

## Consolidated financial results as at 30 June 2024

# REVO: GROWTH IN FINANCIAL RESULTS CONTINUES AT FULL SPEED IN THE FIRST HALF OF 2024

Premiums for the half-year amounted to €153.1 million (up 52.5%), with a strong progression in adjusted operating profit (€16.8 million) as envisaged in the Plan's trajectories.

- › Gross written premiums €153.1 million
- › Insurance revenues €105.1 million
- › Adjusted operating profit<sup>1</sup> €16.8 million
- › Net profit €9.4 million
- › Adjusted net profit €11.2 million
- › Group Solvency II ratio at 200.4%

Verona, 6 August 2024 - The Board of Directors of REVO Insurance S.p.A., parent company of the REVO Insurance Group, approved the consolidated results as at 30 June 2024 today.

### KEY INDICATORS

- › Gross written premiums of €153.1 million, up 52.5% compared with the same period 2023 (€100.4 million);
- › Across-the-board growth in new business lines, with a further diversified mix;
- › Adjusted operating profit of €16.8 million, up strongly (27.0%) over the same period of 2023, confirming the growth in operating profitability outlined in the Business Plan;
- › Excellent technical profitability, with a loss ratio<sup>2</sup> of 29.4%, an improvement on the first half of 2023 (31.1%) despite some late claims attributable to the extreme events of 2023;
- › Positive investment contribution of €2.4m (€1.8m in 2023), with a further reduction in exposure to Italian risk (32.8% compared to 37.7% as at 31 December 2023), with short duration and high geographical diversification;
- › IT investment plan (approximately €3.0 million during the half year) and operating cost evolution in line with trajectories set out in the Plan;

<sup>1</sup> Adjustments include recurring investment income and expenses, but exclude one-off extraordinary costs (such as for example preparations for the start-up of the Spanish branch, extraordinary assistance and projects), amortisation of the acquired portfolio (formerly VoBA) and LTIP cost, together with other items of modest value, including depreciation of tangible assets, liquidation of severance indemnities and financial debt costs.

<sup>2</sup> Loss ratio IFRS 17 = (Gross claims incurred by direct and indirect business) / (Insurance revenues gross commissions and VoBA).

- › **Consolidated net profit of €9.4 million (€11.2 million adjusted), significantly higher** than in the same period of 2022 (respectively €6.3 million and €8.1 million);
- › **Capital soundness** confirmed at high levels, with a Group **Solvency II ratio<sup>3</sup> of 200.4%<sup>4</sup>**, in line with the medium-term target.

**Alberto Minali, Chief Executive Officer of REVO**, said: “At the 2024 half-year point we reach a double milestone: on one hand, in just six months we achieved approximately 80% of the entire 2023 profit, while on the other, premium income has reached a level that projects us towards the €300 million mark a year ahead of the targets set in the Business Plan. Our profitable growth path continues, as evidenced by the upgrade to A- by S&P. The excellent results achieved so far are the result of the implementation of a unique business model that makes technology the hallmark of the company’s development.”

## STRATEGIC PERFORMANCE

During the half year, project development work continued along the following strategic lines:

- › **Increase** in the value of premiums generated by the **broker channel** (approximately 50% of the GWP total compared to 39% at the end of the second half of 2023) with sustained growth in relationships managed through **REVO Underwriting**;
- › **Further enrichment** of the offer with **new products and tailor-made solutions** in the Specialty and Parametric areas. To be noted the integration – hitherto unheard of in the market – of parametric guarantees into some products in the **Travel & Hospitality** range for 360° coverage;
- › **The number of parametric policies more than tripled<sup>5</sup>** compared with the first half of 2023. The interest of the **French market** was also confirmed, with the first cross-border issue of a parametric policy, confirming the international **scalability** of the proprietary OverX platform;
- › **Continued investments in technology with the launch of artificial intelligence projects** to support brokerage, underwriting, settlement and planning & control activities;
- › **The release of new OverX modules**, with significant operational benefits for intermediaries and customers. Of note was the launch of **CoverX**, the new web app linked to the ‘**Merci Trasportate in abbonamento**’ freight transport policy, enabling fully digital management of cover certificates;
- › The ongoing personnel recruitment process, resulting in **32 new employees**, mainly in the Underwriting and Data & Artificial Intelligence areas;

<sup>3</sup> Calculation based on the adoption of the Standard Formula.

<sup>4</sup> Negative impact resulting from the partial takeover buyback transaction quantifiable in 8.1 percentage points (with adjusted Solvency 2 ratio OPA equal to 208.5%).

<sup>5</sup> Approximately 10,000 policies sold in the first half of the year, of which 7,000 were in the area of *business interruption*.

- › **Rating upgrade by S&P**, from "BBB+ positive" to "**A- stable**", confirming the soundness of the profitable growth path undertaken. The rating upgrade will enable the Company to **access other lines of business** and extend its insurance offer;
- › Confirmation of the **EE (strong)** rating awarded by **Standard Ethics**. The agency also strengthened its positive outlook, confirming its **Long Term Expected rating of "EEE- (excellent)**, reducing the time horizon to 3-5 years. The rating demonstrates the quality of the ESG programme undertaken and the effectiveness of the company's initiatives in this regard;
- › Analysis work in preparation for the definition of the first **ESG Strategic Plan** scheduled for the end of the year, and the commencement of planning for a sustainability reporting system, with a view to drafting the first **REVO Sustainability Report** for the year 2025;
- › As part of the authorisation process for the **REVO Iberia** secondary office, the management team led by **Fernando Lara** was expanded, with the appointment of **Heads of Operations, Market Management and Surety**, who were entrusted with the launch phase of the project and the strengthening of contacts with local intermediaries.

## KEY PLAN AND ECONOMIC PERFORMANCE KPIs

The following table sets out the main economic KPIs of the Business Plan over different time horizons:

Main KPIs <sup>6</sup> - € M	30.06.2021	30.06.2022	30.06.2023	30.06.2024	31.12.2023	1 H 24 / FY 23
GWP	39.1	56.2	100.4	153.1	216.2	70.8%
Adjusted operating profit	10.7	6.2	13.2	16.8	21.3	78.9%
Adjusted net profit	7.4	2.6	8.1	11.2	14.8	75.7%

After the project launch phase was completed, **REVO entered the profitable growth phase**: the results for the first half of 2024 are close to the Group full-year 2023 results.

These figures confirm not only REVO's ability to grow significantly from a premium generation standpoint, but also the **adequacy of the Plan's ambitions from an operational target perspective**.

The following table summarises the main income statement items recorded during the period.

Main FVPL items - € 000	30.06.2024	30.06.2023
Insurance revenues deriving from insurance contracts written	105,141	65,255
Result of insurance services	15,161	11,187
Investment result	2,410	1,830
Operating expenses	-3,932	-3,014

<sup>6</sup> Adjusted operating profit and adjusted net profit for the first halves of 2021 and 2022 presented in accordance with IFRS 4 (with minor differences to the IFRS 17 presentation in light of the simplified approach adopted by the Group). The year 2022 was characterised by an operational J-Curve related the launch of the project.

Other charges/income	-1,639	-1,780
Profit (loss) for the year before tax	12,000	8,224
<b>Profit (loss) for the year after tax</b>	<b>9,356</b>	<b>6,255</b>

During the year **gross premiums of €153.1 million** were recorded, with a **significant increase** compared with the same period in 2023 (**up 52.5%**). Progress was recorded **across all business lines**, with the exception of agri-business, in relation to which a more selective approach was adopted. Cover related to the Surety line of business increased by 8.4% during the half-year, rising more during the second quarter of 2024.

As at 30 June 2024, the business mix is **more diversified**, fully in line with REVO's objective to become the **key player in the SME and professional** segment. The Group's exposure to the Surety business was 28.6% (40.2% as at 30 June 2023), which confirms the increasing importance of the other business lines (71.4% compared to 59.8%).

It should be noted that **a number of opportunities in the Property sector were tactically seized** in the first half of the year - on technically favourable terms for the Group -, which contributed to the strong growth of this business line.

Business Line - € 000	30.06.2024	%	30.06.2023	%
Surety	43,750	28.6%	40,363	40.2%
Property	30,578	20.0%	11,164	11.1%
Marine	13,423	8.8%	6,035	6.0%
Engineering	10,817	7.1%	10,085	10.0%
Professional Indemnity	9,482	6.2%	4,540	4.5%
Agro	8,447	5.5%	13,585	13.5%
Aviation	7,000	4.6%	1,525	1.5%
Personal Accident	5,377	3.5%	3,812	3.8%
Casualty	5,836	3.8%	2,286	2.3%
Land Vehicles	5,575	3.6%	446	0.4%
D&O	2,439	1.6%	1,734	1.7%
MedMal	2,429	1.6%	0	0.0%
Parametric	220	0.1%	138	0.1%
Other	7,698	5.0%	4,648	4.6%
<b>Total gross premiums written</b>	<b>153,071</b>	<b>100.0%</b>	<b>100,361</b>	<b>100.0%</b>

From a technical standpoint, the results for the half-year can be explained by:

- › **An improved loss ratio compared** to the half-year in 2023 (29.4% compared to 31.1%), as it benefited from an excellent **technical performance of current business**, and from the **late receipt** of some claims relating to extreme events in 2023. The figures also include a further prudential strengthening of the IBNR reserves by a total of approximately € 3.5 million;

- › **The acquisition ratio<sup>7</sup> of 16.9%**, down from 18.0% in the same period of 2023, partly due to the greater exposure to the **broker channel**;
- › Additional costs for **new personnel recruitment** of approximately €1.3 million, in addition to **IT investments** of some €3 million during the half-year, both largely **absorbed by growth in business volumes**;
- › **The cost ratio<sup>8</sup> (21.3% compared to 24.6% in the first half of 2023)**, due to **lower insurance costs** and other operating expenses, confirming the improvement in operating leverage as envisaged by the Plan targets;
- › **The incidence of reinsurance cost<sup>9</sup> of 17.3%**, up compared to Q1 of 2023 (8.7%), also due to the **revision of reinsurance fees** as a result of the 2023 delay described above, with an impact of 3,2 percentage points.

As a result of these dynamics, **the gross COR ratio<sup>10</sup> for the period was 84.9% compared with 81.2%** in the first half of 2023, improved from the 85.8% as at 31 December 2023.

Finally, the **positive contribution of the investment portfolio** stood at €2.4 million, compared with €1.8 million in 2023. New financial assets, which contributed to a further reduction in the overall exposure to **Italy risk** (32.8% compared to 37.7% as at 31 December 2023), also benefited from favourable market conditions, with low volatility due to their **short duration**.

The following table sets out the reconciliation for adjusted operating profit in the period:

Adjusted operating profit - € 000	30.06.2024
Insurance result	15,161
Operating expenses	-4,859
LTI	-785
Amortisation of intangible assets transferred to the technical part	2,140
Interest income - expense	2,528
<b>Operating profit</b>	<b>14,184</b>
One-off costs	845
LTI	785
Settlement of severance indemnity	40
Depreciation of tangible assets (no IFRS 16)	65
Depreciation of value of acquired portfolio (ex. VoBA)	847
Adjustments of interest on loan	-
<b>Adjusted operating profit</b>	<b>16,765</b>

<sup>7</sup> Acquisition ratio IFRS 17 = (Total commissions) / (Insurance revenues gross commissions and VoBA).

<sup>8</sup> Cost ratio IFRS 17 = (Cost of insurance services net of amortization of intangible assets + other operating expenses) / (Insurance revenues gross commissions and VoBA).

<sup>9</sup> Impact of insurance IFRS 17 = (Revenues and expenses from reinsurance cessions) / (Insurance revenues gross commissions and VoBA).

<sup>10</sup> Gross combined ratio IFRS 17 = (Costs of insurance services provided + reinsurance result) / (Insurance revenues gross VoBA).

The following table sets out the reconciliation for adjusted net profit in the half year:

Adjusted net profit - € 000	30.06.2024
<b>Net profit</b>	<b>9,356</b>
Capital gains/losses on disposal and measurement	118
Adjustments of interest on loan	0
Listing and other one-off costs	845
Depreciation of tangible assets (no IFRS 16)	65
LTI	785
Agency liquidation	40
Depreciation of value of acquired portfolio (ex. VoBA)	847
Tax adjustment	-832
<b>Adjusted net profit</b>	<b>11,224</b>

The main IFRS 4 indicators are set out below for completeness of information:

- › Adjusted operating profit of €15.9 million;
- › Adjusted net profit of €10.6 million.

## STATEMENT OF FINANCIAL POSITION

The following table shows a summary of the statement of financial position:

Assets € 000	30.06.2024	31.12.2023
Intangible assets	90,395	88,415
Tangible assets	13,208	13,926
Insurance assets	66,410	68,771
Investments	274,605	223,677
Other financial assets	280	4,224
Other assets	8,196	19,698
Cash and cash equivalents	6,402	6,402
<b>Total assets</b>	<b>459,496</b>	<b>425,113</b>
Shareholders' equity and liabilities € 000	30.06.2024	31.12.2023
Shareholders' equity	232,658	225,625
Provision for risks and charges	2,627	2,988
Insurance liabilities	182,664	156,329
Financial liabilities	14,297	14,503
Payables	14,975	14,760
Other liabilities	12,276	10,908
<b>Total liabilities and shareholders' equity</b>	<b>459,496</b>	<b>425,113</b>

**Shareholders' equity** at the end of the year stood at **€232.7 million**, up slightly on the figure for 31 December 2023 (€225.6 million). As a result of the purchase of a further 12,559 treasury shares, REVO held 863,259 treasury shares as at 30 June 2024, corresponding to approximately 3.51% of the share capital<sup>11</sup>.

<sup>11</sup> Share capital comprising ordinary shares only.

At the end of the half year, REVO had a **Group Solvency II ratio of 200.4%**, including the effect of the partial purchase offer for own shares undertaken in 2023 (net value of this transaction at 208.5%).

## FINANCIAL REPORTING OFFICER

Pursuant to Article 154-bis of the Consolidated Law on Finance, the Financial Reporting Officer, Jacopo Tanaglia, declares that the accounting information contained in this press release matches the company's documented results, books and accounting records.

The Company announces that the consolidated Half-yearly Report as at 30 June 2024 will be made available to the public at company headquarters and on its website at [www.revoinsurance.com](http://www.revoinsurance.com) in accordance with the terms and conditions laid down by current legislation.

The results as at 30 June 2024 will be presented to the financial community today at 6pm via a conference call. The numbers to dial are: +39 02 802 09 11 from Italy, +44 1 212818004 from the United Kingdom, and +1 718 7058796 from the United States.

The presentation of the results may be viewed from the Investor Relations section at [www.revoinsurance.com](http://www.revoinsurance.com).

The consolidated Statement of Financial Position and Income Statement of REVO Insurance S.p.A. as at 30 June 2024 are appended below, with a disclaimer that individual company and consolidated financial statements with the related documentation and the Solvency II data have not yet been certified by the independent auditors pursuant to IVASS Regulation No. 42 of 2 August 2018.

### ABOUT REVO

REVO Insurance S.p.A. ([www.revoinsurance.com](http://www.revoinsurance.com)) is an insurance company based in Italy, listed on the Euronext STAR Milan market and active in non-life insurance with a focus on specialty lines and parametric risks and mainly oriented to the SME sector. REVO Insurance is an innovative and cutting-edge player, with an entrepreneurial formula that leverages technological leadership to optimise and make the risk underwriting and claims management process more efficient and flexible – including through the use of blockchain technology – and with a strong ESG vocation as a key part of its strategic orientation.

This press release is available on the Company's website and on [www.1info.it](http://www.1info.it)

### REVO Insurance S.p.A.

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## CONSOLIDATED INCOME STATEMENT

Items - € 000	30.06.2024	30.06.2023
1. Insurance revenues deriving from insurance contracts written	105,141	65,255
2. Costs of insurance services deriving from insurance contracts written	-66,834	-46,704
3. Insurance revenues deriving from cessions to reinsurance	30,996	23,867
4. Costs of insurance services deriving from cessions to reinsurance	-54,142	-31,232
<b>5. Result of insurance services</b>	<b>15,161</b>	<b>11,187</b>
6. Income/expenses from financial assets and liabilities measured at FVPL	-12	106
7. Income/expenses on investments in associates and joint ventures	-3	-
<b>8. Income/expenses from other financial assets and liabilities and from investment property</b>	<b>2,425</b>	<b>1,724</b>
8.1 - Interest income calculated according to the effective interest method	2,751	2,228
8.2 - Interest expense	-223	-259
8.3 - Other income/expenses	-	-
8.4 - Realised gains/losses	-51	-160
8.5 - Valuation gains/losses	-52	-84
o/w: Related to non-performing financial assets	-	-
<b>9. Investment result</b>	<b>2,410</b>	<b>1,830</b>
10. Net financial costs/revenues relating to insurance contracts written	-281	-296
11. Net financial revenues/costs relating to cessions to reinsurance	227	48
<b>12. Net financial result</b>	<b>2,356</b>	<b>1,582</b>
<b>13. Other revenues/costs</b>	<b>-834</b>	<b>39</b>
14. Operating expenses:	-3,932	-3,014
14.1 - Investment management expenses	-31	-10
14.2 - Other administrative expenses	-3,901	-3,004
15. Net provisions for risks and charges	-	-
16. Write-downs/write-backs of tangible assets	-861	-945
17. Write-downs/write-backs of intangible assets	-1	13
o/w: Goodwill write-downs	-	-
18. Other operating income/expenses	112	-639
<b>19. Profit (loss) for the year before tax</b>	<b>12,000</b>	<b>8,224</b>
<b>20. Taxes</b>	<b>-2,644</b>	<b>-1,969</b>
<b>21. Profit (loss) for the year after tax</b>	<b>9,356</b>	<b>6,255</b>
<b>22. Profit (loss) on discontinued operations</b>	<b>-</b>	<b>-</b>
<b>23. Consolidated profit (loss)</b>	<b>9,356</b>	<b>6,255</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Asset items € 000	30.06.2024	31.12.2023
<b>1. INTANGIBLE ASSETS</b>	<b>90,395</b>	<b>88,415</b>
o/w: Goodwill	74,323	74,323
<b>2. TANGIBLE ASSETS</b>	<b>13,208</b>	<b>13,926</b>
<b>3. INSURANCE ASSETS</b>	<b>66,410</b>	<b>68,771</b>
3.1 Insurance contracts written classified as assets	-	0
3.2 Cessions to reinsurance classified as assets	66,410	68,771
<b>4. INVESTMENTS</b>	<b>274,605</b>	<b>223,677</b>
4.1 Investment property	-	-
4.2 Investments in associates and joint ventures	18	3
Investments in subsidiaries	-	-
Investments in associates	18	3
Investments in joint ventures	-	-
4.3 Financial assets measured at amortised cost	3,088	3,088
4.4 Financial assets measured at fair value through OCI	268,736	217,811
4.5 Financial assets measured at fair value through profit or loss	2,763	2,775
a) Financial assets held for trading	-	-
b) Financial assets designated at fair value	-	-
c) Other financial assets compulsorily measured at fair value	2,763	2,775
<b>5. OTHER FINANCIAL ASSETS</b>	<b>280</b>	<b>4,224</b>
OTHER FINANCIAL ASSETS	280	4,224
<b>6. OTHER ASSETS</b>	<b>8,196</b>	<b>19,698</b>
6.1 Non-current assets or disposal groups held for sale	-	-
6.2 Tax assets	5,485	3,539
a) Current	54	493
b) Deferred	5,431	3,046
6.3 Other assets	2,711	16,159
Other assets	2,711	16,159
Consolidation adjustments (IC elimination) - assets	-	-
<b>7. CASH AND CASH EQUIVALENTS</b>	<b>6,402</b>	<b>6,402</b>
<b>TOTAL ASSETS</b>	<b>459,496</b>	<b>425,113</b>

Equity and liabilities items €000	30.06.2024	31.12.2023
<b>1. SHAREHOLDERS' EQUITY</b>	<b>232,658</b>	<b>225,625</b>
1.1 Capital	6,680	6,680
1.2 Other equity instruments	-	-
1.3 Capital reserves	170	170
1.4 Earnings reserves and other equity reserves	229,618	221,049
1.5 Treasury shares (-)	-7,916	-7,803
1.6 Valuation reserves	-5,250	-5,037
Assets attributable to non-controlling interests (+/-)	-	-
Capital of non-controlling interests	-	-
Other equity instruments of non-controlling interests	-	-
Capital reserves of non-controlling interests	-	-
Earnings reserves and other equity reserves of non-controlling interests	-	-
Own shares (-) of non-controlling interests	-	-
1.7 Valuation reserves of non-controlling interests	-	-
1.8 Profit (loss) for the year (+/-)	9,356	10,566
1.9 Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-
<b>2. PROVISIONS FOR RISKS AND CHARGES</b>	<b>2,627</b>	<b>2,988</b>
<b>3. INSURANCE LIABILITIES</b>	<b>182,663</b>	<b>156,329</b>
3.1 Insurance contracts written classified as liabilities	182,663	156,329
3.2 Cessions to reinsurance classified as liabilities	-	-
<b>4. FINANCIAL LIABILITIES</b>	<b>14,297</b>	<b>14,503</b>
4.1 Financial liabilities measured at fair value through profit or loss	-	-
a) Financial liabilities held for trading	-	-
b) Financial liabilities designated at fair value	-	-
4.2 Financial liabilities measured at amortised cost	14,297	14,503
<b>5. PAYABLES</b>	<b>14,974</b>	<b>14,760</b>
<b>6. OTHER LIABILITIES</b>	<b>12,276</b>	<b>10,908</b>
6.1 Liabilities of disposal groups held for sale	-	-
6.2 Tax liabilities	2,395	2,012
a) Current	2,395	2,012
b) Deferred	-	-
6.3 Other liabilities	9,881	8,896
Other liabilities	9,881	8,896
Consolidation adjustments (IC elimination) - liabilities	-	-
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>459,496</b>	<b>425,113</b>