

This is an English translation of the Independent Auditor's Report on the 2023 financial statements of CIG Pannónia Életbiztosító Nyrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete statutory financial statements it refers to.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CIG Pannónia Életbiztosító Nyrt.

Report on the audit of the financial statements

Opinion

We have audited the accompanying 2023 separate financial statements of CIG Pannónia Életbiztosító Nyrt. ("the Company") 529900QYECVOWB4EMB78-2023-12-31-hu.zip¹ attached in a digital file, which comprise the statement of financial position as at 31 December 2023 - showing a balance sheet total of HUF 135,496,607 thousand and a total comprehensive income for the year of HUF 6,099,051 thousand net profit-, the related statement of changes in equity, cash flow statement for the year then ended and notes to the financial statements including material accounting policy information.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the provisions of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant to financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing ("HNSA") and with applicable laws and regulations in force in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (Regulation (EU) No. 537/2014). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the applicable laws of Hungary, with the "Rules of conduct (ethical rules) of the auditor profession and the disciplinary process" of the Chamber of Hungarian Auditors and, as well as with respect to issues not covered by these Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code) and we also comply with further ethical requirements set out in these.

¹ digital identification of the above-mentioned financial statements with the SHA 256 HASH algorithm:
1e6b279586461632456abe6ef85d88fc714100e95e39df4dd88b59cf7365daac

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

Key audit matters

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

Key Audit Matters	Diligences performed in relation to the Key Audit Matters
<p>Valuation insurance contract liabilities and</p> <p>As at December 31 2023 the Company's Insurance and reinsurance contract liabilities are valued at thHUF 106,134,479 and thHUF 91,214 respectively, while the insurance contract assets thHUF 1,058,131 and reinsurance contract assets are valued at thHUF 659,405 respectively. (see notes 34-35 to the financial statements for details). Valuation of insurance and reinsurance contract assets and liabilities involves significant judgements and estimates particularly with respect to the estimation of the present value of future cash flows, eligibility of the different measurement models, identification of onerous contracts and estimation of the liabilities for incurred claims. These cash flows primarily include determination of the expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. Calculation for these assets and liabilities includes estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cash flows. We therefore consider this as a key audit matter.</p>	<p>We performed the following procedures in conjunction with our actuarial specialist:</p> <ul style="list-style-type: none"> - Understanding and evaluating the process, the design and implementation of the controls in place to determine valuation of Insurance contract assets and liabilities - tested the operating effectiveness of the controls in place - evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, VFA, GMM, and PAA eligibility assessment, discount rates and expenses included within the fulfilment cash flows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgements applied. - we independently reperformed the calculation to assess the mathematical accuracy of the insurance and reinsurance contract assets and liabilities on selected classes of business, particularly focusing on largest provisions.
<p>Disclosure impact of IFRS17 restatements</p> <p>The Company is applying the IFRS 17 standard effective from January 1, 2023. The introduction of the standard was done retrospectively, which affected the Company's opening balances as of January 1, 2022. IFRS 17 is a complex accounting standard that requires significant judgment and</p>	<p>Diligences performed in relation to the Key Audit Matters</p> <p>Our audit procedures, among others, include:</p> <ul style="list-style-type: none"> - assessing whether the judgements applied by the management in determining their accounting policies are in accordance with IFRS17

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<p>interpretation in its implementation and affects the presentation, measurement, presentation, and disclosure of insurance contracts by the Company. In particular, the measurement models to be applied under the standard (variable fee approach, general model, or premium allocation approach), the risk adjustment, and the determination of the discount rate are of outstanding importance in terms of their comprehensive impact. Section 5.2 of the supplementary notes contains information on the above, the effects of the transition to the new standard. The new standard also sets significant requirements for the disclosure of financial statements. The audit of the IFRS 17 accounting policies' development and application, as well as the judgments, assumptions, and estimates used in measuring insurance contracts, required a high degree of auditor judgment, including the involvement of accounting and actuarial professionals. Due to the significance of the changes introduced by the standard, we considered the transition to the new standard to be a key audit matter.</p>	<ul style="list-style-type: none"> - using our specialist, evaluated the appropriateness of methodology used to determine discount rates at the transition date - evaluating the appropriateness of significant assumptions including risk adjustment, VFA, GMM, PAA eligibility assessment, discount rates and expenses included within the fulfillment cash flows - evaluation of the completeness, and the accuracy and relevance of the data used to determine the impact of IFRS17 adoption and restatement, and - evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS17.
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Other information: business report

Other information consists of the 2023 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. In the 'Opinion' section of our independent auditor's report, our opinion on the individual financial statements does not apply to the business report.

In connection with our audit of the financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements, including the assessment of whether the business report has been prepared in accordance with Section 95/B (2) e) and f) of the Act on Accounting and expressing an opinion on this and whether the business report is consistent with the separate financial statements.

Our opinion on the business report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)- d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available, whether the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law.

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In fulfilling our responsibility, when forming our opinion on the business report, we considered the Commission (EU) Regulation 2019/815 of 17 December 2018, which supplements the European Parliament and Council Directive 2004/109/EC with regard to regulatory technical standards on the specification of a single electronic reporting format ('ESEF Regulation'), as another piece of legislation that prescribes additional requirements for the business report.

In our opinion, the business report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2023 is consistent, in all material respects, with the 2023 financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law and that the business report includes the non-financial statement as required by Section 95/C of the Hungarian Accounting Law. Since the Company did not meet the conditions set out in paragraph 95/C. § (1) of the Accounting Act on the balance sheet date of the given business year, we have nothing to report in this regard.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU IFRSs and the supplementary requirements of the Hungarian Accounting Law relevant for financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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Report on other legal and regulatory requirements

Report on compliance with the requirements set out in the regulation on the european single electronic format

We have undertaken a reasonable assurance engagement on the compliance of the annual financial statements included in the digital file 529900QYECVOWB4EMB78-2023-12-31-hu.zip prepared by the Company ("financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the annual financial statements in ESEF format

The Company's management is responsible for preparing the annual financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- the preparation of the annual financial statements in the applicable XHTML format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF Regulation.

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

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the annual financial statements in ESEF format complies, in all material respects, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation and verifying whether the XHTML format was applied properly.

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

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Opinion

In our opinion, the annual financial statements in ESEF format of the Company for the year ended 31 December 2023 included in the digital file 529900QYECVOWB4EMB78-2023-12-31-hu.zip complies, in all material respects, with the requirements of the ESEF Regulation.

Report on other legal and regulatory requirements

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

- We were appointed as statutory auditor by the General Assembly of Shareholders of the Company on 19 April 2021. Our engagement is uninterrupted since this date.
- Our audit opinion on the financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.
- We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and we remained independent from the Company in conducting the audit.
- In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Molnár Andrea Kinga.

Budapest, March 27, 2024

Philippe Michalak Budzan
Philippe Michalak Budzan
Partner

Molnár Andrea Kinga
Molnár Andrea Kinga
Registered Auditor
Registration number: 007145

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