

Roadshow with investors

Project update – November 2021

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# REVO: a new insurance paradigm



Focus on SME



Growing demand



Inadequate covers



New technologies

# REVO



Leadership in specialty lines



Digitalization of underwriting



Process simplification



Development of parametric business

# REVO

# REVO: a unique player for specialty and parametric risk

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## Specialty lines



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- Tailor-made coverage
- Business mainly broker-driven
- Market partially covered
- High level of technical complexity
- Acquire and consolidate technical skills
- Simplify and digitize the operations
- Fast quoting and efficiency

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## Parametric risk



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- From claim to event
- External oracle certification
- Real time settlement
- Natively digital and blockchain based
- Cost efficient
- Simplification of insurance contracts
- Disintermediation of traditional channels

# REVO: where we are

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2021

January

Launch of the project (SPAC)

April - May

Fund raising process with a target of € 200M

May

IPO on AIM: final allocation of € 220M (demand over € 240M)

July

Signing of the binding agreement for the acquisition of 100% of Elba Assicurazioni

August

Business combination approved by the shareholders' general meeting

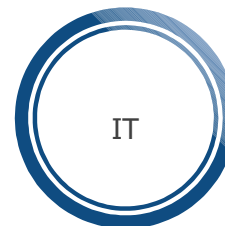
October

Authorization by IVASS for the acquisition of Elba Assicurazioni

By the end of November

Closing of the Business Combination

Five main projects for  
the 2022



# Elba: business combination and 1 H 2021 results

## Business combination

SPA signed on 15<sup>th</sup> July 2021, business combination approved on 4<sup>th</sup> August 2021 and closing scheduled by the end of November

Closing price expected around €164M

Implicit P/E multiple of ~10.9x (based on 2021E results), with a Solvency 2 ratio of ~270% as at 30.09.2021

## 1 H 2021 results

€/M	1H 18	%	1H 19	%	1H 20	%	1H 21	%	FY 18	%	FY 19	%	FY 20	%
Gross premiums written	27.9		35.9		30.8		39.1		58.6		71.2		68.3	
NET PREMIUMS	13.1	100%	16.7	100%	18.0	100%	19.3	100%	27.3	100%	33.5	100%	37.5	100%
Claims incurred	-2.2		-3.6		-3.7		-2.2		-5.4		-6.6		-5.9	
RESULT OF TECHNICAL ACCOUNT	6.2	47%	6.7	40%	8.5	47%	10.4	54%	13.7	50%	17.1	51%	19.8	53%
PROFIT BEFORE TAX	3.9	30%	7.2	43%	8.0	45%	10.3	53%	10.5	39%	18.3	55%	18.7	50%
NET PROFIT	2.6	20%	4.9	29%	5.6	31%	7.1	37%	7.1	26%	12.6	38%	13.0	35%

# Elba: a story of growth with levers for further value creation

## Key messages on 1 H 2021 results

Premiums growth (+27% vs 1 H 2020), with same reinsurance strategy (around 40% of premiums ceded)  
Claims improvement, thanks to the accurate risk selection  
Technical result over € 10M, with a slight contribution from investments and extraordinary activities  
Net income over € 7M, with a FY net profit expected over € 15M <sup>1</sup>  
Solvency II ratio over 270%, well above the total target of the project (over 200%)

## Levers for further value creation

Premiums growth	Further development of current distribution channels (105 agents and 16 brokers)
	Distribution agreement with brokers, agencies network of mid-sized companies and other intermediaries
	Opportunities from macroeconomic context (EAR / CAR and surety bonds covers linked to PNRR)
Profitability	Synergies with other line of business (common data platform and control / staff functions), cross/up-selling opportunities
	Improvement of pricing tools thanks to the adoption of innovative IT and machine learning systems
	Optimization of the cost structure, through the adoption of a simplified process approach
Reinsurance	Better conditions for the placement of reinsurance treaties
	Adoption of a wider range of different technical structures
	Improvement in the sophistication of risk models and tools for a better optimization of the reinsurance and capital
People engagement	Stronger engagement, with a reduction of the turnover ratio
	Training and professional development plans
	Long term incentive plan for key people

# Elba: FY 2021 E results and medium term target

## Elba 2021 E<sup>1</sup>



The historical 5Y surety bond loss ratio is ~17%<sup>3</sup>, lower than any other P&C SL

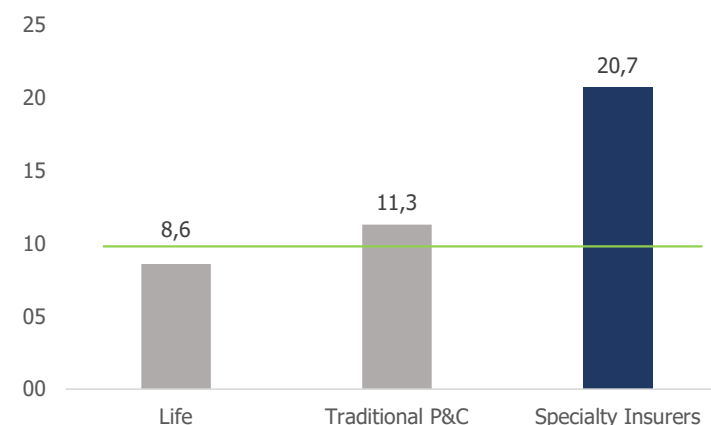
## REVO 2025 Target \*



Dividend with S2 > 200%

\*A revised business plan will be presented to the financial community during Q1

## Market multiples P/E 2021 E<sup>4</sup>



Market P/E 2021 E multiples of specialty lines players is significantly higher than traditional P&C companies

The implicit P/E multiple for the Business Combination is ~10.9x




## Specialty lines – Vision


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**Be the Specialty Insurer of the Italian SMEs thanks to**




Technical skills of  
our underwriters  
and data  
scientists



Innovative  
distribution  
model



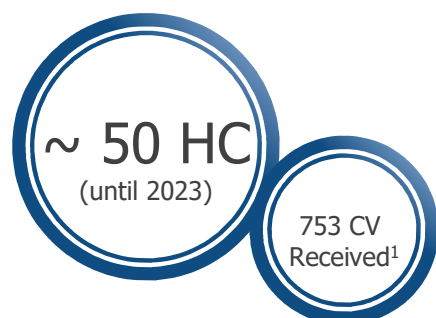
“Solution first”  
approach



“First class”  
Information  
Technology

# Business: Specialty Lines Update

Recruiting process initiated in August  
Hiring plan on track

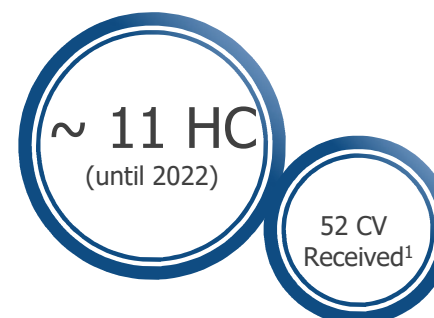


## Underwriting & Market Management

Underwriters and Claim Specialists with solid track record in each LoB of Specialty Market. Salesforce in charge of distribution strategy



**18 HC** already recruited



## Analytics & Reinsurance

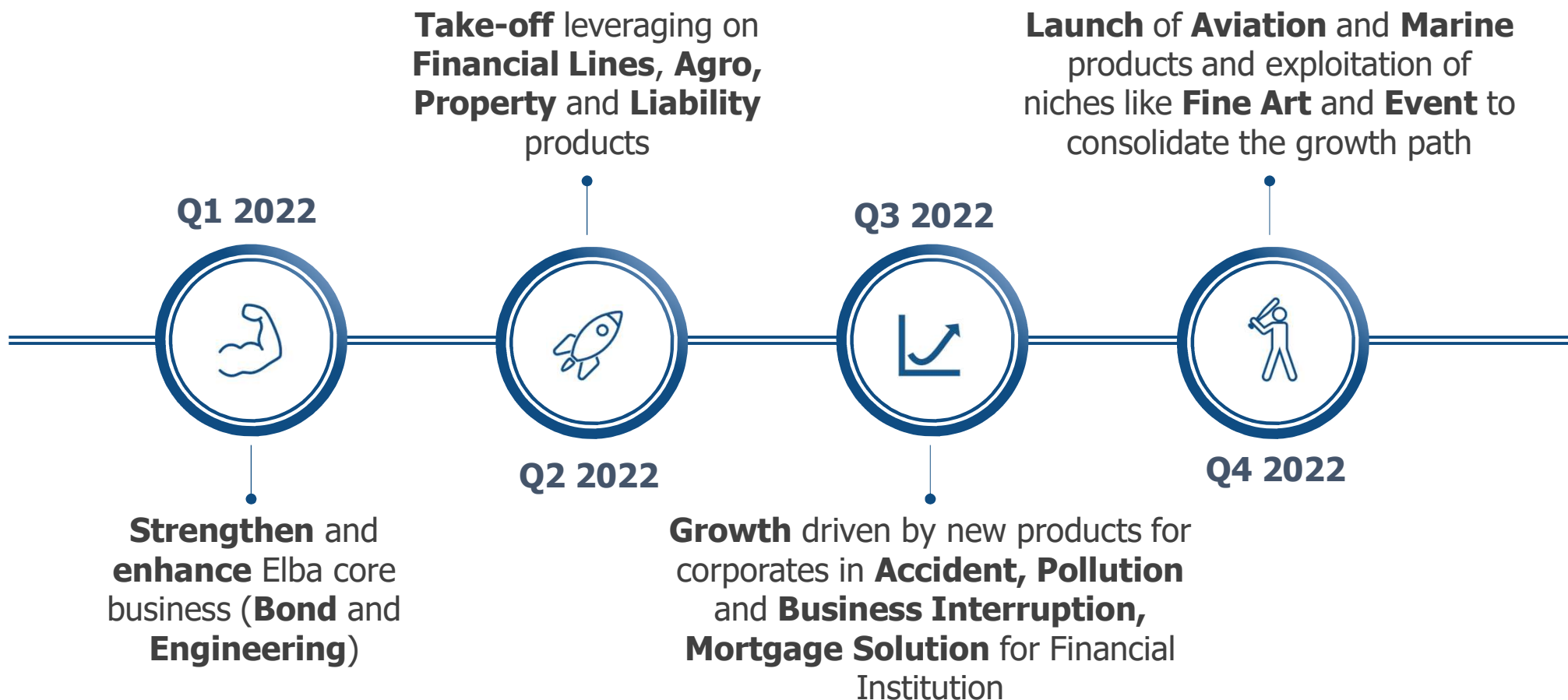
Analyst for pricing, portfolio analysis and Reinsurance optimization



**5 HC** already recruited

# Business: Specialty Lines Update

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# Business: Specialty Lines Update

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Distribution Agreement with **Champion** and **Large Brokers**

More than 50 direct partnerships with Top/Large Brokers – No double intermediation



**MGA** dedicated to support **Agency Networks** and develop **Niche Business**

Brand New Revo MGA and partnership with 5-10 skilled MGAs with specialistic approach



Leverage on **Agents** specialized in **Specialty Business**

Consolidation of Elba's agency network and scouting of new specialized agencies

# Business: key value drivers of parametric covers

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## Markets

New solutions for the market

First insurance player with a strong focus on parametric insurance

Insurance as a provider of services to facilitate everyday customer life



## Support to SMEs

Parametric Insurance allows to design ad-hoc products for SMEs

Strong synergies with specialty lines business (pricing models and distribution channels) mainly for agro, CAT and BI business



## Non-insurable risks

Parametric Insurance does not require expensive processes to manage the claim settlements

Small non-insurable risks can now be covered by parametric products, maintaining an adequate profitability of the business



## Natively digital

Full compatibility of parametric products with blockchain-based technology

Process automation will further increase settlement speed

Smart contracts will further simplify the customer experience



## Scalability

Development of partnerships with tech players in order to develop tailored products

Access to the partners' distribution platforms

High level of replication of oracles and products



## Risk-culture

Data collection from traditional and innovative sources (Internet of Things)

Greater accuracy in the risk-pricing process

Risk prediction capabilities will lead to a better prevention framework

# Business: parametric risks update

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**Positive feedback**  
from insurance  
market supported by  
**concrete requests**  
for products



**Advanced**  
**discussions** for  
commercial and  
business  
**partnership**



**Pilot projects**  
already initiate in  
specific niches  
(agro, business  
interruption)

Some POCs already completed with adoption of blockchain technology, thanks to the partnership with **Mangrovia Blockchain Solutions**

# Business: parametric risk team

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**Four people will join the team starting from 1<sup>st</sup> of December in the following roles:**



Identify business needs and commercial opportunities, focusing on the demand currently not satisfied by the market  
Define the best products and distribution channels for parametric covers  
Develop and manage commercial partnerships



Structuring of parametric products to meet the identified business needs  
Develop new products to approach a wide range of market segments  
Analysis of the existing product catalog with optimization tools



Statistical analysis adopting innovative techniques, in close collaboration with the Data Analytics division  
Develop pricing tools for parametric business  
Portfolio optimization in collaboration with the specialty lines division



Coordinate the efforts with IT / operations and Data Analytics  
Monitor the deployment of the technological solutions required by the parametric division (blockchain, smart contracts, front-end)  
Support in managing data structure and oracles network

# Business: agro parametric insurance

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Subscription paper  
~ 50/60 pp.



Event occurred

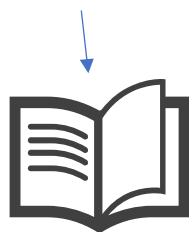
Claims management  
and  
damage valuation



Payment in 4/5  
months



Data-based risk  
assessment



Smart contract  
max 10 pp.



Event occurred



Oracle data certification  
(breach of the threshold)



Automatic payment  
within few days

Distribution channels for parametric covers include brokers, direct sales, commercial partnerships and affinities (B2B, B2B2C, B2C)



## IT: strategy and key pillars

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**Full control of  
key  
technological  
stack**

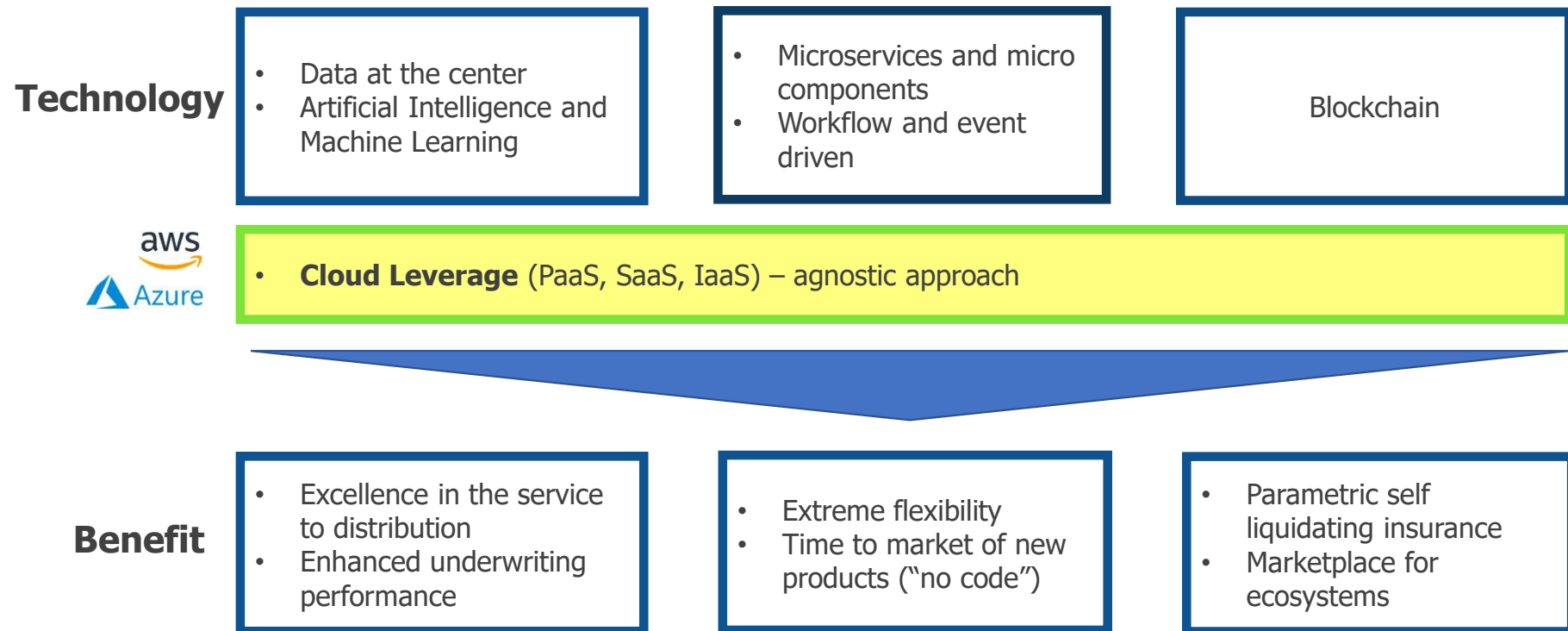
**Full openness**

 **Azure**  
**Clouds based**  
 **aws**

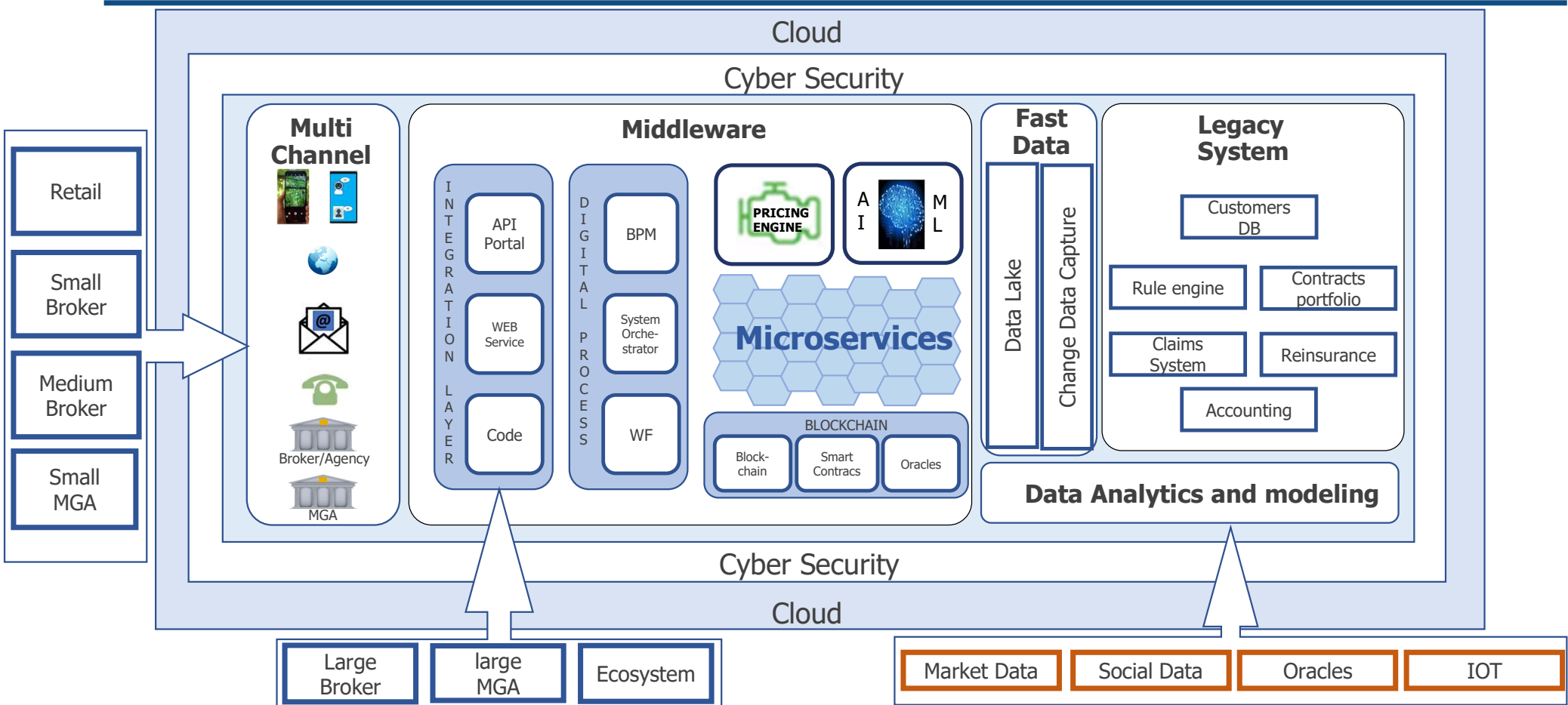
**Security and  
Privacy by design**

# IT: technology for business

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# IT: a modern open architecture



# IT: plan and setup



Workstream	Activity	2022	2023	2024	2025 +
1 Setup	<ul style="list-style-type: none"> <li>✓ Setup OverX</li> <li>✓ First 2 products</li> <li>✓ New verticals</li> </ul>	Setup			
2 Migration target OverX	<ul style="list-style-type: none"> <li>✓ Migration actual products on OverX</li> </ul>	Migration			
3 New products	<ul style="list-style-type: none"> <li>✓ New products release</li> </ul>	New products			
4 Digitalization I/F Broker	<ul style="list-style-type: none"> <li>✓ UX/UI development</li> <li>✓ Automation in Broker relationship</li> </ul>	Digitalization I/F Broker			
5 A.I. development	<ul style="list-style-type: none"> <li>✓ Leveraging A.I. in underwriting process</li> </ul>	A.I.			
6 Advance data management	<ul style="list-style-type: none"> <li>✓ Full integration of external data base</li> </ul>	Advance data management			
7 Parametric development	<ul style="list-style-type: none"> <li>✓ Development parametric products</li> <li>✓ Set-up market place / ecosystems</li> </ul>	Parametric business			

# Data Science Platform: A data-driven approach

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Centralised, timely and clean **data** as a core asset throughout the entire workflow



Advanced analytics and a scientific method to unveil patterns and harness the power of **information** within data



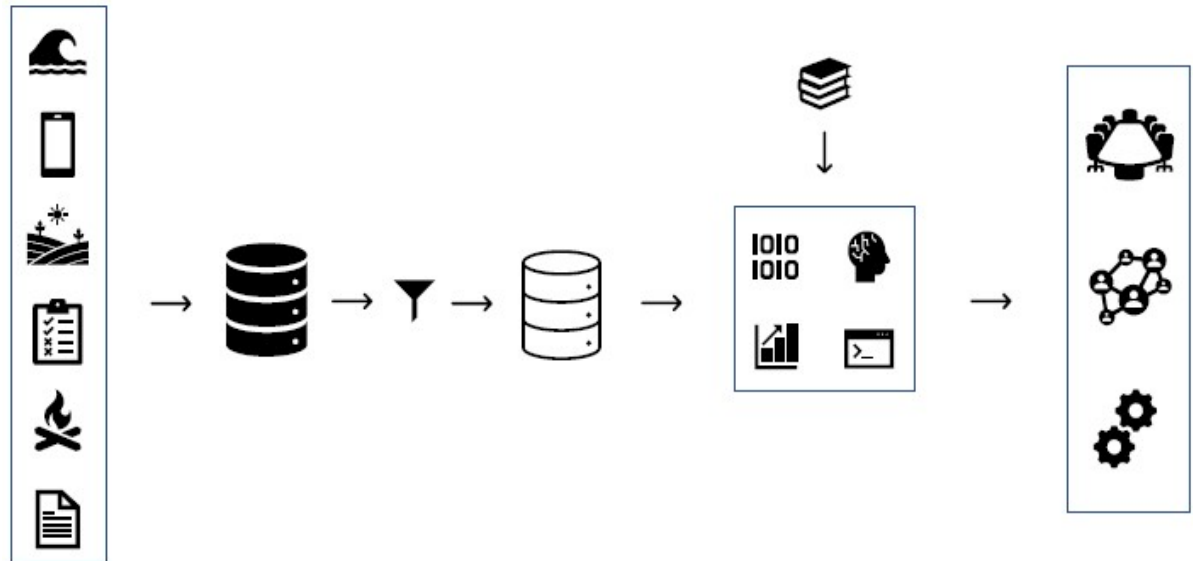
Fast and scalable deployment of predictive **models** and research evidence

A team of experienced Data Scientists from a variety of different sectors will ensure diversity and lateral thinking

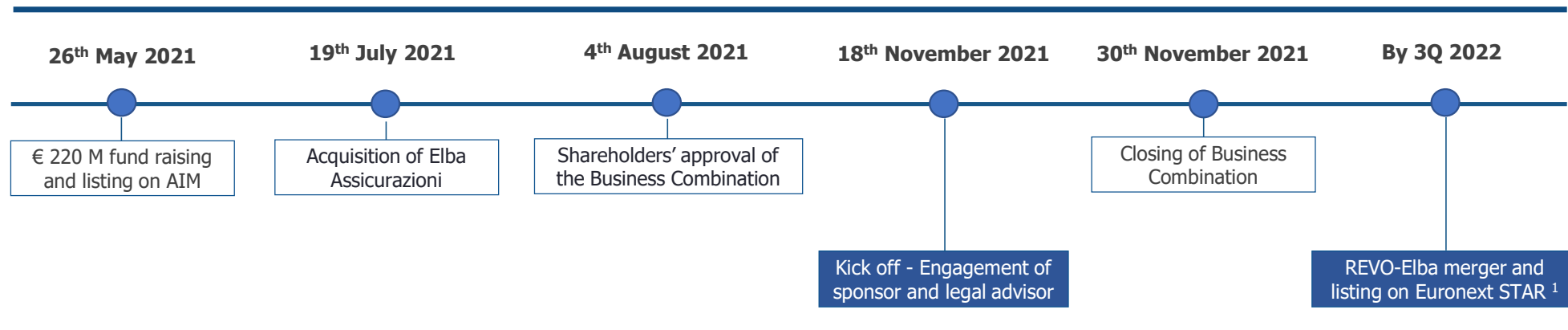
# Data Science Platform: A data-driven approach

## Our DSP milestones

- Unique and proprietary platform based on a consolidated research **workflow**
- Unified reference data **repository**
- Plethora of selected incoming **data sources**
- Strong analytical **expertise**
- Skillful use of open-source **technology**
- Rich analytical **toolbox**



# IPO: road to Euronext STAR



## Main benefits

- Significant increase in trading volumes
- Improved analyst coverage
- Improve visibility and credibility of the project
- Increase presence of international shareholders

## Key Requirements

- ✓ Market cap over € 40M
- ✓ Free float 35%
- ✓ Main advisor and sponsor
- ✓ Adoption of international accounting principles
- ✓ Prospectus, management information system and business plan

# Closing remarks

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Business combination perfectly aligned with the project objective, both in terms of timing and growth potential

Elba 1 H 2021 results better than expected, with positive projection for the full year performance

Senior managers already onboarded and ready to begin with the further development of the business

Very positive response from insurance market (broker, agents, reinsurance company), both for traditional and parametric business

REVO already recognize as an innovative player and industrial partner with a disruptive approach

IT architecture implementation well ahead of schedule