# CONSOLIDATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

# TPIF Douro Bidco S.à.r.l.

# MESSAGE FROM THE BOARD OF MANAGERS

The Company is governed by the Articles of Association and the Laws of the Grand Duchy of Luxembourg in particular the law of 10 August 1915 on Commercial Companies, as amended (the “1915 Law”).

The Company is constituted for an unlimited period and Caravela – Companhia de Seguros S.A., that operates in Portugal, is the only asset that is held (48.0% stake).

In 2024, Caravela - Companhia de Seguros, S.A. will celebrate its 10th anniversary.

The last 10 years have been marked by different stages in Caravela's development, one of which, the Douro project (2020/2050), was determined by the ambition to achieve a new turnover. The beginning of the project was characterised early on by the Covid-19 Pandemic, leading to a constant re-adaptation to the steps taken.

After overcoming the Pandemic, there was the War in Ukraine, and, more recently, the instability in the Middle East, which resulted in a high fluctuation in interest rates, the consequence of a level of inflation that reached two digits at times.

This reality led to the demand for new solutions, the development of the MGA strategy and the commercial reorganisation being some of the most visible consequences.

2024 marks the second stage of the project, releasing the Douro II project. This continuity beyond 2025 has the following most significant prerequisites:

- Caravela’s statement as a European player in the development MGAs, highlighting the performance achieved, in 2023, in France partnering with Dune, and in Greece partnering with Brokins. For 2024, the priorities are Spain, the Netherlands, Italy, and a reinforcement in France and Greece;

- The evolution of the retail model into a multichannel cooperative model, combining B2B2C with B2B and B2C in a coherent and harmonious strategy. The consolidation of our distribution model and the tools developed in the scope of MyCaravela are some of our competitive advantages;

- Caravela’s consolidation in the SMEs' market – via our strategic partners and the further development of our strategic share in the Your Group – is a goal for 2024/2025.

2023 was also characterised by adopting the accounting rule IFRS-17 and IFRS-9, and the transition was successfully achieved.

We thank the Portuguese Insurance and Pension Funds Supervisory Authority (ASF) for the cooperation and suggestions made while monitoring Group's activity.

Taavi Davies

Benoni Dufour

# GOVERNING BODIES

## • TPIF Douro Bidco S.à.r.l

| Board of Managers |
|---|
| Taavi Davies<br>Benoni Dufour |

## • CARAVELA – Companhia de Seguros S.A.

| General Meeting | |
|---|---|
| Nuno Miguel Marques dos Santos Horta | President |
| Nuno Miguel Novais Grangeon Cárcomo Lobo | Secretary |

| Board of Directors | |
|---|---|
| Luís Filipe Sampaio Cervantes | President |
| David Angulo Rubio | Vice-President |
| Fabrizio Cesario | Member |
| Félix Serrano Sanchez Carrillejo | Member |
| George Koulouris | Member |
| Gonçalo Lopes da Costa de Ramos e Costa | Member |
| José Paulo de Castro Trigo | Member |

| Supervisory Board | |
|---|---|
| Manuel Augusto Lopes de Lemos | President |
| José Elísio Lopes da Silva Quintas | Member |
| José António Truta Pinto Rabaça | Alternate |

| Certified Public Accountants | |
|---|---|
| PRICEWATERHOUSECOOPERS & ASSOCIADOS – SOCIEDADE DE REVISORES OFICIAIS DE CONTAS LDA – SROC nº183, representada por Carlos Manuel Sim Sim Maia, ROC nº 1138 | Effective |
| Carlos José Figueiredo Rodrigues, ROC nº1737 | Alternate |

Consolidated - Report and Financial Statements 2023

# REPORT OF THE BOARD OF MANAGERS

# 1. Introduction

From a global point of view, despite the continued slowdown tendency previously witnessed, 2023 registered a higher economic growth than expected. This year proved to be surprisingly resilient, even with the intensification of the conflict in the Middle East and the effect of events from previous years, namely the impact of the Russian offensive against Ukraine and the reflections of inflation pressure from 2022.

A slowdown to global growth is expected to continue in 2024, this being the third consecutive year of economic slowdown. This situation will continue to reflect on the work market slowdown, in savings reductions, in the decrease in latent demand for services, in the delayed effects of monetary political restrictions, and budget consolidation efforts.

The national insurance market showed a direct insurance production volume of about 11.8 billion euros, registering a negative variation of 2% compared to 2022.

This negative evolution that had already been witnessed was the result of production breaks in the Life segment, which registered a production volume variation of -14.2% compared to the same period of last year. Conversely, the Non-Life segment registered a 10.2% growth against the previous year, a growth that has been witnessed in the past nine years.

Caravela – Companhia de Seguros, S.A. continued its path of organic and consolidated growth, based on a significant knowledge of the Portuguese insurance market supported by innovative international partnership projects. This growth manifests in a volume of gross written premiums of EUR 160.26 million at the end of the year, representing a growth of 22.5% compared to 2022.

This growth, along with the effort in technological development and continuous improvement of processes, allowed Caravela to continue to improve its productivity levels, which, in terms of productivity, measured by gross premiums written per employee, improved 15.2% compared to 2022.

# 2. Mission

The purpose of TPIF Douro is the direct or indirect acquisitions and holding of stakes/interests, in any form whatsoever, in Luxembourg and/or foreign undertakings, as well as the administration, development, management and disposal thereof.

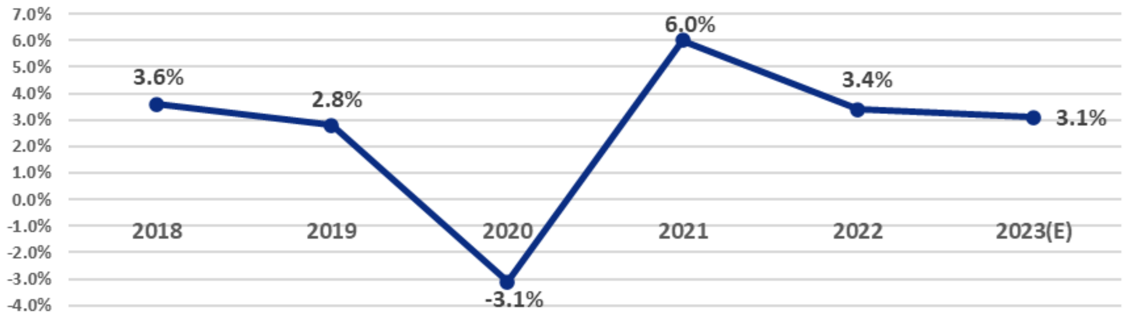
# 3. Macroeconomic Framework

## 3.1. International Context[1]

After a strong slowdown in global economy in 2022, 2023 was characterised by some recovery as the rhythm of slowdown softened slightly. 2023 was especially affected by the conflict in the Middle East, reflecting the increase in geopolitical risks and uncertainty in the raw materials market, which is of high importance for global economy due to its high commercialisation level and low industrialisation. The intensification of the conflict in the Middle East appears at a moment in which the global economy continues to face the persistent effects of the event of past years, such as the COVID-19 pandemic, the War between Russia and Ukraine, the generalised rise in inflation, and the consequent marked pressure in global monetary conditions.

According to International Monetary Fund (IMF) forecasts, global gross domestic product growth is estimated at around 3.1%, showing a slight decrease from the 3.4% recorded in 2022:

Evolution of the World's GDP




Global inflation decreased substantially in 2023. Having happened faster than initially expected, this decrease in inflation was felt in energy prices and food products, which benefitted from the decrease in consumer demand for goods and the recovery of supply chains of global goods. The growth of highly advanced economies was resistant for most of the year, as emerging economies continue to have a weak recovery and have not yet completely overcome the recession created by the pandemic crisis in 2020.

In the beginning of 2023, a global economic recovery was witnessed, propelled by China's reopening, by the decrease in energy costs, and by the moderation in the fall of global supply chains. The United States, Japan, and China were the countries who led in GDP growth. Throughout the year, growth was moderate but stable, with private consumption being robust and the work market managing to adapt

[1] Source:

*International Monetary Fund (January 2024) – "World Economic Outlook, January 2024". Available at https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024*

*European Central Bank (No. 8 January 2024) – "Economic Bulletin". Available at https://www.bportugal.pt/sites/default/files/documents/2024-01/ecb_eb_2023n8_pt.pdf (pp.3)*

Global Economic Prospects – January 2024 - *https://www.worldbank.org/en/publication/global-economic-prospects* itself.

Some economies that stood out were:

- The United States, with an estimated economic growth of 2.5% despite the increase in interest rates and restrictive conditions to access credit. The country registered a decrease in inflation due to the decrease in unemployment, the improvement in supply chains, and the petrol price drop. It is estimated that in 2024 the United States economy will slow down to 1.6%, with high interest rates continuing to restrict activity.
- In China, a GDP growth is estimated at 5.2%. A consumption boost was witnessed in the beginning of the year due to the lifting of COVID-19 containment measures, which turned out to be shorter than expected. There was an intensification in the recession in the real estate industry and a weak global growth in infrastructure investment. Despite implementing measures to stimulate consumption, such as the decrease in interest rates and deposit requirements for property purchases, both domestic consumption and exports remained low. It is expected that China's economic growth slows down to 4.6% in 2024 and 4.1% in 2025.
- In Japan, economic growth was about 1.8%, boosted by post-pandemic demand and recovery in automobile exports and outside tourism. A slowdown in inflation and a recovery in real salaries were also registered. It is expected that Japan's economy will slow down in the next two years, with growth predictions of 0.9% in 2024 and 0.8% in 2025.
- In the United Kingdom, GDP growth remained the same. However, monetary policy restrictions are increasingly affecting private investment and domestic demand. Global inflation fell sharply in October to 4.6% - a 2.1% decrease compared to September – due to the impact of energy products' price changes. Prospects for 2024 indicate that inflation will continue to gradually decrease.

In the Euro Area, growth slowed down considerably in 2023, reaching around 0.4%. The rise in energy prices, greatly related to the war in Ukraine, strongly impacted family expense contraction and company activities, especially in Germany and in the industry sector. The recession witnessed by the end of 2023 showed an economy frailty in the Euro Area, having been especially felt in the services industry due to the decrease in exports and low foreign demand. In 2024, it is estimated that the economic growth in the Euro Area remains low (0.7%).

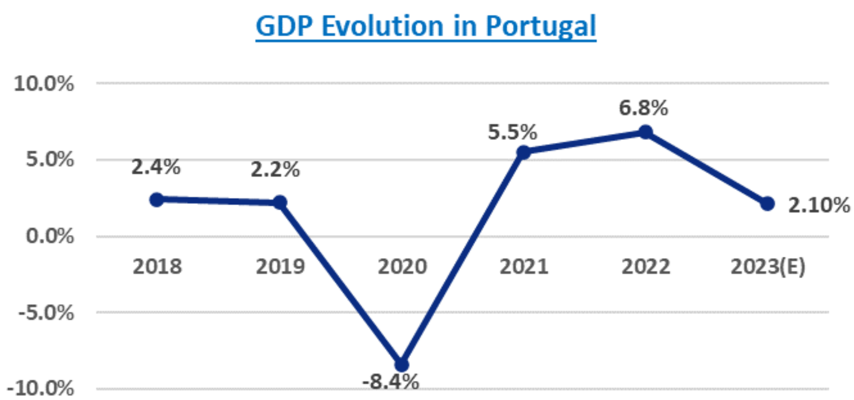
In summary, it is estimated that the growth in the main global economies has been stronger than expected on the second semester of 2023, both in the United States and in various emerging and developing markets. The Euro Area is an exception, where there was a moderate growth, reflecting the persistent effects of high energy costs, the weakening of the manufacturing industry, and the low levels of company investment, sensitive to the increase in interest rates.

For 2024, there is a prediction of global growth staying at 3.1%, moderately increasing in 2025 to 3.2%. Growth will be below the historical yearly average of past years, standing at 3.8%, a reflection of restrictive monetary policies, of the decrease in tax support, and low productivity necessary for growth. It is also estimated that the growth of advanced economies will register a slight decrease in 2024, with a recovery in the Euro Area below the growth of 2023 and a moderation of the growth in the United States. Regarding the economy of emerging markets and developing economies, it is predicted that the economic growth will remain stable.

In 2023, the global inflation estimate is at 6.8% (yearly average), predicting a decrease in 2024 to 5.8% and in 2025 to 4.4%. The decrease in inflation should be more noticeable in advanced economies than in emerging markets and developing economies.

## 3.2. National Framework[2]

The growth of the Portuguese economy, in 2023, should stand at 2.1% representing a positive result. However, it is substantially lower than the growth registered in previous years, 6.8% in 2022 and 5.5% in 2021, approaching the levels registered before the pandemic:




National economic activity proved itself resilient in 2023 showing, however, signs of slowing down. Throughout the year, Portuguese economy stagnated in the second and third quarters, while a small growth is expected in the fourth quarter. This evolution is the reflection of low foreign demand and of the cumulative effects of inflation and the larger restrictions of monetary policy. The rise in interest rates has a quicker negative impact in the industry sector comparatively to the services sector. Despite the slowdown in employment registered recently, the services sector shows more resilience, reflecting in favour of the labour market.

Inflation had a steep downward trajectory throughout 2023, having reached 2.6% in the last quarter, manifesting in consumer prices with the decrease in production costs. There was also an increase in income available to families of around 0.9% in 2023.

Investment registered a weak growth in 2023, mainly conditioned by higher interest rates and by the stagnation both of domestic and foreign activity. Exports, especially goods exports, fell due to the low demand of main commercial partners.

Domestic demand was mainly supported by private consumptions, contributing for the growth of national economy, having grown 1.2% against the same period last year. This growth positively reflected in the consumption of durable goods and food. Despite the still high inflation scenario, with

[2] *Source:*

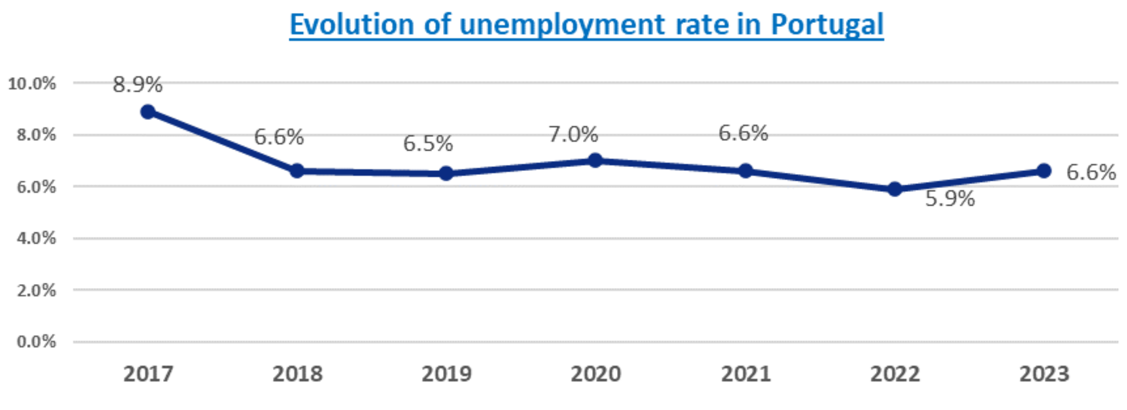
*Bank of Portugal (December 2023) – "Boletim Económico".*
*Portuguese Ministry of Finance – "State Budget Reports of 2024".*

a strong impact in families' purchasing power and in the increase of housing credit charges, the performance of private consumption was owed to the behaviour of the labour market and the political measures to support families. However, similar to the same period last year, there was still a decrease in real income available to families against the increase in end consumer expenses, supported by the decrease in accumulated savings.

Budget deficit in 2023 decreased against the same period last year, with a 13% growth in revenue and a 9.3% growth in expenses. There was a high decrease in public debt of around -7 billion euros that has been felt since 2022. The effort to decrease weight in public debt in GDP positively contributed to the national economy, as foreign risk perception improved, shock resistance increased, and financing costs are lower due to the decrease in interest paid by the State. This decrease in public debt allows for freeing budget space to adopt other support measures for the economy and families. It is estimated that the decrease trajectory of the public debt should remain in 2024, reaching a lower ratio than 100% of GDP (98.9%).

Inflation slowed down comparatively to the same period last year, which had reached 10.1% in October 2022, staying at 6.1% in the first semester of 2023. This slowdown trajectory of goods prices was especially determined by the fall in the price index for energy products, contributing to the total evolution of the consumer prices index in classes regarding transportation and housing, water, electricity, gas, and other fuels. On the other hand, classes of food and non-alcoholic beverages witnessed a price increase in the first semester of this year. While in the Euro Area food products were the main drivers of inflation, in Portugal, services contributed more for the evolution of inflation. Since inflation reached 2.6% in the last quarter of 2023, it is estimated that, throughout 2024, inflation should show temporarily higher numbers, converging into 2% in 2025.

Throughout 2023, the labour market proved to be stable while showing signs of moderation. Despite the unemployment rate standing at 6.6% in the first semester of 2023, there was an increase in active population, accompanied by a wider dynamism of employed population and by a decrease in inactive population. The misalignment between demand and supply of work has been reported as an issue by national companies, especially in the field of construction, which have increasingly more difficulties in hiring qualified workers. Since it is expected, due to a moderation in the rhythm of economy growth, that companies choose to keep their employees, reducing the available work supply.



Predictions for the Portuguese economy in 2024 point to a decrease in GDP growth around 1.2%, followed by a recovery in the following years, with a 2.2% growth in 2025 and 2.0% growth in 2026. These predictions encompass the current context, still marked by implications of geopolitical tensions of the wars in Ukraine and the Middle East, as well as by the uncertainty of future development of prices and the answers of economic agents to the increase in restrictions of monetary policy. Continuous and possibly intensified conflicts may reflect again in an inflation pressure over energy goods and food. However, given the implementation of new political measures such as the decrease in tax burden in Income Tax and the salary increase in civil services, a continuous improvement in income and purchasing power of families is expected.

It is also estimated that the Portuguese economy should continue growing above the Euro Area between 2024-2026 due to a larger increase in Gross Production of Fixed Capital (FBCF) and exports, leading to investment opportunities in the country.

## 3.3. Financial System[3]

In 2023, Euro Area's economy was affected by more restrictive financing conditions and low foreign demand. Higher interest rates had a significant impact in construction and in the manufacturing industry, estimating that the services sector will also be affected in the next months. Highly influenced by the effect of scarce industry activity, the slowdown in the effects of economic reopening and the impact of more restrictive financing conditions. A 0.2% increase was also witnessed in people employed during the third quarter, reflecting a decrease in supply of job openings.

Despite the indicators for the fourth quarter of 2023 pointing to economy remaining weak, prospects for the beginning of 2024 indicate an economic growth. This growth will be the reflection of the increase in real income available to families, supported by the rises in salaries, the decrease in inflation and the maintenance of employment, predicting the improvement of foreign demand with the growth of exports. However, these growth prospects may be affected by the impact in monetary policy of the European Central Bank and by the adverse access conditions to credit.

In 2023, there was a generalised fall in inflation in the Euro Area, especially in October and November. Despite remaining high, this decrease was felt both in the prices of energy products and of food products. The prediction for 2024 is that inflation will continue to fall around 2% but at a lower rate comparatively to 2023 due to the new growing base effects and the end of budget measures directed at combating effects over prices of energy products.

Regarding exchange markets, the euro registered a depreciation of 0.3% against the 41 currencies of the main commercial partners in the Euro Area. When compared to the United States dollar, the euro depreciated 0.5%.

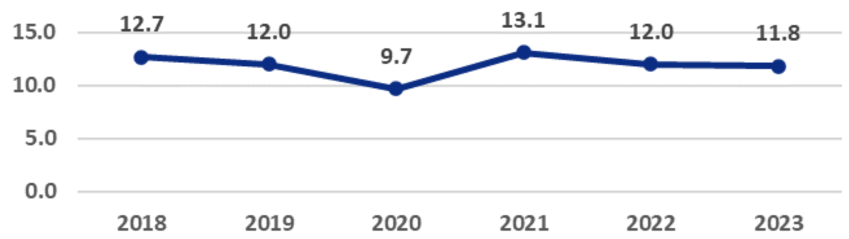
[3] *Source:*
*Bank of Portugal (December 2023) – "Boletim Económico".*
*European Central Bank (No. 8 January 2024) – "Economic Bulletin". Available at https://www.bportugal.pt/sites/default/files/documents/2024-01/ecb_eb_2023n8_pt.pdf (pp.3)*
*International Monetary Fund (January 2024) – "World Economic Outlook, January 2024". Available at https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024*
*Global Economic Prospects – January 2024 - https://www.worldbank.org/en/publication/global-economic-prospects.*

It is estimated that the budget balance of euro public administrations will register a slight improvement throughout time. In 2023, GDP decreased to 3.1%, continuing to decrease in 2024 to 2.8% and in 2025 to 2.7%. It is also estimated that the public debt ratio regarding the Euro Area's GDP will continue to decrease, reaching the level it had before the pandemic.

## 3.4. Trends in the Insurance Sector and Development Prospects[4]

In 2023, the volume of direct insurance production was of around 11.8 billion euros, having registered a negative variation of 2% when compared to 2022. It confirms the falling tendency registered in 2022 against the previous year:

Evolution of direct insurance production in billions of euros




While analysing the Life and Non-Life markets separately, we establish that the Life market was the one contributing to this decrease in direct insurance production. While the Non-Life market grew 10.2%, the Life market, due to the prolonged context of interest decreases in financial products, registered a variation of -14.2% against the same period last year, which had already witnessed a negative variation against 2021 (-21.8%). Once again, it is established that the "Life Insurance and Operations Connected to Investment Funds" modality was the one registering the biggest fall, of 1.688 billion euros, representing a variation of 53.9% against 2022. However, the "Non-Connected to Investment Funds" reached the 3.7 billion euros, leading to a positive variation of 28.5%.

In 2023, the Non-Life market has the largest weight in distributing the market share, representing 56.3%, with a volume of direct insurance productions of around 6.6 billion euros, while the Life market represents the remaining 43.7% with a volume of direct insurance production of around 5.1 billion euros. Comparatively to the same period last year, the Non-Life market showed a positive variation of 10.20%, maintaining a sustained growth throughout the past 9 years.

In the main branches of the Non-Life subsector, the following evolutions were registered:

- Motor branch registered a higher growth than in the past three years, of around 5.7% and its production surpassed the two billion euros. This growth was mainly felt in coverage of damage

[4] *Source:*
*APS – Database, from Segurdata, on 2022.12*

to self. This segment represented in 2023 around 17.7% of the total direct insurance production and 31.5% of the Non-Life market;

- Health branch maintained the growth tendency of past years, with a production of around 1.3 billion euros, leading to a variation of 16.7% against 2022. This segment represented in 2023 around 11.4% of total direct insurance production and 20.2% of the Non-Life market, highly propelled by the increase in safe population;
- Workers' compensation branch kept a growing tendency that had already been seen in previous years, with a positive variation of 11%, resulting in a production above 1.140 billion euros. This growth was influenced by the increase in salaries of insured population;
- Fire and Other Damage branch also kept a growth of around 10.0% with a total production of around 1.180 billion euros. This growth was highly determined by house multi-risks insurance;
- Third party liability grew 7.6% with a total production of 195 million euros;
- The Miscellaneous insurance grew around 21.2%, with higher expression to various money losses, Legal Protection and Assistance;
- Insurance with less expression, such as Marine and Transportation, Air and Transport, were the ones that suffered decreases compared to the same period last year, -0.7%, -19.9%, and -26.7% respectively. There are around 0.8% of the total production in the non-life market.

# 4. TPIF Douro Group Activity

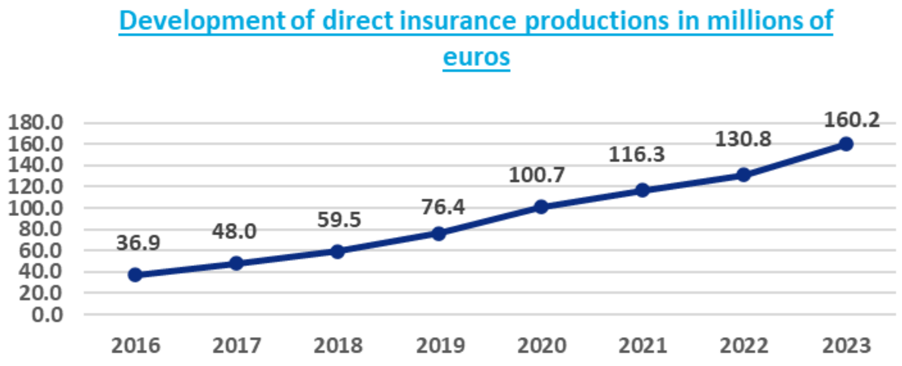
Caravela is the only asset held by the Company and the entire activity of the Group is limited to that operated by its subsidiary.

All amounts in this report correspond to 100% of Caravela activity and the conclusions of the analysis for the 48% held by the Company do not change.

## 4.1. Main Indicators

In recent years, Caravela's business has been characterised by a significant and constant increase in production, a firm and sustained balance of its management indicators, and considerable income growth.

Under the item of profits and losses, gross direct written premiums, net of reversals and cancellations, showed a strong growth, of 22.5%, maintaining the trend of recent years and ending 2023 with a total of 160,255 thousand euros:




It should be mentioned that the claims ratio, net of reinsurance, showed a decrease of 0.13 p.p. compared to the previous year.

Regarding the balance sheet components, it should be noted that the weight of insurance contract liabilities, which now represent 9189.2% of the gross direct insurance premiums written, with a variation of -4.9% compared to the previous year, as a result of the strong growth of the Company.

Equity grew around 21.9% against the same period last year.

Net income was 7,013 thousand euros, representing 4.4% of the gross premiums issued, thus continuing the evolution of net income since 2015.

As for combined ratio, there was a slight decrease, reaching 92.5%, with a decrease of 0.7%, compared to 2022. It should be noted that in addition to the reduction of the claims ratio, the operating ratio decreased by 0.12 p.p..

The International Financial Reporting Standards (IFRS) 17 - Insurance agreements is an accounting standard issued by the International Accounting Standards Boards (IASB), concerning recognition, measurement, presentation, and disclosure of responsibilities with insurance contracts. This IFRS has the main goal of ensuring users of financial statements have higher transparency and comparability in financial statements of insurance companies. In Portugal, IFRS 17 entered into force on January 1st 2023 with a minimum one-year comparative information being demanded.

The main changes are visible in the profits and losses account, no longer mentioning the volume of gross premiums issued, using the concept of Insurance Contracts Revenue, which, in practice, in the case of Caravela, since we use the PAA model (Premium Allocation Approach), are Acquired Premiums from the previous IFRS 4. Also, on the side of expenses with insurance contracts, the Insurance Contracts Expenses concept started being used, including the previous accident expenses heading - amounts paid, accident expenses - variations of provisions and acquisition costs, and other expenses attributable to insurance contracts. The part related to Given Reinsurance follows the same methodology and, together, these four headings are the Insurance Contracts Income equivalent to the previous Technical Income concept. This new methodology has its base in economic values for these headings by applying models to the various cash flows related to insurance contracts.

The following table details the Company’s main indicators:

## Summary Indicators

U: Thousands of euros

| | 2023 | 2022 | VAR 23/22% |
|---|---|---|---|
| ***Balance Sheet*** | | | |
| Net assets | 234 103 | 197 403 | 18.6% |
| Equity | 67 367 | 55 269 | 21.9% |
| Unearned premiums reserve | 27 671 | 25 322 | 9.3% |
| Liabilities of insurance contracts for past services | 123 807 | 102 533 | 20.7% |
| Liabilities of reinsurance contracts for past services | 69 340 | 56 368 | 23.0% |
| Liabilities from insurance contracts | 142 881 | 122 588 | 16.6% |
| ***Profits and Losses*** | | | |
| Gross written premiums – direct insurance | 160 255 | 130 816 | 22.5% |
| Revenues of insurance contracts, net of expenses of reinsurance contracts | 131 685 | 106 645 | 23.5% |
| Insurance contract costs | 145 921 | 127 760 | 14.2% |
| Insurance contract costs, net of reinsurance | 121 855 | 99 398 | 22.6% |
| Operational costs | 38 728 | 32 273 | 20.0% |
| Income | 3 966 | 1 259 | 214.9% |
| Net income | 7 013 | 2 829 | 147.9% |
| ***Indicators*** | | | |
| Gross written premiums / no. of employees | 1 076 | 934 | 15.2% |
| Direct insurance claims ratio | 72.8% | 78.1% | -6.7% |
| Claims ratio net of reinsurance | 68.7% | 68.6% | 0.2% |
| Net income / gross written premiums | 4.4% | 2.2% | 102.4% |
| Claims reserves / gross written premiums | 77.3% | 78.4% | -1.4% |
| Insurance contract liabilities / gross written premiums | 89.2% | 93.7% | -4.9% |

| (Continued) | | | |
|---|---|---|---|
| Net income / equity | 10.4% | 5.1% | 103.4% |
| Net income / share capital | 15.8% | 6.4% | 147.9% |
| Combined ratio | 92.5% | 93.2% | -0.7% |

## 4.2. Technical Management

### 4.2.1. Production and Policies

Caravela closed the financial year of 2023 with a gross written premiums (GWP) volume of 160.26 million euros, which represents a production increase of 29.44 million euros and a growth rate of +22.5%, compared to 2022.

It should also be noted that the market share, including the activity in Portugal and abroad, rose from 2.1% in 2022 to 2.3% in 2023.

The organic and consolidated growth, supported by a rigorous and thorough risk underwriting directed at rentability of all branches keeps being sustained by the preservation of the retail market, in the strong growth in the companies' segment, and in the widening of commercial activity outside of the country.

This excellent performance happened across all branches, however, the Accidents and Health branch (+31.3%) was the main promoter of this increase with a special contribution from the Personal Accidents (+53.1%), the Workers' compensation (+31.1%) and the Health (+12.0%).

It is also important to mention the strong growth in the Fire and Other Damage (+24.0%) and in the Motor (+18.0%).

Even though these had less relevant results, other branches, namely Third Party Liability (+13.3%) and Marine and Transport (+1.1%), show positive growth.

A good performance was maintained by all branches considered to be strategic.

This growth is supported by the various qualified services and the continuity of the strategy determined based on:

- For the retail segment, developing digital subscription platforms and widening and consolidating the distribution network;
- For the companies' segment, consolidation subscription models, distribution, and proactive portfolio management.

The development of Caravela's commercial activity abroad also contributed to the growth of the portfolio, particularly in the Fire and Other Damage and Motor branches.

The following table shows the structure and variation of gross premiums written by branches in 2022 and 2023:

## Production structure and variation

U: Euro

| BRANCHES | GWP | | |
|---|---|---|---|
| | D | 2023 | 2022 |
| Workers' compensation | 31.1% | 48 109 892 | 36 684 545 |
| Personal Accidents | 53.1% | 1 899 235 | 1 240 696 |
| Motor | 18.0% | 88 515 629 | 75 015 686 |
| Fire and Other Damage | 24.0% | 17 863 822 | 14 409 472 |
| Marine and Transport | 1.1% | 377 102 | 372 959 |
| Third Party Liability | 13.3% | 2 178 902 | 1 922 425 |
| Health | 12.0% | 1 310 918 | 1 170 019 |
| **TOTAL** | **22.5%** | **160 255 500** | **130 815 803** |

Regarding the structure of the premiums in portfolio, Caravela had the same distribution trend seen in the previous year, maintaining the predominance of the weight of the Motor and Workers' compensation branches, 57.5% and 28.8% respectively, these two branches accounting for 86.3% of the premiums in portfolio.

The following table shows the structure of the portfolio and the weight by branches in 2022 and 2023:

## Portfolio distribution according to the number of policies

| BRANCHES | POLICIES IN FORCE | | | |
|---|---|---|---|---|
| | 2023 | Weight | 2022 | Wight |
| Workers' compensation | 12 413 | 3.6% | 11 447 | 3.2% |
| Personal Accidents | 2 942 | 0.8% | 2 724 | 0.8% |
| Motor | 287 020 | 82.3% | 292 454 | 82.7% |
| Fire and Other Damage | 38 119 | 10.9% | 38 836 | 11.0% |
| Marine and Transport | 1 257 | 0.4% | 1 303 | 0.4% |
| Third Party Liability | 5 793 | 1.7% | 5 820 | 1.6% |
| Health | 1 344 | 0.4% | 1 050 | 0.3% |
| **TOTAL** | **348 888** | **100.0%** | **353 634** | **100.0%** |

An analysis of the number of policies in the portfolio for 2023 shows the continued predominance of the Motor and Fire and Other Damage branches, 82.3% and 10.9% respectively, these two branches accounting for 93.5% of the policies in Caravela's portfolio.

The decrease in the number of Motor policies arises from the fee adjustment implemented to contribute to the levelling of the goal of technical balance in this branch.

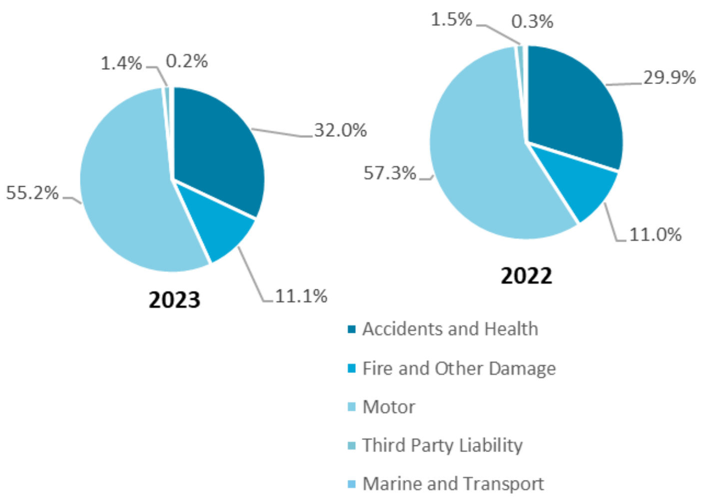
The following table shows the structure and number of policies in force at the year-end of 2022 and 2023:

## Portfolio distribution according to the number of policies

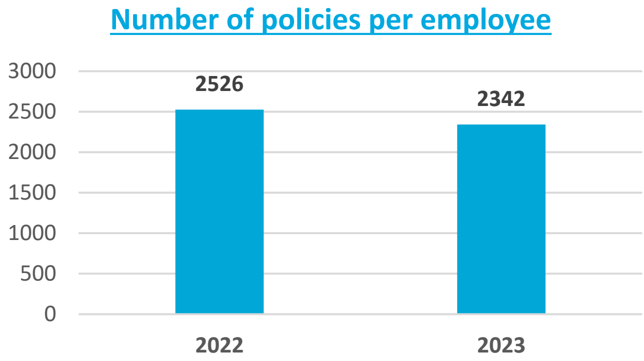
| BRANCHES | POLICIES IN FORCE | | | |
|---|---|---|---|---|
| | 2023 | Weight | 2022 | Wight |
| Workers' Compensation | 12 413 | 3.6% | 11 447 | 3.2% |
| Personal Accidents | 2 942 | 0.8% | 2 724 | 0.8% |
| Motor | 287 020 | 82.3% | 292 454 | 82.7% |
| Fire and Other Damage | 38 119 | 10.9% | 38 836 | 11.0% |
| Marine and Transport | 1 257 | 0.4% | 1 303 | 0.4% |
| Third Party Liability | 5 793 | 1.7% | 5 820 | 1.6% |
| Health | 1 344 | 0.4% | 1 050 | 0.3% |
| **TOTAL** | **348 888** | **100.0%** | **353 634** | **100.0%** |

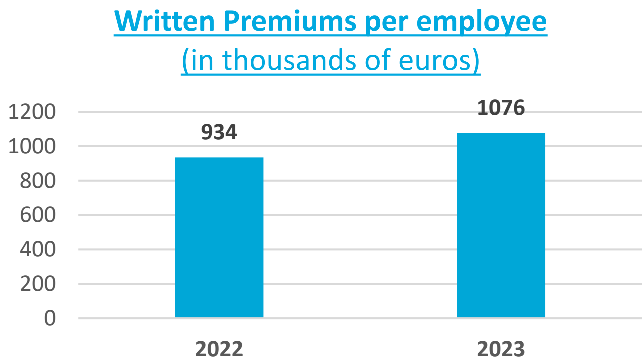
The following table shows the relative weight of the gross written premiums (GWP) of the several branches, in the structure of the Company's portfolio for the years 2022 and 2023:

PORTFOLIO STRUCTURE IN %




This development continues an improvement in performance regarding the analysis of the premium-per-employee ratio:




### 4.2.2. Claims

In 2023, Caravela's claims ratio, calculated on earned premiums, stood at 72.8%, corresponding to a decrease of 5.3 p.p., compared to the financial year of 2022 when it had reached 78.1%.

In 2023, claims costs were up 12.9% (+13,052 thousand euro absolute value) compared to the 2022 financial year, totalling 114,553 thousand euros.

Motor branch showed the highest cost increase, 6,049 thousand euros (+10.1%) followed by the Accidents and Health branch with an increase of 4,894 thousand euros (+16.0%), these being the branches contributing at large for the global cost increase in claims.

In Fire and Other Damage, the increase in claims costs was 1,075 thousand euros (+10.7%).

In less representative branches, the Third Party Liability branch had a 962 thousand euros increase (+182.5%), and the Marine and Transport branch increase in 69.8 thousand euros (+104.0%). These branches, despite the increase being in relative amounts, had a lesser impact in the increase of global claims.

## Claims costs

U: Euros

| Direct Insurance Claims Costs | 2023 | 2022 | Δ |
|---|---|---|---|
| Accidents and Health | 35 582 291 | 30 687 487 | 16.0% |
| Fire and Other Damage | 11 156 616 | 10 081 204 | 10.7% |
| Motor | 66 187 815 | 60 138 194 | 10.1% |
| Third Party Liability | 1 489 919 | 527 398 | 182.5% |
| Marine and Transport | 137 008 | 67 150 | 104.0% |
| **Total** | **114 553 650** | **101 501 433** | **12.9%** |

For a more detailed analysis, the following table presents the claim rates according to the different groups of branches:

## Claims ratio

| Claims Costs / Acquired Premiums | 2023 | 2022 | Δ |
|---|---|---|---|
| Accidents and Health | 70.0% | 78.6% | -10.9% |
| Fire and Other Damage | 64.4% | 75.2% | -14.4% |
| Motor | 76.4% | 79.8% | -4.3% |
| Third Party Liability | 68.6% | 28.4% | 141.6% |
| Marine and Transport | 38.3% | 19.0% | 101.7% |
| **Total** | **72.8%** | **78.1%** | **-6.7%** |

Regarding claims incurred, 2023 had a 15.1% increase regarding the 2022 financial year.

It was Motor branch which contributed the most in absolute values to the increase in registered incidents with a variation of 3,892 claims (+10.1%), followed immediately by the Accidents and Health branch registering an increase of 2,663 processes (+37.1%).

The Fire and Other Damage branches registered an increase of 575 claims (+16.1%).

In the less representative branches, Third Party Liability had a variation of 66.7%, corresponding to 434 incidents increase, and in Marine and Transport only 32 claims were registered, 16 less than in the previous year (-33.3%).

### Open claims

| Open claims per segment | 2023 | 2022 | ∆ |
|---|---|---|---|
| Accidents and Health | 9 838 | 7 175 | 37.1% |
| Fire and Other Damage | 4 136 | 3 561 | 16.1% |
| Motor | 42 323 | 38 431 | 10.1% |
| Third Party Liability | 1 085 | 651 | 66.7% |
| Marine and Transport | 32 | 48 | -33.3% |
| **Total** | **57 414** | **49 866** | **15.1%** |

**Note: Does not include claims for Travel Assistance**

In 2023, the number of policies in force went down slightly, -1.3% compared to the previous year, as the claim fluctuation was 15.1%, therefore representing an increase in frequency rate.

Therefore, 2023 ended with a frequency rate of global claims of 16.3%, 14.3% more than in 2022.

In Motor branch, the most representative of all branches, the increase in frequency rate was 9.5%.

### Claims frequency

| Claim Frequency per Segment | 2023 | 2022 | ∆ |
|---|---|---|---|
| Accidents and Health | 61.7% | 49.% | 25.4% |
| Fire and Other Damage | 10.7% | 9.1% | 17.6% |
| Motor | 14.6% | 13.3% | 9.5% |
| Third Party Liability | 18.7% | 11.4% | 64.5% |
| Marine and Transport | 2.5% | 3.7% | -31.6% |
| **Total** | **16.4%** | **14.3%** | **14.3%** |

### 4.2.3. Reinsurance

In the Company's reinsurance policy there are Proportional and Non-Proportional Reinsurance Treaties, as well as Optional Reinsurance and other modalities of Reinsurance appropriate to the protection of the risks accepted.

The reinsurance programme, approved by Caravela for the year 2023, has undergone a minor change in its structure when compared to the previous year, regarding the 2022 Reinsurers involved in its treaties, with the exit of a Reinsurer and the entry of a new one, only for the Motor and Third Party Liability branches.

Regarding proportional treaties, which comprehend the Fire and Other Damages, Maritime, Transported Goods and Engineering branches, the retained share and surplus limit negotiated in 2022 was kept.

Concerning the Excess of Loss treaties covering Motor, Personal Accident, Workers' Compensation and Third Party Liability branches, no change was made as to their priority or capacity, and the aggregate annual limit in the Motor - Property Damage treaty was maintained.

The involved Reinsurers are selected taking into consideration their reliability and financial solvency, as well as the services they provide, their follow-up and the availability presented. The Company therefore decided to maintain Nacional Re as leader for almost all contracts, with a 40% stake in most reinsurance treaties.

Thus, for treaty renewals, the minimum rating required of a reinsurer is "A-", according to rating agencies S&P and/or AM Best. The table below shows the breakdown of the main reinsurers, as well as their rating as of 31/12/2023:

| REINSURANCE 2023 | |
|---|---|
| **Reinsurer** | **Rating S&P** |
| Nacional Re | A |
| CCR Re | AA |
| Helvetia | A |
| Hannover Re | AA- |
| R+V | A+ |
| DEVK | A+ |
| Axis | A+ |
| Odyssey | A- |

### 4.2.4. International Activity

Pursuant to item 1 of article 235 of the legal regime for accessing the insurance and reinsurance business, approved by Law no. 147/2015, from September 9th, and sections 3.2.1.1. and 3.2.1.2. of the decision regarding cooperation of Insurance Supervising Authorities from the European Economic Area, (BoS-21-235, from June 10th 2021), Caravela – Companhia de Seguros, S.A. may operate with free service provisions in Member States of the European Union, from its head office in Portugal.

Therefore, Caravela is authorised to operate with free service provision in the following countries: France, Greece, the Netherlands and Spain:

- In France, the Company is authorised to operate in the branches of Fire and Other Damage, Accidents, Third Party Liability, Surety Bonds and various financial losses;
- In Greece, the Company is authorised for the branches of Motor, Surety Bonds and Assistance;
- In the Netherlands, the Company is authorised for Motor and Assistance branches; and
- Lastly, in Spain, it is authorised for the Surety Bonds.

In 2023, business in France and Greece generated a set of 9,499 thousand euros in gross written premiums, accounting for around 6% of turnover. On the other hand, in the Netherlands and in Spain, since it began its activity near the end of the year, no movements were registered for the 2023 financial year.

#### Activity in France

Activity in France began in 2021 via a partnership with DUNE. There were two years of experience with satisfactory results in distributing a product meant for construction works.

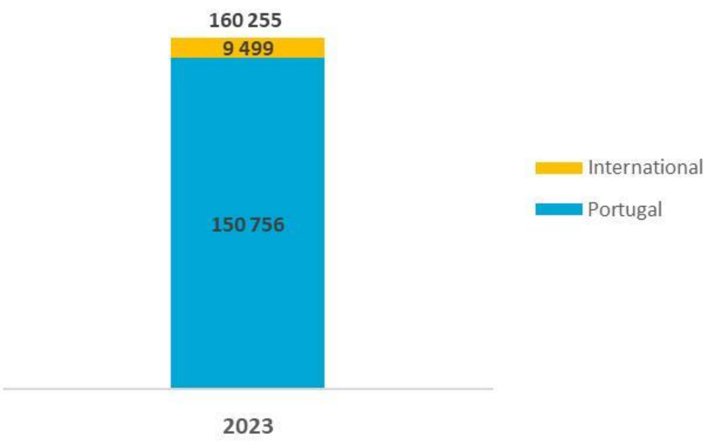
Gross premiums written in 2023 rose to 4,680 thousand euros, exceeding the premium writing form the previous year in 7.5%.

### Activity in Greece

We started working in Greece in February 2023, establishing a partnership with BROKINS S.A., already active in the Greek market as a broker and coordinator of insurance agents.

With more then 10,000 Motor policies written, premiums written in these months rose to 4,818 thousand euros.

Gross Written Premiums




## 4.3. Financial Management

### 4.3.1. Financial Investments

Financial Investments, namely Securities, grew by 22,121 thousand euros in 2023, representing a growth of 20% compared to 2022.

The management of financial assets, in partnership with OFI Invest, has been carried out in accordance with the Company's investment policy, guided, as in previous years, by criteria of caution, security and liquidity and in compliance with the recommendations of both the EIOPA and the national Supervisory Authority.

The following table shows a summary of the situation on the 31st of December 2023:

## Assets Portfolio

U: Thousands of euros

| ASSET PORTFOLIO | | 2023 AMOUNT | 2023 % | 2023 % | 2022 AMOUNT | 2022 % | 2022 % | Var 23/22 % |
|---|---|---|---|---|---|---|---|---|
| 1. REPRODUCTIVE INVESTMENTS | | | | | | | | |
| Securities | | | | | | | | |
| Public Debt | (1) | 15 380 | 11% | 9% | 7 281 | 6% | 5% | 111% |
| Miscellaneous bonds | (1) | 70 868 | 53% | 44% | 47 292 | 42% | 35% | 50% |
| Stocks and Investment Funds | | 31 911 | 24% | 20% | 18 176 | 16% | 13% | 76% |
| Loans and Receivables | | 429 | 0% | 0% | 429 | 0% | 0% | 0% |
| Liquidity | (2) | 14 743 | 11% | 9% | 39 636 | 35% | 29% | -63% |
| Sub-total | | 133 930 | 100% | 84% | 112 814 | 100% | 83% | 18% |
| Assets Other Than Securities | | | | | | | | |
| Real Estate | | 24 234 | | 15% | 19 671 | | 15% | 23% |
| Sub-total | | 24 234 | | 15% | 19 671 | | 15% | 23% |
| TOTAL (1) | | 157 565 | | 98% | 132 485 | | 98% | 20% |
| 2. OPERATING INVESTMENT | | | | | | | | |
| Equipment, Furniture, and Material | | 2 927 | | 2% | 2 674 | | 2% | 9% |
| TOTAL (2) | | 2 927 | | 2% | 2 674 | | 2% | 9% |
| **TOTAL (1) + (2)** | | **160 492** | | **100%** | **135 159** | | **100%** | **20%** |

**Obs.:**
(1) Appreciation with accrued interest
(2) Fixed-term and Demand Deposits with accrued interest and Treasury Funds

Exposure to public debt securities increased 111% compared to 2022, while exposure to shares and investment funds grew by 9.604 thousand euros. It is also worth noting the investment in real estate, with a variation of 23% compared to 2022, owing mainly to the purchase of the new Head Office of Caravela in Lisbon. This exposure is essentially due to compliance with the asset allocation strategy defined in the investment policy.

Liquidity, between Demand Deposits, Time Deposits and Cash Funds, registered a variation of -48% compared to 2022, due to the investment recorded in bonds, investment funds, and the new head office in Lisbon, being, however, aligned with the parameters of risk and capital management.

### 4.3.2. Financial Investments Result

## Financial Income

U: Thousands of euros

| | 2023 | 2022 | VAR 23/22% |
|---|---|---|---|
| Investment revenue | 2 855 | 1 423 | 100.6% |
| Investment profits and losses | 1 111 | -164 | 1515.8% |
| **FINANCIAL MARGIN** | **3 966** | **1 259** | **194.9%** |

Financial income shows, in 2023, an increase, compared to the same period of the previous year, of 2,706 thousand euros, mainly due to a lower realisation of capital gains, taking into consideration, however, the increase in generated revenue of 100.6%.

2023 was characterised by the demand in accounting for expected credit losses (ECL), namely accounting for credit losses expected throughout the useful life of a financial instrument, providing a more realistic view of assets' financial health.

Regarding the return rate, the total assets portfolio recorded a positive average remuneration of 2.8%.

## 4.4. Operating Costs

### 4.4.1. Cost allocation by nature

The total costs by nature to be allocated, reached 38,728 thousand euros, which represents an increase of 20.0%, compared to 2022, due to a generalised increase in the costs' items.

**Costs by nature**

U: Thousands of euros

| Costs by Nature | 2023 | 2022 | VAR 23/22% |
|---|---|---|---|
| Personnel expenses | 8 263 | 7 306 | 13.1% |
| External services and supplies | 6 946 | 6 240 | 11.3% |
| Taxes and fees | 937 | 786 | 19.3% |
| Depreciations and amortisations of the financial year | 1 416 | 1 368 | 3.5% |
| Other provisions | 0 | 0 | - |
| Interest Borne | 269 | 21 | 1199.5% |
| Commissions | 339 | 275 | 23.3% |
| Mediation remuneration | 20 557 | 16 277 | 26.3% |
| **Total** | **38 728** | **32 273** | **20.0%** |

### 4.4.2. Staff

Staff went from 140 to 149 people.

A special note to the 15.2% increase in the direct insurance premiums ratio per permanent staff member due to the production growth.

**Evolution of Staff**

| | 2023 | 2022 | VAR 23/22% |
|---|---|---|---|
| *Permanent staff at the beginning of the period* | *140* | *133* | *5.3%* |
| *Entries* | *17* | *12* | *41.7%* |
| *Exits* | *8* | *5* | *60.0%* |
| **Permanent staff at the end of the period** | **149** | **140** | **6.4%** |

The distribution of the Company's staff by age and gender was as follows:

**Age distribution by gender in 2023**

| AGE GROUP | MEN | WOMEN |
|---|---|---|
| Up to 30 years old | 8 | 6 |
| Between 31 and 40 years old | 15 | 18 |
| Between 41 and 50 years old | 30 | 38 |
| Between 51 and 60 years old | 15 | 13 |
| Over 61 years old | 5 | 1 |
| **TOTAL** | **73** | **76** |

| AVERAGE AGE | 44 YEARS-OLD |
|---|---|

## 4.5. Governance

The governance model of the TPIF Douro Group is based on the Caravela model.

On January 1st, 2016, the Legal Regime for Access and Exercise of Insurance and Reinsurance Activities (RJASR) came into force, which adopted a new Solvency regime, this date being defined in Law no. 147/2015 of September 9th, which transposed into the internal legal order the Directive 2009/138/EC, of the European Parliament and Council, of November 25th, 2009.

As already stressed in previous years, the entry into force of the Solvency II regime has significantly raised the response requirements in terms of both compliance and disclosure imposed on Insurance Companies. In addition, the requirement to provide accounting, statistical and behavioural information, in accordance with the RJASR, shall be remain in view of the Regulatory Standard No. 8/2016-R, of August 16th, as amended by Regulatory Rule no. 10/2020-R of November 3rd.

In the field of Solvency II, during 2023, several actions have been undertaken, of which the following are highlighted:

- Participation in the Workgroup sessions of the "Risk Management and Actuarial Services" of the Technical Committee "Economy and Finance" of the Portuguese Association of Insurers (APS);
- Submission of the QRT – Quantitative Reporting Templates to the Portuguese Supervisory Authority for Insurance and Pension Funds (ASF), the former being defined by EIOPA and managed by the supervisory agencies, regarding the end of year position with the reference date 31st of December 2022 and on a quarterly basis for the last quarter of 2022 and the first three quarters of 2023;
- Reporting of the 2022 Supervision Periodic Report to the ASF, which is provided for in article 35 of Directive 2009/138/EC of the European Parliament and of the Council, in article 21 of the RJASR and in articles 304 to 314 of the Delegated Regulation (EU) 2015/35 of the Commission, of the 10th of October 2014, whose structure and content is specified in such regulation;

- Public disclosure of the 2022 Solvency and Financial Condition Report provided for in articles 51 to 56 of Directive 2009/138/EC of the European Parliament and of the Council, Article 83 of the RJASR and Articles 290 to 303 of the Delegated Regulation (EU) 2015/35 of the Commission;
- Reporting to the ASF of the ORSA 2023 Report for the five-year period 2023-2027.

## *4.6.* Solvency Margin Estimate

The solvency capital ratio of the Group, verified in 2023, had an unfavourable evolution compared to the same period of the previous year, going from 181.9% to 153.0%. This ratio was influenced by the increased capital requirement arising from Caravela's organic growth and by the investment strategy with an impact on market risk.

With these figures, the Group comfortably exceeds the capital target and, consequently, the regulatory requirement.

The Group's financial risk management objectives and policies are described in note 30 of the Notes to the Financial Statements.

## 4.7. Share Capital and Results

### 4.7.1. Share Capital Development

On December 31st, 2023, the consolidated capital of the TPIF Douro Group was 32,485,530 euros.

Caravela's share capital remains 44,388,315.20 Euros, fully subscribed, paid up and represented by 79,056,677 shares with no nominal value.

### 4.7.2. 2023 Financial Yar Income

At the end of 2023, the consolidated gross result determined was 3,144,734 euros, which deducted from the estimated income taxes, led to a net result 3,058,495 euros.

## 5. Evolution for 2024

In 2024, the beginning of phase 2 of Caravela's development plan, called Douro II, must be put into perspective while looking at the evolution of the Company's strategy and for the market's geopolitical and social and economic framework.

Touching on this second matter, the prerequisites we are assuming regarding geopolitical and social and economic framework is stabilising both main war conflicts, Ukraine and the Gaza Strip, with a tendency to solve them with peace treaties that will, at minimum, not worsen the operating conditions of the global market. On the other hand, stabilising inflation levels will allow central banks' monetary policy to start stabilising the interest rates around its medium- and long-term goals.

Regarding Portugal, the behaviour of public accounts and the recent increase in the Republic's rating levels anticipate a macroeconomic framework of stability.

With this framework, the three areas of activity we determine as strategic axis are:

1. Caravela's assertion as a European player in developing MGAs. In 2024, the markets of Spain, the Netherlands, Italy, and the reinforcement in France and Greece are the priority;
2. Development of the retail model into a cooperative, multichannel model, combining B2B2C with B2B and B2C in a coherent and harmonious strategy. Some of our most competitive advantages are our distribution model and the tools developed for MyCaravela;
3. Caravela's assertion in the Small- and Medium-Sized Enterprises market via our strategic partners and the strengthening of our relationship with the Your Group.

For this development, continuing to develop and maintain talent and continuing to adopt more innovative digital solutions are a constant concern for the Management of Caravela Companhia de Seguros SA.

## 6. Final Remarks

The Board of Managers wishes to express its appreciation to all Customers, Agents and Reinsurers, as well as all Employees for actively and constructively participating in the life of Caravela.

It also notes with appreciation the monitoring and advisory actions undertaken by the Supervisory Board, for its readiness to monitor and offer advice throughout the year.

The Board of Managers reiterates its gratitude towards the Insurance and Pension Funds Supervisory Authority for all the support received, and also to the Portuguese Insurers Association for the work carried out on behalf of the Portuguese insurance market.

Lastly, in concluding this report, the Board of Managers expresses its appreciation to the Shareholders for all the support and trust shown in the Caravela's management team during the financial year now ended.

Luxembourg, on June 05, 2024

The Board of Managers,

Taavi Davies

Benoni Dufour

# FINANCIAL STATEMENTS

## Profit and Loss Accounts

# PROFIT AND LOSS ACCOUNTS

U: Euro

| Notes to the Annex | Statements of Profit and Loss as at 31.12.2023 | Financial Year | | | Previous financial year |
|---|---|---|---|---|---|
| | | Non-Life Technique | Non-Technique | Total | |
| 5 | Revenue from insurance contracts | 75 511 321 | | 75 511 321 | 62 401 876 |
| | Measured by the premium allocation approach | 75 511 321 | | 75 511 321 | 62 401 876 |
| | Not measured by the premium allocation approach | 0 | | 0 | 0 |
| | Release of the expected value of claims incurred and attributable expenses | 0 | | 0 | 0 |
| | Changes in risk adjustment (non-financial risk) for expired risk | 0 | | 0 | 0 |
| | Release of the contractual service margin for the services transferred | 0 | | 0 | 0 |
| | Allocation of acquisition costs attributable to insurance contracts | 0 | | 0 | 0 |
| 5 | Insurance contract costs | 70 042 096 | | 70 042 096 | 61 324 593 |
| 9-10-11 | Claims incurred and other costs attributable to insurance contracts | 47 451 596 | | 47 451 596 | 61 324 593 |
| 9 | Acquisition costs attributable to insurance contracts | 12 980 093 | | 12 980 093 | 0 |
| | Changes related to past services | 9 610 407 | | 9 610 407 | 0 |
| | Changes related to future services | 0 | | 0 | 0 |
| 5 | Revenue from reinsurance contracts | 11 551 617 | | 11 551 617 | 13 613 517 |
| | Claims incurred and other costs attributable to insurance contracts - reinsurers' share | 6 855 614 | | 6 855 614 | 13 613 517 |
| | Acquisition costs attributable to insurance contracts - reinsurers' share | 4 827 825 | | 4 827 825 | 0 |
| | Changes related to past services - reinsurers' share | -131 822 | | -131 822 | 0 |
| | Effect of changes in the reinsurer's default risk | 0 | | 0 | 0 |
| 5 | Reinsurance contract costs | 12 302 300 | | 12 302 300 | 11 212 496 |
| | Measured by the premium allocation approach - reinsurers' share | 12 302 300 | | 12 302 300 | 11 212 496 |
| | Not measured by the premium allocation approach - reinsurers' share | 0 | | 0 | 0 |
| | Release of the expected value of claims incurred and attributable expenses - reinsurers' share | 0 | | 0 | 0 |
| | Changes in risk adjustment (non-financial risk) for expired risk - reinsurers' share | 0 | | 0 | 0 |
| | Release of the contractual service margin for the services transferred - reinsurers' share | 0 | | 0 | 0 |
| | **Net income of insurance contracts** | **4 718 543** | | **4 718 543** | **3 478 304** |
| | Financial income from insurance contracts | 0 | | 0 | 0 |
| 6 | Financial income from ceded reinsurance contracts | 49 857 | | 49 857 | 34 802 |
| 6 | Financial losses from insurance contracts | 112 647 | | 112 647 | 78 057 |
| | Financial losses from ceded reinsurance contracts | 0 | | 0 | 0 |
| | **Financial net income of insurance contracts** | **-62 790** | | **-62 790** | **-43 256** |
| | Fees from insurance contracts and operations considered for accounting purposes as investment contracts or service contracts | 0 | | 0 | |
| 7 | Financial income | 1 370 304 | 0 | 1 370 304 | 683 102 |
| | From Interest on financial assets not recognised at fair value through profit or loss | 736 035 | 0 | 736 035 | 242 533 |
| | From Interest on financial liabilities not recognised at fair value through profit or loss | 0 | 0 | 0 | 0 |
| | Others | 634 269 | 0 | 634 269 | 440 569 |
| | Financial expenses | 0 | 0 | 0 | 0 |
| | From Interest on financial assets not recognised at fair value through profit or loss | 0 | 0 | 0 | 0 |
| | From Interest on financial liabilities not recognised at fair value through profit or loss | 0 | 0 | 0 | 0 |
| | Others | 0 | 0 | 0 | 0 |
| | Net income on financial assets and liabilities not recognised at fair value through profit or loss | -1 190 | 0 | -1 190 | 3 562 |
| | From financial assets at fair value through reserves | -1 190 | 0 | -1 190 | 2 546 |
| | From financial assets at amortised cost | 0 | 0 | 0 | 0 |
| | From financial liabilities at amortised cost | 0 | 0 | 0 | 0 |
| | From Others | 0 | 0 | 0 | 1 016 |
| | Net income on financial assets and liabilities recognised at fair value through profit or loss | -51 371 | 0 | -51 371 | -77 245 |
| | Exchange differences | 0 | 0 | 0 | 0 |
| | Net income on the sale of non-financial assets which have not been recognised as non-current assets held for sale and discontinued operations | 0 | 0 | 0 | 0 |
| 8 | Impairment losses (net of reversal) | 20 172 | 0 | 20 172 | 4 924 |
| | From financial assets at fair value through reserves | 20 172 | 0 | 20 172 | 4 924 |
| | From financial assets at amortised cost | 0 | 0 | 0 | 0 |
| | From others | 0 | 0 | 0 | 0 |
| 9-10-11 | Non-attributable costs | 3 162 486 | 0 | 3 162 486 | 2 778 643 |
| | Other technical income/expenses, net of reinsurance | 0 | 0 | 0 | 0 |
| | Other income/expenses | 0 | -252 109 | -252 109 | -354 265 |
| | *Negative goodwill immediately recognised in net profit* | 0 | 0 | 0 | 0 |
| | Profit and loss from associated companies and joint ventures accounted for using the equity method | 0 | 606 006 | 606 006 | 0 |
| | Profit and loss from non-current non-current assets (or disposal groups) classified as held-for-sale | 0 | 0 | 0 | 0 |
| | **NET PROFIT BEFORE TAXES** | **2 790 837** | **353 897** | **3 144 734** | **906 634** |
| 12 | Income tax for the financial year - Current taxes | | 88 763 | 88 763 | 66 821 |
| 12 | Income tax for the financial year - Deferred taxes | | -2 524 | -2 524 | -168 778 |
| | **NET PROFIT OF THE FINANCIAL YEAR** | | | **3 058 495** | **1 008 591** |

Note: The attached notes are an integral part of these annual accounts.

Board of Directors

Consolidated - Report and Financial Statements 2023

# FINANCIAL STATEMENTS

## Statement of Comprehensive Income

# STATEMENT OF COMPREHENSIVE INCOME

U: Euro

| Notes to the Annex | | Total<br>Financial Year | Total<br>Previous financial year |
|---|---|---|---|
| | **Net profit of the financial year** | **3 058 495** | **1 008 591** |
| | **Other comprehensive income of the financial year** | **3 422 867** | **-3 302 781** |
| | **Equity instruments measured at fair value through reserves** | **1 919 325** | **0** |
| | Net profit and loss | 1 919 325 | 0 |
| 27 | **Debt instruments measured at fair value through reserves** | **1 503 543** | **-3 302 781** |
| | Net profit and loss | 1 538 873 | -3 297 114 |
| | Reclassification of profit and loss in results of the financial year | -35 331 | -5 667 |
| | Impairment | 0 | 0 |
| | Disposal | 0 | 0 |
| | Provision for expected credit losses on debt instruments measured at fair value through reserves | 35 331 | 5 667 |
| 27 | **Financial component reserve of insurance contracts** | **-300 575** | **6 345 084** |
| 27 | **Financial component reserve of reinsurance contracts** | **-56 128** | **-4 103 926** |
| 27 | **Taxes** | **775 565** | **-241 353** |
| 27 | **Net profit and loss in exchange differences** | **79 444** | **-22 391** |
| | **Post-employment benefits** | **0** | **0** |
| | **Other movements** | **0** | **0** |
| | **Total comprehensive income net of taxes** | **5 428 539** | **165 930** |

Note: The attached notes are an integral part of these annual accounts.

Board of Directors

Consolidated - Report and Financial Statements 2023

# FINANCIAL STATEMENTS

## Financial Position

# BALANCE SHEET (1/2)

U: Euro

| Notes to the Annex | Balance sheet as at 31.12.2023 | Financial Year<br>Gross amount | Financial Year<br>Impairment, depreciations / amortisations or adjustments | Financial Year<br>Net amount | Previous financial year |
|---|---|---|---|---|---|
| | **ASSET** | | | | |
| 13 | Cash, cash equivalents and demand deposits | 3 786 121 | 0 | 3 786 121 | 4 310 630 |
| 14 | Investments in subsidiaries, associated companies and joint ventures | 3 257 949 | 0 | 3 257 949 | 2 651 943 |
| 15 | Financial assets at fair value through profit or loss | 7 104 231 | 0 | 7 104 231 | 16 563 085 |
| 16 | Financial assets at fair value through reserves | 46 354 208 | 0 | 46 354 208 | 29 151 709 |
| 17 | Financial assets at amortised cost | 3 522 655 | 0 | 3 522 655 | 1 573 564 |
| | Hedging derivatives | 0 | 0 | 0 | 0 |
| 18 | Land and buildings | 11 632 421 | 0 | 11 632 421 | 9 442 037 |
| | Own use land and buildings | 2 190 384 | 0 | 2 190 384 | 0 |
| | Investment properties | 9 442 037 | 0 | 9 442 037 | 9 442 037 |
| 19 | Other tangible assets | 1 039 513 | 717 386 | 322 127 | 145 181 |
| | Inventory | 27 348 | 0 | 27 348 | 41 294 |
| 19 | Assets under right of use | 365 597 | 0 | 365 597 | 492 395 |
| | *Goodwill* | 0 | 0 | 0 | 0 |
| 20 | Other intangible assets | 3 415 210 | 1 894 829 | 1 520 382 | 1 666 647 |
| | Assets from Life insurance contracts | 0 | 0 | 0 | 0 |
| | Assets from Non-Life insurance contracts | 0 | 0 | 0 | 0 |
| | Other assets with insurance contracts | 0 | 0 | 0 | 0 |
| | Assets from Life reinsurance ceded contracts | 0 | 0 | 0 | 0 |
| 21 | Assets from Non-Life reinsurance ceded contracts | 28 267 352 | 0 | 28 267 352 | 23 625 998 |
| | From future services | 28 267 352 | 0 | 28 267 352 | 23 625 998 |
| | From future services | 2 123 157 | 0 | 2 123 157 | 1 466 649 |
| | From past services | 26 144 195 | 0 | 26 144 195 | 22 159 349 |
| | Other assets with reinsurance contracts | 0 | 0 | 0 | 0 |
| | Assets related to acquisition costs settled before the recognition of the group of insurance contracts | 0 | 0 | 0 | 0 |
| | Post-employment benefit assets and other long-term benefits | 0 | 0 | 0 | 0 |
| 22 | Other debtors from insurance operations and other operations | 4 706 618 | 39 479 | 4 667 139 | 3 122 679 |
| | Accounts receivable from direct insurance operations | 1 910 903 | 39 479 | 1 871 423 | 820 473 |
| | Accounts receivable from reinsurance operations | 1 548 135 | 0 | 1 548 135 | 1 908 842 |
| | Accounts receivable from other operations | 1 247 580 | 0 | 1 247 580 | 393 365 |
| | Tax assets | 1 014 664 | 0 | 1 014 664 | 1 708 213 |
| | Current tax assets | 485 440 | 0 | 485 440 | 471 924 |
| | Deferred tax assets | 529 224 | 0 | 529 224 | 1 236 289 |
| 23 | Accruals and deferrals | 553 580 | 0 | 553 580 | 358 278 |
| | Other assets | 200 971 | 0 | 200 971 | 393 211 |
| | Non-current assets held for sale and discontinued operations | 0 | 0 | 0 | 0 |
| | **TOTAL ASSET** | 115 248 439 | 2 651 694 | 112 596 745 | 95 246 865 |

Note: The attached notes are an integral part of these annual accounts.

Board of Directors

## BALANCE SHEET (2/2)

U: Euro

| Notes to the Annex | Balance sheet as at 31.12.2023 | Financial Year | Previous financial year |
|---|---|---|---|
| | **LIABILITY AND EQUITY** | | |
| | **LIABILITY** | | |
| | Life insurance contracts liabilities | 0 | 0 |
| | From future services | 0 | 0 |
| | From past services | 0 | 0 |
| 21 | Non-Life insurance contracts liabilities | 68 582 922 | 58 842 441 |
| | Measured by the premium allocation approach | 68 582 922 | 58 842 441 |
| | From future services | 9 155 660 | 9 626 392 |
| | From past services | 59 427 262 | 49 216 049 |
| | Other liabilities from insurance contracts | 0 | 0 |
| | Life reinsurance contracts liabilities | 0 | 0 |
| | Non-Life reinsurance contracts liabilities | 0 | 0 |
| | Other liabilities from reinsurance contracts | 0 | 0 |
| | Financial liabilities of the insurance contracts deposit component and of insurance contracts and operations treated as investment contracts for accounting purposes | 0 | 0 |
| 24 | Other financial liabilities | 1 180 448 | 1 162 222 |
| | Hedging derivatives | 0 | 0 |
| | Subordinated liabilities | 0 | 0 |
| | Deposits received from reinsurers | 803 111 | 654 045 |
| | Leasing liabilities | 377 337 | 508 176 |
| | Other | 0 | 0 |
| 10 | Post-employment benefit liabilities and other long-term benefits | 120 982 | 95 575 |
| 25 | Other creditors for insurance operations and other operations | 7 786 587 | 5 815 660 |
| | Accounts payable for direct insurance operations | 4 578 608 | 2 959 603 |
| | Accounts payable for reinsurance operations | 2 787 680 | 2 412 617 |
| | Accounts payable for other operations | 420 299 | 443 440 |
| | Tax liabilities | 1 549 965 | 1 468 187 |
| | Current tax liabilities | 1 236 350 | 1 205 390 |
| | Deferred tax liabilities | 313 615 | 262 797 |
| 23 | Accruals and deferrals | 890 311 | 840 157 |
| | Other Provisions | 0 | 0 |
| | Other liabilities | 0 | 36 293 |
| | Liabilities of a disposal group classified as held for sale | 0 | 0 |
| | **TOTAL LIABILITY** | 80 111 215 | 68 260 535 |
| | **EQUITY** | | |
| 26 | Capital | 212 000 | 212 000 |
| | (Own Shares) | 0 | 0 |
| 27 | Other capital instruments | 0 | 19 563 950 |
| 27 | Consolidation reserves | -8 529 708 | -10 384 828 |
| | By fair value adjustments in subsidiaries, associates and joint ventures | -8 529 708 | -10 384 828 |
| | By fair value adjustments of financial assets | 0 | 0 |
| | By revaluation of own use land and buildings | 0 | 0 |
| | By revaluation of intangible assets | 0 | 0 |
| | By revaluation of other tangible assets | 0 | 0 |
| | By fair value adjustments of hedging instruments in cash flow hedges | 0 | 0 |
| | By fair value adjustments of foreign currency net investment hedging | 0 | 0 |
| | Of exchange differences | 0 | 0 |
| | Deferred tax reserve | 0 | 0 |
| 27 | Other reserves | 31 025 000 | 11 461 050 |
| | Results brought forward | 6 719 743 | 5 125 567 |
| | Result of the financial year | 3 058 495 | 1 008 591 |
| | **TOTAL EQUITY** | **32 485 530** | **26 986 330** |
| | Minority interests | 0 | 0 |
| | **TOTAL EQUITY AND MINORITY INTERESTS** | **32 485 530** | **26 986 330** |
| | **TOTAL LIABILITY, MINORITY INTERESTS AND EQUITY** | **112 596 745** | **95 246 865** |

Note: The attached notes are an integral part of these annual accounts.

Board of Directors

Consolidated - Report and Financial Statements 2023

# FINANCIAL STATEMENTS

## Statement of Changes to Equity

# STATEMENT OF CHANGES TO EQUITY

2023
U: Euro

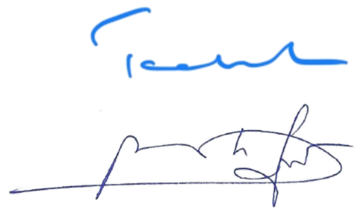
| Notes to the Annex | STATEMENT OF CHANGES TO EQUITY | Share Capital | Other equity instruments | Consolidation reserves | Deferred tax reserve | Legal reserve | Other reserves | Results brought forward | Results of the financial year | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Balance sheets as at 31-12-2022** | 212 000 | 19 563 950 | -10 384 828 | 0 | 0 | 11 461 050 | 5 125 567 | 1 008 591 | 26 986 330 |
| | Correction of errors (IAS 8) | | | | | | | | | 0 |
| | Changes in accounting policies (IAS 8) | | | | | | | | | 0 |
| 26 | **Changed opening balance sheet** | 212 000 | 19 563 950 | -10 384 828 | 0 | 0 | 11 461 050 | 5 125 567 | 1 008 591 | 26 986 330 |
| 27 | Capital increases/decreases | | -19 563 950 | | | | 19 563 950 | | | 0 |
| 27 | Net profit from fair value adjustments of available-for-sale financial assets | | | 1 855 120 | | | | | | 1 855 120 |
| | Adjustments from deferred tax recognition | | | | 775 565 | | | | | 775 565 |
| | Increases in reserves through allocation of results | | | | | | | | | 0 |
| | Distribution of profits/loss | | | | | | | | | 0 |
| | Other profit/loss recognised directly in equity | | | | -775 565 | | | 585 585 | | -189 980 |
| 26 | Transfers between equity headings not included in other | | | | | | | 1 008 591 | -1 008 591 | 0 |
| | **Total changes to equity** | 0 | -19 563 950 | 1 855 120 | 0 | 0 | 19 563 950 | 1 594 176 | -1 008 591 | 2 440 705 |
| 26 | Net result of the period | | | | | | | | 3 058 495 | 3 058 495 |
| | Early profit distribution | | | | | | | | | 0 |
| | **Balance sheet as at 31-12-2023** | **212 000** | **0** | **-8 529 708** | **0** | **0** | **31 025 000** | **6 719 743** | **3 058 495** | **32 485 530** |

2022
U: Euro

| Notes to the Annex | STATEMENT OF CHANGES TO EQUITY | Share Capital | Other equity instruments | Consolidation reserves | Deferred tax reserve | Legal reserve | Other reserves | Results brought forward | Results of the financial year | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Balance sheets as at 31-12-2021** | 212 000 | 20 198 739 | -9 303 482 | 0 | 0 | 11 461 050 | 3 718 281 | 1 407 286 | 27 693 874 |
| | Correction of errors (IAS 8) | | | | | | | | | 0 |
| | Changes in accounting policies (IAS 8) | | | | | | | | | 0 |
| 26 | **Changed opening balance sheet** | 212 000 | 20 198 739 | -9 303 482 | 0 | 0 | 11 461 050 | 3 718 281 | 1 407 286 | 27 693 874 |
| 27 | Capital increases/decreases | | -634 789 | | | | | | | -634 789 |
| 27 | Net profit from fair value adjustments of available-for-sale financial assets | | | | | | | | | 0 |
| | Adjustments from deferred tax recognition | | | | 0 | | | | | 0 |
| | Increases in reserves through allocation of results | | | | | | | | | 0 |
| | Distribution of profits/loss | | | | | | | | | 0 |
| | Other profit/loss recognised directly in equity | | | -1 081 346 | 0 | | | | | -1 081 346 |
| 26 | Transfers between equity headings not included in other | | | | | | | 1 407 286 | -1 407 286 | 0 |
| | **Total changes to equity** | 0 | -634 789 | -1 081 346 | 0 | 0 | 0 | 1 407 286 | -1 407 286 | -1 716 135 |
| 26 | Net result of the period | | | | | | | | 1 008 591 | 1 008 591 |
| | Early profit distribution | | | | | | | | | 0 |
| | **Balance sheet as at 31-12-2022** | **212 000** | **19 563 950** | **-10 384 828** | **0** | **0** | **11 461 050** | **5 125 567** | **1 008 591** | **26 986 330** |

Note: The attached notes are an integral part of these annual accounts.

Board of Directors



Consolidated - Report and Financial Statements 2023

# FINANCIAL STATEMENTS

## Cash Flow Statement

# CASH FLOW STATEMENT

Cash Flow Statement at December 31th 2023 and December 31th 2022

U: Euro

| | 2023 | | 2022 | |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Collections from customers | 77 460 102 | | 66 918 774 | |
| Payments to suppliers | -3 231 809 | | -2 931 221 | |
| Payments to employees | -2 996 617 | | -2 731 360 | |
| Contributions for the pension fund | -38 089 | | -36 821 | |
| ***Cash generated by operations*** | 71 193 586 | 71 193 586 | 61 219 371 | 61 219 371 |
| | | | | |
| Payment/collection of income tax | -376 729 | | -98 739 | |
| Other collections/payments related to the operating activity: | | | | |
| Payments of claims | -43 095 187 | | -34 151 620 | |
| Collections/payments of reinsurance | -4 726 499 | | -5 536 771 | |
| Collections/payments of co-insurance | 142 035 | | 79 135 | |
| Collections/payments of other taxes and fees | -10 221 669 | | -8 849 270 | |
| Other collections/payments related to the operating activity: | -7 339 648 | | -4 501 816 | |
| ***Cash generated before extraordinary items*** | 5 575 890 | 5 575 890 | 8 160 291 | 8 160 291 |
| | | | | |
| Collections related to extraordinary items | 4 071 | | 0 | |
| Payments related to extraordinary items | -7 377 | -7 377 | -2 590 | -2 590 |
| ***Cash from operating activities (1)*** | | 5 572 584 | | 8 157 701 |
| | | | | |
| **Investment Activities:** | | | | |
| ***Collections from:*** | | | | |
| Financial investments | 21 539 846 | | 18 017 530 | |
| Tangible Assets | 0 | | 0 | |
| Intangible assets | 0 | | 0 | |
| Investment grants | 0 | | 0 | |
| Interests and similar profit | 585 597 | | 348 967 | |
| Dividends | 22 212 | | 20 986 | |
| Other collections related to the investment activity | 407 892 | 22 555 546 | 2 761 989 | 21 149 471 |
| | | | | |
| ***Payments regarding:*** | | | | |
| Financial investments | 25 532 381 | | 24 631 610 | |
| Tangible assets | 2 449 274 | | 74 421 | |
| Intangible assets | 306 452 | | 425 795 | |
| Other payments related to the investment activity | 113 528 | 28 401 636 | 2 458 770 | 27 590 596 |
| ***Cash from investment activities (2)*** | | -5 846 090 | | -6 441 125 |
| | | | | |
| **Funding Activities:** | | | | |
| ***Collections from:*** | | | | |
| Loans obtained | 0 | | 0 | |
| Capital increases, supplementary payments and share premiums | 0 | | 0 | |
| Grants and donations | 0 | | 0 | |
| Sale of own shares | 0 | | 0 | |
| Coverage of losses | 0 | | 0 | |
| Other collections related to the funding activity | 0 | 0 | 0 | 0 |
| | | | | |
| ***Payments regarding:*** | | | | |
| Loans obtained | 126 497 | | 211 043 | |
| Amortisation of leasing contracts | 22 851 | | 30 144 | |
| Interest and similar costs | 1 470 | | 1 133 | |
| Dividends | 0 | | 0 | |
| Capital decrease and supplementary payments | 0 | | 0 | |
| Purchase of own shares | 0 | | 0 | |
| Other payments related to the funding activity | 0 | 150 819 | 181 977 | 424 296 |
| ***Cash from funding activities (3)*** | | -150 819 | | -424 296 |
| | | | | |
| **Changes in cash and its equivalents (4)=(1)+(2)+(3)** | | -424 325 | | 1 292 279 |
| **Effect of exchange differences** | | 0 | | 0 |
| **Cash and its equivalents in the beginning of the period (*)** | | 4 210 446 | | 4 385 778 |
| **Cash and its equivalents in the end of the period (*)** | | 3 786 121 | | 5 678 058 |

(*) This line includes Cash, cash equivalents and demand deposits and Other deposits

Board of Directors

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# 1 GENERAL INFORMATION

TPIF Douro Bidco S.à r.l., hereinafter referred as the Company, is a private limited liability company (Société à responsabilité limitée) incorporated on June 27th 2019 and is governed by the Articles of Association and the Laws of the Grand Duchy of Luxembourg in particular the law of August 10th 1915 on Commercial Companies, as amended (the "1915 Law"). The Company is incorporated for an unlimited term of existence.

The Company´s registered office is located in 20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg – R.C.S. Luxembourg: B235880.

The purpose of the Company is the direct or indirect acquisitions and holding of stakes/interests, in any form whatsoever, in Luxembourg and/or foreign undertakings, as well as the administration, development, management and disposal thereof. This includes, without limitation the investment in and acquisition and disposal of any type of equity or debt instrument in any combination.

The Company may also use its funds to invest in real estate and other real property rights, intellectual property rights and any other movable or immovable assets in any form or of any kind.

Notwithstanding the foregoing, the Company shall not enter into any transaction that would cause it to be engaged in a regulated activity or one that requires the Company to hold a license or authorisation which it has not obtained.

On 10 September 2020, a resolution was passed to liquidate TPIF SPV 3 LP, the previous sole Shareholder of the Company, and an in-specie transfer into Tosca Coinvest SCA SICAV-RAIF was completed. TPIF SPV 3 LP fully liquidated in 2021.

Effective from 10 September 2020, the sole Shareholder of the Company is Tosca Coinvest SCA SICAV-RAIF (hereafter the "Coinvest"), a corporate partnership limited by shares (société en comandite par actions "SCA") having its registered office at 20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg – R.C.S. Luxembourg: B239347.

On 17 December 2021, additional capital funding was transferred from the sole Shareholder, to finance the investment in Caravela Companhia De Seguros S.A. amounting to €8,300,000 resulting in an increase in share premium.

All amounts in this Appendix to the Financial Statements are in euros, rounded to the nearest unit, unless expressly indicated another unit.

# 2 MANAGEMENT INFORMATION PER SEGMENT

The Company's global business comes from insurance agreements regarding Non-Life markets concluded in Portugal and in Member States of the European Union. The distribution per lines of business as of December 31st, 2023 and 2022, is as follows:

2023
U: Euro

| | Accidents and Health | Fire and Other Damage | Motor | Marine and Transport | Transported Goods | Third-Party Liability | Miscellaneous | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Insurance agreement revenue | 24 396 407 | 8 318 879 | 37 668 656 | 79 752 | 91 972 | 1 042 381 | 3 913 274 | 75 511 321 |
| Expenses with insurance agreements | 22 540 329 | 7 519 392 | 35 721 522 | 12 291 | 85 033 | 944 255 | 3 219 273 | 70 042 096 |
| Provided reinsurance agreements revenue | 4 826 961 | 4 759 358 | 1 927 654 | 1 501 | 32 355 | 3 789 | 0 | 11 551 617 |
| Expenses with provided reinsurance agreements | 3 546 489 | 4 834 768 | 3 825 603 | 33 163 | 46 324 | 15 952 | 0 | 12 302 300 |
| **Insurance agreement income** | **3 136 550** | **724 077** | **49 185** | **35 798** | **-7 031** | **85 963** | **694 000** | **4 718 543** |
| Revenue from the financial component of insurance agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Losses from the financial component of insurance agreements | 102 430 | 5 642 | 4 530 | 0 | 0 | 45 | 0 | 112 647 |
| Revenue from the financial component of provided reinsurance agreements | 40 301 | 4 949 | 4 606 | 0 | 0 | 0 | 0 | 49 857 |
| Losses from the financial component of provided reinsurance agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Income from the financial component of insurance agreements** | **-62 129** | **-693** | **76** | **0** | **0** | **-45** | **0** | **-62 790** |
| Revenue | 693 427 | 26 785 | 577 271 | 749 | 1 060 | 21 667 | 49 345 | 1 370 304 |
| Financial expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit from financial assets and liabilities not valued at fair value via profits and losses | -294 | -35 | -764 | -1 | -1 | -29 | -65 | -1 190 |
| Net profit from financial assets and liabilities valued at fair value via profits and losses | -1 117 | -1 989 | -42 859 | -56 | -79 | -1 609 | -3 664 | -51 371 |
| Exchange differences | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment losses (net of reversal) | 6 888 | 526 | 11 329 | 15 | 21 | 425 | 968 | 20 172 |
| Non-attributable expenses | 1 111 121 | 81 176 | 1 749 495 | 2 271 | 3 212 | 65 665 | 149 545 | 3 162 486 |
| Other revenue/technical expenses, net of reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Technical Income** | **2 648 427** | **666 444** | **-1 177 916** | **34 205** | **-9 284** | **39 858** | **589 102** | **2 790 837** |
| | | | | | | | | |
| Other revenue/expenses | | | | | | | | 55 639 |
| Profits and losses of associate companies and joint ventures accounted for by the equity method | | | | | | | | 606 006 |
| **Non-technical income** | | | | | | | | **661 645** |
| | | | | | | | | |
| **Income before taxes** | | | | | | | | **3 452 482** |

2022
U: Euro

| | Accidents and Health | Fire and Other Damage | Motor | Marine and Transport | Transported Goods | Third-Party Liability | Miscellaneous | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Insurance agreement revenue | 18 746 161 | 6 433 117 | 32 816 740 | 72 597 | 97 201 | 891 386 | 3 344 674 | 62 401 876 |
| Expenses with insurance agreements | 21 959 859 | 5 690 001 | 29 639 362 | -3 234 | 47 159 | 397 485 | 3 593 960 | 61 324 593 |
| Provided reinsurance agreements revenue | 6 540 745 | 3 990 107 | 3 047 948 | -7 257 | 34 656 | 7 318 | 0 | 13 613 517 |
| Expenses with provided reinsurance agreements | 4 651 116 | 2 276 370 | 4 184 160 | 35 479 | 52 352 | 12 995 | 24 | 11 212 496 |
| **Insurance agreement income** | **-1 324 068** | **2 456 853** | **2 041 166** | **33 094** | **32 346** | **488 224** | **-249 310** | **3 478 304** |
| Revenue from the financial component of insurance agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Losses from the financial component of insurance agreements | 77 851 | -820 | 2 419 | -223 | -4 | 921 | -2 086 | 78 057 |
| Revenue from the financial component of provided reinsurance agreements | 32 568 | -681 | 2 397 | -156 | -3 | 677 | 0 | 34 802 |
| Losses from the financial component of provided reinsurance agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Income from the financial component of insurance agreements** | **-45 283** | **139** | **-22** | **67** | **1** | **-244** | **2 086** | **-43 256** |
| Revenue | 463 994 | 9 552 | 184 395 | 309 | 209 | 6 540 | 18 102 | 683 102 |
| Financial expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit from financial assets and liabilities not valued at fair value via profits and losses | -105 | 160 | 3 087 | 5 | 4 | 109 | 303 | 3 562 |
| Net profit from financial assets and liabilities valued at fair value via profits and losses | -1 443 | -3 305 | -63 793 | -107 | -72 | -2 263 | -6 262 | -77 245 |
| Exchange differences | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment losses (net of reversal) | 1 298 | 158 | 3 052 | 5 | 3 | 108 | 300 | 4 924 |
| Non-attributable expenses | 863 308 | 83 502 | 1 611 894 | 2 702 | 1 829 | 57 169 | 158 238 | 2 778 643 |
| Other revenue/technical expenses, net of reinsurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Technical Income** | **-1 771 512** | **2 379 740** | **549 887** | **30 661** | **30 655** | **435 089** | **-393 620** | **1 260 899** |
| | | | | | | | | |
| Other revenue/expenses | | | | | | | | -4 974 |
| Profits and losses of associate companies and joint ventures accounted for by the equity method | | | | | | | | 0 |
| **Non-technical income** | | | | | | | | **-4 974** |
| | | | | | | | | |
| **Income before taxes** | | | | | | | | **1 255 925** |

2023

U: Euro

| | Portugal | France | Greece | TOTAL |
|---|---|---|---|---|
| Insurance agreement revenue | 71 905 739 | 2 244 605 | 1 360 977 | 75 511 321 |
| Expenses with insurance agreements | 66 938 815 | 1 906 286 | 1 196 995 | 70 042 096 |
| Provided reinsurance agreements revenue | 9 906 778 | 1 114 479 | 530 361 | 11 551 617 |
| Expenses with provided reinsurance agreements | 10 657 676 | 1 202 132 | 442 492 | 12 302 300 |
| **Insurance agreement income** | **4 216 026** | **250 666** | **251 850** | **4 718 543** |
| Revenue from the financial component of insurance agreements | 0 | 0 | 0 | 0 |
| Losses from the financial component of insurance agreements | 92 580 | 14 659 | 5 407 | 112 647 |
| Revenue from the financial component of provided reinsurance agreements | 31 728 | 13 477 | 4 652 | 49 857 |
| Losses from the financial component of provided reinsurance agreements | 0 | 0 | 0 | 0 |
| **Income from the financial component of insurance agreements** | -60 852 | -1 182 | -756 | **-62 790** |
| Revenue | 1 310 566 | 32 418 | 27 321 | 1 370 304 |
| Financial expenses | 0 | 0 | 0 | 0 |
| Net profit from financial assets and liabilities not valued at fair value via profits and losses | -1 139 | -28 | -24 | -1 190 |
| Net profit from financial assets and liabilities valued at fair value via profits and losses | -49 132 | -1 215 | -1 024 | -51 371 |
| Exchange differences | 0 | 0 | 0 | 0 |
| Impairment losses (net of reversal) | 19 293 | 477 | 402 | 20 172 |
| Non-attributable expenses | 3 024 617 | 74 816 | 63 053 | 3 162 486 |
| Other revenue/technical expenses, net of reinsurance | 0 | 0 | 0 | 0 |
| **Technical Income** | **2 371 560** | **205 365** | **213 912** | **2 790 837** |
| | | | | |
| Other revenue/expenses | | | | 55 639 |
| Profits and losses of associate companies and joint ventures accounted for by the equity method | | | | 606 006 |
| **Non-technical income** | | | | **661 645** |
| | | | | |
| **Income before taxes** | | | | **3 452 482** |

2022

U: Euro

| | Portugal | France | TOTAL |
|---|---|---|---|
| Insurance agreement revenue | 60 670 547 | 1 731 328 | 62 401 876 |
| Expenses with insurance agreements | 58 798 823 | 2 525 769 | 61 324 593 |
| Provided reinsurance agreements revenue | 11 736 578 | 1 876 939 | 13 613 517 |
| Expenses with provided reinsurance agreements | 10 415 505 | 796 992 | 11 212 496 |
| **Insurance agreement income** | **3 192 797** | **285 506** | **3 478 304** |
| Revenue from the financial component of insurance agreements | 0 | 0 | 0 |
| Losses from the financial component of insurance agreements | 74 842 | 3 215 | 78 057 |
| Revenue from the financial component of provided reinsurance agreements | 33 368 | 1 433 | 34 802 |
| Losses from the financial component of provided reinsurance agreements | 0 | 0 | 0 |
| **Income from the financial component of insurance agreements** | **-41 474** | **-1 782** | **-43 256** |
| Revenue | 664 656 | 18 446 | 683 102 |
| Financial expenses | 0 | 0 | 0 |
| Net profit from financial assets and liabilities not valued at fair value via profits and losses | -72 618 | -1 065 | -73 683 |
| Net profit from financial assets and liabilities valued at fair value via profits and losses | 0 | 0 | 0 |
| Exchange differences | 0 | 0 | 0 |
| Impairment losses (net of reversal) | 4 944 | -20 | 4 924 |
| Non-attributable expenses | 2 709 148 | 69 495 | 2 778 643 |
| Other revenue/technical expenses, net of reinsurance | 0 | 0 | 0 |
| **Technical Income** | **1 029 268** | **231 632** | **1 260 899** |
| | | | |
| Other revenue/expenses | | | -4 974 |
| Profits and losses of associate companies and joint ventures accounted for by the equity method | | | 0 |
| **Non-technical income** | | | **-4 974** |
| | | | |
| **Income before taxes** | | | **1 255 925** |

Pursuant to item 1 of article 235 of the legal regime for accessing the insurance and reinsurance business, approved by Law no. 147/2015, from September 9th, and sections 3.2.1.1. and 3.2.1.2. of the decision regarding cooperation of Insurance Supervising

Authorities from the European Economic Area, (BoS-21-235, from June 10th, 2021), Caravela – Companhia de Seguros, S.A. may operate with free service provisions in Member States of the European Union, from its head office in Portugal.

Therefore, Caravela is authorised to operate with free service provision in the following countries: France, Greece, the Netherlands, and Spain.

In France, the Company is authorised to operate in the markets of fire and other damage, accidents, general civil liability, collateral, and various financial losses.

In Greece, the Company is authorised for the markets of car insurance, collateral, and assistance.

In the Netherlands, the Company is authorised for car insurance and assistance.

Lastly, in Spain, it is authorised for the collateral insurance market.

Activity in France began in 2021 via a partnership with DUNE. The product distributed is meant for construction work operation in the scope of the obligation determined by Article L.242-1 of the French Insurance Code. The product is meant for construction works.

Activity in Greece began in February 2023, establishing a partnership with BROKINS S.A. The product distributed is meant to comply with the insurance obligation of car civil liability, set in Greek legislation, namely by the provisions of Law 4364/2016, Law 489/76, as coded and applicable, and Law 2496/97 as a supplementary one.

In the Netherlands, the authorisation to operate was granted on March 21st, 2023, and operations started in November 2023, establishing a partnership with Biesbosch Assuradeuren Anno 2000 B.V., acting in the Dutch market as a broker and coordinator for insurance agents. The product distributed is meant to comply with the insurance obligation of car civil liability, set by Dutch law.

The first activities began in January 2024.

On October 17th, 2023, the authorisation to operate in the collateral market in Spain, France, and Greece was granted, though no operations have yet been registered in 2023.

# 3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

## 3.1 Basis of Preparation of the Financial Statements

**A.** Accounting policies and valuation rules are, besides the ones laid down by the Luxembourg law of 19 December 2002 on, inter alia, accounting and annual accounts, as amended (the "2002 Law"), determined and applied by the Board of Director.

Caravela – Companhia de Seguros S.A. is the only consolidated entity and the assumed accounting policies and valuation rules correspond to those applied in that entity, detailed in the following points.

**B.** Caravela's Financial Statements on December 31st, 2023, were prepared according to the provisions of the Accounts Plan for Insurance Companies (PCES), approved by the Regulatory Standard no. 9/2022-R of November 2nd, from the Insurance and Pension Funds Supervision Authority (ASF).

The amounts of the accounts of the Financial Position Statement and the Profit and Loss Account of 2023 and 2022 are comparable amongst them, including the impact of the first application of IFRS 17 – Insurance agreements and of IFRS 9 – Financial instruments. The Financial Statements are prepared according to the International Financial Report Standards (IAS/IFRS), issued by IASB and adopted by the European Union, in force on January 1st, 2023.

The Financial Statements were prepared according to the historical cost principal, except for the financial assets valued at fair value via profits and losses, financial assets valued at fair value via reserves, land and buildings, and insurance agreements' liabilities measured at fair value.

**C.** Consolidated Financial Statements as at December 31, 2023 have been prepared in accordance with the provisions of the Plan of Accounts for Insurance Companies (PCES), approved by Regulatory Standard no. 10/2016-R, of September 15, from the Supervisory Authority for Insurance and Pension Funds (ASF).

The figures in the Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss for 2023 and 2022 are comparable with each other.

The Consolidated Financial statement of TPIF Douro Bidco s.à.r.l. as until December 31, 2023, are not compliant with the International Financial Reporting Standards (IFRS) as adopted by European Union. However, the figures presented for 31 December 2022 and 31 December 2023, respect the International Financial Reporting Standards, with the following exceptions:

- IFRS 17 – Insurance Contracts – were only the principles of classifying the type of insurance contracts have been adopted.
- IFRS 3 – Business Consolidation – were Caravela has been consolidated tought proportional consolidation at 48% ownership.
- IFRS 3 - Business Consolidation – were adjustments related to the elimination of investment in Caravela are presented in equity under “Consolidation Reserves”.

Income and expenses are recognised in the financial year to which they refer, regardless of the date in which they were paid or received, in accordance with the accrual accounting principle.

The Financial Statements have been prepared in accordance with the historical cost principle, except for available-for-sale financial assets and investment properties, which are registered at fair market value.

Given the fact that direct insurance premiums are recognised as income at the time of issue or renewal of the corresponding policy, and claims are registered upon their reporting, certain accruals are undertaken in accordance with the accounting policies specified below, that have been applied consistently for the periods indicated.

### 3.2 New standards

The new standards described below apply to Caravela.

The following standards, interpretations, amendments, and revisions endorsed by the European Union were applied for the first time in the year ending on December 31st, 2023:

| Description | Amendment | Effective date |
|---|---|---|
| **1. New standards, amendments to standards in force on January 1st, 2023** | | |
| • IAS 1 – Disclosure of accounting policies | Requirement to disclose “material” accounting policies, against “significant” accounting policies | January 1st, 2023 |
| • IAS 8 – Disclosure of accounting estimates | Definition of an accounting estimate. Clarification of the difference between changes to accounting policies and to accounting estimates | January 1st, 2023 |
| • IFRS 17 – Insurance agreements | New accounting for insurance agreements, reinsurance agreements, and investment | January 1st, 2023 |

| Description | Amendment | Effective date |
|---|---|---|
| | agreements with characteristics of discretionary participation in income, regarding aggregation, recognition, measurement, presentation, and disclosure | |
| • IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative Information | This amendment allows for avoiding temporary accounting deviation between financial assets and liabilities from insurance agreements in the comparative information provided when applying IFRS 17 for the first time. This amendment allows for applying an overlay when classifying a financial asset for which the entity does not update IFRS 9 comparative information | January 1st, 2023 |
| • IAS 12 - Deferred tax regarding assets and liabilities associated to a single transaction | The recognition exigence of deferred tax over the recording of assets under right of use/ leasing and dismantling provisions liabilities / related assets, when its initial simultaneous recognition shows equal amounts of taxable temporary changes and deductible temporary changes, since they are not relevant for tax purposes | January 1st, 2023 |
| • IAS 12 - International taxation reform - Pillar II model norms | Introduction of a temporary exception to the recognition and disclosure requirements for information on deferred tax assets and liabilities regarding Pillar II model's income tax. The disclosure requirements for affected entities (entities belonging to multinational groups with a consolidated revenue of 750 million euros on at least two of the past four years) | Immediately or on January 1st 2023 |

In the financial year ending on December 31st, 2023, no material effects over the attached financial statements were produced due to the implementation of the above-mentioned standards, interpretations, amendments, and revisions, except for the implementation of IFRS 17 and subsequent implementation of IFRS 9 - Financial instruments, for the first time, as mentioned in the chapter "Impact of changes to accounting policies in the year".

| Description | Amendment | Effective date |
|---|---|---|
| **2. (New and amended) Standards that became effective on or after January 1st, 2024, endorsed by the EU** | | |
| • IAS 1 - Classification of liabilities as current and non-current, and non-current Liabilities with covenants | Classification of liabilities as current or non-current, according to the right an entity must defer its payment beyond 12 months after the reporting date when subjected to covenants | January 1st, 2024 |
| • IFRS 16 - Leasing liabilities in sale and leaseback transactions | Accounting requirements for sale and leaseback transactions after the transaction date when some or all leasing payments are variable | January 1st, 2024 |

These amendments to standards are not yet effective and have therefore not been established by the Company in the 2023 financial statements. The Company does not estimate the impacts of the future implementation of these amendments to the standards.

| Description | Amendment | Effective date |
|---|---|---|
| **3. (New and amended) Standards that became effective on or after January 1st, 2024, not yet endorsed by the EU** | | |
| • IAS 7 and IFRS 7 - Suppliers' financing agreements | Additional disclosure agreements regarding suppliers' financing agreements (or reverse factoring), its impact in cash flows as well as its impact in liquidity risk analysis and how the entity would be affected if these agreements were no longer available | January 1st, 2024 |

| Description | Amendment | Effective date |
|---|---|---|
| • IAS 21 - Effects of exchange rate changes: Lack of interchangeability | Requirements to determine if a currency can be exchanged for another, and when it is not possible to carry out the exchange for a large period of time, options to calculate the spot exchange rate to be used. Disclosure of the impacts of this situation in the entity's liquidity, financial performance, and patrimony situation as well as the spot exchange rate used on the reporting date. | January 1st, 2025 |

These amendments to standards are not yet effective and have therefore not been established by the Company in the 2023 financial statements. The Company does not estimate the impacts of the future implementation of these standards.

**Impact of the amendments to accounting policies in the financial year**

On January 1st, 2023, IFRS 17 – Insurance agreements became effective, replacing IFRS 4. It applies to all entities issuing insurance agreements, reinsurance agreements, or investment agreements with characteristics of discretionary participation in the results if they also issue insurance agreements.

In addition, since IASB allowed for insurance companies to defer the application of IFRS 9 - Financial instruments (applicable since January 1st, 2018), to the date IFRS 17 became effective, Caravela also implemented it in this financial year, replacing IAS 39.

**IFRS 17 & 9 - Impact of the implementation**

The impacts of implementing this standard in the Financial Position Statement on the opening date of the comparative period, January 1st, 2022, were as follows:

U: Euro

| | 31/12/2021 IFRS4 | Reclassification and Adjustments IFRS17 | Reclassifications IFRS9 | 01/01/2022 IFRS17 |
|---|---|---|---|---|
| Cash, cash equivalents and demand deposits | 2 887 488 | | | 2 887 488 |
| Investments in subsidiaries, associated companies and joint ventures | 2 400 | | | 2 400 |
| Available-for-sale assets | 50 240 679 | | -50 240 679 | 0 |
| Loans and receivables | 1 391 311 | | -1 391 311 | 0 |
| Financial assets measured at fair value through profit or loss | 0 | | 2 376 875 | 2 376 875 |
| Financial assets measured at fair value through reserves | 0 | | 47 863 804 | 47 863 804 |
| Financial assets measured at amortised cost | 0 | | 1 391 311 | 1 391 311 |
| Hedging derivatives | 0 | | | 0 |
| Properties (Land and buildings) | 4 343 752 | | | 4 343 752 |
| Other tangible assets | 166 717 | | | 166 717 |
| Inventory | 42 010 | | | 42 010 |
| Assets under right of use | 641 827 | | | 641 827 |
| Goodwill | 0 | | | 0 |
| Other intangible assets | 1 650 485 | | | 1 650 485 |
| Assets from Non-Life reinsurance ceded contracts | 16 327 915 | 3 872 876 | | 20 200 792 |
| Other debtors from insurance operations and other operations | 6 795 202 | -5 315 087 | | 1 480 115 |
| Tax assets | 406 452 | 505 886 | | 912 337 |
| Accruals and deferrals | 161 012 | | | 161 012 |
| **TOTAL ASSET** | **85 057 251** | **-936 324** | **0** | **84 120 927** |
| | | | | |
| Non-Life insurance contracts liabilities | 48 217 556 | 1 992 096 | | 50 209 652 |
| Other financial liabilities | 915 903 | | | 915 903 |
| Post-employment benefit liabilities and other long-term benefits | 83 712 | | | 83 712 |
| Other creditors for insurance operations and other operations | 5 069 132 | -228 957 | | 4 840 175 |
| Tax liabilities | 1 916 384 | -847 995 | | 1 068 389 |
| Accruals and deferrals | 750 404 | | | 750 404 |
| **TOTAL LIABILITY** | **56 953 091** | **915 144** | **0** | **57 868 235** |
| | | | | |
| Capital | 21 306 391 | | | 21 306 391 |
| (Own Shares) | 0 | | | 0 |
| Other capital instruments | 0 | | | 0 |
| Revaluation reserves | 89 663 | | 77 646 | 167 309 |
| By fair value adjustments of debt instruments measured at fair value through reserves | 89 663 | | 76 114 | 165 777 |
| Provision for expected credit losses on debt instruments measured at fair value through reserves | 0 | | 1 532 | 1 532 |
| Financial component reserve of insurance contracts | 0 | -2 601 998 | | -2 601 998 |
| Financial component reserve of reinsurance contracts | 0 | 1 523 160 | | 1 523 160 |
| Tax reserve | -20 174 | 225 268 | | 205 094 |
| Gains and losses on the sale of equity instruments measured at fair value through reserves | 0 | | | 0 |
| Other reserves | 5 032 308 | | | 5 032 308 |
| Results brought forward | 66 032 | 632 041 | -77 646 | 620 428 |
| Result of the financial year | 1 629 940 | -1 629 940 | | 0 |
| **TOTAL EQUITY** | **28 104 161** | **-1 851 468** | **0** | **26 252 692** |
| **TOTAL LIABILITY AND EQUITY** | **85 057 251** | **-936 324** | **0** | **84 120 927** |

**Transition:**

At the moment of transition, the standard requires the Company to apply a retrospective approach to recognise and measure both insurance and provided reinsurance agreements. According to this approach, IFRS 17 would have had to be applied as if it had always been in force.

However, if this is not possible, the standard provides two alternatives: the modified retrospective approach and the fair value approach.

Since the Company has all the necessary historical information, it applied the retrospective approach to all its insurance agreement portfolios.

Regarding IFRS 9, the Company applied its impact in retrospective to January 1$^{st}$, 2022, consistent with the IFRS 17 implementation option. The main impact of implementing IFRS 9 was the classification of investments in capital instruments, debt securities and Loans and accounts receivable according to the new three categories of financial assets provided for in IFRS 9 given the business model followed to recover asset values and the nature of contractual cash flows.

### 3.3 Material accounting policies

Material accounting policies applicable to Caravela applied consistently on all periods shown.

### 3.3.1 Insurance agreements

The Company implemented IFRS 17 – Insurance Agreements starting January 1st, 2023. This standard is the result of significant changes to accounting of insurance and reinsurance agreements, detailed below.

#### a. Classification of agreements

Insurance agreements

At the moment, the Company issues agreements including insurance risk, financial risk, or a combination of both.

The Company recognises as insurance agreements the ones in which it accepts a significant insurance risk from the other party (the policyholder), accepting to compensate them in case of a specified uncertain future event (the event covered by insurance) negatively affecting the policyholder.

In case of agreements in which the risk is mainly financial and the insurance risk taken by the company is not significant but there is a discretionary participation in results attributed to the policyholders, the Company considers these agreements insurance agreements and, therefore, they are measured according to IFRS 17.

Provided reinsurance agreements

The Company concludes agreements with the goal of transferring insurance risk together with its respective premiums to one or more reinsurance companies. If the reinsurance company is not capable to carry out its obligations, the Company remains liable before its policyholders for the re-insurer’s portion.

### b. Level of aggregation

The Company determines the level of aggregation for insurance agreements issued, dividing them into portfolios. Each portfolio must include insurance agreements subject to similar risks and jointly managed.

The Company grouped its portfolios in the following manner:

| Portfolios | |
|---|---|
| Code | Name |
| WC | Workers' Compensation |
| PA | Personal Accidents |
| Health | Health |
| FOD | Fire and Other Damage |
| MOTOR | Motor |
| Mar + Transp | Marine and Transport |
| Transport | Transported Goods |
| CL | Third-Party Liability |

In the initial recognition, insurance agreements added to each portfolio are divided in groups of:

- Onerous agreements;
- Agreements without the significant possibility of later becoming onerous;
- Other agreements in the portfolio.

The Company applied the previously mentioned methodology for provided reinsurance agreements as provided for in the standard. In this sense, the following portfolios were determined:

| | |
|---|---|
| • Motor | • Professional Sports |
| • Luxury Car Damage | • Fire and Other Damage |
| • LTR (Long Term Rental) | • Engineering |
| • Environmental | • Marine |
| • Workers' Compensation | • Catastrophe |
| • Personal Accidents | • Health |

The IFRS 17 standard does not allow for the addition of agreements issued with over a one-year gap to the same portfolio. In this sense, each portfolio shall be separated into annual cohorts, or cohorts consisting of periods shorter than one year.

The Company separates its agreements into annual cohorts based on calendar years.

### c. Component separation

The standard requires the Company to separate investment components different from the host insurance agreement.

The Company does not hold at the moment different investment components and therefore does not need to carry out this separation.

At the moment, the Company does not hold equal investment components either.

### d. Initial recognition

The Company recognises a certain insurance agreement group issued by it from the first of the following events:

- the beginning of the coverage period of the agreement group;
- the date in which the first payment from a policyholder becomes due;
- the date in which the group becomes onerous, in case of onerous agreements groups.

In the case of provided reinsurance agreement groups, the Company recognises them from the first of the following dates:

- the beginning of the coverage period of the provided reinsurance agreement group;
- The date in which the entity recognises an onerous underlying insurance agreement group. However, if the Company concludes an associated provided reinsurance agreement in the provided reinsurance agreement group, it recognises it on or prior to that date.

### e. Measurement models

IFRS 17 provides for the use of three measurement models, the general measurement model, the premium imputation model, and the variable commission model, in which insurance agreement revenue is recognised in profits and losses throughout time, as the services are provided. The models are based on the current value of estimated cash flows, on an adjustment to reflect money's time value and the financial risks inherent to future cash flows, insofar as they are not included in future cash flow estimates, on a risk adjustment for the non-financial risk, and on a margin of contractual services representing profit not yet paid up.

Considering the types of products held by the Company as well as the requirements to apply each measurement model, the Company applies the premium imputation model approach.

This approach is optional and can only apply to short-term agreements. Despite it being the more simplified model provided for in IFRS 17, no significant differences from the general measurement model are expected for this type of agreements.

## f. Contractual Borders

The standard expects the Company to include the future cash flow estimates, which are registered within the limits of each agreement group, in the cash flow calculation connected to the compliance with insurance agreements and held reinsurance agreements. Cash flows are within the limits of an insurance agreement if they are the result of substantive rights and responsibilities existing in the reporting period by means of which the Company can make the policyholder pay the premiums or the Company has the material obligation to provide insurance agreement services to the policyholder.

A material obligation to provide insurance agreement services ends when:

- the Company has the practical possibility to revaluate the policyholder's risks, therefore being able to set a benefit price or level completely reflecting those risks; or
- both of the following criteria are met:
    i. the Company has the practical possibility to re-evaluate the risks of the insurance agreement portfolio containing the agreement, and subsequently, manages to set a benefit price or level completely reflecting the risk of that portfolio; and
    ii. the pricing of premiums until the date in which risks are re-evaluated does not account for risks regarding periods after the revaluation date.

In the case of provided reinsurance agreements, the substantive obligation to receive services ends when the re-insurer has the practical possibility to re-evaluate the insurance risks that were transferred to it, and subsequently manages to determine benefit prices or levels reflecting that risk, or when the re-insurer has the substantive right to terminate the coverage.

The Company does not recognise assets or liabilities regarding premiums or claims that are not within the contractual borders - these amounts are connected to future insurance agreements.

**Application of measurement models to insurance agreements**

**1. Premium imputation approach**

This approach is a simplified one, making it important to highlight that the Company only applied it because the second requirement below is applicable to all products sold by the Company.

These requirements indicate that a Company can only apply this approach if:

- it has reason to believe that this simplification shall lead to a measurement of the group's remaining coverage liability which shall not be significantly different from the one acquired by applying the general measurement model;
- the coverage period of each of the group's agreements (including insurance agreement services resulting from all premiums within contractual limits) is equal to or lower than one year.

***Measurement in the initial recognition***

In the initial recognition, to determine the carrying value of liabilities, the Company took into account:

- the premiums possibly received in the initial recognition, if that is the case;
- minus any cash flows from the acquisition of insurance on that date, except if the Company chooses to recognise the payments as expenses; and
- plus or minus any amount resulting from the de-recognition, on that date, of the following:

i. any assets for insurance acquisition cash flows;

ii. any other asset or liability previously recognised by cash flows connected to the agreement group.

The previously mentioned acquisition cash flows can be deferred throughout the coverage period of the agreements or recognised as expenses when incurred. The Company chose to defer the acquisition cash flows rationally and systematically throughout the agreements' coverage periods.

*Discount rate*

The Company measures money's time value by using discount rates reflecting characteristics of liquidity of insurance agreements, and which are coherent with current observed market prices. Discount rates exclude the effect of factors that influence those observed market prices, but do not affect future cash flows of insurance agreements.

The Company applies the bottom-up approach to determine the discount rate.

In this way, the discount rate is determined by adjusting a net revenue curve exempt from risk to reflect the differences between the characteristics of liquidity of financial instruments at the base of the rates practised in the market and the characteristics of liquidity of insurance agreements.

*Risk adjustment*

Risk adjustment reflects the compensation the Company demands to support the uncertainty regarding the amount and the existence of cash flows that are the result of non-financial risk.

The standard provides a specific methodology to calculate risk adjustment, dictating that each entity should use its judgement to determine which technique would be the most adequate to estimate this metric.

The Company chose to use the Value at Risk (VaR) method to determine risk adjustment. VaR is a statistical measure that evaluates the maximum loss expected for a certain level of trust. In the case of an agreement group, this value shall represent future cash flows calculated to that level of trust.

To determine the level of trust to be applied in the VaR methodology, two types of responsibilities within the Company's portfolio were analysed, those similar to life (Work Accident Annuities) and those similar to non-life (the remainder of the portfolio).

For the responsibilities valued following non-life techniques, as well as for those valued following life techniques, the level of trust implemented reflects a provisioning at the level of the best estimate.

The Company chose to not separate the financial effect of risk adjustment into non-financial risk between insurance agreement income and the income from the financial component of insurance agreements.

***Subsequent measurement***

To measure the carrying value of liabilities at the end of each subsequent reporting period, the Company considered:

- the carrying value at the beginning of the reporting period;

- plus the premiums received throughout the period;
- minus insurance acquisition cash flows;
- plus any amounts regarding the amortisation of insurance acquisition cash flows recognised as expenses in the reporting period;
- plus any adjustment of a financial component;
- minus the amount recognised as insurance revenue for services provided in that period;
- minus any investment component paid or transferred to the liability for claims incurred.

As mentioned in the standard, it is not imperative to adjust future cash flows according to money's time value and the effect of financial risk if the entity expects those cash flows shall be paid or received in one year or less after the claims' date.

Since Caravela's portfolio comprises renewable annual products, with a coverage period equal to or lower than one year, the Company chose to not adjust the value of the future cash flows components according to money's time value and the effect of financial risk.

The Company measures liabilities for claims incurred in the insurance agreements group as the cash flows connected to the compliance of agreements related to claims incurred, in line with the methodology that applies to the general measurement model since the difference between the date when the claims incurred, and their liquidity is not always less than one year.

For provided reinsurance agreements, the application of this approach is carried out in line with the above-described procedure.

*Onerous agreements*

If throughout the coverage period there are facts or circumstances indicating that an insurance agreement group is onerous, the Company determines the difference between:

- the carrying value of the remaining coverage liability; and
- the cash flows connected to the compliance with the agreements regarding the group's remaining coverage. However, since the Company adjusts liability for claims incurred to money's time value and the effects of financial risk, it includes these adjustments in cash flows connected to the compliance with agreements.

**Revenue and losses from the financial component of insurance agreements (*IFIE*)**

Revenue and losses from the financial component of insurance agreements (IFIE) comprise the variation in accounting value of insurance agreements groups resulting from:

- the effect of money's time value and its variations; and
- the effect of the financial risk and its variations.

The standard determines that, in this scope, a company shall choose the accounting policy regarding the need to separate revenue or financial expenses for the period between income and other global revenue. The accounting policy selected by the company should apply to insurance agreements portfolios. According to IAS 8.13, the accounting policy chosen should apply consistently to similar insurance agreements portfolios.

The Company chose to separate the revenue or the financial expenses for the period between income and other global revenue. This choice applied in retrospective.

### 3.3.2 Financial instruments

**Initial recognition and measurement**

Financial assets and liabilities are recognised when the Company becomes part of the instrument's contractual provisions, with financial assets being recognised on the trade date (in other words, the date on which the Group compromises to buy or sell the asset).

In initial recognition, the Group measures the financial asset or liability at fair value together with transaction costs directly attributable to their acquisition or issuance for financial assets and liabilities that are not measured at fair value via income. Transaction costs for financial assets and liabilities accounted for at fair value via income are recognised as income for the year in which they took place.

Immediately after the initial recognition, a provision for expected credit losses is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value via other global revenue.

When the financial assets and liabilities' fair value is different from the transaction price in the initial recognition, the company recognises the difference in the following manner:

a. When fair value is evidenced for a price listed in an active market (Level 1 of the IFRS 13 fair value hierarchy) or based on an evaluation technique using observed market data, the difference is recognised as revenue or expense.

b. In any other case, the difference is deferred and amortised throughout the financial instrument's useful life until the fair value can be determined using observed market data or liquidated.

Amortised cost and effective interest rate

Amortised cost is the value for which the financial asset or liability is initially recognised minus principal returns, together with cumulative amortisation, using the effective interest method for any difference between the initial value and the maturity value, and for financial assets adjusted by any loss.

Effective interest rate is the rate that deducts exactly the future estimated payments/cash receivables of the financial asset or liability into the gross accounting value of a financial asset or for the amortised cost of a financial liability. When the Company reviews future cash flow estimates, the accounting value of the corresponding financial asset or liability is adjusted to reflect the new estimate deducted using the original effective interest rate. Any changes are recognised in the income for the financial year.

Interest revenue resulting from the calculation of the effective interest rate at the gross value of the financial assets is recognised at amortised cost or at fair value via other global revenue.

### 3.3.2.1 Financial assets

Classification and subsequent measurement

The Group recognises financial assets in the following categories:

a. Financial assets valued at amortised cost
b. Financial assets valued at fair value via other global revenue
c. Financial assets valued at fair value via income

Deb instruments

The recognition and subsequent measurement of debt instruments depends on the Company's business model to manage the asset and the asset's cash flow characteristics. There are three measurement categories in which the Company classifies its debt instruments:

- Amortised cost: assets held only to charge contractual cash flows, when these represent only the payment of principal and interest, measured at amortised cost. Interest revenue from these financial assets is included in interest and other similar revenue using the effective interest rate method.

- Fair value from other global revenue: assets held for charging contractual cash flows and for the sale of said financial assets when the assets' cash flows represent only the payment of principal and interest, measured at fair value via other global revenue. The variations in accounting value are recognised in other global revenue, except for variations regarding impairment recognition, interest revenue, and profit/(losses) from exchange differences, which are recognised in income for the period. When financial assets are de-recognised, cumulative profit/(losses) previously recognised in other global revenue are reclassified from equity into income for the financial year. Interest revenue from these financial assets is included in interest and financial revenue using the effective interest rate method.
- Fair value via income: assets that do not comply with the criteria of amortised cost or fair value via other global revenue are measured at fair value via income. Profit/(losses) in a debt investment subsequently measured at fair value via income is recognised and presented in the consolidated income statement.

Financial assets with embedded derivatives are considered in total to determine if their cash flows are payments of principal or interest. The Company reclassifies debt investments only when its asset management business model changes.

<u>Equity</u>

The Company subsequently measures its equity at fair value via income and other global revenue. Profit/(losses) of equity at fair value via income are included in the item "Net profits from investments at fair value via income" in the income statement and profits/(losses) from equity at fair value via other global revenue are included in the item "revaluation reserves" in the financial position statement.

<u>Impairment losses</u>

The Company prospectively evaluates estimated credit losses associated to its debt instruments recognised at amortised cost and fair value via other global revenue.

The impairment methodology applied depends on if a significant increase in credit risk happened or not. The Credit Risk note details the procedures implemented by the Company to verify if a significant increase in credit risk happened of not.

The measurement of estimated credit losses reflects:

a. An impartial value pondered from the probability determined by the evaluation of a possible event;
b. Money's time value; and

c. Reasonable and sustainable information regarding past events, current conditions, and future economic predictions available at the reporting date.

De-recognition (except for modification)

Financial assets are de-recognised when the contractual rights to receive assets' cash flows expire or when they are transferred and:

i) The Company substantially transfers all risks and benefits of property; or

ii) The Company does not transfer nor maintain substantially all risks and benefits of property and does not maintain control

### 3.3.2.2 Financial liabilities

Classification and subsequent measurement

Financial assets are recognised and subsequently measured at amortised cost except for derivatives, which are measured at fair value via income.

Changes in fair value of financial liabilities measured at fair value via income related to self credit risk are shown in other global revenue, while all other changes to fair value are shown in the income statement.

De-recognition

Financial liabilities are de-recognised when underlying obligations are eliminated through payment, are cancelled, or expire.

### 3.3.3 Cash and cash equivalents

The figures included in the heading "Cash and cash equivalents and demand deposits" correspond to cash values, bank deposits and term deposits, and other treasury applications maturing in less than three months from the establishment or acquisition date, and for which the risk of value change is insignificant.

These assets are measured at amortised cost. Usually, the amortised cost of these financial assets is not different from their nominal value.

### 3.3.4 Land and buildings

The heading of Land and buildings includes property held by the Company for the purpose of acquiring revenue by leasing it and/or its appreciation.

Land and buildings follow the measurement principles for investment properties and are initially recognised at acquisition cost including directly related costs. They are subsequently measured at fair value according to evaluations made using independent asset valuers, not subject to the recording of depreciation.

Caravela determined that, due to the low fluctuation of market values, independent assessments should be carried out every 3 years.

In other years, Caravela assesses internally, using the revenue method if there are signs of impairment.

If there are signs of impairment, Caravela will immediately carry out an independent assessment of the properties, and on confirming those signs the loss shall be reflected in the balance.

If there are no signs of impairment, Caravela shall not register any appreciation variation in balance.

In 2023, Caravela, by means of an internal assessment, determined that there were no signs of impairment in any of its held properties.

Expenses borne with Land and buildings are recorded when incurred. Revenue acquired from leasing is recognised in the heading of “Investment Revenue connected to insurance agreements liabilities” from the Income statement.

Land and buildings are evaluated at each annual reporting date and the determined variations in fair value are recorded in income under the heading of “Net profit from non-financial assets that are not classified as non-current assets for sale and discontinued operational units”.

### 3.3.5 Tangible assets

Tangible assets include the headings:

- Land and buildings for self-use

- Other tangible assets

Tangible assets are valued at cost deducted from depreciation and accumulated impairment losses.

Subsequent costs incurred with renovations and major repairs that increase the assets’ useful life are recognised in the asset’s cost.

Current charges with repairs and maintenance are recognised as an expense for the period in which they are incurred.

Fixed tangible assets depreciate systematically according to the constant share method for the estimated useful life period. Land does not depreciate.

Estimated useful life for fixed tangible assets is determined according to the period during which the asset is expected to be available for use as per the table below:

| Description | Years of useful life |
|---|---|
| Furniture | 8 |
| Machines and Tools | 4 to 10 |
| IT equipment | 3 to 6 |
| Interior Premises | 5 |
| Transportation Material | 4 and 5 |
| Other Equipment | 8 to 10 |

Depreciation is recorded in expenses for the financial year.

Whenever there are signs of loss of value of the fixed tangible assets, impairment tests are carried out to estimate the recoverable value of the asset, and when necessary, to register an impairment loss. When there is the registration or reversal of impairment, asset depreciation is recalculated prospectively according to the recoverable amount.

The tangible asset's accounting value is de-recognised at the moment of disposal or when no future economic benefits are expected from its use or disposal. Profit and losses from the disposal of assets are recognised in the heading "Other Expenses" in the Income statement.

### 3.3.6 Intangible assets

Intangible assets are only recognised if they are identifiable and if it is likely that they will lead to future economic benefits for the Company, which are controllable by the Company and the value of which can be reasonably measured.

In this heading costs with acquisition, development, or the preparation to use software used in the development of the Company's activities are recorded.

Intangible assets are recorded at acquisition cost deducted from amortisations and accumulated impairment losses.

Amortisations are recorded systematically throughout the assets' estimated useful life, which corresponds to a 3-to-6-year period.

Research expenses incurred with new technical knowledge are recognised in the income statement when they exist.

### 3.3.7 Leases

Leases are described as agreements that grant the right to control the use of an identifiable asset during a certain period in exchange for a certain amount.

**From the Lessee's lens**

At the beginning date of each agreement, the Company assesses if its scope corresponds to a lease agreement or if it contains a lease, recognising an asset under right of use and a lease liability, at the agreement's date of entering into force, i.e., on the date in which the Company takes control over the asset.

The Company applies the recognition exception provided for IFRS 16 for lease agreements with a lease term of 12 months or less and for lease agreements for low value assets.

The asset under right of use is measured at the initial value of the lease liability adjusted from any payments made at the beginning date or prior to it, from initial direct expenses incurred, from estimated dismantling and restoration costs (when applicable) and deducting from incentives incurred.

The lease liability value corresponds to the present value of lease payments that are not paid on that date, deducted according to the interest rate implicit in the lease or, if the rate is not easily identified, the Company's incremental financing rate.

Regarding subsequent measurement, assets under right of use are measured at cost deducted from depreciation and impairment losses and the lease liability increases reflecting interest over it and is deducted by the lease payments made within the period.

The lease liability might also be remeasured if there are changes in future payments, and the Company shall recognise said amount as an adjustment to the asset under right of use.

Whenever the lease agreement is amended and the amendment is not classified as a separate lease, the Company remeasures the lease liability (future rents from lease agreements) and adjusts the asset under right of use accordingly.

Variable rents that do not depend on an index or rate are recognised as expenses in the period in which the event or the condition leading to the payments took place.

The Company presents the asset under right of use in a separate heading in the financial position statement and presents the lease liability in the heading "Other financial liabilities" in the financial position statement.

**From the Lessor's lens**

Lease agreements are classified as financial leases if substantially all risks and advantages inherent to them are transferred through them, and as (ii) operating leases when this transfer does not happen.

In a financial lease, at the date of entering into force, the lessor shall recognise the assets held under financial lease in its financial position statement as an account receivable for an amount equal to the net investment in the lease.

In leases in which the Company acts as lessor pursuant to operating lease agreements, the values of assets connected remain in the Company's financial position statement as "Land and buildings" and profits are recognised in a linear fashion during the period of the lease agreement.

The Company, inherent to its activity, only holds agreements that qualify as operating leases.

### 3.3.8 Income tax

Income tax for the period corresponds to current tax and deferred tax. Income tax is registered in the Income statement, except when in connection with items that are directly recognised in equity.

**Current tax**

The value of the payable current tax is determined based on income before tax, adjusted according to the tax norms in force, by the value of expenses or revenue not relevant for tax purposes, or that shall only be considered in other accounting periods.

The Company is subject to Corporate Income Tax (IRC) and Local Tax, which aggregated rate for 2023 and 2022 is 22.5% added to the respective State Tax, corresponding to the application of an additional 3% rate over the taxable section of profit over 1,500,000 Euros and under 7,500,000 Euros, a 5% rate over the profit section over 7,500,000 Euros and under 35,000,000 Euros, and 9% over the taxable section of profit beyond that amount.

IFRS 17 "Insurance agreements" entered into force on January 1st, 2023, this being the transition date relevant for tax purposes. Item 1 of article 4 of Law 82-A/2023 of December 29th, establishes the transitional standard for Corporate Income Tax ("IRC"), regarding the accounting impacts resulting from IFRS 17 "Insurance agreements", which determines that, to form the taxable income corresponding to the tax period beginning in 2023 and in each of the following nine taxable periods, companies shall account for the positive and negative patrimony variations not reflected in the year's net income which meet the following cumulative requirements: (i) they are the result of the first implementation of the Accounts

Plan for Insurance Companies ("PCES"), approved in attachment to the Regulatory Standard no. 9/2022-R, published in the Official Gazette, Series II, no. 228, of November 25th 2022, from the Insurance and Pension Funds Supervision Authority ("ASF"); and (ii) they are considered tax relevant under the terms of the IRC Code, resulting from the recognition or de-recognition of assets and liabilities, or from changes in their measurement.

**Deferred tax**

Deferred tax corresponds to the impact in the tax recoverable/payable in future periods resulting from temporary differences deductible or taxable between the assets and liabilities' accounting value and their tax base, used when determining taxable profit.

Liabilities per deferred tax are usually recorded for all taxable temporary differences, however, deferred tax assets are only recognised up to the amount to which it is probable that there will be future taxable profits that allow for the use of the corresponding temporary deductible differences, or a tax losses report.

In addition, deferred tax assets are not recorded when their recoverability can be questioned due to other situations, including matters of interpretation of applicable tax law.

Deferred tax is calculated based on tax rates anticipated to come into force on the reversal date of temporary differences, which correspond to the approved or substantially decreed rates at the reporting date.

### 3.3.9 Employee benefits

Responsibilities with employee benefits are recorded according to their nature and might correspond to short-term benefits, long-term benefits, or post-employment benefits, attributed in return for the services provided by the employees.

The Company attributes post-employment benefits of the following natures:

a) Defined benefit pension plan

   In the scope of a defined benefits plan, the Company estimates, on each reporting, date the net liability (asset) of defined benefits, taking into account: (i) the cost of current services incurred in the year and the effect of the net tax determined for the purpose of time passage, which are recorded in Personnel expenses in equity; and (ii) the remeasurement resulting from changes to the actuarial assumptions used and the differential determined between the fund's real profitability and the effect in interest net of the fund's balance remuneration. To determine these impacts, the Company uses expert actuaries.

The Company has a defined benefits plan attributed in the scope of the 2008 CCT, closed for new entries (see Note 10.2).

b) Defined contribution pension plan

Regarding this plan, the Company does not take any payment obligation beyond the contributions agreed upon. The obligations taken with a defined contribution are recognised as expenses in the year in which the employee provides services, according to the conditions determined in the plan, usually a percentage calculated over remuneration, with no actuarial assumptions or deductions applying.

The company has attributed a defined contribution plan pursuant to the "Open Pension Plan Zurich Vida Empresas" which encompasses all employees (see Note 10.2).

c) Long-term benefits

Long-term benefits correspond to benefits attributed in return for the provision of services ending on a specific future date. The benefit calculation is similar to the one implemented for defined benefits plans (actuarial and financial calculation). However, re-measurements are recorded as personnel expenses in the Income statement.

The Company has been attributed a Permanence bonus which is a bonus for every 5 years of service provided (see Note 10.2).

### 3.1.10 Investments in associated companies

Financial investments in associated companies are investments in which the Company holds a significant influence, but which it does not control or jointly control. Significant influence (assumed when voting rights are equal to or higher than 20%) is the power to participate in the company's financial and operating policy decisions without controlling or jointly controlling those policies.

Financial investments in associated companies are recorded by the equity method, pursuant to which shares are registered at their acquisition cost, adjusted by the corresponding value to the Company's share in global revenue (including the year's net income) of the associated companies, in return for other global revenue or profits and losses from the year, as applicable, and by received dividends.

The differences between acquisition price and fair value of assets and liabilities identifiable of associated companies on acquisition date, when they are positive, shall be recorded as Goodwill and remain in the value of financial investments in associated companies. If the differences are negative, they shall be recorded as revenue for the year in the heading

"Revenue or losses regarding associated companies", after confirming once again the attributed fair value.

An assessment of investments in associated companies is carried out when there are signs that the asset may be impaired. Impairment losses proven to exist are recorded as expenses. When impairment losses recognised in previous years no longer exist, they are subject to reversal.

When the Company's proportion in accumulated losses from the associated company surpasses the amount under which the investment is recorded, the latter is reported as zero value, except when the Company has taken commitments before the affiliate company.

### 3.3.11 Currency conversion

**Functional and reporting currency**

Caravela's financial statements and their notes in this attachment are shown in euros, unless explicitly stated otherwise. This is the Company's functional currency.

**Transactions and balance**

Transactions in currencies other than euros are converted into the functional currency using the exchange rates on the transaction date. Exchange profits or losses resulting from transaction payments/receivables as well as from the conversion by exchange rate on the financial reporting date, of monetary assets and liabilities in foreign currency, are recognised in other global revenue.

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements with an impact on the Company's financial statements are continually evaluated, representing, on each reporting date, the best Management estimate, accounting for historical development, accumulated experience, and expectation regarding future events which, under the circumstances at hand, are believed to be reasonable.

Estimates and judgements showing a significant risk of leading to a material adjustment in accounting value of assets and liabilities in the following year can be found below.

### 4.1 Estimates related to insurance responsibilities

Insurance agreements in the scope of IFRS 17 are measured at the level of insurance agreement groups. Up to a certain degree, as explained in note 3.3.1. Insurance Agreements

Accounting Policies, in which the process to determine the level of aggregation is explained, there is a judgement to identify portfolios and determine groups when based on their profitability.

In addition, by determining risk adjustment for non-financial risk or discount rates to use, a judgement is being made. This also happens for cost allocation criteria to the attributable and non-attributable category.

In the estimate of Insurance Agreements Liability - Of Past Services, or liability for Claims Incurred, deterministic and stochastic methods are used connected to the statistic treatment of run-off triangles corresponding to paid indemnities net of return charged, corresponding to the best possible estimate, and complying with the conditions of cash flow consideration to include in the measurement of insurance agreements, as provided for in the standard.

Specifically, in the Work Accidents market, the amounts regarding the payment of pensions already approved by the Labour Court or with a conciliation agreement already drawn up, as well as the estimate of responsibilities with probable incapacities resulting from claims pending a final agreement or judgement shall be considered as a part of the Liability for Claims Incurred.

## 4.2 Classification of financial assets

The company carries out judgements when classifying debt instruments as financial assets valued at fair value via income or financial assets valued at fair value via reserves.

Regarding the compliance with SPPI - Solely Payment of Principal and Interest criteria, since the Company only invests in financial instruments with contractual terms that only foresee the payment of the nominal plus interest for the effect of passage of time, this assessment is not significant. However, considering market evolution and ESG demands, this is a situation that may change in the next years.

Regarding business model, in the Company’s activity, the resources coming from contractual cash flows from financial assets are mainly meant to liquidate insurance agreements liabilities as they mature. To reach this goal, the entity charges contractual cash flows as they mature and sells financial assets to keep the intended profile in the asset portfolio. Therefore, both the charging of contractual cash flows and the sale of financial assets are essential to reach the business model goal, therefore prevailing the classification of investments made as financial assets at fair value via reserves, and as an alternate, as financial assets at fair value via profits and losses.

## 4.3 Determination of fair value of financial and non-financial assets

The calculation of fair value entails a significant uncertainty when assets subject to evaluation are not traded in a regulated market. In these cases, despite the maximisation of the use of observed market data, a significant section of evaluations also considers non-observed data that, in some cases, is subject to adjustments.

### a) Financial assets

Fair value of financial assets that are not traded in an active market require the application of evaluation techniques. The Company uses its judgement to select the evaluation techniques to use and takes assumptions that are mostly based in market data existing at the reporting date, as for example, interest rate curves.

### b) Non-financial assets

Fair value of "Land and buildings" is determined by the evaluation reported at the reporting date, mainly carried out by independent specialised entities.

The evaluations can be supported by different evaluation techniques, depending on the use that is being given to each asset. In any case, determining fair value entails great uncertainty regarding: i) future projections made by Management regarding rents to be charged (revenue method); or ii) disposal value expectation per square metre (comparative method) based on market transactions that took place, adjusted for the dimension / location of the properties.

The Company considers that the evaluations gotten based on these methodologies correspond to the best fair value estimate for assets shown in the financial position statement, measured at fair value.

## 4.4 Expected credit losses estimate

The calculation of expected credit losses anticipates the application of a general model incorporating probability of default (PD) and estimated losses given default (LGD), estimated by the management according to the historical information and adjusted for prospective information.

Expected credit losses are measured on a 12-month basis (1st stage), depending on if a significant increase in credit risk took place since the initial recognition (2nd stage) or if an asset is considered to be in a situation of credit impairment (3rd stage).

The Company determined that, for low credit risk financial assets, such as financial assets of "investment degree" at the reporting date, the significant increase in credit risk is not assessed and the expected credit loss is calculated at 12 months.

The Company considers that low credit risk financial assets are those under the following conditions: (i) the financial instrument has a low default risk; (ii) the counterpart has a strong capacity to comply with its short-term obligations; and (iii) adverse changes in economic and business conditions shall not reduce the capacity of the counterpart to comply with its obligations.

### 4.5 Taxes

Current and deferred income taxes were determined based on the best interpretation of tax law applicable at the reporting date. Other interpretations and estimates could lead to different tax values recognised for the year.

According to applicable tax law, the Tax Authority has the possibility to review the tax statement for the year submitted for a 4-year period. This review may lead to corrections which, in the Management's belief, would mainly be the result of differences in interpretation of tax law application to non-recurrent transactions performed.

# Notes on the Income Statement

## 5 INSURANCE AND REINSURANCE AGREEMENTS REVENUE AND EXPENSES

The Company's insurance agreement revenue can be analysed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Premium liberation - Premium allocation approach | 75 511 321 | 62 401 876 |

The heading "Expenses with insurance agreements" may be analysed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Claims incurred and other attributable expenses | 47 451 597 | 41 608 475 |
| Acquisition expenses attributable to insurance agreements | 12 980 093 | 10 763 040 |
| Changes regarding past services | 9 610 406 | 8 953 078 |
| **Expenses with insurance agreements** | **70 042 096** | **61 324 593** |

The Company's reinsurance agreement revenue can be analysed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Claims incurred and other attributable expenses | 6 855 614 | 8 736 675 |
| Acquisition expenses attributable to insurance agreements | 4 827 825 | 4 981 534 |
| Changes regarding past services | -131 822 | -104 692 |
| **Reinsurance agreements revenue** | **11 551 617** | **13 613 517** |

The heading "Expenses with reinsurance agreements" may be analysed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Expenses with provided reinsurance agreements | 12 302 300 | 11 212 497 |

## 6 REVENUE /(LOSSES) FROM THE FINANCIAL COMPONENT OF INSURANCE AND REINSURANCE AGREEMENTS

The details on income from the financial component of insurance and provided reinsurance agreements in 2023 and 2022 are as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Financial income from insurance contracts | 0 | 0 |
| Financial losses from insurance contracts | -112 647 | -78 058 |
| **Insurance contracts financial component result** | **-112 647** | **-78 058** |
| Financial income from ceded reinsurance contracts | 49 857 | 34 801 |
| Financial losses from ceded reinsurance contracts | 0 | 0 |
| **Reinsurance contracts financial component result** | **49 857** | **34 801** |

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Other comprehensive income | -356 703 | 2 241 158 |

## 7 FINANCIAL REVENUE/ (EXPENSES) FROM FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE VIA PROFITS AND LOSSES

In 2023 and 2022, the details on revenue acquired from financial assets not measured at fair value via profits and losses are as follows:

U: Euro

| Investment Category | Revenue in 2023 | % | Revenue in 2022 | % |
|---|---|---|---|---|
| Financial assets measured at fair value via reserves | | | | |
| Shares and other securities of variable revenue | 47 270 | 3% | 33 403 | 5% |
| Fixed revenue securities (bonds) | 700 454 | 51% | 194 212 | 28% |
| Land and Buildings | 587 000 | 43% | 407 166 | 60% |
| Granted loans | 0 | 0% | 48 000 | 0% |
| Term deposits in credit institutions | 35 367 | 3% | 321 | 0% |
| Demand deposits in credit institutions | 213 | 0% | 0 | 0% |
| **Total revenue** | **1 370 304** | **100%** | **683 102** | **100%** |

The increase registered in this heading in 2023 is due to the Company's increase in exposure to financial assets of revenue and land and buildings.

## 8 IMPAIRMENT LOSSES (NET OF REVERSAL)

In 2023 and 2022, Impairment is analysed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| From financial assets measured at fair value through reserves | 20172 | 4924,32 |
| From financial assets measured at amortised cost | 0 | 0 |
| From others | 0 | 0 |
| **TOTAL** | **20 172** | **4 924** |

## 9 OPERATING EXPENSES BY NATURE ATTRIBUTABLE AND NON-ATTRIBUTABLE TO INSURANCE AGREEMENTS

Allocation of operating expenses between attributable and non-attributable to insurance agreements in 2023 and 2022:

U: Euro

| Attributable costs | 2023 | | | | |
|---|---|---|---|---|---|
| | Claims | Acquisition | Administrative | Investments | Total |
| Personnel expenses | 619 835 | 2 371 231 | 583 798 | 28 830 | 3 603 694 |
| External services and supplies | 516 736 | 960 435 | 236 460 | 11 677 | 1 725 308 |
| Taxes and fees | 0 | 0 | 0 | 0 | 0 |
| Amortisations of the financial year | 39 688 | 151 830 | 37 381 | 1 846 | 230 745 |
| Interest incurred | 0 | 0 | 0 | 0 | 0 |
| Commissions | 0 | 0 | 0 | 0 | 0 |
| Acquisition expenses | 0 | 9 496 596 | 0 | 0 | 9 496 596 |
| **Total** | **1 176 260** | **12 980 093** | **857 639** | **42 353** | **15 056 344** |

U: Euro

| Non Attributable costs | 2023 | | | | |
|---|---|---|---|---|---|
| | Claims | Acquisition | Administrative | Investments | Total |
| Personnel expenses | 62 381 | 238 643 | 58 754 | 2 901 | 362 679 |
| External services and supplies | 481 876 | 895 642 | 220 508 | 10 889 | 1 608 915 |
| Taxes and fees | 134 774 | 250 498 | 61 673 | 3 046 | 449 990 |
| Amortisations of the financial year | 77 212 | 295 379 | 72 722 | 3 591 | 448 904 |
| Interest incurred | 22 204 | 84 945 | 20 913 | 1 033 | 129 096 |
| Commissions | 28 019 | 107 190 | 26 390 | 1 303 | 162 902 |
| Acquisition expenses | 0 | 0 | 0 | 0 | 0 |
| **Total** | **806 465** | **1 872 296** | **460 961** | **22 763** | **3 162 486** |

U: Euro

| Attributable costs | 2022 | | | | |
|---|---|---|---|---|---|
| | Claims | Acquisition | Administrative | Investments | Total |
| Personnel expenses | 542 910 | 2 079 568 | 527 036 | 25 399 | 3 174 914 |
| External services and supplies | 447 862 | 834 824 | 211 574 | 10 196 | 1 504 456 |
| Taxes and fees | 0 | 0 | 0 | 0 | 0 |
| Amortisations of the financial year | 37 614 | 144 076 | 36 514 | 1 760 | 219 964 |
| Interest incurred | 0 | 0 | 0 | 0 | 0 |
| Commissions | 0 | 0 | 0 | 0 | 0 |
| Acquisition expenses | 0 | 7 704 572 | 0 | 0 | 7 704 572 |
| **Total** | **1 028 386** | **10 763 040** | **775 123** | **37 355** | **12 603 905** |

U: Euro

| Non Attributable costs | 2022 | | | | |
|---|---|---|---|---|---|
| | Claims | Acquisition | Administrative | Investments | Total |
| Personnel expenses | 56 789 | 217 525 | 55 129 | 2 657 | 332 100 |
| External services and supplies | 443 757 | 827 171 | 209 634 | 10 103 | 1 490 665 |
| Taxes and fees | 112 321 | 209 368 | 53 061 | 2 557 | 377 307 |
| Amortisations of the financial year | 74 636 | 285 888 | 72 454 | 3 492 | 436 470 |
| Interest incurred | 1 699 | 6 507 | 1 649 | 79 | 9 934 |
| Commissions | 22 601 | 86 569 | 21 940 | 1 057 | 132 167 |
| Acquisition expenses | 0 | 0 | 0 | 0 | 0 |
| **Total** | **711 802** | **1 633 029** | **413 867** | **19 945** | **2 778 643** |

## 10 PERSONNEL EXPENSES

Personnel expenses incurred during 2023 and 2022 were as follows:

U: Euro

| Accounts | | 2023 | 2022 | 2023/2022 |
|---|---|---|---|---|
| | **Personnel Expenses** | | | |
| 6800 | Governing bodies remuneration | 496 159 | 317 197 | 56.4% |
| 6801 | Personnel remuneration | 2 512 444 | 2 285 319 | 9.9% |
| 6802 | Charges on remunerations | 683 150 | 613 923 | 11.3% |
| 6803 | Post-employment benefits | 46 914 | 38 316 | 22.4% |
| 6804 | Other long-term employee benefits | 25 717 | 20 281 | 26.8% |
| 6806 | Mandatory insurance | 87 220 | 79 988 | 9.0% |
| 6807 | Social action expenses | 56 260 | 46 308 | 21.5% |
| 6808 | Other personnel expenses | 58 510 | 105 682 | -44.6% |
| | **TOTAL** | **3 966 374** | **3 507 013** | **13.1%** |

The increase in expenses witnessed this year was owed to the increase in the average number of employees, the salary tables update, and the passage from three to four executive members in the board of directors.

## 10.1 Average number of employees per professional categories

Pursuant to the Company Agreement (AE), the average number of Employees, per professional categories, under Caravela during 2023 was 145 compared to 139 in 2022, 149 being the maximum number on December 31st, 2023, nine more Employees than 2022, when there were 140.

| YEARLY AVERAGE | |
|---|---|
| COMPANY AGREEMENT | |
| Director | 1 |
| Technical Manager | 12 |
| Commercial Manager | 5 |
| Operating Manager | 3 |
| Technical Officer | 24 |
| Operating Coordinator | 25 |
| Operating Specialist | 68 |
| General Assistant | 1 |
| Operating Assistant | 6 |
| YEARLY AVERAGE | 145 |

| YEARLY TOTAL | |
|---|---|
| COMPANY AGREEMENT | |
| Director | 1 |
| Technical Manager | 20 |
| Commercial Manager | 5 |
| Operating Manager | 2 |
| Technical Officer | 25 |
| Operating Coordinator | 22 |
| Operating Specialist | 66 |
| General Assistant | 1 |
| Operating Assistant | 7 |
| YEARLY TOTAL | 149 |

## 10.2 Liabilities per post-employment benefits and other long-term benefits

Liabilities per post-employment benefits and long-term benefits on December 31st, 2023, and 2022 are detailed as follows:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Post-employment benefits | 46 914 | 38 089 |
| Other long-term benefits | 74 068 | 57 487 |
| TOTAL | 120 983 | 95 576 |

**Defined Benefit Pension Plan**

This is a plan associated to the financing share of responsibilities encompassed by the provisions of the 2008 CCT, independent from the Social Security public regime, encompassing unionised employees admitted into the activity until June 22nd, 1995, and that did not adhere at the time to other solutions presented.

The pension to be attributed is determined according to the 2008 CCT stipulations, this benefit being ensured for employees retiring in the insurance business.

This plan encompasses only one participant (ex-director retired from old age), according to the following table:

| RETIRED POPULATION | |
|---|---|
| Number of beneficiaries | 1 |
| Average Age | 78 |
| Pension / Yearly Average Instalment (€) | 3,763 |

| ASSUMPTIONS | |
|---|---|
| **Mortality table** | TV8890 |
| **Technical Rate** | 2.4% |
| **Charges** | 0.9% |

The movements in liability recognised by the company were the following:

U: Euro

| Post-Employment Benefits Liability | Value |
|---|---|
| Year2022 | 38 089 |
| Payment/ Deliveries Plan2023 | -38 089 |
| Reinforcement2023 | 46 914 |
| **Balance on 31.12.2023** | **46 914** |

Total expenses in the year refer to the plan reinforcement, which in 2023 rose to 46,914 euros (in 2022, 38,089 euros).

### Defined Contribution Pension Plan

This is a plan associated to the financing share of the Individual Retirement Plan (PIR) that began on January 1st, 2012.

Contributions for this plan are for an amount corresponding to the percentages indicated in Attachment V to the Company Agreement, applied over the employee's base yearly salary. The contribution in 2023 was 46,914 (in 2022: 38,089 euros).

| ACTIVE POPULATION | |
|---|---|
| Number of participants | 112 |
| Average Age | 46.3 |
| Average Yearly Salary (€) | 24 397 |
| Average Seniority in the Company (years) | 17 |

For information purposes, there is data regarding the funds position associated to the defined contribution plan.

U: Euro

| RESULTS | |
|---|---|
| Responsibility Value on 31.12.2022 | 194 783 |
| Total value of Contributions (PIR) | 194 783 |
| Fund Amount on 31.12.2023 | 257 009 |
| Financing Ratio | 131.95% |

**Permanence bonus**

According to clause 42 of ACT 2016, published in the Labour Bulletin no. 4 of January 29th, verifying the requirements mentioned in clause no. 42 of ACT 2016, whenever employees complete one or higher multiples of five years at the Company, they have the right to receive a unique bonus corresponding to 50% of their monthly salary, in monetary denomination or in kind (granting days off in return).

Total expenses in the year rose to 25,716 euros (in 2022: 20,280 euros).

The provision for permanence bonuses amounts to 74,068 euros (in 2022: 57,486 euros) and it is estimated using the following actuarial assumptions:

- mortality table: TV 88/90;
- disablement table: EVK 80;
- salary growth rate: 2%;
- discount rate: 2.5%.

## 11 EXTERNAL SERVICES AND SUPPLIES

External services and supplies expenses incurred during 2023 and 2022 were as follows:

U: Euro

| | 2023 | % | 2022 | % | 2023/2022 |
|---|---|---|---|---|---|
| Electricity | 12 545 | 0.4% | 12 150 | 0.4% | 3.3% |
| Fuels | 67 154 | 2.0% | 66 618 | 2.2% | 0.8% |
| Water | 1 987 | 0.1% | 1 767 | 0.1% | 12.4% |
| Printed matter | 16 358 | 0.5% | 20 948 | 0.7% | -21.9% |
| Office material | 7 987 | 0.2% | 10 388 | 0.3% | -23.1% |
| Books and technical documents | 1 011 | 0.0% | 828 | 0.0% | 22.1% |
| Articles for offer | 11 410 | 0.3% | 57 958 | 1.9% | -80.3% |
| Maintenance and repair | 63 510 | 1.9% | 45 083 | 1.5% | 40.9% |
| Rents and leases | 139 606 | 4.2% | 91 373 | 3.1% | 52.8% |
| Representation expenses | 37 409 | 1.1% | 32 472 | 1.1% | 15.2% |
| Communication | 441 987 | 13.3% | 451 562 | 15.1% | -2.1% |
| Travelling and accommodation | 97 639 | 2.9% | 61 952 | 2.1% | 57.6% |
| Insurance | 61 818 | 1.9% | 46 499 | 1.6% | 32.9% |
| Expenses with independent wor | 92 005 | 2.8% | 142 443 | 4.8% | -35.4% |
| Publicity and propaganda | 376 142 | 11.3% | 238 128 | 8.0% | 58.0% |
| Cleaning, hygiene, and comfort | 19 075 | 0.6% | 17 630 | 0.6% | 8.2% |
| Litigation and notaries | 2 818 | 0.1% | 372 | 0.0% | 656.3% |
| Surveillance and security | 9 685 | 0.3% | 12 274 | 0.4% | 100.0% |
| Specialised work | 1 587 444 | 47.6% | 1 407 414 | 47.0% | 12.8% |
| Contributions (from the busines | 52 582 | 1.6% | 54 004 | 1.8% | -2.6% |
| Meals at the workplace | 3 440 | 0.1% | 2 653 | 0.1% | 29.7% |
| Expenses with premiums charge | 167 049 | 5.0% | 150 560 | 5.0% | 11.0% |
| Other services and supplies | 63 562 | 1.9% | 70 045 | 2.3% | -9.3% |
| **TOTAL** | **3 334 223** | **100%** | **2 995 121** | **100%** | **11.3%** |

The heading of specialised work witnessed an increase in maintenance and technical assistance services to platforms and IT services, an increase in the value of licences acquired, an increase in contact centre services provided, as well as an increase in consulting services incurred in the scope of implementing the IFRS 17 standard.

In 2023 and 2022, solvency and certified public accounting fees were the following:

U: Euro

| Description of the Certified Public Accountant Fees | 2023 | 2022 |
|---|---|---|
| Solvency II | | |
| PWC | 17 417 | |
| Mazars | | 8 856 |
| Certified Public Accounting | | |
| PWC | 28 044 | |
| Mazars | | 29 520 |
| TOTAL | 45 461 | 38 376 |

## 12 INCOME TAX

The Company is subject to all taxes applicable to Luxembourg Commercial Companies. According to the tax law published on 18 December 2015, a minimum net wealth tax is due for all corporate entities with a statutory seat in Luxembourg, based on total gross assets as shown on the balance sheet and ranging from 535 euros to 32.100 euros. For the year ended 31 December 2023, the expense charged for net wealth tax amounts to 4,836 euros (2022: 10,628 euros).

The taxes described below apply to Caravela.

Details in asset balance of Income tax (current and deferred) and liabilities balance of Income tax (current and deferred) on December 31st, 2023, and 2022 were as follows:

U: Euro

| Assets and Liabilities per Tax | 2023 | 2022 |
|---|---|---|
| **Assets per current tax** | | |
| Income Tax | 485 440 | 398 128 |
| Income Tax (withheld by third parties) | 0 | 109 |
| Value Added Tax (in favour of the Company) | 0 | 0 |
| Other Taxes and Fees | 0 | 51 722 |
| Social Security Contributions (in favour of the Company) | 0 | 21 966 |
| | **485 440** | **471 924** |
| **Liabilities per current tax** | | |
| Income Tax Payable | 0 | -66 821 |
| Tax Withholding | -91 198 | -64 073 |
| Value Added Tax | -17 610 | -5 698 |
| Other Taxes and Fees | -1 044 460 | -978 537 |
| Social Security Contributions | -57 222 | -65 377 |
| Municipal Taxes | -25 860 | -24 885 |
| | **-1 236 350** | **-1 205 390** |
| **Assets per deferred tax** | | |
| Per temporary differences | | |
| Financial Assets measured at fair value via reserves | 21 452 | 728 517 |
| IFRS 17 Transition Impact | 507 772 | 507 772 |
| | **529 224** | **1 236 289** |
| **Liabilities per deferred tax** | | |
| Per temporary differences | | |
| Financial Assets measured at fair value via reserves | -97 898 | 0 |
| Reserve per financial component | -215 717 | -262 797 |
| | **-313 615** | **-262 797** |
| **TOTAL** | **-535 301** | **240 026** |

Tax rate used when calculating deferred tax is 25.5% for 2023 and 22.5% for 2022.

The details for income tax charges for 2023 and 2022, recognised in the Income statement, are as follows:

U: Euro

| Income tax expenses | 2023 | 2022 |
|---|---|---|
| Current tax for the period | 88 763 | 66 822 |
| Insufficiency / (excess) of estimate from previous yea | 0 | 0 |
| Deferred tax for the period | -2 524 | -168 778 |
| **TOTAL** | **86 239** | **-101 957** |

Current tax in 2023 was calculated with tax amortisation of a tenth of the transition adjustments resulting from the implementation of IFRS 17 under the terms of item 1 of article 4 of Law 82-A/2023 of December 29th.

Effective tax rate reconciliation on December 31st, 2023, and 2022 is detailed as follows:

U: Euro

| Income tax expenses | 2023 | 2022 |
|---|---|---|
| Income before taxes | 3 452 482 | 2 021 595 |
| Tax rate | 21% | 21% |
| Non-deductible expenses | 725 021 | 424 535 |
| Non-taxable revenue | -153 815 | 10 769 |
| Temporary deductible differences w/o deferred tax | | |
| Autonomous taxation | 43 575 | 45 928 |
| State tax | 73 106 | 40 586 |
| Municipal tax | 47 353 | 31 093 |
| Current tax total | 735 240 | 552 911 |
| SIFIDE savings | -644 312 | -475 890 |
| Current income tax | 88 763 | 76 946 |
| Deferred income tax | -2 524 | 1 230 |
| | | |
| Income tax | 86 239 | 78 128 |
| **Effective tax rate** | **21,3%** | **27,4%** |

# Notes on the Financial Position

## 13 CASH AND CASH EQUIVALENTS AND DEMAND DEPOSITS

On December 31st, 2023, and 2022, this heading has the following composition:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | | |
| Head office | 96 | 96 |
| Dependencies | 288 | 288 |
| **Total** | **384** | **384** |
| Demand deposits | 3 785 737 | 4 310 246 |
| **Total** | **3 785 737** | **4 310 246** |
| **TOTAL** | **3 786 121** | **4 310 630** |

To prepare the Cash flow statement, the balances from the previous table are taken into account. The Cash flow statement was prepared using the direct method and is shown together with other Financial Statements.

## 14 INVESTMENTS IN SUBSIDIARY COMPANIES, ASSOCIATED COMPANIES, AND JOINT VENTURES

On December 31st, 2023 and 2022, the Company only has investments in Associated Companies, as follows:

U: Euro

| Associated Companies | % of share | % of votes held | Values held | Associated Company Accounts | |
|---|---|---|---|---|---|
| | | | | Equity | Income for the period |
| **2023** | | | | | |
| Grupo Your, Lda. | 29% | 29% | 3 257 949 | 3 481 904 | 2 082 495 |
| **2022** | | | | | |
| Grupo Your, Lda. | 29% | 29% | 2 651 943 | 2 656 955 | 824 949 |

Movements in the years 2023 and 2022:

U: Euro

| Associated Companies | Balance |
|---|---|
| % of share | 2 400 |
| % of votes held | 2 651 943 |
| Values held | -2 400 |
| Associated Company Accounts | 0 |
| Equity | 0 |
| **Income for the period** | **2 651 943** |
| Share increase | 0 |
| Disposal | 0 |
| Equity application | 606 006 |
| Dividends received | 0 |
| **Balance on December 31st 2023** | **3 257 949** |

On November 2nd, 2022, the Company acquired a share of 29.1% in the capital of Grupo Your, Lda, a company that specialises in accounting and consulting services to Small- and Medium-Sized Enterprises, by performing the following operations: (i) capital increase in kind in Grupo Your by conversing the credit share the Company held in Grupo Your, in the amount of 79,094 Euros, with an issuing premium of 2,150,928 Euros; and (ii) acquisition of the share from the majority shareholder with a nominal value of 13,901.50 Euros, for the price of 421,920 Euros.

On that same date, the Company performed capital Supplementary Payments, in the amount of 145,976 Euros and capital Supplementary Payments in the amount of 24,000 Euros. The total amount, 169,976 Euros, is classified as Granted loans in the heading “Financial assets valued at amortised cost - Supplementary payments” (see Note 17)

In May 2023, following the change in shareholder structure in Grupo Your, the company started holding an option for the sale of the share, to be operated after the approval of the Group’s 2023 consolidated accounts. Together with the operation of this option of sale, Caravela will start holding a share of 11.64% over Grupo Your.

## 15 FINANCIAL ASSETS MEASURED AT FAIR VALUE VIA PROFITS AND LOSSES

On December 31st, 2023 and 2022, the balance in this heading corresponds to the following natures of investment:

2023

U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Other instruments** | | | | | | | | |
| Share units | | | | | | | | |
| From residents | 4 003 978 | 0 | 4 003 978 | 0 | 4 003 978 | 0 | -208 006 | 3 795 972 |
| From non-residents | 3 316 474 | 0 | 3 316 474 | -39 753 | 3 276 721 | 0 | 31 537 | 3 308 259 |
| **TOTAL** | **7 320 452** | **0** | **7 320 452** | **-39 753** | **7 280 699** | **0** | **-176 468** | **7 104 231** |

* - Includes interest receivable

2022

U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Other instruments** | | | | | | | | |
| Share units | | | | | | | | |
| From residents | 2 624 458 | 0 | 2 624 458 | 0 | 2 624 458 | 0 | -100 206 | 2 524 252 |
| From non-residents | 14 090 225 | 0 | 14 090 225 | -39 753 | 14 050 473 | 0 | -11 640 | 14 038 834 |
| **TOTAL** | **16 714 683** | **0** | **16 714 683** | **-39 753** | **16 674 931** | **0** | **-111 845** | **16 563 085** |

* - Includes interest receivable

The decrease registered in other instruments in 2023 is due to the strategy of re-allocation of financial assets in the company’s portfolio.

## 16 FINANCIAL ASSETS MEASURED AT FAIR VALUE VIA RESERVES

- **Debt instruments**

On December 31st, 2023 and 2022, the balance in this heading corresponds to the following natures of debt instruments investment:

2023

U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Debt instruments** | | | | | | | | |
| Of public debt | | | | | | | | |
| Of national issuers | 4 318 254 | 29 128 | 4 347 382 | 0 | 4 347 382 | 0 | -28 014 | 4 319 368 |
| Of foreign issuers | | | | | | | | |
| Spain | 1 005 946 | 5 655 | 1 011 601 | 0 | 1 011 601 | 0 | -93 178 | 918 423 |
| Belgium | 1 001 302 | 4 533 | 1 005 834 | 0 | 1 005 834 | 0 | -109 366 | 896 469 |
| France | 334 835 | 5 807 | 340 641 | 0 | 340 641 | 0 | 4 761 | 345 402 |
| Ireland | 568 709 | 6 015 | 574 725 | 0 | 574 725 | 0 | -51 394 | 523 331 |
| Austria | 432 112 | 206,4 | 432 319 | 0 | 432 319 | 0 | -52 773 | 379 546 |
| Of other public issuers | | | | | | | | |
| Of national issuers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Of foreign issuers | 3 037 409 | 28 983 | 3 066 393 | 0 | 3 066 393 | 0 | -105 221 | 2 961 171 |
| Of other issuers | | | | | | | | |
| Of national issuers | 96 684 | 1 327 | 98 012 | 0 | 98 012 | 0 | -2 441 | 95 570 |
| Of foreign issuers | 31 913 353 | 273 511 | 32 186 864 | -44 372 | 32 142 492 | 0 | -1 182 892 | 30 959 601 |
| TOTAL | 42 708 604 | 355 166 | 43 063 770 | -44 372 | 43 019 399 | 0 | -1 620 517 | 41 398 881 |

** - Includes interest receivable*

2022

U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Debt instruments** | | | | | | | | |
| Of public debt | | | | | | | | |
| Of national issuers | 1 073 606 | 1 551 | 1 075 157 | 0 | 1 075 157 | 0 | -233 060 | 842 098 |
| Of foreign issuers | | | | | | | | |
| Spain | 1 080 276 | 6 130 | 1 086 405 | 0 | 1 086 405 | 0 | -144 247 | 942 158 |
| Belgium | 1 008 806 | 4 545 | 1 013 351 | 0 | 1 013 351 | 0 | -161 510 | 851 841 |
| Ireland | 575 967 | 6 032 | 582 000 | 0 | 582 000 | 0 | -80 060 | 501 940 |
| Austria | 432 132 | 207 | 432 340 | 0 | 432 340 | 0 | -75 430 | 356 910 |
| Of other public issuers | | | | | | | | |
| Of national issuers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Of foreign issuers | 708 768 | 6 920 | 715 687 | 0 | 715 687 | 0 | -79 917 | 635 770 |
| Of other issuers | | | | | | | | |
| Of national issuers | 47 995 | 747 | 48 742 | 0 | 48 742 | 0 | -86 | 48 656 |
| Of foreign issuers | 24 289 428 | 127 294 | 24 416 722 | -44 372 | 24 372 350 | 0 | -2 356 571 | 22 015 780 |
| TOTAL | 29 216 978 | 153 425 | 29 370 403 | -44 372 | 29 326 032 | 0 | -3 130 881 | 26 195 151 |

** - Includes interest receivable*

The increase registered in 2023 in investments in debt instruments measured at fair value via reserves is the result of the Company's investment strategy in "Other issuers".

- **Equity instruments**

On December 31st, 2023 and 2022, the balance in this heading corresponds to the following natures of investment in equity instruments:

2023
U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Capital instruments** | | | | | | | | |
| Of national issuers | 1 762 | 0 | 1 762 | 0 | 1 762 | 0 | 0 | 1 762 |
| Of foreign issuers | 2 977 187 | 0 | 2 977 187 | 0 | 2 977 187 | 57 053 | 1 919 325 | 4 953 564 |
| TOTAL | 2 978 949 | 0 | 2 978 949 | 0 | 2 978 949 | 57 053 | 1 919 325 | 4 955 327 |

2022
U: Euro

| Financial asset | Acquisition cost | Interest receivable | Value before impairment | Accumulated impairment | Net value | Exchange differences | Fair value reserve | Balance value * |
|---|---|---|---|---|---|---|---|---|
| **Capital instruments** | | | | | | | | |
| Of national issuers | 1 762 | 0 | 1 762 | 0 | 1 762 | 0 | 0 | 1 762 |
| Of foreign issuers | 2 977 187 | 0 | 2 977 187 | 0 | 2 977 187 | -22 391 | 0 | 2 954 796 |
| TOTAL | 2 978 949 | 0 | 2 978 949 | 0 | 2 978 949 | -22 391 | 0 | 2 956 558 |

Equity instruments include the investment made by the Company in December 2022 in Instanda, a software company from London specialised in MGA solutions. The value of initial investment was 2,719,501 Euros, corresponding to 5.6% of the shares and voting rights of Instanda. In 2023, the value of the share was assessed by an external expert based on business projection provided by the company's management, which rose, on December 31st, 2023, to 4,955,327 Euros.

## 17 FINANCIAL ASSETS VALUED AT AMORTISED COST

On December 31st, 2023 and 2022, the balance in this heading corresponds to the following natures of balance:

2023

U: Euro

| Other deposits and Loans Granted | Beginning | Maturity | Deadline (days) | Value * |
|---|---|---|---|---|
| **Term Deposits:** | | | | |
| Millennium BCP | 19.11.2023 | 19.11.2024 | 365 | 288 023 |
| Banco Carregosa | 26.09.2023 | 02.01.2024 | 100 | 1 453 580 |
| Banco Carregosa | 19.01.2023 | 19.01.2024 | 365 | 118 997 |
| Bankinter | 25.09.2023 | 02.01.2024 | 99 | 1 453 720 |
| Bankinter | 28.04.2023 | 27.04.2024 | 365 | 2 503 |
| | | | | **3 316 823** |
| **Granted Loans:** | | | | |
| COLMENA Supplementary Payments | | | | 35 856 |
| Grupo YOUR Supplementary Payments | | | | 169 977 |
| | | | | **205 833** |
| **TOTAL** | | | | **3 522 655** |

** - Includes interest receivable*

2022

U: Euro

| Other deposits and Loans Granted | Beginning | Maturity | Deadline (days) | Value * |
|---|---|---|---|---|
| **Term Deposits:** | | | | |
| Millennium BCP | 19.11.2022 | 19.11.2023 | 365 | 287 337 |
| Banco Carregosa | 19.01.2022 | 19.01.2023 | 365 | 117 903 |
| Bankinter | 26.12.2022 | 25.06.2023 | 180 | 960 000 |
| Bankinter | 28.04.2022 | 27.04.2023 | 365 | 2 491 |
| | | | | **1 367 731** |
| **Granted Loans:** | | | | |
| COLMENA Supplementary Payments | | | | 35 856 |
| Grupo YOUR Supplementary Payments | | | | 169 977 |
| | | | | **205 833** |
| **TOTAL** | | | | **1 573 564** |

** - Includes interest receivable*

## 18 LAND AND BUILDINGS

This heading includes property held for revenue and for self-use subject to different measurement policies (see Note 3.3.4)

On December 31$^{st}$, 2023 and 2022, the heading Land and buildings includes the following properties:

2023
U: Euro

| Property | Year of Acquisition | Acquisition Value | Year of Sale | Sale Value | Year of Revaluation | Balance Net Value |
|---|---|---|---|---|---|---|
| Of income | | | | | | |
| Campo Vinha Braga | 2016 | 591 304 | | | 2021 | 592 320 |
| Armazéns Tejo (includes acquisition costs and costs with improvement works) | 2021 | 3 870 049 | | | | 3 870 049 |
| Villa Park (includes acquisition costs) | 2022 | 4 979 668 | | | | 4 979 668 |
| | | **9 441 021** | | | | **9 442 037** |
| Of self use | | 0 | | | | 0 |
| Asset under way - Head office building | 2023 | 2 190 384 | | | | 2 190 384 |
| | | **2 190 384** | | | | **2 190 384** |
| **TOTAL** | | **11 631 404** | | | | **11 632 421** |

2022
U: Euro

| Property | Year of Acquisition | Acquisition Value | Year of Sale | Sale Value | Year of Revaluation | Balance Net Value |
|---|---|---|---|---|---|---|
| Of income | | | | | | |
| Campo Vinha Braga | 2016 | 591 304 | | | 2021 | 592 320 |
| Armazéns Tejo (includes acquisition costs and costs with improvement works) | 2021 | 3 870 049 | | | | 3 870 049 |
| Villa Park (includes acquisition costs) | 2022 | 4 979 668 | | | | 4 979 668 |
| **TOTAL** | | **9 441 021** | | | | **9 442 037** |

The Property for self-use refers to the building of the Company's future head office, which on December 31st, 2023, was not yet being used. For this reason, depreciation was not recorded for the year.

## 19 OTHER TANGIBLE ASSETS

The heading of Other tangible assets includes equipment used as support to the Company's business which registered the following movements in 2023 and 2022:

2023
U: Euro

| | Opening balances | | Acquisitions | | Transfers and Adjustments | Disposals | Depreciation for the year | | Closing balances (Net amount) |
|---|---|---|---|---|---|---|---|---|---|
| | Gross amount | Depreciation | Acquisitions | Revaluations | | | Reinforcement | Regularizations | |
| **Tangible assets** | | | | | | | | | |
| Administrative equipment | 122 253 | 122 253 | 3 567 | 0 | 903 | 0 | 3 567 | 903 | 0 |
| Machinery and tools | 118 067 | 115 184 | 0 | 0 | 0 | 0 | 1 450 | 0 | 1 433 |
| IT Equipment | 325 223 | 224 602 | 16 711 | 0 | 0 | 0 | 40 256 | 0 | 77 076 |
| Indoor facilities | 1 435 | 1 236 | 0 | 0 | 0 | 0 | 198 | 0 | 0 |
| Transport equipment | 162 683 | 141 227 | 31 200 | 0 | 0 | 0 | 20 137 | 0 | 32 519 |
| Hospital equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other equipment | 61 408 | 41 386 | 4 023 | 0 | 0 | 0 | 6 793 | 0 | 17 252 |
| Tangible assets in progress | 0 | 0 | 193 847 | 0 | 0 | 0 | 0 | 0 | 193 847 |
| **TOTAL** | **791 070** | **645 889** | **249 347** | **0** | **903** | **0** | **72 401** | **903** | **322 127** |

In 2023, 193,847 Euros were registered in fixed tangible assets under way regarding the expenses borne with remodelling works and adaptation of the purchase of the property for self-use, which shall be the new head office in January 2024.

2022

U: Euro

| | Opening balances | | Acquisitions | | Transfers and Adjustments | Disposals | Depreciation for the year | | Closing balances (Net amount) |
|---|---|---|---|---|---|---|---|---|---|
| | Gross amount | Depreciation | Acquisitions | Revaluations | | | Reinforcement | Regularizations | |
| **Tangible assets** | | | | | | | | | |
| Administrative equipment | 118 844 | 118 844 | 4 862 | 0 | 1 454 | 0 | 4 862 | 1 454 | 0 |
| Machinery and tools | 116 896 | 112 025 | 1 172 | 0 | 0 | 0 | 3 159 | 0 | 2 883 |
| IT Equipment | 305 102 | 224 415 | 79 162 | 0 | 0 | 59 040 | 39 544 | 39 357 | 100 621 |
| Indoor facilities | 1 435 | 1 038 | 0 | 0 | 0 | 0 | 198 | 0 | 198 |
| Transport equipment | 162 683 | 106 875 | 0 | 0 | 0 | 0 | 34 352 | 0 | 21 456 |
| Hospital equipment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other equipment | 59 395 | 34 439 | 2 013 | 0 | 0 | 0 | 6 947 | 0 | 20 023 |
| TOTAL | 764 354 | 597 637 | 87 209 | 0 | 1 454 | 59 040 | 89 062 | 40 810 | 145 181 |

### Assets under right of use

Assets under right of use are lease agreements for property and vehicles.

2023

U: Euro

| Nature | Right of use | New Leases | End of Contract | Depreciation in the year | Interest Borne | Financial Liability Amortisatio | Right of use |
|---|---|---|---|---|---|---|---|
| | 31-12-2022 | 2023 | | | | | 31-12-2023 |
| Real Estate | 401 290 | 49 542 | 110 482 | 190 489 | 3 679 | 189 733 | 155 661 |
| Vehicles | 91 105 | 178 976 | 0 | 60 146 | 4 902 | 59 143 | 209 936 |
| TOTAL | 492 395 | 228 518 | 110 482 | 250 634 | 8 581 | 248 876 | 365 597 |

2022

U: Euro

| Nature | Right of use | New Leases | End of Contract | Depreciation in the year | Interest Borne | Financial Liability Amortisatio | Right of use |
|---|---|---|---|---|---|---|---|
| | 31-12-2022 | 2023 | | | | | 31-12-2023 |
| Real Estate | 565 631 | 10 210 | 0 | 180 419 | 5 093 | 178 075 | 401 290 |
| Vehicles | 76 196 | 67 068 | 0 | 52 158 | 3 238 | 52 554 | 91 105 |
| TOTAL | 641 827 | 77 277 | 0 | 232 577 | 8 330 | 230 629 | 492 395 |

The financial plan of the property rented for the Head Office was adjusted on 31.12.2023, since the end of the lease agreement was known (31.01.2024).

## 20 OTHER INTANGIBLE ASSETS

On December 31st, 2023 and 2022, the balance of intangible assets substantially refer to supporting software to the Company’s business.

The movements in 2023 and 2022 on intangible assets were the following:

2023

U: Euro

| | Opening balances | | Acquisitions | | Transfers and Adjustments | Disposals | Depreciation for the year | | Closing balances (Net amount) |
|---|---|---|---|---|---|---|---|---|---|
| | Gross amount | Depreciation | Acquisitions | Revaluations | | | Reinforcement | Regularizations | |
| **Intangible assets** | | | | | | | | | |
| Development expenses | 450 122 | 450 122 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Expenses with IT Applications | 1 699 947 | 1 086 573 | 1 094 645 | 0 | 0 | 0 | 356 614 | 0 | 1 351 405 |
| Intangible assets in progress | 1 052 674 | 0 | 278 667 | 0 | 1 162 963 | 0 | 0 | 0 | 168 377 |
| Other | 2 119 | 1 520 | 0 | 0 | 0 | 0 | 0 | 0 | 599 |
| **TOTAL** | **3 204 862** | **1 538 215** | **1 373 312** | **0** | **1 162 963** | **0** | **356 614** | **0** | **1 520 381** |

2022

U: Euro

| | Opening balances | | Acquisitions | | Transfers and Adjustments | Disposals | Depreciation for the year | | Closing balances (Net amount) |
|---|---|---|---|---|---|---|---|---|---|
| | Gross amount | Depreciation | Acquisitions | Revaluations | | | Reinforcement | Regularizations | |
| **Intangible assets** | | | | | | | | | |
| Development expenses | 450 122 | 300 065 | 0 | 0 | 0 | 0 | 150 057 | 0 | 0 |
| Expenses with IT Applications | 1 628 159 | 902 024 | 71 788 | 0 | 0 | 0 | 184 549 | 0 | 613 374 |
| Intangible assets in progress | 773 506 | 0 | 398 808 | 0 | 119 641 | 0 | 0 | 0 | 1 052 674 |
| Other | 2 119 | 1 332 | 0 | 0 | 0 | 0 | 188 | 0 | 599 |
| **TOTAL** | **2 853 906** | **1 203 421** | **470 596** | **0** | **119 641** | **0** | **334 794** | **0** | **1 666 647** |

# 21 ASSETS AND LIABILITIES OF INSURANCE AND REINSURANCE AGREEMENTS

Details on the headings "Assets of provided reinsurance agreements" and "Liabilities of insurance agreements", both measured by the Premium Imputation Approach, are the following:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Assets from reinsurance ceded contracts | | |
| From future services | 2 123 157 | 1 466 649 |
| From past services | 26 144 195 | 22 159 349 |
| **TOTAL** | **28 267 352** | **23 625 998** |
| Liability from reinsurance ceded contracts | | |
| From future services | 9 155 660 | 9 626 392 |
| From past services | 59 427 262 | 49 216 049 |
| **TOTAL** | **68 582 922** | **58 842 441** |

## 21.1 Reconciliation of provided reinsurance agreements' assets

In December 2023 and 2022, reconciliation of the amounts recognised in the financial position statement and in the income statement for provided reinsurance agreements can be analysed as follows:

| Ceded reinsurance contracts | Future services | | Claims incurred for contracts measured using the simplified approach | | Total |
|---|---|---|---|---|---|
| | Excluding loss component | Loss component | Present value of cash flows | Risk adjustment for non-financial risk | |
| **Assets/Liabilities of reinsurance contracts as at 31st December 2022** | 1 466 649 | | 21 165 887 | 993 462 | **23 625 998** |
| **Reinsurance service expenses** | 12 302 300 | | | | **12 302 300** |
| **Reinsurance income** | | | | | |
| Claims incurred and other expenses incurred with reinsurance services | | | -7 668 454 | 107 953 | -7 560 501 |
| Changes relating to past services - changes in cash flows linked to the fulfilment of contracts relating to the liability for claims incurred | | | -4 213 866 | 90 928 | -4 122 939 |
| Amortisation of reinsurance acquisition cash flows | | | | | |
| Effect of any performance risk of the issuer of the reinsurance contract | | | 131 822 | | 131 822 |
| **Results of insurance services** | 12 302 300 | | -11 750 498 | 198 881 | **750 683** |
| **Result of the financial component of insurance services** | | | 6 271 | | 6 271 |
| **Total recognised in comprehensive income** | 12 302 300 | | -11 744 227 | 198 881 | **756 954** |
| **Cash flows** | | | | | |
| Premiums received from ceded reinsurance contracts | -11 645 793 | | | | -11 645 793 |
| Claims paid and other reinsurance service expenses arising from ceded reinsurance contracts | | | 15 530 192 | | 15 530 192 |
| Reinsurance acquisition cash flows | | | | | |
| **Total cash flows** | -11 645 793 | | 15 530 192 | 0 | **3 884 400** |
| **Assets/Liabilities of reinsurance contracts as at 31st December 2023** | **2 123 157** | | **24 951 852** | **1 192 343** | **28 267 352** |

| Ceded reinsurance contracts | Future services | | Claims incurred for contracts measured using the simplified approach | | Total |
|---|---|---|---|---|---|
| | Excluding loss component | Loss component | Present value of cash flows | Risk adjustment for non-financial risk | |
| **Assets/Liabilities of reinsurance contracts as at 1st January 2022** | 1 297 621 | | 17 678 351 | 1 224 819 | **20 200 792** |
| **Reinsurance service expenses** | 11 212 496 | | | | **11 212 496** |
| **Reinsurance income** | | | | | 0 |
| Claims incurred and other expenses incurred with reinsurance services | | | -8 999 682 | 263 007 | -8 736 675 |
| Changes relating to past services - changes in cash flows linked to the fulfilment of contracts relating to the liability for claims incurred | | | -4 487 169 | -494 365 | -4 981 534 |
| Amortisation of reinsurance acquisition cash flows | | | | | 0 |
| Effect of any performance risk of the issuer of the reinsurance contract | | | 104 692 | | 104 692 |
| **Results of insurance services** | 11 212 496 | | -13 382 159 | -231 358 | **-2 401 020** |
| **Result of the financial component of insurance services** | | | 4 069 125 | | 4 069 125 |
| **Total recognised in comprehensive income** | 11 212 496 | | -9 313 035 | -231 358 | **1 668 104** |
| **Cash flows** | | | | | 0 |
| Premiums received from ceded reinsurance contracts | -11 043 468 | | | | -11 043 468 |
| Claims paid and other reinsurance service expenses arising from ceded reinsurance contracts | | | 12 800 571 | | 12 800 571 |
| Reinsurance acquisition cash flows | | | | | 0 |
| **Total cash flows** | -11 043 468 | | 12 800 571 | 0 | **1 757 102** |
| **Assets/Liabilities of reinsurance contracts as at 31st December 2022** | **1 466 649** | | **21 165 887** | **993 462** | **23 625 998** |

## 21.2 Reconciliation of insurance agreements' liabilities

In December 2023 and 2022, reconciliation of the amounts recognised in the financial position statement and in the income statement for insurance agreements issued can be analysed as follows:

| Insurance contracts issued | Future services | | Claims incurred for contracts measured using the simplified approach | | Total |
|---|---|---|---|---|---|
| | Excluding loss component | Loss component | Present value of cash flows | Risk adjustment for non-financial risk | |
| **Insurance contract liabilities as at 31st December 2022** | 9 626 392 | | 46 673 108 | 2 542 941 | **58 842 441** |
| **Insurance income** | -75 511 321 | | | | **-75 511 321** |
| **Insurance services expenses** | | | | | |
| Claims incurred and other expenses incurred with insurance services | | | 47 755 857 | -437 458 | 47 318 398 |
| Changes relating to past services - changes in cash flows linked to the fulfilment of contracts relating to the liability for claims incurred | | | 9 524 876 | 218 729 | 9 743 605 |
| Losses on groups of onerous contracts and reversals of such losses | | | | | |
| Amortisation of insurance acquisition cash flows | 12 980 093 | | | | 12 980 093 |
| **Results of insurance services** | -62 531 229 | | 57 280 732 | -218 729 | **-5 469 226** |
| **Result of the financial component of insurance services** | | | 413 222 | 0 | 413 222 |
| **Total recognised in comprehensive income** | -62 531 229 | | 57 693 954 | -218 729 | **-5 056 004** |
| **Cash flows** | | | | | |
| Premiums received from insurance contracts issued | 76 922 640 | | | | 76 922 640 |
| Claims paid and other insurance service costs arising from insurance contracts issued | | | -47 264 012 | | -47 264 012 |
| Cash flows from insurance acquisitions | -14 862 143 | | | | -14 862 143 |
| **Total cash flows** | 62 060 497 | | -47 264 012 | 0 | **14 796 485** |
| **Insurance contract liabilities as at 31st December 2023** | **9 155 660** | | **57 103 050** | **2 324 212** | **68 582 922** |

| Insurance contracts issued | Future services | | Claims incurred for contracts measured using the simplified approach | | Total |
|---|---|---|---|---|---|
| | Excluding loss component | Loss component | Present value of cash flows | Risk adjustment for non-financial risk | |
| **Insurance contract liabilities as at 1st January 2022** | 8 170 323 | | 39 116 878 | 2 922 451 | **50 209 652** |
| **Insurance income** | -62 401 876 | | | | **-62 401 876** |
| **Insurance services expenses** | | | | | |
| Claims incurred and other expenses incurred with insurance services | | | 42 367 495 | -759 020 | 41 608 475 |
| Changes relating to past services - changes in cash flows linked to the fulfilment of contracts relating to the liability for claims incurred | | | 8 573 568 | 379 510 | 8 953 078 |
| Losses on groups of onerous contracts and reversals of such losses | | | | | 0 |
| Amortisation of insurance acquisition cash flows | 10 763 040 | | | | 10 763 040 |
| **Results of insurance services** | -51 638 836 | | 50 941 063 | -379 510 | **-1 077 283** |
| **Result of the financial component of insurance services** | | | -6 267 027 | | **-6 267 027** |
| **Total recognised in comprehensive income** | -51 638 836 | | 44 674 036 | -379 510 | **-7 344 310** |
| **Cash flows** | | | | | |
| Premiums received from insurance contracts issued | 62 791 585 | | | | 62 791 585 |
| Claims paid and other insurance service costs arising from insurance contracts issued | | | -37 117 806 | 0 | -37 117 806 |
| Cash flows from insurance acquisitions | -9 696 680 | | | | -9 696 680 |
| **Total cash flows** | 53 094 905 | | -37 117 806 | 0 | **15 977 099** |
| **Insurance contract liabilities as at 31st December 2022** | **9 626 392** | | **46 673 108** | **2 542 941** | **58 842 441** |

Loss components were not identified in either year.

## 21.3 Nature and extent of specific insurance risks

Specific insurance risks correspond to the underlying risk of the trade of insurance agreements, associated to product design and respective pricing, to the subscription process and the responsibility provision process, and the management of claims and reinsurance.

In insurance from the Non-Life market, specific insurance risk encompasses, among others, premium risk, provision risk, and catastrophe risk.

Subscription, provision, and reinsurance processes are duly documented regarding main activities, risks, and controls.

In sum, control mechanisms of highest relevance are:

⇨ Competence Delegation formally determined for different processes;

⇨ Role segregation between areas that analyse risks and prepare price lists;

⇨ Limited access to different agreement applications with the respective user profile;

⇨ Document scanning in claim issuing processes and management;

⇨ Case-by-case conference procedures.

Insurance and market risk

Sensitivity analysis carried out by the Company for risk variable - insurance and inflation rate - and its impact in capital, income, and contractual service margin can be analysed as follows:

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Claims incurred on 31 December | Impact on claims incurred | Impact on results before tax | Impact on capital | Claims incurred on 31 December | Impact on claims incurred | Impact on results before tax | Impact on capital |
| Insurance contract liabilities | 59 427 262 | | | | 49 216 049 | | | |
| Assets from reinsurance contracts | -26 144 195 | | | | -22 159 349 | | | |
| Net insurance contract liabilities | **33 283 067** | | | | **27 056 700** | | | |
| **Interest rate - 100 b.p.** | | | | | | | | |
| Insurance contract liabilities | | 435 043 | -435 043 | -324 107 | | 434 679 | -434 679 | -323 836 |
| Assets from reinsurance contracts | | -218 364 | 218 364 | 162 681 | | -188 958 | 188 958 | 140 773 |
| Net insurance contract liabilities | | **216 680** | **-216 680** | **-161 426** | | **245 721** | **-245 721** | **-183 062** |
| **Inflation + 200 b.p.** | | | | | | | | |
| Insurance contract liabilities | | 950 266 | -950 266 | -707 948 | | -1 065 200 | 1 065 200 | 793 574 |
| Assets from reinsurance contracts | | -205 598 | 205 598 | 153 171 | | 97 741 | -97 741 | -72 817 |
| Net insurance contract liabilities | | **744 668** | **-744 668** | **-554 777** | | **-967 459** | **967 459** | **720 756** |

Claim development per year of occurrence can be analysed as follows:

| | Occurrence year | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
| **Payment year** | 15 474 199 | 19 122 954 | 22 325 889 | 35 684 824 | 37 562 919 | 45 579 295 | |
| 1 year | 15 854 327 | 20 153 060 | 28 846 607 | 30 960 773 | 40 130 507 | | |
| 2 year | 16 064 548 | 25 626 088 | 25 339 612 | 31 317 980 | | | |
| 3 year | 19 762 834 | 22 519 490 | 25 740 270 | | | | |
| 4 year | 18 429 416 | 23 023 107 | | | | | |
| 5 year | 18 500 140 | | | | | | |
| Accrued claims and other attributable expenses paid | -17 520 180 | -21 894 679 | -24 339 776 | -29 203 853 | -35 804 361 | -26 588 829 | **-155 351 679** |
| Claims incurred between 2018 and 2023 | 979 959 | 1 128 428 | 1 400 493 | 2 114 127 | 4 326 146 | 18 990 466 | **28 939 620** |
| Claims that occurred in previous years | | | | | | | **4 279 766** |
| Pensions | | | | | | | **41 681 840** |
| Discount effect | | | | | | | **-17 798 176** |
| Effect of risk adjustment | | | | | | | **2 324 212** |
| Liabilities from insurance contracts relating to past services | | | | | | | 59 427 262 |

## Concentration risk

Risk concentrations resulting from agreements in the scope of IFRS 17 determined by the Company were the following:

| | 31 December 2023 | | | | 31 December 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| **Capital insured against earthquakes by Cresta zone** | **Gross of reinsurance** | | **Net of reinsurance** | | **Gross of reinsurance** | | **Net of reinsurance** | |
| 1 | 620 149 290 | 24% | 83 368 355 | 26% | 673 611 237 | 28% | 78 493 471 | 26% |
| 2 | 466 527 263 | 18% | 60 566 650 | 19% | 424 873 731 | 18% | 57 732 972 | 19% |
| 3 | 441 574 115 | 17% | 62 259 583 | 19% | 379 241 403 | 16% | 56 025 499 | 18% |
| 4 | 189 939 541 | 7% | 26 968 773 | 8% | 213 957 939 | 9% | 24 908 112 | 8% |
| 5 | 861 856 659 | 33% | 89 567 578 | 28% | 652 169 532 | 27% | 86 293 452 | 28% |
| 6 | 763 138 | 0% | 228 941 | 0% | 794 731 | 0% | 238 419 | 0% |
| 7 | 30 757 253 | 1% | 336 106 | 0% | 30 786 508 | 1% | 359 087 | 0% |
| **Total** | **2 611 567 258** | **100%** | **323 295 987** | **100%** | **2 375 435 082** | **100%** | **304 051 013** | **100%** |

## Credit risk

In the scope of credit risk resulting from provided reinsurance agreements in the scope of IFRS 17, the Company considers that the maximum exposure to credit risk at the end of the reporting period is the following:

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A | AA | BBB | No rating | **Total** | A | AA | BBB | No rating | **Total** |
| Maximum exposure to credit risk | 41 004 456 | 11 797 041 | 1 215 139 | 38 891 | **54 055 527** | 34 409 957 | 10 205 623 | 1 262 082 | 50 695 | **45 928 356** |

## Liquidity risk

The maturity analysis carried out by the Company for insurance and provided reinsurance agreements was the following:

| | 1 | 2 | 3 | 4 | 5 | 6-10 | >10 | Total |
|---|---|---|---|---|---|---|---|---|
| Assets of reinsurance contracts | -9 396 514 | -2 225 498 | -1 170 230 | -877 464 | -541 477 | -2 796 604 | -7 944 064 | **-24 951 852** |
| Insurance contract liabilities | 27 731 473 | 5 996 748 | 3 111 199 | 2 340 013 | 1 594 415 | 4 927 689 | 11 401 514 | **57 103 050** |

# 22 OTHER DEBTORS PER INSURANCE OPERATIONS AND OTHER OPERATIONS

On December 31st, 2023 and 2022, the details of this heading refer to the following balances:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| **Accounts receivables from direct insurance operations** | | |
| Brokers | | |
| Current accounts | 1 759 822 | 820 338 |
| Commissions receivable | 65 472 | 23 680 |
| | **1 825 294** | **844 018** |
| Co-insurers: | **0** | **0** |
| Current accounts | 82 339 | 6 809 |
| Other balances | 104 | 131 |
| | **82 443** | **6 940** |
| Others | **0** | **0** |
| Other balances | 3 166 | 13 010 |
| | **3 166** | **13 010** |
| | 0 | 0 |
| Credit Impairment | -39 480 | -43 494 |
| | **-39 480** | **-43 494** |
| | 0 | 0 |
| | **1 871 423** | **820 473** |
| **Accounts payable for ceded reinsurance operations** | **0** | **0** |
| Current accounts | 1 548 136 | 1 908 842 |
| Credit Impairment | 0 | 0 |
| | **1 548 136** | **1 908 842** |
| **Accounts receivable for other operations** | **0** | **0** |
| Employees | 7 401 | 5 768 |
| Workers' Compensation Fund | 11 276 | 3 442 |
| Other creditors debtors | 1 228 904 | 384 155 |
| Credit Impairment | 0 | 0 |
| | **1 247 580** | **393 365** |
| | 0 | 0 |
| **Total** | **4 667 139** | **3 122 680** |

The transactions registered in impairment of Accounts receivables per insurance operations refer to the adjustment carried out on bad debts' credits in current accounts in mediators and are accounted for in the heading of other revenue and expenses in the Income Statement.

U: Euro

| | Opening Balance | Increase | Decrease | Closing Balance |
|---|---|---|---|---|
| Bad Debts Adjustment | | | | |
| Insurance Brokers | 43 494 | 0 | 4 015 | 39 480 |
| Other Debtors | 0 | 0 | 0 | 0 |
| **TOTAL** | **43 494** | **0** | **4 015** | **39 480** |

## 23 INCREASES AND DEFERRALS

On December 31st, 2023 and 2022, the headings Increases and deferrals of assets and liabilities showed this composition:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Deferred Expenses | | |
| Insurance | 56 116 | 39 736 |
| Rents and leases | 16 823 | 25 463 |
| IT services | 107 260 | 81 516 |
| Other expenses | 373 381 | 73 961 |
| **Total** | **553 580** | **220 676** |
| Revenue Increase | | |
| Rents and Leases | 0 | 122 842 |
| Other | 0 | 14 760 |
| **Total** | **0** | **137 602** |
| **Total balance** | **553 580** | **358 278** |

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Increases in expenses | | |
| Outstanding interest | 0 | 0 |
| Outstanding personnel remuneration (holidays and allowances) | 388 370 | 338 918 |
| Charges on outstanding remunerations | 94 242 | 83 424 |
| Outstanding personnel bonuses | 0 | 0 |
| Payable commissions | 304 002 | 345 804 |
| Other increases | 60 283 | 47 944 |
| **Total** | **846 898** | **816 091** |
| Deferred Revenue | | |
| Rents and Leases | 43 413 | 24 067 |
| **Total** | **43 413** | **24 067** |
| **Total balance** | **890 311** | **840 157** |

## 24 OTHER FINANCIAL LIABILITIES

On December 31st, 2023 and 2022, the details of the Other financial liabilities heading is according to the following:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Deposits received from Reinsurers | | |
| Premiums | 0 | 0 |
| Claims | 803 111 | 654 045 |
| | **803 111** | **654 045** |
| Operating Leases (IFRS 16) | | |
| Equipment Transport | 211 946 | 92 112 |
| Equipment Transport | 165 391 | 416 064 |
| | **377 337** | **508 176** |
| **Total** | **1 180 448** | **1 162 222** |

Movements in the heading of lease liabilities in 2023 and 2022:

**2023**

U: Euro

| Nature | Financial Liability 31-12-2022 | New Leases 2023 | End of Contract | Interest Borne | Financial Liability Amortisation | Financial Liability 31-12-2023 |
|---|---|---|---|---|---|---|
| Real Estate | 416 064 | 49 542 | 110 482 | 3 679 | 189 733 | 165 391 |
| Vehicles | 92 112 | 178 976 | 0 | 4 902 | 59 143 | 211 946 |
| **Total** | **508 176** | **228 518** | **110 482** | **8 581** | **248 876** | **377 337** |

2022

U: Euro

| Nature | Financial Liability 31-12-2021 | New Leases 2022 | End of Contract | Interest Borne | Financial Liability Amortistion | Financial Liability 31-12-2022 |
|---|---|---|---|---|---|---|
| Real Estate | 583 930 | 10 210 | 0 | 5 093 | 178 075 | 416 064 |
| Vehicles | 77 598 | 67 068 | 0 | 3 238 | 52 554 | 92 112 |
| **Total** | **661 528** | **77 277** | **0** | **8 330** | **230 629** | **508 176** |

# 25 OTHER CREDITORS PER INSURANCE OPERATIONS AND OTHER OPERATIONS

On December 31st, 2023 and 2022, the details of this heading refer to the following balances:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| **Accounts payable for direct insurance operations** | | |
| Brokers | | |
| Current accounts | 582 117 | 390 170 |
| Commissions payable | 487 547 | 61 167 |
| | **1 069 664** | **451 338** |
| Co-insurers: | | |
| Current accounts | 53 644 | 25 361 |
| Other balances | 17 | 44 |
| | **53 661** | **25 405** |
| Policyholders | | |
| Premiums received in advance | 3 452 118 | 2 469 851 |
| | **3 452 118** | **2 469 851** |
| Others | **3 166** | **13 010** |
| | **4 578 607** | **2 959 603** |
| **Accounts payable for ceded reinsurance operations** | | |
| Current accounts | **2 787 680** | **2 412 617** |
| **Accounts payable for other operations** | | |
| Employees | 969 | 128 |
| Suppliers | 286 194 | 240 260 |
| Other creditors | 54 991 | 203 052 |
| | **342 153** | **443 440** |
| **Total** | **7 708 440** | **5 815 660** |

## 26 CAPITAL

The share capital of the Company is set at an amount of 212.000 euros and is represented by the following:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Subscribed and fully paid up | 212 000 | 212 000 |
| **Total** | **212 000** | **212 000** |

In addition, on 25 July 2023, the sole Shareholder approved the contribution of the amount of 19,563,950 to the Company, without this contribution resulting in an increase of the share capital of the Company and issuance of new shares to the former sole Shareholder, such contribution shall therefore be regarded as a contribution to the equity and own funds and allocated as such to the share premium account.

During the years ended 31 December 2023 and 31 December 2022, the following shares were in issued with a par value of €1 each. These all remained in issue during the year ended 31 December 2023:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| **Classification** | **Shares in issue** | **Shares in issue** |
| Ordinary Shares | 12 000 | 12 000 |
| Class A Shares | 20 000 | 20 000 |
| Class B Shares | 20 000 | 20 000 |
| Class C Shares | 20 000 | 20 000 |
| Class D Shares | 20 000 | 20 000 |
| Class E Shares | 20 000 | 20 000 |
| Class F Shares | 20 000 | 20 000 |
| Class G Shares | 20 000 | 20 000 |
| Class H Shares | 20 000 | 20 000 |
| Class I Shares | 20 000 | 20 000 |
| Class J Shares | 20 000 | 20 000 |
| **Total** | **212 000** | **212 000** |

The composition of Group's equity at the end of the financial years of 2023 and 2022 can be analysed in the following table:

U: Euro

| | 2023 | 2022 |
|---|---|---|
| Capital | 212 000 | 212 000 |
| Other capital instruments | 0 | 19 563 950 |
| Consolidation reserves | -8 529 708 | -10 384 828 |
| Other reserves | 31 025 000 | 11 461 050 |
| Legal reserve | 0 | 0 |
| Other reserves | 31 025 000 | 11 461 050 |
| Results brought forward | 6 719 743 | 5 125 567 |
| Result of the financial year | 3 058 495 | 1 008 591 |
| **Total** | **32 485 530** | **26 986 330** |

The retained earnings of Caravela before 1 January 2021 have been treated as Consolidation reserves.

## 27 RESERVES

**Revaluation reserve**

The revaluation/fair value reserve is intended to register adjustments in the fair value of available-for-sale financial assets, net of impairment recognised in the financial year and/or previous financial years, not being relevant to profit and loss until the disposal of assets, whereby the corresponding balance is recognised in results or directly in equity.

The composition of the Group´s revaluation reserve is due to differences in consolidation which is composed as follows:

U: Euro

| Consolidation reserves | | |
|---|---|---|
| Reserve for adjustments in the fair value of investments in subsidiaries, associates and joint ventures | | |
| | Years 2019-2021 | -9 303 482 |
| | Year 2022 | -1 081 346 |
| | Year 2023 | 1 855 120 |
| TOTAL | | -8 529 708 |

**Legal reserves**

In accordance with Luxembourg Company law dated 10 August 1915, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve until the reserve reaches 10% of the issued share capital.

For the period ended 31 December 2021 and 31 December 2022, no allocation was made to the legal reserve as the Company has reported a loss for the financial periods.

On 25 July 2023, the sole Shareholder approved the contribution of the amount of 19,563,950 to the Company, without this contribution resulting in an increase of the share capital of the Company and issuance of new shares to the former sole Shareholder, such contribution shall therefore be regarded as a contribution to the equity and own funds.

## 28 RELATED PARTIES

TPIF Douro Bidco S.à r.l. is 100% owned by Tosca Coinvest SCA SICAV-RAIF.

The amount due from related parties for the year ended 31 December 2023 and 31 December 2022 pertain to transfers made to the sole Shareholder amounting to 93,374 euros (2022: 178,018 euros).

Amounts due to related parties as at 31 december 2023 and 31 december 2022 were as follows:

- Loan provided by the sole Shareholder to finance the investment in Caravela - Companhia de Seguros S.A. amounting to 0 euros (2022: 19,563,950 euros); and
- Remaining amounts due to related parties becoming due and payable within one year amounting to 78,146 euros (2022: 36,293 euros) relates to management fee, administration fee, diretor's fees, audit fee and incorporation costs that are due to the sole Shareholder.

## 29 FAIR VALUE

The following table summarises the fair value of each financial assets and liabilities group on December 31st, 2023 and 2022:

2023

U: Euro

| Financial instrument | Measured at Fair Value | Measured at Amortised Cost | Accounting Value | Fair Value |
|---|---|---|---|---|
| **Asset** | | | | |
| Cash and cash equivalents and demand deposits | 0 | 3 759 592 | 3 759 592 | 3 759 592 |
| Financial assets valued at fair value via profits and losses | 7 104 231 | 0 | 7 104 231 | 7 104 231 |
| Financial assets valued at fair value via reserves | | | | |
| Equity instruments | 4 955 327 | 0 | 4 955 327 | 4 955 327 |
| Debt instruments | 41 398 881 | 0 | 41 398 881 | 41 398 881 |
| Financial assets valued at amortised cost | 0 | 3 522 656 | 3 522 656 | 3 522 656 |
| Other debtors per insurance operations and other operations | 0 | 4 667 139 | 4 667 139 | 4 667 139 |
| | **53 458 439** | **11 949 770** | **65 408 209** | **65 408 209** |
| **Liabilities** | | | | |
| Other financial liabilities | 0 | 1 180 448 | 1 180 448 | 1 180 448 |
| Other creditors per insurance operations and other operations | 0 | 7 708 440 | 7 708 440 | 7 708 440 |
| | **0** | **8 888 888** | **8 888 888** | **8 888 888** |

2022

U: Euro

| Financial instrument | Measured at Fair Value | Measured at Amortised Cost | Accounting Value | Fair Value |
|---|---|---|---|---|
| **Asset** | | | | |
| Cash and cash equivalents and demand deposits | 0 | 4 210 446 | 4 210 446 | 4 210 446 |
| Financial assets valued at fair value via profits and losses | 16 563 085 | 0 | 16 563 085 | 16 563 085 |
| Financial assets valued at fair value via reserves | | | | |
| Equity instruments | 2 956 558 | 0 | 2 956 558 | 2 956 558 |
| Debt instruments | 26 195 151 | 0 | 26 195 151 | 26 195 151 |
| Financial assets valued at amortised cost | 0 | 1 573 564 | 1 573 564 | 1 573 564 |
| Other debtors per insurance operations and other operations | 0 | 3 122 679 | 3 122 679 | 3 122 679 |
| | **45 714 794** | **8 906 689** | **54 621 483** | **54 621 483** |
| **Liabilities** | | | | |
| Other financial liabilities | 0 | 1 162 222 | 1 162 222 | 1 162 222 |
| Other creditors per insurance operations and other operations | 0 | 5 815 660 | 5 815 660 | 5 815 660 |
| | **0** | **6 977 881** | **6 977 881** | **6 977 881** |

Main assumptions used in determining fair value of financial instruments registered at amortised cost per type of financial instrument, were the following:

- For demand deposits and term deposits at variable rate, fair value was considered to be equal to the balance value;
- For granted loans, term deposits at a fixed rate and other accounts receivable, fair value of granted credit was determined considering the applicable market interest rate, considering the counterpart's risk, the amount, and the deadline.
- For loans acquired, hired market interest rates were considered for operations of similar amount and deadline.

On December 31st, 2023 and 2022, the accounting value of financial instruments measured at fair value showed the following details per evaluation technique:

2023

U: Euro

| Financial instrument | Active market quotation (Level 1) | Other valuation techniques (Level 2) | Other valuation techniques (Level 3) | TOTAL |
|---|---|---|---|---|
| **Asset** | | | | |
| Financial assets valued at fair measured via profits and losses | | 7 104 231 | | 7 104 231 |
| Financial assets valued at fair measured via reserves | | | | |
| Equity instruments | | | 4 955 327 | 4 955 327 |
| Debt instruments | 41 398 881 | | | 41 398 881 |
| **TOTAL** | **41 398 881** | **7 104 231** | **4 955 327** | **53 458 439** |

2022

U: Euro

| Financial instrument | Active market quotation (Level 1) | Other valuation techniques (Level 2) | (Level 3) | TOTAL |
|---|---|---|---|---|
| **Asset** | | | | |
| Financial assets valued at fair measured via profits and losses | | 16 563 085 | | 16 563 085 |
| Financial assets valued at fair measured via reserves | | | | |
| Equity instruments | | | 2 956 558 | 2 956 558 |
| Debt instruments | 26 195 151 | | | 26 195 151 |
| **TOTAL** | **26 195 151** | **16 563 085** | **2 956 558** | **45 714 794** |

Valuation of the Company's financial assets and liabilities at fair value comprises three levels:

- Level 1 - Financial instruments registered at fair value based on quotations published in active markets, comprising mostly public debt and some private debt.

Level 2 - Financial instruments registered at fair value by using prices traded in markets that are not active or for which it is necessary to use evaluation models or techniques with inputs that may be observed in the market, both directly (such as prices) and indirectly (price derivatives). In this category, some portfolio securities, and other financial assets at fair value via reserves measured with market indicative bids or based on internal valuation models and financial instruments derivative from coverage and negotiation are included. It should be highlighted that the internal valuation models used mainly correspond to future cash flow update models.

Level 3 - The Company classifies, in this level, financial instruments measured using internal models with some inputs that do not correspond to market data observed. Namely, this category consists of securities not quoted in active markets for which the Company uses market data extrapolations.

In 2023 and 2022, the movement in financial instruments classified at Level 3 was as follows:

U: Euro

| | Financial assets at fair value (Level 3) via profits and losses | via reserves | Total |
|---|---|---|---|
| On January 1st 2022 | 0 | 237 056 | 237 056 |
| Acquisitions | 0 | 2 741 892 | 2 741 892 |
| Disposals | 0 | 0 | 0 |
| Returns | 0 | 0 | 0 |
| Reclassifications | 0 | -22 391 | -22 391 |
| Fair value variations | 0 | 0 | 0 |
| **On December 31st 2022** | **0** | **2 956 558** | **2 956 558** |
| Acquisitions | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| Returns | 0 | 0 | 0 |
| Reclassifications | 0 | 79 444 | 79 444 |
| Fair value variations | 0 | 1 919 325 | 1 919 325 |
| **On December 31st 2023** | **0** | **4 955 327** | **4 955 327** |

# 30 RISK MANAGEMENT

## 30.1 Financial Risks

**a) Market Risk**

Market risk consists of the risk of loss or adverse movements in the value of assets related to variations in prices in the market of financial instruments. Exchange risk, share price risk, and interest rate risk are included in this risk.

**b) Share price risk**

Investment policy determines the guiding principles for prudent investment management as well as their control and report activities.

To ensure an adequate management risk portfolio, exposure limits were determined based on 6 specific criteria:

- Asset class;
- Type of issuer (legal form);
- Rating level;
- Sector of activity;
- Geographic area;
- Concentration per issuing group.

**c) Liquidity risk**

Liquidity risk is the result of the possibility of the Company to hold assets with enough liquidity to counter obligations assumed before policyholders and other creditors as they mature.

To mitigate this risk, it is highlighted that the Company has a monthly treasury plan, reviewed weekly and analysed daily.

The treasury plan aims to financially apply capital surplus, namely in short- and medium-term deposits, with a safeguard of advanced call-ups.

Whenever there are strong exit flows, Financial Management, together with investment management, predicts the need for liquidity.

**d) Credit risk**

Credit risk consists of the risk of loss due to the default or deterioration of credit levels of counterparts mitigating the existing risk, such as reinsurance agreements, amounts receivable from brokers, as well as other credit exposures that have not been considered in the spread risk.

The Company has control procedures to mitigate this risk regarding clients and agents, namely, systematic monitoring of amount evolution and antiquity of receipts chargeable.

Re-insurers are carefully selected, not only according to their economic and financial solidity, but also to their technical capacity. An evolution analysis of re-insurer's ratings is carried out periodically.

Maximum exposure to credit risk per rating for financial assets measured at fair value via reserves - debt instruments, is the following:

U: Euro

| Obligations per rating notation | 2023 | % | 2022 | % |
|---|---|---|---|---|
| AAA | 1 470 796 | 4% | 1 119 106 | 2% |
| AA + | 1 415 217 | 3% | 621 765 | 2% |
| AA | 1 482 191 | 4% | 1 966 011 | 8% |
| AA - | 6 499 642 | 16% | 4 523 399 | 15% |
| A + | 3 354 174 | 8% | 3 577 012 | 11% |
| A | 3 789 593 | 9% | 2 539 225 | 10% |
| A - | 18 425 924 | 45% | 5 499 250 | 20% |
| BBB + | 3 380 531 | 8% | 3 820 957 | 14% |
| BBB | 1 026 191 | 2% | 1 632 419 | 15% |
| BB | 0 | 0% | 0 | 0% |
| BB + | 0 | 0% | 0 | 0% |
| BBB - | 554 617 | 1% | 896 002 | 4% |
| BB - | 0 | 0% | 0 | 0% |
| B + | 0 | 0% | 0 | 0% |
| CC | 0 | 0% | 0 | 0% |
| CCC | 0 | 0% | 0 | 0% |
| Unrated | 5 | 0% | 5 | 0% |
| **Total** | **41 398 881** | **100%** | **26 195 151** | **100%** |

For operations of cash and cash equivalents, the level of risk exposure is as shown below:

| | | 2023<br>U: Euro |
|---|---|---|
| Rating | Description | Value |
| BBB | Demand Deposit - Millennium | 371 115 |
| BBB | Demand Deposit - CGD | 734 602 |
| BB | Demand Deposit - NB | 25 332 |
| CCC or lower | Demand Deposit - BPG | 8 557 |
| BBB | Demand Deposit - SANTANDER | 10 426 |
| A | Demand Deposit - BBVA | 2 466 477 |
| A | Demand Deposit - CACEIS | 18 068 |
| BBB | Demand Deposit - ABANCA | 64 |
| CCC or lower | Demand Deposit - BANCO J.L. CARREGOSA, S.A. | 8 915 |
| BBB | Demand Deposit - BANCO BPI, S.A. | 6 510 |
| BBB | Demand Deposit - BANKINTER | 109 143 |
| **Total** | | **3 759 208** |

## 30.2 Solvency Risk

**a) Operating risk**

Operating risk corresponds to the risk of significant losses resulting from the inadequacy or fails in processes, people or systems, or external events.

In the following section which encompasses the internal control system, operating risks with a higher degree of granularity are included.

Operating risk management aims to identify and know risks the Company faces and monitor them according to the determined tolerances.

The methodological approach used follows the following 3 stages:

⇨ Risk identification and classification

Risk identification is performed by carrying out interviews with the heads of the Company's main areas.

In these interviews the main top-down risks in the area are identified and categorised according to the guidelines issued by ASF.

Besides the risk category and subcategory, the Company determines the risk it is exposed to, as well as its causes and consequences.

⇨ Control evaluation and evaluation of effectiveness

This evaluation is of great importance to correctly identify the underlying risk and residual risk in each corresponding risk, this being fundamental to determine mitigation actions/ additional controls to carry out.

To calculate the impact and probability (inherent and residual), it is necessary to resort to a set of methods such as: internal losses data; external losses data; risk owners' experience and intuition.

⇨ Identification of KRI[1] and action plans

KRI is related to a specific risk and is used as an alert for the possible change in probability and impact of the risk event happening.

After identifying and classifying the Company's main top-down risks, the risks subject to stress tests in the scope of the prospective risk self-assessment process are identified.

These should reflect high impact and medium/low probability risks for it to be possible to use budget variables to test their impact.

**b) Internal control system**

The internal control system includes a set of means, behaviours, procedures, and actions adapted to their own characteristics and is meant to provide reasonable safety for carrying out the Company's goals.

The main effects expected from an efficient internal control and operating risk management system are:

⇨ Identifying potential events that might affect achieving the Company's goals, ensuring treatment in case the risk occurs, and predicting actions that can be taken;

⇨ Determining a proportional control system to risks the organisation is willing to accept to increase their value;

⇨ Allowing the management to make clear decisions.

The Company follows the definition and guidelines of the COSO Report[2].

Caravela interprets the term "internal control" as a means to:

⇨ Control its processes;

⇨ Optimise its activities;

⇨ Reinforce competitiveness.

[1] *Key Risk Indicator*

[2] *Committee Of Sponsoring Organisation of the Treatway Commission*

Internal control is an obligation to all: any person with an activity in the organisation should manage their risks and controls in their area of activity.

From this principle, risks identified for each of the Company's activity (Macro processes) are formalised via a risk mapping.

- ⇨ Each compilation includes the Company's activities in processes and sub-processes;
- ⇨ Risk events are identified for each sub-process;
- ⇨ A control goal is associated to each risk event;
- ⇨ One or more control activity examples are described for each control goal to clarify the control goal's comprehension, if necessary.

For each control goal, officers should:

- ⇨ Describe the control implemented to provide a reasonable guarantee regarding the occurrence (frequency) and seriousness (cost) of the risk event identified;
- ⇨ And self-assess the control efficiency with a questionnaire.

The internal control system self-assessment has various phases:

- ⇨ Self-assessment campaign;
- ⇨ Description of the control activities;
- ⇨ Self-assessment of the control activities;
- ⇨ Action plans, if necessary;
- ⇨ Independent tests;
- ⇨ Control efficiency test (operating conception);
- ⇨ Recommendation, if necessary.

### c) Exchange risk

Exchange risk originates from exchange rates fluctuation towards the Euro. Compared to 2022, exposure to this risk remained the same. Capital requisite is the following:

**2023**

U: Euro

| Scenario | Capital requirement | |
|---|---|---|
| | 2023 | 2022 |
| Shock of +/- 25% to foreign currency exposures | 603 002 | 603 002 |

### d) Share risk

Share risk is the result of the fluctuation in the market price of shares, being exposed to this risk the securities representing capital, namely total or partial investment funds made up of these securities. The sensitivity analysis is described as follows:

U: Euro

| Scenario | Capital requirement | |
|---|---|---|
| | 2023 | 2022 |
| Type I stock shock | 0 | 0 |
| Type II stock shock | 4 167 752 | 2 858 790 |

### e) Property risk

Property risk originates from the fluctuation in real estate market prices. In 2023, this risk had a relevant variation in the capital requisite, since exposed assets suffered a change and the capital requisite is described as follows:

U: Euro

| Scenario | Capital requirement | |
|---|---|---|
| | 2023 | 2022 |
| 25% shock to property values and real estate funds | 2 908 105 | 2 360 509 |

### f) Interest rate risk

Interest rate risk is the result of changes in time structure and interest rate fluctuation. Assets - bonds and Term Deposits and liabilities - technical provisions, mainly the mathematical provision of Work Accidents, are exposed to interest rate risk.

Capital requisite is described in the following table:

**Assets** U: Euro

| Scenario | Capital requirement | |
|---|---|---|
| | 2023 | 2022 |
| Downward shock to the risk-free interest rate curve | 1 753 090 | 1 510 526 |
| Upward shock to the risk-free interest rate curve | -1 958 521 | -1 638 801 |

**Liabilities** U: Euro

| Scenario | Effect on assets | |
|---|---|---|
| | 2023 | 2022 |
| Downward shock to the risk-free interest rate curve | 1 601 717 | 1 525 793 |
| Upward shock to the risk-free interest rate curve | -1 727 933 | -1 568 899 |
| Δ NAV Down | -151 373 | 15 267 |
| Δ NAV Up | 230 588 | 69 902 |
| Mktint | 230 588 | 69 902 |

### g) Spread risk

Spread risk consists of the risk of unexpected losses created by credit quality depreciation or the default by a business partner, reflecting the fluctuation in credit spreads throughout the curve of interest rate without risk. Securities exposed to this risk are mainly corporate bonds and term deposits.

Assets with direct exposure to spread risk have the following profile:

| Rating | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | % exposure | Duration | Capital requirement | % exposure | Duration | Capital requirement |
| AAA | 4% | 3.2 | 42 450 | 5% | 4.3 | 42 747 |
| AA | 17% | 2.7 | 175 088 | 20% | 3.8 | 181 710 |
| A | 64% | 2.8 | 894 782 | 46% | 3.6 | 510 847 |
| BBB | 15% | 2.7 | 351 892 | 28% | 2.5 | 420 230 |
| BB | 0% | 0.0 | 0 | 0% | 0.0 | 0 |
| B | 0% | 0.0 | 0 | 0% | 0.0 | 0 |
| CCC or lower | 0% | 0.0 | 0 | 0% | 0.0 | 0 |
| Unrated | 1% | 10.0 | 33 948 | 1% | 10.0 | 33 912 |
| **Total** | **100%** | **2.9** | **1 498 160** | **100%** | **3.5** | **1 189 447** |

### h) Concentration risk

Concentration risk refers to the additional fluctuation in highly concentrated portfolios. The portfolio's distribution per area of activity is analysed as follows:

U: Euro

| Activity Sector | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | % | Exposure | Impairment | % | Exposure | Impairment |
| Communications | 1% | 507 548 | 0 | 2% | 870 477 | 0 |
| Consumption - Cyclical | 13% | 6 908 633 | 0 | 10% | 4 796 226 | 0 |
| Consumption - Non-cyclical | 8% | 4 520 902 | 0 | 6% | 3 104 593 | 0 |
| Finance | 29% | 15 942 885 | 0 | 23% | 10 961 354 | 0 |
| Funds | 13% | 7 104 231 | 0 | 34% | 16 563 085 | 0 |
| Governments | 16% | 9 018 389 | 0 | 9% | 4 494 651 | 0 |
| Services | 17% | 9 209 881 | 0 | 12% | 6 022 941 | 0 |
| Other | 3% | 1 766 936 | 0 | 4% | 1 759 242 | 0 |
| **Total** | **100%** | **54 979 403** | **0** | **100%** | **48 572 570** | **0** |

The set of the 10 highest securities, per issuing group, comprises:

**2023**

U: Euro

| Issuer Group | Active Type | Rating | Exposure | Weight |
|---|---|---|---|---|
| Portuguese Public Debt | OBG | A | 4 319 368 | 7.4% |
| Bankinter Bank | CPZ | A | 1 456 223 | 2.5% |
| Banco Bilbao & Vizcaya Argentaria Sa. | CPZ | A | 1 453 580 | 2.5% |
| Spanish Public Debt | OBG | A | 1 217 196 | 2.1% |
| Region Of Ile De France | OBG | AA | 1 123 117 | 1.9% |
| Thales, Sa | OBG | A | 1 093 647 | 1.9% |
| ICO - Official Credit Institute | OBG | A | 979 919 | 1.7% |
| Banque Federative Du Credit Mutuel | OBG | A | 979 093 | 1.7% |
| Belgian Public Debt | OBG | AA | 896 468 | 1.5% |
| IBM - International Business Machines | OBG | A | 894 622 | 1.5% |
| **Total** | | | **14 413 234** | **25%** |
| **Total investment portfolio** | | | **58 296 226** | **100%** |

**2022**

U: Euro

| Issuer Group | Active Type | Rating | Exposure | Weight |
|---|---|---|---|---|
| Spanish Public Debt | OBG | A | 1 228 147 | 2.1% |
| Bankinter Bank | CPZ | BBB | 962 571 | 1.6% |
| Belgian Public Debt | OBG | AA | 851 841 | 1.4% |
| Portuguese Public Debt | OBG | BBB | 842 098 | 1.4% |
| Credit Agricole Sa | OBG | A | 623 447 | 1.0% |
| Bpce Groupe | OBG | AAA | 532 600 | 0.9% |
| Public Debt Ireland | OBG | AA | 501 940 | 0.8% |
| IBM - International Business Machines | OBG | A | 464 629 | 0.8% |
| Banque Federative Du Credit Mutuel | OBG | AA | 463 303 | 0.8% |
| Merck Financial Services Gmbh | OBG | A | 462 299 | 0.8% |
| **Total** | | | **6 932 874** | **12%** |
| **Total investment portfolio** | | | **59 432 307** | **100%** |

## 31 COMMITMENTS

Caravela holds operating and financial lease agreements regarding transportation equipment, representing future commitments in 283,785 Euros.

Details as of December 31st, 2023, per years of maturity of the operating lease agreements, are shown in the following table:

U: Euro

| No. of Vehicles | Maximum amount payable | Term of Agreement |
|---|---|---|
| 2024 | 9 | 16 034 |
| 2025 | 4 | 16 223 |
| 2026 | 7 | 53 502 |
| 2027 | 19 | 176 317 |
| **Total** | **39** | **262 076** |

Details as of December 31st, 2023, regarding financial lease agreements, are shown in the following table:

**2023**

U: Euro

| No. of Vehicles | Maximum amount payable | Agreement No. | Amount payable Interest | Amount payable Capital |
|---|---|---|---|---|
| 2024 | 1 | 141337 | 456 | 8 050 |
| 2025 | 1 | 2060004900 | 610 | 13 659 |
| **Total** | | | **1 066** | **21 709** |

## 32 CONTINGENCIES

On December 31st, 2023, the Company had securities provided in the amount of 128,240 Euros and 287,307 Euros regarding public tenders and claim processes respectively.

## 33 SUBSEQUENT EVENTS

There were no relevant events after December 31st, 2023, significant for disclosure, since they did not affect the financial position or the Company's performance.

Consolidated – Report and Financial Statements 2023

# LEGAL CERTIFICATION OF ACCOUNTS

**TPIF Douro Bidco S.à r.l.**
**Société à responsabilité limitée**

R.C.S. Luxembourg B 235.880

20, rue de la Poste
L-2346 LUXEMBOURG

Report of the réviseur d'entreprises agréé
and
consolidated financial statements as at 31 December 2023

## Table of contents

**Audit Report**

To the Board of Managers of TPIF Douro Bidco S.a.r.l.

## Report on the audit of the special purposes financial information

**Our opinion**

In our opinion, the accompanying special purposes financial information of TPIF Douro Bidco S.a.r.l. (the "Company") and its subsidiary (together the "Group") as of 31 December 2023 are prepared, in all material respects in accordance with the accounting policies described in Note 3 of the notes to the consolidated financial statements.

*What we have audited*

The Group's special purpose financial information comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

**Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the special purpose financial information section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF) together with the ethical requirements that are relevant to our audit of the special purpose financial information. We have fulfilled our other ethical responsibilities under those ethical requirements.

## Emphasis of matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 3 to the special purpose financial information, which describes the basis of accounting. The special purpose financial information are prepared to fulfill the compliance of the Group with the regulatory requirements in Portugal. As a result, the special purpose financial information may not be suitable for another purpose. This report, including the opinion, has been prepared for and only for the Board of Managers in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed. Our opinion is not modified in respect of this matter.

## Responsibilities of the Board of Managers for the special purpose financial information

The Board of Managers is responsible for the preparation of the special purpose financial information in accordance with the accounting policies described in Note 3 to special purpose financial information and for such internal control as the Board of Managers determines is necessary to enable the preparation of special purpose financial information that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the special purpose financial information

The objectives of our audit are to obtain reasonable assurance about whether the special purpose financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the IRE will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial information.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;

- conclude on the appropriateness of the Board of Managers 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the special purpose financial information 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 audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the special purpose financial information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

PricewaterhouseCoopers, Société coopérative Luxembourg, 13 June 2024
Represented by

Anthony Dault