&C retail segments. He has a master's degree from the University of Padova in Industrial and Management Engineering.

### **Alberto Branchesi**

Alberto Branchesi was appointed Regional Chief Operating Officer and Member of the Executive Committee of Generali CEE Holding B.V. in December 2022. Since he joined Assicurazioni Generali in 2016, Alberto has been Group Head of Data and Digital Platforms where he defined Generali Group strategy in digital and innovation and managed Group Smart Process Automation program. Before Generali, Alberto worked in Microsoft and in IBM, leading enterprise digital transformation projects and managing business development teams. Alberto Branchesi graduated in Theoretical Physics at University of Bologna and has an Executive MBA at POLIMI Graduate School of Management.

### **Andrej Bukovčan**

Andrej Bukovčan has been appointed Head of Human Resources & Organization in Austria & CEE in December 2019 and at the same time became a Member of the Executive Committee of Generali CEE Holding B.V. As of September 2022, Austria is not anymore under his supervision, due to a Generali Group reorganization. He joined Generali CEE Holding in May 2016 and contributed significantly to further development of the HR area in the region. Before, Andrej was Head of HR at Generali Poist'ovňa in Bratislava. He reached this position after a significant external experience, which provided him with the opportunity to work extensively across different countries within the region. Andrej Bukovčan has studied psychology and English language and literature at the Comenius University in Bratislava.

### **Pavel Charamza**

Pavel Charamza has been appointed CEE Head of Risk Management and Member of the Executive Committee of Generali CEE Holding B.V. in December 2022. Before he worked as a Head of Enterprise risk management in Generali CEE Holding and Generali Česká pojišťovna from 2017. He came to Generali Group from Erste Group where he worked as a Team leader of risk parameters competence center. Pavel studied Econometrics at the Charles University. He is experienced Team Lead with a demonstrated history of working in the banking and insurance industry. Skilled in Enterprise Risk Management, Solvency II and Basel III regulations. Strong information technology professional with focus on automation, development and innovations.

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### **Mark Dassui**

Mark Dassui is still holding *ad interim* the position of CEE Head of Property & Casualty Retail & Motor Insurance and Claims, as from January 2025 he has been appointed Chief P&C Insurance Officer of Generali Poland. In December 2022, he was elected Member of the Executive Committee of Generali CEE Holding B.V. Previously, Mark held various management positions within the Generali Group. After working for many years as a manager in Generali Deutschland, in 2011 he moved to Poland as Member of the Management Board. In May 2014, Mark moved to the Generali CEE Holding as Head of P&C Non-Motor and took over at the same time the position as Head of Product Management Non-Life Motor and Retail Non-Motor of Česká pojišťovna. In July 2015, Mark was asked to join the Group Head Office in Trieste as Head of Non-Life Non-Motor before he returned at the end of 2016 to the Generali CEE Holding as Chief Insurance Officer. After Austria became part of the CEE region Mark acted as Deputy Chief Insurance Officer P&C.

### **Andrea Leskovská**

Andrea Leskovská was appointed Regional Chief Life & Health Insurance Officer and Member of the Executive Committee of Generali CEE Holding B.V. in February 2024. She joined Generali Slovakia in 2017 as Chief Insurance Officer and Board member and, after the merger of Generali Czech and Slovak operations in December 2021, she was appointed Non-Life Chief Insurance Officer and Board member of Generali Česká pojišťovna and Generali Slovakia. Andrea has been in the insurance industry since 1999, and prior to joining Generali Group, she was working for Allianz Slovakia as Head of Motor Insurance, Director of External Sales Channels and Director of Product Management both for Life and Non-Life

### **Carlo Schiavetto**

Carlo Schiavetto became Chief Financial Officer of Generali CEE Holding B.V. on 1 May 2020 to supervise the financial performance and strategic development of 13 countries within the entire Austria & CEE Region. As of September 2022, Austria is not anymore under his supervision, consequently a Generali Group reorganisation. As of 1<sup>st</sup> of May 2020, he was appointed a member of the Executive Committee of Generali CEE Holding B.V. Previously, Carlo held position of Head of Controlling at Generali CEE Holding B.V. based in Prague. Before moving to the Czech Capital in 2013, Carlo was Senior Controller at the Group Control and Strategic Planning Department at the Corporate Center in Trieste in charge for the CEE countries. From 2004 till 2008 he was working for Allianz Group in Milan and Dublin as Financial Controller and Head of the Financial Department.

### **Elena Silvani**

Elena Silvani was appointed International CEE Head of Distribution & Marketing and Member of the Executive Committee of Generali CEE Holding in March 2024. Prior to this appointment, Elena was Head of Sales Operations and Governance for Alleanza Assicurazioni, part of Generali Group, from 2016 till February 2024. She previously covered for Generali the role of Contact Center Manager, responsible for all claim notification procedures and first level assistance to Generali Italia distribution network and clients. Before joining Generali, Elena worked for six years at the financial consulting firm Towers Perrin supporting insurance clients improving the effectiveness and efficiency of their core business and developing their marketing and commercial strategies. Elena holds a degree in Business Administration from Bocconi University and an MBA from the MIB Trieste School of Management.

Elena Silvani was appointed Regional Head of Distribution & Marketing and Member of the Executive Committee of Generali CEE Holding in March 2024. Prior to this appointment, Elena was Head of Sales Operations and Governance for Alleanza Assicurazioni, part of Generali Group, from 2016 till February 2024. She previously covered for Generali the role of Contact Center Manager, responsible for all claim notification procedures and first level assistance to Generali Italia distribution network and clients. Before joining Generali, Elena worked for six years at the financial consulting firm Towers Perrin supporting insurance clients improving the effectiveness and efficiency of their core business and developing their marketing and commercial strategies. Elena holds a degree in Business Administration from Bocconi University and an MBA from the MIB Trieste School of Management.

### **Miroslav Singer**

Miroslav Singer joined Generali CEE Holding B.V. in January 2017 as Director for Institutional Affairs and Chief Economist of Generali CEE Holding. As of 1<sup>st</sup> of January 2018, he has been appointed member of the Executive Committee of Generali CEE Holding. He, then, became also the Chairman of the Supervisory Board of Česká pojišťovna. Miroslav served as Governor of the Czech National Bank ("CNB") from 2010 till 2016 and from 2005 till 2010, he was a CNB Board Member and Vice Governor. Prior to this, he worked as a deputy director, researcher and lecturer at the Economic Institute of the Charles University in Prague and the Center for Economic Research and Graduate Education of the Czech Academy of Science between 1991 and 1995. He also held management posts at the financial and industrial group Expandia, later becoming its CEO in 1995, until 2001. From 2001 until 2005 Miroslav Singer was a director at PriceWaterhouseCoopers. After graduating in mathematical methods in economics, he completed his postgraduate thesis at the University of Pittsburgh and was awarded a PhD in 1995.

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### **Antonio Tedesco**

Antonio Tedesco was appointed Regional Chief Investment Officer and Member of the Executive Committee of Generali CEE Holding in January 2024. He joined Generali Group in 2018 as Head of Group Asset Liability Management & Strategic Asset Allocation within Generali's investments, asset & wealth management unit before becoming Head of Investment Transformation and Innovation Projects in Assicurazioni Generali S.p.A. With more than 20 years' experience, he joined Generali from Poste Vita, where he was Head of Asset Management Project and Head of Capital Management, and previously, Head of Finance, with a specific focus on Strategic Asset Allocation and Asset Liability Management. Prior to this, he served in senior positions at JPMorgan Chase Bank in New York and London, with responsibility for client-oriented structured investment products and solutions across all asset classes.

# Financial Section

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# I. Board of Directors Report

## A. Profile

Generali CEE Holding B.V. (“the Company”) is a parent holding company of subsidiaries operating mainly in P&C and life insurance business as well as in pension and asset management services. The Company's subsidiaries are located in Bulgaria, Croatia, Czech Republic, Hungary, Montenegro, Netherlands, Poland, Romania, Serbia, Slovakia, and Slovenia. The companies of Generali CEE Holding offer insurance and financial products ranging from savings and family protection policies to unit-linked policies and complex plans for multinationals. The Company has 158 employees of 15 different nationalities.

The authorised share capital of the Company amounts to €0.5 million and is divided into 500,000 ordinary shares with a nominal value of €1 each, of which 100,000 shares are issued and fully paid. Sole shareholder is Assicurazioni Generali S.p.A. All shares are registered and are numbered consecutively from 1 onwards. Attached to each share is a voting right, a meeting right and a right to share in the Company's profits and reserves, in accordance with the provisions of the articles of association.

The Company and its subsidiaries are a key part of the Generali Group, one of the largest global insurance and asset management providers. Established in 1831, it is present in 50 countries in the world, with a total premium income of €95.2 billion in 2024. With around 87,000 employees serving 71 million customers, the Generali Group has a leading position in Europe and a growing presence in Asia and Latin America.

In order to ensure proper governance framework over data governance and data quality, the Company implemented Data Governance Group/Regional Policy & Guideline and Integrated Data Quality System Group/Regional Policy & Guideline. In brief, the Data Governance Policy has been defined the “Master Policy” to which other internal regulations on data management shall refer to, ensuring compliance with external regulation, through an effective data management activity, guaranteeing efficient decision-making processes and appropriate market and regulatory reporting.

The Integrated Data Quality System (“IDQS”) Policy then identifies the following processes for data quality management: (i) Identification, Analysis and Design; (ii) Implementation and Monitoring; (iii) Verification. Basic Requirements and Extended Requirements are defined for all the processes above. For all data, group legal entities in scope shall guarantee (Basic Requirements): the design and implementation of adequate DQ controls, ensuring their effective execution; the performance of data categorization through a dedicated tool; the performance of a DQ assessment and the definition of the System of Governance (roles and responsibilities for data). For Relevant Outputs, additional requirements (Extended Requirement) are provided for monitoring activities, performed using specific tools (Data Directory approach and/or Process-Data Flow approach).

A specific Escalation Process is in place for the on-going management of data quality issues, recorded in a dedicated register with the aim of putting in place dedicated structural actions. Specific management certifications on data quality are provided (Integrated Confirmation Letter and DQ Certification).

Being part of Generali Group the Company adheres to the “Code of Conduct” (maintained by the Compliance function), setting up minimum standards of behavior to follow in the relationships with colleagues, customers, shareholders, suppliers and the other stakeholders. The Code of Conduct mandatorily applies to all employees of the Company.

## Company Highlights

### Dividend income

CZK 17,343 million

### Net profit

CZK 18,735 million

### Our people

158

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## B. Financial performance

In 2024, the Company maintained its solid financial position. At the end of 2024, the shareholder's equity of the Company amounted to CZK 75,639 million (2023: CZK 70,834 million) and total assets amounted to CZK 76,571 million (2023: CZK 71,997 million).

The profit of the Company in 2024 reached CZK 18,735 million (2023: CZK 9,758 million) with the main source of revenues being dividend income which reached in 2024 the level of CZK 17,343 million (2023: CZK 10,521 million).

## C. Risk management

The Company has implemented a risk management system, which is aligned with the general framework set up by Generali Group, which the Company is part of. That aims at identifying, evaluating and monitoring the most important risks to which the Company is exposed. The purpose of the risk management system is to ensure that all risks to which the Company is exposed are properly and effectively managed through a defined risk strategy following a set of processes and procedures and based on clear governance provisions. The principles defining the risk management system are provided in the risk management policy, which is the cornerstone of all risk-related policies and guidelines. The risk management policy covers all risks the Company is exposed to, both on a current and on a forward-looking basis.

The Company is exposed to various risks as a result of its activities: financial risks, credit risks, liquidity risks, strategic risks, operational risks, sustainability risks, emerging risks and reputational risks. The Company uses different tools to mitigate the individual risks.

With respect to financial and credit risks, different types of financial derivatives, risk management guidelines related to investment risk management, the system of investments risk limits, credit ratings and guidelines on an approval process for new instruments are in place.

With respect to operational risks, the Company performs the qualitative assessment of operational risks. The assessment outputs are usually presented in a heatmap, where the Company distinguishes financial heatmap and heatmap including also reputational risks effects. Within this assessment also sustainability risks are considered.

With respect to liquidity, the Company manages expected cash inflows and outflows to maintain a sufficient available cash level to meet short- and medium-term needs, and by investing in instruments that can be quickly and easily converted into cash. The Company considers its prospective liquidity situation under plausible market conditions as well as under stress scenarios.

For detailed information on risk management, see Section D of the Company Financial statements.

## D. Sustainability

At Generali we think that being a sustainable player is about living our purpose: "to enable people to shape a safer and more sustainable future by caring for their lives and dreams". We are passionate to build a more sustainable future integrating sustainability principles into everything we do. This allows us to act as a true Lifetime Partner for all our stakeholders. Environmental, Social and Governance (ESG) commitments were embedded within our previous strategic plans, and we further accelerate as sustainability is the driver of the strategy Generali "Lifetime Partner 27: Driving Excellence". This means a driver for profitable growth with positive impact on people and the planet. To deliver sustainable long-term value, we have set in our 2022 – 2024 strategic plan four "Responsible" roles to play as an Investor, an Insurer, an Employer, and a Citizen. The Company is fully engaged in Generali group's initiatives and contributed to the targets settings for the region as described in following paragraphs.

As **RESPONSIBLE INSURER**: we met the target to growing the premiums of our internally defined category of insurance solutions with an ESG component by 5%-7% CAGR. ; we want to transition the insurance portfolio to net-zero greenhouse gas (GHG) emission by 2050, with a 30% reduction in emissions for insurance and a 60% reduction for investments and operations by 2030; we want to further strengthen the focus on sustainable SMEs through the SME EnterPRIZE project and the integration of sustainability into our customer value proposition.

To complement the goal of achieving net-zero greenhouse gas emissions attributable to the insurance portfolio by 2050, Generali has undertaken a stringent exclusion policy towards companies operating in the fossil fuel sector. Since 2018, the Group has adopted specific restrictions on the underwriting of coal-related activities to support its commitment to removing its already minimal insurance exposure towards this sector; the phase-out will be reached by 2030 for clients located in OECD countries and by 2038 in the rest of the world.

In 2018, we launched an engagement activity with eight coal companies in the Centrale and Eastern Europe region. The dialogue focused on customers' adoption of solid decarbonization plans based on climate science. As part of this activity, we found that some of our stakeholders had adopted some short- and medium-term climate strategies. In spite of this, the ambition was assessed as not being in line with the Group's objectives, and the insurance contracts for the coal asset in the Czech Republic and Poland were phased out in 2022 without any further renewal actions. Consequently, as of 2023, these are no longer active, fulfilling the commitments made as part of our Group climate strategy.

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Launched in 2021, the aim of the SME EnterPRIZE project is to support small and medium-sized companies in their sustainable transition and highlight significant examples of responsible business, inspiring entrepreneurs of SMEs to develop sustainable behaviours with a direct impact in two areas: environment and social. Since the first edition, SME EnterPRIZE gives now visibility to companies across Europe, including Croatia, the Czech Republic, Hungary, and Slovenia.

As **RESPONSIBLE INVESTOR**: we committed to reducing the carbon footprint of our general account investment portfolio by 25% by 2024 compared to 2019 for listed corporates. This target was surpassed. Additionally, we are on track to meet our goal of investing €8.5-9.5 billion in New Green & Sustainable Investments from 2021-2025. We also aim to invest €3.5 billion by 2025 to support the EU Recovery.

As **RESPONSIBLE EMPLOYER**: we are working to measure, reduce, and report the carbon footprint resulting from our own direct operations. In 2009 Generali developed the Group Environmental Management System (EMS) to effectively manage the impacts arising from the operating activities of the Group's companies. The System is being used also within the CEE Region.

Being a responsible employer also means promoting dedicated actions to create, increase and nurture diversity, equity and inclusion, upskilling and new ways of working. Our Lifetime Partner 24 objectives included ensuring equal opportunities with a target of 40% of women in leadership positions, placing people at the heart of our transformation with a target of 70% of employees upskilled and embracing a sustainable hybrid work model that is digitally rooted, with a target of 100% adoption rate among our entities. All targets successfully met and even overachieved.

The Central and Eastern Europe Region contributed to reach the goals as 64% of the entire workforce is female and 49% of the managers are women.

As **RESPONSIBLE CITIZEN**: we want to further enhance the activities of The Human Safety Net by working with our people and promoting volunteering activities. The Human Safety Net – a social innovation hub powered by Generali's skills, networks, and solutions to create social impact – was activated in all the CEE countries. One of the two programmes of The Human Safety Net targets key social issues affecting communities and creates equal life opportunities for children from disadvantaged backgrounds.

For our next strategy 2025 - 2027, along with the four aforementioned areas of responsibility, we aim to excel in our sustainability commitments in two key areas: Enabling a green and just transition and fostering societal resilience against protection gaps due to natural catastrophes and demographic changes.

## E. Gender diversity

### Gender diversity target

The Company is committed to fostering a diverse work environment and to enhancing inclusive culture for all employees.

As part of the Lifetime partner 24 strategy of Assicurazioni Generali ("Generali Group"), Generali Group is committed to leverage Diversity, Equity and Inclusion ("DEI") to create long-term value, be innovative, sustainable and to make the difference for employees, clients, partners, and as well as the communities it operates in. The key areas of DEI actions are: gender, generations, culture, employees with disabilities and fostering of inclusive culture.

The Company of course supports and adheres to this commitment and undertakes the necessary actions to fulfilling it. Regarding gender, the aim is to maintain a balanced gender distribution within the Generali Group. In addition, there is a clear ambition to increase the presence of women in strategic positions, reaching 40% at Generali Group level by the end of 2024, and to increase the presence of women in managerial roles – at Generali Group level reaching 41.5% by the end of 2025. At CEE regional level Generali achieved by the end of 2024 – 48% of women in strategic positions and more than 49% of women in managerial roles.

### Status-quo 2024

At year-end 2024 the workforce of the Company consisted of a total of 158 people (incl. GC&C and GEB), of which 67 females and 91 males. None have reported identifying beyond binary gender categories.

Board of Directors consisted of 5 members, of which 1 female and 4 males. The ratio of women in the Board of Directors (BoD) was therefore 20%.

The Company had 38 employees on strategic positions, of which 16 were women (42.1%) and 22 men. The YE24 ambition of 40% was therefore achieved.

### Course of action

In recent years, the theme of a balanced distribution of seats, in the BoD, has been part of the nomination procedure when filling vacancies in this body. Due to the nature of the business, it is the Company's policy to primarily nominate internal candidates, either from its management team or members of management teams of companies within the Generali Group, for the seats in the BoD. Given the composition of the Company's current BoD, it is a realistic expectation that in the coming years female candidates will be nominated for seats on the Company's BoD to increase the gender distribution.

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In order to foster the development and career progression of female managers within the Company, a range of development opportunities are offered, such as: training of both technical skills as well soft skills, coaching, mentoring and opportunities to participate in virtual or physical international experience (within the Generali Group), new program for women managers named GIFT (Growing Inspiring Female Talent) has been implemented at international level in 2023 and 2024 focused on personal development, leadership and business acumen. At Generali Group level, a series of concrete initiatives has been launched targeting senior female managers (Lioness Acceleration Program) and managers (Elevate). Furthermore, experience-based learning is offered to raise awareness of diversity related topics among management and board members. In light hereof, a DEI Communities of Practice have been active (at Generali Group level) focusing on different areas of diversity, of which the Company's employees (including management and board members) are also members. The community mainly focuses on promoting a culture where DEI is embedded in the way we work and do business.

## **F. Outlook for operations**

In 2025, the Central and Eastern Europe region is poised for an improvement in economic growth; the main driver of this positive trajectory should be the domestic demand, with strong development of both the household consumption and a recovery in gross fixed capital investments, supported by an increased disbursement of EU funds. The contribution of net exports on the other side is likely to be neutral or even negative due to a combination of stronger domestic demand and only modest growth in key export markets. However, the increased trade tensions between the EU and the U.S. could pose a downside risk globally and consequently also to the region's economic outlook, potentially dampening growth prospects and overall increasing the uncertainty.

On the inflation front, the CEE region is expected to experience a slight uptick in inflation rates in 2025 compared to the previous year. Stronger GDP growth will naturally exert upward pressure on prices as economic activity intensifies. Additionally, the depreciation of some regional currencies will make imports more expensive, contributing to higher inflation. Moreover, the possibility of retaliatory tariffs on U.S. imports could add to inflationary pressures.

CEE insurance markets showed a solid growth in 2024, with positive contribution in all countries in the region, except for Slovenia whose decrease in premiums was however due only to the abolition of supplementary health insurance as a result of the health care reform. The growth was stronger in the P&C segment, with solid contribution of both Motor and Non-Motor lines, but also the Life premiums registered a positive trend. In 2025 we expect a similar positive development, also in this case with the P&C segment expected to be the major source of growth.

Concerning Group results, we expect a further increase in the premium volumes in our insurance subsidiaries, with a much stronger increase in P&C segment where especially Casco and Non-Motor lines shall grow quite dynamically.

The profit after tax of our subsidiaries is also expected to present a slight increase compared to previous year, driven mostly by a very sound technical results in P&C business and by the contribution of the investment income. The amount of dividends remitted by our subsidiaries, which represent the main source of profit for the company, are expected to be broadly stable and as a result we expect the profit after tax to be in line with 2024 level.

Prague, 17 April 2025  
The Board of Directors

# II. Company Financial Statements for the Year Ended 31 December 2024

## Acronyms:

Acronym	
AC	Amortised cost
AG	Assicurazioni Generali S.p.A.
BoD	Board of Directors
bp	Basis point
BM	Business Model
CAGR	Compound annual growth rate
CCS	Cross currency swap
CDO	Credit default option
CDS	Credit default swap
CEE	Central and East Europe
CEO	Chief Executive Officer
CNB	Czech National Bank
CZK	Czech koruna
DDM	Dividend discount model
DEI	Diversity, equity and inclusion
DQ	Data quality
Dutch GAAP	Dutch generally accepted accounting principles and guidelines
EAD	Exposure at default
ECL	Expected credit loss
EMS	Environmental Management System
EPS	Earnings per share
ESG	Environmental, Social and Governance
EU	European union
EUR / €	Euro
FTE	Full-time equivalent
FTP	Fund Transfer Pricing
FV	Fair value
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign exchange
GAAP	Generally accepted accounting principles
GCA	Gross carrying amount
GC&C	Generali Corporate and Commercial
GDP	Gross domestic product
GEB	Generali Employee Benefits
GHG	Greenhouse gas
GICEE	Generali Investments CEE, Investiční Společnost, a.s.
GIH	Generali Investments Holding S.p.A.
GLG	Global Leadership Group

GHG	Greenhouse gas
GHO	Group Head Office
GWP	Gross written premium
IAS	International accounting standards
IASB	International accounting standards board
IDQS	The Integrated Data Quality System
IFRIC	Interpretation of International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IRR	Internal rate of return
IRS	Interest rate swap
ISDA	International Swaps and Derivatives Association
IT	Information technology
LCR	Low credit risk
LGD	Loss given default
LTI	Long-term incentive
MNB	The Hungarian National Bank (Magyar Nemzeti Bank)
MOD	Motor Own Damage insurance
MTPL	Motor Third Party Liability insurance
NAV	Net assets value
NBP	National Bank of Poland
NBS	National Bank of Serbia
NGO's	Non-governmental organisations
NHCF	Net Holding Cash Flow
No.	Number
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
ORA	Operational Risk Assessment
P&C	Property and casualty
PD	Probability of default
PLN	Polish zloty
qoq	Quarter-on-quarter
REPO	Repurchase operations
ROE	Return on Equity
SAA	Strategic Asset Allocation
SEE	Southern and Eastern Europe
SME	Small and medium enterprise
S&P	Standard & Poor's
SPPI	Solely Payments for Principal and Interest
TAA	Tactical Asset Allocation
THSN	The Human Safety Net
TSR	Total Shareholder's Return
USD	United States dollar
VAT	Value added tax
YoY	Year-over-year

**COMPANY STATEMENT OF FINANCIAL POSITION**

as at 31 December

<b>(CZK million)</b>	<b>Note</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Total assets</b>		<b>76,571</b>	<b>71,997</b>
Cash and cash equivalents	E.1	337	199
Financial investments	E.2	16,621	8,760
<i>Financial investments measured at amortised cost</i>	E.2.1	4,611	4,678
<i>Financial investments measured at FVTPL</i>	E.2.2	1,977	1,969
<i>Financial investments measured at FVOCI</i>	E.2.3	10,033	2,113
Receivables	E.3	179	137
Intangible assets	E.4	47	132
Investments in subsidiaries and associates	E.5	58,744	58,382
Non-current assets held for sale	E.6	558	4,263
Current tax assets	E.7	67	56
Other assets	E.8	18	68
<b>Total liabilities</b>		<b>932</b>	<b>1,163</b>
Financial liabilities measured at FVTPL	E.10	36	253
Payables	E.11	310	111
Provisions	E.12	10	11
Current tax liabilities	E.7	170	42
Deferred tax liabilities	E.23.1	113	137
Other liabilities	E.13	293	609
<b>Total equity</b>		<b>75,639</b>	<b>70,834</b>
Share capital	E.9	3	3
Share premium reserve	E.9	48,347	48,347
Revaluation reserves - Financial assets at FVOCI	E.9	-	108
Revaluation reserves - Financial assets at FVTPL	E.9	593	-
Other reserves	E.9	7,961	12,618
Unappropriated profits	E.9	18,735	9,758
<b>Total liabilities and equity</b>		<b>76,571</b>	<b>71,997</b>



## COMPANY INCOME STATEMENT

For the year ended 31 December

(CZK million)	Note	2024	2023
Net result from investments into subsidiaries	E.15	19,102	10,072
Net income / loss (-) from financial assets and liabilities	E.16	373	204
Net expected credit loss expense (-) / income	E.17	(7)	3
Interest revenue calculated using the effective interest method	E.18	215	289
Interest expense calculated using the effective interest method	E.19	(2)	(6)
Net foreign exchange differences	E.20	118	121
Other income	E.21	83	-
Other expenses	E.22	(935)	(897)
<b>Profit before taxes</b>		<b>18,947</b>	<b>9,786</b>
Income taxes	E.23	(212)	(28)
<b>Net profit of the year</b>		<b>18,735</b>	<b>9,758</b>
Profit for the period attributable to owners of the parent		<b>18,735</b>	<b>9,758</b>

## COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

(CZK million)	Note	2024	2023
<b>Net profit of the year</b>		<b>18,735</b>	<b>9,758</b>
<b>Other comprehensive income items that maybe reclassified to profit or loss in future periods</b>			
Revaluation of financial assets measured at FVOCI		-	-
<b>Other comprehensive income items that may not be reclassified to profit or loss in future periods</b>			
Revaluation of financial assets measured at FVOCI	E.9	(147)	15
<b>Total gains and losses recognised directly in equity</b>		<b>(147)</b>	<b>15</b>
Tax on items taken directly to or transferred into equity	E.9	31	(6)
<b>Other comprehensive income, net of tax</b>		<b>(116)</b>	<b>9</b>
<b>Total comprehensive income</b>		<b>18,619</b>	<b>9,767</b>
Comprehensive income for the period attributable to owners of the parent		<b>18,619</b>	<b>9,767</b>

## STATEMENT OF CHANGES IN EQUITY

(CZK million)							
	Note	Share Capital	Share Premium reserve	Revaluation reserve - financial assets at FVOCI	Revaluation reserve – financial assets at FVTPL	Other reserves and unappropriated profits	Total
<b>Balance as at beginning of reporting period 2023</b>		3	48,347	99	-	22,408	70,857
Net profit of the year 2023		-	-	-	-	9,758	9,758
Revaluation of financial assets measured at FVOCI	E.9	-	-	15	-	-	15
Revaluation of financial assets measured at FVTPL		-	-	-	-	-	-
Tax on other comprehensive income items	E.9	-	-	(6)	-	-	(6)
<b>Total comprehensive income 2023</b>	E.9	-	-	9	-	9,758	9,767
Other movements	E.9	-	-	-	-	1	1
Allocation to reserve for share-based payments	E.9	-	-	-	-	39	39
Dividends to shareholders	E.9	-	-	-	-	(9,830)	(9,830)
<b>Balance as at end of reporting period 2023</b>	E.9	3	48,347	108	-	22,376	70,834
<b>Balance as at beginning of reporting period 2024</b>		3	48,347	108	-	22,376	70,834
Net profit of the year 2024		-	-	-	-	18,735	18,735
Revaluation of financial assets measured at FVOCI	E.9	-	-	(147)	-	-	(147)
Revaluation of financial assets measured at FVTPL	E.9	-	-	-	710	(710)	-
Tax on other comprehensive income items	E.9	-	-	31	(117)	117	31
<b>Total comprehensive income 2024</b>	E.9	-	-	(116)	593	18,142	18,619
Other movements	E.9	-	-	8	-	(11)	(3)
Allocation to reserve for share-based payments	E.9	-	-	-	-	58	58
Dividends to shareholders	E.9	-	-	-	-	(13,869)	(13,869)
<b>Balance as at end of reporting period 2024</b>	E.9	3	48,347	-	593	26,696	75,639

**STATEMENT OF CASH FLOWS (indirect method)**

For the period from 1 January to 31 December

(CZK million)	Note	2024	2023
<b>Cash flow from operating activities</b>			
<b>Earnings before taxes</b>		<b>18,947</b>	<b>9,786</b>
Adjustments for:			
Depreciation and amortisation	E.4	9	9
Impairment of investments into subsidiaries	E.15	424	449
Loss on revaluation of investments held for sale	E.15	161	-
Gain on disposal of investments into subsidiaries	E.15	(2,344)	-
Net ECL change of the year	E.17	7	(3)
Gain from revaluation of financial assets and financial liabilities at FVTPL	E.16	(266)	(113)
Dividend income from FVOCI equities	E.16	(107)	(91)
Interest expense	E.19	2	6
Interest income	E.18	(215)	(289)
Dividend income from investments into subsidiaries	E.15	(17,343)	(10,521)
Income / expenses not involving movements of cash		56	-
Net foreign exchange differences	E.20	(125)	(127)
Share-based payments reserve	E.14	58	39
Change in receivables	E.3	(42)	5
Change in other assets	E.8	50	(48)
Change in payables	E.11	77	(43)
Change in other liabilities	E.13	(316)	116
Change in provisions	E.12	(1)	7
Change in financial investments measured at FVTPL		(34)	292
Change in financial investments measured at FVOCI		(2,173)	(575)
Change in financial investments measured at AC		148	54
Dividends received		17,423	10,688
Interest received		236	267
Cash flows arising from taxes on income		(43)	(4)
<b>Net cash flow from operating activities</b>		<b>14,589</b>	<b>9,904</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets and intangible assets	E.4	(251)	(78)
Proceeds from disposals of tangible and intangible assets	E.4	327	-
Net cashflow from acquisition of subsidiaries, associates and joint ventures		(663)	-
<b>Net cash flow from investing activities</b>		<b>(587)</b>	<b>(78)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(2)	(6)
Dividends paid to shareholders	E.9.1	(13,869)	(9,830)
<b>Net cash flow from financing activities</b>		<b>(13,871)</b>	<b>(9,836)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>131</b>	<b>(10)</b>
<b>Cash and cash equivalents as at beginning of reporting period</b>	<b>E.1</b>	<b>199</b>	<b>203</b>
Effect of exchange rate changes on cash and cash equivalents		7	6
<b>Cash and cash equivalents as at end of reporting period</b>	<b>E.1</b>	<b>337</b>	<b>199</b>

# Notes to the Company Financial Statements

## A. General Information

### A.1 Description of the Company

Generali CEE Holding B.V. (“Generali CEE Holding”, or the “Company”) is a parent holding company of subsidiaries offering a wide range of life and P&C insurance products, as well as pension fund schemes and asset management services in Central and Eastern Europe.

The Company was established under the laws of the Netherlands and as at 31 December 2024 is fully owned by Assicurazioni Generali S.p.A. (“Generali Group”), which is the Company’s ultimate parent company. Generali Group’s financial statements are publicly available on its internet pages [www.generali.com](http://www.generali.com).

Although a Dutch company, incorporated on 8 June 2007 under the laws of the Netherlands, with its registered office in De Entree 91, 1101 BH Amsterdam, The Netherlands, its main operations are based in the Czech Republic, where its branch is registered at Na Pankráci 121/1658, 140 21 Prague 4, Czech Republic. The Company identification number issued by the commercial register in the Netherlands is 342 75 688, the branch in the Czech Republic is registered under the identification number of 282 39 652.

The Company was incorporated for the purpose of integrating the business activities of Generali Group and PPF Group (former minority shareholder of the Company). The Company’s business activities are consulting services in the entrepreneurial, financial, economic and organisational fields and their procurement to the Company’s subsidiaries. The Company is doing these activities in order to support its subsidiaries with their business activities in order to keep growing the Company’s main income of dividend.

The Board of Directors authorised the separate financial statements to be issued on 17 April 2025.

### A.2 Statutory body

The statutory body of the Company was as at 31 December 2024 as follows:

Members: Manlio Lostuzzi  
Jaime Anchustegui Melgarejo  
Carlo Schiavetto  
Heike Otteman-Toyza  
Miroslav Bašta

The Company is subject to Dutch and Czech corporate income taxation, due to its branch in the Czech Republic. Since all the assets and activities of the Company have been transferred to the Czech branch, Czech tax law has primacy for the Company’s tax status.

## B. Basis of preparation

### B.1 Statement of compliance

These separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”), including International Accounting Standards (“IAS”), promulgated by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB, and with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

Management has reviewed those IFRS and interpretations adopted by the EU that, as at the date of issuance of these separate financial statements, were not yet effective as at that date. An assessment of the expected impact of these standards and interpretations on the Company is shown in C.3.1.

## B.2 Basis of preparation

The Company prepares these separate financial statements in accordance with IFRS Accounting Standards (as adopted by the EU).

The Company has elected to apply the exemption permitted in Section 408, Book 2 of the Dutch Civil Code from preparing consolidated financial statements and presents only separate financial statements. As at the reporting date, the ultimate parent company of the Company was Assicurazioni Generali S.p.A. ("Generali Group"). Consolidated financial statements of Generali Group are publicly available on its internet pages [www.generali.com](http://www.generali.com). Generali Group is registered in the Group Insurance Register maintained by Institution for the Supervision of Insurance ("IVASS") under No. 026. For more details about Company's subsidiaries see note E.5.

The Company's separate financial statements are presented in the Czech Koruna (CZK), which is the functional currency of the Company and the domestic currency of the Czech Republic, as permitted in Section 362(7), Book 2 of the Dutch Civil Code. All amounts have been rounded to the nearest million, except where otherwise indicated.

These separate financial statements have been prepared on a historical cost basis except for the following assets and liabilities which are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss and financial instruments at fair value through other comprehensive income.

The preparation of these separate financial statements in accordance with IFRS-EU requires that Management makes judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that cannot readily be determined from other sources. The actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in both the period of the revision and future periods if the revision affects both the current and future periods.

The accompanying separate financial statements have been prepared assuming that the Company will continue as a going concern.

## B.3 Changes in presentation

The presentation of, and certain terms used in, the Statement of Financial Position and Statement of changes in equity and the notes was changed to provide additional and more relevant information (for changes in comparative information) to better align with the current period presentation.

In 2024, the Company updated the presentation to separately disclose the unappropriated profits in the primary statements of the annual accounts. The comparative figures as at 31 December 2023 were adjusted accordingly. This resulted in a reclassification between components of Equity in the 2023 comparative figures. The related reclassification is included in the line 'retained earnings' in the 2023 disclosure of changes in equity and amounted to CZK 9,758 million, equal to the net profit of the year. There was no impact on total equity and net result.

## C. Material accounting policies and assumptions

### C.1 Material accounting policies

The accounting standards adopted in preparing the separate financial statements, and the contents of the items in the Company's financial statements are presented in this section.

#### C.1.1 Intangible assets

In accordance with IAS 38, an intangible asset is recognised if, and only if, it is identifiable and controllable, it is probable that the expected future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

This category includes mainly software. The Company owns no software with indefinite useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Intangible asset acquired by the Company is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line basis over an average period of 3-5 years. The amortisation methods, useful lives, and residual values, if not insignificant, are reassessed annually. If

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a material additional investment is made to an asset during the year, its useful life and residual value are reassessed at the time the cost of the investment is added to the carrying amount of the asset.

The amortisation and potential impairment of other intangible assets are recognised in the separate income statement under the item "Other expenses". For further details, see note E.22.

Where there is an indication that an impairment loss recognised for an asset in prior years no longer exists, the carrying amount of the asset is increased to its estimated recoverable amount. The increased carrying amount of the asset due to the reversal of impairment loss cannot exceed the carrying amount that would be determined if no impairment loss had been recognised for the asset in prior years, net of any depreciation or amortisation accounted for in the meantime.

### C.1.2 Investments in subsidiaries

Investments in subsidiaries are entities (including intermediate subsidiaries and special purpose entities) over which the Company has control. Subsidiaries are recognised from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognised from the date that control ceases.

There are three conditions of control (according to the standard IFRS 10 Consolidated Financial Statements) which must be met for considering an entity as controlled:

- Power over the investee.
- Exposure, or right to variable returns.
- The ability to affect those returns through power over the investee.

Investments in group companies are originally measured at cost. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

The Company assesses at the end of each reporting period whether there is any indication of impairment. If such indication exists, investment is subject to impairment testing.

An impairment loss is recognised if the carrying amount of an investment exceeds its estimated recoverable amount. The latter is the higher of its fair value less costs of disposal (i.e., the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and its value in use (i.e., the present value of the future cash flows expected to be derived from holding the investment).

The value in use resulting from the impairment test model is compared to the historical cost of the investment. In particular, the Dividend Discount Model ("DDM") has been used for the determination of the value in use.

The Dividend Discount Model is based on the hypothesis that the value of the investment is equal to the present value of the post-tax cash flows available for its shareholders. These cash flows are supposed to be equal to the flows derived from the distributable dividends, while maintaining an adequate capital structure as required by the laws in force and the entity's economic nature and to maintain its expected future development.

According to this method, the value of the cash-generating unit is equal to the sum of the discounted value of future dividends plus the terminal value of the cash-generating unit itself.

The application of this criterion has generally entailed the following phases:

- a) For forecasting the future cash flows of each Company subject to the test, profit after tax available in the most recent Rolling plan 2025-2027 has been taken into account. The main economic-financial data has been calculated for two additional years (2028 and 2029) on the basis of the growth rate in the last year of the rolling plan (2027) to extend the forecast period.
- b) Explicit forecasting of the future cash flows to be distributed to shareholders in the planned time frame, taking into account limits requiring the maintenance of an adequate capital level.
- c) Calculating the participation's terminal value, which is the expected value of the participation at the end of the latest year planned.
- d) Regarding the terminal value, applying a growth rate of 2.0% on the cash flows of the latest Plan year.
- e) The discount rate of the future cash flows (between 8.80% and 12.47%) has been derived from the return rate of risk-free investments (between 3.05% and 6.72%), annual cost of capital (5.00%), size premium (1.00%) and beta (0.95).

The impairment loss is recognised in the income statement.

Where there is any indication that an impairment loss recognised for an investment in prior years no longer exists, the carrying amount of the asset is increased to its estimated recoverable amount. The increased carrying amount of the investment due to the reversal of impairment loss cannot exceed the carrying amount that would be determined if no impairment loss had been recognised for the investment in prior years.

The reversal of impairment loss is recognised in the income statement.

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### C.1.3 Investments

#### C.1.3.1. Recognition and initial measurement

Investments include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost, cash and cash equivalents.

For spot purchases and sales of financial assets, the Company's policy is to recognise them using settlement-date accounting. Other financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted for in the same way as would be accounted for subsequent measurement for the respective measurement category. Financial instruments are measured initially at fair value plus, with the exception of financial instruments at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial instrument.

A financial asset is derecognised when the Company transfers the risk and rewards of ownership of the financial assets or loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or surrendered.

#### C.1.3.2. Classification and subsequent measurement

##### Financial assets

##### *Classification*

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments for Principal and Interest ("SPPI").

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Company elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. For these equity instruments, only dividend income can be presented in the profit and loss statement, any value loss or gain is presented as Other comprehensive income and shall be never recycled to profit and loss (specific "non-recycling" rule applies). The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable. The Company decided to activate this option for such instruments to mitigate the volatility of the results which is implied in this asset class.

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL.

In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. In the observed periods, the Company did not use this option.

##### *Business model assessment*

The Company assesses the objective of the business model in which a financial asset is held. The information considered includes:

1. the stated policies and objectives and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
2. how the performance of the portfolio is evaluated and reported to the Key Management Personnel;
3. the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

4. how managers of the business are compensated and the linkage of their remuneration with KPIs; and
5. the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The business model of the Company was identified for separate clusters of assets:

**1) Financial assets managed as investments**

Instruments within this group include equities, investment funds, reverse REPO and derivatives.

Management of these assets is in line with the strategic asset allocation process which defines target exposure and limits, in term of minimum and maximum exposure allowed, for each relevant asset class.

The Company needs to consider its business in relation to investments management and take into account liability cash flow matching, liquidity needs, management of specific credit risk profile, generation of value added from investment activity, actively assessing investment opportunities, related risk profile and return and value maximization. All of the above is done both through holding assets and collecting related cash flows and also through sales.

Based on the above considerations, asset groups that fall within this category follow general approach which is "hold to collect and sell" business model, in line with General Business Model of the Generali Group.

**2) Financial assets not managed as investments**

The objectives of these items are interpreted as not based on objectives normally used to manage investments. It can be assumed as a transitory item between cash collection and investment decision.

No sales before maturity, no active trading or other selling activities are performed within these assets. Expectations about future sales activity remain on current level without any changes.

These assets generate very small fraction of the investment result. Results generated by these clusters are monitored and reviewed on regular basis, but it is not the key driver of KPIs.

Financial assets not managed as investment are assigned to a "hold to collect" business model, considering as primary objective in relation to these assets the collection of contractual cash flows.

**a) Receivables**

Receivables are amounts due from employees, suppliers and customer, intermediaries, or any other party. Receivables are usually short-term instruments that do not have a significant financing component. The objectives of these items are interpreted as not based on objectives normally used to manage investments as they arise in the ordinary course of business.

Receivables have characteristics as described above for financial assets not managed as investments and are therefore assigned to a "hold to collect" business model, considering as primary objective in relation to these assets the collection of contractual cash flows as they become due.

**b) Cash and cash equivalent**

Cash comprises cash on hand and demand deposits together with term deposits. Cash equivalents are defined by the same standard as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for meeting short-term cash commitments or as transitory item between cash collection and investment decision rather than for investment or other purposes. Considering short term nature and an insignificant risk of changes in value, this group contains also term deposits with maturity at inception less than 15 days.

Cash and cash equivalents are assigned to a "hold to collect" business model, considering main characteristics of these assets.

**c) Loans to subsidiaries**

Loans to subsidiaries comprises loans provided by the Company to its subsidiaries as one source of financing. No sales before maturity and no active trading are performed within these assets which is not expected to be changed for the future.

Primary objective of loans to subsidiaries is collection of contractual cash flows once they become due and such items are assigned to a hold to collect business model.

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d) Term Deposits and Cash pool

These assets represent either short term money allocation or are part of specific Generali Group cash pooling initiative to efficiently manage Group's cash capacity. No sales before maturity and no active trading are performed within these assets which is not expected to be changed for the future.

Primary objective of these assets is short term funds allocation and consequently collection of contractual cash flows once they become due or cash is needed and such items are assigned to a hold to collect business model.

**Assessment of whether contractual cash flows are SPPI**

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Company has determined that these prepayment features are consistent with the SPPI criterion. Because the Company would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

**Subsequent measurement and gains and losses**

<b>Financial assets at FVTPL</b>	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss.
<b>Debt investments at FVOCI</b>	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and change in expected credit losses are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b>	Measured at fair value. Dividends are recognised as income in profit or loss when the Company's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.
<b>Financial assets at amortised cost</b>	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and change in expected credit losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Financial liabilities

### Classification

The Company classifies its financial liabilities, into one of the following categories:

- financial liabilities at FVTPL, and within this category as:
  - held-for-trading;
  - derivative hedging instruments;
  - designated as at FVTPL;
- financial liabilities at amortised cost.

### Subsequent measurement and gains and losses

<b>Financial liabilities at FVTPL</b>	Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss.
<b>Financial liabilities at amortised cost</b>	Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derivatives

Derivatives, including embedded derivatives separated from their host contracts, are classified as held-for-trading. They are measured at fair value with changes in fair value recognised in profit or loss.

Derivatives may be embedded in another contractual arrangement (a host contract). When the host contract is a financial asset in the scope of IFRS 9, the hybrid financial instrument as a whole is assessed for classification and the embedded derivative is not separated from the host contract.

For other contracts, the Company accounts for an embedded derivative separately from the host contract when:

- the hybrid contract is not measured at FVTPL;
- the terms of the embedded derivative would have met the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. In particular, an embedded derivative is closely related to a host insurance contract if they are so interdependent that the embedded derivative cannot be measured separately – i.e. without considering the host contract.

### C.1.4 Cash and cash equivalents

Cash consists of cash on hand, demand deposits with banks and other financial institutions and term deposits due within 15 days. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. All cash and cash equivalents held by the Company are available for use by the Group. There are no restrictions imposed on cash and cash equivalents.

### C.1.5 Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sales rather than through continuing use are classified as held-for-sale. Immediately before being classified as held-for-sale, the assets (or components of a disposal group) are measured in accordance with the applicable IFRS. Thereafter, generally, the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

### C.1.6 Equity

#### Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

#### Share premium reserve

Excess contributed by an investor to the Company over the par-value price of a share issue is recognised in share premium reserve.

#### **Revaluation reserve - financial assets at FVOCI**

The item includes gains or losses arising from changes in the fair value of FVOCI financial assets, as previously described in the corresponding item of financial investments. The amounts are presented net of the related deferred taxes.

#### **Retained earnings**

This item comprises retained earnings or losses adjusted for the effects arising from the first-time application of IFRS and statutory reserve funds.

#### **Net profit of the year**

The item refers to the Company's earnings after taxes for the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

#### **Dividends**

Dividends are recognised as a liability provided they are declared before the end of the reporting period. Dividends declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

### **C.1.7 Provisions**

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company, among the other similar classes of potential legal disputes, monitors and assesses thoroughly whether some liabilities should be recognised in the Czech Republic under Act No. 229/2002 Coll. as amended by subsequent changes.

### **C.1.8 Payables**

Accounts payable is a contractual obligation to deliver cash or another financial asset. Accounts payable are measured at amortised cost, which will normally equal their nominal or repayment value.

### **C.1.9 Net result from investments into subsidiaries**

Net result from investments in subsidiaries includes dividend income, impairment / reversal of impairment expense and realised gains or losses from the disposal of subsidiaries recognised during the period.

Dividend income from a subsidiary is recognised in the profit and loss statement of the Company when the Company's right to receive the dividend is established. This right is established once the dividend payment is approved by the general meeting of the subsidiary.

### **C.1.10 Net income and loss from financial assets and liabilities**

Other income and expenses from financial assets comprise realised and unrealised gains/losses on investments.

A realised gain/loss arises on de-recognition of financial assets other than financial assets at fair value through profit or loss. The amount of the realised gain/loss represents the difference between the carrying value of a financial asset and the sales price adjusted for any cumulative gain or loss that had been recognised in other comprehensive income.

Net fair value gain/loss on financial assets and liabilities at fair value through profit or loss not held-for-trading represents the amount of the subsequent measurement of financial assets and liabilities classified at fair value through profit or loss to their fair value or the gain/loss from disposal thereof.

### **C.1.11 Interest revenue and interest expenses calculated using the effective interest method**

Interest income and interest expense are recognised in the income statement on an accrual basis, taking into account the effective yield of the asset or liability, or an applicable floating rate. Interest income and interest expense include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated using the effective interest method.

In the context of effective interest method, interests are normally recognised on Gross carrying amount ("GCA"), with exception of assets classified as ECL Stage 3 (see C.1.14 for more detailed information), when interests are calculated on amortised cost.

Interest on financial assets measured at fair value through profit or loss and interest income on other assets is reported as a part of "Interest revenue calculated using the effective method". Interest expense on other liabilities is reported as "Interest expense calculated using the effective method".

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### Interests recognition on financial instruments

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition	<p>If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the asset, but not ECL.</p> <p>If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.</p> <p>For information on when financial assets are credit-impaired, see (C.1.14).</p>
Financial assets credit-impaired on initial recognition	<p>Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.</p>
Financial liabilities	<p>Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the liability.</p>

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

### C.1.12 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except where it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted as at the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted as at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred, if applicable.

### C.1.13 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are those due to be settled within twelve months of the end of the period in which the employees render the related service, other than termination benefits. Short-term employee benefits mainly include wages and salaries, management remuneration and bonuses, remuneration for membership of Company boards and non-monetary benefits. The Company makes contributions to government pension schemes at the statutory rates in force during the year, based on gross salary payments. The benefits are recognised in an undiscounted amount as an expense and as a liability (accrued expense).

#### Other long-term employee benefits

Other long-term employee benefits are those that are not due to be settled within twelve months after the end of the period in which the employees render the related service, other than post-employment benefits and termination benefits.

The benefits are measured at present value of the defined obligation at the balance sheet date using the projected unit credit method.

#### Post-employment benefits

Post-employment benefits are those (other than termination benefits) payable after completion of employment. The Company makes contributions to the government health, accident and guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. Throughout the year, the Company made contributions defined by the relevant laws to such schemes. The cost of these Company made contributions is charged to the income statement in the same period as the related salary cost as this is a defined contribution plan. There are no further obligations of the Company in respect of employees' post-employment benefits.

#### Termination benefits

Termination benefits are employee benefits payable as a result of the Company's decision to terminate an employee's employment before the normal retirement date, or as an inducement to accept voluntary redundancy.

The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed irrevocable formal plan or providing termination benefits as an inducement to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

### C.1.14 Other accounting policies

#### Foreign currency translation

##### (a) Functional and presentation currency

The financial statements are presented in CZK, which is the Company's functional currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement and presented within "Net foreign exchange differences".

Changes in the fair value of monetary securities denominated in foreign currencies classified as FVOCI are distinguished between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss in the income statement. Translation differences on non-monetary financial assets, such as equities classified FVOCI financial assets, are included in the reserve for unrealised gains and losses on financial assets at FVOCI in other comprehensive income.

#### Impairment on financial instruments – Expected credit losses

The impairment requirements on financial instruments are based on an expected credit loss (ECL) model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI. In addition, ECL shall be recognised when such cases are present, on most loan commitments (if not accounted for at FVTPL), financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IFRS 16 Leases.

Expected Credit Losses ("ECL") in the context of IFRS 9 are the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. Credit losses are the present value of expected cash shortfalls, where a cash shortfall is the difference between the cash flows due to the entity in

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accordance with the contract (scheduled or contractual cashflows) and the cash flows that the entity expects to receive (actual expected cashflows).

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of default (“PD”);
- loss given default (“LGD”); and
- exposure at default (“EAD”); being EAD equal to the Gross Carrying Amount (“GCA”) at evaluation date.

An entity must determine whether the financial asset is in one of three stages (Stage 1, Stage 2, Stage 3) based on assessment whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition.

The Company recognises 12-month ECL on initial recognition (or when the commitment or guarantee was entered into) and thereafter as long as there is no significant deterioration in credit risk. However, if there has been a significant increase in credit risk on an individual or collective basis, then a lifetime ECL is recognised. For trade receivables, a simplified approach is applied whereby the lifetime ECL are always recognised.

12-month ECL is the portion of expected credit losses associated with the probability of financial instrument defaulting in the next 12 month. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Below table offers a more schematic representation of applied rule:

	Stage 1	Stage 2	Stage 3
Credit-impaired assets	No	No	Yes
Significant increase of the credit risk	No	Yes	Yes
Expected credit loss	ECL – 12-month	ECL – lifetime	ECL – lifetime
Interest revenue	On Gross Carrying Amount	On Gross Carrying Amount	On Amortised cost

In this risk assessment related to significant deterioration in credit risk, the Company must take into account the change in default that may occur after the initial recognition of the financial instrument rather than change in the amount of expected credit losses.

The approach chosen by the Company in order to measure Significant Increase in Credit Risk for Bonds (and similar to Bonds) exposures foresees the Credit Rating Downgrading by a defined number of notches. In this quantitative transfer criteria, the rating shift is the parameter monitored in order to detect a significant credit risk deterioration. The difference is measured as number of notches compared with a threshold that determines, in relative terms, if the position is classified as Stage 1, Stage 2 or Stage 3. The case in which the number of notch is lower than the threshold, tranche will be classified as Stage 1 and ECL calculated considering risk of default over next 12 months; if higher than the threshold for passing to Stage 2 but lower than the threshold of Stage 3, the position will be classified at Stage 2 and ECL is calculated considering lifetime risk of default; otherwise it is classified at Stage 3 and ECL calculated based on the recovery amounts estimates. As Stage 3 are also considered all cases with objective evidence of impairment, regardless of approach above.

Use of Low Credit Risk (“LCR”) exemption is implicitly considered in the definition of number of notches change described above. In this case, the threshold limits of BBB-, S&P rating scale, has been chosen for the identification of Low Credit Risk Assets, being this the rating floor to define an “investment grade” score.

The Company assesses at each reporting date whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition. ECL shall always reflect the current expectations of credit losses. Consequently, as the Company would recognise lifetime ECL in case of significant increase of credit risk, equally lifetime ECL recognised in previous reporting periods changes to 12-month ECL if there is evidence that there is no longer a significant increase in credit risk relative to initial recognition.

Expected credit loss is calculated as weighted value obtained by considering a series of possible scenarios in which forward-looking information are specified. The Company has decided to identify three different scenarios with following weights (Upward scenario – 30%; Base scenario – 40%; Downward scenario – 30%). Calculation considers all reasonable and supportable information, including the forward-looking one. Probabilities of defaults used for each scenario depend on rating class and the historical evolution of related probabilities of default in time, deriving so the point in time probability of default. This is adjusted through the use of satellite models to forward looking probabilities of default, considering impact of specific relevant macroeconomic factors to the probability of default for each of three mentioned scenarios. As mentioned above, PDs are then combined with LGDs and EAD to calculate the ECL amounts.

#### Presentation expected credit losses in Statement of financial position and Income statement

In case of financial assets measured at amortised cost, ECL is reducing the gross carrying amount of the asset. Hence, the total value presented in the balance sheet, i.e. Amortised cost, is the difference of GCA and ECL. In P&L, ECL is presented as cost at initial recognition or through our first year of assets recognition. Subsequently the change of ECL

estimate respect to last annual reporting period is recognised as either cost or income, depending on whether ECL estimate increased or decreased in time.

In case of FVOCI assets, In P&L ECL is presented as cost at initial recognition or through our first year of assets recognition. Subsequently the change of ECL estimate respect to last annual reporting period is recognised as either cost or income, depending on whether ECL estimate increased or decreased in time. Within a dedicated reserve in equity, ECL reserve is recognised, counterbalancing the ECL cumulative cost as recognised in P&L, assuring Company's financial statement are reflecting Fair value measurement as required for OCI instruments.

In Income statement, ECL is presented in the line "Net expected credit loss expense (-) / income.

#### **Write-offs**

Debt securities are written off (either partially or fully) if there is not real and achievable possibility of recovery.

Considering very limited cases of applicable investments, the Company doesn't have a specific write off policy. These cases, if occurred, would be assessed on case-by-case basis.

#### **Transfers that doesn't qualify for derecognition - REPO/reverse REPO transactions**

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of the financial position as the Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within payables section (cash collateral on securities lent and repurchase agreements), reflecting the transaction's economic substance as a loan to the Company. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the effective interest rate.

When the counterparty has the right to sell or re-pledge the securities, the Company reclassifies those securities in its statement of financial position to financial assets held for trading pledged as collateral or to financial investments available for sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Company. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the effective interest rate.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in income from other financial instruments.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is an unconditional and legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Share-based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions). The Company has no obligation to settle the share-based transaction. Transaction will be settled by shares issued by Assicurazioni Generali S.p.A. (ultimate parent company).

#### **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised together with a corresponding increase in retained earnings in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in other expenses.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

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When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation and any expenses not yet recognised for the award are recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if there were a modification of the original award, as described in the previous paragraph.

#### Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

The fair value of financial instruments and other assets and liabilities is based on their quoted market price as at the end of the reporting period, without any deduction for transaction costs. If a quoted market price is not available or if the market for an asset or liability is not active, the fair value is estimated using pricing models or discounted cash-flow techniques.

To assess whether the market is active or not, the Company carefully determines whether the quoted price really reflects the fair value, i.e., in cases where the price has not changed for a long period or the Company has information about an important event but the price did not change accordingly, the market is not considered active. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Discounted cash flow techniques use estimated future cash flows, which are based on management estimates and the discount rate, which is constructed from risk-free rates adjusted by risk margin (credit spread). This is usually derived from an instrument with similar terms and conditions (ideally from the same issuer, similar maturity and seniority) which reflects the market price in the best way.

In general, if pricing models are used, inputs are based on market-related measures as at the end of the reporting period which limits the subjectivity of the valuation performed by the Company, and the result of such a valuation best approximates the fair value of an instrument.

The fair value of derivatives that are not exchange-traded is estimated as at the end of the reporting period using appropriate pricing models as described in the previous paragraph taking into account current market conditions and the current creditworthiness of the counterparties. In the case of options, Black-Scholes models are applied. Also, for any other over-the-counter instruments (CDS, IRS, CCS, etc.), widely recognised models are applied and, again, the parameters of the valuation are intended to reflect market conditions.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs are used.

The fair value hierarchy (defined by IFRS 13) of three levels has been used. The fair value hierarchy categorises the inputs to valuation techniques used to measure fair value as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives or unquoted bonds) is determined by using valuation techniques. If all significant inputs required to fair value an instrument are observable on the market, the instrument is included in Level 2. Specific valuation techniques used in valuation include mainly quoted market prices or over-the-counter offers for similar instruments, cash flow estimation and risk-free curves.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Level 3 contains the assets and liabilities where market prices are unavailable and entity specific estimates are necessary.

Assets and liabilities are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 instruments also include those for which the determination of fair value requires significant expert judgement or estimation.

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A general description of the valuation techniques used for Level 3 assets and liabilities is provided below:

- independent evaluation by a third party - the adequacy of the price results from evaluations, reports or fairness opinions issued by independent third parties;
- price based on the amount of Shareholder's equity;
- price that incorporates additional information about the value of an instrument (insufficient value of illiquid underlying assets in case of funds/hedge funds, not enough resources to finance junior tranches in case of structured products like CDO, default of an issuer, etc.).

The following table provides a description of the valuation techniques and the inputs used in fair value measurement:

	Level 2	Level 3
Equities		The fair value is mainly determined using an independent evaluation provided by a third party or is based on the amount of Shareholder's equity. Valuation technique consists of dividend discount model, trading multiples or combination of both techniques.
Investment funds		The fair value is mainly based on information about the value of underlying assets.
Bonds, Loans	Bonds are valued using the discounted cash flow technique. It uses estimated future cash flows and the discount rate, which is constructed from risk-free rates adjusted by credit spread.	Indicative price is provided by a third party or determined by discounted cash-flow method with significant expert judgement regarding credit spread.
Derivatives	Derivatives are valued using the discounted cash flow technique.	
Deposits, Reverse REPO operations	These instruments are valued using discounted cash flow technique.	

The table below shows unobservable inputs of Level 3 assets (in CZK million):

Description	Fair value as at 31 December 2024	Valuation technique(s)	Unobservable input(s)	Range
Equities at FVTPL	1,620	net asset value	value of underlying instruments	n/a
Equities at FVOCI	5,470	dividend discount model trading multiples	cost of equity terminal growth rate estimated cash-flows	+/- 50 bps (5,076 – 5,945)
Investment fund units	204	net asset value	value of underlying instruments	n/a

Description	Fair value as at 31 December 2023	Valuation technique(s)	Unobservable input(s)	Range
Equities at FVTPL	1,681	net asset value	value of underlying instruments	n/a
Investment fund units	203	net asset value	value of underlying instruments	n/a
Loans to subsidiaries	357	discounted cash-flow	credit spread	30 bps

Where possible, the Company tests the sensitivity of the fair values of Level 3 investments to changes in unobservable inputs for reasonable alternatives. Where possible, valuations for Level 3 investments are sourced from independent third parties and, where appropriate, validated against internally modelled valuations, third-party models or broker quotes.

Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations or where no third-party pricing source is available, the Company undertakes, where feasible, a sensitivity analysis on the following basis:

- For third-party valuations validated against internally modelled valuations using significant unobservable inputs, the sensitivity of the internally modelled valuation to changes in unobservable inputs for a reasonable alternative is determined.
- For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple, IRR or other suitable valuation multiples of the financial instrument implied by the third-party valuation. For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation.

The policy on the timing of recognising transfers, which is based on the date of the event or changes in circumstances that caused the transfer, is the same for transfers into each level as for transfers out of the levels.

## C.2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### C.2.1 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded on an active market (for example, over-the-counter derivatives) is determined using a valuation method. The Company uses its judgement to select a variety of valuation methods and makes assumptions that are mainly based on the market conditions existing at the end of each reporting period (see also Note C.1.3).

### C.2.2 Impairment test of investments in subsidiaries

Investments in subsidiaries are subject to annual impairment testing. Determination of recoverable amount of the investments requires usage of certain assumptions. Impairment test process and calculation is described in Note C.1.2.

## C.3 New standards and interpretations

### C.3.1 Standards, interpretations and amendments to existing standards that are not yet effective and are relevant for the Company's financial statements

**Amendments to the Classification and Measurement of Financial Instruments** (Amendments to IFRS 9 and IFRS 7, effective for annual periods beginning on or after 1 January 2026) to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

**IFRS 18 Presentation and Disclosures in Financial Statements** (effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2027)

This standard replaces the standard IAS 1 Presentation of Financial statements.

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures** (Effective for periods beginning on or after 1 January 2027)

IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

An entity may elect to apply this Standard in its consolidated, separate or individual financial statements if, and only if, at the end of the reporting period:

- (a) it is a subsidiary;
- (b) it does not have public accountability; and
- (c) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

### C.3.2 Standards, interpretations and amendments to published standards that are not yet effective and are not relevant for the Company's financial statements

**Amendment to IAS 21 – Lack of Exchangeability** effective for annual periods beginning on or after 1 January 2025, that contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

### C.3.3 Standards, interpretations and amendments to published standards that are effective and are not relevant for the Company's financial statements

**Amendments to IAS 1 – Non-current Liabilities with Covenants** effective for annual periods beginning on or after 1 January 2024.

**Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback** effective for annual periods beginning on or after 1 January 2024.

This amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

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**Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements** effective for annual periods beginning on or after 1 January 2024.

The IFRS Interpretations Committee received a submission about supply chain finance arrangements asking:

- How an entity presents liabilities to pay for goods or services received when the related invoices are part of a supply chain finance (or reverse factoring) arrangement; and
- What information about reverse factoring arrangements an entity is required to disclose in its financial statements.

In response to that feedback, the Board decided to amend IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Key changes this amendment will bring are listed below.

The amendments in Supplier Finance Arrangements:

- **Do not define supplier finance arrangements.** Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
- **Add two disclosure objectives.** Entities will have to disclose in the notes information that enables users of financial statements:
  - to assess how supplier finance arrangements affect an entity's liabilities and cash flows and
  - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
- **Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:**
  - the terms and conditions of the supplier finance arrangements;
  - for the arrangements, as at the beginning and end of the reporting period:
    - the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
    - the carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;
    - the range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement

The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.

**Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.**

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## D. Risk report

In the risk report, the Company presents further information to enable the assessment of the significance of financial instruments for the assessment of an entity's financial position and performance. Furthermore, the Company provides information about its exposure to risks arising from financial instruments, and it discloses management's objectives, policies and processes for managing those risks, in accordance with IFRS 7.

### D.1 Risk management system, measurement and control

The Company is a member of the Generali Group and is part of its risk management structure.

Generali CEE Holding is not a regulated entity. The Company is, however, approved as a qualified shareholder in all of its direct and indirect subsidiaries, which are regulated entities and must meet criteria stipulated by relevant local laws and regulatory. In addition, being a member of the insurance group headed by Assicurazioni Generali, the Company is required to comply with the measures imposed on the Company for the implementation of applicable laws and provisions set by the Italian Institute for insurance supervision for the purposes of the stable and efficient management of the Generali Group. This is reflected in risk profile of the Company.

Generali Group has implemented a risk management system that aims at identifying, evaluating and monitoring the most important risks to which the Generali Group and the Company are exposed.

Risk management process is defined within the Risk Management Group Policy and applicable for the Company, including the risk map determining the risks which the Company faces.

The purpose of the risk management system is to ensure that all risks to which the Company is exposed are properly and effectively managed through a defined risk strategy following a set of processes and procedures and based on clear governance provisions.

The principles defining the risk management system are provided in the risk management policy, which is the cornerstone of all risk-related policies and guidelines. The risk management policy covers all risks the Company is exposed to, both on a current and on a forward-looking basis.

The risk management process is defined within the following phases:



Specifically, the Company is exposed to financial risks, credit risks, liquidity risks, strategic risks, operational risks, sustainability risks, emerging risks and reputational risks. Details about risks are mentioned in separate chapters.

The Company mainly uses the following approaches to mitigate the individual risks:

#### Financial and Credit risks

The Company uses derivatives to mitigate the financial risks in the portfolio. The derivatives help the Company improve the quality, liquidity and profitability of the portfolio, according to the business planning targets.

#### Swaps

Swaps are over-the-counter agreements between the Company and other parties to exchange future cash flows based upon agreed notional amounts. Swaps most commonly used by the Company are foreign currency swaps. Under foreign currency swaps the Company agrees to simultaneously borrow one currency and lend another currency at an initial date, then exchanging the amounts at maturity.

Market risk arises from potentially unfavourable movements in foreign exchange rates.

#### Forwards

Forward contracts are commitments to either purchase or sell of a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Forward contracts result in credit exposure to the counter party and exposure to market risk based on changes in market prices relative to the contracted amounts.

#### Financial instruments and other investments

With specific focus on financial instruments and other investments, Risk Management guidelines related to investment risk management, the system of investments risk limits, credit ratings and guidelines on an approval process for new instruments are in place, as well as the investment risk reporting for management on a monthly basis.

The Company acts in line with Investment Risk Group Guideline. This guideline is cascaded to the Company via the Guideline for the System of Investment Risk Limits and a Risk limit Annex specific for the Company, providing it with a set of definitions, limits, requirements and restrictions to manage credit and market risks. The Guideline illustrates also the treatment and the requirements related to specific asset classes or transactions, and, in addition, it describes the related monitoring activities.

The asset portfolio is invested based on the Prudent Person Principle. The objective of the strategy is to establish appropriate return potential while ensuring that the Company can always meet its obligations without undue cost and in accordance with its internal and external regulatory capital requirements.

Strategic asset allocation follows standardised process described by Asset Liability management and Strategic asset allocation Group Guideline (SAA and TAA Group Guideline). The SAA is subject to approval of Regional Investment Committee with Group head office (“GHO”) representative which is held twice a year.

In addition to that, there are also Investment Governance Group Policy, Risk Concentrations Management Group Policy and Treasury Group Policy which specify the roles and responsibilities, processes and reporting requirements in these areas.

### **Liquidity risk**

The Company manages and mitigates liquidity risk in accordance with the framework set in the Generali Group’s internal regulations. The Company also aims to ensure its capacity to meet its commitments in adverse scenarios. To this end, it manages expected cash inflows and outflows to maintain a sufficient available cash level to meet short- and medium-term needs, and by investing in instruments that can be quickly and easily converted into cash. The Company considers its prospective liquidity situation under plausible market conditions as well as under stress scenarios.

The Company has established clear governance guidelines for liquidity risk measurement, management, mitigation and reporting in accordance with the Generali Group regulations. This includes the setting of specific limits and escalation processes should limits be breached or other liquidity issues arise.

### **Operational risks, sustainability risks and reputation risks**

On yearly basis the Company performs qualitative assessment of operational risks which is done by Risk Management function.

The assessment takes into account internal and external inputs, both historical and forward looking. Within the exercise the qualitative evaluation is performed for all the operational risks in the operational risk catalogue defined by Generali Group and aligned with the Generali Group methodology. The assessments outputs are usually presented in a heatmap, where we distinguish financial heatmap and heatmap including also reputational risks effects. Within the assessment also sustainability risks are considered.

Operational risks are well managed, individually based on type of the operational risks. The main topics for the Company are international sanctions, cyber-attack, taxes, antitrust and risk of correct data entry.

## **D.2 Roles and responsibility**

The system is based on three levels of responsibility:

- Assicurazioni Generali (“Generali Group”) – for every country, it sets the targets in terms of solvency, results, and risk exposure. Moreover, it defines the risk management policy through a list of Guidelines for acceptance of the main risks. The Generali Group has developed the Risk Management Group Policy to align the risk measurement methodology, the governance and the reporting of each company within the Generali Group.
  - Generali CEE Holding (“the Company”) – defines strategies and objectives for every company within the CEE region, taking into account the local features and regulations, providing support for the implementation and controlling the results. In particular, in order to assure a better solution to the specific features of local risks and changes in local regulation, the risk management responsibility and decisions are delegated to the Chief Risk Officer of the Company respecting the Generali Group policy framework. Generali Group and the Company are also assigned performance targets for their respective areas.
  - Business Unit – risk management involves the corporate governance of Generali Group entities and the operational and control structure, with defined responsibility levels and aims to ensure the adequacy of the entire risk management system at every point.
-

### D.3 Market risk

Unexpected movements in prices of equities, currencies, and interest rates might impact the value of the Company's assets and liabilities.

In relation to Market risks monitoring, the Company focuses on investments where market risks affect the Company's result of financial positions.

The following table shows investments subject to interest rate and equity risk affecting the Company's financial position.

(CZK million)	31.12.2024		31.12.2023	
	Total fair value	weight (%)	Total fair value	weight (%)
Equity investments and funds	8,980	75%	3,296	81%
Bonds	727	6%	-	-
Reverse repurchase agreement	2,150	18%	701	17%
Derivative financial assets	153	1%	85	2%
<b>Total Assets</b>	<b>12,010</b>	<b>100%</b>	<b>4,082</b>	<b>100%</b>
Derivative financial liabilities	36	100%	253	100%
<b>Total Liabilities</b>	<b>36</b>	<b>100%</b>	<b>253</b>	<b>100%</b>

As mentioned above, the economic impact of changes in interest rates, equity prices, currencies and corresponding volatility for the shareholders will depend on the sensitivity of the assets to these shifts.

Other financial instruments (receivables, term deposits, financial liabilities, etc.) are not subject to significant market risk with exception of currency risk.

#### D.3.1 Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rate assets and liabilities, the Company is also exposed to an interest-rate cash-flow risk, which varies depending on the different re-pricing characteristics of the various floating rate instruments.

The financial instruments subject to interest rate risk are government bonds, derivative instruments and reverse repurchase agreement.

The income statement and Shareholder's equity sensitivity to interest rate changes have been calculated by applying the stress test (100 bp parallel fall or rise in all yield curves worldwide) to financial instrument portfolio as at 31 December 2024 and 31 December 2023.

The following table shows this sensitivity analysis at the year end, before and after the related deferred taxes. The overall impact on the Company's position is the result of sensitivity analysis on both the asset and liability side that creates a mitigating effect.

(CZK million)		31.12.2024		31.12.2023	
		Income Statement	Shareholder's Equity	Income Statement	Shareholder's Equity
<b>100 bp parallel increase</b>	Gross impact on fair value	-	(12)	1	(2)
	Income tax charge / (credit)	-	2	-	-
	<b>Total net impact</b>	-	<b>(10)</b>	<b>1</b>	<b>(2)</b>
<b>100 bp parallel decrease</b>	Gross impact on fair value	-	12	(1)	2
	Income tax charge / (credit)	-	(2)	-	-
	<b>Total net impact</b>	-	<b>10</b>	<b>(1)</b>	<b>2</b>

#### D.3.2 Equity price risk

Equity price risk is the risk that equity prices will fluctuate, affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices.

The Company manages its use of equity investments in response to changing market conditions using the following risk management tools:

- The limits for investments are set and carefully monitored for each business unit in its investment policy.
- The portfolio is diversified (limits are set per single counterparty exposure).

The table below summarises the breakdown by equity and equity investment fund unit type:

(CZK million)	31.12.2024	31.12.2023
Equities at fair value	8,776	3,093
<i>Quoted</i>	1,686	1,412
<i>Unquoted</i>	7,090	1,681
Investments in fund units	204	203
<b>Total</b>	<b>8,980</b>	<b>3,296</b>

The Income statement and shareholder's equity sensitivity to equity price changes have been calculated by applying the stress test (+/- 10% change in equity prices) to all equities and investment fund unit portfolios as at 31 December 2024 and 2023.

The following table shows this sensitivity analysis at the year end, before and after the related deferred taxes.

(CZK million)		31.12.2024		31.12.2023	
		Income Statement	Shareholder's Equity	Income Statement	Shareholder's Equity
<b>Equity price +10%</b>	Gross impact on fair value	182	716	188	141
	Income tax credit	(35)	(136)	(36)	(27)
	<b>Total net impact</b>	<b>147</b>	<b>580</b>	<b>152</b>	<b>114</b>
<b>Equity price -10%</b>	Gross impact on fair value	(182)	(716)	(188)	(141)
	Income tax charge	35	136	36	27
	<b>Total net impact</b>	<b>(147)</b>	<b>(580)</b>	<b>(152)</b>	<b>(114)</b>

The impact on the income statement or shareholder's equity is determined by the IFRS classification of the particular investment.

### D.3.3 Currency risk

The Company is exposed to currency risk as a result of transactions in foreign currencies and through its assets and liabilities being denominated in foreign currencies.

The FX position is regularly monitored, and the hedging instruments are reviewed and adjusted accordingly.

As a result of this approach, the Company has no significant open exposure to any currencies.

The following table shows the composition of assets and liabilities with respect to the main currencies:

(CZK million) 31.12.2024	CZK	EUR	Other currencies	Total CZK
Cash and cash equivalents	241	91	5	337
Financial investments	3,752	11,934	935	16,621
Receivables	121	58	-	179
Other assets	4	13	1	18
<b>Total assets</b>	<b>4,118</b>	<b>12,096</b>	<b>941</b>	<b>17,155</b>
Financial liabilities FVTPL	17	14	5	36
Payables	41	145	123	309
Other liabilities	175	118	-	293
<b>Total liabilities</b>	<b>233</b>	<b>277</b>	<b>128</b>	<b>638</b>

(CZK million) 31.12.2023	CZK	EUR	Other currencies	Total CZK
Cash and cash equivalents	170	22	7	199
Financial investments	1,428	6,960	372	8,760
Receivables	22	115	-	137
Other assets	4	63	1	68
<b>Total assets</b>	<b>1,624</b>	<b>7,160</b>	<b>380</b>	<b>9,164</b>
Financial liabilities FVTPL	104	3	146	253
Payables	46	64	1	111
Other liabilities	368	240	1	609
<b>Total liabilities</b>	<b>518</b>	<b>307</b>	<b>148</b>	<b>973</b>

## D.4 Credit risk

Credit risk includes:

- Spread widening risk - the risk of adverse changes in the market value of the assets due to changes in the market value of non-defaulted credit assets. The market value of an asset can decrease because of Spread widening risk either because the market's assessment of the creditworthiness of the specific obligor decreases, which is typically accompanied by a credit rating downgrade, or because there is a market-wide systemic reduction in the price of credit assets.
- Default risk - refers to the risk of incurring losses because of the inability of a counterparty to honour its financial obligations.
- Counterparty default risk - reflects possible losses due to unexpected default or deterioration in the creditworthiness of the counterparties where the company holds cash, derivatives and receivables.

The table below shows the assets sensitive to change in credit risk:

(CZK million)	31. 12. 2024	31. 12. 2023
Financial investments	7,489	5,379
Financial investments at amortised cost	4,611	4,678
Financial investments at FVOCI	2,878	701
Receivables	179	137
Current tax assets	67	56
Other assets	18	68
Cash and cash equivalents	337	199
<b>Total</b>	<b>8,090</b>	<b>5,839</b>

The following tables show the credit quality of the Company's financial assets. Most of those financial assets are of intragroup nature (CZK 4,760 million as at 31.12.2024, CZK 4,732 million as at 31.12.2023; see chapter E.27 for more detail).

### Rating of Financial investments measured at amortised cost, Financial investments measured at FVOCI and Receivables

(CZK million)	31. 12. 2024			31. 12. 2023		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
AA-	2,878	-	2,878	701	-	701
BBB+	3 814	-	3,814	-	-	-
BBB	797	-	797	4,678	-	4,678
Not rated	-	179	179	-	137	137
<b>Total</b>	<b>7,489</b>	<b>179</b>	<b>7,668</b>	<b>5,379</b>	<b>137</b>	<b>5,516</b>

Assets classified at Stage 2 are receivables, for this lifetime ECL is calculated as simplification allowed by IFRS 9. The Company did not identify any non-performing exposure belonging to Stage 3.

The following table presents the ageing analysis for financial investments measured at amortised cost, financial investments measured at FVOCI and Receivables:

(CZK million) 31.12.2024	Financial investments at FVOCI	Receivables	Financial investments at amortised cost
<b>Neither past due nor impaired</b>			
<b>Gross carrying amount</b>	<b>2,878</b>	<b>179</b>	<b>4,618</b>
Allowances	-	-	(7)
<b>Net carrying amount</b>	<b>2,878</b>	<b>179</b>	<b>4,611</b>

(CZK million) 31.12.2023	Financial investments at FVOCI	Receivables	Financial investments at amortised cost
<b>Neither past due nor impaired</b>			
<b>Gross carrying amount</b>	<b>701</b>	<b>137</b>	<b>4,678</b>
Allowances	-	-	-
<b>Net carrying amount</b>	<b>701</b>	<b>137</b>	<b>4,678</b>

The Company has no past due or credit impaired financial asset.



The following table shows the fair value of collateral held:

(CZK million)	31.12.2024	31.12.2023
Reverse REPO	2,150	701
Derivative instruments	153	86
<b>Total collateral held</b>	<b>2,303</b>	<b>787</b>

The collaterals held fully cover the exposure to above mentioned assets.

#### D.4.1 Amounts arising from ECL on financial assets

##### Inputs, assumptions and techniques used for estimating impairment

See accounting policies in C.1.3.2

##### Significant increase in credit risk

The approach chosen by Generali Group, of which the Company is a part, in order to measure Significant Increase in Credit Risk for Bond exposures foresees the Credit Rating Downgrading by a defined number of notches. In this quantitative transfer criteria, the rating shift is the parameter monitored in order to detect a significant credit risk deterioration. The difference measured as number of notches compared with a threshold that determines, in relative terms, if the position is classified as Stage 1, Stage 2 or Stage 3. The case in which the number of notch is lower than the threshold, tranche will be classified as Stage 1 and ECL calculated 12 months; if higher than the threshold for passing to Stage 2 but lower than the threshold of Stage 3, the position will be classified at Stage 2 and ECL calculated lifetime; otherwise it is classified at Stage 3 and ECL calculated using the recovery amounts. As Stage 3 are also considered all cases with objective evidence of impairment, regardless of approach above.

Use of low credit risk exemption is implicitly considered in the definition of number of notches change described above. In this case, the threshold limits of BBB-, S&P rating scale, has been chosen for the identification of LCR Assets since is also the rating floor to define an "investment grade" score.

The Company assesses at each reporting date whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition.

##### Definition of default

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

In assessing whether a debtor is in default, the Company considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment of another obligation of the same debtor to the Company; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

##### Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL.

The Company formulates three economic scenarios: a base case, and two less likely scenarios, one upside and one downside scenario. External information considered includes economic data and forecasts. Weights of the scenarios are following:

- Base 40%
- Down 30%
- Up 30%

## Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- Probability of default;
- loss given default; and
- exposure at default.

The expected credit loss calculation is based on probability of default, loss given default and total exposure at default parameters that are influenced by forward-looking information obtained by processing specific scenarios.

With regard to quantification of a significant increase in credit risk, necessary in order to allocate debt instruments to the various stages, the Generali Group has defined a model based on a combination of quantitative elements (e.g. measurement based on a comparison with lifetime probability of default) and qualitative elements (e.g. watchlists). A similar approach is used to identify default events, required for classification of an instrument as Stage 3. In the approaches used by the Generali Group to quantify a significant increase in credit risk, the aforementioned low credit risk exemption is not taken into consideration directly.

The model also envisages the option of a simplified approach for trade receivables and leases, for which it is not necessary to calculate the 12-month expected credit losses, but lifetime expected credit losses are always recognised.

The introduction of the Generali Group Expected Credit Losses model, which the Company adopted, has had a limited impact on the Financial Statements, reflecting the strong credit rating of the debt securities portfolio held by the Company.

## Loss allowance

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

(CZK million)	Stage 1	Stage 2*	Stage 3	Total
<b>Balance as at 1 January 2024</b>	-	-	-	-
Transfer to (out) Stage 1	-	-	-	-
Transfer to (out) Stage 2	-	-	-	-
Transfer to (out) Stage 3	-	-	-	-
Remeasurements, changes in models and methods	-	-	-	-
New financial assets acquired	7	-	-	7
Derecognition and maturities	-	-	-	-
Write-offs (use of allowances)	-	-	-	-
<b>Balance as at 31 December 2024</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>

(CZK million)	Stage 1	Stage 2*	Stage 3	Total
<b>Balance as at 1 January 2023</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>
Transfer to (out) Stage 1	-	-	-	-
Transfer to (out) Stage 2	-	-	-	-
Transfer to (out) Stage 3	-	-	-	-
Remeasurements, changes in models and methods	(1)	-	-	(1)
New financial assets acquired	-	-	-	-
Derecognition and maturities	(3)	-	-	(3)
Write-offs (use of allowances)	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The Company identifies Receivables as Stage 2. Allowances for expected credit losses are nil in both years.

## Write-offs

Considering very limited cases of applicable investments, the Company does not have a specific write-off policy. These cases, if occurred, would be assessed on case-by-case basis.

## D.5 Liquidity risk

Liquidity risk is defined as the uncertainty arising from business operations, investment or financing activities over the ability of the Company to meet its payment obligations in the current or a stressed environment in a full and timely manner. This could include meeting commitments only through credit market access under unfavourable conditions or through the sale of financial assets incurring additional costs due to the illiquidity of (or difficulties in liquidating) the assets.

Liquidity risk arises during the general funding of the Company's activities and in the management of its positions. It includes both the risk of being unable to fund assets using instruments with appropriate maturities and rates, the risk of

being unable to liquidate an asset sufficiently quickly and in the appropriate amount and the risk of being unable to meet obligations as they become due.

The Company's liquidity risk assessment relies on projecting cash obligations and available cash resources into the future to ensure that available liquid resources are always sufficient to cover cash obligations that will come due in the same period.

The Company strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. Further, the Company holds a portfolio of liquid assets as part of its liquidity risk management strategy. The Company continuously monitors the liquidity risk to gain smoothly access to funds to meet known obligations, with an additional buffer to cover potential unknown situations.

The Company continually assesses its liquidity risk by identifying and monitoring changes in the funding required to meet business goals and the targets set in terms of the overall strategy. The identification of the liquidity risk sources addresses the size and time distribution of both cash inflows and cash outflows, as well as the marketability of assets, identifying any potential Liquidity mismatch.

The following table shows an analysis of the Company's financial assets and liabilities (undiscounted) broken down into their relevant maturity bands, based on the residual contractual maturities.

#### Residual contractual maturities of financial assets

(CZK million) 31.12.2024	Less than 1 year	Between 1 and 5 years	More than 5 years	Unspecified	Total
Financial investments at amortised cost	4,611	-	-	-	4,611
Financial investments at FVOCI	2,150	773	-	7,156	10,079
Financial investments at FVTPL	153	-	-	1,824	1,977
Receivables	179	-	-	-	179
Other assets	18	-	-	-	18
Cash and cash equivalents	337	-	-	-	337
<b>Total</b>	<b>7,448</b>	<b>773</b>	<b>-</b>	<b>8,980</b>	<b>17,201</b>

(CZK million) 31.12.2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Unspecified	Total
Financial investments at amortised cost	4,678	-	-	-	4,678
Financial investments at FVOCI	701	-	-	1,412	2,113
Financial investments at FVTPL	85	1	-	1,883	1,969
Receivables	137	-	-	-	137
Other assets	68	-	-	-	68
Cash and cash equivalents	199	-	-	-	199
<b>Total</b>	<b>5,868</b>	<b>1</b>	<b>-</b>	<b>3,295</b>	<b>9,164</b>

#### Residual contractual maturities of financial liabilities

(CZK million) 31.12.2024	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial liabilities measured at FVTPL	36	-	-	36
Payables	309	-	-	309
Other liabilities	293	-	-	293
<b>Total</b>	<b>638</b>	<b>-</b>	<b>-</b>	<b>638</b>

(CZK million) 31.12.2023	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Financial liabilities measured at FVTPL	248	5	-	253
Payables	111	-	-	111
Other liabilities	609	-	-	609
<b>Total</b>	<b>968</b>	<b>5</b>	<b>-</b>	<b>973</b>

## D.6 Operational risk and other risks

Operational risk is defined as potential losses arising from shortcomings or underperformance in internal processes, human resources and systems or from other causes which may result from internal or external factors (e.g. natural catastrophes).

As part of the on-going processes of the Generali Group, the Company has set some common principles for these kinds of risks:

- policies and basic requirements to handle specific risk sources as defined at the Generali Group level;
- criteria to measure operational risk. Common Generali Group methodology was set up to identify, measure and monitor operational risks; and
- common methodologies and principles guiding internal audit activities to identify the most relevant processes to be audited.

The operational risk management process is primarily based on analysing the risks and designing modifications to work procedures and processes to eliminate the risks associated with operational events aligned with risk appetite of the company. Work procedures governing the investment and risk management processes constitute a part of the Company's system of mandatory policies and procedures.

### Specific focus on Fraud risk

Fraud risk is among risks that are regularly assessed through Operational Risk Assessment ("ORA"), which is performed on yearly bases. The fraud risk is further split to fraud risk from clients, intermediaries and suppliers and internal fraud risk (categories are defined within Group Operational Risks catalogue). The risk assessment considers Potential Risk Exposure, which is assessed through financial impact and frequency of the risk occurrence, and adequacy of control system in place. Combination of two mentioned factors defines residual risk area – from Very low up to Very High. The 2024 assessment for the Company concluded there is low exposure related to fraud risk. Hence the self-assessment concluded the controls put in place are efficient in mitigating such risks.

## D.7 Capital management

The company is not subject to any regulatory capital requirements. It manages its capital in a way not to put in danger liquidity position of the Company and to be able to continue as a going concern.

Capital composition is available in the note E.9.

There are no financial debts or loans which can be considered as capital.

## D.8 Potential impact of climate changes

Generali Group is committed to promote the transition towards a low-carbon economy, disclosing the risks and opportunities associated with climate change.

Climate Change has been identified as a relevant and strategic Sustainability priority within the Generali Group Double-Materiality Assessment.

The Generali Group Strategy on Climate Change defines decisions and actions taken by the Group to promote a fair and socially just transition to a net-zero emission economy both as an Issuer, an Asset Owner and Underwriter.

Sustainability rooted excellence is a pillar of the Lifetime Partner 2027 Generali Group strategy, where the focus is:

- supporting the green transition with updated milestone 2030 GHG reduction targets and developing innovative solutions,
- enhancing societal resilience through improved natural catastrophe protection, and addressing health, and pension coverage, especially for underserved groups.

### Responsible investor

As an Asset Owner, in order to reduce the environmental and climate impact of its investment portfolio, the Generali Group has developed an integrated strategy, covering multiple asset classes with multiple ESG approaches (Negative Screening, Positive Screening, Sustainable Investments, Engagement and Voting). based on following elements:

- increasing the weight of thematic investments (green assets);
  - reducing exposure to carbon-intensive issuers (exclusion criteria); and
  - methodically measuring and reducing carbon footprint of the portfolio (portfolio decarbonization) in line with the protocols developed by the Net-Zero Asset Owner Alliance.
-

The goals and strategy of the Generali Group are summarised below:

- By 2025 €8.5 to €9.5 billion in new green and sustainable investments in addition to those already made by the end of 2020.
- Exclusion of new investments and gradual divestment from coal-related companies identified with progressively more restrictive criteria.
- Exclusion of new non-listed investments in infrastructures dedicated to coal transport.
- Phase-out of investments in the coal sector by 2030 for OECD countries and by 2040 for the rest of the world.
- Exclusion of new investments and progressive divestment from companies active in the exploration and production of unconventional fossil fuels: tar sands, oil and gas extracted through fracking and upstream operations in the Arctic.
- Exclusion of new non-listed investments in infrastructures dedicated to unconventional fossil fuels (tar sands, oil and gas from fracking and from the Arctic) including upstream, midstream and downstream.
- By 2025, engagement with 20 carbon-intensive companies in the Generali Group's investment portfolio.
- Gradual decarbonization of the investment portfolio to reach net-zero emissions by 2050.

#### **Responsible insurer**

As a Responsible Insurer, the Generali Group business activity is focused on:

- Development of Climate Insurance solutions achieving 8-10% GWP CAGR (Compound Annual Growth Rate), as well as a 6-8% NBP CAGR to support addressing Health and Pension gaps for underserved customers, over the period 2024-2027.
- Exclusion of new underwriting cover and gradual discontinuation of the existing cover for clients insured for activities strictly related to the coal industry identified with progressively more restrictive criteria.
- Phase-out of underwriting exposure to the coal sector by 2030 for OECD countries and by 2038 for the rest of the world.
- Forging ahead with the commitment to no longer insure clients operating in upstream oil and gas, both conventional and unconventional.
- Progressive decarbonization of the insurance portfolio to reach net-zero emissions by 2050.

#### **Responsible employer**

The Generali Group commitment to promote diversity, equity, and inclusion in our work environment, upskill our people, nurture talent in all its forms, and implement more flexible and sustainable ways of working while measuring, reducing, and reporting the carbon footprint resulting from our own direct operations.

- By the end of 2025, greenhouse gas emissions from offices, data centres and mobility will be reduced by 35% compared to the base year 2019. The scope of this target includes scope 1, scope 2 and scope 3 for operational activities.

Achievement of net-zero emissions by 2040 through financing of removal projects that will take into account the evolution of sector-specific regulations.

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## E. Notes to the Company statement of financial position and Company income statement

### E.1 Cash and cash equivalents

For the purposes of the separate statement of cash flows, cash and cash equivalents comprise the following balances with maturities from the acquisition of less than 15 days:

(CZK million)	31.12.2024	31.12.2023
Cash at bank and credit balances with banks payable on demand	337	199
<b>Total Cash and cash equivalents</b>	<b>337</b>	<b>199</b>

### E.2 Financial investments

#### E.2.1 Financial investments measured at amortised cost

(CZK million)	31.12.2024	31.12.2023
Term deposits related to direct cash pooling	1,298	4,326
Loans to the Group entities	3,313	352
<b>Total Financial investments measured at amortised cost</b>	<b>4,611</b>	<b>4,678</b>

In 2024 and 2023, the financial investments at amortised cost are classified as Stage 1 financial assets.

Significant increase of Loans to the Group entities is caused by the short-term loan to parent entity Assicurazioni Generali in the amount of CZK 2,516 million (2023: CZK 0 million. See also the Note E.27.3 Related party transactions.

#### E.2.2 Financial investments measured at FVTPL

(CZK million)	31.12.2024	31.12.2023
Investment fund units	204	203
Equity securities	1,620	1,681
Derivative instruments	153	85
<b>Total Financial investments measured at FVTPL</b>	<b>1,977</b>	<b>1,969</b>

#### E.2.3 Financial investments measured at FVOCI

(CZK million)	31.12.2024	31.12.2023
Equity securities	7,156	1,412
Bonds	727	-
Reverse repurchase agreement	2,150	701
<b>Total Financial investments measured at FVOCI</b>	<b>10,033</b>	<b>2,113</b>

Significant increase of Equity securities (CZK 5,470 million) is represented by the acquisition of GIH shares as a result of Generali group reorganisations in the segment of asset managers. For more details please see note E.6.

#### E.2.4 Fair value of financial investments

The fair value of loans measured at amortised cost:

(CZK million)	31.12.2024	31.12.2023
Term deposits related to direct cash pooling	1,298	4,326
Loans to the Group entities	3,327	357
<b>Total Financial investments measured at amortised cost</b>	<b>4,625</b>	<b>4,683</b>

**Fair value measurement of financial investments**

(CZK million)	31.12.2024			
	Level 1	Level 2	Level 3	Total
<b>Financial investments measured at amortised cost</b>	-	<b>4,625</b>	-	<b>4,625</b>
Term deposits related to direct cash pooling	-	1,298	-	1,298
Loans to the Group entities	-	3,327	-	3,327
<b>Financial investments measured at FVTPL</b>	-	<b>153</b>	<b>1,824</b>	<b>1,977</b>
Investment fund units	-	-	204	204
Equity securities	-	-	1,620	1,620
Derivative instruments	-	153	-	153
<b>Financial investments measured at FVOCI</b>	<b>2,413</b>	<b>2,150</b>	<b>5,470</b>	<b>10,033</b>
Equity securities	1,686	-	5,470	7,156
Bonds	727	-	-	727
Reverse repurchase agreement	-	2,150	-	2,150
<b>Total Financial investments</b>	<b>2,413</b>	<b>6,928</b>	<b>7,294</b>	<b>16,635</b>

(CZK million)	31.12.2023			
	Level 1	Level 2	Level 3	Total
<b>Financial investments measured at amortised cost</b>	-	<b>4,326</b>	<b>357</b>	<b>4,683</b>
Term deposits related to direct cash pooling	-	4,326	-	4,326
Loans to subsidiaries	-	-	357	357
<b>Financial investments measured at FVTPL</b>	-	<b>85</b>	<b>1,884</b>	<b>1,969</b>
Investment fund units	-	-	203	203
Equity securities	-	-	1,681	1,681
Derivative instruments	-	85	-	85
<b>Financial investments measured at FVOCI</b>	<b>1,412</b>	<b>701</b>	-	<b>2,113</b>
Equity securities	1,412	-	-	1,412
Reverse repurchase agreement	-	701	-	701
<b>Total Financial investments</b>	<b>1,412</b>	<b>5,112</b>	<b>2,241</b>	<b>8,765</b>

There were no transfers between fair value levels in 2024 and 2023 for financial investment instruments.

The following table shows the changes in Level 3 financial investments measured at amortised cost:

(CZK million)	2024	2023
<b>Balance as at beginning of reporting period</b>	<b>357</b>	<b>1,820</b>
Transfers from Level 3	(357)	-
Increases and purchases	-	318
Accrued interest increase/(decrease)	-	22
Pay-backs	-	(1,699)
Unrealised gains	-	8
Currency translation differences	-	15
Transfers to Level 3	-	-
Other changes	-	(127)
<b>Balance as at end of reporting period</b>	<b>-</b>	<b>357</b>
<b>Realised gains/losses for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net impairment loss for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>

All intragroup loans are in 2024 classified as Level 2 of fair value hierarchy.

The following table shows the changes in Level 3 financial investments measured at FVTPL:

(CZK million)	2024	2023
<b>Balance as at beginning of reporting period</b>	<b>1,884</b>	<b>1,965</b>
Transfers from Level 3	-	-
Unrealised gains/losses	6	(22)
Increases and purchases	11	70
Sales and disposals	(60)	(80)
Changes in shares	(52)	(97)
Currency translation differences	35	48
Transfers to Level 3	-	-
<b>Balance as at end of reporting period</b>	<b>1,824</b>	<b>1,884</b>
<b>Realised gains/losses for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net impairment loss for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>

The following table shows the changes in Level 3 financial investments measured at FVOCI:

(CZK million)	2024	2023
<b>Balance as at beginning of reporting period</b>	<b>-</b>	<b>-</b>
Transfers from Level 3	-	-
Unrealised gains/losses	(455)	-
Increases and purchases	5,888	-
Currency translation differences	37	-
Transfers to Level 3	-	-
<b>Balance as at end of reporting period</b>	<b>5,470</b>	<b>-</b>
<b>Realised gains/losses for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net impairment loss for the period recognised in profit and loss</b>	<b>-</b>	<b>-</b>

### E.3 Receivables

(CZK million)	31.12.2024	31.12.2023
Receivables from employees	-	2
Trade and other receivables	179	135
<b>Total Receivables</b>	<b>179</b>	<b>137</b>

Item Trade and other receivables includes among others, the re-invoicing of software to GICEE in the amount of CZK 112 million and the receivables from derivatives collateral in the amount of CZK 14 million in 2024 (2023: CZK 81 million). We did not recognise any ECL on Receivables.

### E.4 Intangible assets

(CZK million)	31.12.2024	31.12.2023
Software	47	132
<b>Total Intangible assets</b>	<b>47</b>	<b>132</b>

The tables below show the changes in the individual classes of intangible assets:

(CZK million)	2024	2023
<b>Gross book value as at beginning of reporting period</b>	<b>191</b>	<b>113</b>
<b>Accumulated amortisation and impairment as at beginning of reporting period</b>	<b>(59)</b>	<b>(50)</b>
<b>Carrying amount as at beginning of reporting period</b>	<b>132</b>	<b>63</b>
Additions	251	78
Disposal	(327)	-
Amortisation and impairment of the period	(9)	(9)
<b>Gross book value as at end of reporting period</b>	<b>115</b>	<b>191</b>
<b>Accumulated amortisation and impairment as at end of reporting period</b>	<b>(68)</b>	<b>(59)</b>
<b>Carrying amount as at end of reporting period</b>	<b>47</b>	<b>132</b>



## E.5 Investments in subsidiaries and associates

The following table provides details about the Company's subsidiaries:

In CZK million, for the year ended 31 December 2024:

Name	Country	Cost of investment	Accumulated impairment	Impairment (-) of the period	Net cost of investment	Proportion of ownership interest (%)	Proportion of voting power (%)
Generali Insurance AD	Bulgaria	1,789	-	-	1,789	99.96	99.96
GP Reinsurance EAD	Bulgaria	749	-	-	749	100.00	100.00
Generali Osiguranje d.d.	Croatia	1,935	-	-	1,935	100.00	100.00
Generali Česká pojišťovna a.s.	Czech Republic	13,157	-	-	13,157	100.00	100.00
Generali Biztosító Zrt.	Hungary	14,391	-	-	14,391	100.00	100.00
Generali osiguranje Montenegro	Montenegro	139	-	-	139	65.24	65.24
Generali Towarzystwo Ubezpieczeń S.A.	Poland	5,725	-	-	5,725	100.00	100.00
Generali Zycie Towarzystwo Ubezpieczeń S.A.	Poland	4,421	-	-	4,421	100.00	100.00
4Life Direct Spółka z ograniczoną odpowiedzialnością	Poland	778	-	-	778	100.00	100.00
Generali SAF Pensii Private S.A.	Romania	517	-	-	517	99.99	99.99
SC Generali Romania Asigurare Reasigurare S.A.	Romania	3,673	-	-	3,673	99.97	99.97
Generali Osiguranje Srbija A.D.O	Serbia	4,075	-	-	4,075	99.95	99.95
Generali Development d.o.o. Beograd	Serbia	13	-	-	13	100.00	100.00
Generali Zavarovalnica d.d.	Slovenia	6,850	-	-	6,850	100.00	100.00
GW Beta Limited	The Netherlands	5,926	(4,970)	(424)	532	49.00	100.00
<b>Total</b>		<b>64,138</b>	<b>(4,970)</b>	<b>(424)</b>	<b>58,744</b>		

During the year 2024 additional impairment in the amount of CZK 424 million for the investment into GW Beta Limited has been recognised based on the valuation of GW Beta. Other investments passed impairment assessment without any impairment indication.

During the year 2024 capitalization of Generali Development d.o.o. Beograd was increased by CZK 8 million and the cost value of investment was increased by the same amount.

On 28<sup>th</sup> of June 2024 Generali CEE Holding purchased 20,000 shares of 4Life Direct Spółka z ograniczoną odpowiedzialnością (4LD) company representing shareholding of 100%. 4LD is an insurance broker company based in Poland focusing on direct-to-consumer operations offering life insurance products. Total cost of the investment equals CZK 778 million.

In CZK million, for the year ended 31 December 2023:

Name	Country	Cost of investment	Accumulated impairment	Impairment (-) of the period	Net cost of investment	Proportion of ownership interest (%)	Proportion of voting power (%)
Generali Insurance AD	Bulgaria	1,789	-	-	1,789	99.96	99.96
GP Reinsurance EAD	Bulgaria	749	-	-	749	100.00	100.00
Generali Osiguranje d.d.	Croatia	1,935	-	-	1,935	100.00	100.00
Generali Česká pojišťovna a.s.	Czech Republic	13,157	-	-	13,157	100.00	100.00
Generali Biztosító Zrt.	Hungary	14,391	-	-	14,391	100.00	100.00
Generali osiguranje Montenegro	Montenegro	139	-	-	139	65.24	65.24
Generali Towarzystwo Ubezpieczeń S.A.	Poland	5,725	-	-	5,725	100.00	100.00
Generali Zycie Towarzystwo Ubezpieczeń S.A.	Poland	4,421	-	-	4,421	100.00	100.00
Generali SAF Pensii Private S.A.	Romania	517	-	-	517	99.99	99.99
SC Generali Romania Asigurare Reasigurare S.A.	Romania	3,673	-	-	3,673	99.97	99.97
Generali Osiguranje Srbija A.D.O	Serbia	4,075	-	-	4,075	99.95	99.95
Generali Development d.o.o. Beograd	Serbia	5	-	-	5	100.00	100.00
Generali Zavarovalnica d.d.	Slovenia	6,850	-	-	6,850	100.00	100.00
GW Beta Limited	The Netherlands	5,926	(4,521)	(449)	956	49.00	100.00
<b>Total</b>		<b>63,352</b>	<b>(4,521)</b>	<b>(449)</b>	<b>58,382</b>		

During the year 2023 additional impairment in the amount of CZK 449 million for the investment into GW Beta Limited has been recognised based on the valuation of GW Beta. Other investments passed impairment assessment without any impairment indication.

During the year 2023 additional reorganisation changes have been performed in the Czech Republic, Poland, Hungary and Slovenia in relation to asset management companies. In Slovenia new company Generali Investments SI, holdinška družba, d.o.o. was established. The share of Generali Investments, družba za upravljanje, d.o.o. previously owned by Generali Zavarovalnica d.d. was transferred to this company and Generali Investments SI, holdinška družba was classified as held for sale. In Hungary share of Generali Alapkezelő Rt. owned by Generali Biztosító Zrt. was transferred to Generali Befektetési Zrt and both Generali Alapkezelő Rt. and Generali Befektetési Zrt have been classified as held for sale. All transactions have been done on book values basis so without impact on other balance sheet or profit and loss items.

In case of Generali Investments CEE, Investiční Společnost, a.s. and Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. both companies have been reclassified to non-current assets held for sale category (see note E.6 for further details).

During the year 2023 loan provided to GW Beta was capitalised and the cost value of investment was increased by CZK 127 million.

## E.6 Non-current assets held for sale

As at 31 December 2024, the Company classifies as non-current assets held for sale its investments in subsidiaries stated in below table.

(CZK million)	31.12.2024	31.12.2023
Generali Investments CEE, Investiční Společnost, a.s.	-	1,062
Generali Alapkezelő Rt.	-	88
Generali Befektetési Zrt	-	24
Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A.	-	2,369
Generali Investments SI, holdinška družba, d.o.o.	-	720
Generali Investments, družba za upravljanje, d.o.o.	558	-
<b>Total</b>	<b>558</b>	<b>4,263</b>

During the year 2024 transfer of shares of subsidiaries classified as held for sale has been finalised for Generali Investments CEE, Investiční Společnost, a.s., Generali Alapkezelő Rt., Generali Befektetési Zrt and Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. Generali CEE Holding B.V. received equivalent number of shares of Generali Investments Holding S.p.A. ("GIH"). This was part of the intragroup reorganization related to the segment of asset management companies. As a consequence of the deal, the Company recognised income of CZK 2,344 million (see note E.15 for further details).

On 29 February 2024 Generali Investments SI, holdinška družba, d.o.o. merged into its subsidiary Generali Investments, družba za upravljanje, d.o.o. and ceased to exist. Generali CEE Holding B.V. became owner of 100% of shares of Generali Investments, družba za upravljanje, d.o.o.

Reorganisation process was supposed to be finalised within the year 2024. However, finalisation of the deal for Generali Investments, družba za upravljanje, d.o.o. was not completed in 2024 and is expected to happen during 2025. Investment into Generali Investments, družba za upravljanje, d.o.o. was impaired to the fair value and revaluation loss of CZK 161 million was recognised within the item of Net result from investments in subsidiaries (see note E.15).

## E.7 Current tax assets and liabilities

(CZK million)	31.12.2024	31.12.2023
Current tax assets	67	56
Current tax liabilities	170	42
of which: Current income tax payable	112	35

Corporate income tax advances were offset with current income tax payable in the 2023 tax return and the difference was settled with the tax authority in 2024.

## E.8 Other assets

(CZK million)	31.12.2024	31.12.2023
Prepaid interests	10	42
Accrued income	4	20
Prepayments	4	6
<b>Total Other assets</b>	<b>18</b>	<b>68</b>

## E.9 Shareholder's equity

(CZK million)	31.12.2024	31.12.2023
Share capital	3	3
Share premium reserve	48,347	48,347
Revaluation reserves - Financial assets at FVOCI	-	108
Revaluation reserve – Financial assets at FVTPL	593	-
Other reserves and unappropriated profits	26,696	22,376
Of which: Unappropriated profits	18,735	9,758
<b>Total Shareholder's equity</b>	<b>75,639</b>	<b>70,834</b>

The following table provides details of reserves for revaluation of financial assets measured at FVOCI:

(CZK million)	2024	2023
<b>Beginning of reporting period</b>	<b>108</b>	<b>99</b>
<b>Gross revaluation at the beginning of the year</b>	<b>136</b>	<b>122</b>
<b>Tax on revaluation at the beginning of the year</b>	<b>(28)</b>	<b>(23)</b>
Equities		
Unrealised losses	(197)	(126)
Unrealised gains	-	122
Currency translation differences	52	19
Tax on revaluation	31	(6)
Other movements	8	-
Bonds		
Unrealised losses	(3)	-
Tax on revaluation	1	-
<b>Gross revaluation at the end of the year</b>	<b>(4)</b>	<b>136</b>
<b>Tax on revaluation at the end of the year</b>	<b>4</b>	<b>(28)</b>
<b>End of reporting period</b>	<b>-</b>	<b>108</b>

The following table provides details of reserves for revaluation of financial assets measured at FVTPL:

(CZK million)	2024	2023
<b>Beginning of reporting period</b>	<b>-</b>	<b>-</b>
<b>Gross revaluation at the beginning of the year</b>	<b>-</b>	<b>-</b>
<b>Tax on revaluation at the beginning of the year</b>	<b>-</b>	<b>-</b>
Equities		
Unrealised gains	470	-
Tax on revaluation	(99)	-
Investment funds		
Unrealised gains	87	-
Tax on revaluation	(18)	-
Derivatives		
Unrealised gains	153	-
Tax on revaluation	-	-
<b>Gross revaluation at the end of the year</b>	<b>710</b>	<b>-</b>
<b>Tax on revaluation at the end of the year</b>	<b>(117)</b>	<b>-</b>
<b>End of reporting period</b>	<b>593</b>	<b>-</b>

The following table provides details of authorised and issued shares:

	31.12.2024	31.12.2023
Number of shares authorised	500,000	500,000
Number of shares issued and fully paid	100,000	100,000
Par value per share (CZK)	26.2	26.2

The following table provides details of the distribution restrictions of equity:

(CZK million)	31.12.2024	31.12.2023
<b>Not available for distribution to shareholders</b>	<b>4,499</b>	<b>4,014</b>
Share capital	3	3
Share premium reserve – portion not available for distribution	3,903	3,903
Revaluation reserve	593	108
<b>Available for distribution to shareholders</b>	<b>71,140</b>	<b>66,820</b>
Share premium reserve – portion available for distribution	44,444	44,444
Other reserves	7,961	12,618
Unappropriated profits	18,735	9,758
<b>Total shareholder's equity</b>	<b>75,639</b>	<b>70,834</b>

### E.9.1 Profit distribution

Overall dividend payment in 2024 amounted to CZK 13,869 million (2023: CZK 9,830 million) which corresponds to the amount of CZK 27,737.1 per share.

### E.10 Financial liabilities measured at FVTPL

Financial liabilities consist of the following:

(CZK million)	31.12.2024	31.12.2023
Derivative instruments	36	253
<b>Total Financial liabilities measured at FVTPL</b>	<b>36</b>	<b>253</b>

All derivatives are classified in fair value hierarchy as Level 2 and are recognised as current, with maturity within 1 year.

### E.11 Payables

(CZK million)	31.12.2024	31.12.2023
Payables to employees	27	22
Payables to clients and suppliers	23	43
Social security	8	7
Collateral held for securities lending transactions and derivatives	127	39
Earn-out liability	122	-
Other	3	-
<b>Total Payables</b>	<b>310</b>	<b>111</b>

### E.12 Provisions

(CZK million)	2024	2023
<b>Provision for commitments other than restructuring at the beginning of the year</b>	<b>11</b>	<b>4</b>
Additions to provision	-	7
Use of provision	(1)	-
<b>Provision for commitments other than restructuring at the end of the year</b>	<b>10</b>	<b>11</b>

### E.13 Other liabilities

(CZK million)	31.12.2024	31.12.2023
Accrued charges	290	598
Accrued rent	3	8
Other	-	3
<b>Total Other liabilities</b>	<b>293</b>	<b>609</b>

The item Accrued charges consists of accruals for bonuses, salaries and other sundry accruals.

### E.14 Share-based payments

Selected members of management of the Generali Group are beneficiaries of a Generali Group's long-term incentive (LTI) plan.

Long-Term Incentives (LTI) represent the long-term variable remuneration of Generali, which takes the form of multi-year plans, approved from time to time by the competent bodies and may be addressed to directors, managers with strategic responsibilities and other Generali employees; they may be based on cash disbursements or financial instruments.

The plan LTI 2021 has completed the performance cycle at the end of 2023. The corresponding share allocation has been carried out starting from April 2024, depending on the target population.

The LTI plans 2022 and 2023, currently in progress, may result in shares' granting in the financial years envisaged under the plan rules depending on the different categories of beneficiaries, subject to the achievement of certain Group performance levels.

A new long-term incentive plan based on Assicurazioni Generali S.p.A. shares – Long Term Incentive (LTI) 2024 - has been submitted for the approval of the Shareholders' Meeting of 24 April 2024.

In line with market practices and investor expectations, shares are assigned and made available to beneficiaries over a deferred long-term time span, subject to the achievement of Group's performance conditions (Net Holding Cash Flow, Total Shareholder Return – relevant TSR and ESG targets) and the achievement of a minimum level of Regulatory Solvency Ratio, as the only access threshold, as detailed below.

The Plan is based on the following essential aspects:

- the incentive connected with the achievement of the targets is paid through the grant of Assicurazioni Generali S.p.A. ordinary shares;
- the right to receive the shares is subject to an entry threshold, defined annually by the Board of Directors and which represents a condition precedent;
- the targets to which payment of the incentive is subject are Group financial and non-financial/ESG ones and are defined at the beginning of the performance period and kept consistent with the strategic long-term plans of the group.

The maximum number of shares that can be assigned is determined at the start of the plan. The maximum potential bonus to be disbursed in shares equals to 175% of the gross fixed remuneration of the Global Leadership Group (GLG) members (or a different percentage considering the role of the beneficiary); therefore, the maximum number of shares that can be assigned is the result of the ratio of the maximum bonus and the share value, with the latter calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year prior to that when the Plan is started.

With reference to methods and time frame for granting the shares, they are differentiated by:

- the Managing Director/Group CEO and the members of the Group Management Committee:
  - at the end of the three-year performance period, 50% of the shares accrued on the basis of the targets met will be granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one-year lock-up period;
  - the remaining 50% of the accrued shares is subject to another two years of deferral, during which the accrued amount may become zero if the Regulatory Solvency Ratio threshold level established by the plan is not met, or if a malus provided for by the plan regulation should occur. After having checked that the aforesaid threshold level has been reached and that there is no malus, and provided that on that date the beneficiary has a relationship with the Company (or with other Generali Group companies), the remaining 50% of the shares accrued are granted; 25% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 25% are subject to a one year lock-up period;
- the remaining key employees, GLG, Directors and talents: at the end of the three-year performance period, 100% of the shares accrued will be granted, of which 50% are immediately available (to allow the beneficiaries to bear the tax charges connected with the grant), while the remaining 50% are subject to a two-year lock-up period.

The performance level is expressed as a percentage of the level of individual indicators achievement, which results are calculated using a linear interpolation approach.

During each year of the plan and at the end of the three-year performance period and, in any case, at the end of the additional two-year deferral period, an evaluation is carried out on the degree to which access threshold has been achieved, defined in terms of Regulatory Solvency Ratio equal to 130% - the limit set considering the hard limit level defined in the Group Risk Appetite Framework - or an alternative percentage as may be chosen from time to time by the Board of Directors. This evaluation is a malus mechanism based on which the number of shares to grant definitively may be reduced or set at zero by the Board of Directors should the Regulatory Solvency Ratio be lower than the set threshold. The Board of Directors is also entitled to set a reduced number of shares to grant definitively should the Regulatory Solvency Ratio be lower than the soft limit level established by the Risk Appetite Framework, that is 150% - but in any case, higher than 130%.

In any case, no incentive will be paid in the event of a significant worsening of the capital and financial situation of the Group. Any amount disbursed will be subject to claw-back if the performance considered should later be found to be non-lasting or ineffective as a result of willful misconduct or gross negligence.

In line with what has already been established for the existing plans, the 2024 Plan has a dividend equivalent mechanism on the basis of the dividends distributed during the performance period (dividend equivalent). In particular, should the shareholders' meeting resolve upon the distribution of dividends in favour of the shareholders during the reference period, at the expiry of such period, an additional number of shares determined in relation to the overall dividends distributed during the reference period will be assigned in favour of the beneficiaries. The additional number of shares thus determined shall be assigned simultaneously and in relation with the other shares assigned in favour of each beneficiary, subject to the same restrictions (holding period) and determined considering the shares' value at the assignment of the plan, to be calculated as the average price of the share in the three months prior to the meeting of the Board of Directors called to resolve on the draft statutory financial statements of the Parent Company and the consolidated financial statements for the year before that when the Plan is started. Moreover, as additional specific provision to further guarantee the alignment of management and shareholders' interests, the actual Reference Share Price for the LTI 2024

will be set as the 1-month average share price prior to the 2024 Annual General Meeting in case is higher than the standard Reference Share Price. Given the actual occurrence of this circumstance, the final price for the LTI 2024 plan has been set in line with this latest condition.

The maximum number of shares that can be granted is 10,500,000, accounting for 0.67% of the current share capital.

In line with the previous plans, the 2024 LTI plan can be treated as an equity-settled share-based payment falling under IFRS 2 – Share-based Payment, which provides a grant date measurement model seeking to capture the value of the contingent right to shares promised at grant date, to the extent that promises become an entitlement of the counterparty, rather than the value of any shares finally delivered.

The condition related to relative TSR configures as a market condition, other conditions mentioned above are considered whether as performance or as service condition.

The value of the right to receive free shares related to the market condition is estimated at grant date using a statistical model which estimates the statistically probable positioning of relative TSR of the Generali share compared to a peer group panel of selected companies.

The fair value of the bonus right linked to market condition is made by multiplying the forward price of assignable shares (taking into account the lock-up period set by the plan for the different beneficiary types) to the grant date with the pay-out ratio of the relative TSR. Such pay-out is determined as the average of the pay-outs resulting from the processing of a series of scenarios using a statistical model. The pay-out of the single simulation is zero in the case of the TSR of Generali's shares positioning below the median of the panel peer group, while it is positive in the case of the TSR of Generali's shares positioning above the median of the panel peer group. The maximum pay-out is recognized in the case of the relative TSR value of Generali shares positioning above the 90th percentile.

The estimated fair value of LTI 2024 plan at the grant date of the bonus right related to the performance level in terms of relative TSR is € 16.50 with reference to the members of the GLG category.

The related cost on the overall plan is obtained by multiplying the fair value mentioned above by the number of rights related to the market condition, to be assigned based on the satisfaction of the vesting condition. A similar calculation was applied to the bonus portion linked to Net Holding Cash Flow (NHCF), identifying the pay-out through the linear interpolation applied to the level of performance considered most probable. The range applied to the linear interpolation of NHCF is included between the maximum pay-out, granted in case of level equal to or greater than € 10.9 billion and a pay-out equal to 0 in case of a level equal or lower than € 9.4 billion. Payment related to the achievement of ESG target is determined based on 1) target for reducing CO2 emissions related to Group activities and 2) employee engagement rate for the years 2024-2026.

Finally, the cost related to the recognition of dividends paid during the period (so called dividend equivalent) was estimated by applying an estimated dividend to the expected number of shares to be assigned under the plan, based on the degree of achievement assessed as above described. For additional information related to incentive plans refer to the 2024 Remuneration Report.

The Annual General Meeting of 29th April 2022 approved the proposal to launch a new three-year share ownership plan for Group employees, in line with the 2022-2024 Strategy, focused on a culture of ownership and empowerment, and promoting participation in the creation of Group sustainable value.

The Plan offers Group employees the opportunity to purchase Generali shares at favorable conditions based on the appreciation of the value of the stock with the introduction of an ESG objective connected to the reduction of CO2 emissions relating to the Group's operating activities in line with the Group's climate strategy.

The Share Plan is addressed to employees of Assicurazioni Generali and the companies belonging to the Group.

The Plan was launched in June 2023 and will end at the end of May 2026, thus having a duration of indicatively 3 years.

The essential features of the Plan are set out below:

- at the beginning of the Plan, employees who decide to participate ('participants') will be able to define the amount of their individual contribution;
- the amount of the individual contribution shall be between a minimum of € 660 and a maximum of € 9,900 and will be committed for the entire duration of the Plan;
- based on the amount of the individual contribution, participants will receive free of charge the right ('options') to purchase, at the end of the Plan, underlying Generali share at a price determined at the beginning of the Plan ('initial price'). The number of options assigned to each participant will be equal to the ratio between the individual contribution and the initial price. The initial price shall be calculated as the average of the official closing prices of Generali shares on Euronext Milan of the month following the date on which this Plan is launched by the Board of Directors with the possibility of applying an adjustment factor up to the +/- 10% on the defined average price;
- at the end of the Plan, the final price of Generali shares shall be determined and:

- a) in case of share price appreciation (final price equal to or higher than the initial price, i.e. options 'in-the-Money'), participants will automatically purchase the Underlying Shares by paying to the Company the individual contribution accrued throughout the Plan and will receive free of charge:
- dividend Equivalent Shares, amounting to the ratio between the value of the dividends per share (paid by Assicurazioni Generali on a cash basis during the years 2023, 2024 and 2025) and the initial price, multiplied by the number of Underlying Shares purchased;
  - two Matching Shares for every ten Underlying Shares purchased;
  - two ESG Shares for every ten Underlying Shares purchased, if the ESG Goal is also achieved.
- b) In case of share price depreciation (final price lower than the initial price, i.e. options 'out-of-the-Money'), participants will receive:
- the refund of the individual contribution accrued (protection mechanism);
  - the Dividend Equivalent Shares in case the Net Holding Cash Flow (NHCF) goal is achieved.

The maximum number of shares for the Plan is 9,000,000 (about 0.6% of current Generali Group share capital), to be executed through the purchase of treasury shares in the market without capital dilution. In the event that the aggregate number of subscriptions to the Plan exceeds the maximum threshold of distributable options, or the maximum threshold of Generali purchasable or attributable shares, the number of options to be assigned free of charge shall be reduced on a pro rata basis for all the participants (reallotment). The reallotment shall be carried out for a percentage value such as to guarantee the allocation of options (or, subsequently of Generali shares) within the stated maximum limits.

The Plan also provides for mauls, clawback and prohibitions on hedging clauses in the line with Group Policies.

The overall cost of the LTI plans 2021, 2022, 2023 and 2024 and the share plan for Generali Group employees (We SHARE) is allocated over the period of maturity (vesting period) starting from the first financial year on which the performance levels are assessed, with a corresponding increase in equity.

The costs associated with the above mentioned outstanding plans recognised during the period amounted to CZK 58 million (2023: CZK 39 million) and the equity reserve for share based payments as at 31 December 2024 to CZK 110 million (2023: CZK 103 million).

### E.15 Net result from investments in subsidiaries

(CZK million)	2024	2023
Dividend income from subsidiaries	17,343	10,521
Impairment of investment in subsidiaries	(424)	(449)
Loss on revaluation of investments held for sale	(161)	
Realised gain from disposal of subsidiaries	2,344	-
<b>Total Net result from investments in subsidiaries</b>	<b>19,102</b>	<b>10,072</b>

Realised gain from disposal of subsidiaries in the amount of CZK 2,344 million relates to the Generali Group reorganisation in the segment of asset management companies. GCEEH shareholding of Generali Investments CEE, Investiční Společnost, a.s., Generali Alapkezelő Rt., Generali Befektetési Zrt and Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A. have been disposed of and exchanged for the equivalent number of shares of Generali Investments Holding S.p.A. obtaining minority shareholding of this company.

### E.16 Net income / loss (-) from financial assets and liabilities

(CZK million)	2024	2023
Dividends from FVOCI Equities	107	91
Gains and losses on FVTPL investment vehicles	66	94
Gains and losses from Investment Fund Units	50	15
Gains and losses on derivatives	150	4
<b>Total Net income / loss (-) from financial assets and liabilities</b>	<b>373</b>	<b>204</b>

### E.17 Net expected credit loss

(CZK million)	2024	2023
ECL on loans to the Group entities measured at amortised cost	(7)	3
<b>Total Net expected credit loss</b>	<b>(7)</b>	<b>3</b>



### E.18 Interest revenue calculated using the effective interest method

(CZK million)	2024	2023
Interest from loans	24	138
Interest from reverse REPO	66	19
Interest from term deposits	109	107
Interests on bank accounts	9	24
Interest from bonds	4	-
Other interest income	3	1
<b>Total Interest revenue calculated using the effective interest method</b>	<b>215</b>	<b>289</b>

The most significant item of interest revenue in 2024 is represented by term deposits in the total amount of CZK 109 million (2023: CZK 107 million). Significant part of this item represents the interest from cash pooling operations in the amount of CZK 100 million (2023: CZK 107 million).

### E.19 Interest expense calculated using the effective interest method

(CZK million)	2024	2023
Other interest expense	2	6
<b>Total Interest expense calculated using the effective interest method</b>	<b>2</b>	<b>6</b>

The amount of CZK 2 million (2023: CZK 6 million) is represented by interest expenses on collateral held for securities lending transactions and derivatives.

### E.20 Net foreign exchange difference

(CZK million)	2024	2023
Gains on foreign currency	151	142
Losses on foreign currency	(33)	(21)
<b>Total Net foreign exchange difference</b>	<b>118</b>	<b>121</b>

Foreign exchange differences include foreign exchange gains or losses from the revaluation of monetary items denominated in foreign currency.

### E.21 Other income

(CZK million)	2024	2023
Change in the value of accrued charges	74	-
Change in the value of earn-out liability	9	-
<b>Total Other income</b>	<b>83</b>	<b>-</b>

### E.22 Other expenses

(CZK million)	2024	2023
Amortisation of other intangible assets	9	9
Allocation to provisions for commitments other than restructuring	-	7
Expenses on investments	24	8
Personnel expenses	660	555
IT expenditure	114	100
Consulting	69	109
Expenses for office operating and maintenance	49	75
Other expenses	10	34
<b>Total Other expenses</b>	<b>935</b>	<b>897</b>

## E.23 Income taxes

The table below shows a breakdown of income taxes recognised in the income statement for the year ended 2024:

(CZK million)	2024	2023
Current income taxes	112	35
of which: related to prior years	1	2
Non-recoverable foreign income taxes	93	-
Deferred income taxes	7	(7)
<b>Total income taxes</b>	<b>212</b>	<b>28</b>

The tax authority may at any time inspect the books and records of the Company within a maximum period of 10 years subsequent to the reported tax year and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

The Company has assessed the impact of the Global minimum tax for the future periods and expects no impact on the tax liability. The Company has tax residency in the Czech Republic and therefore is assessed together with other Czech subsidiaries of Generali group for the purpose of Pillar Two tax calculations.

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred, if applicable.

Tax rate applicable in the Czech Republic is equal to 21%. Tax rate was increased on 1 January 2024 from 19%. Deferred tax items have been recalculated accordingly.

The table below shows the reconciliation between the expected and actual income tax, which is based on the 21% (2023: 19%) tax rate applicable in the Czech Republic.

(CZK million)	2024	2023
<b>Expected income tax rate</b>	<b>21.0%</b>	<b>19.0%</b>
<b>Earnings before taxes</b>	<b>18,947</b>	<b>9,786</b>
<b>Expected income tax expense (benefit)</b>	<b>3,979</b>	<b>1,859</b>
Tax exempt income and other tax decreasing items	(4,187)	(1,951)
Tax non-deductible expenses and other tax increasing items	220	172
Effect of tax losses	-	(53)
Differences or adjustments between IFRS and local GAAP	88	(12)
Non-recoverable foreign income taxes	92	-
Change of corporate tax rate	-	13
Other items	20	-
<b>Tax expense</b>	<b>212</b>	<b>28</b>
<b>Effective tax rate</b>	<b>1.1%</b>	<b>0.3%</b>

Tax exempt income and other tax decreasing items represent mainly dividend income from investments into subsidiaries which is exempted from tax satisfying conditions of the participation exemption regime.

In 2022, the Company generated tax loss of CZK 251 million which was fully utilised in 2023.

### E.23.1 Deferred tax

Deferred tax assets and liabilities consist of the following:

(CZK million)	31.12.2024	31.12.2023
<b>Deferred tax assets</b>	<b>126</b>	<b>46</b>
Financial investments measured at FVOCI	100	14
Financial investments measured at FVTPL	25	32
ECL allowance on financial investments	1	-
<b>Deferred tax liabilities</b>	<b>(239)</b>	<b>(183)</b>
Financial investments measured at FVOCI	(97)	(42)
Financial investments measured at FVTPL	(142)	(141)
<b>Set off of tax</b>	<b>126</b>	<b>46</b>
<b>Net deferred tax asset / liability (-) at the end of period*</b>	<b>(113)</b>	<b>(137)</b>

\* The Company is offsetting deferred tax asset and deferred tax liability and reports net deferred tax.

The following table shows the movement of the net deferred tax liability/asset:

(CZK million)	2024	2023
<b>Net deferred tax at the beginning of period</b>	<b>(137)</b>	<b>(139)</b>
<b>Change in net deferred tax - profit and loss impact</b>	<b>(7)</b>	<b>7</b>
- Loss allowances for loans and receivables	1	(1)
- Financial assets measured at FVTPL	(8)	8
<b>Change in net deferred tax – equity impact</b>	<b>31</b>	<b>(5)</b>
- Financial assets measured at FVOCI	31	(5)
<b>Net deferred tax at the end of period</b>	<b>(113)</b>	<b>(137)</b>

In accordance with the balance sheet liability method, the amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period.

## E.24 Information on employees

The table below shows the number employees (full-time equivalent) in the reporting periods:

(Number of employees)	2024	2023
Number of managers at the end of the period	49	51
Number of employees at the end of the period*	109	109
<b>Total FTEs at the end of the period</b>	<b>158</b>	<b>160</b>

\* Managers are excluded.

The average number of employees during the year 2024 was 165 (2023: 159).

Employee expenses for the year 2024 equal to CZK 660 million (2023: CZK 555 million). More detailed overview can be found in the table below:

(CZK million)	2024	2023
Wages, salaries, bonuses	408	393
Benefits	96	26
<i>of which: pension contribution</i>	9	7
Social security contribution	70	63
Public health insurance contribution	40	35
Other expenses	46	38
<b>Total Employee expenses</b>	<b>660</b>	<b>555</b>

All employees of the Company work outside the Netherlands.

## E.25 Offsetting financial instruments

The following tables provide details relating to the effect or potential effect of netting arrangements, including the rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities.

As at 31 December 2024, financial assets were as follows:

(CZK million)	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivative financial assets	11,736	(11,583)	153		(127)	26
Receivable from derivative collateral paid	14	-	14	(14)	-	-
<b>Total</b>	<b>11,750</b>	<b>(11,583)</b>	<b>167</b>	<b>(14)</b>	<b>(127)</b>	<b>26</b>

As at 31 December 2023, financial assets were as follows:

	<b>(CZK million)</b>					
	<b>Gross amounts of recognised financial assets</b>	<b>Gross amounts of recognised financial liabilities set off in the balance sheet</b>	<b>Net amounts of financial assets presented in the balance sheet</b>	<b>Related amounts not set off in the balance sheet</b>		<b>Net amount</b>
				<b>Financial instruments</b>	<b>Cash collateral received</b>	
Derivative financial assets	12,169	(12,084)	85	-	(39)	46
Receivable from derivative collateral paid	81	-	81	(81)	-	-
<b>Total</b>	<b>12,250</b>	<b>(12,084)</b>	<b>166</b>	<b>(81)</b>	<b>(39)</b>	<b>46</b>

As at 31 December 2024, financial liabilities were as follows:

	<b>(CZK million)</b>					
	<b>Gross amounts of recognised financial liabilities</b>	<b>Gross amounts of recognised financial assets set off in the balance sheet</b>	<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>Related amounts not set off in the balance sheet</b>		<b>Net amount</b>
				<b>Financial instruments</b>	<b>Cash collateral paid</b>	
Derivative financial liabilities	(11,619)	11,583	(36)	-	-	-
<b>Total</b>	<b>(11,619)</b>	<b>11,583</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 December 2023, financial liabilities were as follows:

	<b>(CZK million)</b>					
	<b>Gross amounts of recognised financial liabilities</b>	<b>Gross amounts of recognised financial assets set off in the balance sheet</b>	<b>Net amounts of financial liabilities presented in the balance sheet</b>	<b>Related amounts not set off in the balance sheet</b>		<b>Net amount</b>
				<b>Financial instruments</b>	<b>Cash collateral paid</b>	
Derivative financial liabilities	(12,337)	12,084	(253)	-	-	(253)
<b>Total</b>	<b>(12,337)</b>	<b>12,084</b>	<b>(253)</b>	<b>-</b>	<b>-</b>	<b>(253)</b>

Financial assets and liabilities are offset in the separate statement of financial position when the Company has a legally enforceable right to offset and has the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The Company is subject to an enforceable master netting arrangement in the form of an ISDA agreement with a derivative counterparty. Under the terms of this agreement, offsetting derivative contracts is permitted only in the event of bankruptcy or default of either party to the agreement. In order to manage the counterparty credit risk associated with derivative trades, the parties have executed a collateral support agreement.

## E.26 Off-balance sheet items

### E.26.1 Pledged assets and collaterals

The Company has received financial assets as collateral for CZK 2,150 million (2023: CZK 701 million), in particular for REPO operations.

### E.26.2 Legal

As at 31 December 2024 the Company is not part of any significant litigations.

### E.26.3 Escrow account

The company is party to the Escrow account agreement with the seller of 4Life Direct Spółka z ograniczoną odpowiedzialnością and Escrow agent. It represents part of the purchase price which is blocked by the escrow agent and will be released to the seller in three tranches during the year 2025 in case of no claims identified by the purchaser.

As at 31 December 2024 Escrow account balance is CZK 58 million (2023: CZK 0 million).

## E.27 Related parties

This chapter contains information about all important transactions with related parties, excluding those which are described in other parts of the notes.

### E.27.1 Identity of related parties

The ultimate parent company is Assicurazioni Generali S.p.A.

Related parties are the Company's shareholders, entities controlled by the Generali Group, its associates and joint ventures, key management personnel, their close family members and other parties that are controlled, jointly controlled or significantly influenced by such individuals. Entities in which such individuals hold significant voting power are also considered related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

Key management personnel of the Company comprise the members of the Board of Directors.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely to the legal form.

### E.27.2 Transactions with key management personnel of the Company

The following table shows the employee benefits for the members of Generali CEE Holding B.V. Board of Directors.

(CZK thousands)	Board of Directors			
	Related to the board membership		Related to employment contract	
	2024	2023	2024	2023
Short-term employee benefits	-	-	59,547	38,621
Long-term employee benefits	-	-	11,485	7,572
Contribution to State-defined contribution pension plans	-	-	2,265	2,144

Short-term employee benefits include wages, salaries, allowances provided for membership in the statutory bodies, bonuses and other benefits such as medical care and cars. Bonuses are conditional upon achievement of specific targets linked to profitability levels of the Generali Group's insurance business; these targets have been largely met in the current financial year.

Long-term employee benefits include income from share-based payments. For further detail please refer to note E.14.

There were no termination benefits paid to the key management personnel of the Company in both 2024 and 2023.

### E.27.3 Related party transactions

#### Transactions with the parent company

The transactions with the parent company Generali Assicurazioni were as follows:

(CZK million)	31.12.2024	31.12.2023
<b>Total assets</b>	<b>9,287</b>	<b>4,348</b>
Financial investments	9,284	4,326
Receivables	3	4
Other assets	-	18
<b>Total liabilities</b>	<b>46</b>	<b>79</b>
Other liabilities	46	79

(CZK million)	2024	2023
<b>Total income</b>	<b>103</b>	<b>107</b>
Interest income	103	107
<b>Total expenses</b>	<b>(72)</b>	<b>(25)</b>
Other expenses	(72)	(25)

The most significant item of financial investments represents the investment to GIH in the amount of CZK 5,470 million (2023: CZK 0 million).

The table below shows the revaluation of this investments to GIH:

<b>(CZK million)</b>	
<b>Fair value as at transaction date (initial recognition)</b>	<b>5,888</b>
Fair value revaluation	(455)
Currency translation differences	37
<b>Fair value as at 31.12.2024</b>	<b>5,470</b>

Investments in the amount of CZK 1,298 million (2023: CZK 4,326 million) represents term deposits related to direct cash pooling operations at amortised cost and intragroup loans in the amount of CZK 2,516 million (2023: CZK 0 million). Interest income in 2024 in the amount of CZK 100 million (2023: CZK 107 million) is represented by interest from cash pooling. Transactions are not secured.

Direct Cash Pooling is the process through which the Group Treasury unit (Treasurer) operates similarly to a bank in relation to excess Liquidity centralization and optimization. Assicurazioni Generali S.p.A., through the Direct Cash Pooling, aims to optimise the Liquidity and improve the cash circulation within the Group, reduce the risk of cash shortfall and/or the need for extra external financing of the pooling participant, facilitate the management and administration of the aggregate liquidity of the Group. Particularly the Direct cash pooling aims to provide short-term liquidity from participant with excess of cash to the participant with shortage of cash reflecting the terms and conditions of the Cash pooling agreement. The company is the owner of the funds provided to the Cash pooling and bear all the risks and rewards connected to the operation.

For the interest calculation within the Direct Pooling method, the Group Treasury unit has defined a Fund Transfer Pricing (FTP) methodology according to the indications of the Group Tax Affairs structure. FTP is determined based on the "arm's length" principle for transfer pricing purposes, also considering the tax principles related to the transfer pricing legislation and in accordance with the regulations defined at OECD level, as implemented in the different jurisdictions. The Interest rate is updated daily and is based on Euro short-term market rate, credit risk spread of the treasurer and bid-ask spread.

#### Other related party transactions

Other transactions with related parties that are part of the Generali Group, it means companies controlled by the ultimate parent company Assicurazioni Generali S.p.A., are presented in the following tables:

<b>(CZK million)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Total assets</b>	<b>2,562</b>	<b>2,084</b>
Financial investments	2,416	2,032
Receivables	144	50
Other assets	2	2
<b>Total liabilities</b>	<b>69</b>	<b>307</b>
Payables	3	10
Other liabilities	66	297

<b>(CZK million)</b>	<b>2024</b>	<b>2023</b>
<b>Total income</b>	<b>65</b>	<b>105</b>
Income from investments	65	105
<b>Total expenses</b>	<b>(14)</b>	<b>(46)</b>
Other expenses	(14)	(46)

Transactions are not secured.

#### E.28 Audit fees

Audit fees related to the audit of the financial statements of the Company for 2024 amounted to CZK 4.7 million, net of VAT and are due to the KPMG network of firms (2023: CZK 4.8 million).

## F. Subsequent events

### F.1 Interim dividend

On 18 February 2025 and on 25 March 2025 Generali CEE Holding B.V. adopted the resolutions of the General meeting to distribute the interim dividends to Assicurazioni Generali in the amount of CZK 2,510 million and CZK 3,733 million. The total dividend corresponds to the amount of CZK 12,485 per share.

As at the date of annual report no other subsequent events have been identified.

### F.2 Acquisition of subsidiary

On 11 February 2025 Generali CEE Holding B.V. finalized acquisition of United health insurance fund Doverie insurance EAD, the insurance company located in Bulgaria specialized on segment of health insurance.

### F.3 Reorganisation of investments into asset management companies

On 27 March 2025 regulatory requirements for transfer of shares of Generali Investments, družba za upravljanje, d.o.o. have been met and related shares were exchanged for the 425,732 shares of GIH and the Company increased its shareholding in GIH to the level of 6.32%. Financial impact of the transaction will be recognised in income statement in 2025.

17 April 2025

Signed by the Board of Directors:

**Manlio Lostuzzi**  
(Managing Director)

**Jaime Anchústegui Melgarejo**  
(Managing Director)

**Miroslav Bašta**  
(Managing Director)

**Heike Ottemann-Toyza**  
(Managing Director)

**Carlo Schiavetto**  
(Managing Director)

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## **G. Other information**

### **G.1 Profit appropriation**

Provisions in the Articles of Association governing the appropriation of profit (Article 22):

- a) Distributions can only take place up to the amount of that part of the company's net assets which exceeds the aggregate of the issued capital and reserves which must be maintained by virtue of the law.
- b) Distribution of profits shall take place upon adoption of the Annual Accounts from which it appears that such distribution is allowed.

The company aims to distribute to the sole shareholder a total amount equal to the CZK equivalent of €465,000,000. The difference between the Net profit of the year and the total distribution shall be allocated to retained earnings.

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## **G.2 Independent auditor's report**

To: the General Meeting of Shareholders of Generali CEE Holding B.V.



## **Independent auditor's report**

To: the Shareholder and the Board of Directors of Generali CEE Holding B.V.

### **Report on the audit of the company financial statements included in the annual report**

#### ***Our opinion***

We have audited the financial statements 2024 of Generali CEE Holding B.V., based in Amsterdam.

In our opinion, the accompanying company financial statements give a true and fair view of the financial position of Generali CEE Holding B.V. as at 31 December 2024 and of its result and its cash flows for the year ended on 31 December 2024 in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements comprise:

- 1 the statement of financial position as at 31 December 2024;
- 2 the following statements for the year ended on 31 December 2024: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
- 3 the notes comprising material accounting policy information and other explanatory information.

#### ***Basis for our opinion***

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the company financial statements' section of our report.

We are independent of Generali CEE Holding B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Information in support of our opinion**

### ***Audit response to the risk of fraud and non-compliance with laws and regulations***

In note D.6 of the Notes to the Company financial statements, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Company and its business environment and the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, Anti-Bribery and Anti-Corruption guidelines, Compliance and Anti-Financial Crime Report and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management and other relevant functions, such as Internal Audit and Compliance. We have introduced elements of unpredictability into our audit, such as altering the scope of investments in subsidiaries and associates included for impairment testing, which are audited by our valuation specialists. Additionally, we have involved forensic specialists in our audit procedures.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Anti-bribery and corruption laws and regulations.
- Anti-money laundering and terrorist financing laws and regulations.
- Data privacy and legislation.

Based on the above and on the auditing standards, we identified the following relevant presumed risks laid down in the auditing standards, and responded as follows:

#### **Management override of controls (a presumed risk)**

##### **Risk:**

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively such as those related to journal entries and accounting estimates that require significant judgement, such as the valuation of investments.

##### **Responses:**

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and key estimates.
- As part of the fraud risk assessment, we performed a data analysis of the journal entries population to determine if high-risk criteria for testing applies and evaluated relevant estimates and judgments for bias by the Company's management including retrospective reviews of prior years' estimates. Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.



We assess the assumed fraud risk related to revenue recognition as not relevant since the transactions that result in revenue are not complex and can be easily verified based on external data. Revenue recognition is not subject to significant management judgement.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

### ***Audit response to going concern***

The Board of Directors has performed its going concern assessment and has not identified any going concern risks. To assess the management board's assessment, we have performed the following procedures:

- we considered whether the Board of Director's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed the company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks; and
- we considered whether the outcome of our audit procedures indicate going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

### **Report on the other information included in the annual report**

In addition to the company financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the company financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the company financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the company financial statements.

The Board of Directors are responsible for the preparation of the other information, including the Board of Directors report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.



## **Description of responsibilities regarding the company financial statements**

### ***Responsibilities of the Board of Directors for the company financial statements***

The Board of Directors is responsible for the preparation and fair presentation of the company financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the company financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the company financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the company financial statements 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 Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

### ***Our responsibilities for the audit of the company financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the company financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company 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 ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amstelveen, 17 April 2025

KPMG Accountants N.V.

T. Yildirim RA