Consolidated Financial Results as at 31 december 2023

REVO Insurance Group

Verona, 14th March 2024

2024

01

Strategic update

01 Strategic update

Key corporate events in 2023

All 2023 strategic and financial targets achieved

FY 2023 targets announced to the market:

- **Premiums in excess of €180 million**
- **End of operational J-Curve**
- Strong **Solvency II** capital position
- **First dividend**

- Increased insurance **portfolio diversification** with the launch of **new products** across all lines
- **Strengthening of relations with intermediaries** (direct mandates and through REVO Underwriting)
- Further development of the **OverX platform** and greater use by intermediaries and underwriters
- **New hirings** (around 40 additional HC)
- **S&P rating upgraded** to **BBB+ positive** and **Standard Ethics rating of EE (strong)**
- **Reduced exposure** of investments **to Italian risk** in a favourable market context
- **Buyback operation** through partial voluntary public tender offer

01 Strategic update

Looking to the future

REVO Insurance

- **Expansion** of product range
- **Specialty/parametric** cross-selling
- Development of new **distribution opportunities**
- New **OverX platform modules**
- Launch of **artificial intelligence project**
- **2024 GWP close to 2025 end-of-plan targets**
- **2025 profit** target **significantly above €30M**

REVO Iberia

- **Authorisation process started** (completion by year-end)
- First premiums written **under freedom of services**
- **Team recruitment** in progress
- Initial focus on **Financial Lines** and **Bonds**
- **Strong operational synergies** through the use of OverX
- **Expansion** of existing commercial **agreements**
- **GWP above €60M in the medium term**

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Consolidated Results as at 31 december 2023

02 Consolidated results as at 31 December 2023

REVO

Main KPIs

Gross written premiums of €216.2M (+64.6% on 2022)

	IFRS 17			IFRS 4		
	2023	2022	Δ	2023	2022	Δ
Insurance revenues (gross earned premiums)	148.9	68.7	+ 116.7%	190.3	98.5	+ 93.2%
Adjusted operating profit [1]	21.3	15.1	+ 41.1%	21.0	13.9	+ 51.1%
Adjusted net profit [1]	14.8	11.6	+ 27.6%	14.8	10.8	+ 37.0%
Gross loss ratio [2]	42.0%	20.3%	+21.7 p.p.	42.7%	20.7%	+22.0 p.p.
Combined ratio [3]	85.8%	75.7%	+ 10.1 p.p.	85.7%	85.5%	+0.2 p.p.

The start-up phase of the project is over (operational J-Curve)

Solvency II ratio of 212.0%, confirming the Group's financial solidity

1 – Adjusted IFRS 17 = including recurring investment income/expenses and commissions paid by REVO UW to the network, excluding depreciation of tangible assets, settlement of agency severance indemnity, extraordinary costs, costs for financial debts, VoBA and LTIP

2 – Gross loss ratio IFRS 17 = (Gross claims from direct and indirect business) / (Insurance revenues gross of reins., commissions and VoBA)

3 – Combined ratio IFRS 17 = (Costs of insurance services provided + reinsurance result) / (Insurance revenues gross of reins. and VoBA)

02 Consolidated results as at 31 December 2023

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Excellent service performance

Bonds

- **First response** average time : **less than 1 day**
- Average **underwriter processing** time: less than 1 day
- **Intermediaries** fully aware of our **risk appetite** (high quotation ratio percentage)
- **95% of quoted negotiation is issued**

81%
Quotation ratio

95%
Bound ratio

Other LoBs

- **First response** average time: **1.5 days**
- Average **underwriter processing** time: **1.8 days**
- Almost 80% of negotiations are quoted
- **62% of quoted negotiations is issued**

78%
Quotation ratio

62%
Bound ratio

Careful risk selection by REVO

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REVO

Top line trend – Breakdown by LoB

All the lines show growth in absolute terms compared with FY 2022 (Bonds +16.3%), with higher exposure in intermediation by Brokers (~ 38.5% of premiums) and by REVO UW (~ €10.4M).

- **New** specialty and parametric **products**
- Further **diversification of portfolio mix**
- **Reduction of** overall **Bonds percentage**
- **Expansion of integrated offer and tailor-made solutions**
- Maintenance of **excellent response times**

20,000 parametric policies commercialized

LoB	FY 2023	FY 2022
Bonds	39.4%	55.7%
Property	13.0%	11.3%
Engineering	9.7%	10.4%
Agro	6.4%	2.8%
Marine	8.1%	3.1%
Professional indemnity	6.2%	5.6%
Aviation	3.8%	0.7%
Personal Accident	2.7%	0.7%
Casualty	3.7%	5.1%
D&O	1.5%	2.1%
Parametric	0.1%	0.2%
Other	5.4%	2.3%
Total	**100.0%**	**100.0%**

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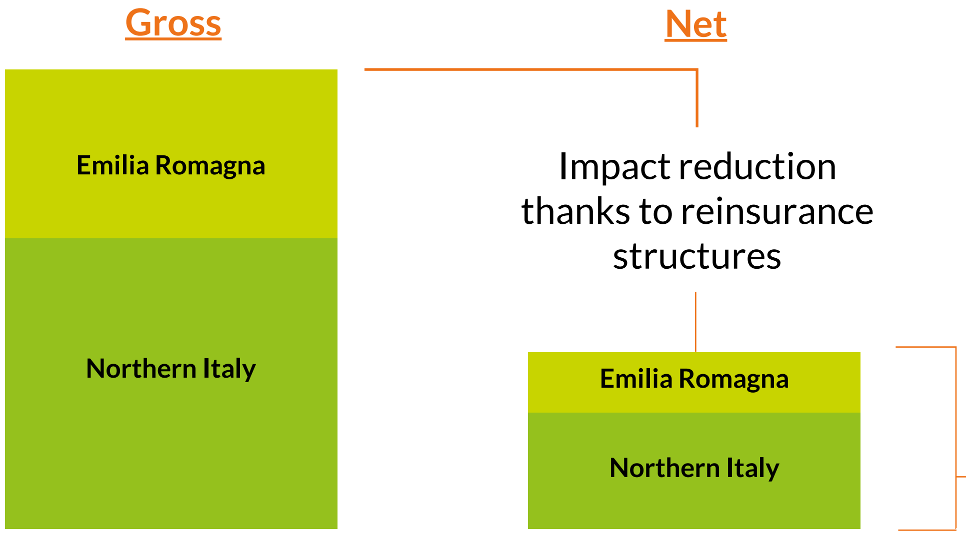
Technical performance and extreme events

- **Excellent** technical performance of the **Bonds** business, with a **gross loss ratio of 11.5%** (11.6% at FY 2022)
- **Technical underperformance** of the **Marine** LoB, overhauled in the final quarter
- **Physiological increase** in the overall claims rate, in line with the evolution of the **business mix**
- **Total gross loss ratio of 42.0%**, adversely affected by extreme events during the year



Fall-off of over €11.6M between gross and net

Net impact[1] of extreme events of €5.9M

Negative impact of around 4 p.p. on 2023 net loss ratio

1 – Including reinsurance reinstatement premiums

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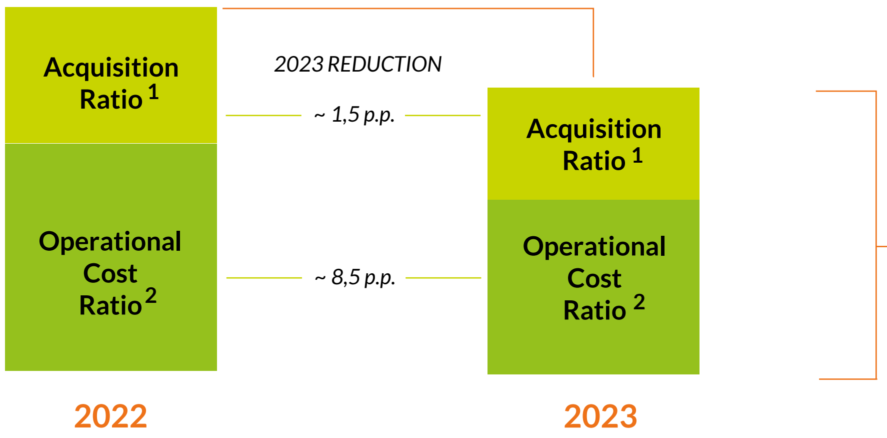
Ratio and Technology Investments

- **Major weight of broker channel** with intermediation cost benefits
- Steady overall **reduction** in the **Operational Cost Ratio** as the business grows
- Increased **investment in technology** in order to make the model **quickly scalable** (ref. REVO Iberia)

Expense ratio



IT investments

Further improvement in the coming years

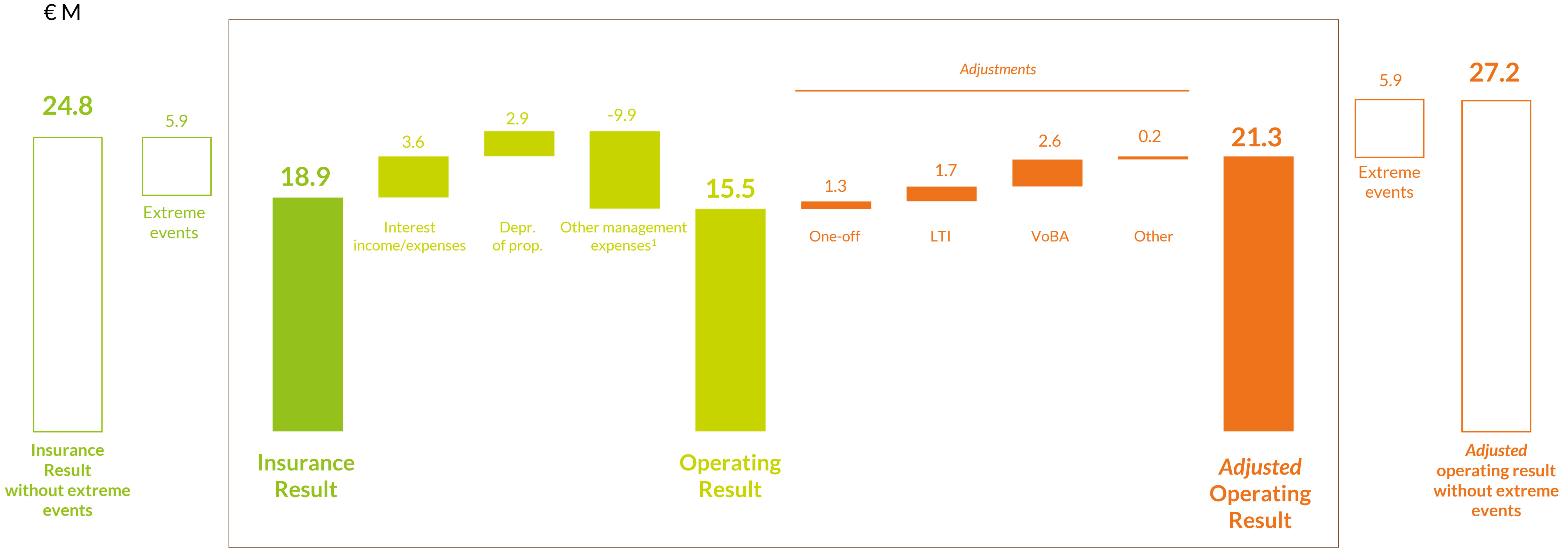
More operational leverage due to OverX

1 - (Direct and paid commissions from REVO UW) / (Gross premiums written)
2 - (Directly attributable expenses net depreciation, technical expenses, operating expenses, other expenses net depreciation and one-off costs) / (Insurance revenues gross riass, commissions and VoBA)

02 Consolidated results as at 31 December 2023

Adjusted results as at 31 December 2023 – IFRS 17

Adjusted operating result of more than €21M and *adjusted* net profit of €14.8M

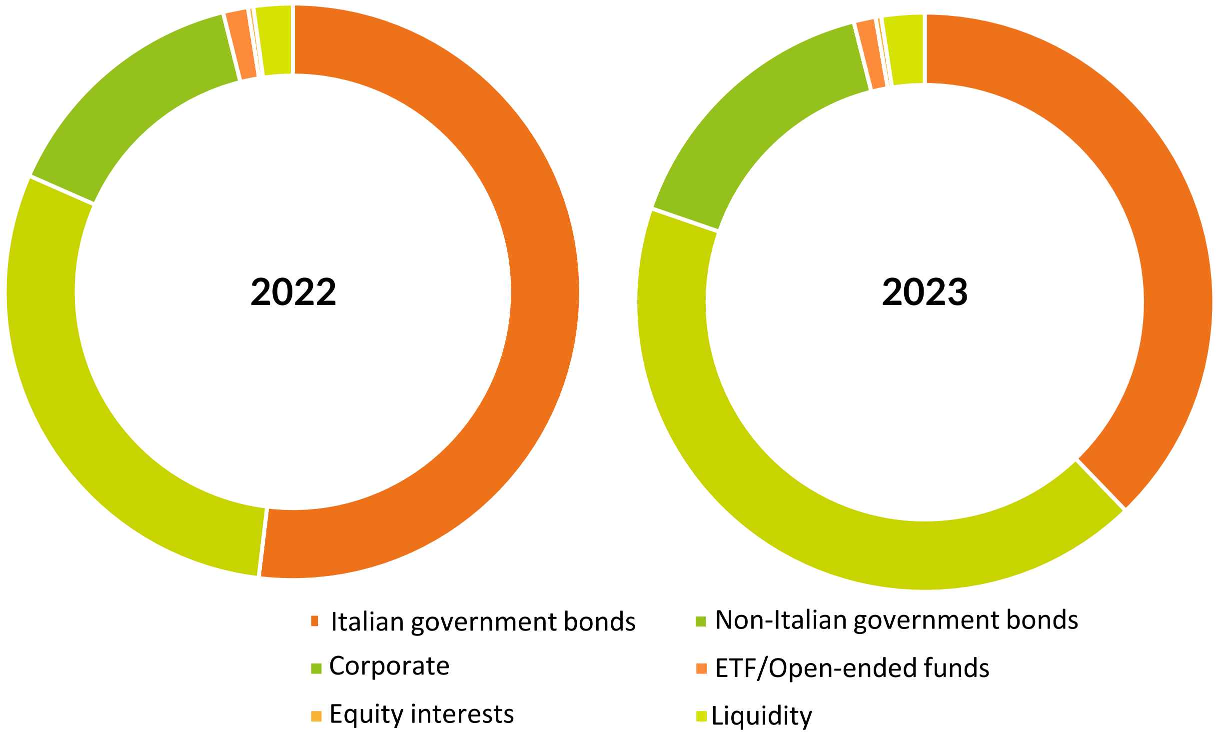


Adjusted net profit of €14.8M

02 Consolidated results as at 31 December 2023

Investment Portfolio

Significant reduction in Italian government bonds (-14 p.p.) and high average portfolio rating



Duration

Assets	2.0
Liabilities	2.7

- Significant **reduction in Italian government bonds** (37.8% vs 51.9%)
- **Diversification** towards **Core** (42.5% vs 29.7%)
- **Increase in Corporate** component (15.8% vs 14.5%)
- **52.6%** of bonds with **a ≥ A- rating (vs 37.0%)**
- **Average portfolio rating** of **A** (vs A-)
- **Tactical** exposure to **Equity**

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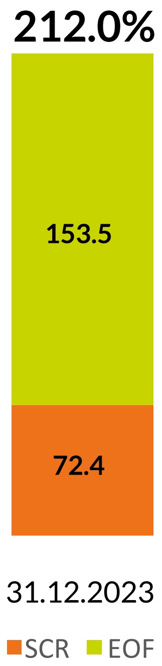
Group Solvency II ratio and Dividend

Adjusted public tender offer[1]
220.1%



SII sensitivity ratio as at 31 December 2023

+ 50 bps risk free	- 1.5 p.p.
- 50 bps risk free	+ 1.5 p.p.
+ 50 bps Corp. spread	- 0.4 p.p.
+ 50 bps BTP spread	- 0.8 p.p.

Highly resilient Ratio to market changes

Proposed dividend

€0.084
per share

1%
dividend yield

- **Achieved:** first distribution target on 2023 profit
- **Protection of the Group capital stability** (a fundamental strategic lever for further development of the project)
- **Growing payout** over the next few years as the **business develops**

1 – Solvency II ratio at 31 December 2023 net of buyback through public tender offer between May and June (impact of -8.1 points)

03

Indicators

03 Indicators

Definitions and main calculations

Gross loss ratio – IFRS 17

Profitability indicator, calculated as the ratio of claims-related costs gross of reinsurance and insurance revenues gross of commissions and VoBA.

Net loss ratio – IFRS 17

Profitability indicator calculated as the ratio of claims-related expenses net of reinsurance (without commissions and non-distinct investment component) to insurance income before commissions and VoBA and net of reinsurance cost (including non-distinct investment component).

Gross combined ratio – IFRS 17

Profitability indicator, calculated as the ratio of the sum of the costs of insurance services provided + the reinsurance result to insurance revenues gross of VoBA.

Operating result – IFRS 17

Ordinary profitability measurement which, starting from the result of insurance services, includes operating expenses not directly attributable to insurance contracts, the cost of LTI, the amortisation of intangible assets transferred to the technical part, and interest income/expense.

Adjusted operating result – IFRS 17

Ordinary profitability measurement which, starting from the operating result:

- Excludes extraordinary costs for one-off projects;
- Excludes depreciation and amortisation costs for acquired portfolios (ex. VoBA);
- Excludes costs of the LTIP share incentive plan;
- Excludes other minor items (settlement of agency severance indemnity, depreciation of tangible assets (non-IFRS 16), cost of financial borrowings)

03 Indicators

Definitions and main calculations

Adjusted net profit – IFRS 17

Ordinary net result which, starting from net profit, is subject to the same adjustments as shown above, net of the tax effect

Net loss ratio – IFRS 4

Profitability indicator, calculated as the ratio of net claims-related expenses and net earned premiums.

Net combined ratio – IFRS 4

Profitability indicator calculated as the ratio of the sum of net claims-related expenses, operating expenses and other technical income/expenses to net earned premiums.

Adjusted net combined ratio – IFRS 4

Net combined ratio excluding, in the numerator, costs related to the settlement of the agency severance indemnity, the LTIP incentive plans, material depreciation other than the rents provided for in IFRS16 and other extraordinary costs incurred for one-off projects, as well as other technical income and expenses.

Adjusted operating result – IFRS 4

Ordinary profitability measurement which, starting from the operating result:

- Includes investment income and expenses, exclusively related to accrued coupons, issue and trading discounts (therefore excluding write-backs and value adjustments and gains/losses on disposals);
- Excludes depreciation of tangible assets over the period;
- Excludes costs relating to settlement of the agency severance indemnity, which are typically non-recurring;
- Excludes extraordinary costs for one-off projects;
- Excludes any costs of financial debts;
- Excludes costs associated with LTIPs.

03 Indicators

Definitions and main calculations

Adjusted net profit – IFRS 4

Ordinary net result which, starting from net profit:

- Excludes write-backs, value adjustments and gains/losses from investment disposals
- Excludes depreciation of tangible assets over the period;
- Excludes costs relating to settlement of the agency severance indemnity, which are typically non-recurring;
- Excludes extraordinary costs for one-off projects;
- Excludes any costs of financial debts;
- Excludes costs associated with LTIPs;
- Excludes VoBA amortisation costs;
- Includes the tax effect arising from the above adjustments.

VoBA

The Value Of Business Acquired represents the goodwill paid to acquire portfolios, the amount of which is determined by estimating the present value of the future profits of the contracts in place at the time of acquisition. It consists of the difference between the carrying amount of technical provisions net of reinsurance ceded, valued in accordance with IFRS 4 and the corresponding fair value. The VoBA is amortised on the basis of the actual life of the contracts acquired.

LTIPs

The Long Term Incentive Plan is a three-year plan for a portion of the company's staff; it recognises variable share-based remuneration on the achievement of certain strategic goals.

Thank you

2024