

„INV L LIFE“

UŽDAROJI AKCINĖ DRAUDIMO
BENDROVĖ

STAND-ALONE CONDENSED INTERIM
FINANCIAL STATEMENTS

30 September 2022

„INVL LIFE“ UŽDAROJI AKCINĖ DRAUDIMO BENDROVĖ
STAND-ALONE CONDENSED INTERIM FINANCIAL STATEMENTS
in EUR (unless stated otherwise)

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Chief Executive Officer

Rasa Kasperavičiūtė

Chief Accountant

Stella Tomson

Head of Actuarial Unit

Kati Ok

STAND-ALONE STATEMENT OF COMPREHENSIVE INCOME

30 September 2022

	30 September 2022	30 September 2021
Income		
Written premiums	1.438.217	-
Ceded reinsurance premiums	(16.594)	-
Written premiums, net of reinsurers' share	1.421.623	-
Fee income	1.321.985	-
Reinsurance commissions and reinsurers' profit share	2.821	-
Other income	25.592	-
Total income	2.772.021	-
Net profit (loss) of financial investments	745.849	-
Net profit (loss) of financial investments when the investment risk is borne by policyholder	(1.196.126)	-
Total financial investments result	(450.277)	-
Change in value of financial liabilities when the investment risk is borne by policyholder	1.271.297	-
Expenses		
Claims paid, net of reinsurers' share	(636.375)	-
Change in value of liabilities from insurance contracts, net of reinsurers' share	279.210	-
Claims paid and change of value in financial and insurance liabilities, net of reinsurers' share	(357.165)	-
Acquisition expenses	(1.460.352)	-
Administrative expenses	(1.101.038)	(2.800)
Investment expenses	(13.424)	-
Claims handling expenses	(62.546)	-
Net operating expenses	(2.637.360)	(2.800)
Total expenses	(2.994.525)	(2.800)
Profit (loss) before income tax	598.516	(2.800)
Income tax	-	-
Net profit (loss) for reporting period	598.516	(2.800)
Total comprehensive income for reporting period	598.516	(2.800)

STAND-ALONE STATEMENT OF FINANCIAL POSITION

30 September 2022

	30 September 2022	31 December 2021
Assets		-
Intangible assets	143.389	-
Tangible assets	17.833	-
Other assets	1.000.000	-
Total fixed assets	1.161.222	
Financial investments when the investment risk is borne by policyholders	134.795.726	-
Other financial investments	56.735.021	9.208.100
Total financial investments	191.530.747	9.208.100
Reinsurance assets	830	-
Accounts receivable	102.458	-
Prepayments, accrued income and prepaid expenses	126.556	-
Cash	5.997.735	317.100
Cash related to financial assets when the investment risk is borne by policyholders	8.762.452	-
Total cash and cash equivalents	14.760.187	317.100
Total assets	207.682.000	9.525.200
Equity		
Share capital	48.000.000	7.500.000
Mandatory reserve	370.077	300.000
Retained earnings	1.929.985	1.401.546
Total equity	50.300.062	9.201.546
Liabilities		-
Financial liabilities from insurance contracts when the investment risk is borne by policyholders	142.274.377	-
Other liabilities from insurance contracts	10.013.373	-
Total insurance and financial liabilities	152.287.750	-
Other liabilities and payables	4.726.597	323.654
Accrued costs	367.591	-
Total liabilities	157.381.938	323.654
Total equity and liabilities	207.682.000	9.525.200

STAND-ALONE CASH FLOWS STATEMENT

30 September 2022

	30 September 2022	30 September 2021
Cash flows from operating activities		
Premiums covering insurance risk and fees received	2.035.185	-
Savings component of insurance premiums	2.453.687	-
Total inflows	4.488.872	-
Paid claims	(636.323)	-
Paid claims handling expenses	(62.546)	-
Financial liability outflows	(3.982.626)	-
Paid operating expenses	(1.956.010)	(558)
Total outflows	(6.637.505)	(558)
Total cash flows from operating activities	(2.148.633)	(558)
Cash flows from investing activities		
Amounts received from investing activities	678.451	-
Amounts received on maturity or sales of investments	32.650.743	-
Amounts paid on acquisition of investments	(104.343.211)	-
Taxes paid on investing activities	(1.301)	-
Amounts received from other investing activities	84.080.357	-
Total cash flows from investing activities	13.065.039	-
Cash flows from financing activities		
Amounts received on issue of ordinary shares	3.855.997	1.300.000
Amounts paid on other financing activities	(500.000)	-
Total cash flows from financing activities	3.355.997	1.300.000
Currency exchange impact	170.684	-
Increase (decrease) in cash and cash equivalents	14.443.087	1.299.442
Cash and cash equivalents in the beginning of the period	317.100	-
Cash and cash equivalents at the end of the period	14.760.187	1.299.442

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STAND-ALONE STATEMENT OF CHANGES IN EQUITY

30 September 2022

	Share capital	Share premium	Mandatory reserve	Retained earnings	Total equity
Paid-in capital and reserves	1.000.000	-	300.000		1.300.000
Total comprehensive loss of the reporting period				(2.800)	(2.800)
As at 30 09 2021	1.000.000	-	300.000	(2.800)	1.297.200
New paid-in capital	6.500.000				6.500.000
Total comprehensive income of the reporting period				1.404.346	1.404.346
As at 31 12 2021	7.500.000	-	300.000	1.401.546	9.201.546
New paid-in capital	40.500.000				40.500.000
Distribution of profit			70.077	(70.077)	-
Total comprehensive income of the reporting period				598.516	598.516
As at 30 09 2022	48.000.000	-	370.077	1.929.985	50.300.062

NOTES TO THE STAND-ALONE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General information

„INVL Life“ uždaroji akcinė draudimo bendrovė (hereinafter referred to as the Company) was established on 11 August 2021. Company headquarters address is Gynėjų str. 14, Vilnius. On 8 March 2022, the Bank of Lithuania issued to the Company an insurance license No. 36.

As at 30 September 2022 and 31 December 2021 the Company was fully owned by „Invalda INVL“, AB. The Company has branches in Latvia and Estonia.

The Company holds 100% of shares of subsidiary UAB „Cedus invest“ and 23,43% of shares of associated company UTIB „INVL Baltic Real Estate“, which were acquired in January 2022 (Note 3).

The Company offers life insurance: unit-linked life insurance (when the investment risk is borne by a policyholder) and life insurance in so far as not foreseen in article 7 part 2 paragraphs 2 – 5 of Law on Insurance of the Republic of Lithuania. Additionally, the Company offers accidental insurance and critical illness insurance riders.

2. Accounting principles

30 September 2022 interim condensed financial statements of the Company were prepared in accordance with IAS No. 34 „Interim financial reporting“, therefore they do not disclose detailed information required to disclose in annual financial statements.

These financial statements are stand-alone. Subsidiary is not consolidated, and consolidated financial statements are not prepared in accordance with IFRS 10 4a) paragraph whereby a company does not have to prepare consolidated financial statements if all its shares are held by a company which prepares publicly available consolidated financial statements or accounts investments in subsidiaries at fair value in accordance with IFRS 10 requirements. The Company's parent company „Invalda INVL“ prepares publicly available financial statements in accordance with IFRS in which investment to the Company's subsidiary is accounted at fair value according to IFRS 10 requirements.

Financial statements are prepared based on historical acquisition cost, except for financial assets, which are accounted at fair value. All amounts in the financial statements are presented in euros which is the Company's functional and reporting currency. Foreign currency transactions are converted to euros using exchange rate applied in accounting in accordance with the Law on Financial reporting of the Republic of Lithuania. The Company's reporting year is a calendar year.

3. Share capital

In January 2022 the Company's sole shareholder „Invalda INVL“ additionally invested 40.500 thousand euros to the Company's share capital. 3.856 thousand euros were paid in cash, and remaining part was set off with the receivables from the sale of financial assets including 0,05% AB Šiaulių bankas shares sold in December 2021.

In January 2022 „Invalda INVL“ sold these financial assets to the Company:

- 23,43% of shares of „INVL Baltic Real Estate“ for 4.364 thousand euros;
- 15,39% of shares of UTIB „INVL Technology“ for 5.209 thousand euros;
- 100% of shares of UAB „Cedus invest“, which invests to „Litagra“ group, for initial 17.460 thousand euros amount. Selling price was revised according to the shares fair value as at 31 December 2021 and revaluated to 18.098 thousand euros;
- a part of INVL Baltic Sea Growth Fund units equal to fund 's called amount 7.622 thousand euros (uncalled fund commitments were not transferred), for initial 9.363 thousand euros amount. Selling price was revised according to the fund units' fair value as at 31 December 2021 and revaluated to 11.085 thousand euros.

After the revision of selling prices, the Company's payable amount for acquired financial assets according to the final selling prices approved in April 2022 was 3.080 thousand euros. On 30 September 2022, this payable amount is 2.580 thousand euros. This amount is disclosed in Statement of financial position under *Other liabilities and payables*.

Investments acquired by the Company during above-described transactions with the parent company are accounted at fair value with changes through profit (loss) and disclosed in Statement of financial position under *Other financial investments*.

4. Business acquisition

On 1 July 2022, the Company acquired Baltic life insurance business from Mandatum Life Insurance Company Limited. The purchase was executed not by acquiring a company but by acquiring business as a complex. Acquired business had more than 29 thousand customers and over 150 million euros assets under management. Income from acquired business in 2021 was 9,5 million euros and premiums written were 25 million euros.

Starting from 1 July 2022, assets and liabilities of acquired business are included to Statement of financial position of the Company. Till publication of the financial reports, procedures which allow to measure correct fair values of acquired assets and liabilities and identify unrecognized assets of acquired business which are recognized at business transfer moment, were not performed. Therefore, it is not yet identified if the Company shall recognize goodwill or profit from purchase price lower than the fair value of the acquired net assets.

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According to the transaction closing documents, acquired business (assets and liabilities) book values (not revised to fair values) were:

	Book values in transaction closing documents (thousand euros)
Fixed assets	23
Prepayments and prepaid expenses	42
Receivables from policyholders	32
Financial assets in fair value through profit (loss)	71.952
Cash	84.331
Total assets	156.380
Leasing liabilities	(26)
Payables to suppliers	(42)
Insurance and financial liabilities	(156.032)
Other liabilities	(280)
Total liabilities	(156.380)
Net assets	-