



Annual Report 2022



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Key figures for the regions

Central and Eastern Europe	Unit	2021	2022	Change
Clients (31/12)	Number	2.82 m	2.92 m	+3.5 %
Financial advisors (31/12)	Number	3,276	3,461	+5.6 %
Brokerage income	Euro million	157.9	174.4	+10.5 %
Earnings before interest and taxes (EBIT)	Euro million	20.4	18.8	-7.8 %
EBIT margin	%	12.9	10.8	-2.1 %-pts

Germany	Unit	2021	2022	Veränderung
Clients (31/12)	Number	613,386	616,224	+0.5 %
Financial advisors (31/12)	Number	1,240	1,219	-1.7 %
Brokerage income	Euro million	64.5	61.2	-5.1 %
Earnings before interest and taxes (EBIT)	Euro million	8.2	7.2	-11.7 %
EBIT margin	%	12.7	11.8	-0.9 %-pts

Southern and Western Europe	Unit	2021	2022	Veränderung
Clients (31/12)	Number	700,606	738,712	+5.4 %
Financial advisors (31/12)	Number	1,087	1,092	+0.5 %
Brokerage income	Euro million	98.4	96.3	-2.1 %
Earnings before interest and taxes (EBIT)	Euro million	9.1	5.2	-42.9 %
EBIT margin	%	9.2	5.4	-3.9 %-pts

Percentages and figures may be subject to rounding differences. Percentages are calculated on the basis of EUR thousand.

OVB profile

With close to 4.3 million clients, more than 5,700 full-time financial advisors and business operations in 16 national markets, OVB is one of the leading financial intermediary groups in Europe.

Key figures for the OVB Group 2022

Key operating figures	Unit	2021	2022	Change
Clients (31/12)	Number	4.13 m	4.27 m	+3.4 %
Financial advisors (31/12)	Number	5,603	5,772	+3.0 %
Brokerage income	Euro million	320.7	331.9	+3.5 %

Key financial figures	Unit	2021	2022	Change
Earnings before interest and taxes (EBIT)	Euro million	21.8	22.0	+1.1 %
EBIT margin	%	6.8	6.6	-0.2 %-pts
Consolidated net income after non-controlling interests	Euro million	15.7	14.7	-6.6 %

Key figures for OVB shares	Unit	2021	2022	Change
Share capital (31/12)	Euro million	14.25	14.25	±0.0 %
Number of shares (31/12)	Shares million	14.25	14.25	±±0.0 %
Earnings per share (undiluted/diluted)	Euro	1.10	1.03	-6.6 %
Dividend per share	Euro	0.90	0.90 ¹⁾	±0.0 %

¹⁾ 2022 proposed dividend

Diversity paves the way to success

OVB has successfully completed the strategic period »OVB Evolution 2022« and evolved significantly in many areas. We would like to share this development with you in this Annual Report.

Our success is based on the diversity of our Company, among other factors. We offer an extensive partner and product portfolio and provide advisory service according to the comprehensive »allfinanz« approach in 16 European countries - a clear unique selling proposition in the industry.

What also makes us strong is the diversity of our financial advisors and employees. People from different nations with the most different biographies and personalities work for us. This helps us not only to ensure a balanced know-how and expertise across all generations and regions but also to address large parts of the population with our high-quality services.

We have the ambition to keep improving. In 2023 we will therefore launch our new five-year strategy period »OVB Excellence 2027«. We will introduce the focal topics of our growth strategy to you in this Annual Report.



Frank Burow, CFO

- Born 1972
- More than 20 years of experience in finance, accounting and controlling
- With OVB since 2010

Mario Freis, CEO

- Born 1975
- More than 25 years of experience in the distribution of financial services
- With OVB since 1995

Heinrich Fritzlär, COO

- Born 1973
- More than 20 years of experience in the fields of insurance and IT consulting
- With OVB since 2022

Dear shareholders, ladies and gentlemen,

Just over a month ago, we marked one year since Russia's attack on Ukraine. An incredibly sad anniversary that still leaves us shocked and dismayed and has brought immense suffering to the entire Ukrainian population. We are impressed by the courage, resilience and unwavering optimism of our Ukrainian colleagues and the entire Ukrainian people.

In addition, inflation is currently the dominant economic issue for people in Europe. High energy and food costs are diminishing households' disposable income. The countermeasures taken - particularly the interest rate moves by central banks - have in turn curbed economic growth and made financing options more expensive. In this challenging environment, we are there by our clients' side.

In a strained political and economic environment, we at OVB have achieved a historic record for sales for the third consecutive year. Despite inflation-driven cost increases, we slightly improved our EBIT. In times of war, inflation and interest rate changes, there is a growing need for consulting services for our clients throughout Europe.

The 2022 financial year also marked the successful completion of our »OVB Evolution 2022« strategy period. If you compare our relevant key figures at the start of the strategy period in 2017 with the key figures for the 2022 financial year that has just ended, this clearly shows our successful further development in a very challenging environment. Our client numbers have since increased by more than 900,000, while the number of our financial advisors is up from 4,702 to 5,772 and advisory income has grown by almost 50 per cent from Euro 225.3 million to Euro 331.9 million over the past five years.

2023 will see the start of our new strategy »OVB Excellence 2027«, which will lay the foundations for further success. To this end, we performed a detailed internal and external analysis in the past financial year to derive the strengths, weaknesses, risks and opportunities that will form the basis for our strategic measures. As ever, the satisfaction of our clients is our top priority. In this report, we would like to present you with some initial insights into our new corporate strategy.

Special thanks go to our financial advisors working for OVB, who perform a socially relevant service for our clients. Many thanks are also owed to all employees in the Group.

We would also like to thank you, our shareholders, for your trust in the OVB Group.



Mario Freis
CEO



Frank Burow
CFO



Heinrich Fritzlär
COO

»OVB Evolution 2022« – Successful in a volatile and fast-changing environment

In 2017 OVB introduced its corporate strategy »OVB Evolution 2022« with the four fundamental cornerstones Realization of Potential, Digitization, Modernization and Expansion. Due to its consistent implementation, we have translated this strategy into sustainable success.

We have developed considerably, made even better use of our potential, pushed digital transformation, modernized the Company and pressed ahead with the ongoing-international expansion.

All this combined has helped us consolidate our position as one of Europe's leading financial intermediary groups.

By navigating the Company safely through an extremely volatile and fast-changing environment, we have proven our high adaptability. Investments in »digital workplaces« have made the seamless continuation of business possible in challenging times.

With the increasing digitization of business and sales processes, we answered to the needs and requirements of our clients and financial advisors while simultaneously achieving a noticeable increase in efficiency, as documented by relevant performance indicators.

Strengthening sales and consolidating the market position

Clients (31/12)



In the course of the strategic period now completed, OVB has gained more than 900,000 new clients. The basis for this was the consistent orientation toward

the needs of the clients in combination with the high quality of our advisory service process.

Financial advisors (31/12)

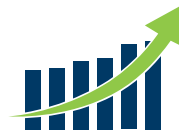


Our financial advisors are the core element of success. OVB invests gradually in professional training and advanced training as well as in the retention of the existing sales team.

And it works: Since 2017, the number of full-time financial advisors working for OVB was raised by 22.8 per cent to 5,772.

The recruitment of new financial advisors is also an important part of the growth strategy.

Brokerage income

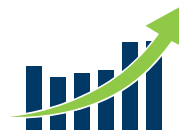


OVB has pursued its growth strategy consistently over the last years.

In 2020 and 2021, the Company had already achieved new record sales of Euro 270.6 million and Euro 320.7 million respectively, despite the challenges brought forth by the pandemic.

With brokerage income in the amount of Euro 331.9 million in financial year 2022, OVB posted an all-time high for the third year in a row.

EBIT

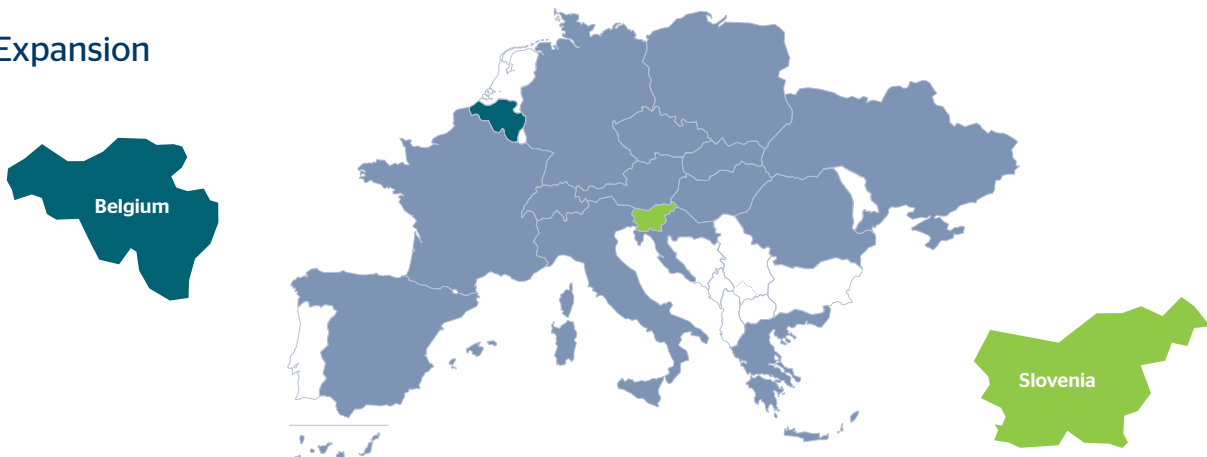


By comparison of financial years 2017 and 2022, OVB managed to increase its EBIT by 37.9 per cent to Euro 22.0 million.

process for example leads to significantly more flexibility and efficiency in sales. OVB thus manages to make better use of business potential. The pronounced digital positioning results in the increasing use of collaborative, location-independent communication formats in-house.

Digitization was pushed throughout the Group, and leaner processes were implemented. The digital advisory

Expansion



OVB plans to scale up in existing national markets as well as to develop new markets. This is driven by the goal of offering high-quality and customized »allfinanz« advice and thereby facilitating basic protection for financial security, asset and financial risk protection, retirement provision, asset generation and wealth management for a steadily growing number of clients. OVB considers expansion in regional and international terms.

of the renowned company Willemot NV in Gent, the formation of a subsidiary in Slovenia followed in financial year 2022, and thus the entry into the 16th national market in Europe.

After OVB had tapped into the Belgian market and the brokerage business in 2019 by the successful acquisition

Slovenia showed a sound economic development over the last years and, at USD 2,287, ranks considerably above the average monthly income of other former Yugoslav republics. Even in view of a relatively small population, this market offers excellent opportunities for OVB.

Megatrends

Sociocultural transition

- Longevity and aging of society
- Intergenerational fairness
- Refugee movement and migration
- Changing family models
- Shortage of skilled workers
- Changing work models
- Increasing individualization and moralization
- ...



Digitization

- Big data, machine learning and artificial intelligence
- Innovative distribution channels (social commerce)
- Virtualization
- Cyber security
- Cryptocurrencies
- ...



Sustainable development and climate change

- Increasing relevance of sustainability in economy and society
- Energy and mobility transition
- Extreme weather events
- Infrastructure risk
- Health risks (e.g. due to heat)
- ...





Economic framework

- Inflation
- Interest rate increase
- Threat of recession
- Wage-price spiral
- Currency risks
- Government debt
- Tension between globalization and protectionism
- ...

Regulatory framework

- Growing regulation with different national manifestations
- Complexity of regulatory requirements
- ...



Political framework

- Increasing geopolitical tensions
- Government interference in pricing processes
- ...

»OVB Excellence 2027«

At the start of 2022, OVB already initiated an intensive and comprehensive strategy development process for defining a new integrated corporate strategy for the next five years up to 2027. OVB has worked together on this with all relevant stakeholders.

Within the framework of external analysis, relevant macroeconomic performance indicators and market developments in the OVB markets were analyzed in detail and evaluated.

Within the framework of internal analysis, a large number of key figures of distribution and business operations was scrutinized, and various workshops were conducted with the management teams of OVB's sales subsidiaries and select financial advisors. Furthermore, Europe-wide surveys were carried out, spanning distribution, back office and client base. Interviews with select sales executives of OVB Europe complemented this process.

From this insight, strengths, weaknesses, opportunities and risks were identified, and the vision for the future, strategic targets and strategic measures were derived.

The result of the strategy development process is the new strategy »OVB Excellence 2027«, to be adopted shortly.

»OVB Excellence 2027« is based on the successful components of the previous strategy »OVB Evolution 2022«, based on which the Company has safely navigated an extremely volatile and fast-changing environment since 2017. Supported by the tailwind of this positive development, the Group is now setting the course for a continuation of the successful growth path with »OVB Excellence 2027«.

The focal topics of the new strategy are visualized as follows:

Focal topics



»OVB Excellence 2027« focuses on our clients. OVB's highly qualified financial advisors determine their financial situation and needs and develop individually suitable solutions based on their own financial capabilities. In a world in transition, OVB supports them as their partner for the long term and offers added value to society with its comprehensive »allfinanz« advisory approach.

»Sales and Career Excellence« is the centerpiece of the strategy. We will further strengthen and optimize the core distribution effort. This includes the initial training of new financial advisors, the expansion of professional training and advanced training and the further enhancing of expertise of the sales executives. The advancement of the service concept for our clients and the development of a user-oriented client platform are meant to contribute to an even higher satisfaction and long-term commitment of our clients.

With the focal topic »Expansion and Innovation«, we keep pushing the further expansion within Europe on the one hand. In addition to that, we will identify and track innovative approaches for our clients, financial advisors and employees. An »Innovation Think Tank« will generate the pulse for further developments in order to aim for strengthening and expanding the business model.

»Operational Excellence« signifies to OVB the consistent implementation of innovative and integrated automated digital processes in back office and sales for constantly improving workflows and standards. Scalability is thus promoted, further growth is supported, and the Group's already initiated digital transformation across all corporate areas is accelerated. At the same time, we safeguard the complete fulfillment of all compliance requirements and provide to our clients, financial advisors and employees an up-to-date and complete database.

»People and Organization« focuses on people management and teamwork. Our employees in the Group are meant to become promoted and qualified even more purposefully and the cooperation of sales, back office and holding company across the countries is meant to be strengthened in order to push the Group's overall development together. The pursuit of achieving the goals for the Group together is based on strong common values and a high degree of commitment to OVB.

Moreover, OVB Group meets its entrepreneurial responsibility by advocating the sustainable development of economy, society and environment as part of our corporate culture. This includes in particular the promotion of continuous financial education of the people in order to create sustainable financial expertise within society. In addition to that, OVB gradually enhances the Europe-wide partner and product portfolio with ESG compliant offerings.

Beyond the scope of its actual business, OVB sustainably commits itself to social concerns, encourages its financial advisors and employees throughout the group to assume social responsibility and takes pride in all of them who volunteer their time and skills to the support of non-profit organizations. We aim at increasing such commitment on an international scale.

What does »Excellence« mean to us?

»Excellence« is above all one thing for us: a mindset, an attitude or a certain way of thinking, with which we act in a solution-oriented manner and master even demanding challenges. It also means always remaining curious, not resting on our laurels and constantly developing. We have consciously decided to let »Excellence« define everything we do in the future. This attitude is something we want to anchor at all levels of the Company.

»Excellence« is a journey

Our focus is not on perfection, but on the will to constantly improve. To this end, we are establishing an innovative learning culture within the Company. »Excellence« is the path we are taking, step by step using ideas and impulses to be able to offer our clients the best long-term solutions. After all, this is the only way we can not only remain successful, but also become even more successful.



Interview of the Executive Board

The past year was determined by extraordinary global challenges. How did you perceive 2022 and how satisfied are you now?

Mario Freis:

With the worldwide political and economic developments we could not be satisfied. 2022 was definitely a challenging year. Not just for OVB but for the overall economy and of course for our clients as well.

What concerned us very much was Russia's terrible war of aggression against Ukraine - a country in which we've been doing business since 2007. Our deepest sympathy is with our colleagues and especially with the casualties of this war. What we keep seeing on the news day by day troubles us deeply, and our solidarity is unbroken.

Apart from that, inflation is also making headlines in Europe of course. Especially the high energy and food prices diminish the people's available household income and make them hesitate when it comes to making long-term provision decisions. This can also have an impact

on entrepreneurial business. I am highly satisfied with how we coped with those challenges at OVB.

Frank Burow:

We managed to prove our strengths once more. Thanks to the commitment of our financial advisors and all employees in the Group, we increased brokerage income by 3.5 per cent to Euro 331.9 million. We have thus achieved a historic record for the third year in a row. At the same time, we benefit from the success of our strategic measures and slightly improved our EBIT despite of cost increases due to inflation.

Are people still willing to spend money on risk protection and provision against the backdrop of inflation and war?

Heinrich Fritzlar:

On the one hand, it is a fact that a lot of people feel insecure in view of war, inflation and interest rate turnaround. Many are facing the challenge of having to compensate the higher cost of living. This makes it all the more important to use one's available income

wisely. Our clients' demand for advice is rising all across Europe. Our financial advisors provide them with support in getting an overview of one's personal financial situation and find savings potential.

It is important for example not to terminate necessary insurance or investment products already spent on in a haste. This can not only become quite expensive but may also undermine one's private retirement provision. Among others, we highlight opportunities to make savings in other places. Our message is clear: We are on our clients' side and look for the best individual solution together.

2022 also marks the completion of the strategic period »OVB Evolution 2022«. What is your personal conclusion?

Mario Freis:

When we launched our growth strategy »OVB Evolution 2022« back in 2017, we defined four cornerstones based on which we wanted to develop and evolve. We have made good progress in many areas, have modernized our organization and made better use of our potential - and all that in a very challenging environment determined by pandemic, war and inflation.

»OVB's broad international positioning is one of our great strengths and something that clearly sets us apart from our competitors. Therefore, we want to keep expanding our business model to new national markets. Target regions are Portugal, Luxembourg and the Baltic states. In addition to organic growth, we also intend to exploit inorganic growth opportunities, as we successfully did in 2019 with the acquisition of the long-established brokerage company Willemot NV. In the future, we will examine various M&A options throughout Europe.«

Mario Freis, CEO

Frank Burow:

If you look at the key performance indicators in the course of the strategic period now completed, this illustrates our successful development. The number of our clients has grown by over 900,000 in that period, the number of our financial advisors has gone up from 4,702 to 5,772 and brokerage income has increased over the last five years from Euro 225.3 million by almost 50 per cent to Euro 331.9 million.

With the formation of its subsidiary in Slovenia, OVB now operates in 16 European countries as of 2022, correct?

Mario Freis:

Right. Slovenia is a relatively small market with its population of 2.1 million, but a very interesting one for financial services. We have identified high demand for retirement provision and financial protection there. Moreover, the country is already nestled between the OVB markets Austria, Croatia, Hungary and Italy.

OVB's broad international positioning is one of our great strengths and something that clearly sets us apart from our competitors. Therefore, we want to keep expanding our business model to new national markets. Target





»If you ask for the foundation of this strategy, it is created by the strong European OVB team on the one hand and the way we work together throughout the Group, supportive and agile. But it is also about accelerated digitization up to automation, effective compliance and the implementation of a sustainability strategy prioritizing areas on which OVB can have immediate impact.«

Frank Burow, CFO

regions are Portugal, Luxembourg and the Baltic states. In addition to organic growth, we also intend to exploit inorganic growth opportunities, as we successfully did in 2019 with the acquisition of the long-established brokerage company Willemot NV. In the future, we will examine various M&A options throughout Europe.

Mr. Fritzlär, you have newly joined the Executive Board of OVB as COO. Where is OVB now in terms of IT and digitization and what are you planning for the next five years?

Heinrich Fritzlär:

As COO, I see OVB as a company on its way to becoming a digital European Financial services provider. Over the last strategic period, we have already successfully implemented crucial strategic decisions for the increased digitization of business processes. This is what we are building on now. OVB has set up a joint european data processing center, integrating all our systems in one place. This creates many synergy effects.

We also managed to roll out our commission settlement system successfully at all our sales subsidiaries. In most countries, digital distribution and recruiting standards have been established. The international scope of our IT

landscape comes with its specific requirements. Based on what we have achieved already, we work hard at advancing our IT in three areas. For that purpose, we are asking ourselves the following questions:

- »Run the Business«: How must the IT architecture of a europe-wide operating financial services provider be designed to offer its users the best data-based service? What technologies and software solutions provide the best leverage for innovative scaling, thus adapting to the respective size required?»
- »Transform the Business«: How do we as a company want to work together with 16 sales subsidiaries in order to make the best, i.e. the fitting, IT solution available in a cost-effective and efficient way? Agility plays an important part on the operational level, meaning our ability to respond swiftly to changes. Cooperation across the countries is about sourcing concepts in procurement and Shared Service Centers for rendering collectively used services as efficiently as possible.«
- »Innovate the Business«: Finally, we are constantly monitoring the market in Europe so that we can take action early on with respect to technologies and start-ups.«

Where are you right now in the current strategy process and what do you expect from the new strategy?

Frank Burow:

We are currently in the final stages of developing our new corporate strategy for the next five years. This process was kicked off already in 2022 by collecting feedback from our various stakeholders. We conducted pan-European surveys in sales and back office as well as carried out a survey among our clients in Europe for the very first time. As a result of this effort, we identified the deciding topics for OVB in order to continue our journey for excellence.

Accordingly, our new strategy is named »OVB Excellence 2027«. If you ask for the foundation of this strategy, it is created by the strong European OVB team on the one hand and the way we work together throughout the Group, supportive and agile. But it is also about accelerated digitization up to automation, effective compliance and the implementation of a sustainability strategy prioritizing areas on which OVB can have immediate impact. The successful system consists of our financial advisors

and how we recruit, train and instruct them in order to keep our promise of the best possible performance to our clients.

All our actions focus on our clients, and we want to be perceived as a reliable partner for the long term. We will adopt »OVB Excellence 2027« officially very soon now and inform about the strategy in more detail then.

What are your expectations for 2023?

Mario Freis:

With respect to the geopolitical situation and the economic framework, we keep expecting a challenging environment for 2023. To account for the persisting uncertainty in the macroeconomic development, we see a bandwidth from Euro 325 million to 350 million for the Group's brokerage income in the 2023 financial year and expect an operating result between Euro 16 million and 19 million.

Thank you very much for this interview.

»As COO, I see OVB as a company on its way to becoming a digital European Financial services provider.«

Heinrich Fritzlär, COO



OVB on the capital market

OVB meets highest transparency requirements

The share of OVB Holding AG has been listed in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 21 July 2006. The Prime Standard is the trading segment with Europe's highest transparency requirements. Even in consideration of a free float that only amounts to 3 per cent of the share capital at present, we deliberately adhere to the OVB share's stock exchange listing. The release of annual and quarterly financial statements in accordance with international standards of financial reporting and the detailed annotations on corporate governance within the Company produce a badge of quality, create trust and bring OVB on a par with the largest domestic and international corporations.

Volatile capital market environment

The German stock market did very well in the year 2021 with a performance of +15.8 per cent. This trend continued in the first days of the year 2022, thus having the German stock index (DAX) reach a new all-time high of 16,272 points. However, due to fast rising commodity and energy prices, a record inflation rate and several policy rate increases by the central banks, the stock prices went down from that level. On 23 February - the day before the Russian invasion of Ukraine - the DAX was at 14,631 points, thus already showing a 7.9 per cent drop from year-end 2021. As a consequence of Russia's war of aggression, the DAX was down to 12,832 points by early March already. After temporary signs of recovery in the second and third quarter of 2022, the DAX arrived at a new low for the year at 12,137 points as of 30 September. By the end of the year, the benchmark index started another rally, driven in particular by an impending renunciation of China's zero-Covid strategy and hopes for less aggressive interest rate moves to be taken by the central banks in the future. At the end of 2022, the DAX recorded 13,924 points, still signifying a 12.3 per cent decrease compared to the prior year-end price of 15,885 points.

The share of OVB Holding AG finished the year's trading with a price of Euro 25.00 as of 30 December 2021. Over the first three months of 2022, the price margin was between Euro 23.00 and 25.60. At the beginning of April, the share price increased gradually up to Euro 29.40 on 31 May. At the end of June, the OVB



Shareholder structure of OVB Holding AG as of 31/12/2022

share was traded at Euro 26.80. Over the third quarter, the share price held that level for a long time until it started going down considerably in mid-September. The closing price as of 30 December 2022 came to Euro 22.00. Due to free float of only 3.0 per cent of the shares of OVB Holding AG, the trading volume and thus the significance of the share price are considerably limited.

Virtual General Meeting of Shareholders

The Annual General Meeting of OVB Holding AG for the 2021 financial year took place on 15 June 2022 once more online as a virtual meeting due to the ongoing pandemic and for the protection of staff and shareholders. 97.01 per cent of the share capital was represented. The resolution proposals, among them the approval of the remuneration report, submitted for the first time, were all adopted by a large majority of the shareholders and the distribution of a dividend increased to Euro 0.90 was approved almost unanimously as well. The dividend yield based on the OVB year-end stock price as of 30 December 2021 came to 3.6 per cent. The dividend payout amounted to Euro 12.83 million altogether.

Solid financial position

Neither OVB Holding AG nor any of the consolidated companies have issued or plan to issue any debt instru-

ments. The equity ratio of OVB Holding AG comes to an extremely solid 35.8 per cent as of the end of 2022 and is an expression of the Company's financial strength, providing the capacity for further growth and strategic initiatives. The Company's non-current liabilities are insignificant at Euro 11.0 million. Current liabilities exclusively serve the transaction of business operations and liquidity is traditionally high. OVB has been reliably generating shareholder returns year after year.

Active communication

As a publicly traded company, OVB informs the various interest groups on the capital market constantly about the current business performance as well as the Group's long-term outlook. Investor Relations, reporting directly to the CEO, is responsible for the transparent and reliable communication with analysts, institutional investors, private investors and the financial press. The objective is to deepen the understanding of OVB's business model, contextualize developments and thus to strengthen the confidence of the capital market in the Company. Additional transparency is created on the Company's website as the key resource for comprehensive information: All financial reports and corporate presentations are available both in German and English at www.ovb.eu/investor-relations or rather www.ovb.eu/english/investor-relations.

WKN/ISIN Code	628656/DE0006286560	
Stock symbol / Reuters / Bloomberg	O4B/O4BG.DE/O4B:GR	
Class of shares	No-par ordinary bearer shares	
Number of shares	14,251,314	
Share capital	Euro 14,251,314.00	
Xetra price (closing prices)		
Prior year-end	Euro 25.00	(30/12/2021)
High	Euro 29.40	(31/05/2022)
Low	Euro 21.40	(24/10/2022)
Last	Euro 22.00	(30/12/2022)
Market capitalisation	Euro 314 million (30/12/2022)	

Combined management report 2022 of OVB Holding AG

Basic information on the Group

Business model of the OVB Group

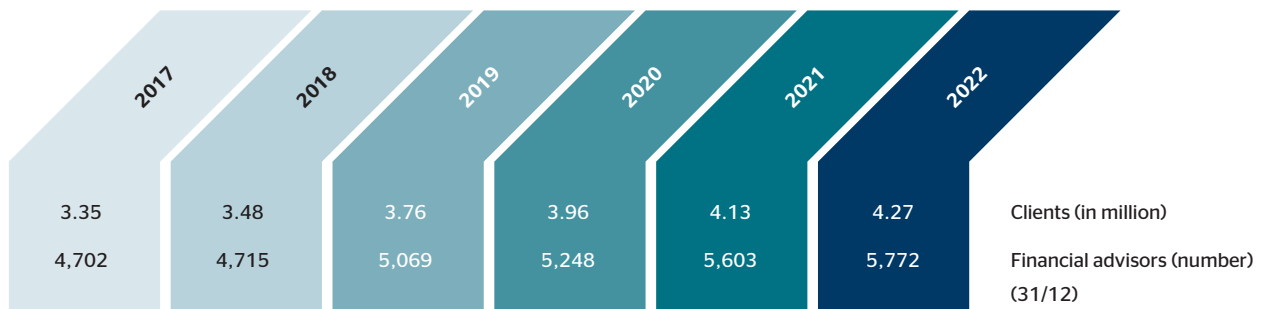
OVB Holding AG is at the top of OVB Group as the management holding company. OVB stands for cross-thematic financial advice based on a long-term approach. Private households in Europe represent the key target group. The Company cooperates with more than 100 high-capacity product providers and fulfills its clients' individual needs with competitive products, starting at basic protection for financial security as well as asset and financial risk protection and followed by retirement provision, asset generation and wealth management.

OVB is currently active in 16 countries of Europe as an intermediary for financial products, including Slovenia since the third quarter of 2022. By the end of the year under review, 5,772 full-time OVB financial advisors supported 4.27 million clients. The Group's broad Euro-

pean positioning stabilizes OVB's business performance and opens up growth potential. OVB's 16 national markets are different in terms of structure, development status and size. OVB has a leading market position in many countries. In the course of demographic transition, the number of senior citizens in Europe rises as the number of young people is going down. Public social security systems are increasingly overburdened. Especially in economically challenging times that affect private households in particular, personal advice is gaining in relevance. Therefore, OVB continues to see considerable potential for the services it provides.

The cross-thematic advice of clients through all stages of their lives is based on a comprehensive, tried and tested approach: The identification and analysis of each client's financial situation form the basis of counselling. The financial advisor particularly asks for the client's wishes and goals and then creates an individually tailored solution in consideration of personal financial resources, a

OVB clients and financial advisors



solution with a long-term horizon that is both affordable and sufficiently flexible. OVB accompanies its clients over many years. Service meetings with clients are held on a regular basis in order to consistently adjust our clients' financial planning to their current situation in life. This effort results in protection and provision concepts suited to each client's demands and respective phase of life.

OVB has pushed in-house digitization over the past few years and accelerated the provision of the technical resources required for digitally supported advisory service. Thanks to targeted investments, all of OVB's

operating subsidiaries have comprehensive solutions at their disposal for providing video advice and concluding business transactions digitally online.

The professional training of financial advisors, the analysis of client demands and the resulting product recommendations are based on the general conditions prevailing in the respective market. The continuous advancement of these issues is given great emphasis. OVB is prepared for a swift response to any future regulatory or qualitative requirements.

OVB Group had altogether 708 employees on average in the year under review (previous year: 679 employees) in the holding company, the head offices of the operating subsidiaries and the service companies controlling and managing the Group.

Control system

Group structure

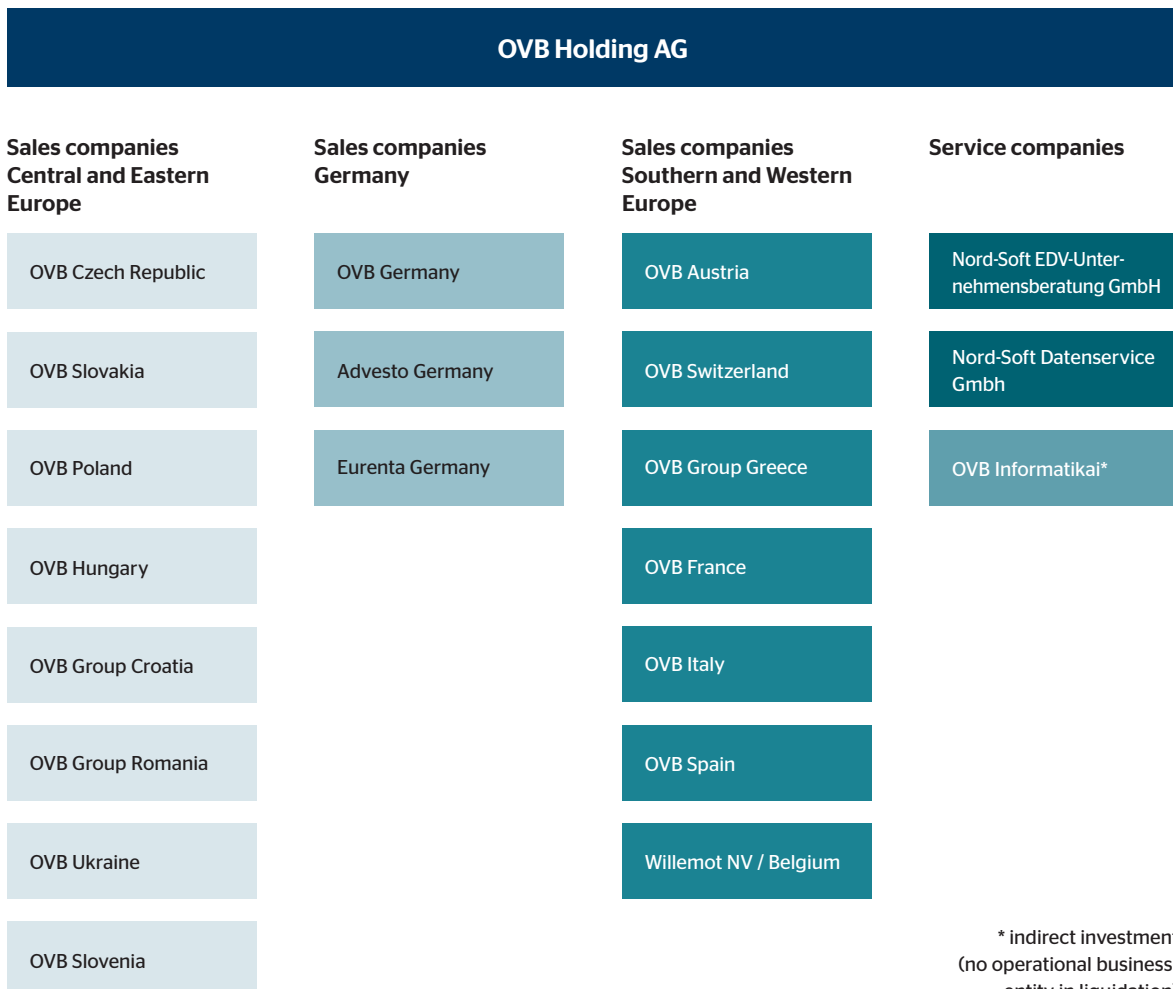
As the management holding company, OVB Holding AG is at the top of OVB Group. The Company determines the strategic goals and aligns business policies. Business operations are divided into regional segments. Operating subsidiaries are active in 16 European countries at

present. On behalf of these subsidiaries, self-employed financial advisors support and advise the clients on issues of risk protection and provision. Two service companies provide IT services in support of these core business activities.

OVB Holding AG is the sole shareholder of these entities, with the exception of the two IT service providers, Nord-Soft EDV-Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH (50.4 per cent interest respectively).

OVB Holding AG and German subsidiary OVB Vermögensberatung AG have concluded a control and profit-and-loss transfer agreement.

Organizational chart of the OVB Group



* indirect investment
(no operational business,
entity in liquidation)

Management and supervision of the Group

Executive Board

The members of the Executive Board of OVB Holding AG have joint responsibility for managing the Group's business. As of 31 December 2022, the Executive Board had three members.

Apart from the position of CEO, who is also responsible for »Sales«, the Executive Board members' responsibilities were divided into »Finance« and »Operations«.

Assignment of Executive Board responsibilities as of 31 December 2022

Chairman (CEO) Sales	Finance (CFO)	Operations (COO)
Mario Freis	Frank Burow	Heinrich Fritzlar
Corporate Development Corporate Management Sales Training Product Management Marketing Communication Internal Auditing Investor Relations Sustainability/ESG/CSR	Corporate Accounting Risk Management Management Accounting Legal Affairs Tax Planning Compliance Data Protection Anti-Money Laundering	Group IT IT Security Process Management People Management

Supervisory Board

Name	Function
Michael Johnigk	Chairman of the Supervisory Board
Dr. Thomas A. Lange	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee
Markus Jost	Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
Wilfried Kempchen	Member of the Supervisory Board
Harald Steirer	Member of the Supervisory Board
Julia Wiens	Member of the Supervisory Board

The Supervisory Board appoints the members of the Executive Board and supervises and advises the Executive Board on the Company's management. Detailed information on the working relationship of Executive Board and Supervisory Board as well as on corporate governance at OVB Holding AG is provided in the report of the Supervisory Board. Further information on corporate governance can be found in the statement on corporate governance in accordance with Sections 289 et seq. HGB (Commercial Code) on the internet at <https://www.ovb.eu/english/investor-relations/corporate-governance>.

Corporate management

Corporate management within OVB Group is divided into a strategic and an operational element. In the realm of strategic management accounting, long-term planning with a time horizon of five years links corporate strategy to specific quantitative targets.

Transnational exchange of know-how supports the effective and networked management of the 16 sales subsidiaries. Committees of OVB Holding AG continuously coordinate market cultivation and marketing activities as well as the composition of the portfolio of partners and products with the respective OVB sales subsidiaries.

Operational management accounting supports the management of business operations. The Company's key targets and control variables are sales (brokerage income) and earnings before interest and taxes (EBIT). Apart from these monetary indicators, non-monetary indicators such as the number of financial advisors and the number of clients serve as evidence of the success of business operations as well. Other key figures are constantly being monitored by the Company yet not regarded as key targets or control variables. Management accounting involves a monthly analysis of the performance of sales, brokerage expenses and other material expense items. These findings are incorporated into the Company's investment budget and financial planning.

Targets defined by the Executive Board establish the cornerstones of the strategic multi-year budget and the annual operating budget with respect to sales, costs and earnings.

The decentralized planning process conducted by individual subsidiaries and cost centre managers is then aligned with the Group's strategy in a top-down and bottom-up process. Apart from that, expenses and income budgeted for the Group are subject to a centralized evaluation process in particular.

Budget parameters are aligned with their respective underlying measures and assumptions and made transparent for each business unit as well as for the Group as a

whole. Starting points are the current distribution and financial data as of the end of the third quarter preceding the budget period.

In a first step, the basic data available at the start of budgeting are adjusted for significant events that will probably either increase in relevance or cease to have relevance for the planning period. Then the planned measures are incorporated into the basic data in the shape of cost and revenues.

OVB prepares monthly target/actual deviation analyses and continuously updates material financial as well as distribution data and is thus able to respond immediately to any deviations from the budget. Within OVB Group, medium and long-term financing of business operations is ensured by the available liquidity. OVB Holding AG as the Group's parent continuously monitors the 16 sales subsidiaries' demand for liquidity and makes liquid assets available if necessary.

Goals and strategies

In the year under review, OVB Holding AG completed its medium-term strategic period »OVB Evolution 2022«, established in 2017 and pursued consistently since, with its four cornerstones Realization of Potential, Digitization, Modernization and Expansion. This has helped the Company consolidate its position as one of Europe's leading financial intermediary groups and navigate the Company safely through an extremely volatile and fast-changing environment.

Increasing digitization of business and distribution processes focused on the satisfaction of clients and has resulted in a noticeable increase in efficiency, evidenced by relevant key performance indicators.

Relevant key figures of OVB Holding AG 2017 vs. 2022

(31/12)	2017	2022
Clients (number, in million)	3.35	4.27
Financial advisors (number)	4,702	5,772
Brokerage income (Euro million)	225.3	331.9
EBIT - Earnings before interest and taxes (Euro million)	16.0	22.0

The follow-up strategy to be defined will also focus on the ongoing digitization of business and distribution processes as well as the long-term satisfaction of clients and financial advisors alike.

In the reporting period, OVB has launched an intensive strategy development process for defining a new integrated growth strategy for the next five years. Core elements of the present strategy development process are external and internal analysis. In the context of external analysis, relevant macroeconomic key figures and market developments in OVB's markets were analyzed in detail. Within the framework of internal analysis, a large number of key figures of distribution and business operations was scrutinized, and various workshops were conducted with the management teams of OVB's sales subsidiaries and selected financial advisors. Furthermore, Europe-wide surveys were carried out, spanning distribution, back office and client base. Interviews with the most successful financial advisors of OVB Europe complemented this process. From this insight, strengths, weaknesses, opportunities and risks were identified and the vision for the future, strategic targets and strategic measures were derived. The result of the strategy development process will be the new strategy »OVB Excellence 2027«. Focus topics will be the fields »Sales and Career Excellence«, »Expansion and Innovation«, »People and Organization« and »Operational Excellence«.

Business report

Macroeconomic and industry-related general conditions

Macroeconomic development

OVB operates in 16 European countries divided into three regional segments. OVB's Central and Eastern Europe segment comprises the national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Ukraine and, since the third quarter of 2022, Slovenia. The Group generated roughly 53 per cent of sales in these markets in the previous year. About 18 per cent of OVB Group's sales were accounted for by the Germany segment in 2022.

The national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland constitute the Southern and Western Europe segment, contributing some 29 per cent to OVB Group's brokerage income of the

past financial year. With the exception of Switzerland, these countries belong to the eurozone.

OVB thus generated more than four fifths of its brokerage income outside Germany in the year under review. Against this backdrop it is important to consider the macroeconomic development in Europe for an assessment of the business performance in 2022. Among the relevant factors are economic growth, the development of the job market and changes in real income of private households.

The full year 2022 was largely defined by the Russian war of aggression in Ukraine and the humanitarian crisis it has caused but also by its impact on the global economy and the geopolitical situation. In addition to that, extraordinarily high inflation rates have increased the cost of living significantly for private households this year. Monetary policies adopted by the central banks, especially the several pronounced interest rate hikes, curb economic growth and make financing options more expensive.

By contrast, sweeping vaccination efforts and generally »going back to normal« have reduced the impact of the COVID-19 pandemic and corresponding countermeasures on economic and social life in Europe. However, China as one of the most important global trade partners executed a zero-Covid policy over most of the year, with strict lockdowns and corresponding negative effects on the economy.

The International Monetary Fund (IMF) estimates worldwide economic growth in 2022 at 3.4 per cent in the most recent update of its World Economic Outlook (January 2023), as compared to 6.2 per cent in 2021. For the euro area, experts anticipate an increase in gross domestic product of 3.5 per cent, after 5.3 per cent in the previous year. In the third quarter in particular, domestic markets in Europe and America proved very resilient despite the economic challenges. Deciding factors were high private consumption due to queued up demand but also the large number of fiscal support programs and the narrow job market. However, that upswing slowed down already over the past financial year's final quarter.

As the fight against inflation and the war in Ukraine will go on in 2023, the IMF is expecting a significant decline in economic growth. Only a 0.7 per cent rise in gross domestic product is anticipated for Europe in 2023; the GDP will probably be up to 1.6 per cent in 2024.

Most economies have overcome the peak of the overall inflation rate in the past financial year which came to 8.8 per cent worldwide in 2022 according to the IMF. While the overall inflation rate will drop to 6.6 per cent and 4.3 per cent respectively in 2023 and 2024 according to estimates, it will nevertheless remain at a high level. The forecast sees the core inflation rate peak out in 2023. Inflationary pressure is thus keeping up and monetary policies will take time before taking full effect.

High inflation rates have the consequence for private households that less money for risk protection and provision is available after spending on the essentials of life. Especially lower-income groups of people do not have the resources at their disposal anymore for signing new contracts. The strained financial situation may also lead to cancellation of existing contracts.

Economic development in Central and Eastern Europe

The national markets of Central and Eastern Europe recorded a stronger average economic performance

than the euro area as a whole. Catch-up effects from the coronavirus pandemic contributed to that, among other factors.

Only the Ukrainian economy contracted, due to the Russian war of aggression, considerably. With a view to the future, high inflation rates in Central and Eastern Europe have a particularly restraining effect. According to the IMF, inflation rates are at double digit figures for many countries in the region. Apart from relaxed spending policies, the reason are strongly increased prices for energy and food, weighing heavily in relation to the income of citizens and monthly expenses. This will probably have an impact on consumer spending and savings behaviour of private households, too. In addition to that, the challenges brought about by the geographic proximity to the war are highly noticeable in the region. Among those are the number of refugees absorbed in relative and absolute terms, depending on the country, and the fear of the people of increasing geopolitical instability.

Economic development in Central and Eastern Europe

Changes in real gross domestic product (GDP) in %

	2021	2022e	2023f
Croatia	10.2	5.9	3.5
Czech Republic	3.5	1.9	1.5
Hungary	7.1	5.7	1.8
Poland	5.9	3.8	0.5
Romania	-5.9	4.8	3.1
Slovakia	3.0	1.8	1.5
Slovenia	8.2	5.7	1.7
Ukraine	3.4	-35.0	k. A.

e = estimate; f = forecast

Source: IMF, World Economic Outlook, October 2022

Economic development in Germany

The IMF estimates the rise in Germany's gross domestic product at 1.9 per cent in 2022. Economic growth thus fell short of the prior-year level (2021: 2.6 per cent). Among the material factors were in particular Russia's war in Ukraine, the energy crisis and the continued high inflation. According to information of the Federal Ministry of Economics, the domestic economy proved altogether resilient, accounted for primarily by catch-up effects from the coronavirus pandemic and abating supply bottlenecks.

For 2023, the IMF expects a significant decrease in economic output to 0.1 per cent. Uncertainty with a lingering effect on the German economy is caused by Russia's war and its consequences, the weak economic development worldwide, the long-term provision of energy supply and the continued high consumer prices, according to the 2023 annual economic report. Economic growth of 1.4 per cent is predicted for Germany in 2024.

Economic development in the eurozone

Changes in real gross domestic product (GDP) in %

	2021	2022e	2023f	2024f
Eurozone	5.3	3.5	0.7	1.6
France	6.8	2.6	0.7	1.6
Germany	2.6	1.9	0.1	1.4
Italy	6.7	3.9	0.6	0.9
Spain	5.5	5.2	1.1	2.4

e = estimate; f = forecast

Source: IMF, World Economic Outlook, January 2023

According to the Federal Statistical Office, the inflation rate was 7.9 per cent in 2022 (2021: 3.1 per cent). This development has been driven since the start of the war in Ukraine by considerable price hikes for food and energy products. Relief measures such as the 9-euro ticket, the discount on fuel or the elimination of the renewable energy levy had a cushioning effect.

The Federal Ministry of Economics is expecting the inflation rate to go down to 6.0 per cent in 2023.

Economic development in Southern and Western Europe

The markets of Southern and Western Europe recorded growth in 2022. Particularly the countries depending on the tourism industry suffered severe economic blows during the coronavirus pandemic which could now be compensated in part. However, the IMF expects significantly slower growth in gross domestic product in 2023 for these countries. Due to the reduced spending power of private households, tourists will spend more cautiously, and increased interest rates slow down investments. The economic situation of private households can be expected to remain strained in most countries of the Southern and Western Europe segment through 2023.

Industry situation

Digital advisory service has established itself during the pandemic, counselling and closing of contracts were carried out digitally during that time for the most part. For reasons of practicability, flexibility and efficiency, clients tend to keep favouring that option in many cases. At the same time, in-person advisory service is possible again and finds increasing use. A lot of clients keep appreciating the personal, immediate exchange.

The strongly increased inflation rate poses great challenges to many private households. Considerably more expensive groceries and higher prices for energy, heat and fuel are putting a strain on private budgets. Central

banks all over the world have responded accordingly and raised interest rates several times through 2022.

The higher interest rate level offers new investment options to savers as even classic investment products can become more appealing again. Yet savers need to pay attention to the real return which often remains negative still because of the high inflation. The development of interest rates also makes loans more expensive. Households that negotiated no or only short-term fixed interest rates might be facing increasing pressure. Purchasing real property is becoming more difficult.

Investors have become increasingly aware of the importance of retirement provision. In demand are above all direct investments in funds and unit-linked life insurance or pension schemes. OVB offers a large product portfolio, from promising investments to rather security-oriented capital investments. OVB advisors are thus in a position to compile offers suited to every investor's personal situation in life and risk propensity, capable of generating attractive returns at limited risk. Apart from that, OVB identifies considerable growth in products protecting against biometric risk such as death, invalidity, sickness or care dependency in many countries. And in addition to that, a rising number of investors attach value to sustainable investments in direct or indirect support of pursuing ecological or social goals. Investments in renewable energy for example, contributing to climate protection, are raising increasing client interest. OVB already offers a number of investment products from different providers that meet those requirements. The range of sustainable financial products is being gradually expanded.

OVB is certain that the demand for cross-thematic, competent and comprehensive personal advice on all kinds of financial matters is increasing: The product offering for private households is almost inscrutable and state support plans are hard to comprehend. In

addition to that, financial decisions once made must be routinely reviewed and adapted, if necessary, to changing needs and situations in life but also due to changing market forces.

The market for private risk protection and provision therefore continues to offer long-term market potential and sound opportunities for growth.

Business performance

OVB Group generated brokerage income in the amount of Euro 331.9 million in financial year 2022. This equals a 3.5 per cent increase over the prior-year amount of Euro 320.7 million. This positive development was driven for the most part by the Central and Eastern Europe segment.

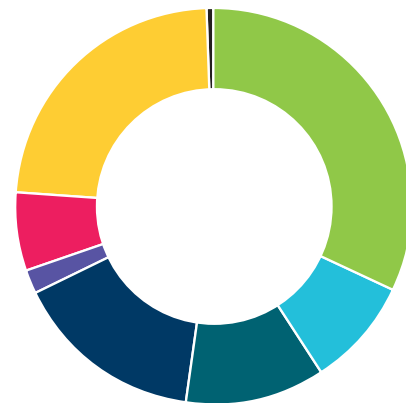
The number of supported clients rose 3.4 per cent from 4.13 million clients at the end of 2021 to 4.27 million clients as of the reporting date. The OVB sales force comprised 5,772 full-time financial advisors as of the reporting date (previous year: 5,603 financial advisors).

The structure of new business with respect to the type of brokered financial products reflects the focus of advisory services on basic protection for financial security, asset and financial risk protection, retirement provision as well as asset generation and wealth management. Unit-linked provision products remained most highly demanded by clients throughout Europe in 2022. This product group's share in the new business was 32.3 per cent (previous year: 33.3 per cent). Other provision products - including classic life and pension insurance policies and particularly products for the protection against biometric risks - amounted to 23.4 per cent of new business (previous year: 21.8 per cent). The brokerage of property, legal expenses and accident insurance was up as well, contributing altogether 15.5 per cent to new business (previous year: 14.1 per cent). The distribution of building society savings contracts/financing, at 11.6 per cent (previous year: 12.3 per cent) was down slightly, as was the brokerage of state-subsidized provision products at 8.7 per cent (previous year: 10.1 per cent). Investment funds come to an unchanged share of 6.3 per cent of new business. Health insurance with a share of 2.1 per cent (previous year: 2.0 per cent) and real property at unchanged 0.1 per cent complete the product portfolio.

Central and Eastern Europe segment

The Central and Eastern Europe segment comprises the national markets Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Ukraine and, since the third quarter of 2022, Slovenia. In financial year 2022, brokerage income went up altogether 10.5 per

Breakdown of new business 2022 (2021)



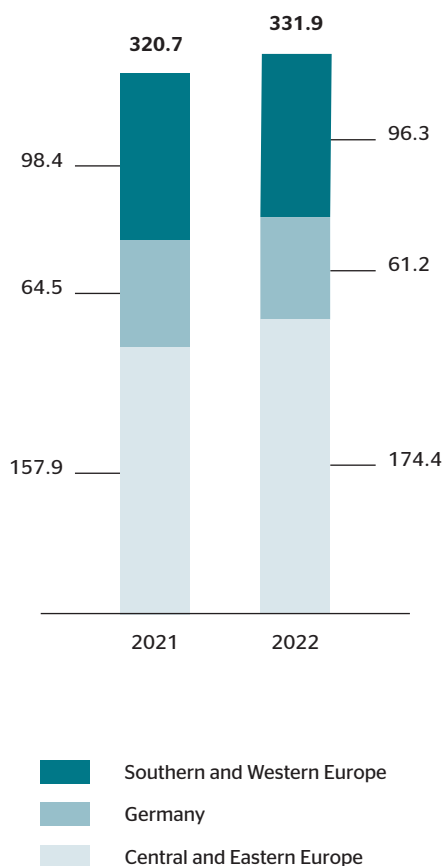
- Unit-linked provision products
32.3 % (33.3 %)
- State-subsidized provision products
8.7 % (10.1 %)
- Building society savings contracts/financing
11.6 % (12.3 %)
- Property, legal expenses and accident insurance
15.5 % (14.1 %)
- Health insurance
2.1 % (2.0 %)
- Investment funds
6.3 % (6.3 %)
- Other provision products
23.4 % (21.8 %)
- Real property
0.1 % (0.1 %)

cent from Euro 157.9 million to Euro 174.4 million in the year under review. A slight increase in brokerage income had been predicted in the 2021 combined management report.

3,461 financial advisors worked for OVB in the region at year-end 2022, equivalent to a 5.6 per cent increase over the number of 3,276 financial advisors at year-end 2021. They supported altogether 2.92 million clients (previous year: 2.82 million clients). The structure of new business reflects OVB's comprehensive advisory

Brokerage income by region

Euro million, figures rounded



approach: Product demand focused on unit-linked provision products at 32.5 per cent of the new business in 2022 (previous year: 31.9 per cent). Other provision products at 30.7 per cent (previous year: 30.4 per cent) also contributed considerably to new business. Apart from that, primarily property, legal expenses and accident insurance at a 16.5 per cent share (previous year: 14.9 per cent) and products in the category of building society savings contracts/financing at 11.3 per cent (previous year: 14.0 per cent) were concluded.

Germany segment

Brokerage income in the Germany segment came to Euro 61.2 million in financial year 2022 altogether,

after a prior-year amount of Euro 64.5 million. A slight increase in brokerage income had been predicted in the 2021 combined management report. The number of financial advisors went down 1.7 per cent from 1,240 to 1,219 financial advisors at the end of the reporting period. They supported 616,224 clients (previous year: 613,386 clients). New business was distributed among the product portfolio on offer as follows: Unit-linked provision products contributed 24.3 per cent (previous year: 27.5 per cent), followed by the product group building society savings contracts/financing, gaining considerably at 23.7 per cent (previous year: 15.8 per cent). Another 12.1 per cent share was accounted for by property, legal expenses and accident insurance (previous year: 12.8 per cent). State-subsidized provision products amounted to 11.8 per cent (previous year: 14.0 per cent), other provision products were good for 11.7 per cent (previous year: 13.9 per cent) and investment funds represented 11.0 per cent (previous year: 10.8 per cent) of new business.

Southern and Western Europe segment

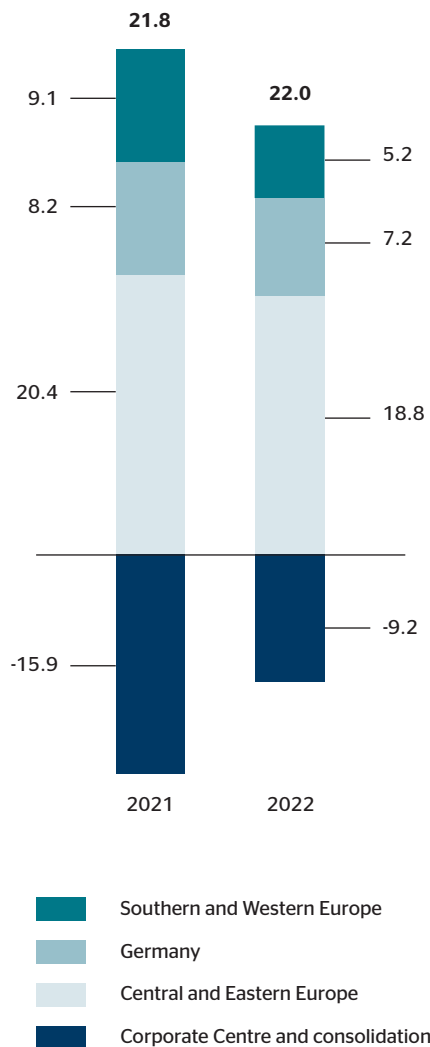
The Southern and Western Europe segment comprises the seven national markets Austria, Belgium, France, Greece, Italy, Spain and Switzerland. Brokerage income for the segment went down slightly from Euro 98.4 million to Euro 96.3 million. A slight increase in brokerage income had been predicted in the 2021 combined management report. OVB has 1,092 financial advisors in the region Southern and Western Europe (previous year: 1,087 financial advisors). They supported altogether 738,712 clients at the end of the financial year as compared to 700,606 clients one year before. With a 36.0 per cent share (previous year: 39.8 per cent), unit-linked provision products made the largest contribution to new business. State-subsidized provision products made up a share of 26.0 per cent (previous year: 26.9 per cent) and property, legal expenses and accident insurance accounted for 14.9 per cent (previous year: 13.2 per cent). Other provision products contributed 12.3 per cent (previous year: 8.8 per cent) to new business.

Profit/Loss, financial position and assets and liabilities of OVB Group

Profit/Loss

OVB Group recorded brokerage income of Euro 331.9 million in the 2022 financial year, after Euro 320.7 million in financial year 2021. This equals 3.5 per cent growth. In view of prevailing uncertainty in the macroeconomic development, OVB had predicted brokerage income in a bandwidth of Euro 315 million to Euro 330 million. Sales of Euro 331.9 million represent a historic record high for OVB for the third year in a row.

Earnings before interest and taxes (EBIT) by segment Euro million, figures rounded



Other operating income was up significantly by 36.6 per cent from Euro 11.0 million to Euro 15.0 million in 2022. Material factors for this positive development were increasing reimbursements by the sales force for professional training and expert workshops as well as higher amounts from the reversal of provisions and the reversal of valuation allowances.

Brokerage expenses gained insignificantly over the reporting period by 1.3 per cent from Euro 215.5 million to Euro 218.3 million. Personnel expense for the Group's employees was up 7.7 per cent from Euro 42.3 million in the previous year to Euro 45.6 million in the 2022 financial year due to the scheduled staff expansion as well as market-related salary adjustments.

Depreciation and amortization came to Euro 8.5 million compared to Euro 7.7 million in 2021, equivalent to a 9.8 per cent increase accounted for primarily by higher depreciation of tangible assets. Other operating expenses were expanded by 18.5 per cent from Euro 44.4 million to Euro 52.6 million. The reasons for that were cost increases due to inflation and the intensification of sales events and training activity.

OVB Group generated an operating result (EBIT) of Euro 22.0 million in 2022. The Company thus managed to improve the prior-year brokerage income of Euro 21.8 million slightly by 1.1 per cent. The EBIT of the Central and Eastern Europe segment went down 7.8 per cent from Euro 20.4 million to Euro 18.8 million due to other operating expenses. The operating result of the Germany segment lost 11.7 per cent from Euro 8.2 million to Euro 7.2 million, accounted for primarily by lower brokerage income. The Group generated an EBIT of Euro 5.2 million in the Southern and Western Europe segment. Compared to the previous year with an operating result of Euro 9.1 million, earnings were down 42.9 per cent, due to lower income as well as increased other operating expenses. In contrast to that, the negative operating result of Corporate Centre including consolidation effects was reduced significantly by 42.2 per cent from Euro 15.9 million to Euro 9.2 million. OVB Group's EBIT margin decreased slightly in the 2022 financial year, from 6.8 per cent to 6.6 per cent.

The financial result, recording a surplus of Euro 0.4 million in the previous year, came to Euro -0.6 million in the reporting period.

The reason for that is increased finance expense due to a decrease in fair value of securities and capital investments caused in turn by price losses on the still negatively affected stock market environment. Taxes on income went down from Euro 6.5 million to Euro 6.3 million.

Consolidated net income after non-controlling interests comes to Euro 14.7 million in financial year 2022. In the previous year, consolidated net income amounted to Euro 15.7 million. Earnings per share, based respectively on 14,251,314 no-par shares, went down accordingly from Euro 1.10 to Euro 1.03.

OVB Group's total comprehensive income reached Euro 14.7 million in the year under review, after Euro 15.9 million in the year before.

Financial position

The cash flow from operating activities was down Euro 18.0 million from Euro 33.4 million in the prior-year period of comparison to Euro 15.5 million in the reporting period. The decrease in cash flow is due primarily to the lower balance of commission received and commission paid compared to the previous year, higher expenses for workshops, competitions and events as well as higher salary payments. In addition to that, taxes on income were payable in the 2022 financial year in the amount of Euro 7.5 million compared to Euro 5.7 million in the 2021 financial year.

The cash flow from investing activities was up considerably in the year under review. Cash inflow came to Euro 6.4 million as compared to cash outflow of Euro 14.4 million in the previous year. OVB Holding AG entered payments from the disposal of securities and other short-term capital investments in the amount of Euro 26.7 million. This equals an 87.0 per cent increase compared to payments entered in the amount of Euro 14.3 million in the prior-year period of comparison. Capital expenditures for securities and other short-term capital investments, having amounted to Euro 22.5 million in the previous year, took place to a much smaller extent at Euro 16.0 million due to the volatile capital market environment for most of the year. Interest received in the financial year came to Euro 1.4 million compared to Euro 0.2 million in 2021.

Cash flow from financing activities showed cash outflow of Euro 15.4 million in the reporting period and cash outflow of Euro 17.0 million in the prior-year period. The deciding factor respectively was the due dividend payment of OVB Holding AG (Euro 12.8 million, previous year: Euro 14.3 million). In financial year 2021, this included an anniversary bonus of Euro 0.25 per share on the occasion of the Company's 50 years of existence. Apart from dividends, expenses were incurred for the repayment and interest components of lease liabilities from financing activities.

Assets and liabilities

The Group's total assets expanded from Euro 257.8 million at prior-year-end by Euro 3.3 million to Euro 261.1 million as of 31 December 2022. Non-current assets went down 3.9 per cent to Euro 35.6 million. The main

reason were diminished rights of use of leased assets over time. Current assets were up Euro 4.7 million to Euro 225.5 million after Euro 220.7 million as of the prior-year reporting date. While securities and other capital investments went down 23.0 per cent to Euro 41.8 million, cash and cash equivalents went up from Euro 74.6 million to Euro 80.6 million as of the reporting date. Trade receivables were increased by 11.6 per cent to Euro 46.8 million. The item receivables and other assets was up as well, to Euro 54.7 million compared to Euro 49.2 million as of 31 December, 2021.

The Company's equity amounted to Euro 93.5 million at year-end, compared to Euro 91.4 million as of the prior-year reporting date. The principal reason for this slight increase were retained earnings, up 7.7. per cent to Euro 25.9 million. The equity ratio was 35.8 per cent, after 35.4 per cent at the end of the previous year.

Non-current liabilities were reduced from Euro 12.8 million by Euro 1.8 million to Euro 11.0 million. Reasons were the decrease in other liabilities to Euro 8.2 million as of the reporting date compared to Euro 9.2 million as of the prior-year cutoff date and the reduction of provisions by Euro 0.7 million to Euro 1.8 million. There are still no liabilities to banks.

In contrast to that, current liabilities, serving primarily the financing of business operations, gained slightly, from Euro 153.7 million as of 31 December 2021 by 1.9 per cent to Euro 156.6 million.

While other provisions went down from Euro 70.5 million to Euro 67.9 million, trade payables went up 11.9 per cent to Euro 24.6 million. In addition to that, other liabilities increased by Euro 3.7 million to Euro 61.9 million.

Comparison between forecast and actual development

In the 2021 combined management report of OVB Holding AG, the Executive Board had predicted brokerage income in a bandwidth of Euro 315 million to Euro 330 million on 23 March 2022 for the 2022 financial year under the proviso of existing uncertainty in the macro-economic development. An increase to a level between Euro 22 million and Euro 25 million had been expected for the operating result. Respective forecasts were affirmed in the following consolidated interim financial reports.

In financial year 2022, OVB Holding AG recorded an increase in brokerage income from Euro 320.7 million by 3.5 per cent to Euro 331.9 million, thus exceeding its sales forecast insignificantly. With a slight increase in operating result (EBIT) from Euro 21.8 million to Euro 22.0 million, OVB has met its expectations and comes to the lower end of the announced forecast margin.

The Executive Board did not release sales and earnings forecasts for individual segments in the course of the year. However, statements on the segments were made in the 2021 combined management report. For the region Central and Eastern Europe, a slight increase in operating income and a slight increase in operating result over the previous year was expected. In fact, brokerage income was up significantly by 10.5 per cent to Euro 174.4 million.

In contrast to that, the operating result went down from Euro 20.4 million to Euro 18.8 million. For the performance in the region Germany, a slight increase in brokerage income and a stable performance of the operating result were predicted. Brokerage income dropped from Euro 64.5 million to Euro 61.2 million and the operating result of the Germany segment was decreased from Euro 8.2 million by 11.7 per cent to Euro 7.2 million. For Southern and Western Europe, the Executive Board had forecast a slight increase in broker-

age income and a slight increase in operating result. This expectation was not met, at a decrease in brokerage income from Euro 98.4 million to Euro 96.3 million and a decrease in operating result from Euro 9.1 million to Euro 5.2 million. For the development of Corporate Centre, a stable operating loss had been anticipated. However, the operating loss including consolidation effects was reduced significantly from Euro 15.9 million by 41.2 per cent to Euro 9.3 million.

Profit/Loss, financial position and assets and liabilities of OVB Holding AG

As the management holding company, OVB Holding AG is at the top of OVB Group. It directly and indirectly holds the shares in the entities that are part of OVB Group and performs a range of tasks for the Group involving planning, management accounting, communication, marketing, IT, compliance and risk management.

The separate financial statements of OVB Holding AG have been prepared in accordance with the provisions of the German Commercial Code (HGB) in consideration of the supplementary provisions of the German Stock Corporation Act (AktG). Provisions for large corporations apply.

Profit/loss

EUR'000	2022	2021
Sales	20,636	13,675
Income from investments (in affiliated companies)	21,739	22,014
Profits received under a profit-and-loss transfer agreement	6,553	7,941
Net income	14,912	13,830

Profit/Loss of OVB Holding AG as the Group's holding company is essentially determined by profits from the holdings.

OVB Holding AG generated investment income in the total amount of Euro 21.7 million in the year under review (previous year: Euro 22.0 million). The profit

received from German subsidiary OVB Vermögensberatung AG under profit-and-loss transfer agreement amounted to Euro 6.6 million in the year under review (previous year: Euro 7.9 million). Personnel expense for the holding company's 110 employees on average (previous year: 108 employees) increased over the reporting period from Euro 11.2 million to Euro 12.6 million.

Assets and liabilities and financial position

EUR'000	31/12/2022	31/12/2021
Non-current assets	37,452	35,549
Current assets	56,497	58,669
Equity	86,775	84,689
Provisions	5,509	8,488
Liabilities	1,665	1,041
Total assets	93,950	94,219

Earnings after taxes of OVB Holding AG and net income amounted to Euro 14.9 million in financial year 2022 (previous year: Euro 13.8 million).

Total assets of OVB Holding AG went down from Euro 94.2 million at the end of financial year 2021 to Euro 93.9 million at the end of the year under review.

The assets of OVB Holding AG essentially comprise shares in and receivables from affiliated companies predominantly refinanced by equity. The asset structure is virtually unchanged from the previous year. The item »receivables from affiliated companies« essentially includes dividend claims and receivables from ongoing clearing transactions.

The capital structure of OVB Holding AG is characterized by a solid equity base: The Company's equity amounted to Euro 86.8 million at year-end 2022 (previous year: Euro 84.7 million). The Company's equity ratio went up insignificantly from 89.9 per cent to 92.4 per cent.

Liquidity and dividend

As of the reporting date, the Company has liquid assets of Euro 14.9 million at its disposal (previous year: Euro 8.7 million). The increase in liquid assets results essentially from the disposal of securities in favour of higher-interest fixed-term deposits. In the year 2022, a dividend of Euro 0.90 per share was paid out for financial year 2021 (total volume: Euro 12.8 million).

Dividend payments are made depending on the Company's financial position and profitability. Executive Board and Supervisory Board of OVB Holding AG will propose to the General Meeting of Shareholders on 14 June 2023 to distribute a dividend of Euro 0.90 for financial year 2022. As of 31 December 2022, altogether 14,251,314 shares were entitled to dividend. Provided the resolution is adopted by the General

Meeting as proposed, the dividend pay-out of OVB Holding AG for financial year 2022 will amount to Euro 12.8 million.

Comparison between forecast and actual development

Subject to stable investment income and a slightly improved financial result and operating result of Corporate Centre, the Executive Board of OVB Holding AG had predicted slightly improved earnings after taxes. Earnings after taxes went up 7.6 per cent from Euro 13.8 million to Euro 14.9 million. In contrast to that, the financial result was reduced from Euro 29.6 million to Euro 26.1 million at an almost stable development of the subsidiaries of OVB Holding AG due to price developments in the markets. The operating result was increased significantly from Euro -15.7 million to Euro -11.3 million, due primarily to higher cost charges transferred to the subsidiaries.

Report on opportunities and risks

Opportunity management

OVB's corporate culture places great importance on entrepreneurially-minded thinking and acting. OVB's self-employed financial advisors consider themselves entrepreneurs in particular. Continuously seeking and seizing business opportunities is therefore taken for granted by all of OVB's financial advisors and employees, regardless of their respective area and scope of responsibility. OVB Group's entities are all required to identify opportunities and to exploit them with the goal of achieving an above-target performance of earnings if possible. Such opportunities may arise e.g. in the context of brokerage activity or due to improved market conditions. OVB Holding AG identifies strategic objectives. They are evaluated and measures are developed for achieving them. Then the various departments and

interface managers identify, analyze and control the material opportunities and risks for the future business performance as recognized in the course of business and the ongoing exchange with the sales subsidiaries and report them to the Executive Board of OVB Holding AG.

Moreover, it is the responsibility of the Executive Board of OVB Holding AG to routinely discuss strategic opportunities – in collaboration with the Supervisory Board in many cases – and to take appropriate action for seizing such opportunities.

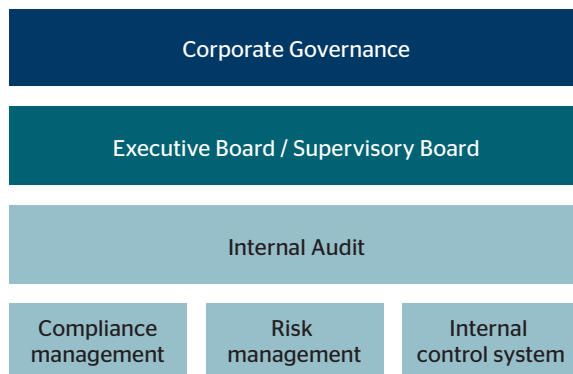
Principles and goals of risk management

Entrepreneurial activity is inconceivable without taking risks. For OVB, risk means the threat of possible losses or missed profits.

Such exposure can be caused by internal or external factors. Arising risks are meant to be detected as soon as possible in order to allow for a swift and adequate response.

The objectives of risk management are the continuous advancement of the implemented early warning system, systematic consideration of existing and potential risks and the promotion of risk-oriented thinking and acting within the entire organization, and thus a deliberate risk-taking policy based on the comprehensive knowledge of risks and risk connections. OVB pays attention to keeping a balanced ratio between opportunities and risks.

In order to mitigate risks in the best possible way, OVB aims at the integration of different corporate governance functions within the Group. Among those are compliance management, internal control system, Internal Audit and risk management.



Risk management reconciles the entirety of principles, processes and defined measures for safeguarding a structured management of risks – in the sense of positive (opportunities) and negative (risks) target deviation. Cooperation with the functions presented in the chart above is ensured by the Governance, Risk & Compliance (GRC) Committee. The required regulatory framework was defined by the Executive Board of OVB Holding AG in the Committee’s rules of procedure. In addition to giving support to the Executive Board in its management tasks, among the essential objectives pursued by the GRC Committee are the exchange of risk-relevant information, the creation of consistent risk awareness and the synchronized coordination of GRC and control activity.

Structure and process of risk management

The organization of risk management, the methods applied and the processes implemented are put down in writing in the risk management manual of OVB Holding AG. This manual is available to all employees who assume responsibility in this field.

Generally speaking, the risk management system consists of three components:

- Early risk detection system
- Internal monitoring system
- Management accounting system

Standardized risk management processes ensure that Executive Board and Supervisory Board are informed in a structured way and in good time about the Group’s current risk position.

The Executive Board of OVB Holding AG is responsible for directing the corporate strategy. In collaboration with the management teams of the subsidiaries, the Executive Board determines the Europe-wide strategy for business operations and the risk strategy derived from that.

All operating subsidiaries are obligated to implement and continually review an adequate risk management system based on directives defined by the Group. Early warning indicators are defined and continuously monitored.

As one of the essential components of risk management, the system for early risk detection, subject to constant adjustment to new developments, aggregates identified individual risks into risk categories and assigns each risk to a risk management officer.

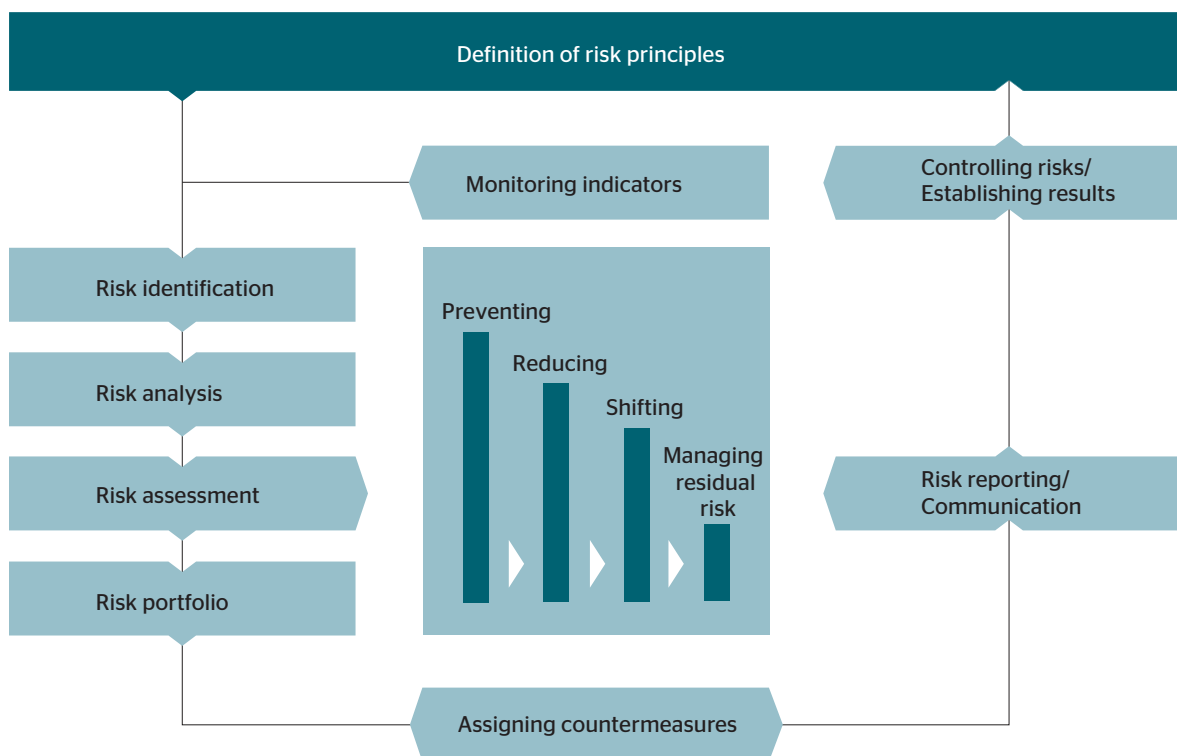
Material risks are identified by the respective risk officer of the business divisions or rather by the decentralized risk officers of the operating subsidiaries and quantified in annual risk inventory processes. Risk mitigating measures are considered and documented within the scope of risk inventory and reported to the Chief Risk Officer.

Apart from the direct exchange of information between the Chief Risk Officer and the Executive Board, standardized risk reports are delivered to the Executive Board and the Supervisory Board, explaining OVB's current risk position. Thresholds and reporting protocols have been defined within the framework of risk reporting. Risk

analyses are conducted initially at the level of the subsidiaries and the individual areas of responsibility. Routine reporting of the various divisions of OVB Holding AG and the subsidiaries is condensed to Group-wide, ongoing and, if necessary, immediate reporting to the Executive Board and the Supervisory Board by the holding company's Chief Risk Officer.

At the core of the Group's risk report is the »Group risk cockpit« where the material risks of the operating subsidiaries are presented and aggregated into risks at Group level.

OVB risk management process



Group-wide consultations and regular coordination with the executives of the sales force complement this early warning system. In addition to that, the holding company's Chief Risk Officer is also informed directly by way of ad hoc risk notifications in cases of urgency outside the usual reporting channels.

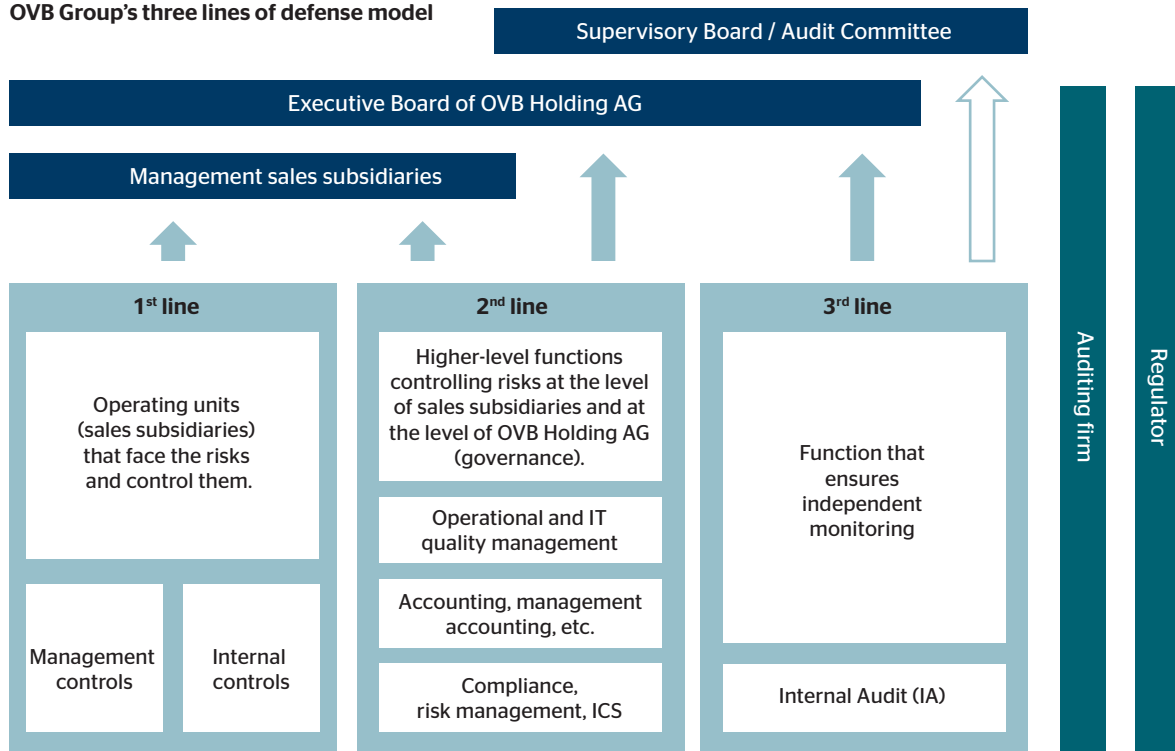
Within the framework of corporate planning, OVB assesses the potential risks before material business decisions are made while reporting allows for an adequate monitoring of such risks in the context of business activity.

An efficient management accounting process supports the early detection of going-concern risks.

Further elements of the risk management system (RMS) and the internal control system are Internal Audit and compliance management, assuming monitoring and control functions throughout the Group.

As a model for the organization of risk or compliance management, OVB applies the »three lines of defense model« (TLoD). The multi-level deployment of control measures results in an effective mitigation of risks by utilizing a process of three consecutive control levels, or lines of defense, after which a manageable residual risk remains for the Company.

OVB Group's three lines of defense model



Controls on the first and second line of defense are conducted at the level of the sales subsidiaries. Their management teams are responsible for compliance with internal (Group guidelines and ICS) and external provisions (regulatory framework). For safeguarding effectiveness, suitable control measures (e.g. the four eyes principle) have been established. »Owning« the risk, functions of the first line of defense are responsible for assessing, controlling, monitoring and reducing risks.

The second line of defense determines specific Group-wide guidelines and thus defines minimum requirements for systems and processes (governance) to be applied on the first line of defense.

In addition to that, the second line defines the framework for cooperation within the consolidated entities

and formulates Group-wide guidelines for the organization of the internal control system (ICS), the risk management system (RMS) and the compliance management system (CMS) - for example through a binding Group guidelines catalog or process requirements. The specific form of governance is risk-oriented and at the discretion of the Executive Board of OVB Holding AG.

Management's responsibility for achieving the above objectives includes both first and second line functions. The close integration of ICS, RMS and CMS is intended to ensure the highest possible degree of effectiveness for the avoidance and management of risks.

The primary objectives of the CMS are to prevent or minimize risks arising from non-compliance with applicable law and internal requirements and process-

es through preventive measures and also to monitor risks, observe compliance-relevant requirements and laws and report to the Executive Board. Supplemented by the RMS and ICS, this includes the definition of methods and procedures for compliance and risk management and the requirements controlled by the ICS through guidelines and directives, as well as the monitoring of risks, observing compliance-relevant requirements and statutory provisions, and reporting to the Executive Board.

Responsibility for compliance with these requirements on the first and second line of defense rests with the operating entities. In addition to the performance of these functions at the level of the sales subsidiaries by the local business units, the central departments of OVB Holding AG provide support on an ad hoc basis and perform second-line controls if necessary.

The third line is represented by Internal Audit, which acts as an objective and independent auditing and advisory body. It monitors the regularity, security, adequacy and effectiveness of the processes and controls specified in the ICS as well as the RMS and CMS by means of risk-oriented audits. It supports the Executive Board and the management teams in the performance of their monitoring function and reports directly to the Executive Board of OVB Holding AG as well as periodically to the Supervisory Board/Audit Committee. Internal Audit is also regularly subjected to an external quality audit, most recently completed successfully in 2018.

With the governance, risk and compliance approach described above, the Executive Board of OVB Holding AG has created and implemented a control framework aimed at an appropriate and effective ICS and RMS.

Based on its involvement with the ICS and RMS and the reporting by Internal Audit, the Executive Board is not aware of any circumstances that speak against the adequacy and effectiveness of these systems.

Ensuring adequacy and effectiveness of risk management

A risk management system has been established at OVB, the adequacy of which is contributed to, among other things, by a risk catalog, which at the same time represents the risk inventory of OVB Group, and the risk management manual of OVB Group. The risk catalog includes risks of all business units of OVB.

The manual represents the set of rules for risk management within the Group and includes, among other things, Group-wide requirements for risk assessment and risk communication. In the course of routine risk inventory, risk mitigating measures are reviewed in the departments of OVB Holding AG and in the consolidated entities. The decentralized risk officers are required to update the measures taken on a regular basis and subsequently perform an individual assessment of the risks. After that, the risks are consolidated at Group level.

The measures specified by the decentralized risk officers are subject to regular random effectiveness reviews by the central risk management department. Design and implementation of the measures are reviewed in dialog with the decentralized risk officers to ensure the effectiveness of the risk management system.

Development of risk management

Constant advancement of the risk management system is a key prerequisite to the option of a timely response to changing general conditions of potential direct or indirect impact on the assets and liabilities, financial position and profit/loss of OVB Holding AG.

An ongoing exchange of information with the decentralized risk officers assures that any new findings will be incorporated into risk management, thus safeguarding its advancement. Moreover, various meetings were held in the year under review 2022 for an exchange of central and decentralized risk management during which the information flow among decentralized risk officers was further promoted.

In addition to that, training measures are an essential element for constantly updating the expertise of the staff involved in these processes.

Risk management of OVB Holding AG is subject to annual reviews conducted by Internal Audit. Audit reviews contribute to monitoring the risk management system and produce insight based on which quality is improved and the development of risk management processes is further advanced. Apart from risk inventory, all measures for the early detection, management and control of risks were analyzed, adjusted and enhanced in response to internal and external developments within the scope of the annual review conducted in 2022.

The adjustments made to risk management in 2021 in line with the updated regulatory requirements were further developed in the year under review 2022. The focus here was on reviewing the effectiveness of risk management measures implemented in the Group to reduce high gross risks (i.e. risks that arise if no measures are taken by the Company) to viable net risks (i.e. the residual risks that arise if suitable measures are taken). This has further sharpened OVB Group's risk profile. The adjusted processes were further developed and documented in accordance with the requirements of Section 91 (2) and (3) AktG (Stock Corporation Act).

The internal control system

The internal control system (ICS) comprises the principles, methods and measures for ensuring the effectiveness and economic efficiency of business activity, correctness of business processes and compliance with the applicable legal provisions. For this purpose, OVB has integrated the internationally established 3 lines of defense model into its business processes, according to which control measures are implemented on three lines in the Group in order to mitigate process risks. Among the lines of defense is OVB's Internal Audit, assuming the function of the third line.

OVB's ICS represents the entirety of controls. It is based on the OVB Group guidelines catalog.

This catalog comprises the integrated set of rules for the control points it contains and is handed down from the Executive Board to the operating divisions and subsidiaries.

Key features of the internal control system:

- clear management and corporate structure: OVB Holding AG provides the centralized management of inter-divisional key functions while the Group's individual entities maintain a large degree of autonomy
- proper separation of functions and observance of the four-eyes principle as basic principles
- adequate provision of capacity as well as the use of software applications in consideration of statutory and in-house provisions as the basis of correct, consistent and continuous business processes
- clear separation and assignment of responsibilities with respect to areas materially involved in financial accounting, namely Local Accounting, Tax, Financial and Group Accounting, Group Management Account-

ing as well as in the operating divisions through defined schedules of responsibilities and rules of procedure

- protection against unauthorized access to IT systems in use
- utilization of standard software in the financial systems involved
- adequate Group guidance system (e.g. Group manual, manuals on ICS / risk management / compliance management at OVB Group, payment guidelines, project management guidelines, loan and travel costs guidelines, code of conduct, etc.) with integrated ICS-relevant control points, subject to constant updates
- Focus issue »ICS with respect to financial accounting«
 - ±adequate equipment in response to the requirements of all departments and divisions involved in the financial accounting process
 - ±clearly defined workflows as well as documentation and tracking of all matters subject to accounting for the purpose of complete financial reporting reviewed for correctness
 - ±ensuring that accounting records are checked for mathematical and factual correctness; payment runs shall observe the four-eyes principle
- established monitoring committees (e.g. the Supervisory Board's Audit Committee) as well as internal monitoring functions of corporate governance (e.g. risk management, compliance management, Internal Audit)
- systematic, risk-oriented and scheduled check and evaluation of adequacy and effectiveness of the ICS set up throughout the business divisions by process-independent Internal Audit
- routine external certification of Internal Audit according to audit standard no. 3 of the DIIR (German Institute of Internal Auditors)

The internal control system is intended to ensure particularly with respect to financial accounting that business matters and transactions are correctly recorded, processed, evaluated and transferred to financial accounting. Apart from that, other material business processes are included in the ICS as well through the

Group's guidelines system and the mitigation of risks is covered through control measures of the operating divisions.

It is thus ensured in the individual case that business transactions are recorded, processed and documented in compliance with statutory regulations, the Articles of Association and internal guidelines, and that they are entered correctly and promptly in financial reporting. It is ensured at the same time that assets and liabilities are correctly recognized, reported and measured in the separate financial statements and the consolidated financial statements and that dependable and relevant information is completely and promptly made available as a basis for entrepreneurial decision-making.

Like all other divisions and functions of OVB Group, the internal control system is subject to an ongoing review and development process. Influencing factors are regulatory requirements and not least OVB's own requirements for its ICS. Against this backdrop, constant revisions and amendments of the ICS are carried out.

Presentation of opportunities and risks in detail

The following is a description of opportunities and risks that could have material beneficial or adverse effects on OVB's assets and liabilities, financial position and profit/loss. The order of the risks described is based on the respective degree of materiality for OVB Group as derived from the risk inventory conducted in 2022. Please refer to section 4.5 of the notes to the consolidated financial statements, »Objectives and methods of financial risk management«, for additional quantitative information relating to financial instruments in accordance with IFRS 7.

Industry-specific and regulatory opportunities and risks

OVB faces industry-specific opportunities and risks particularly in connection with changes in the markets for pension provision, health care, investments and financing. Tax and socio-political conditions, developments in the capital market and a host of new regulatory requirements all influence OVB's business. At the same time, OVB regards such adjustments of the general conditions also as an opportunity to keep improving the quality of its services. The challenges brought about by Regulation (EU) 2016/97 (Insurance Distribution Directive, IDD) and MiFID II Directive 2014/65/EU governing markets in financial instruments were identified and implemented early on.

After the topic of a »commission ban« failed to gain acceptance at European and national level in recent years, the European Commission is currently debating a Europe-wide commission ban, which could result in a draft regulation as early as the first quarter of 2023.

European interest groups are currently taking a joint stand against a possible ban on commissions as this would be detrimental to the objectives of the Capital Markets Union and the interests of small investors due to the threat of an advisory gap. If and to what extent a commission ban will be adopted at EU level and implemented in the member states is not clear at the time of the preparation of this management report. However, OVB is already in close contact with industry associations and is also internally analyzing different scenarios of possible responses to a commission ban.

The regulations of the European Union already specify a uniform level of requirements for the brokerage of insurance and financial products in the EU. In addition to promoting market integration, the objective is to strengthen consumer protection. The increasing number of court rulings on violations of the latest regulations POG, MiFID II, IDD and GDPR in the European insurance environment have led to a consistent need to adapt the requirements for OVB. In addition to these already implemented EU directives, further directives will be issued in the coming years especially regarding sustainability and climate protection, which will also have to be adapted by OVB. Several provisions such as the SFDR (Sustainable Finance Disclosure Regulation - EU 2019/2088), in short: the Disclosure Regulation, and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, the so-called EU Taxonomy Regulation, are subject to consideration for the 2022 financial statements already.

Of particular relevance to OVB is the implementation of EU regulation by the member states concerning rules of conduct, transparency provisions and professional training requirements. While this process may result in different national solutions in individual cases, uniform Group-wide, technically supported solutions safeguard adequate implementation. Standardized processes aid the financial advisors in their daily work and provide space for comprehensive and targeted advice. OVB has a Group-wide compliance management system, created for compliance with regulatory requirements among other objectives, aiming at adequate compliance with

all regulatory requirements in an ongoing process. OVB considers these requirements also an opportunity for constant improvement.

Generally speaking, an intensifying regulation of the financial services market cannot be ruled out as the European regulations stipulate evaluation assignments. Improving investor protection by raising the bar for transparency, client information and advisory service documentation requirements can safely be expected. Not least the obligation to disclose costs and commission amounts represents a new aspect relevant to classic commission-based advisory service as well.

In this current environment, OVB constantly monitors and analyzes the national and European political decision-making processes in order to be able to evaluate the effects on its business model and the strategic positioning in the national markets early on.

OVB acts on the assumption that it will fulfill increasing regulatory requirements in a better and more efficient way than smaller market participants due to its broad European positioning, the many years of experience of its employees and its pronounced financial strength.

Compliance risk

As already explained, compliance risks are increasing in OVB's business environment due to regulatory requirements at national and international level, which means that OVB's compliance management system has to be continuously developed and adapted.

Furthermore, training and licensing requirements have steadily increased over the years, which also triggers training, management and monitoring activities at OVB. The closer cooperation between OVB and its full-time financial advisors due to regulation may restrict the freedom and independence of the full-time financial advisors which in turn might result in risks of »bogus self-employment« under tax and social insurance law. The criteria under tax and social security law for classification as self-employed or employed advisor are not uniformly regulated even within the European Union and require a country-specific assessment. OVB counters these risks with constant monitoring by the internal corporate governance functions and with the support of external specialists.

In order to mitigate compliance risks, it must be ensured that the control environment established within the framework of the internal control system and rolled out

across the board by means of Group guidelines is implemented and enforced. In the year 2022, OVB has once again expanded the capacity of corporate governance functions entrusted with this task.

IT risks and opportunities

IT risks such as IT compliance and IT security or the provision of a high-performance IT infrastructure suited to all requirements are increasingly being controlled in a centralized process by OVB Holding AG. Necessary investments in the target architecture are an ongoing task in order to advance the Company's business. The realization of complex IT projects on time and at target cost represents challenges.

Key components of secure operation of the Group's IT systems are: geo-redundant distribution of the active data centers, redundant internet uplinks through several providers, UTM (Unified Threat Management) firewalls with activated IPS (Intrusion Prevention System) and restrictive rules, redundant NetApp-based storage for all virtual servers and productive databases, daily or hourly backups of productive databases, redundant applications wherever possible, weekly and, if necessary, immediate patching, extensive monitoring, on-call support for faults, state-of-the-art monitoring, and screening of servers and clients.

The IT systems are protected by special access and authorization concepts as well as effective and continually updated anti-virus software. At the level of applications, OVB utilizes standard software from reputable providers, supplemented by proprietary Group-specific developments subject to continuous quality control. With the Europe-wide implementation of the administration and management system »my OVB«, OVB has completed the homogenization of this IT core functionality at all entities. Furthermore, OVB has kept pushing the Europe-wide implementation of the CRM software »OVB Easy« in the 2022 financial year. Quality control provided by OVB Holding AG plays an important part here as it makes sure that IT software is put to use only if all in-house assessments have greenlighted its utilization. Potential for improvement identified in this process has been considered for the ongoing roll-out.

The risk of cyberattacks has generally gone up considerably over the past years. According to the media, not only the number of attacks on companies is increasing but also their »quality«. OVB must keep expecting professional cyberattacks, trying to spy on OVB data and processes in order to cause financial or reputational

damage. Apart from »classic« cyberattacks via active directory, ransomware, phishing or MFA attacks on OVB's local IT infrastructure, these include in particular attacks on critical infrastructures of the countries in which OVB operates. Large-scale power failures or internet outages may be the consequence, which may also affect OVB's distributional and operational capabilities. Regular disaster recovery tests and the documentation of measures to be taken in cases of emergency are intended to help respond to such risk occurrence scenarios (e.g. attacks or blackout scenarios). In response to those threats, OVB appointed a Chief Information Security Officer in 2018 who responds to ever new challenges to the protection of OVB's data. OVB also applies preventive measures for protection based on hardware and software for the best possible protection against these increasing risks. Moreover, OVB took out a cyber insurance policy in the year 2019 already for mitigating the financial impact of any potential risk occurrence.

The IT support tools developed in the course of the COVID-19 pandemic continue to make an important contribution to maintaining OVB's operational capability and distribution activities. OVB ensured the location-independent execution of administration and distribution-related business processes at all sales subsidiaries at an early stage.

As a consequence, OVB was and is in a position to offer the consulting and distribution-related activities to the client through a wide range of communication channels. This IT support - mainly in the form of video conferencing and extensive provision of digital signatures - has worked smoothly and without restrictions since its implementation and continues to be used intensively by sales force and office staff even after the pandemic phase of COVID-19.

This form of IT support is in line with our strategic IT core projects and is being continued.

The importance of IT for operational and sales capability has grown. As a result, IT risks have increased as well. OVB makes far-reaching efforts to mitigate these risks by selecting market-leading standard software, implementing quality assurance measures for the Group's specific in-house developments, intensive monitoring of functionality, and providing first and second level support for distribution and back office.

At the same time, the use of above-mentioned instruments and means also opens IT opportunities. OVB generates an increasing degree of digitalization and thus efficiency in its business processes. Furthermore, this

provides opportunities through a flexibilization of the workplace and also an increased appeal for the existing staff, new employees, and clients.

Macroeconomic opportunities and risks

OVB's business environment is affected by changes in the economic and political framework.

After economic restrictions caused by the COVID-19 pandemic have largely been lifted by legislators in the various countries, an initially predicted post-pandemic recovery of the economy has so far failed to materialize due to the war in Ukraine. Instead, high energy prices in connection with supply chain issues have led to inflation and recession.

Generally speaking, it can be stated that declining real incomes of private households also reduce their resources for private financial provision and risk protection. The turnaround in interest rates driven by the European Central Bank leads, among other things, to declining stock markets in some cases, which also affects the financial products distributed by OVB. The sales subsidiaries are in close contact with the product partners and the specialist departments of OVB Holding AG in order to push ahead with adjustments to the changed economic and general conditions.

The effects of unemployment as well as energy shortage and price increases and corresponding lower income of individual households may affect the contract and client portfolio in the future.

OVB observes the political, regulatory and economic developments in the markets it operates in and utilizes external market analyses and the know-how of external experts and analysts in order to review the strategic and operational orientation in view of such developments. This also applies for the opportunities and risks involved in the development of new markets.

OVB's plans for further expansion depend on orderly political and legal conditions prevailing in the respective country and on an economic environment that gives rise to expectations that OVB will be able to profitably forge ahead with its business activities within a timeframe that appears reasonable given the respective market conditions.

In view of the specific risks associated with the economic development, the broad regional positioning of OVB Group within Europe enables to compensate market risks and downturns in individual countries with opportunities in other markets, plus a broad client base gener-

ally help mitigate risks. Accordingly, the dependence of the Group's business performance on individual national markets has been reduced over the past years.

At the same time, OVB's international orientation opens opportunities to benefit from particularly favorable developments in individual markets. The diversification of business activities across highly varied products designed to facilitate basic protection, asset and financial risk protection as well as retirement provision, asset generation and wealth management, tailored to the respective situation in the relevant markets, also helps offset risks at least in certain sub-segments.

Opportunities and risks due to the development of company-specific factors of value

Company-specific factors of value for the business success of OVB Group's entities are the expansion of the sales organization, the development of the number of clients and the structure and quality of the advisory and brokerage business.

OVB focuses on providing advice and support primarily to private households with average to higher income in all the national markets in which it operates. Winning new clients and maintaining long-term client relationships are essential factors of success.

The incomes and consumer demand of private households in Europe were affected by the war in Ukraine and the resulting change in the economic situation across all of Europe in 2022. Even though OVB succeeded in continuing the growth in brokerage income in 2022, the beginning turnaround of interest rates together with the emerging inflation may lead to a decline in economic development, declining stock and bond markets and, as a consequence, to decreasing income and margins if clients have fewer financial resources at their disposal for asset generation, wealth management and asset protection in the future.

Generally speaking, however, OVB sees demand for OVB's services and thus sufficient potential for new business in all countries in which OVB's consolidated entities operate due to the continuing need for personal provision and especially in view of the demographic development. Adjustments to the changed economic and general conditions were initiated by sales management and product management together with the product providers, allowing for an early response to the dynamic situation. The effects of positive or negative developments are analyzed by management on an ongoing basis.

The continuous development of the sales force and the long-term commitment of a sufficient number of motivated and competent financial advisors are further factors for OVB's business success and future growth. The development of the basis of financial advisors, the acquisition of new advisors as well as the total number of financial advisors, is the subject of periodic reporting.

Even though OVB is increasingly exposed to aggressive poaching attempts by competitors focusing on OVB's well-trained and licensed financial advisors, a possible fluctuation of financial advisors in a consolidating industry poses both opportunities and risks. Based on its many years of experience, OVB sees itself in a position to counteract a possible turnover of financial advisors as well as to recruit new financial advisors. The advantages include e.g. a transparent contract structure, a competitive commission model for sales and international career opportunities.

At the same time, the consolidated entities place great emphasis on the continuous professional training and further education of their financial advisors.

One material risk in network marketing is the risk of network loss. In the case that entire networks decide not to work for OVB anymore, there is an increased risk that high sales contributions will no longer be generated. The risk of network loss increases particularly if financial advisors are dissatisfied with processes or commission payments. OVB monitors the risk of network loss within the operating subsidiaries and counters any emerging risks with targeted measures.

OVB has a broad portfolio of high-capacity product partners.

Financial products of more than 100 insurance companies, investment trusts, building societies and banks are brokered. On this basis it is possible to choose and realize product offerings and concepts suited to the demands of the individual client.

Risks connected to the selection of products are limited by working together with reputable and internationally experienced product providers based on partnerships with a long-term horizon and by involving external analyses.

By elaborate monitoring of the market, OVB identifies client demands and market trends, to be responded to in collaboration with the product partners with competitive

products tailored to the clients' wishes. In an ongoing dialogue with its partners, OVB assures the quality and competitiveness of the product portfolio throughout Europe.

Risks from a diminishing appeal of the products are met by OVB through a continuous review of client feedback and countered by launching targeted measures at the level of the operating subsidiaries and the expert departments of OVB Holding AG in collaboration with the product partners.

The close cooperation throughout all levels and the constant monitoring of the market also generates opportunities in this regard.

OVB is thus capable of responding swiftly to market developments and providing suitable products to the financial advisors. Based on the exchange with the financial advisors, their experiences and suggestions for improvement and the expansion of the product portfolio and corresponding service performances are used by committees established for that purpose. A decrease in sales of individual products can at least partially be compensated by OVB through the sale of other products.

An essential cornerstone of OVB's corporate strategy is the premium-select strategy. Working especially close together with high-capacity product partners offers OVB the opportunity to gain market shares based on its competitive edge.

Risks in recruiting and HR management

Recruiting measures are constantly being pushed forward in Sales. Leadership skills of financial advisors are strengthened by a Europe-wide training system. The development of people management must also be observed constantly with respect to office staff and sales force in order to be able to counteract the risk of fluctuation and undesirable developments concerning the workforce structure as well as personnel expense.

Above-mentioned risks due to the macroeconomic situation and its influence on the real income of households also include opportunities for OVB as employees can take up work as financial advisors for OVB on a part-time basis, either due to unemployment or in addition to their actual occupation. Corresponding information campaigns are already being developed and implemented at the level of the sales subsidiaries.

Some of the older operating subsidiaries have a high proportion of personnel cost and a high average age. People Management are a key asset for OVB for keeping up its successful business operations in the market.

The grooming and development of the office staff and the sales force and their professional training are a key prerequisite to OVB's growth. Increased outsourcing increases the risk of dependencies. At OVB, there are some cases of dependency in key positions on external as well as individual in-house employees within the Group.

Reputational opportunities and risks

Reputational risk arises from a loss of reputation either of the entire industry, of OVB itself, or of one or several of its operating segments, for example among clients, business partners or in the public eye. Advising on financial products and their brokerage are activities subject to critical public scrutiny on a case-by-case basis.

As already mentioned, the turnaround in interest rates pushed forward by the European Central Bank leads, among other things, in part to declining stock markets, which also affects the financial products sold by OVB. Non-performing financial products can also lead to damage to the Company's reputation.

OVB is particularly exposed to the risk that the public's trust in the Company might be negatively affected e.g. by claims against financial advisors based on incorrect or allegedly incorrect advice or concerning products distributed by them and corresponding media coverage.

Apart from that, even by providing strict internal guidance and standards, human misconduct can never be completely ruled out. OVB follows and analyzes any such cases with the aim of taking preventive action to halt any damage to the Company's reputation even before it arises.

Professional training standards are compliant with or even go beyond statutory requirements and are constantly being advanced and adjusted to a changing legal framework. Documentation of counselling interviews and strict selection criteria for accepting new product providers and new products support this goal.

Reputational damage impedes recruiting and OVB's sales performance. In addition to in-house quality control measures, image improvement efforts are pressed ahead with.

OVB also keeps focusing on the advancement of its web presence in order to seize opportunities as they arise and to remain competitive.

Apart from the continuous maintenance of the Company's internet domains, the financial advisors must also

be given support for their own web presence. In addition to network domains, this includes the opportunities and risks of the social networks and video and photo sharing apps such as YouTube and Instagram. Within the framework of its »Social Media Strategy«, OVB Holding AG addresses OVB's still upgradeable presence in the new media and supports the operating subsidiaries and financial advisors in creating their respective presence on the internet.

Content considered negative by the public has a direct impact on clients and the recruiting of new financial advisors and employees. The prevention of negative content is being trained and implemented. Social media guidance governs the compliance relevant conduct of OVB employees and financial advisors in this respect. Compliance with such rules is subject to monitoring provided by the head offices of the operating subsidiaries and by OVB Holding AG.

The flip side of this coin provides OVB with the opportunity to further improve the Company's image as perceived by the general public and potential clients through consistently competent and responsible conduct. The Company's public relations work serves that same purpose.

Risks associated with advisory services and liability risk

Brokerage of financial products generally takes place after previous advice and a suitability test provided to the client. The purpose of the advisory service and the suitability test is to ensure that the client receives a financial product tailored to his or her individual provision requirements and investment profile.

Potential risks associated with advisory services are meant to be curtailed by continually raising the awareness of and providing continuing education opportunities for our financial advisors with a view to giving needs-specific advice and by documenting and recording client meetings as required.

With the introduction of the Financial Investment Mediation Regulation (FinVermV) in Germany and further regulatory requirements in Europe, conditions for the brokerage of financial investments have been tightened. Accordingly, all client advisory consultations and brokerage conversations are recorded in accordance with the obligations under the law.

OVB closely follows all relevant regulatory efforts at national level and on the European scale so that potential effects on the business model are recognized in good time and any required adjustments can be initiated.

Financial risk

Default risk may arise from receivables from business partners and from advance commission payments to financial advisors and commission claw-back. In individual cases, commission earned but not yet received is paid to financial advisors in order to bridge the gap until payment is received from the product providers. OVB counters default risk by way of risk-sensitive accounts receivable management and the careful selection of its business and product partners.

Appropriate valuation allowances are made for receivables that are considered doubtful from today's perspective, also in view of the COVID-19 pandemic.

Such allowances account for timely information on the debtor's credit rating, commission expected to be received and the age structure of receivables. The default rate of receivables is 0.33 per cent for the year under review (previous year: 0.09 per cent).

Cancellation risk is covered by OVB by retained cancellation reserve with respect to the financial advisors and cancellation provisions whose amounts are determined on the basis of commission inflow during the period of liability and the anticipated claims for commission refunds based on past experience. Due to the decreasing income of private households as a consequence of the COVID-19 pandemic, increasing risks from cancellations of contracts are to be expected.

Issuer risk associated with the investment of liquid assets is contained by means of strict credit rating requirements and appropriate capital investment management. OVB maintains business relationships with several banks belonging to different banking systems. OVB closely monitors the rating of these banks and considers the assessment of major rating agencies if available.

Market risk is the risk of losses as a result of unfavourable changes in market prices or price-affecting parameters. Market price risk includes interest rate risks, currency risks and stock price risks. Shares, bonds and funds in the portfolio may be primarily exposed to price risk as a result of market price fluctuation (please also refer to the annotations in the previous chapters).

OVB varies investment volumes and issuers in order to counter this risk. Potential effects on earnings as a result of heavy price fluctuations are identified early on by monitoring and assessing the portfolio on an ongoing basis. Containing such risks may also necessitate the full liquidation of individual positions at short notice. Capital investments based on real assets are altogether

of minor relevance to the consolidated companies. Had the market interest rate of relevance to capital investments been 100 basis points higher (lower) over the full year 2022, earnings would have been Euro 679 thousand higher (lower).

Currency risk results from OVB's international orientation. Therefore, OVB constantly monitors the development in the currency markets and deliberates the necessity of additional hedging measures in particular. Potential currency risk from the business of OVB Croatia has been eliminated upon the introduction of the euro as of 1 January 2023.

Liquidity risk is low for OVB because business operations are financed out of the current cash flow and liquidity reports assist in the management and investment of surplus liquidity. These reports routinely provide insight into financial developments and the liquidity demands of the subsidiaries and the holding company derived from them.

With these measures, OVB also diversifies the risk of being sued under guarantees or letters of comfort given on behalf of consolidated companies.

Operational risk

OVB uses both in-house staff and external contractors as well as technical and structural facilities in order to transact its business operations. OVB also takes note of the shortage of skilled workers across all industries and responds to that with attractive job offers and conditions. At the same time, OVB generates opportunities in the highly competitive job market through its modern design of the workplace environment.

Binding workflow rules have been defined for processing and settling business transactions. Employees entrusted with confidential information commit themselves to compliance with binding regulations and to responsible conduct in handling such data.

OVB highly regards the protection of privacy and control over one's personal data. Therefore, personal data are collected, processed and used only in compliance with applicable data protection and data security provisions.

In addition to the implementation of GDPR (General Data Protection Regulation) requirements by way of projects launched at all relevant sales subsidiaries, OVB constantly invests in the security of its systems.

After all, the increasing digitization not only facilitates new, innovative applications but also creates new threats, e.g. by cybercrime. OVB contains the risk of breaches of in-house and external rules and regulations by separating management and control functions from each other. OVB protects itself against damages and potential liability risk by appropriate insurance protection.

Observable precautions and stipulations under data protection law emerge in connection with the expansion of video conferencing for distribution and back-office tasks. This aspect has been accounted for by corresponding prevention and protection measures the safeguarding and implementation of which is an ongoing process.

Legal risk

The management of legal risks is coordinated by OVB's legal department. OVB guards itself by drawing on comprehensive advice both from in-house specialists and external lawyers before making business decisions and structuring business processes. The legal team's tasks also include the monitoring and evaluation of current legal disputes.

Updated information on current litigation is provided to the legal department by the sales subsidiaries on a quarterly basis. Constant monitoring and assessments conducted by the legal team enable OVB to counter risks associated with potentially incorrect advice to clients or the brokerage of financial and insurance products. OVB further mitigates its risk of liability in part by taking out adequate financial liability insurance which is routinely reviewed and adjusted if necessary.

According to our assessment, having consulted external legal experts, currently pending cases basically do not pose risks at present that might have material adverse effects on OVB's assets and liabilities, financial position and profit/loss. Adequate provisions were made for lawsuits.

Tax risk

A changing tax framework for individual sales subsidiaries as well as for advisory services may result in tax risk for OVB.

OVB constantly monitors tax law developments as they emerge in all of the countries in which it does business, particularly including potential regulatory intervention that would affect the tax treatment of the distribution

model, and analyzes their potential impact on the Group.

Both in-house and external experts monitor the tax requirements applicable to the Company in accordance with the relevant tax provisions and any corresponding directives issued by the respective tax authorities. Adequate provisions are made for tax payments to be expected.

ESG risks and opportunities

ESG risks result from OVB's social responsibility, a heightened awareness of sustainability and the regulatory framework. OVB regards ESG risks as events or conditions in the areas of environment, social affairs or corporate governance (ESG), the occurrence of which may actually or potentially have material adverse effects on the assets and liabilities, financial position and profit/loss as well as on the reputation of OVB. ESG risks can be found in all areas of the Company and include climate-related risks in the form of physical risks or transition risks. Currently the latter risk areas are still of minor importance for OVB.

In the course of the annual risk inventory, OVB Holding AG inquires about the handling of such risks at the sales subsidiaries, assesses and consolidates them at Group level and makes recommendations for action if necessary. In addition to that, ESG risks are communicated to OVB's Executive Board and Supervisory Board in the context of quarterly risk management reporting as they are integrated into key performance indicators and thus early risk detection indicators.

In addition to that, OVB sees opportunities in the dynamic framework conditions which in the future will be implemented in a sustainability strategy by a newly established Sustainability Committee and separately perceived as part of the new medium-term corporate strategy.

Estimation risk

Assumptions and estimates primarily concern the measurement of provisions, the collectability of receivables, the impairment of goodwill, legal risk, depreciation and amortization, the determination of the useful lives of assets and the capitalization of deferred tax on loss carry-forward as it is affected by imponderables in corporate planning. Changes are considered as soon as better information becomes available.

Overall assessment of opportunities and risks

OVB's business performance is essentially influenced by industry-specific regulatory risks, risks connected to the availability and functionality of IT systems and risks from the development of Company-specific factors of value.

OVB's risk management system and the implemented reporting system make a substantial contribution to the fact that the Group's overall risk position is being controlled and made transparent.

Together with the emerging turnaround in interest rates and progressing inflation, the risk of a downturn in economic development increases, resulting in declining stock and bond markets and thus in decreasing earnings and margins for OVB. Due to the effects of the energy crisis, consumers will have less money at their disposal, which may have an impact on new business on the one hand and on the cancellation behaviour of our clients on the other hand. Almost all European countries in which OVB operates are affected by this. Furthermore, continued risks result from the increasingly coordinated implementation of audits by the regulatory authorities at local and European level as well as from pending and potential regulatory projects at European level if the adjustment of processes is delayed.

OVB has analyzed and seized any opportunities that arose in the year 2022 due to the dynamic business environment.

OVB has seen to risk provision for currently identified material risks. From today's perspective there are no material risks that carry a threat to the Company's continued existence. Fundamental changes of this risk assessment are not expected at present.

The solid equity resources and the available liquidity result in OVB Group's high risk-bearing capacity at present. Even the coincidence of several major risks would not threaten OVB's continued existence based on the findings at hand.

The risk management and management accounting system as well as all corporate governance functions are subject to constant advancement in order to increase transparency in relation to risks taken and to further improve risk management capabilities.

The presented risks are not necessarily the only risks OVB is exposed to. Risks OVB is currently unaware of or risks that OVB currently regards as immaterial might also have adverse effects on business activities and might have a negative impact on the forecasts made in the following outlook report.

Outlook

Forward-looking statements included in this outlook report are based on OVB's assessments and conclusions with respect to the information available at the time of preparing this management report.

The statements are supported by assumptions regarding future developments that have been considered for corporate planning. The occurrence of future events is subject to uncertainty so that the actual development may deviate from the following statements.

Within the context of the following forecasts, OVB assumes that the general economic conditions in the individual regions will develop in 2023 as described in the chapter »Macroeconomic and industry-related general conditions«. This means that the economy of the eurozone will grow by 0.7 per cent in 2023. Against this backdrop, OVB predicts the development in 2023 as follows:

Development in Central and Eastern Europe

OVB anticipates for the Central and Eastern Europe segment a modest increase in brokerage income and a significant decrease in operating result in view of cost increases due to inflation in financial year 2023.

Development in Germany

For the Germany segment, OVB expects a stable performance in brokerage income and a considerable decrease in operating result in view of cost increases due to inflation in financial year 2023.

Development in Southern and Western Europe

OVB expects for the Southern and Western Europe segment a modest increase in brokerage income and a significant increase in operating result in financial year 2023.

Development of Corporate Centre

For the Corporate Centre segment, OVB Holding AG anticipates the operating loss to increase slightly in 2023, among other factors due to cost increases caused by inflation.

Development of OVB Holding AG

Under the condition of higher investment income and higher operating expenses, the Executive Board expects a modest decrease in earnings after taxes.

Development of the Group

One essential strength of OVB Group is its broad international positioning over currently 16 European countries. Market conditions remain altogether challenging. Despite the high demand for private risk protection and provision it cannot be ruled out that clients will act more cautiously with respect to long-term investment decisions particularly against the backdrop of the high inflation rate. OVB will keep pursuing the course for growth and thus aim for further expansion of the number of financial advisors and clients.

The long-term business potential in the market of private risk protection and retirement provision remains unchanged. In view of foreseeable changes in the business environment, the markets and the legal framework of the Company's business, OVB is developing a new medium-term strategy for growth, aiming at the sustained expansion of the sales organization and the client base.

The 2023 outlook for the Group is based on assessments and conclusions with respect to information available to OVB at the time of preparing this management report and subject to uncertainty. Therefore, the actual development may deviate from the following forecast. Generally speaking, OVB is expecting to keep generating growth in 2023 in all business segments. In order to take into consideration the uncertainty that still exists in the overall economy, OVB anticipates brokerage income for the Group within a margin of Euro 325 million to 350 million in the 2023 financial year. In view of the expenditure linked to the new strategy, the operating result is expected to range between Euro 16 million and 19 million.

Statement on corporate governance

Executive Board and Supervisory Board have released the statement on corporate governance. It is available on the internet at <https://www.ovb.eu/english/investor-relations/corporate-governance>.

Remuneration report

The 2022 remuneration report pursuant to Section 162 AktG (Stock Corporation Act) will be made available in due time on the internet at <https://www.ovb.eu/english/investor-relations/corporate-governance>.

Separate non-financial consolidated management report

The separate non-financial consolidated management report is available on the internet at <https://www.ovb.eu/english/investor-relations/financial-publications>.

Information pursuant to sections 289a (1), 315a (1) HGB and explanatory report

Composition of subscribed capital

The Company's share capital was Euro 14,251,314.00 as of 31 December 2022, divided into 14,251,314 no-par value bearer shares. Each share carries the same rights and represents one vote in the General Meeting of Shareholders.

Shareholdings in excess of 10.0 per cent of the voting rights

OVB Holding AG has been notified of the following shareholdings in excess of 10.0 per cent of the voting rights

in OVB Holding AG. The following groups of shareholders are also referred to as principal shareholders.

Baloise Beteiligungsholding GmbH (formerly Basler Beteiligungsholding GmbH), Hamburg, holds roughly 32.57 per cent of shares in OVB Holding AG directly. This investment is attributed to Baloise Sachversicherung Aktiengesellschaft Deutschland, Bad Homburg v.d.H., Baloise Lebensversicherung Aktiengesellschaft Deutschland, Hamburg, Baloise Sach Holding AG, Hamburg, Baloise Beteiligungen B.V. & Co. KG, Hamburg, Baloise Delta Holding S.a.r.l., Bartingen, Luxembourg, and Baloise Holding AG, Basel, Switzerland, in accordance with Sections 33 (1), 34 (1) no. 1 WpHG (Securities Trading Act). Altogether roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable to Baloise Holding AG, Basel, Switzerland, in accordance with Sections 33, 34 WpHG.

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, holds roughly 31.67 per cent of the shares in OVB Holding AG directly. As the insurance companies of SIGNAL IDUNA Group represent a horizontal group of companies («Gleichordnungskonzern») for the purpose of Section 18 (2) AktG (Stock Corporation Act), SIGNAL IDUNA Lebensversicherung a. G., Hamburg, indirectly holds 52.94 per cent of the shares. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, holds roughly 21.27 per cent of the shares directly and 52.94 per cent of the shares indirectly.

In accordance with Sections 33 (1), 34 (2) WpHG, the shares held directly by SIGNAL IDUNA Krankenversicherung a. G. and SIGNAL IDUNA Lebensversicherung a. G. are also attributed to SIGNAL IDUNA Unfallversicherung a. G., Dortmund, so that this entity has indirect holdings of roughly 52.94 per cent of the shares. Altogether roughly 96.98 per cent of the voting rights in OVB Holding AG are attributable respectively to SIGNAL IDUNA Lebensversicherung a. G., Hamburg, SIGNAL IDUNA Krankenversicherung a. G., Dortmund, and SIGNAL IDUNA Unfallversicherung a. G., Dortmund, according to Sections 33, 34 WpHG.

Generali CEE Holding B.V., Amsterdam, The Netherlands, holds roughly 11.48 per cent of the shares directly, attributable to Assicurazioni Generali S.p.A., Trieste, Italy, according to Sections 33 (1), 34 (1) no.1 WpHG.

Roughly 75.71 per cent of the voting rights in OVB Holding AG are altogether attributable to Assicurazioni Generali S.p.A., Trieste, Italy, in accordance with Sections 33, 34 WpHG.

The free float as defined by Deutsche Börse AG amounts to roughly 3.01 per cent according to the information available to OVB Holding AG.

Restrictions on voting rights or share assignment

Principal shareholders Baloise Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. have concluded a shareholder voting agreement under which the contracting parties are obligated to exercise their votes at the General Meeting of Shareholders in elections to the Supervisory Board in such a way that the candidates proposed by Baloise Group, SIGNAL IDUNA Group and Generali CEE Holding B.V. will be represented on the Supervisory Board. Furthermore, two principal shareholders have committed themselves to sell their shares only if the purchaser of shares will enter into this shareholder voting agreement.

Appointment and recall of Executive Board members and amendments to the Articles of Association

The Executive Board, consisting of two members or more pursuant to Section 7 (1) of the Articles of Association, is appointed and dismissed exclusively in accordance with the relevant statutory provisions. The Supervisory Board has sole responsibility for the appointment and recall of Executive Board members, determines the number of Executive Board members and appoints them for a maximum term of five years. Executive Board members may be reappointed, or their terms of office extended, in each case for no more than five years.

The Articles of Association may be amended by resolution of the General Meeting of Shareholders.

Amendments become effective upon entry in the commercial register pursuant to Section 181 (3) AktG (Stock Corporation Act). In accordance with Section 179 (2)

AktG in conjunction with Section 18 (2) of the Articles of Association, resolutions to be passed by the General Meeting of Shareholders to amend the Articles of Association must be adopted by a simple majority of the votes cast as well as a majority of three fourths or more of the share capital represented at the vote unless provisions of the German Stock Corporation Act determine a larger majority as mandatory. Under Section 11 (3) of the Articles of Association, the Supervisory Board has the power to amend the Articles of Association insofar as only their wording is concerned.

The Executive Board's authorization to issue and buy back shares

At present, OVB Holding AG has neither contingent nor authorized capital. The General Meeting of Shareholders of 10 June 2020 authorized the Company to purchase up to 300,000 treasury shares up to and including 9 June 2025.

Shares acquired in case of exercising this authorization must not come to more than 10 % of the Company's share capital, together with other treasury shares held by the Company or attributable to the Company according to Sections 71a et seq. AktG, at any time. The Company may not use the authorization for purposes of trading treasury shares.

Shares may be purchased on the stock exchange or by means of a public purchase offer addressed at all shareholders. The Company may also use intermediaries to purchase shares on the stock exchange, provided those intermediaries comply with the following restrictions.

If shares are purchased on the stock exchange, the purchase price per share (not including transaction costs) must neither exceed nor fall below the arithmetic average share price (closing auction prices for OVB stock on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 5 per cent respectively over the last ten trading days prior to conclusion of the obligation transaction.

In case of a public purchase offer, the purchase price must neither exceed nor fall below the arithmetic average share price (closing auction prices for OVB shares

on the Xetra trading platform or a functionally equivalent successor system at the Frankfurt Stock Exchange) by more than 10 per cent respectively during the last ten trading days prior to the day of announcement of the purchase bid. If significant price deviations from the offered purchase price or the threshold prices of the offered purchase price range arise after the announcement of a public purchase offer, the offer may be adjusted subject to the Supervisory Board's approval. In that case the deciding amount is determined according to the respective price on the final trading day prior to the announcement of the adjustment; the 10 per cent limit to exceeding or falling below the share price shall be applied to that amount. The volume of the offer may be limited.

If total subscription to the offer exceeds its volume, acceptance must be proportionate to the number of shares respectively offered. Privileged acceptance of smaller allotments of no more than 100 shares per shareholder offered to the Company for purchase may be provided for, subject to partial exclusion of any shareholders' rights to tender their respective shares.

Subject to the Supervisory Board's approval, the Executive Board is authorized to use the shares bought back based on the above authorization as follows:

Subject to the Supervisory Board's approval, the Executive Board may use the Company's shares bought back as (partial) consideration in connection with business combinations or for the acquisition of entities, investments in entities, business divisions or other assets.

The Executive Board may also use repurchased shares in order to fulfill the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed financial advisors of OVB Holding AG and its domestic and foreign subsidiaries (for the purpose of Sections 15 et seq. AktG).

The Executive Board may also, subject to the Supervisory Board's approval, retire repurchased shares without requiring another resolution of the General Meeting of Shareholders. The Executive Board may elect to retire only a part of the shares bought back. Shares may be retired without causing changes to the share capital but

by increasing the respective amount of the share capital allotted to the remaining shares.

Above authorizations to retire shares may be exercised in one amount or in several installments.

The shareholders' subscription right to the Company's treasury shares is excluded insofar as such shares are used in accordance with the authorizations described above as (partial) consideration in connection with business combinations or for the acquisition of entities, investments in entities, business divisions or other assets, or in order to fulfill the obligations under any share-based payment plans in favour of members of management, other executives, other employees or self-employed financial advisors of OVB Holding AG and its domestic and foreign subsidiaries (for the purpose of Sections 15 et seq. AktG).

Change of control

Public bids to acquire shares in the Company are governed exclusively by law and the Articles of Association, including the provisions of the German Securities Acquisition and Takeover Act (WpÜG). The General Meeting of Shareholders has not authorized the Executive Board to take actions falling within the shareholders' powers to prevent any successful takeover bids.

The Company has not concluded any compensation agreements for the event of a takeover bid with members of the Executive Board or with employees.

Statement of the Executive Board pursuant to Section 312 (3) AktG

With respect to business transactions or measures reportable in accordance with Section 312 AktG (Stock Corporation Act), the Company has received appropriate consideration for each business transaction and was not disadvantaged in any measure taken, or deliberately not taken, based on the circumstances known to the Company at the time the respective transaction or measure was taken or deliberately not taken.

Consolidated financial statements 2022

Consolidated statement of financial position

of OVB Holding AG as of 31 December 2022 according to IFRS

Assets

	EUR'000	31/12/2022	31/12/2021
	A. Non-current assets		
1	Intangible assets	14,019	13,838
2	Rights of use of leased assets	9,874	10,961
3	Tangible assets	5,702	5,620
4	Financial assets	489	506
5	Deferred tax assets	5,557	6,162
		35,641	37,087
	B. Current assets		
6	Trade receivables	46,795	41,949
7	Receivables and other assets	54,653	49,184
8	Income tax assets	1,534	698
9	Securities and other capital investments	41,846	54,313
10	Cash and cash equivalents	80,644	74,594
		225,472	220,738
	Total assets	261,113	257,825



Note

Equity and liabilities

	EUR'000	31/12/2022	31/12/2021
	A. Equity		
11	Subscribed capital	14,251	14,251
12	Capital reserve	39,342	39,342
13	Treasury shares	0	0
14	Revenue reserves	13,708	13,708
15	Other reserves	-157	-221
16	Non-controlling interests	513	279
17	Retained earnings	25,857	24,012
		93,514	91,371
	B. Non-current liabilities		
18	Provisions	1,832	2,542
19	Other liabilities	8,245	9,245
20	Deferred tax liabilities	879	984
		10,956	12,771
	C. Current liabilities		
21	Provisions for taxes	1,558	1,686
22	Other provisions	67,889	70,468
23	Income tax liabilities	658	1,332
24	Trade payables	24,618	21,994
25	Other liabilities	61,920	58,203
		156,643	153,683
	Total equity and liabilities	261,113	257,825

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Note

Consolidated income statement

of OVB Holding AG for the period from 1 January to 31 December 2022 according to IFRS

	EUR'000	01/01 - 31/12/2022	01/01 - 31/12/2021
26	Brokerage income	331,947	320,696
27	Other operating income	14,972	10,959
	Total income	346,919	331,655
28	Brokerage expenses	-218,259	-215,485
29	Personnel expenses	-45,575	-42,298
30	Depreciation and amortisation	-8,495	-7,734
31	Other operating expenses	-52,579	-44,372
	Earnings before interest and taxes (EBIT)	22,011	21,766
	Finance income	2,024	925
	Finance expenses	-2,625	-532
32	Financial result	-601	393
	Consolidated income before income tax	21,410	22,159
33	Taxes on income	-6,349	-6,463
34	Consolidated net income	15,061	15,696
35	Thereof non-controlling interests	-390	19
36	Consolidated net income after non-controlling interests	14,671	15,715
37	Basic earnings per share in Euro	1.03	1.10



Note

Consolidated statement of comprehensive income

of OVB Holding AG for the period from 1 January to 31 December 2022 according to IFRS

	EUR'000	01/01 - 31/12/2022	01/01 - 31/12/2021
	Consolidated net income	15,061	15,696
	Revaluation effect from provisions for pensions	583	172
	Deferred tax due to revaluation effect from provisions for pensions	-117	-11
	Other comprehensive income not to be reclassified to the income statement	466	161
	Change from revaluation of financial assets measured at fair value outside profit or loss	-306	-49
	Change in currency translation reserve	-96	53
	Other comprehensive income to be reclassified to the income statement	-402	4
	Total comprehensive income before non-controlling interests	15,125	15,861
	Total comprehensive income attributable to non-controlling interests	-390	19
	Total comprehensive income	14,735	15,880

Consolidated statement of cash flows

of OVB Holding AG for the period from 1 January to 31 December 2022 according to IFRS

EUR'000	01/01 - 31/12/2022	01/01 - 31/12/2021
Consolidated income before income tax	21,410	22,159
+/- Depreciation, amortisation and impairment / Appreciation in value and reversal of impairment loss of non-current assets	8,495	7,734
- Financial result	601	-393
-/+ Unrealised currency gains/losses	287	-630
+/- Allocation to/reversal of valuation allowances for receivables	759	731
+/- Other non-cash financial items	-255	88
+/- Increase/decrease in provisions	-3,289	15,765
+/- Result from the disposal of intangible and tangible assets	-113	63
+/- Decrease/increase in trade receivables and other assets	-11,072	-13,258
+/- Increase/decrease in trade payables and other liabilities	6,464	7,254
- Interest paid	0	-77
- Income tax paid	-7,487	-5,697
= Cash flow from operating activities	15,800	33,739
+ Payments received from disposal of tangible assets and intangible assets	450	188
+ Payments received from disposal of financial assets	91	383
+ Payments received from disposal of securities and other short-term capital investments	26,687	14,268
- Payments for expenditure on tangible assets	-1,889	-2,391
- Payments for expenditure on intangible assets	-4,781	-4,553
- Payments for expenditure on financial assets	-67	-246
- Payments for expenditure on securities and other short-term capital investments	-16,007	-22,507
+ Other finance income	465	256
+ Interest received	1,445	215
= Cash flow from investing activities	6,394	-14,387
- Dividends paid	-12,982	-14,490
- Payments on the principal of the lease liability from financing activities	-2,441	-2,523
- Payments on the interest of the lease liability from financing activities	-316	-299
= Cash flow from financing activities	-15,739	-17,312
Overview:		
Cash flow from operating activities	15,800	33,739
Cash flow from investing activities	6,394	-14,387
Cash flow from financing activities	-15,739	-17,312
= Net change in cash and cash equivalents	6,455	2,040
Exchange rate changes in cash and cash equivalents	-405	627
+ Cash and cash equivalents at end of the prior year	74,594	71,927
= Cash and cash equivalents at the end of the period	80,644	74,594

Consolidated statement of changes in equity

of OVB Holding AG as of 31 December 2022 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2021	14,251	39,342	2,576	11,132	-2	-665
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-306	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						583
Consolidated net income						
31/12/2022	14,251	39,342	2,576	11,132	-308	-82

of OVB Holding AG as of 31 December 2021 according to IFRS

EUR'000	Subscribed capital	Capital reserve	Statutory reserve	Other revenue reserves	Revaluation reserve	Reserve from provisions for pensions
31/12/2020	14,251	39,342	2,576	11,132	47	-837
Consolidated profit						
Treasury shares						
Corporate actions						
Dividends paid						
Change in revaluation reserve					-49	
Allocation to other reserves						
Change in currency translation reserve						
Revaluation effect from provisions for pensions						172
Consolidated net income						
31/12/2021	14,251	39,342	2,576	11,132	-2	-665

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
173	273		8,297	15,715		91,092	279	91,371
			15,715	-15,715				
			-12,826			-12,826	-156	-12,982
		-306			-306	-306		-306
	-96	-96			-96	-96		-96
-117		466			466	466		466
				14,671	14,671	14,671	390	15,061
56	177	64	11,186	14,671	14,735	93,001	513	93,514

Deferred tax on unrealised gains/losses	Currency translation reserve	Total income recognised directly in equity	Retained profits brought forward	Consolidated net income after non-controlling interests	Total comprehensive income	Equity of the shareholders of OVB Holding AG	Non-controlling interests	Total
184	220		12,063	10,485		89,463	537	90,000
			10,485	-10,485				
			-14,251			-14,251	-239	-14,490
		-49			-49	-49		-49
	53	53			53	53		53
-11		161			161	161		161
				15,715	15,715	15,715	-19	15,696
173	273	165	8,297	15,715	15,880	91,092	279	91,371

Notes to the consolidated financial statements for financial year 2022

I. General information

1. General information on OVB Group

OVB Holding AG (hereinafter also referred to as »OVB« or »the Company«) is a German stock corporation with its registered office in Cologne, Heumarkt 1, Germany. The Company is recorded in the commercial register at the Local Court of Cologne (Amtsgericht) under registration number 34649, section B. The Company's business is the management of entities involved particularly in providing advisory and brokerage services in connection with capital investments, building society savings contracts and insurance contracts as well as in providing advisory and brokerage services in relation to real property of all kinds.

The consolidated financial statements of OVB Holding AG for the financial year ended 31 December 2022 are scheduled for publication on 29 March 2023 pursuant to a resolution of the Executive Board with the approval of the Supervisory Board.

2. Significant events in the reporting period

The reporting period was affected by the war in Ukraine and distortions in the energy market. Increased political and macroeconomic risks coincided in the course of the year with higher inflation and the scarcity of energy sources. OVB faces the risk that clients may be more hesitant to enter new contracts and/or cannot fulfil their payment obligations as scheduled anymore.

For these reasons, OVB has continued its precautionary measures taken as of 31 December 2021 due to the coronavirus crisis and adjusted or rather reduced them in view of the current macroeconomic development. Precautionary measures as of the reporting date consider the whole set of uncertainties brought about by the current macroeconomic framework.

Therefore, there are effects on individual items in the statement of financial position for OVB as of the reporting date, particularly the measurement of receivables from financial advisors, the measurement of the contract asset according to IFRS 15 and the assessment of the future cancellation behaviour of policyholders and connected to that the measurement of provisions for cancellation risk and the measurement of financial instruments. The development of macroeconomic conditions had the following effects on those items in the financial year 2022.

Cancellation risk

Against the backdrop of the current macroeconomic development, OVB has reduced its additional precautionary measure, as a relative premium based on the severity of the described risks, compared to the previous year. Thus, additional precautionary measures were reduced from EUR 5.6 million to EUR 3.5 million.

Contract asset

The contract asset less provisions from subsequent commission (IFRS 15) is reduced by the net amount of EUR 0.6 million as of 31 December 2022 by the additional precautionary measures (31 December 2021: EUR 0.7 million).

Receivables from financial advisors

Expected higher probability of default has an increasing effect on valuation allowances for receivables from financial advisors in the amount of EUR 0.3 million as of the reporting date (31 December 2021: EUR 0.4 million).

Furthermore, the described uncertainty of the macroeconomic environment and the coinciding negative macroeconomic impact have affected the capital market. OVB's securities measured at fair value have performed accordingly, thus affecting the financial result.

3. Summary of basic principles of financial accounting

As the listed parent company which makes use of an organized market within the meaning of Section 2 (5) WpHG (Securities Trading Act), OVB Holding AG has prepared its consolidated financial statements pursuant to Section 315e HGB (Commercial Code) in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union, released by the International Accounting Standards Board (IASB). All International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) subject to mandatory application for financial year 2022 as well as the interpretations released by the IFRS Interpretations Committee [formerly: International Financial Reporting Interpretations Committee (IFRIC)] and the Standing Interpretations Committee (SIC) have been complied with. Supplementary trade law requirements under Section 315e (1) HGB have also been met.

The separate IFRS financial statements of the subsidiaries included in the consolidated financial statements of OVB Holding AG are based on consistent accounting and valuation principles. The IFRS financial statements have the same reporting date as the consolidated financial statements and were reviewed by independent auditors, provided those entities permanently provide brokerage services or assume material functions within the Group.

The consolidated financial statements are prepared in euros. Unless stated otherwise, all figures are rounded up or down to the nearest thousand euros (EUR'000) in accordance with commercial rounding principles. As the figures are presented in thousand euro increments, rounding discrepancies may arise in the individual case when single values are added up.

In addition to the consolidated statement of financial position and the consolidated income statement, consolidated financial statements include the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to consolidated financial statements including segment reporting.

3.1 Mandatory accounting standards

In consideration of the following standards subject to first-time adoption and amended standards, the accounting policies and valuation methods applied are the same as those applied in the previous year.

Standards applied for the first time and amended standards

In financial year 2022, the following new standards were subject to mandatory first-time adoption:

– IAS 16 Property, Plant and Equipment (amendments)

The amendment addresses the previously permissible deduction of proceeds from the sale of items produced from the cost of the item before bringing it to the intended condition required for operation. Proceeds must be recognized in profit or loss upon the amendment's entry into force as of 1 January 2022. No material effects on the consolidated financial statements result from these amendments.

– IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments)

The amendment to IAS 37 addresses the assignment and entry of the cost of fulfilling a contract, meant to help in the assessment whether there are onerous contracts deviating from the standard the entity has established. Amendments are effective as of 1 January 2022. No material effects on the consolidated financial statements result from these amendments.

– IFRS 3 Business Combinations (amendments)

The standard's references are aligned with the conceptual framework 2018 and amendments on the application of IAS 37 and IFRIC 21 as well as the non-recognition of contingent assets upon acquisition are added. Amendments are effective as of 1 January 2022. No material effects on the consolidated financial statements result from these amendments.

– Improvements to IFRS

Within the framework of its project intended to introduce minor improvements to standards and interpretations (Annual Improvements Process), the IASB has released its most recent collection of »Annual Improvements to IFRSs 2018 - 2020 Cycle«, resulting in minor amendments to altogether four standards. These amendments address IAS 41, IFRS 1, IFRS 9 and IFRS 16 and are effective as of 1 January 2022. No material effects on the consolidated financial statements result from these amendments.

Standards released but not yet subject to mandatory application

The following new standards will be subject to mandatory adoption in future reporting periods:

– **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (amendments)**

The amendments to IAS 1 and IFRS Practice Statement 2 define the obligation to disclose material information on methods of accounting and measurement and specify the identification and presentation of such information. Amendments are effective as of 1 January 2023, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

– **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments)**

Amendments to IAS 8 concern the definition of accounting estimates as monetary amounts in financial statements subject to measurement uncertainty. Changes in accounting estimates based on new information or new developments including their effects are not deemed corrections of errors made in previous reporting periods. Amendments are effective as of 1 January 2023, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

– **IAS 12 Taxes on Income (amendments)**

The IASB has released a clarification regarding deferred tax on transactions of e.g. leases and decommissioning obligations, principally introducing another exemption from the »initial recognition exemption«. In the future deferred tax assets and liabilities have to be recognized for transactions whose initial recognition results in equal amounts of deductible and taxable temporary differences. Amendments are effective as of 1 January 2023, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

– **IFRS 17 Insurance Contracts and amendments**

The introduction of new standard IFRS 17 governs the basic principles for recognition, measurement and presentation as well as disclosure of insurance contracts and supersedes IFRS 4 upon its entry into force. It aims for a better presentation of insurance contracts in terms of comparability in the statement of financial position, enabling the reader of financial statements to evaluate the effects on the reporting entity's assets and liabilities, financial position and profit/loss as well as its cash flows. The new standard is effective as of 1 January 2023. It will have no material effects on the consolidated financial statements.

For a better presentation of comparative information upon the simultaneous introduction of IFRS 9 and IFRS 17, amendments to the transitional provisions of IFRS 17 were released. The definition of a right to choose is intended to avoid misleading information due to the different provisions of the two standards with respect to the presentation of the period of comparison. This enables insurance companies to present comparative information on financial assets as if the provisions of IFRS 9 had been adopted before already. Amendments are effective as of 1 January 2023. No material effects on the consolidated financial statements will result from these amendments.

The following standards have been released but may only be adopted for future periods after they have been EU endorsed:

– **IAS 1 Presentation of Financial Statements (amendments)**

The standard will clarify the classification of liabilities as current or non-current liabilities in its future version. The amendment is effective as of 1 January 2023. No material effects on the consolidated financial statements will result from this amendment.

– **IFRS 16 Leases (amendments)**

For a clarification of subsequent measurement of lease liabilities in a sale and leaseback, the IASB has announced amendments to IFRS 16. These provide that the seller-lessee measures lease liabilities without recognizing any amount of the gain or loss that relates to the sale of the retained right of use. Amendments are effective as of 1 January 2024, application ahead of schedule is permitted. No material effects on the consolidated financial statements will result from these amendments.

There are no other standards or interpretations either not yet subject to mandatory application or having a potential material effect on the Group.

3.2 Principles of consolidation

The consolidated financial statements for the financial year ended 31 December 2022 incorporate OVB Holding AG and the subsidiaries under its control. Control applies if OVB has the power to control the entity (more than 50 per cent of the voting rights) and the right to claim the entity's variable returns as well as the ability to use its decision-making authority to influence the amounts of variable returns (influence on financial or dividend distribution policy).

The consolidated financial statements include all assets and (contingent) liabilities as well as all expenses and income of OVB Holding AG and the subsidiaries under its control after elimination of all intra-group transactions by way of consolidation of investments, liabilities, expenses and income as well as the elimination of interim results.

Subsidiaries are fully consolidated as of the date when OVB Holding AG assumes control. Inclusion in the consolidated financial statements by way of full consolidation ends as soon as an entity is no longer controlled by the parent.

OVB Holding AG applies the acquisition method for the accounting treatment of business combinations.

The following subsidiaries have been included in the consolidated financial statements of OVB Holding AG:

Consolidated entities	Interest in per cent 2022	Equity in EUR'000 31/12/2022	Net income in EUR'000 31/12/2022
Nord-Soft EDV-Unternehmensberatung GmbH, Horst	50.40	1,186	609
Nord-Soft Datenservice GmbH, Horst	50.40	25	1
OVB Informatikai Kft., Budapest	100	19	-5
OVB Vermögensberatung AG, Cologne*	100	11,000	0
Advesto GmbH, Köln	100	99	-1
Eurenta Holding GmbH Europäische Vermögensberatung, Cologne	100	-1,496	-72
OVB Allfinanz, a.s., Prague	100	5,084	4,100
OVB Allfinanz Slovensko a.s., Bratislava	100	5,203	3,673
OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw	100	2,625	2,111
OVB Vermögensberatung A.P.K. Kft., Budapest	100	3,158	2,907
TOB OVB Allfinanz Ukraine, Kiev	100	140	-69
S.C. OVB Allfinanz România Broker de Asigurare S.R.L., Cluj	100	2,280	1,816
OVB Imofinanz S.R.L., Cluj	100	22	12
OVB Allfinanz Croatia d.o.o., Zagreb	100	429	-88
OVB Allfinanz Zastupanje d.o.o., Zagreb	100	717	320
OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o., Ljubljana	100	405	-95
OVB Allfinanzvermittlungs GmbH, Wals near Salzburg	100	4,487	1,921
OVB Vermögensberatung (Schweiz) AG, Hünenberg	100	645	-1,061
OVB Consulenza Patrimoniale SRL, Verona	100	2,506	671
OVB Allfinanz España, S.A., Madrid	100	6,035	4,165
OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens	100	274	-176
Eurenta Hellas Monoprosopi Eteria Periorismenis Efthynis Asfalistiki Praktores, Athens	100	145	-135
OVB Hellas Allfinanz Vermittlungs GmbH, Athens	100	7	-2
OVB Conseils en patrimoine France Sàrl, Strasbourg	100	100	-365
Willemot Bijzonder Verzekeringsbestuur NV, Gent	100	686	31
Verzekeringkantoor Louis Vanheule BVBA, Dendermonde	100	21	1

*Profit and loss transfer agreement applies

The interest in each subsidiary equals the respective share in voting rights.

Equity and net income for the period attributable to non-controlling shareholders are reported separately in the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity. Assets and liabilities of consolidated entities with non-controlling shareholders are as follows:

EUR'000	Nord-Soft EDV- Unternehmensberatung GmbH		Nord-Soft Datenservice GmbH	
	31/12/2022	31/12/2021	31/12/2022	31/12.2021
Non-current assets	267	380	0	0
Current assets	1,304	940	164	176
Non-current liabilities	3	262	0	0
Current liabilities	558	519	139	152

Non-current assets of Nord-Soft EDV-Unternehmensberatung GmbH essentially include own-use property with a book value of EUR 156 thousand as of 31 December 2022 (31 December 2021: EUR 175 thousand) and deferred tax assets of EUR 64 thousand (31 December 2021: EUR 128 thousand). Current assets include cash and cash equivalents in the amount of EUR 842 thousand (31 December 2021: EUR 678 thousand) at Nord-Soft EDV-Unternehmensberatung GmbH and in the amount of EUR 116 thousand (31 December 2021: EUR 119 thousand) at Nord-Soft Datenservice GmbH. Sales generated with third parties in the year under review amount to EUR 1,117 thousand for Nord-Soft EDV-Unternehmensberatung GmbH (31 December 2021: EUR 777 thousand) and EUR 466 thousand for Nord-Soft Datenservice GmbH (31 December 2021: EUR 466 thousand).

3.3 Changes to the scope of consolidation

A business combination is the effect of OVB assuming control over one or more entities by transaction or another business event. For any case of business combinations, the acquisition method is to be applied. The acquisition cost of an acquired subsidiary is measured according to the fair value of the transferred consideration, i.e. the total of transferred assets, assumed liabilities, issued equity instruments and contingent consideration. Incidental transaction costs are generally recognized as expense. Recognizable assets and assumed liabilities as well as contingent liabilities are measured at fair value in the full amount regardless of the amount of OVB's investment. Applicable are the respective values as of the time control over the subsidiary was assumed. The measurement of any goodwill is determined by the positive difference between the acquisition's transaction cost less the fair value of the acquired net assets.

The following change to the scope of consolidation took place in financial year 2022.

Upon the formation of OVB Finance SI, poslovno svetovanje, d.o.o., Ljubljana, on 20 July 2022, the scope of consolidation was expanded by this international subsidiary. As of 19 August 2022, the entity's name has been OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o.

3.4 Foreign currency translation

3.4.1 Foreign currency transactions

Foreign currency transactions are generally translated at the closing exchange rate as of transaction date. Monetary items denominated in foreign currencies (e.g. liquid assets, receivables, liabilities) are subsequently translated at the respective closing exchange rates and any translation differences in the reporting period or from previous financial statements are recognized in the income statement through profit or loss. Non-monetary items valued at historical cost continue to be translated at historical exchange rates. The historical exchange rate equals the exchange rate as of the item's first-time recognition.

3.4.2 Foreign entities

Separate financial statements in a foreign currency are translated according to the functional currency approach under IAS 21 in application of the modified closing rate method. The assets and liabilities of the consolidated foreign entities, all of which are financially and economically independent as well as independently organized, are translated at the closing exchange rate of the reporting date while expenses and income are translated at average annual exchange rates and equity items are translated at historical exchange rates. Translation differences are recognized in equity outside profit or loss and reported under other comprehensive income.

The exchange rates of relevance to the consolidated financial statements have performed against the euro as follows:

EUR	Closing rate 31/12/2022	Closing rate 31/12/2021	Change in %	Average rate 2022	Average rate 2021	Change in %
CHF	1.009571	0.965637	4.55	0.995735	0.924997	7.65
CZK	0.041382	0.040200	2.94	0.040693	0.038973	4.41
HUF	0.002496	0.002707	-7.79	0.002561	0.002788	-8.14
HRK	0.132452	0.132865	-0.31	0.132561	0.132634	-0.06
PLN	0.212820	0.217761	-2.27	0.213406	0.218935	-2.53
RON	0.201989	0.201806	0.09	0.202604	0.202975	-0.18
UAH	0.025194	0.031965	-21.18	0.029162	0.030745	-5.15

4. Summary of essential accounting policies and valuation methods

4.1 Historical cost convention and fair value

In general, the amortized acquisition cost of assets and liabilities constitutes the maximum reportable value.

However, securities of the categories »Fair value through profit & loss« (FVPL) and »Fair value through other comprehensive income« (FVOCI) are exceptions to this rule as they are recognized at fair value. According to IFRS 13, fair value is defined as the amount that would be received for the sale of an asset or paid for the transfer of a liability in a business transaction between market participants as of the cut-off date.

The fair value of securities corresponds to the listed market price in an active market if applicable (level 1 according to IFRS 13). If no such market prices in an active market are available, fair value is determined according to an appropriate valuation model (level 2 according to IFRS 13). An assessment of fair value according to the Company's estimates has not been applied in the year under review (level 3 according to IFRS 13). Unrealized gains or losses of FVOCI securities are generally recognized in equity outside profit or loss. If such a security is disposed of, the cumulative gains or losses previously recognized directly in equity are then reclassified to the income statement through profit or loss. An exception to this is the disposal of securities classified as equity instruments. Cumulative gains or losses are reclassified within equity pursuant to IFRS 9.B5.7.1.

4.2 Financial instruments

Financial assets and liabilities are recognized in the consolidated statement of financial position only when an entity of OVB Group becomes a contracting party with respect to the contractual provisions of the respective financial instrument. Recognition thus takes place as of settlement date.

Classification according to measurement categories is based on the identification of the business model under which contractual cash flows are collected as well as on an assessment of the terms of the cash flows by way of the SPPI test (Solely Payments of Principal and Interest). OVB Group's financial instruments can be categorized as follows:

Amortized Cost (AC)

Financial instruments measured at amortized cost (business model: hold; cash flow conditions compliant) are generally recognized at fair value upon addition. Trade receivables are recognized at the amount identified in accordance with IFRS 15 upon addition. Insofar as future impairment is anticipated, it is considered for measurement unless immaterial. Subsequent to first-time recognition, such financial instruments are measured at amortized cost. That is the amount at which a financial asset was valued upon first-time recognition, less repayments, plus or less the cumulative amortization of any difference between the originally assigned value and the amount repayable at final maturity based on the effective interest method, and less any valuation allowances for expected credit loss.

Fair Value through Profit or Loss (FVPL)

Financial instruments measured at fair value through profit or loss (either business model: not hold or cash flow conditions non-compliant) are recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized in profit or loss.

Fair Value through Other Comprehensive Income (FVOCI)

Debt instruments (business model: hold and sale; cash flow conditions compliant) and equity instruments (by designation) measured at fair value outside profit or loss are recognized at fair value upon addition. Gains or losses resulting from subsequent measurement are to be recognized in equity outside profit or loss. Upon disposal of debt instruments, gains or losses included in revaluation reserve are to be recognized in the income statement. With respect to equity instruments, there is no reclassification of the revaluation reserve through profit or loss but rather within equity outside profit or loss. Interest income, valuation allowances and foreign exchange gains/losses of debt instruments are recognized in profit or loss.

4.2.1 Impairment and reversal of impairment loss of financial assets

As of each reporting date, expected credit losses are considered for valuation allowances for financial assets/contract assets measured at amortized cost. Present values of classical default scenarios are multiplied by the corresponding probability of occurrence. The initial effective interest rate is applied for discounting.

Stage transfer

Upon first-time assessment of future credit loss, impairment equals expected credit losses within the next twelve months. If a significant increase in credit risk compared to the initial assessment materializes at a later reporting date, impairment equals expected credit losses over the entire remaining term of the asset.

Simplified approach

For trade receivables without significant financing component, expected credit losses are determined collectively for a group of assets with the same credit risk characteristics and recognized as a risk provision item over the asset term pursuant to IFRS 9.5.5.15.

4.3 Recognition of sales

OVB generally recognizes sales at the time the agreed performances have been provided to the client (satisfaction of performance obligation). In case of uncertainty with respect to recognition in profit or loss, sales are recognized as soon as such uncertainty ceases to apply, i.e. no later than the date of OVB's actual cash inflow of commission. For the risk of any commission refunds to product partners as a result of cancelled contracts or in the event of non-payment, provisions are made on the basis of historical figures (provisions for cancellation risk). Changes in provisions for cancellation risk are charged or credited to sales. Considering potential refunds of commission already received in case of cancellation, sales represent variable consideration for the purpose of IFRS 15 due to the element of uncertainty in the amounts of revenue.

Sales from subsequent commission are recognized as contract asset under »Receivables and other assets«. Subsequent commission is estimated on the basis of the most probable amount at which a significant cancellation of recorded sales is deemed highly improbable. Corresponding brokerage expenses to be handed on to the sales force are included in provisions from subsequent commission.

OVB recognizes new business commissions, policy service commissions and dynamic commissions as sales.

OVB is paid new business commissions for the successful brokerage of an insurance policy. Settlement follows either a discounted, partially discounted or pro-rata approach. With respect to partially discounted and pro-rata new business commissions received in the categories unit-linked provision products, other provision products, property, legal expenses and accident insurance, investment funds and health insurance, sales are recognized at an earlier point in time for the sales portion attributable to the successful brokerage of the contract yet settled only in later reporting periods; in doing that, assumptions are made with respect to the probable term in consideration of future contract cancellations.

OVB is paid policy service commissions for the policyholder's continuous support. The performance is thus rendered over a certain period of time so that sales are to be recognized over that time period accordingly.

OVB is paid dynamic commissions for premium raises over the contract term. Dynamic commissions are recognized as of the point in time the policyholder's withdrawal period with respect to the premium raise has expired.

OVB acts as principal and the financial advisors act as multiple agents/brokers.

4.4 Discretionary decisions

All of the necessary estimates and assessments in connection with accounting treatment and valuation in accordance with IFRS comply with the respective accounting standard. Estimates are continually reviewed and based on experience as to future events. Estimates also consider all events with historical origins known as of the reporting date that have an effect on future periods.

In preparing the consolidated financial statements, assumptions have been made and estimates applied with an effect on the disclosure and amount of assets, liabilities and contingent liabilities entered in the statement of financial position.

The following is an explanation of the most relevant forward-looking assumptions and other material sources of estimate uncertainty as of the reporting date which entail the estimation risk that a material adjustment might have to be made to the carrying amounts of assets and liabilities within the next financial year.

These assumptions and estimates essentially relate to the measurement of provisions and legal risks, the collectability of receivables and deferred taxes on loss carry-forward, impairment of goodwill, amounts of depreciation/amortization or rather the determination of the useful lives of assets, especially of intangible assets, and valuation of leases. Actual values may deviate in the individual case from the assumptions and estimates made. Changes are recognized at the time superior information becomes available.

For making provisions, estimates of the expected expense required in fulfilment of the current obligation as of the reporting date are made annually, with reasonable regard to the risk involved. If the probability of occurrence is known for a large number of contingencies, an estimated value is determined, and if a bandwidth is known and the probability of occurrence is equally high for each item within this bandwidth, an average amount is determined. In all other cases, the best estimate corresponds to the most probable value. For the calculation of provisions for cancellation risk, historical data for cancellation rates and the probability of cancellation are considered as the basis of estimated future cancellations of contracts. Future cancellation behaviour may vary from the estimate made as of the reporting date. *Ceteris paribus* an increase of the cancellation rate leads to a straight-line increase of the provisions for cancellation risk. Furthermore, periods of liability for separate product groups and current agreements with respect to liability rates are considered. The book value of provisions for cancellation risk can be found under position 22, »Other provisions«, in the notes to the consolidated statement of financial position.

Receivables are recognized at amortized cost less any necessary valuation allowance. Specific valuation allowances are calculated on the basis of individual risk assessment in consideration of all available information on the credit rating of the debtor and the age structure of the receivables. Because of the large number of receivables due from different individual sources, lump sum valuation allowances are also made on the basis of a homogeneous classification of non-significant receivables that share a consistent profile relating to risks and opportunities, based on an assessment of the respective debtor's value-defining factors. The book value of receivables can be found under positions 6 and 7 in the notes to the consolidated statement of financial position.

The annual impairment tests of goodwill are based on multi-year budget figures that are generally subject to uncertainty inherent in the budgeting process. Impairment testing requires an estimate of the value in use of the respective cash-generating unit. For the determination of value in use, estimates of expected future cash flows are required. In addition to that, required parameters for determining the value in use are defined. These parameters essentially involve the risk-free interest rate and a risk premium. The book value of goodwill can be found under position 1 in the notes to the consolidated statement of financial position.

For the accounting treatment of leases under contracts with indefinite terms in accordance with IFRS 16, all aspects available as of the reporting date that provide an economic incentive for the exercise of options for renewal or cancellation are considered in order to determine the useful life correctly.

For the capitalization of deferred tax on loss carry-forward, the taxable income of future years must be estimated. This estimate is based on the multi-year budget planning of the individual consolidated entities. Realizable future income may vary from the budget figures. The book value of deferred tax assets can be found under position 5 in the notes to the consolidated statement of financial position.

Insofar as estimates were necessary to a larger extent, the underlying assumptions are explained in detail in the following explanatory notes to the respective item.

Changes to accounting estimates

A change to the expected useful life of a sales supporting software solution has resulted from constant reprogramming and expansions in functionality. Until the adjustment date, the useful lives of the customized national market modules corresponded to the existing basic software. Due to the gradual introduction of the national market

modules and the coinciding reprogramming of parts of the basic software, an adjustment of the amortization period was made as of 1 October 2022 in order to reflect the economic benefit appropriately. As of the date of adjustment, customized national market modules have been amortized over useful lives of five years under the straight-line method. This change results in amortization expense reduced by EUR 493 thousand in the reporting period as of 31 December 2022.

4.5 Objectives and methods of financial risk management

The objectives of capital management are based on OVB's financial strategy, components of which are safeguarding liquidity in day-to-day operations and guaranteeing access to the capital market at any time. Measures for reaching the targets of capital management are the dividend policy, equity transactions, providing liquid assets for acquisitions and avoiding interest-bearing debt. OVB pursues a corporate policy according to which the Company's shareholders participate adequately in the business success. The Executive Board has the objective to keep distributing the Company's profits to the shareholders. There is still no need for either short-term or long-term outside financing. Our financial management is oriented towards the high degree of equity financing defined by our financial strategy. The capital structure of OVB Holding AG is distinguished by a solid equity ratio of 35.8 per cent (31 December 2021: 35.4 per cent). The Group utilizes various financial instruments that are a direct result of its business activities. The material risks to which the Group is exposed in connection with financial instruments include liquidity risk, currency risk, credit risk and interest rate risk. By means of the risk management system implemented by the Company's management, risks are routinely analyzed and promptly reported. The risk management system identifies gross exposure, i.e. the risks that will materialize if no measures are taken by the Company, and net risk, i.e. the residual risk that remains if appropriate measures are taken. The risk report is delivered at regular intervals; reports are given directly to the Company's management in case of increased individual risks. The Company's management decides on strategies and procedures for controlling individual types of risk explained below in the respective sub-sections.

The following table shows the book values of all financial assets included in the consolidated financial statements according to the classification categories under IFRS 9.

EUR'000		31/12/2022	31/12/2021
Financial assets	AC	489	506
Trade receivables	AC	46,795	41,949
Receivables and other assets		54,653	49,184
Receivables	AC	19,189	19,508
Other assets	-	5,077	4,102
Contract asset (IFRS 15)	-	30,387	25,574
Securities and other capital investments		41,846	54,313
Securities	FVPL	16,691	39,866
Securities	FVOCI	8,402	5,761
Other capital investments	AC	16,753	8,686
Cash and cash equivalents	AC	80,644	74,594

AC = Amortized Cost / FVPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income

All book values of financial assets with the exception of securities measured at fair value correspond to an adequate approximation of fair value. Aggregated to valuation categories pursuant to IFRS 9, book values of financial instruments can be presented as follows:

EUR'000		Book value 2022	Amortized cost	Historical acquisition cost	Change in value outside profit or loss	Change in value through profit or loss
Financial assets	AC	163,870 (previous year: 145,243)	163,870 (previous year: 145,243)	-	-	-18,684 (previous year: -19,190)
Financial assets	FVPL	16,691 (previous year: 39,866)	-	17,108 (previous year: 39,660)	-	-417 (previous year: 206)
Financial assets	FVOCI	8,402 (previous year: 5,761)	-	8,710 (previous year: 5,763)	-308 (previous year: -2)	-
Financial liabilities	AC	92,443 (previous year: 87,150)	92,443 (previous year: 87,150)	-	-	-

AC = Amortized Cost / FVPL = Fair Value through Profit or Loss / FVOCI = Fair Value through Other Comprehensive Income

The Company's current financial liabilities fall under the category »Financial liabilities (AC)« measured at amortized cost. The category »Financial assets (AC)« includes all of the Company's financial receivables, loans reported as non-current financial assets, fixed-term deposits and liquid assets with a maturity of more than three months reported as other short-term capital investments, short-term loans and cash and cash equivalents. For improved comparability with the following tables, the book values shown for each asset category are the net carrying amounts, i.e. after consideration of impairment. Depending on their classification as debt instruments or equity instruments, their »business model« and the terms of contractual cash flows according to IFRS 9, securities are classified either as financial assets measured at fair value through profit or loss (FVPL) or outside profit or loss (FVOCI).

Financial assets were not reclassified for the purpose of IFRS 7.12B in the reporting year or in the previous year.

Financial assets with a total book value of EUR 421 thousand (31 December 2021: EUR 416 thousand) were pledged as collateral. Collateral is granted to individual product partners for protection against discount risk. The amount is based on the respective business volume of previous reporting periods.

The following table shows the net result from financial instruments by measurement category:

EUR'000		From interest and similar income	From subsequent measurement			Net result
			At fair value	Valuation allowance / Appreciation in value	from disposal	Total
Financial assets	AC	1,445 (previous year: 216)	-	-397 (previous year: -553)	-273 (previous year: -70)	775 (previous year: -407)
Financial assets	FVPL	129 (previous year: 133)	-1,878 (previous year: 183)	-	-41 (previous year: 53)	-1,790 (previous year: 369)
Financial assets	FVOCI	5 (previous year: 5)	-306 (previous year: -41)	-	-	-301 (previous year: -36)
Financial liabilities	AC	-317 (previous year: -377)	-	-	800 (previous year: 887)	483 (previous year: 510)
Total		1,262 (previous year: -23)	-2,184 (previous year: 142)	-397 (previous year: -553)	486 (previous year: 870)	-833 (previous year: 436)

Foreign currency effects included in the net result are immaterial and therefore not reported separately. The net result includes EUR 306 thousand (31 December 2021: EUR -49 thousand) recognized outside profit or loss in equity.

OVB reports the above-mentioned expenses and income included in net result under the financial result with the exception of:

- valuation allowances for receivables allocated to financial assets measured at amortized cost that are reported under distribution expenses as essentially receivables from financial advisors are concerned,
- income from cancelled obligations allocated to other operating income and
- adjustments to the fair value of financial instruments outside profit or loss that are recognized directly in equity.

The net result from valuation allowances for financial assets measured at amortized cost consists of expenses for valuation allowances and income from appreciation in value.

Total interest income from financial assets amounted to EUR 1,579 thousand in the year under review (31 December 2021: EUR 354 thousand). Total interest expense for financial liabilities was EUR 317 thousand (31 December 2021: EUR 377 thousand).

4.5.1 Credit risk

The consolidated companies are exposed to default risk relating to receivables from financial advisors. OVB counters these risks by retaining securities, running an active accounts receivable management at the respective subsidiaries and applying diligence in recruiting financial advisors. Credit risk relating to product partners is curtailed by a restrictive selection process.

With respect to the Group's other financial assets such as cash, cash equivalents and financial assets, the maximum credit risk in the event of counterparty default is the carrying amount of these instruments. Subsequent to their initial recognition they are measured at amortized cost. That is the amount at which a financial asset was initially valued, less repayments, plus or less the cumulative amortization of any discount/premium and less any allowances for impairment.

The maximum default risk in the category »financial assets (AC)« is equivalent to the carrying amount of EUR 163,870 thousand (31 December 2021: EUR 145,243 thousand) and to receivables from third parties arising in case of the utilization of guarantees if applicable (cf. IV. Other information). Securities held as collateral for this purpose come to EUR 1,736 thousand (31 December 2021: EUR 2,335 thousand) so that the residual risk amounts to EUR 162,134 thousand (31 December 2021: EUR 142,908 thousand). No material terms and conditions were renegotiated in the year under review.

The maximum amount of exposure in the category »financial assets (FVPL)« as of 31 December 2022 is equivalent to the carrying amount of EUR 16,691 thousand (31 December 2021: EUR 39,866 thousand).

The maximum amount of exposure in the category »financial assets (FVOCI)« as of 31 December 2022 is equivalent to the carrying amount of EUR 8,402 thousand (31 December 2021: EUR 5,761 thousand).

For the monitoring of risks associated with receivables from financial advisors and receivables from employees, please refer to the explanatory notes on valuation allowances for other receivables.

As of the reporting date there were no receivables whose conditions had been renegotiated in the year under review and that would otherwise have been overdue or impaired.

Financial assets subject to valuation allowances as of the reporting date can be broken down as follows:

EUR'000		Gross amount	Valuation allowance	Book value (net)
Financial assets	AC	23,902 (previous year: 24,065)	-18,683 (previous year: -19,197)	5,219 (previous year: 4,868)
Financial assets	FVOCI	0 (previous year: 0)	0 (previous year: 0)	0 (previous year: 0)

With regard to receivables, other assets and non-current financial assets that were neither impaired nor overdue, there are no circumstances as of the reporting date to suggest that the respective debtors will not meet their payment obligations.

4.5.2 Currency risk

Currency risks arise as a result of financial instruments denominated in a currency other than the functional currency.

In the context of business operations, the individual consolidated companies process and settle transactions almost exclusively in their respective functional currency. Material financial instruments (liquid assets, receivables, interest-bearing securities or debt capital instruments held, interest-bearing and non-interest-bearing liabilities) are also almost exclusively held in the functional currency. Immediately after the end of each financial year, the subsidiaries largely transfer their profits to the parent company.

The Group generates 37 per cent of consolidated sales (31 December 2021: 36 per cent) in functional currencies other than the euro. Translation differences from changes in exchange rates compared to the previous year were EUR 1,228 thousand in consolidated sales (31 December 2021: EUR 61 thousand) and EUR 216 thousand in consolidated net income (31 December 2021: EUR 11 thousand). Changes in exchange rates between functional currencies and the euro may have an impact on consolidated net income and the consolidated statement of financial position. Exchange rates are constantly monitored and foreign currency on hand is continuously revalued in order to make allowance for currency risks arising from changes in exchange rates against the euro.

4.5.3 Interest rate risk

The Group is exposed to interest rate risks in the form of potential interest rate fluctuations. Interest rate risks are presented by way of sensitivity analyses in accordance with IFRS 7. They show the effects of changes in market interest rates on interest income and expense, other income components and, if applicable, on equity. For the sensitivity analysis with respect to fixed-interest securities, information on changes in prices at corresponding changes in market interest rates is taken into consideration (basis point value).

As of the reporting date, the Company had variable-interest assets valued at EUR 68,059 thousand (31 December 2021: EUR 68,908 thousand) and variable-interest liabilities of EUR 202 thousand (31 December 2021: EUR 251 thousand). If market interest rates for the full year 2022 had been 100 basis points higher (lower), net income would have been EUR 679 thousand (31 December 2021: EUR 687 thousand) higher (lower).

4.5.4 Liquidity risk

The Group constantly monitors the risk of a potential liquidity squeeze by means of a liquidity planning report. This report is prepared weekly or monthly and takes into account the terms to maturity of financial investments and financial assets (e.g. receivables, other financial assets) as well as anticipated cash flows from operating activities. No liquidity shortfalls were identified at any time during the reporting period.

4.5.5 Tax risk

Tax risk may result in particular from tax audit risks and risks from fiscal court proceedings. Tax risk especially comprises tax on wages and value-added tax for participation of office staff and business partners in incentives and events. There is also the latent income tax risk concerning the acceptance of cross-border cost allocation. These risks are reported in accordance with the general principles of recognition of liabilities if more reasons speak in favour of utilization than against it as of the reporting date.

5. Consolidated assets

5.1 Non-current assets

Tangible and intangible non-current assets with a low cost base were written off in full in the year of acquisition and recognized as disposals.

5.1.1 Intangible assets

Intangible assets include both purchases and in-house developments of software, purchased client portfolios, purchased trademarks and goodwill.

The following conditions must be met for the capitalization of in-house developments of intangible assets:

- Identifiability of the intangible asset, i.e. the asset can be separated from the Company and sold, transferred, licensed, let or swapped
- Completion of the intangible asset is technically feasible to a degree that it can be used or sold
- Intent to complete and use or sell the intangible asset
- Ability to use or sell the intangible asset and to restrict access of third parties to its benefit
- Reliable determination of acquisition or production cost
- Availability of adequate technical, financial and other resources toward the completion of development and the intangible asset's use or sale
- Probability that the asset generated in-house will yield future economic benefit

In accordance with IAS 38.21, OVB Group capitalizes software development costs if inflow of an economic benefit attributable to the created software is probable and the cost can be determined reliably. If these criteria for capitalization are not met, the expenditure on the item is recognized in the income statement through profit or loss for the year it is incurred.

Software and other intangible assets (not including goodwill) are initially valued at cost including incidental transaction costs.

Software and other intangible assets (not including goodwill) are then measured at cost less cumulative amortization and impairment as of subsequent reporting dates.

Intangible assets with indefinite useful lives are tested annually for impairment according to IAS 36.

Unless special circumstances call for a different approach, amortization of intangible assets with definite useful lives is calculated under the straight-line method on the basis of the following useful lives:

	Estimated useful lives
Software	3 - 10 years
Other intangible assets	3 - 10 years
Purchased client portfolios	indefinite
Goodwill	indefinite

A material component of software is the sales supporting software OVB EASY. Following its acquisition in the year 2014, the software has been constantly updated and introduced individually for the national markets. The customized national market modules have been introduced gradually and they are amortized over 5 years as of completion.

Advance payments for software are measured at face value.

Due to the introduction of IFRS 3, existing goodwill was recognized at its value as of 31 December 2004 and amortization was discontinued after that date. The assigned value is deemed the new cost. Instead of amortization under the straight-line method, goodwill is subject to so-called impairment testing in accordance with IAS 36 at least once a year. Impairment testing involves justifying the value assigned to the respective asset («impairment only approach»). Impairment testing for the period entails testing the relevant cash-generating units for impairment. Cash-generating units for the purpose of goodwill impairment tests are the entities forming the basis of the goodwill or divisions of these entities. These scheduled impairment tests are conducted regularly on the basis of recent multi-year budgeting. Within the framework of the most recent impairment tests, the value in use was determined as the recoverable amount. OVB applies a DCF procedure for determining value in use. If there are indications of impairment, additional tests are carried out during the reporting period independently of the mandatory annual impairment test.

The asset schedule shows changes in the values of intangible assets over the financial year. There were no restrictions on disposal or pledges.

5.1.2 Tangible assets

Tangible assets are initially valued at cost including incidental transaction costs.

Tangible assets are subsequently measured at cost less cumulative depreciation and impairment plus any reversal of impairment loss as of the following reporting dates.

Gains or losses upon asset disposal are determined by comparing sale proceeds with the carrying amount and recognized in profit or loss as other operating income.

The estimated useful life is determined on the basis of anticipated physical wear and tear, technological obsolescence and legal and contractual restrictions. Impairment beyond that results in recognition of impairment loss.

Tangible non-current assets are depreciated under the straight-line method over the following useful lives:

	Estimated useful lives
Own-use property	25 - 50 years
Machinery, equipment, furniture, vehicles, others	4 - 10 years
IT equipment	3 - 5 years
Tenant fixtures and fittings	5 - 13 years

5.1.3 Financial assets

Financial assets relate to loans to office staff and financial advisors at terms of more than one year granted at market interest rates. Measurement is based on amortized cost less impairment if applicable.

5.1.4 Leases

Leases with terms of more than 12 months not to be classified as low-value leases are subject to the lessee's accounting treatment according to IFRS 16. The right of use is depreciated over the lease term and the corresponding liability with interest component is amortized accordingly by the monthly lease payments (please also refer to chapter 2.1). OVB's leases are primarily real property and vehicle lease agreements.

Depreciation of the right of use is recognized in profit or loss under item 30, »Depreciation and amortization«.

Interest from recognition of lease liabilities is disclosed under item 32, »Financial result«.

5.1.5 Impairment

Non-financial assets are reviewed for impairment within the meaning of IAS 36 according to risk management guidance if so-called triggering events indicate that the asset's carrying amount may not be recoverable (impairment test). Such objective indications or triggering events would include, for example, changes in market value, changes in market and business environment, changes in market interest rates or substantial indications in the Company's internal reporting that the ability to use the asset has changed for the worse or that the asset's earning capacity has diminished. Impairment loss is recognized as soon as it is determined in the context of impairment testing that an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use. The net selling price is the amount obtainable by selling the asset under market conditions less cost to sell. The value in use is the cash or present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually if possible or, if it is not, for the cash-generating unit the asset belongs to.

Goodwill recognized in the statement of financial position is reviewed for its future economic benefit in accordance with the methods described under note 5.1.1. The future economic benefit is determined on the basis of the recoverable amount. Impairment loss is recognized in profit or loss if the recoverable amount is lower than the carrying amount of the respective cash-generating unit.

5.2 Current assets

5.2.1 Receivables and other assets

Receivables and other assets are recognized at amortized cost less any necessary valuation allowance. Valuation allowances are determined on the basis of individual risk assessment and past experience.

Claims for commission acquired from financial advisors against payment are recognized according to their nature as either non-financial assets or financial assets at amortized cost less commission expense saved. The reduction of the carrying amount by saved commission expense increases brokerage expenses by the full corresponding amount.

5.2.2 Securities

Securities are categorized according to the business model under which they are held and the terms of contractual cash flows. Thus, securities can be designated as financial assets subject to subsequent measurement either at amortized cost (AC), at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) outside profit or loss. Upon first-time recognition, »financial assets (AC)« and »financial assets (FVOCI)« are valued at fair value plus incidental transaction costs while »financial assets (FVPL)« are valued solely at fair value.

Subsequent to first-time recognition, securities of the category »financial assets (AC)« are measured at amortized cost under the effective interest method. Premiums and discounts are allocated over the financial asset's remaining term at constant effective interest.

Changes in fair value of securities measured at fair value through profit or loss are recognized directly in the income statement. In the category »financial assets (FVOCI)«, changes in fair value are recognized in equity under the revaluation reserve and reclassified through profit or loss only when the gain or loss has been realized.

5.2.3 Cash and cash equivalents

Cash and short-term deposits recognized in the statement of financial position include cash on hand, cash in banks and short-term deposits with original terms to maturity of less than three months. These items are recognized at face value.

Cash and cash equivalents as reported in the statement of cash flows comprise cash on hand and bank balances with terms to maturity of less than three months less current liabilities to banks.

6. Consolidated equity and liabilities

6.1 Non-current liabilities

Non-current liabilities are liabilities that fall due more than twelve months after the reporting date or whose payment OVB can postpone by at least twelve months from the reporting date as well as liabilities paid outside the ordinary course of business.

6.1.1 Non-current provisions

Provisions for pensions

The Group has pension plans for employees in Switzerland and Belgium. The calculation of provisions for pensions is based on the project unit credit method in accordance with IAS 19. Future obligations are measured on the basis of actuarial estimates. Such estimates take into account currently expected mortality and disability rates. With respect to Switzerland, staff turnover rates are taken into consideration in addition to that. The interest rate applied in order to calculate the present value of pension obligations is based on the interest rate applicable to long-term first-class corporate bonds and comes to 1.80 per cent for Switzerland (31 December 2021: 0.25 per cent) and 3.80 per cent for Belgium (31 December 2021: 0.98 per cent).

Provisions for employee benefits

Provisions for long-term benefits due to employees are particularly provisions for anniversary benefits that do not fall due within 12 months of the reporting date. They are generally measured at the present value of expected future cash flows. The discount interest rate is oriented towards the interest rate applicable to long-term first-class corporate bonds.

6.2 Current liabilities

6.2.1 Provisions for taxes/Tax liabilities

Provisions are made for the income taxes of the individual entities based on the respective applicable domestic taxation if certain facts or circumstances are in dispute between the reporting entity and the respective tax authority.

Taxes on income from current and previous periods that have been assessed but not yet paid are stated as tax liabilities.

Deferred tax liabilities are reported under tax deferrals.

6.2.2 Other provisions

Cancellation risk

Provisions for cancellation risk are made for discounted commission relating to events after the reporting date as commission must be repaid in full or in part if a product partner claims a commission refund on the basis of contracts that have been cancelled. The amount of the provision is determined by the respective subsidiary based on nationally specific aspects (esp. period of liability, the subsidiary's historical cancellation rates, the expected timing of cancellations, etc.) as of each reporting date according to a consistent process implemented in the Group.

Unbilled obligations

Provisions are made for unbilled obligations if the amount of the obligation can only be estimated because the billable quantities and/or prices are unknown. This item primarily relates to unsettled accounts with financial advisors. If specific details cannot be provided in the individual case, provisions are measured at the average share of commission usually attributable to the financial advisors. Provisions are reviewed as of each reporting date and adjusted in accordance with the best estimate available at the time.

Litigation

Provisions are set aside for litigation in each case where OVB is the defendant in pending court proceedings as of the reporting date. The provision reflects the probable outcome of the legal dispute with due regard to the associated litigation risk. Provisions are reviewed as of each reporting date and adjusted in accordance with the best estimate available at the time.

Obligations to employees

Current provisions are recognized for obligations to employees if the maturity date and/or the amount of such obligations are uncertain. Provisions are reviewed as of each reporting date and adjusted in accordance with the best estimate available at the time.

Costs for financial statements/Audit cost

Entities of OVB Group have the obligation under commercial law and tax law to prepare separate annual financial statements in accordance with the applicable domestic regulations as well as consolidated financial statements and, if the business meets certain quantitative requirements, to have their financial statements audited. This item also includes the anticipated cost of the audit of the 2022 consolidated financial statements.

Other obligations

Other obligations arise from accounts that are outstanding, particularly for goods and services that were supplied before the reporting date but have not yet been settled. Such provisions are recognized at expected settlement amounts.

6.2.3 Other liabilities

Trade payables

Trade payables are recognized at settlement amounts.

Loans

Interest-bearing bank loans are recognized at the disbursed amount at the time the loan is received. This amount usually equals the valued amount. Loans are subsequently appreciated in value up to the amount to be repaid by applying the effective interest method.

7. Consolidated income statement

The consolidated income statement has been prepared in application of the total cost method.

7.1 Income/Expenses

Please refer to chapter 4.3 for the recognition of sales.

The offsetting expense items are recognized on an accrual basis.

7.2 Financial result

The financial results essentially comprise interest expenses and interest income from deposits with banks, accrued interest on lease liabilities and other financial result from the performance of securities held. Finance expense and finance income are recognized on an accrual basis.

7.3 Taxes on income

Actual income tax expense is calculated on the basis of earnings for the period as reported in the separate financial statements of the individual entities. Earnings before taxes are adjusted for tax-free and non-deductible items. The tax rates applicable as of the reporting date are applied in order to calculate income tax.

Deferred tax is calculated on the basis of the internationally recognized liability method. According to this method, deferred tax items are recognized for all temporary and quasi-temporary differences between the book values of an asset or liability according to IFRS and its tax base as reported by the individual entity as well as for consolidation transactions. Furthermore, deferred tax assets are recognized for the future benefit of tax loss carry-forwards. However, a deferred tax asset will be recognized for accounting and valuation differences and for tax loss carry-forwards only to the extent that realization is reasonably assured. Calculation was based on the budgeted medium-term earnings of the respective entities. Deferred taxes are measured on the basis of the respective expected domestic income tax rate.

As prescribed by IAS 12.53, deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are reported in the consolidated statement of financial position as non-current assets and non-current liabilities respectively.

If the temporary difference arising from first-time recognition of an asset or a liability does not affect taxable earnings, no deferred taxes are recognized unless the temporary difference arises in connection with a business acquisition.

Items are generally recognized as tax income or expense in the income statement. An exception to this rule are items recognized directly in equity, in which case deferred tax on these items is recognized accordingly.

Deferred tax assets can be offset against deferred tax liabilities in accordance with IAS 12.74 if the entity has the legal right to settle on a net basis and the matter involves income taxes levied by the same taxing authority.

8. Explanatory report and information on segment reporting

The principal business activity of OVB's operating subsidiaries consists of advising clients in structuring their finances and broking various financial products offered by insurance companies, banks, building societies and other enterprises in this context. It is not feasible to break down the services provided to clients by product type. Within the consolidated companies there are no identifiable and distinctive key sub-activities at group level. In particular, it is not possible to present assets and liabilities based on the brokered products. For this reason, the individual entities are each categorized as single-product companies. Consequently, segment reporting is based exclusively on geographic aspects as corporate governance and internal reporting to group management are also structured solely according to these criteria. In this regard, the operating subsidiaries represent operating segments for the purpose of IFRS 8, aggregated in three reportable segments. All entities not involved in brokerage service operations represent the segment »Corporate Centre«. For this categorization, the criteria for aggregation defined by IFRS 8.12 have been complied with. Compliant with IFRS, internal reporting to the Company's management is a condensed presentation of the income statement as presented more elaborately in segment reporting. Earnings of the entities are monitored separately by the Company's management in order to measure and assess profitability. Segment assets and segment liabilities are not disclosed in the presentation of segment reporting compliant with IFRS 8.23 as that disclosure is not part of internal reporting.

The segment »Central and Eastern Europe« includes: OVB Vermögensberatung A.P.K. Kft., Budapest; OVB Allfinanz, a.s., Prague; OVB Allfinanz Slovensko a.s., Bratislava; OVB Allfinanz Polska Spółka Finansowa Sp. z o.o., Warsaw; S.C. OVB Allfinanz Romania Broker de Asigurare S.R.L., Cluj; OVB Imofinanz S.R.L., Cluj; OVB Allfinanz Croatia d.o.o., Zagreb; OVB Allfinanz Zastupanje d.o.o., Zagreb; TOB OVB Allfinanz Ukraine, Kiev; and, as of the third quarter of 2022, also OVB Allfinanz SI, zavarovalno zastopniška družba, d.o.o., Ljubljana. Material contributions to the brokerage income of the Central and Eastern Europe segment are generated by OVB Allfinanz, a.s., Prague, at EUR 47,789 thousand (31 December 2021: EUR 46,332 thousand) and OVB Allfinanz Slovensko a.s., Bratislava, at EUR 51,060 thousand (31 December 2021: EUR 44,527 thousand).

The segment »Germany« comprises OVB Vermögensberatung AG, Cologne; Advesto GmbH, Cologne; and Eurenta Holding GmbH, Cologne. In this segment brokerage income is primarily generated by OVB Vermögensberatung AG, Cologne, at EUR 61,076 thousand (31 December 2021: EUR 64,391 thousand).

The segment »Southern and Western Europe« includes the following companies: OVB Allfinanzvermittlungs GmbH, Wals near Salzburg; OVB Vermögensberatung (Schweiz) AG, Huenenberg; OVB-Consulenza Patrimoniale SRL, Verona; OVB Allfinanz España S.A., Madrid; OVB (Hellas) Allfinanz Vermittlungs GmbH & Co. KG, Bankprodukte, Athens; OVB Hellas Allfinanzvermittlungs GmbH, Athens; OVB Conseils en patrimoine France Sàrl., Strasbourg; Eurenta Hellas Monoprosopi EPE Asfalistiki Praktores, Athens; Willemot Bijzonder Verzekeringsbestuur NV, Gent and Verzekeringkantoor Louis Vanheule BVBA, Dendermonde. Material contributions to the brokerage income of the Southern and Western Europe segment are generated by OVB Allfinanz España S.A., Madrid, at EUR 32,944 thousand (31 December 2021: EUR 31,990 thousand) and OVB Allfinanzvermittlungs GmbH, Wals near Salzburg, at EUR 29,761 thousand (31 December 2021: EUR 29,327 thousand).

The segment »Corporate Centre« includes OVB Holding AG, Cologne; Nord-Soft EDV-Unternehmensberatung GmbH, Horst; Nord-Soft Datenservice GmbH, Horst and OVB Informatikai Kft., Budapest. The entities of the Corporate Centre segment are not involved in broking financial products but primarily concerned with providing services to OVB Group. The range of services comprises particularly management and consulting services, software and IT services as well as marketing services.

The separate segments are presented in segment reporting after the elimination of inter-segment interim results and consolidation of expenses and income. Intra-group dividend distributions are not taken into account.

Reconciliations of segment values to corresponding consolidated data are made directly in the consolidation column in segment reporting. Recognition, disclosure and measurement of the consolidated values in segment reporting correspond to the values presented in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity. For intra-group allocations, an appropriate additional overhead charge is levied on the individual cost items incurred.

Please refer to the disclosure of related-party transactions for information about key product partners.

Segment reporting 2022

of OVB Holding AG according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	174,402	61,211	96,334	0	0	331,947
- New business commission	150,981	34,978	68,251	0	0	254,210
- Policy service commission	14,705	19,685	17,731	0	0	52,121
- Dynamic commission	1,245	3,988	2,398	0	0	7,631
- Other brokerage income	7,471	2,560	7,954	0	0	17,985
Other operating income	2,889	3,373	3,458	5,315	-63	14,972
Income from inter-segment transactions	0	1,027	30	20,636	-21,693	0
Total segment income	177,291	65,611	99,822	25,951	-21,756	346,919
Segment expenses						
Brokerage expense						
- Current commission	-109,491	-35,462	-53,720	0	0	-198,673
- Other commission	-9,914	-3,094	-6,578	0	0	-19,586
Personnel expenses	-11,414	-7,353	-13,366	-13,442	0	-45,575
Depreciation/amortisation	-1,955	-995	-1,970	-3,575	0	-8,495
Other operating expenses	-25,734	-11,496	-18,997	-18,254	21,902	-52,579
Total segment expenses	-158,508	-58,400	-94,631	-35,271	21,902	-324,908
Earnings before interest and taxes (EBIT)						
	18,783	7,211	5,191	-9,320	146	22,011
Interest income	1,316	120	40	33	-7	1,502
Interest expenses	-98	-139	-81	-5	7	-316
Other financial result	0	-563	-248	-976	0	-1,787
Earnings before taxes (EBT)	20,001	6,629	4,902	-10,268	146	21,410
Taxes on income	-3,895	-19	-2,142	-293	0	-6,349
Non-controlling interests	0	0	0	-390	0	-390
Segment result	16,106	6,610	2,760	-10,951	146	14,671
Additional disclosures						
Capital expenditures for intangible and tangible assets	2,237	110	805	3,518	0	6,670
Material non-cash expenses (-) and income (+)	518	1,525	2,638	226	0	4,907
Impairment expenses/Fair value expense according to IFRS 9	-634	-1,716	-1,526	-1,755	132	-5,499
Reversal of impairment loss/Fair value write-up in accordance with IFRS 9	388	1,227	173	0	0	1,788

Segment reporting 2021

of OVB Holding AG according to IFRS

EUR'000	Central and Eastern Europe	Germany	Southern and Western Europe	Corporate Centre	Consolidation	Consolidated
Segment income						
Income from business with third parties						
- Brokerage income	157,861	64,482	98,353	0	0	320,696
- New business commission	136,552	40,524	76,079	0	0	253,155
- Policy service commission	13,895	19,221	16,898	0	0	50,014
- Dynamic commission	1,066	3,960	1,920	0	0	6,946
- Other brokerage income	6,348	777	3,456	0	0	10,581
Other operating income	2,476	2,784	3,258	2,491	-50	10,959
Income from inter-segment transactions	0	931	0	13,675	-14,606	0
Total segment income	160,337	68,197	101,611	16,166	-14,656	331,655
Segment expenses						
Brokerage expense						
- Current commission	-100,030	-38,538	-58,051	0	0	-196,619
- Other commission	-9,152	-3,618	-6,096	0	0	-18,866
Personnel expenses	-10,197	-7,120	-12,189	-12,792	0	-42,298
Depreciation/amortisation	-1,818	-1,015	-1,993	-2,908	0	-7,734
Other operating expenses	-18,779	-9,738	-14,186	-16,316	14,647	-44,372
Total segment expenses	-139,976	-60,029	-92,515	-32,016	14,647	-309,889
Earnings before interest and taxes (EBIT)						
	20,361	8,168	9,096	-15,850	-9	21,766
Interest income	139	97	22	27	-5	280
Interest expenses	-106	-167	-97	-11	5	-376
Other financial result	0	148	140	201	0	489
Earnings before taxes (EBT)	20,394	8,246	9,161	-15,633	-9	22,159
Taxes on income	-3,735	-93	-2,645	10	0	-6,463
Non-controlling interests	0	0	0	19	0	19
Segment result	16,659	8,153	6,516	-15,604	-9	15,715
Additional disclosures						
Capital expenditures for intangible and tangible assets	1,434	245	1,002	4,263	0	6,944
Material non-cash expenses (-) and income (+)	-377	267	-2,999	-228	0	-3,337
Impairment expenses/Fair value expense according to IFRS 9	-594	-855	-829	-138	49	-2,367
Reversal of impairment loss/Fair value write-up in accordance with IFRS 9	431	773	516	135	0	1,855

II. Notes to the consolidated statement of financial position

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2022 according to IFRS

EUR'000	Intangible assets							Rights of use of leased assets
	Software			Goodwill	Other intangible assets	Total		
	Software purchased from external third parties	In-house software developments	Payments on account for software					
Historical cost								
31/12/2021	39,530	3,681	526	11,698	9,831	65,266	16,442	
Currency translation differences	63	5	18	0	15	101	19	
01/01/2022	39,593	3,686	544	11,698	9,846	65,367	16,461	
Additions	4,108	0	191	0	482	4,781	1,322	
Disposals	191	0	24	0	285	500	563	
Transfers	21	0	-58	0	37	0	0	
31/12/2022	43,531	3,686	653	11,698	10,080	69,648	17,220	
Accumulated depreciation/ amortisation								
31/12/2021	29,095	3,614	373	9,416	7,474	49,972	5,481	
Currency translation differences	40	5	17	0	15	77	-26	
01/01/2022	29,135	3,619	390	9,416	7,489	50,049	5,455	
Additions	3,709	0	0	0	608	4,317	2,407	
Disposals	191	0	0	0	2	193	516	
Transfers	0	0	0	0	0	0	0	
31/12/2022	32,653	3,619	390	9,416	8,095	54,173	7,346	
Accumulated impairments								
31/12/2021	0	67	0	962	427	1,456	0	
Currency translation differences	0	0	0	0	0	0	0	
01/01/2022	0	67	0	962	427	1,456	0	
Impairments	0	0	0	0	0	0	0	
Impairment loss reversal	0	0	0	0	0	0	0	
Disposals	0	0	0	0	0	0	0	
31/12/2022	0	67	0	962	427	1,456	0	
Book value 31/12/2022	10,878	0	263	1,320	1,558	14,019	9,874	
Book value 31/12/2021	10,435	0	153	1,320	1,930	13,838	10,961	

						Tangible assets	Financial assets
	Land, land rights and buildings	Operating and office equipment				Total	Loans
		Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress	
	821	7,942	9,061	2,438	3	20,265	513
	0	13	13	-1	0	25	0
	821	7,955	9,074	2,437	3	20,290	513
	12	623	1,216	1	37	1,889	67
	0	494	90	46	0	630	91
	0	0	3	0	-3	0	0
	833	8,084	10,203	2,392	37	21,549	489
	228	5,895	6,306	2,215	0	14,644	0
	0	14	14	-3	0	25	0
	228	5,909	6,320	2,212	0	14,669	0
	33	672	995	78	0	1,778	0
	0	464	90	46	0	600	0
	0	0	0	0	0	0	0
	261	6,117	7,225	2,244	0	15,847	0
	0	1	0	0	0	1	7
	0	-1	0	0	0	-1	0
	0	0	0	0	0	0	7
	0	0	0	0	0	0	1
	0	0	0	0	0	0	0
	0	0	0	0	0	0	8
	0	0	0	0	0	0	0
	572	1,967	2,978	148	37	5,702	489
	593	2,046	2,755	223	3	5,620	506

Schedule of Group non-current assets

of OVB Holding AG as of 31 December 2021 according to IFRS

EUR'000	Intangible assets							Rights of use of leased assets
	Software			Goodwill	Other intangible assets	Total		
	Software purchased from external third parties	In-house software developments	Payments on account for software					
Historical cost								
31/12/2020	36,482	3,903	696	11,698	9,437	62,216	17,425	
Currency translation differences	105	20	16	0	14	155	94	
01/01/2021	36,587	3,923	712	11,698	9,451	62,371	17,519	
Additions	3,774	0	308	0	471	4,553	519	
Disposals	1,178	242	19	0	219	1,658	1,596	
Transfers	347	0	-475	0	128	0	0	
31/12/2021	39,530	3,681	526	11,698	9,831	65,266	16,442	
Accumulated depreciation/ amortisation								
31/12/2020	27,031	3,832	358	9,416	6,967	47,604	4,555	
Currency translation differences	61	19	15	0	14	109	-2	
01/01/2021	27,092	3,851	373	9,416	6,981	47,713	4,553	
Additions	3,180	3	0	0	494	3,677	2,491	
Disposals	1,177	240	0	0	1	1,418	1,563	
Transfers	0	0	0	0	0	0	0	
31/12/2021	29,095	3,614	373	9,416	7,474	49,972	5,481	
Accumulated impairments								
31/12/2020	0	67	0	962	427	1,456	0	
Currency translation differences	0	0	0	0	0	0	0	
01/01/2021	0	67	0	962	427	1,456	0	
Impairments	0	0	0	0	0	0	0	
Impairment loss reversal	0	0	0	0	0	0	0	
Disposals	0	0	0	0	0	0	0	
31/12/2021	0	67	0	962	427	1,456	0	
Book value 31/12/2021	10,435	0	153	1,320	1,930	13,838	10,961	
Book value 31/12/2020	9,451	4	338	1,320	2,043	13,156	12,870	

						Tangible assets	Financial assets
	Land, land rights and buildings	Operating and office equipment				Total	Loans
		Own-use property	Machinery, equipment, furniture, vehicles, other	IT equipment	Tenant fixtures and fittings	Payments on account of tangible assets in progress	
	852	7,527	7,558	2,490	29	18,456	650
	0	66	29	5	0	100	0
	852	7,593	7,587	2,495	29	18,556	650
	3	744	1,317	0	327	2,391	246
	34	477	171	0	0	682	383
	0	82	328	-57	-353	0	0
	821	7,942	9,061	2,438	3	20,265	513
	225	5,625	5,612	2,195	0	13,657	0
	0	52	24	0	0	76	0
	225	5,677	5,636	2,195	0	13,733	0
	37	634	838	71	0	1,580	0
	34	467	168	0	0	669	0
	0	51	0	-51	0	0	0
	228	5,895	6,306	2,215	0	14,644	0
	0	1	0	0	0	1	201
	0	0	0	0	0	0	0
	0	1	0	0	0	1	201
	0	0	0	0	0	0	0
	0	0	0	0	0	0	115
	0	0	0	0	0	0	79
	0	1	0	0	0	1	7
	593	2,046	2,755	223	3	5,620	506
	627	1,901	1,946	295	29	4,798	449

Assets

A Non-current assets	2022: EUR'000	35,641
	2021: EUR'000	37,087
1 Intangible assets	2022: EUR'000	14,019
	2021: EUR'000	13,838

EUR'000	31/12/2022	31/12/2021
Software		
Software purchased from third parties	10,878	10,435
Payments on account for software	263	153
Goodwill	1,320	1,320
Other intangible assets	1,558	1,930
	14,019	13,838

Purchased software essentially relates to a group-wide uniform administration and management program as well as a software solution for sales support. The carrying amount of the administration and management program called myOVB is EUR 1,403 thousand as of 31 December 2022 (31 December 2021: EUR 1,979 thousand). The carrying amount of the sales-support software comes to EUR 5,324 thousand as of 31 December 2022 (31 December 2021: EUR 5,060 thousand).

Goodwill is subject to impairment tests in accordance with IAS 36. The risk-free discount rate applied to goodwill for the determination of its value in use is 2.03 per cent (31 December 2021: 0.1 per cent) according to the Svensson method (IDW) at a detailed planning horizon of five years. Furthermore, a sustainable growth rate of 1.0 per cent is assumed and a market risk premium of 5.75 per cent is applied according to the provisions of IDW S1 (interpretation FAUB).

Changes in intangible assets during the financial year are presented in the asset schedule.

Goodwill amounts to EUR 1,320 thousand altogether as of 31 December 2022 (31 December 2021: EUR 1,320 thousand) and is attributable entirely to the acquisition of Willemot Bijzonder Verzekeringsbestuur NV as of 1 January 2019. There was no need for impairment in financial years 2021 and 2022.

2 Rights of use of leased assets	2022: EUR'000	9,874
	2021: EUR'000	10,961

Rights of use of leased assets are leases accounted for according to IFRS 16, concerning primarily leases of land and buildings at EUR 9,036 thousand (31 December 2021: EUR 10,144 thousand).

3 Tangible assets	2022: EUR'000	5,702
	2021: EUR'000	5,620

EUR'000	31/12/2022	31/12/2021
Land, land rights and buildings		
- Own-use property	572	593
Other equipment, office and operating equipment		
- Machinery, equipment, furniture, vehicles, others	1,967	2,046
- IT equipment	2,978	2,755
- Tenant fixtures and fittings	148	223
- Payments on account for tangible assets under construction	37	3
	5,702	5,620

A land charge is filed for one property under the Company's own use in the amount of EUR 716 thousand (31 December 2021: EUR 716 thousand). The land charge is not linked to any underlying values.

Depreciation of EUR 33 thousand (31 December 2021: EUR 37 thousand) was recognized for own-use property.

Please refer to the asset schedule for further details on the development of non-current assets.

4 Financial assets	2022: EUR'000	489
	2021: EUR'000	506

Financial assets relate to loans to office staff and financial advisors granted at market interest rates and with terms to maturity of more than one year.

5 Deferred tax assets	2022: EUR'000	5,557
	2021: EUR'000	6,162

Deferred tax assets can be broken down by item reported in the statement of financial position as follows:

EUR'000	31/12/2022	31/12.2021
Tangible assets and other intangible assets	13	5
Financial assets	87	83
Financial instruments and receivables	583	928
Other assets	11	14
Provisions	6,508	6,345
Liabilities	4,150	4,069
Tax loss carry-forward	178	93
	11,530	11,537
Net of deferred tax liabilities	-5,973	-5,375
	5,557	6,162

Deferred taxes are recognized for so far unused loss carry-forward to the extent that it is probable according to current planning that taxable income will be available within the budget period of five years against which unused tax loss can be offset; taxable income is assumed after the end of the planning period.

As of 31 December 2022, deferred income tax liabilities have been entered in equity outside profit or loss in the amount of EUR 117 thousand (31 December 2021: EUR 11 thousand).

Altogether, no deferred taxes were recognized for loss carry-forward in the amount of EUR 27,664 thousand (31 December 2021: EUR 29,198 thousand) for consolidated companies. This would have corresponded to deferred tax assets of EUR 8,827 thousand (31 December 2021: EUR 9,328 thousand).

Of this loss carry-forward, the amount of EUR 74 thousand (31 December 2021: EUR 31 thousand) can be utilized over a period of between 5 and 15 years. The amount of EUR 27,590 thousand (31 December 2021: EUR 29,167 thousand) can be carried forward indefinitely.

B Current assets	2022: EUR'000	225,472
	2021: EUR'000	220,738
6 Trade receivables	2022: EUR'000	46,795
	2021: EUR'000	41,949

EUR'000	31/12/2022	31/12/2021
Trade receivables		
1. Receivables from insurance brokerage	42,986	38,958
2. Receivables from other brokerage	1,701	1,838
3. Other trade receivables	2,108	1,153
	46,795	41,949

The risk profile of trade receivables is accommodated according to the debtor's credit rating and the amount and age of the respective receivable by valuation allowances. As experience with the Group's default risk shows no significant differences with respect to the geographic segments, valuation allowances do not distinguish between the Group's different segments. The development of valuation allowances for trade receivables is as follows:

EUR'000	2022	2021
Valuation allowances as of 1 January	118	222
Exchange rate differences	0	-2
Allocation (valuation allowance expense)	0	17
Consumption	114	116
Reversals	0	3
Valuation allowances as of 31 December	4	118

Trade receivables in the amount of EUR 6,077 thousand (31 December 2021: EUR 5,093 thousand) have remaining terms to maturity of more than one year.

1. Receivables from insurance brokerage

Receivables from insurance brokerage relate primarily to claims for commission and claims from retained securities (cancellation reserve) against product providers. Commission claims do not bear interest and are generally due within 30 days.

2. Receivables from other brokerage

Receivables from other brokerage relate primarily to claims for commission against product providers that are not insurance companies. Those receivables do not bear interest and are generally due within 30 days.

3. Other trade receivables

Other trade receivables include all receivables that do not relate to brokerage services.

7 Receivables and other assets	2022: EUR'000	54,653
	2021: EUR'000	49,184

EUR'000	31/12/2022	31/12/2021
7.1 Other receivables	19,189	19,508
7.2 Other assets	5,077	4,102
7.3 Contract asset (IFRS 15)	30,387	25,574
	54,653	49,184

Receivables and other assets usually have remaining terms to maturity of less than one year. With respect to mandatory disclosures pursuant to IFRS 15.113 (b), we would like to point out that the contract asset results primarily from contracts with insurance companies subject to financial supervision in the respective countries. In addition to that, a process for routine monitoring of the assets and liabilities, financial position and profit/loss of all existing product partners has been implemented. No need for impairment has so far been identified in this context. Due to the adjustment of the cancellation rate in connection with the uncertainties of the macroeconomic environment, the contract asset was reduced by EUR 2,007 thousand (31 December 2021: EUR 2,238 thousand).

7.1 Other receivables

EUR'000	31/12/2022	31/12/2021
Other receivables		
1. Receivables from financial advisors	5,479	6,053
2. Receivables from employees	117	138
3. Miscellaneous other receivables	12,891	12,884
4. Other taxes	702	433
	19,189	19,508

The risk profile of »other receivables« is accommodated by valuation allowances according to the debtor's credit rating, the amount and age of the receivable and depending on the status as well as the date of the financial advisor's exit. As experience with the Group's default risk shows no significant differences with respect to the geographic segments, valuation allowances do not distinguish between the Group's different segments. The development of valuation allowances for »other receivables« is as follows:

EUR'000	2022	2021
Valuation allowances as of 1 January	19,072	20,947
Exchange rate differences	2	190
Allocation (valuation allowance expense)	2,135	1,952
Consumption	882	2,716
Reversals	1,647	1,301
Valuation allowances as of 31 December	18,680	19,072

Allocations to valuation allowances for »other receivables« relate to receivables from financial advisors.

1. Receivables from financial advisors

Receivables from financial advisors primarily relate to advance payments of commission and claims for commission refunds. They are usually due within 30 days. Receivables from the individual former financial advisor are offset against liabilities to that same financial advisor if they fall due at the same time, irrespective of the legal basis on which the receivables and liabilities arose. Any resulting net receivable is recognized under »other receivables«. Any resulting net liability is recognized under »trade payables«. Provisions for cancellation risk with respect to active financial advisors serve the purpose of covering potential future commission refund claims and are disclosed under »other liabilities«.

Individual valuation allowances are made with regard to all available information about the credit rating of the debtor and the age structure of the receivables. Due to the large number of individual receivables due from financial advisors, lump sum valuation allowances are made up to a certain amount based on receivables categories which are determined on the basis of an assessment of the respective debtor's value-defining factors. A distinction is also made between active and former financial advisors.

2. Receivables from employees

Receivables from employees generally relate to receivables arising as a result of short-term loans.

3. Miscellaneous other receivables

Miscellaneous other receivables include all receivables from third parties as of the reporting date that are not attributed to any other item in the statement of financial position. The item also comprises the portion of acquired commission claims of former financial advisors allotted to brokerage agreements concluded as of the acquisition date.

4. Other taxes

Other taxes only include other actual tax assets e.g. for overpaid income tax, value-added tax and property tax that can be determined exactly or for which there is a tax assessment notice.

7.2 Other assets	2022: EUR'000	5,077
	2021: EUR'000	4,102
EUR'000	31/12/2022	31/12/2021
Other assets		
1. Accrued investment income	32	21
2. Other accrued income	2,707	2,342
3. Advertising materials and office supplies	689	661
4. Payments on account	1,372	882
5. Miscellaneous other assets	277	196
	5,077	4,102

1. Accrued investment income

Accrued investment income includes accrued income from financial assets and short-term capital investments.

2. Other accrued income

Other accrued income relates primarily to insurance premiums.

3. Advertising materials and office supplies

This item includes advertising materials for the sales force and other materials used in sales and administration.

4. Payments on account

This item primarily relates to short-term advance payments for incentive events.

5. Miscellaneous assets

Miscellaneous assets comprise all assets existing as of the reporting date and not attributed to any other item in the statement of financial position.

7.3 Contract asset (IFRS 15)

The development of the contract asset resulting from premature realization of subsequent commission is as follows in the year under review:

EUR'000	01/01/2022	Allocation	Exchange rate differences	Reversal	31/12/2022
Contract asset	25,574	5,410	-231	366	30,387

8 Income tax assets	2022: EUR'000	1,534
	2021: EUR'000	698

Income tax receivables primarily relate to income tax prepayments. Such receivables exist in particular for OVB Allfinanz, a.s., Prague, at EUR 1,194 thousand (31 December 2021: EUR 469 thousand) and OVB Holding AG, Cologne, at EUR 148 thousand (31 December 2021: EUR 182 thousand).

9 Securities and other capital investments	2022: EUR'000	41,846
	2021: EUR'000	54,313

EUR'000	2022			2021		
	Securities	Other capital investments	Total	Securities	Other capital investments	Total
Historical cost	25,818	16,753	42,571	45,423	8,686	54,109
Revaluation reserve	-308		-308	-2		-2
Positive fair value changes through profit/loss	165		165	413		413
Negative fair value changes through profit/loss	-582		-582	-207		-207
Market value	25,093	16,753	41,846	45,627	8,686	54,313
Book value	25,093	16,753	41,846	45,627	8,686	54,313

Securities include interests in investment funds to the following extent:

Investment	2022		
	Pension fund	Balanced fund	Money market fund
Number of investment funds	2	2	1
Fund assets as of the reporting date	Euro 361.1 - 376.0 million	Euro 37.2 - 72.1 million	Euro 544.3 million
Book values as of the reporting date	Euro 6.3 million	Euro 1.7 million	Euro 8.8 million
Interest in the fund	0.4 - 1.4 %	1.0 - 2.6 %	1.6 %

Investment	2021		
	Pension fund	Balanced fund	Money market fund
Number of investment funds	5	6	1
Fund assets as of the reporting date	Euro 0.1 - 5.4 billion	Euro 33.1 - 308.1 million	Euro 1.1 billion
Book values as of the reporting date	Euro 21.3 million	Euro 9.4 million	Euro 9.2 million
Interest in the fund	0.2 - 1.4 %	0.3 - 14.2 %	0.9 %

The maximum risk exposure corresponds to the book values.

In the past financial year, valuations of securities through profit or loss due to negative fair value changes amounted to EUR 1,935 thousand (31 December 2021: EUR 155 thousand), included in the financial result under item 32 as »Investment expenses«. Valuations of securities through profit or loss due to positive fair value changes are disclosed in the financial result under item 32 as »Reversal of impairment loss on capital investments«.

Revaluation reserve decreased by the amount of EUR 306 thousand in the past financial year (31 December 2021: EUR 49 thousand). No net losses were realized in the financial year through revaluation reserve.

Other capital investments particularly include fixed-term deposits and cash equivalents with a maturity of more than three months and short-term loans. Interest-bearing investments are recognized at cost if market interest rates apply or otherwise at their present value. Bonded loans are measured at amortized cost under the effective interest method.

The item »securities and other capital investments« includes securities with a book value of EUR 9,740 thousand (31 December 2021: EUR 9,363 thousand) allocated to level 1 according to IFRS 13 and measured at market or stock market price and securities with a book value of EUR 15,353 thousand (31 December 2021: EUR 36,264 thousand) allocated to level 2 according to IFRS 13 and measured at the net asset value determined by the respective investment trust.

There were no reclassifications of financial instruments between fair-value hierarchy levels in the reporting period.

10 Cash and cash equivalents	2022: EUR'000	80,644
	2021: EUR'000	74,594
EUR'000	31/12/2022	31/12/2021
Cash	15	14
Cash equivalents	80,629	74,580
	80,644	74,594

Cash means cash on hand of the consolidated companies as of the reporting date in domestic and foreign currencies.

Cash equivalents are assets that can be converted to cash immediately. They include bank balances in domestic and foreign currencies with maturities of three months or less, checks and stamps. Cash and cash equivalents are measured at face value. Foreign currencies are translated into euros at the closing rate.

Equity and Liabilities

A Equity	2022: EUR'000	93,514
	2021: EUR'000	91,371

The development of equity is shown in the consolidated statement of changes in equity.

11 Subscribed capital	2022: EUR'000	14,251
	2021: EUR'000	14,251

The subscribed capital (share capital) of OVB Holding AG amounts to EUR 14,251 thousand as of 31 December 2022, is fully paid up and consists of 14,251,314 no-par value bearer shares (31 December 2021: 14,251,314 shares).

12 Capital reserve	2022: EUR'000	39,342
	2021: EUR'000	39,342

The capital reserve essentially comprises premiums from the issue of shares in circulation.

13 Treasury shares

OVB Holding AG did not hold any treasury shares in the year under review. There were no transactions in the Company's ordinary shares or options on its ordinary shares in the period between the reporting date and the date of preparing the consolidated financial statements.

The General Meeting of Shareholders of OVB Holding AG of 10 June 2020 authorized the Executive Board to acquire, subject to the Supervisory Board's approval, up to a total of 300,000 of the Company's bearer shares in one or several transactions in the period between 11 June 2020 up to and including 9 June 2025. Shares acquired on the basis of this authorization may also be retired. So far, no use has been made of this option.

14 Revenue reserves	2022: EUR'000	13,708
	2021: EUR'000	13,708

15 Other reserves	2022: EUR'000	-157
	2021: EUR'000	-221

Other reserves essentially comprise currency translation reserve, pension provision reserve and revaluation reserve.

Unrealized gains and losses from financial instruments are recognized in the revaluation reserve after accounting for deferred tax.

Changes in revaluation reserve, currency translation reserve and pension provision reserve over the reporting period are disclosed in the consolidated statement of changes in equity.

16 Non-controlling interests	2022: EUR'000	513
	2021: EUR'000	279

Other shareholders hold non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH in the amount of EUR 501 thousand (31 December 2021: EUR 267 thousand) and in Nord-Soft Datenservice GmbH in the amount of EUR 12 thousand (31 December 2021: EUR 12 thousand).

Changes from the previous year represent the proportionate share in the net income of Nord-Soft EDV-Unternehmensberatung GmbH of EUR 389 thousand (31 December 2021: TEUR -18) for the year under review less a paid dividend and the proportionate share in the net income of Nord-Soft Datenservice GmbH of EUR 0 thousand (31 December 2021: EUR 0 thousand).

17 Retained earnings	2022: EUR'000	25,857
	2021: EUR'000	24,012

Distributable profits and dividends

Distributable amounts relate to the retained earnings of OVB Holding AG determined in accordance with German commercial and stock corporation law.

At the Annual General Meeting of 15 June 2022, shareholders adopted the resolution on the appropriation of the retained earnings of OVB Holding AG for financial year 2021.

On 21 June 2022, shareholders' claim to a dividend of EUR 12,826 thousand became due. The dividend equals EUR 0.90 per no-par share (previous year: EUR 0.75 + 0.25 bonus per no-par share).

The Executive Board of OVB Holding AG proposes the following appropriation of the retained earnings as reported in the financial statements of OVB Holding AG as of 31 December 2022 in accordance with Section 170 AktG (Stock Corporation Act):

EUR'000	2022	2021
Distribution to shareholders	12,826,182.60	12,826,182.60
Profit carry-forward	7,896,163.80	5,810,338.94
Retained earnings	20,722,346.40	18,636,521.54

The dividend pay-out thus equals EUR 0.90 per share (previous year: EUR 0.90 per share).

The number of shares entitled to dividend and thus the amount distributable to shareholders may change prior to the General Meeting of Shareholders due to the possible purchase of treasury shares.

B Non-current liabilities	2022: EUR'000	10,956
	2021: EUR'000	12,771

Initially non-current liabilities are reclassified into current liabilities if the remaining term to maturity is less than twelve months.

The following liabilities schedule shows non-current liabilities broken down by remaining term to maturity:

Maturity of liabilities as of 31 December 2022

EUR'000	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Other liabilities	8,245	3,060	2,407	2,778	0	0

Maturity of liabilities as of 31 December 2021

EUR'000	Total amount	1 year to less than 3 years	3 years to less than 5 years	5 and more years	No maturity	Secured amount
Other liabilities	9,245	3,080	2,310	3,855	0	0

18 Provisions	2022: EUR'000	1,832
	2021: EUR'000	2,542
EUR'000	31/12/2022	31/12/2021
Provisions for pensions	880	1,343
Long-term provisions for employee benefits	552	466
Long-term provisions for bonus payments	361	437
Other long-term provisions	39	296
	1,832	2,542

EUR'000	31/12/2021	Exchange rate differences	Allocation	Accrued interest	Consumption	Reversal	3/12/2022
Provisions for pensions	1,343	12	0	0	475	0	880
Long-term provisions for employee benefits	466	0	168	0	82	0	552
Long-term provisions for bonus payments	437	-4	182	0	0	254	361
Other long-term provisions	296	-1	20	0	270	6	39
	2,542	7	370	0	827	260	1,832

Provisions for pensions

OVB Vermögensberatung (Schweiz) AG (OVB Switzerland) is under the obligation to pay pension benefits determined by law to eight commercial employees as well as to three financial advisors. The following pension benefits are granted to the beneficiaries:

- Retirement benefits
- Pensions for surviving dependents
- Disability pension

Willemot Bijzonder Verzekeringsbestuur NV (OVB Belgium) is under the obligation to pay pension benefits determined by law to all its employees. The following pension benefits are granted to the beneficiaries:

- Retirement benefits
- Pensions for surviving dependents

The development of provisions for pensions within the Group is as follows:

Pension provisions as of 31/12	2022	2022	2022	2021
EUR'000	Switzerland	Belgium	Total	2021
Present value of defined benefit obligations as of 1/1	1,573	2,718	4,291	4,548
Exchange rate changes	72	0	72	81
Service cost	108	225	333	325
Past service cost	-17	0	-17	5
Interest expense/income	4	24	28	13
Gains (-) and losses (+) from revaluation:				
- Actuarial gains and losses from changes in demographic assumptions	0	0	0	-76
- Actuarial gains and losses from changes in financial assumptions	-286	-1,024	-1,310	-243
- Actuarial gains and losses from experience-based adjustments	85	0	85	-78
Transfer	0	0	0	0
Contributions:				
- Employer	0	0	0	0
- Plan participants	34	0	34	33
Pension plan payments:				
- Current payments	-35	-21	-56	-317
- Compensation	0	0	0	0
Present value of defined benefit obligations as of 31/12	1,538	1,922	3,460	4,291
Plan assets as of 1/1	1,322	1,626	2,948	3,093
Exchange rate changes	60	0	60	60
Contributions:				
- Employer	102	130	232	240
- Plan participants	34	0	34	33
Expected investment income	0	16	16	0
Pension plan payments:				
- Current payments	-35	-21	-56	-317
- Compensation	0	0	0	0
Interest expense/income	3	0	3	9
Gains (-) and losses (+) from revaluation:				
- Income from plan assets not including interest income	-84	-573	-657	-170
Plan assets as of 31/12	1,402	1,178	2,580	2,948
Provisions for pensions as of 31/12	136	744	880	1,343

The asset ceiling does not have any effect.

The actuarial expert reports were prepared by independent and qualified actuaries. The reports are based on the following actuarial assumptions:

	2022 Switzerland	2022 Belgium	2021 Switzerland	2021 Belgium
Discount rate	1.80 %	3.80 %	0.25 %	0.98 %
Expected future salary increase	1.50 %	3.20 %	1.00 %	3.00 %
Expected future pension adjustment	0.00 %	0.00 %	0.00 %	0.00 %

The expert reports are based on the underlying respective expected mortality rates in Switzerland and Belgium.

Current service cost is included in personnel expense. The interest expense of the defined benefit obligations is included in finance expense.

Plan assets are divided into the following investment categories:

	2022 Switzerland	2022 Belgium	2022 Total	2021 Switzerland	2021 Belgium
Liquid assets and fixed-term deposits	0.7 %	0.0 %	0.7 %	1.0 %	0.0 %
Loans	0.0 %	28.6 %	28.6 %	0.0 %	36.5 %
Government bonds	0.0 %	4.9 %	4.9 %	0.0 %	5.3 %
Land charges	2.5 %	0.0 %	2.5 %	2.1 %	0.0 %
Fixed-interest securities	12.7 %	3.1 %	15.8 %	11.1 %	3.3 %
Shares	16.7 %	2.9 %	19.6 %	14.7 %	2.7 %
Real property	12.6 %	6.1 %	18.7 %	9.1 %	7.4 %
Alternative investments	9.2 %	0.0 %	9.2 %	6.8 %	0.0 %

For 99.3 per cent (31 December 2021: 99.0 per cent) of plan assets there are active market quotes.

The following sensitivity analysis is based on changes in one parameter as the other parameters remain constant. This isolated constellation would be extremely rare in reality as input parameters are often connected. Sensitivity assessment applies the projected unit credit method that is also applied for determining the defined benefit obligation.

EUR'000	Switzerland	Belgium
Discount rate	0.25 %	0.50 %
Increase in assumption	1,491	1,807
Decrease in assumption	1,589	2,050
Expected future salary increase	0.25 %	0.50 %
Increase in assumption	1,548	1,955
Decrease in assumption	1,529	1,892
Expected future pension adjustment	0.25 %	0.50 %
Increase in assumption	1,559	1,955
Decrease in assumption	1,519	1,892

Funding of the acquired benefit claims at OVB Switzerland is provided by employer and employee at 50 per cent each with respect to the basic plan. The employer pays the contributions to the staff plan in full. Basic provision is obligatory for all employees with statutory pension insurance while participation in the staff plan is optional. Funding of the acquired benefit claims at OVB Belgium is provided by the employer. Funding of the benefits for surviving dependents including expenses and taxes incurred is provided by the employee.

Expected contributions to the pension plans for benefits after termination of employment altogether amount to EUR 267 thousand for the financial year ending on 31 December 2023 (31 December 2022: EUR 266 thousand).

The weighted average term of the defined benefit obligations is 12.7 years (31 December 2021: 15.9 years).

Long-term provisions for employee benefits

Long-term provisions for employee benefits primarily relate to provisions set aside for anniversary bonus payments.

19 Other liabilities	2022: EUR'000	8,245
	2021: EUR'000	9,245

Other liabilities primarily relate to non-current lease liabilities pursuant to IFRS 16 and equate to the present value of future lease payments.

20 Deferred tax liabilities	2022: EUR'000	879
	2021: EUR'000	984

Deferred tax liabilities concern the following items in the statement of financial position:

EUR'000	31/12/2022	31/12/2021
Tangible and intangible assets	1,078	1,265
Financial instruments	5,571	4,990
Provisions	70	82
Liabilities	133	22
	6,852	6,359
Net of deferred tax assets	-5,973	-5,375
	879	984

Deferred tax liabilities have no determinable terms to maturity for the most part.

C Current liabilities	2022: EUR'000	156,643
	2021: EUR'000	153,683

Liabilities with a remaining term to maturity of less than twelve months are classified as current liabilities.

21 Provisions for taxes	2022: EUR'000	1,558
	2021: EUR'000	1,686

The development of provisions for taxes is altogether as follows:

EUR'000	01/01/2022	Exchange rate differ- ences	Allocation	Consump- tion	Reversal	31/12/2022
Provisions for taxes	1,686	46	1,389	1,563	0	1,558

22 Other provisions	2022: EUR'000	67,889
	2021: EUR'000	70,468

EUR'000	31/12/2022	31/12/2021
1. Cancellation risk	20,948	24,457
2. Unbilled liabilities	19,607	20,014
3. Litigation	1,850	4,016
4. Provisions from subsequent commission (IFRS 15)	20,154	16,740
	62,559	65,227
5. Others		
- Obligations to employees	2,505	2,142
- Costs for financial statements/Audit cost	785	765
- Other obligations	2,040	2,334
	5,330	5,241
	67,889	70,468

EUR'000	01/01/2022	Allocation	Exchange rate differences	Consumption	Reversal	31/12/2022
1. Cancellation risk	24,457	1,020	54	4,583	0	20,948
2. Unbilled liabilities	20,014	13,546	-48	12,289	1,616	19,607
3. Litigation	4,016	546	5	96	2,621	1,850
4. Provisions from subsequent commission (IFRS 15)	16,740	3,700	-156	130	0	20,154
5. Others	5,241	3,204	-9	2,675	431	5,330
	70,468	22,016	-154	19,773	4,668	67,889

Allocations include expenses from the accumulation of interest on provisions in the amount of EUR 5 thousand (31 December 2021: EUR 3 thousand). Provisions for cancellation risk are generally recognized as current provisions due to uncertainty in respect of the time and extent of their utilization. Assuming that the clients' cancellation behaviour equals that of the recent past, the resulting non-current portion would amount to approx. EUR 11,170 thousand (31 December 2021: EUR 13,513 thousand).

Provisions for litigation essentially concerns legal disputes involving clients and former financial advisors. The time aspect and the exact amounts of the outflow of economic benefits of such disputes are uncertain.

This includes claims filed by investors who seek to have recourse against OVB by way of secondary liability for incorrect advice. The filed claims generally represent individual consulting errors of individual financial advisors, something that cannot be eliminated across the board despite the provision of Group-wide quality guidelines in brokerage processes. Judgments released in the year under review indicate a positive outcome of the litigations in part. However, this assessment is not based on a final judgment. Provisions for individual legal disputes were reduced in the year under review. Due to the length of legal proceedings, an outcome can hardly be predicted. In consideration of all known aspects, it cannot be ruled out at the time of reporting with overwhelming probability that a final judgment against OVB might happen in individual civil proceedings. Compliant with IAS 37.92, further information on individual claims is not provided.

In order to address above-mentioned litigation risks, provisions for litigations have been made in the total amount of EUR 2.4 million as of the reporting date.

Provisions from subsequent commission are made for commission not yet handed on to the sales force. Due to the adjustment of the cancellation rate in connection with the uncertainties of the macroeconomic environment, provisions from subsequent commission were reduced by EUR 1,370 thousand (31 December 2021: EUR 1,083 thousand).

23 Income tax liabilities	2022: EUR'000	658
	2021: EUR'000	1,332

Income tax liabilities primarily originate from taxation of earnings generated over the previous years.

24 Trade payables	2022: EUR'000	24,618
	2021: EUR'000	21,994

This item includes commission billed by financial advisors unless categorized as retained security as well as bonuses accrued as of the reporting date unless already paid. Such liabilities are measured at payable amounts.

Trade payables also include liabilities based on recurrent and period-based payments such as insurance premiums, telephone charges, electricity charges and rent.

Maturity of liabilities as of 31/12/2022:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	24,618	510	3,566	16,995	0	0	3,547

Maturity of liabilities as of 31/12/2021:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
Trade payables	21,994	497	2,986	15,291	0	0	3,220

25 Other liabilities	2022: EUR'000	61,920
	2021: EUR'000	58,203

Maturity of liabilities as of 31/12/2022:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
1. Retained security	53,866	1,884	4,649	4,512	262	96	42,463
2. Other tax liabilities	1,724	0	306	1,289	0	3	126
3. Liabilities to employees	2,922	0	419	1,640	232	114	517
4. Liabilities to product partners	783	0	144	58	0	0	581
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to financial advisors	2	0	2	0	0	0	0
7. Current lease liabilities	2,006	0	0	562	549	895	0
8. Miscellaneous liabilities	617	0	122	433	0	0	62
	61,920	1,884	5,642	8,494	1,043	1,108	43,749

Maturity of liabilities as of 31/12/2021:

EUR'000 Type of liability	Total amount	Overdue	Due daily	Less than 3 months	3 - 6 months	7 - 12 months	No maturity
1. Retained security	49,917	1,665	2,937	4,076	171	386	40,682
2. Other tax liabilities	1,476	0	305	1,071	0	3	97
3. Liabilities to employees	2,590	0	399	1,472	208	94	417
4. Liabilities to product partners	865	0	216	66	0	0	583
5. Liabilities to banks	0	0	0	0	0	0	0
6. Other liabilities to financial advisors	0	0	0	0	0	0	0
7. Current lease liabilities	2,130	0	0	573	569	988	0
8. Miscellaneous liabilities	1,225	0	224	877	0	59	65
	58,203	1,665	4,081	7,735	1,348	1,530	41,844

There are no liabilities with terms to maturity of more than 12 months.

1. Retained security

Retained security includes provisions for cancellation risk set aside on account of financial advisors. This security is retained in order to cover anticipated commission refund claims.

2. Other tax liabilities

Tax liabilities only include other actual tax liabilities that can be exactly determined or that have already been assessed.

3. Liabilities to employees

Payments to employees due in the short term for work performed, such as holiday pay, bonuses or premiums as well as benefits paid to employees due to the termination of employment are recognized at expected settlement amounts.

4. Liabilities to product partners

Liabilities to product partners that are not affiliates generally result from the reversal of commission entries and are paid by OVB as they arise over the course of business. These liabilities are measured at face value.

5. Liabilities to banks

Current liabilities to banks are those with a maturity of twelve months or less from the reporting date, measured at face value.

6. Other liabilities to financial advisors

Current liabilities to the sales force that do not result from brokerage services have been recognized as other liabilities to financial advisors.

7. Current lease liabilities

Current lease liabilities result from first-time application of IFRS 16.

8. Miscellaneous liabilities

Miscellaneous liabilities comprise all liabilities that are not attributable to any of the above sub-positions. The item essentially includes liabilities from social security contributions as well as deferred income and, as of 31 December 2021, the final outstanding purchase price installment from the acquisition of the Belgian subsidiary in the amount of EUR 400 thousand.

III. Notes to the consolidated income statement

26 Brokerage income	2022: EUR'000	331,947
	2021: EUR'000	320,696

EUR'000	2022	2021
1. New business commission	254,210	253,155
2. Policy service commission	52,121	50,014
3. Dynamic commission	7,631	6,946
4. Other brokerage income	17,985	10,581
	331,947	320,696

All income from product partners is recognized as brokerage income. Apart from commission, this also includes bonuses and other sales-related benefits paid by product partners.

1. New business commission

New business commission results from the successful brokerage of different kinds of financial products.

2. Policy service commission

Policy service commission results from the continuous servicing of the policyholder's contracts and is collected after performances are rendered.

3. Dynamic commission

Dynamic commission results from dynamic premium adjustments of insurance policies over the contract term.

4. Other brokerage income

Other brokerage income comprises brokerage income resulting from bonuses and other sales-related benefits paid by product partners as well as changes in provisions for cancellation risk.

Brokerage income includes income from subsequent commission in the amount of EUR 5,044 thousand (31 December 2021: EUR 5,863 thousand) resulting from an earlier realization of new business commission either partially discounted or paid on a pro-rata basis.

27 Other operating income	2022: EUR'000	14,972
	2021: EUR'000	10,959

EUR'000	2022	2021
Refunds from financial advisors	3,501	3,000
Income from reversal of provisions	4,928	2,248
Own work capitalized	322	346
Income from cancelled obligations	799	886
Rental income from sub-leases	107	99
Income from the disposal of intangible assets and tangible assets	140	69
Reversals of impairment loss	1,731	1,401
thereof income from written-off receivables	89	108
Income from currency translation	119	111
Partners' contributions to costs	659	486
Miscellaneous	2,666	2,313
	14,972	10,959

Refunds from financial advisors generally arise in connection with participation in seminars, use of materials and the lease of IT equipment.

Income from reversal of provisions in the year under review essentially results from the reversal of provisions for litigation, provisions for performance bonus payments and the reversal of outstanding accounts for not accepted performances.

Own work capitalized relates to the administration and management software (cf. asset schedule).

Reversals of impairment loss primarily concern receivables from financial advisors.

Partners' contributions to costs relate to contributions made by product partners toward the cost of materials, personnel, representation, training and events as well as insurance pay-outs.

Miscellaneous income essentially includes sales generated by the service companies with third parties.

28 Brokerage expenses **2022: EUR'000** **-218,259**
2021: EUR'000 **-215,485**

EUR'000	2022	2021
Current commission	-198,673	-196,619
Other commission	-19,586	-18,866
	-218,259	-215,485

This item includes all payments to financial advisors. Current commission comprises all directly performance-based commission, i.e. new business commission, policy service commission and dynamic commission. All other commission linked to a specific purpose, e.g. other performance-based remuneration, is reported under »other commission«.

29 Personnel expense **2022: EUR'000** **-45,575**
2021: EUR'000 **-42,298**

EUR'000	2022	2021
Wages and salaries	-37,335	-35,016
Social security	-7,376	-6,791
Expenses for retirement provision	-864	-491
	-45,575	-42,298

30 Depreciation and amortization **2022: EUR'000** **-8,495**
2021: EUR'000 **-7,734**

EUR'000	2022	2021
Amortization/Impairment of intangible assets	-4,311	-3,667
Depreciation of rights of use	-2,407	-2,491
Depreciation/Impairment of tangible assets	-1,777	-1,576
	-8,495	-7,734

Depreciation and amortization in financial year 2022 are disclosed in the asset schedule.

31 Other operating expenses	2022: EUR'000	-52,579
	2021: EUR'000	-44,372
EUR'000	2022	2021
Administrative expenses		
Legal, financial statement and consulting expenses	-6,426	-9,281
Facility expenses	-1,853	-1,655
Communication costs	-1,167	-1,161
IT expenses	-10,780	-9,934
Vehicle expenses	-864	-638
Rent for furniture and equipment	-85	-69
Other administrative expenses	-6,207	-4,547
	-27,382	-27,285
Distribution expenses		
Seminars, competitions, events	-12,305	-6,422
Advertising cost, public relations	-2,410	-2,190
Write-down on/Valuation allowances for receivables	-2,401	-2,024
thereof disposal of receivables	-273	-70
Other distribution expenses	-1,645	-1,884
	-18,761	-12,520
Miscellaneous operating expenses		
Foreign currency loss	-789	-187
Supervisory Board remuneration	-172	-179
Losses from disposal of investments	-27	-5
Other miscellaneous operating expenses	-213	-82
	-1,201	-453
Non-income-based taxes		
Value-added tax on purchased goods/services	-4,705	-3,757
Other non-income-based tax	-530	-357
	-5,235	-4,114
	-52,579	-44,372

Other administrative expenses essentially relate to travel expenses, expenses for insurance, fees and contributions, money transfer costs and office supplies.

Other distribution expenses particularly relate to cost of materials, entertainment expenses and expenses for sales support.

Other miscellaneous operating expenses include among other items expenses for the preparation of financial reports and the Annual General Meeting as well as all expenses that are not attributable to any of the above positions.

Other non-income-based tax essentially relates to taxes on wages, vehicle tax and property tax.

32 Financial result	2022: EUR'000	-601
	2021: EUR'000	393

EUR'000	2022	2021
Finance income		
Bank interest	1,319	137
Income from securities	465	192
Reversal of impairment loss on capital investments	57	454
Income from accrued interest	57	65
Interest income from loans	42	34
Other interest income and similar income	84	44
	2,024	926
Finance expense		
Interest expense and similar expenses	-317	-377
Expenses for capital investments	-2,308	-156
	-2,625	-533
Financial result	-601	393

Interest income and interest expense are recognized on an accrual basis.

Income from securities primarily relates to interest credits and dividends as well as distributions from investment funds.

33 Taxes on income	2022: EUR'000	-6,349
	2021: EUR'000	-6,463

EUR'000	2022	2021
Current income tax	-5,978	-6,795
Deferred income tax	-371	332
	-6,349	-6,463

Tax expense includes foreign current taxes in the amount of EUR 5,749 thousand (31 December 2021: EUR 6,677 thousand) and foreign deferred tax expense of EUR -331 thousand (31 December 2021: EUR 362 thousand).

Current and deferred taxes are determined on the basis of domestic tax rates applicable in the respective country. Deferred taxes relating to domestic entities were calculated on the basis of a corporate tax rate of 15.0 per cent (31 December 2021: 15.0 per cent), the solidarity surcharge of 5.5 per cent (31 December 2021: 5.5 per cent) and an average trade tax rate of 16.625 per cent (31 December 2021: 16.625 per cent).

In addition to the amount recognized in the consolidated income statement, deferred taxes of EUR 117 thousand (31 December 2021: EUR 11 thousand) relating to items recognized in equity outside profit or loss were settled directly in equity.

The effective income tax rate applied to the result from ordinary business activities before income taxes comes to 29.66 per cent (31 December 2021: 29.16 per cent).

The following reconciliation statement shows the connection between the result from ordinary business activities and taxes on income in the financial year. The anticipated tax expense is calculated on the basis of the combined German income tax rate of currently 32.45 per cent.

Reconciliation statement

EUR'000	2022	2021
Earnings before income taxes according to IFRS	21,410	22,159
Consolidated income tax rate	32.45 %	32.45 %
Theoretical income tax expense in the financial year	-6,947	-7,191
Taxes based on non-deductible expenses (-) / tax-free income (+)	-302	-324
Effects of other tax rates applicable to domestic and foreign operating subsidiaries	3,325	3,747
Prior-period income tax	-104	-8
Changes in tax effects from temporary differences and tax loss for which no deferred tax assets were recognized (-) / Capitalization of deferred tax in financial year on loss carry-forward from previous year for which no deferred tax was recognized in previous year (+)	-1,660	-2,598
Others	-661	-89
Taxes on income	-6,349	-6,463
34 Consolidated net income	2022: EUR'000	15,061
	2021: EUR'000	15,696
35 Consolidated net income attributable to non-controlling interests	2022: EUR'000	-390
	2021: EUR'000	19
This item relates to consolidated net income attributable to non-controlling interests in Nord-Soft EDV-Unternehmensberatung GmbH and Nord-Soft Datenservice GmbH in the amount of EUR -390 thousand (31 December 2021: EUR 19 thousand).		
36 Consolidated net income after non-controlling interests	2022: EUR'000	14,671
	2021: EUR'000	15,715

37 Earnings per share, basic/diluted

Basic/Diluted earnings per share are calculated on the basis of the following data:

EUR'000	2022	2021
Consolidated net income after non-controlling interests		
Basis for basic/diluted earnings per share (consolidated net income for the period attributable to owners of the parent)	14,671	15,715
Number of shares		
Weighted average number of shares for determination of basic/diluted earnings per share	14,251,314	14,251,314
Basic earnings per share in EUR	1.03	1.10

Diluted earnings equal basic earnings per share as no dilutive effects materialized in the year under review.

IV. Other information

1. Information on leases

Rights of use of leased assets amount to EUR 9,874 thousand as of 31 December 2022 (31 December 2021: EUR 10,961 thousand). Corresponding lease liabilities come to the total amount of EUR 10,251 thousand (31 December 2021: EUR 11,375 thousand) and are classified in the statement of financial position either as non-current (EUR 8,245 thousand / 31 December 2021: EUR 9,245 thousand) or current liabilities (EUR 2,006 thousand / 31 December 2021: EUR 2,130 thousand). Disclosure is made under the item »other liabilities« respectively.

Lease agreements signed by OVB essentially comprise rent for real property, vehicle leases and office equipment.

The development of rights of use broken down by category of underlying assets is as follows:

EUR'000	01/01/2022	Allocation	Disposal	Depreciation	Exchange rate differences	31/12/2022
Land and buildings	10,144	843	-7	-1,989	45	9,036
Machinery, equipment, furniture, vehicles, others	748	478	-40	-398	-1	787
IT equipment	69	1	0	-20	1	51
	10,961	1,322	-47	-2,407	45	9,874

EUR'000	01/01/2021	Allocation	Disposal	Depreciation	Exchange rate differences	31/12/2021
Land and buildings	11,993	115	-25	-2,038	99	10,144
Machinery, equipment, furniture, vehicles, others	836	343	-3	-427	-1	748
IT equipment	41	61	-5	-26	-2	69
	12,870	519	-33	-2,491	96	10,961

The development of total corresponding lease liabilities is as follows:

EUR'000	2022	2021
Lease liabilities as of 1 January	11,375	13,319
Cash outflow repayment component (cash flow from financing activities)	-2,441	-2,523
Addition	1,322	519
Disposal	-48	-33
Interest expense	262	299
Cash outflow interest component (cash flow from financing activities)	-262	-299
Exchange rate differences	43	93
Lease liabilities as of 31 December	10,251	11,375

Interest expense from accrued interest on lease liabilities amounts to EUR 262 thousand (31 December 2021: EUR 302 thousand), reported under »Other finance expense«.

Expenses for short-term leases with terms of less than twelve months amount to EUR 54 thousand (31 December 2021: EUR 6 thousand), reported under »Other operating expenses«.

Expenses for low-value leases amount to EUR 34 thousand (31 December 2021: EUR 34 thousand), reported under »Other operating expenses«.

Terms to maturity of not discounted lease liabilities as of 31 December 2022 are as follows:

EUR'000	Less than 3 months	3 - 6 months	7 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	621	605	998	3,384	2,612	2,891	11,111

Terms to maturity of not discounted lease liabilities as of 31 December 2021 are as follows:

EUR'000	Less than 3 months	3 - 6 months	7 - 12 months	1 - 3 years	3 - 5 years	More than 5 years	Total
	631	624	1,095	3,434	2,549	4,087	12,420

As of 31 December 2022 there are no renewal options whose probable exercise would result in cash outflow for the next reporting periods.

Income in the amount of EUR 60 thousand was generated from sub-leases (31 December 2021: EUR 82 thousand).

Terms to maturity of expected lease payments from sub-leases are as follows:

EUR'000	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
	14	0	0	0	0	0	14

2. Contingent liabilities

Contingent liabilities arise from past events that may result in future obligations. Such obligations come into being by the occurrence of uncertain future events whose settlement amounts cannot be estimated with sufficient reliability.

Guarantees and assumed liabilities

OVB Holding AG and some of its subsidiaries have given guarantees and assumed liabilities on behalf of financial advisors in the ordinary course of business. Guarantees and assumed liabilities to third parties total EUR 148 thousand as of the reporting date (31 December 2021: EUR 3,185 thousand). The associated risks are recognized in »other provisions« to the extent that they give rise to obligations whose value can be reliably estimated. No provisions had to be made as any utilization is not indicated as of the reporting date.

Legal risk

Under contingent liabilities, OVB also reports legal risks for which a loss appears neither probable nor improbable and for which no provisions have been made. The reported amounts reflect claims filed in connection with those risks.

Litigation risk

Several consolidated companies are currently involved in various legal disputes arising from the ordinary course of business, primarily in connection with the settlement of accounts for brokerage services provided by financial advisors.

Management holds the view that probable obligations arising from legal disputes are adequately covered by provisions and that no material effects on the Group's assets and liabilities will result beyond that.

Tax and social security risk

OVB's brokerage business carries the inherent risk that working together with self-employed financial advisors might be interpreted by tax authorities or social security agencies as employment, resulting in OVB's obligation to pay taxes and social security contributions. OVB has a constant focus on this risk but cannot rule out completely due to possible changes to national legal frameworks that subsequent claims against OVB might arise. Without OVB being engaged in any notable litigation at present, from today's viewpoint retrospective payments of taxes and social security contributions might result for one operating subsidiary in the amount of up to EUR 6.5 million. Based on legal opinions obtained, Management deems corresponding liabilities for OVB improbable.

3. Average number of employees

In the year under review, the Group had a commercial staff of 708 commercial employees on average (31 December 2021: 679), of which 64 (31 December 2021: 56) filled executive positions.

4. Executive Board and Supervisory Board

Members of the Executive Board of OVB Holding AG are:

– **Mario Freis**

Chairman of the Executive Board - CEO -

Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Auditing, Investor Relations, Sustainability

Memberships of Supervisory Boards and comparable supervisory bodies:

- Chairman of the Supervisory Board of OVB Vermögensberatung AG, Cologne
- Chairman of the Supervisory Board of OVB Allfinanz, a.s., Prague, Czech Republic
- Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

– **Frank Burow**

Member of the Executive Board, Finance - CFO -

Responsible for Corporate Accounting, Risk Management, Management Accounting, Tax Planning, Legal Affairs, Compliance, Data Protection, Anti-Money Laundering Compliance

Memberships of Supervisory Boards and comparable supervisory bodies:

- Member of the Supervisory Board of OVB Vermögensberatung AG, Cologne
- Member of the Supervisory Board of OVB Allfinanz, a.s., Prague, Czech Republic
- Member of the Supervisory Board of OVB Allfinanz Slovensko a.s., Bratislava, Slovakia

– **Heinrich Fritzlar (since 1 October 2022)**

Member of the Executive Board, Operations - COO -

Responsible for Group IT, IT Security, Business Process Management, People Management

– **Thomas Hücker (until 31 May 2022)**

Member of the Executive Board, Operations - COO -

Responsible for Group IT, IT Security, Business Process Management, People Management

Members of the Supervisory Board of OVB Holding AG are:

– **Michael Johnigk**

Chairman of the Supervisory Board

Business management graduate (ret.), former Member of the Executive Board of SIGNAL IDUNA Group, Dortmund/Hamburg

Memberships of Supervisory Boards and comparable supervisory bodies:

- Deputy Chairman of the Supervisory Board of ELEMENT Insurance AG, Berlin (since 30 August 2022)
- Member of the Supervisory Board of SIGNAL IDUNA Lebensversicherung a. G., Hamburg

– **Dr. Thomas A. Lange**

Deputy Chairman of the Supervisory Board

Chairman of the Audit Committee

Chairman of the Executive Board of NATIONAL-BANK AG, Essen

Memberships of Supervisory Boards and comparable supervisory bodies:

- Member of the Supervisory Board of HANSAINVEST Hanseatische Investment-GmbH, Hamburg
- Member of the Supervisory Board of Bürgschaftsbank Nordrhein-Westfalen GmbH, Kreditgarantiegemeinschaft, Neuss (since 4 July 2022)
- Deputy Chairman of the Advisory Board of EIS Einlagensicherungsbank GmbH, Berlin/Cologne (until 13 May 2022)

– **Markus Jost**

Member of the Supervisory Board

Chairman of the Nomination and Remuneration Committee

Independent certified expert for accounting and management accounting, former Member of the Executive Board of Basler Versicherungen, Bad Homburg/Hamburg

– **Wilfried Kempchen**

Member of the Supervisory Board

Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG

– **Harald Steirer**

Member of the Supervisory Board
Management Consultant

Memberships of Supervisory Boards and comparable supervisory bodies:

- Chairman of the Supervisory Board of Generali România Asigurare Reasigurare S.A., Bucharest, Romania
- Member of the Supervisory Board of Generali Versicherung AG, Vienna, Austria

Julia Wiens

Member of the Supervisory Board
Member of the Executive Boards of Baloise Lebensversicherungs-AG, Hamburg, Baloise Sachversicherungs-AG, Bad Homburg, Baloise Sach Holding AG, Hamburg, and Managing Partner of Basler Saturn Management B.V, Amsterdam, The Netherlands

Memberships of Supervisory Boards and comparable supervisory bodies:

- Chairwoman of the Supervisory Board of Baloise Vertriebsservice AG, Hamburg

Remuneration of Supervisory Board and Executive Board

Remuneration of the Supervisory Board amounted to EUR 165 thousand in the year under review (31 December 2021: EUR 165 thousand).

The members of the Executive Board of OVB Holding AG received the following remuneration:

EUR'000	Mario Freis	Frank Burow	Heinrich Fritzlar
Fixed remuneration	660 (previous year: 506)	337 (previous year: 265)	127
Variable remuneration	297 (previous year: 300)	116 (previous year: 104)	23
Total remuneration	957 (previous year: 806)	453 (previous year: 369)	150

Former Executive Board member Thomas Hücker left the Executive Board as of 31 May 2022. Up to that date, Thomas Hücker was paid EUR 218 thousand (31 December 2021: EUR 326 thousand) in fixed remuneration and EUR 107 thousand (31 December 2021: EUR 175 thousand) in variable remuneration. As of his exit, total remuneration for the year 2022 amounts to EUR 378 thousand (thereof EUR 156 thousand in bonus account).

Executive Board remuneration can be broken down as follows:

EUR'000	2022	2021
Short-term benefits	1,140	1,291
Benefits after termination of employment	435	95
Other long-term benefits	310	290
Total remuneration	1,885	1,676

Short-term benefits comprise non-performance-based remuneration in the shape of base remuneration and fringe benefits in line with the scope of responsibilities of the respective Executive Board member as well as one-year variable remuneration. Variable remuneration of Executive Board members is determined according to individual targets defined for the financial year.

Benefits after termination of employment include annual contributions to a congruently reinsured defined contribution support fund for the benefit of the Executive Board member and surviving dependents.

Variable remuneration also includes long-term benefits. In order to adequately consider the performance of each Executive Board member as well as of the Executive Board as a whole, remuneration based on key financials is determined according to a three-year assessment period. Long-term variable remuneration is managed as an individual balance in the framework of a bonus account.

No payments were made due to the termination of employment and no share-based payments were made.

As of 31 December 2022, obligations to Executive Board members amount to EUR 428 thousand (31 December 2021: EUR 621 thousand) based on variable remuneration paid out in the financial year following the year under review.

5. Consulting expenses and audit fees

The item legal, financial statement and consulting expenses includes the fee of the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, in the total amount of EUR 454 thousand (31 December 2021: EUR 405 thousand), thereof EUR 32 thousand for 2021 and EUR 8 thousand for 2020. The auditor's fees comprise the following positions in the 2022 financial year:

EUR'000	2022	2021
Audit services	438	370
thereof OVB Vermögensberatung AG, Cologne	68	60
Other certifications	16	34

Fees are reported net of value-added tax for the financial year in accordance with the stipulations of IDW RS HFA 36, »Notes to Financial Statements Pursuant to Sections 285 no. 17, 314 (1) no. 9 HGB on Audit Fees«.

The item »audit services« includes fees for the audit of consolidated financial statements, the audit of the separate financial statements of OVB Vermögensberatung AG, Cologne and OVB Holding AG, Cologne, the review of the quarterly and 6-month financial reports as well as the review of the electronic reproductions of the (consolidated) financial statements and the (consolidated) management report prepared for the purpose of disclosure pursuant to Section 317 (3b) HGB.

Fees for other »certifications« include the limited assurance engagement on a business review of the separate non-financial consolidated management report of OVB Holding AG.

6. Significant events after the reporting date

There have been no reportable events after the reporting date.

7. Related party transactions

OVB has entered into agreements on the brokerage of financial products with related entities of the SIGNAL IDUNA Group, the Baloise Group and the Generali Group.

Principal shareholders as of 31 December 2022 are entities of

- SIGNAL IDUNA Group
- Baloise Group
- Generali Group

SIGNAL IDUNA Group is a horizontal group (»Gleichordnungsvertragskonzern«). Its parent companies are:

- SIGNAL IDUNA Krankenversicherung a. G., Dortmund
- SIGNAL IDUNA Lebensversicherung a. G., Hamburg
- SIGNAL IDUNA Unfallversicherung a. G., Dortmund

SIGNAL IDUNA Lebensversicherung a. G., Hamburg, directly held shares in OVB Holding AG carrying 31.67 per cent of the voting rights as of 31 December 2022. SIGNAL IDUNA Krankenversicherung a. G., Dortmund, directly held shares in OVB Holding AG carrying 21.27 per cent of the voting rights as of 31 December 2022. From contracts with companies of SIGNAL IDUNA Group, sales were generated in the amount of EUR 29,400 thousand in 2022 (31 December 2021: EUR 29,221 thousand). Receivables amount to EUR 3,482 thousand (31 December 2021: EUR 3,692 thousand).

The item securities and other capital investments includes securities of SIGNAL IDUNA Group in the amount of EUR 1,338 thousand (31 December 2021: EUR 7,486 thousand).

Baloise Beteiligungsholding GmbH, Hamburg, directly held shares in OVB Holding AG carrying 32.57 per cent of the voting rights as of 31 December 2022. This entity is a consolidated company of Baloise Group, whose parent is Baloise Holding AG, Basel. From contracts with companies of Baloise Group, sales were generated in the amount of EUR 20,254 thousand in 2022 (31 December 2021: EUR 23,569 thousand), essentially in the Germany segment. Receivables come to EUR 2,546 thousand (31 December 2021: EUR 2,978 thousand).

The item securities and other capital investments includes securities of Baloise Holding AG in the amount of EUR 716 thousand (31 December 2021: EUR 760 thousand).

Generali CEE Holding B.V., Amsterdam, The Netherlands, directly held shares in OVB Holding AG carrying 11.48 per cent of the voting rights as of 31 December 2022. This entity belongs to Generali Group, whose parent is Assicurazioni Generali S.p.A., Trieste, Italy. From contracts with companies of Generali Group, sales were generated in the amount of EUR 22,253 thousand in 2022 (31 December 2021: EUR 20,591 thousand). Receivables come to EUR 6,431 thousand (31 December 2021: EUR 6,227 thousand) and liabilities amount to EUR 3 thousand (31 December 2021: EUR 69 thousand).

The terms and conditions of brokerage contracts concluded with related parties are comparable to the terms and conditions of contracts OVB has concluded with suppliers of financial products that are not related parties.

In financial year 2022, German subsidiary OVB Vermögensberatung AG leased office space which is the property of a close relative of a Supervisory Board member. Lease payments (including incidental rental costs) correspond to market conditions and amount to EUR 36 thousand p.a. Of this total amount, EUR 30 thousand (31 December 2021: EUR 30 thousand) are rent and EUR 6 thousand (31 December 2021: EUR 6 thousand) are incidental rental costs.

D&O insurance with coverage of EUR 25,000 thousand per insured event has been taken out for the members of the Executive Board and Supervisory Board.

Items outstanding by the end of the financial year are not secured, do not bear interest and are settled by payment. No guarantees are given on account of receivables from or liabilities to related parties.

OVB Holding AG has reported on the contract relationships with entities of SIGNAL IDUNA Group in financial year 2022 and in previous years in accordance with Section 312 AktG (Stock Corporation Act).

Thomas Hücker left the Executive Board of OVB Holding AG as of 31 May 2022. Thomas Hücker has signed a non-competition agreement extending to 31 May 2023.

8. Declaration pursuant to Section 161 AktG

The Executive Board and the Supervisory Board of OVB Holding AG have issued the declaration required under Section 161 AktG (Stock Corporation Act) for 2022 and made it permanently available to the shareholders on the website of OVB Holding AG (<https://www.ovb.eu/english/investor-relations/corporate-governance.html>).

9. Declaration pursuant to Section 114 WpHG

The financial statements represent an annual financial report for the purpose of the Second Act Amending Financial Market Regulation (Section 114 WpHG - Securities Trading Act) of 23 June 2017.

Cologne, 24 February 2023



Mario Freis
CEO



Frank Burow
CFO



Heinrich Fritzlär
COO

Responsibility statement pursuant to Section 297 (2) sentence 4 HGB

To the best of their knowledge, the legal representatives assure that the consolidated financial statements give a true and fair view of the assets and liabilities, financial position and profit/loss of the Group in accordance with the applicable reporting principles and that the consolidated management report includes a fair review of the development and performance of the business and the position of the Group together with an accurate description of the material opportunities and risks associated with the expected development of the Group.

Cologne, 24 February 2023



Mario Freis
CEO



Frank Burow
CFO



Heinrich Fritzlär
COO

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3a HGB" ("Separate report on ESEF

conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

Independent auditor's report

To OVB Holding AG, Cologne

Report on the audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of OVB Holding AG, Cologne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of OVB Holding AG, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal require-

ments and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial

year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- I. Measurement of receivables from financial agents
- II. Reimbursement liabilities for cancellation risk

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

I. Measurement of receivables from financial agents

1. In the consolidated financial statements of OVB Holding AG other receivables amounting to EUR 19.2 million are reported as of December 31, 2022 under the "Receivables and other assets" item in the consolidated statement of financial position. As of the reporting date, EUR 5.5 million of that amount is attributable to receivables from financial agents resulting primarily from advance payments of commission and claims for commission refunds. The Company recognizes specific valuation allowances taking into account available information concerning the credit rating of the debtors, the age structure of the receivables and, in individual cases, based on legal opinions prepared by internal and external lawyers. In doing so, a distinction is made between active and former financial agents. Due to the large number of individual receivables from financial agents, the Company also calculates collective specific valuation allowances based on a grouping of non-significant receivables that have the same opportunity and risk profile on the basis of value-influencing factors relating to the respective debtors. Based on these analyses and estimates of the executive directors, as well as other documents, the expenses for valuation allowances recognized in respect of receivables from financial agents amounted to EUR 2.1 million in the financial year. Given that the measurement of receivables, which involves material scope for judgment on the part of the executive directors, significantly influences the recognition and amount of any valuation allowances that may become necessary, and given that the measurements are subject to considerable uncertainties, this matter was of particular significance in the context of our audit.

2. Our audit included in particular assessing the analyses and valuations carried out by the Company with respect to whether these were up to date, assessing the measurement method used, and reviewing and assessing the valuation. At the same time, we gained an understanding of the underlying source data, the measurement parameters and the assumptions made by the executive directors, evaluated those factors critically and assessed whether they lay within a reasonable range. We also evaluated, by means of sampling, the legal opinions of the internal and external lawyers engaged by the Company. On that basis, we carried out further analytical audit procedures and tests of details relating to the measurement of the receivables from financial agents. Among other things, we also examined the underlying carrying amounts and their recoverability on the basis of the documentation made available, and evaluated the consistent application of the measurement methods. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the receivables from financial agents are substantiated and sufficiently documented.

3. The Company's disclosures relating to other receivables are contained in sections 4.4, 4.2.1 and II.7 of the notes to the consolidated financial statements.

II. Reimbursement liabilities for cancellation risk

1. In the consolidated financial statements of OVB Holding AG reimbursement liabilities for cancellation risk amounting to EUR 20.9 million are reported under the "Other provisions" item in the consolidated statement of financial position. These reimbursement liabilities relate to commissions received from partner companies for the brokerage of financial products, which the Company must reimburse to them, where necessary on proportionate basis, in the event that brokered contracts are not honored, or are canceled, within a defined liability period. A uniform Group-wide measurement process is used to calculate the provisions, which the respective subsidiary does based on country-specific measurement parameters such as liability period, historical cancellation rates and expectations regarding the timing of cancellations as of the reporting date. The calculation of the reimbursement liabilities for cancellation risk is subject to considerable scope for judgment on the part of the executive directors and the estimation uncertainties this involves. Against this background and due to the amount of this material item, this matter was of particular significance in the context of our audit.

2. In the knowledge that estimated values result in an increased risk of accounting misstatements and that the measurement decisions made by the executive directors have a direct impact on consolidated net

income, we assessed the appropriateness of the carrying amounts. This involved, among other things, assessing the design and appropriateness of the uniform Group-wide measurement process used to calculate the reimbursement liabilities, and evaluating its uniform application across the Group. We also compared the underlying country-specific and product-specific liability periods used in the calculation against the relevant statutory requirements. In addition, we verified the Company's historical cancellation rates underlying the calculation and the expectations of the executive directors regarding the timing of the cancellations as of the reporting date. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of recognizing and measuring the reimbursement liabilities for cancellation risk are substantiated and sufficiently documented.

3. The Company's disclosures relating to reimbursement liabilities for cancellation risk are contained in sections 4.4, 6.2.2 and II.22 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report to comply with §§ 315b to 315c HGB
- the annual report - excluding cross-references to external information - with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a

whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. 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 controls.
 - Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
 - Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
 - Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 Group to cease to be able to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
 - Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
 - Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
- 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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file OVB_AG_KA+LB_ESEF-2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all

material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on June 15, 2022. We were engaged by the supervisory board on December 15, 2022. We have been

the group auditor of OVB Holding AG, Cologne, without interruption since the financial year 2005.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter - use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format - including the versions to be filed in the company register - are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Sack."

Düsseldorf, 24 February 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christian Sack
(German Public auditor)

ppa. Ansgar Zientek
(German Public auditor)



Michael Johnigk
Chairman of the
Supervisory Board,
OVB Holding AG

Report of the Supervisory Board

Dear Shareholders,

Financial year 2022 was challenging. This holds true for companies as well as for private households in particular. The reasons for that were the atrocious Russian war of aggression in Ukraine, supply bottlenecks, energy shortage and high inflation. Even the COVID-19 pandemic has not been completely conquered. Thanks to the Executive Board's prudent management and the special commitment of our staff and financial advisors, OVB Holding AG has held its ground very well once again. With a sales increase of 3.5 per cent to Euro 331.9 million, a new record in the Company's history was achieved.

Interaction of Supervisory Board and Executive Board

The Supervisory Board and its Committees continued their routine advice of the Executive Board in managing the Company in 2022, supervised the Executive Board's activity based on comprehensive written, oral and electronically transmitted reports delivered by the Executive Board and attended to the full scope of their duties as defined by law, the Articles of Association and the rules of procedure. In addition to that, the Chairman of the Supervisory Board and the Executive Board, particularly the CEO, maintained an ongoing exchange on topics of strategic orientation, corporate planning, business performance, the risk position, risk management, compliance, important individual events and transactions as well as impending decision-making. The Chairman of the Audit Committee and the CFO routinely exchanged relevant information as well, comprising topics of financial accounting and the internal control system in addition to the above-mentioned matters.

The Supervisory Board was thus always informed about the economic and financial development of the Group

and its segments, including planning, the business and risk strategy and other fundamental issues of business operations, risk management and OVB Group's material risks in particular, transactions and events of significance and developments regarding financial advisors and employees. In addition to the annual report prepared by Internal Audit and the annual report of the Head of Compliance, the Supervisory Board was constantly informed by the Executive Board on compliance and the activity of Internal Audit.

The Supervisory Board was directly involved in all decisions of essential relevance to the Group at an early stage and discussed and debated such decisions based on the information provided by the Executive Board extensively in full session together with the Executive Board.

The Executive Board informed the Supervisory Board early on about all matters requiring the Supervisory Board's explicit consent under law, the Articles of Association or the rules of procedure and presented them to the Supervisory Board for the adoption of resolutions in good time. There were no transactions in the financial year that required the Supervisory Board's approval as related party transactions.

The Supervisory Board always had the opportunity to scrutinize and discuss the Executive Board's reports and resolution proposals in the Committees and in full session and to offer suggestions before casting its vote on the respective resolution proposal following thorough examination and debate.

In urgent individual cases, resolutions were also adopted in writing, by electronic means or in conference calls with the approval of all Supervisory Board members.

All key financials were reported to the Supervisory Board by the Executive Board on a quarterly basis. Any deviations of the business performance from corporate planning and defined targets were explained to the Supervisory Board in detail. The Company's risk position was also presented and analyzed in depth on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, distribution and partners/products, markets and competition, operations and support as well as statutory provisions and guidelines, taking also into consideration aspects of sustainability in the separate areas.

Meetings and topics of the Supervisory Board

In the 2022 financial year, five meetings were held altogether, four of which were regular sessions at which the Supervisory Board concerned itself with the Executive Board's reports and resolution proposals, and one extraordinary session on the occasion of Thomas Hücker's resignation from the Executive Board of OVB Holding AG. In consequence of that, the Supervisory Board focused on a suitable succession for the Executive Board, the successful outcome of which was reported on 30 June 2022. Apart from that, the Supervisory Board requested reports and information from the Executive Board on individual topics, provided in each case exhaustively and in good time. Subjects of routine debate in full session were business planning and the business performance in the three regional segments Central and Eastern Europe, Germany, and Southern and Western Europe as well as the Corporate Centre segment and the Group's profit/loss, financial position and assets and liabilities.

The Executive Board regularly reported to the Supervisory Board about the impact of Russia's war of aggression in Ukraine on the business of the country's sales subsidiary and of the Group as well as noticeable macroeconomic effects. The strongly increased inflation rate over the financial year and its relevance for the behaviour of the clients was also brought up. Moreover, the Executive Board kept the Supervisory Board up to date about the still existing effects of the COVID-19 pandemic on OVB's business. Several meetings of the Supervisory Board were held temporarily in the absence of the Executive Board. Then agenda items were discussed concerning either the Executive Board itself or internal Supervisory Board matters.

On 10 February 2022, an extraordinary Supervisory Board meeting was convened at short notice in the form of a conference call. Its topic was the request of then-Executive Board member and COO of the Company Thomas Hücker to terminate his employment contract in effect until December 2023 prematurely for personal reasons. Following extensive debate, on 31 March 2022 the Supervisory Board resolved the amicable premature termination of the Executive Board employment contract of Thomas Hücker as of 31 May 2022 by way of circular resolution.

On 18 March 2022, the Supervisory Board dealt, among other things, with the financial statements and the con-

solidated management report of OVB Holding AG for financial year 2021, the combined management report for OVB Holding AG and the Group as of 31 December 2021, the Supervisory Board report and the report of the Executive Board on relationships with affiliated companies for the 2021 financial year. The 2021 statement on corporate governance was approved as well. The Supervisory Board adopted the Executive Board's proposal for the appropriation of retained earnings and approved the non-financial consolidated management report and the remuneration report for 2021, submitted in the financial year for the first time. As amendments were necessary to the remuneration policy for the Executive Board, the Supervisory Board adopted the presented amended version. The Supervisory Board also consented to the Executive Board's decision to hold a virtual Annual General Meeting without the physical presence of the shareholders or their proxies due to the ongoing COVID-19 pandemic in accordance with the statutory requirements. Moreover, the Supervisory Board addressed other measures subject to its consent and gave its consent respectively. In particular, the Supervisory Board approved the Executive Board's proposal to establish an entity in Slovenia as a wholly owned subsidiary of OVB Holding AG for the brokerage of life insurance, health insurance, accident and property accident as well as financing.

In the session of 15 June 2022 immediately preceding the 2022 Annual General Meeting, the Executive Board reported about the current business and the financial position after the end of the first quarter in detail, among other topics. Following this report, the Supervisory Board discussed the definition of future target figures for the proportion of women on Executive Board and Supervisory Board as stipulated by law.

For the period from 1 July 2022 to 30 June 2027, a target of 16.67 per cent for the Supervisory Board, equivalent to one woman as member of the Supervisory Board, and a target of 33.33 per cent for the Executive Board, equivalent to one woman as member of the Executive Board, were then determined. In addition to that, the Supervisory Board discussed various transactions subject to its consent and gave its consent respectively.

The meeting on 6 and 7 September 2022 took place in Verona, where the Italian subsidiary is located. The Supervisory Board occasionally conducts sessions at OVB's European locations in order to get a first-hand impression of the course of business and the prospects of individual operating subsidiaries on location. In this meeting, the Executive Board informed the Supervisory Board on the status quo of the strategy »OVB Evolution 2022«. In this context, current key performance indicators were compared to the ones recorded at the launch of the strategic period in 2017. Following that, the Supervisory Board was presented with the strategy development process and the insight collected so far for the development of a follow-up strategy. The current situation after the completion of the first half-year 2022 and the strategy of OVB Germany were also on the agenda. In the course of the appointment of new Executive

Board member and COO of OVB Holding AG, Heinrich Fritzlär, an amendment to the allocation of responsibilities of the Executive Board was adopted.

In the meeting held on 6 December 2022, the Executive Board informed about the Group's situation after the first nine months and presented a forecast for the performance over the full year 2022. The current situation of OVB Germany was also reported. After that, the Executive Board introduced the multi-year planning for 2023 through 2027. Furthermore, the Supervisory Board dealt with corporate governance matters. The declaration of conformity with the German Corporate Governance Code was debated extensively and its release and announcement were resolved. As proposed by the Nomination and Remuneration Committee, the Supervisory Board defined the performance criteria for variable Executive Board remuneration for financial year 2023. Also on the agenda was the Supervisory Board's assessment of its own performance. The results of the questionnaire were analyzed, discussed and corresponding potential for future improvement was derived on that basis.

The members of the Supervisory Board take training measures required for accomplishing their tasks on their own initiative, e.g. those concerning changes to the legal framework and new promising technologies. If necessary, they are supported in this by the Company.

Apart from that, in-house informative events are provided for specific qualification if required. In the year under review 2022, an in-house training event on recent legal developments regarding corporate governance, stock corporation law and securities trading law as well as on the internal control system, among other topics, was held on 28 September 2022.

New members of the Supervisory Board also have the opportunity to meet members of the Executive Board and other executives for an exchange of views on general and current topics concerning OVB Group and to thus get an overview of the Company's issues of relevance.

Corporate Governance Code

At the Supervisory Board meeting on 6 December 2022, the Supervisory Board decided after extensive debate to release a joint declaration of Supervisory Board and Executive Board on conformity with the German Corporate Governance Code pursuant to Section 161 (1) AktG (Stock Corporation Act) that same day. Information on corporate governance can be found in the corporate governance statement publicly available at www.ovb.eu/english/investor-relations/corporate-governance. The declaration of conformity has been made available on the Company's website at www.ovb.eu/english/investor-relations/corporate-governance and is also included in the corporate governance statement.

Committees

The Supervisory Board has established two standing Committees for preparing Supervisory Board resolutions and the topics to be addressed by the Supervisory Board in full session.

At each Supervisory Board meeting, the Chairs of the Committees reported on the subjects and outcomes of any preceding Committee sessions so that the Supervisory Board had a comprehensive information base for its debates at all times.

General information on the composition and the working methods of the Supervisory Board and its Committees can also be found in this year's corporate governance statement.

Report from the Committees

Audit Committee activity

Its responsibilities include in particular the monitoring of financial accounting and the financial accounting process, the effectiveness and development of the internal control system, the risk management system, internal auditing and compliance as well as the audit of financial statements.

The Audit Committee prepares the resolutions of the Supervisory Board on the financial statements, combined management report and the proposal for the appropriation of retained earnings, the consolidated financial statements and the agreements with the auditor (in particular the audit engagement, the definition of key audit matters and the fee arrangement). The Committee furnishes a reasoned proposal for the election of the auditor and takes suitable measures for determining and monitoring auditor independence.

Its assessment particularly relates to the question whether statutory requirements were complied with in preparing financial statements and consolidated financial statements and whether the statements presented therein give a true and fair view of the assets and liabilities, financial position and profit/loss of the Company and the Group.

The Audit Committee held seven meetings in the 2022 financial year. It concerned itself in depth with the financial statements and the combined management report of OVB Holding AG and the Group prepared by the Executive Board and examined and discussed the interim financial reports (6-month report and quarterly reports) in consideration of the auditor's report on the reviews of these reports. In several sessions, the Audit Committee dealt with the monitoring of the financial accounting process as well as issues of effectiveness of the internal control system and its further development, and the effectiveness of the risk management system and the internal audit system. Moreover, the Supervisory Board concerned itself extensively with the material legal disputes and with compliance in the Company and was informed on measures to prevent money laundering in the Group. Moreover, the Committee dealt with the security of the IT systems and the status quo of the implementation of the taxonomy regulation. Preparations for a change of the auditor in 2024 were brought on the way.

The Audit Committee has determined as key audit matter the following assignment, apart from a number of other focal topics: »Adequacy and effectiveness of the internal control system with respect to financial accounting regarding the scope of business activity and the risk position of OVB Holding AG«. The auditor reported on this to the Audit Committee at its 22 March 2023 session. No need for changes was identified.

In addition to that, the Committee looked into the audit findings, audit processes and audit planning of Internal Audit for the 2023 financial year in the presence of the Director Internal Audit.

Nomination and Remuneration Committee activity

The Nomination and Remuneration Committee, among whose responsibilities are the proposal of suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting, the personnel of the Executive Board and the Executive Board members' remuneration, convened six times in 2022.

Committee members discussed matters of special importance even outside the framework of sessions. One focal point of the meetings of the first half-year was the selection of candidates for the succession of Thomas Hücker on the Executive Board of OVB Holding AG. A qualified successor was found with Heinrich Fritzlär. In the spring of 2022, the Executive Board employment contracts of CEO Mario Freis and CFO Frank Burow were extended ahead of schedule. This decision had been thoroughly considered by the Committee members in advance.

Apart from that, general succession planning for the Executive Board and the top level of senior executives was a recurring topic. Furthermore, the Committee

prepared the Supervisory Board's resolution proposals on the definition of performance criteria and targets for variable remuneration in 2023.

Format of the meetings of the Supervisory Board and its Committees

As the pandemic continued through 2022, two of the altogether five Supervisory Board meetings were held as hybrid sessions (in-person meetings with the option of participation by phone/virtually). The other two regular meetings were held as in-person meetings. The extraordinary Supervisory Board meeting on 10 February 2022 was held as a conference call only.

Of the altogether seven meetings of the Audit Committee in the 2022 financial year, two were held in-person, two as hybrid events (in-person meetings with the option of participation by phone/virtually) and three as conference calls.

Two of the altogether six meetings of the Nomination and Remuneration Committee in financial year 2022 were conducted as in-person meetings, one was a hybrid session (in-person meeting with the option of participation by phone/virtually) and three meetings were conference calls only.

Individualized information on participation in meetings

Wilfried Kempchen's absence from two Supervisory Board meetings and Markus Jost's absence from one Supervisory Board meeting were excused. Dr. Thomas A. Lange's absence from one meeting of the Audit Committee was excused. The following table shows the attendance ratio of the members with respect to Supervisory Board and respective Committee meetings:

	Attendance	per cent
Supervisory Board		
Michael Johnigk (Chairman)	5/5	100
Dr. Thomas A. Lange (Deputy Chairman)	5/5	100
Markus Jost	4/5	80
Wilfried Kempchen	3/5	60
Harald Steirer	5/5	100
Julia Wiens	5/5	100
Nomination and Remuneration Committee		
Markus Jost (Chairman)	6/6	100
Michael Johnigk	6/6	100
Audit Committee		
Dr. Thomas A. Lange (Chairman)	6/7	86
Michael Johnigk	7/7	100
Markus Jost	7/7	100
Julia Wiens	7/7	100

Audit of separate and consolidated financial statements

The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, has audited the separate financial statements and consolidated financial statements as well as the management report of OVB Holding AG combined with the consolidated management report for financial year 2022 and has issued an unqualified audit opinion. Separate financial statements and management report were prepared in accordance with German law. The consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and according to supplementary provisions under applicable German law pursuant to Section 315e (1) HGB (Commercial Code).

Separate financial statements, consolidated financial statements, the combined management report as well as the audit reports on the annual financial statements prepared by the auditor and all other financial statement documents were submitted to the members of the Supervisory Board in good time prior to its financial statements meeting. All these documents were discussed intensively in the session of the Audit Committee and the subsequent meeting of the Supervisory Board, both held on 22 March 2023.

The audit reports prepared by the auditor were discussed extensively at the session of the Audit Committee, which was attended by all other Supervisory Board members as well, in the presence of the auditor's certified accountants who reported on the scope, focal points and material findings of the audit and particularly addressed the key audit matters and audit procedures applied. Any material flaws of the internal control system with respect to financial accounting regarding the scope of business activity and the risk position of OVB Holding AG were not identified. At the same meeting, the report on risk management and the annual update on compliance management and Internal Audit were presented.

The Supervisory Board also adopted the resolution proposal to the Annual General Meeting for the election of the auditor in consideration of the Audit Committee's recommendation at its meeting on 22 March 2023. This decision was based on the declaration furnished by the Audit Committee that its recommendation was free from any undue influence by third parties and that no clause restricting its choice in accordance with Art. 16 (6) of the EU Audit Regulation was imposed on the Committee.

The Supervisory Board agrees with the auditor's findings based on the audit. After the final examination conducted by the Audit Committee and the Supervisory Board's own review, no objections are raised against financial statements, consolidated financial statements or combined management report.

The Supervisory Board has therefore approved the 2022 separate financial statements and 2022 consolidated financial statements. The 2022 financial statements are thus adopted in accordance with Section 172 sentence 1 AktG (Stock Corporation Act). The Supervisory Board has approved the Executive Board's proposal for the appropriation of retained earnings submitted at the Supervisory Board meeting of 22 March 2023.

Beyond the scope of the statutory audit, PricewaterhouseCoopers has also conducted a business audit of the separate non-financial consolidated management report of OVB Holding AG commissioned by the Supervisory Board to obtain limited assurance and has raised no objections on this basis against non-financial reporting and compliance with the corresponding statutory provisions. The Supervisory Board has approved this report.

The Executive Board's report on relationships with affiliated companies was provided to the Supervisory Board together with the corresponding audit report prepared by the auditor. In its audit report, the auditor has made the following statement:

»After our due examination and assessment, we confirm that

1. the factual disclosures contained in the report are correct,
2. consideration paid by the Company for the transactions listed in the report was not inappropriately high,
3. no circumstances suggest a materially different assessment than the assessment made by the Executive Board with respect to the measures listed in the report.«

The Supervisory Board has also examined the Executive Board's report on relationships with affiliated companies, consulted the corresponding audit report prepared by the auditor and approves of the auditor's findings. After concluding its own review, the Supervisory Board states that there were no objections to the Executive Board's concluding statement in its report on relationships with affiliated companies.

The remuneration report for financial year 2022 to be prepared in accordance with Section 162 AktG was reviewed by the auditor regarding its content as well, thus beyond the requirements under the Stock Corporation Act. The following audit opinion was issued:

»According to our assessment of the findings produced by the audit, the remuneration report for the financial year ended 31 December 2022 including

all material disclosures is compliant with the financial accounting provisions of Section 162 AktG in all material aspects.«

The Supervisory Board has approved the 2022 remuneration report in the version submitted.

Changes on Supervisory Board and Executive Board

There were no changes in personnel on the Supervisory Board of OVB Holding AG in the year under review. The following change took place on the Executive Board: Member of the Executive Board and COO Thomas Hücker left the Company as of 31 May 2022 at his own request for personal reasons. Executive Board and Supervisory Board thank him for his high commitment over many years and his always constructive input. Thomas Hücker had been on the Executive Board since 2014. Thomas Hücker's responsibilities were assumed by CEO Mario Freis as of 1 June 2022 on an interim basis. Effective 1 October 2022, Heinrich Fritzlär was appointed to the Executive Board of OVB Holding AG as new COO. Heinrich Fritzlär is responsible for Group IT, IT Security, Process Management and People Management. He has more than 20 years of experience in insurance and IT consulting.

Furthermore, by resolution of 13 April 2022, the Supervisory Board has extended the term of CEO Mario Freis ahead of schedule by five years to 31 December 2027. On the same day and effective 1 January 2023, Executive Board member Frank Burow was reappointed for another three years until 31 December 2025.

Conflicts of interest and their management

No member of the Executive Board or the Supervisory Board identified or announced any conflicts of interest of their own.

The Supervisory Board is also not aware of any indications of conflicts of interest of Executive Board or Supervisory Board members subject to immediate disclosure to the Chairman of the Supervisory Board and information of the General Meeting of Shareholders.

Acknowledgements

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of all consolidated entities, all financial advisors and all employees of OVB Group for their high commitment and their excellent performance in financial year 2022.

Cologne, 22 March 2023

On behalf of the Supervisory Board



Michael Johnigk
Chairman

Company boards and board memberships

Executive Board

Memberships of Supervisory Boards and comparable supervisory bodies

Mario Freis

Chairman of the Executive Board (CEO)

Responsible for Corporate Development, Corporate Management, Sales, Training, Product Management, Marketing, Communication, Auditing, Investor Relations, Sustainability

- OVB Vermögensberatung AG, Cologne (Chairman of the Supervisory Board);
- OVB Allfinanz, a.s., Prague, Czech Republic (Chairman of the Supervisory Board);
- OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Member of the Supervisory Board)

Frank Burow

Member of the Executive Board - Finance (CFO)

Responsible for Corporate Accounting, Risk Management, Management Accounting, Tax Planning, Legal Affairs, Compliance, Data Protection, Anti-Money Laundering Compliance

- OVB Vermögensberatung AG, Cologne (Member of the Supervisory Board);
- OVB Allfinanz Slovensko a.s., Bratislava, Slovakia (Member of the Supervisory Board);
- OVB Allfinanz, a.s., Prague, Czech Republic (Member of the Supervisory Board)

Heinrich Fritzlar

Member of the Executive Board - Operations (COO) since 1 October 2022

Responsible for Group IT, IT Security, Business Process Management, People Management

Supervisory Board

Memberships of Supervisory Boards and comparable supervisory bodies

Michael Jahnigk

Chairman of the Supervisory Board

Business management graduate (ret.), former Member of the Executive Boards of SIGNAL IDUNA Group, Dortmund/Hamburg

- ELEMENT Insurance AG, Berlin (Deputy Chairman of the Supervisory Board), since 30 August 2022
- SIGNAL IDUNA Lebensversicherung a. G., Hamburg (Member of the Supervisory Board)

Dr. Thomas A. Lange

Deputy Chairman of the Supervisory Board
Chairman of the Audit Committee

Chairman of the Executive Board of NATIONAL-BANK AG, Essen

- HANSAINVEST Hanseatische Investment-GmbH, Hamburg (Member of the Supervisory Board)
- Bürgschaftsbank Nordrhein-Westfalen GmbH, Kreditgarantie-gemeinschaft, Neuss (Member of the Supervisory Board), since 4 July 2022
- EIS Einlagensicherungsbank GmbH, Berlin/Cologne (Deputy Chairman of the Advisory Board), until 13 May 2022

Markus Jost

Member of the Supervisory Board
Chairman of the Nomination and Remuneration Committee

Independent certified expert for accounting and management accounting, former Member of the Executive Boards of Basler Versicherungen, Bad Homburg/Hamburg

Supervisory Board

Memberships of Supervisory Boards and comparable supervisory bodies

Wilfried Kempchen Member of the Supervisory Board	
Businessman (ret.), former Chairman of the Executive Board of OVB Holding AG	
Harald Steirer Member of the Supervisory Board	- Generali România Asigurare Reasigurare S.A., Bucharest, Romania (Chairman of the Supervisory Board)
Management Consultant	- Generali Versicherung AG, Vienna, Austria (Member of the Supervisory Board)
Julia Wiens Member of the Supervisory Board	- Baloise Vertriebsservice AG, Hamburg (Chairwoman of the Supervisory Board)
Member of the Executive Boards of Baloise Lebensversicherungs-AG, Hamburg; Baloise Sachversicherungs-AG, Bad Homburg; Baloise Sach Holding AG, Hamburg; Managing Director of Basler Saturn Management B.V., Amsterdam, The Netherlands	

Supervisory Board Committees

Committee members

Audit Committee	Dr. Thomas A. Lange (Chairman), Michael Johnigk, Markus Jost, Julia Wiens
Nomination and Remuneration Committee	Markus Jost (Chairman), Michael Johnigk

Financial Calendar

29 March 2023

Publication of the Annual Financial Statements 2022,
Analyst Conference

9 May 2023

Results for the first quarter of 2023, Conference Call

14 June 2023

Annual General Meeting 2023, Cologne

11 August 2023

Results for the second quarter of 2023, Conference Call

8 November 2023

Results for the third quarter of 2023, Conference Call

Contact

OVB Holding AG

Investor Relations

Heumarkt 1 · 50667 Cologne

Phone: +49 (0) 221/20 15 -288

Email: ir@ovb.eu

www.ovb.eu

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