2023

Annual Report

REVO Insurance S.p.A.
Registered office: Viale dell'Agricoltura 7, 37135 Verona, Italy
Operational headquarters: Via Monte Rosa 91, 20149 Milan, Italy
Via Cesarea 12, 16121 Genoa, Italy

Tax code/VAT No. and Verona Companies Register No. 05850710962
An insurance company authorised by ISVAP Order No. 2610 of 3 June 2008
listed in Section I of the Register of Insurance and Reinsurance Companies kept by IVASS, at No. 1.00167;
Parent Company of the REVO Insurance Group, listed in the IVASS Register of Groups at No. 059

www.revoinsurance.com

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Corporate officers and Directors

BOARD OF DIRECTORS

Chairman
Antonia Boccadoro

Chief Executive Officer
Alberto Minali

Directors
Ezio Bassi
Elena Biffi
Claudio Giraldi
Elena Pistone
Ignazio Maria Rocco di Torrepadula

INTERNAL BOARD COMMITTEES

Internal Control and Risks Committee
Elena Biffi (Chairwoman)
Claudio Giraldi
Ignazio Maria Rocco di Torrepadula [1]

Appointments and Remuneration Committee
Ezio Bassi (Chairman)
Elena Pistone
Claudio Giraldi [2]

Environmental, Social and Governance (ESG) Committee
Antonia Boccadoro (Chairwoman)
Alberto Minali
Ezio Bassi
Elena Pistone

Related Parties Committee
Elena Pistone (Chairwoman)
Elena Biffi
Ignazio Maria Rocco di Torrepadula

[1] Appointed as a member of the Internal Control and Risks Committee with effect from 1 July 2023 to replace Ezio Bassi, who ceased to be a member of the Committee on the same date.
[2] Appointed as a member of the Appointments and Remuneration Committee with effect from 1 July 2023 to replace Elena Biffi, who ceased to serve on the Committee on the same date.

BOARD OF STATUTORY AUDITORS

Chairman
Saverio Ugolini[3]

Statutory Auditors
Rosella Colleoni
Alessandro Copparoni

Alternate Auditors
Francesco Rossetti
Paola Mazzucchelli

GENERAL MANAGER
Alberto Minali

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INDIPENDENT AUDITORS
KPMG S.p.A.

[3] Appointed by the Shareholders' Meeting on 19 April 2023 following the resignation of Alfredo Michele Malguzzi.

General information

These consolidated financial statements have been prepared pursuant to ISVAP Regulation No. 7 of 13 July 2007 and have been prepared in accordance with applicable legal provisions, according to the measurement criteria and international reporting standards referred to below, and corresponding to the accounting records that reflect the transactions carried out by the Revo Insurance Group (hereinafter also the "Group") as at 31 December 2023, supplemented by internal management data not directly identifiable in the accounts.
The Group consists of the Parent, Revo Insurance S.p.A. (hereinafter also "REVO", "the Parent Company" or "the Company"), and the subsidiary, Revo Underwriting s.r.l. (hereinafter also "the Subsidiary").

The consolidated financial statements consist of the:

- Statement of financial position;
- Income statement;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows (indirect method);
- Statement of financial position and income statement by business segment;
- Notes to the schedules required under ISVAP Regulation No. 7 of 13 July 2007.

In accordance with industry regulations, the Italian Civil Code and Consob regulations, the following file is also supplemented with the following documents:

- the Directors' Report on Operations;
- Attestion on consolidated financial statements pursuant to Article 81-*ter* of Consob Regulation no. 11971/1999 193;
- the Board of Statutory Auditors' Report;
- the Indipendent Auditor's Report.

The official document containing the 2023 consolidated financial statements, accompanied by the relevant report on operations, prepared in accordance with the technical requirements established in Commission Delegated Regulation (EU) 2019/815 (European Single Electronic Reporting Format - ESEF), is available, in accordance with the law, on the Company's website (www.revoinsurance.com).

Corporate information

The REVO Insurance Group, entered in the register of insurance groups under No. 059, consists of a Parent Company, REVO Insurance S.p.A., an insurance company created through the reverse merger between Elba Assicurazioni S.p.A. and the Parent Company, Revo S.p.A., and an insurance brokerage company, Revo Underwriting s.r.l., operational since July 2022.
Revo Insurance S.p.A. is an insurance company operating in the non-life business with its registered office at Viale dell'Agricoltura 7, Verona.
Revo Underwriting, an insurance brokerage and advisory services company, operates as an MGA (managing general agency), i.e. an agency authorised to underwrite, issue and manage insurance policies, under licences and authorisations held by the insurance company. The Subsidiary, with its registered office at Via Dei Bossi 2/A, Milan, and share capital of €150,000, has been operating as an agency since 6 July 2022 (date of entry in the register).
At 31 December 2023, the Parent Company held a portfolio of treasury shares (totalling 850,700 shares) equal to 3.46% of the share capital including only ordinary shares, and is a company listed on the Euronext STAR Milan market, to which the rules of the Euronext Milan Issuers' Regulations apply.

There are no associates or companies under joint control.
The Group is overseen by IVASS, the Italian insurance supervisory authority, which has its registered office at Via del Quirinale 21, Rome.
The consolidated financial statements have been audited by the Independent Auditors, KPMG S.p.A., engaged to audit the accounts for the financial years 2017-2025.
In these consolidated financial statements, the comparison with data for 2022 was made on the basis of the consolidated statement of financial position as at 31 December 2022 and consolidated income statement for the year then ended, adjusting the values under IFRS 4 as required by the entry into force of IFRS 17 on 1 January 2023.

Group structure and scope of consolidation

The legal, organisational and management structure of the REVO Insurance Group is linear, with the Parent Company holding 100% of the share capital of Revo Underwriting S.r.l., an insurance brokerage firm.
Pursuant to IVASS Regulation No. 30, the main intragroup entries recorded during the year are shown below, regardless of their materiality.

- REVO Insurance S.p.A. owns 100% of the share capital of REVO Underwriting S.r.l., amounting to €150,000;
- During the year, Revo Underwriting provided insurance brokerage services for which commission income of €1,821,000 was paid. This was recognised in the revenues of the Subsidiary and as expenses of the Parent Company. It also expects to collect premiums of €792,000, recognised in financial assets of the Parent Company and in the liabilities of the Subsidiary;
- REVO Insurance S.p.A. provided personnel secondment services to REVO Underwriting S.r.l. totalling approximately €44,000. This amount is recognised in the revenues of the Parent Company and in the costs of the Subsidiary. For the service provided, €72,000 was recorded in the Subsidiary's liabilities and in the Parent Company's financial assets;
- During the reporting period, the Group did not carry out any intragroup transactions involving derivatives.

Group business area

The REVO Insurance Group operates exclusively in the non-life business in the insurance market.
The insurance business is carried out by the Parent Company, REVO Insurance S.p.A.
With reference to 31 December 2023, the Revo Insurance Group operates in Italy and abroad in LPS, in the following business areas, as defined by Article 2, paragraph 3, of the Private Insurance Code, Decree-Law No. 209 of 7 September 2005: 1. Accident, 2. Health, 3. Land vehicles (other than railway rolling stock), 4. Railway rolling stock, 5. Aviation hull, 6. Marine hull (sea, lake and river and canal vessels) liability, 7. Goods in transit, 8. Fire and natural forces, 9. Other damage to property, 11. Aviation liability, 12. Marine hull (sea, lake and river and canal vessels) liabilities, 13. General liability, 14. Credit, 15. Suretyship, 16. Miscellaneous financial loss, 17. Legal expenses, 18. Assistance.

Report on Operations

Report on Operations

Market scenario

Macroeconomic scenario

The effects of the profound change in the macroeconomic and financial landscape observed during 2022 continued throughout 2023. In particular, the year was characterised by the continuation of the monetary tightening cycle by central banks and renewed tensions in the geopolitical context.

Moving in parallel but reversing the trend of the previous year, growth and inflation moderated in the main economic areas of the planet in the first half of 2023, albeit at different rates and intensities. What made the macroeconomic picture more uncertain was the sequence of banking crises that occurred in the spring. In particular, US regional banks, which form a significant proportion of the US financial system, suffered losses and outflows that caused some of them to fail. At the same time, in Europe, Credit Suisse experienced a liquidity crisis that prompted the Swiss authorities to organise an emergency bailout by UBS. Therefore, the sharp rate-hiking cycle, triggered in the spring of last year after years of zero or negative rates, has challenged some of the more fragile components of the international financial system.

In the second half of the year, the geopolitical picture became even more complicated as the Middle East crisis escalated alongside the ongoing conflict between Russia and Ukraine. Inflation continued to ease, on the one hand, with much less intense effects on the real economy than feared, but on the other, more rapidly than expected, thereby creating the conditions for imminent monetary policy easing in Europe and North America. The disinflation process was boosted by external factors, primarily the stability of energy, oil and natural gas prices, but also by the moderation of wage increases and the decline in global demand for manufactured goods.
The slowdown in GDP growth was well below expectations in the US, where the risk of recession receded, while in the euro area, the economy was sluggish (only in Germany did the data show a contraction in economic activity). The resistance of the advanced economies to higher rates is due to a number of structural and cyclical factors, such as labour shortages, which reduced the elasticity of employment to GDP, the stronger balance sheets of households, businesses and banks compared with previous periods of monetary tightening, and the lower incidence of floating-rate borrowing.

Against this backdrop, the central banks continued their restrictive monetary policy, raising their respective base rates in order to balance the objective of moderating inflation with that of financial stability.
The Federal Reserve increased its key rate four times over the year, from 4.5% at the start of the year to 5.5% in July, putting an end to the hikes in the face of easing inflation. The European Central Bank, further back in the tightening cycle, raised the deposit rate by a total of 200 basis points, from 2% at the beginning of the year to 4% at the end of September.

Growth dynamics followed a better-than-expected trajectory in the first part of the year, with a more gradual slowdown across all of the developed economies. The figure for the third quarter compared with the previous year was +2.9% for the United States, with an overall projection of +2.4% for 2023.
While the euro area continued to grow at a healthy pace in the first half of the year, also compared with a solid 3.5% growth in 2022, it suffered in the second half of the year from the slowing of the German engine, declining in the third quarter and thus projecting a 0.5% increase at the end of the year. Italian growth has developed in line with that of the euro area, although the overall result for 2023 is expected to be around +0.7%.

Inflation retreated across the board, although the various measures were applied at different speeds: in Europe, the headline measure (comprising volatile components such as food and energy) fell sharply over the year, from 9.2% at the end of 2022 to 2.4% in November; core inflation came down more slowly, mainly driven by the services sector. In Italy, the harmonised price index fell even more sharply, from 12.3% at the end of 2022 to 0.6% at the end of November.

Insurance scenario

According to industry studies[4], at the end of the third quarter of 2023, total premiums in the non-life segment of insurance companies and Italian direct insurance portfolios amounted to €31.2 billion, up by 7,5% compared with the end of the same period in 2022, when written premiums totalled €29.0 billion and the sector recorded growth of 6.3%. The third quarter of 2023 was the eleventh consecutive positive quarterly change, raising premium income above €30 billion for the first time at the end of the third quarter of the year.
The increase in total non-life premiums was due, in particular, to the continued growth of the non-motor sector, the Company's core market, which recorded an increase of 8%.

This growth benefited from the positive contribution of all the main insurance classes: health and credit insurance were the best performing sectors, with growth of 13.3% and 14.4%, respectively, while general liability rose by 7.3%. The increase in the accident class was more modest at 4.3%, while the other damage to property and fire classes increased by 7.7% and 9.1% respectively.

The ANIA data for the first half of the year relating to the suretyship business showed an increase in premiums written of 12.4% compared with the same period of 2022, with an absolute value of €396.0 million in the first six months of the year. One of the reasons for this result is the start of work financed by the National Recovery and Resilience Plan (NRRP), as well as the agreements included in the SACE Reinsurance Convention to support companies. The volume of new business premiums written during the half-year came to €221.6 million, up 14.8% on the previous period. The figure is driven by increased underwriting of contract-related guarantees, the premiums for which rose by 32.5 million (+17.4%), and procurement-related guarantees (+10.3% of total premiums). Premiums written for guarantees related to contributions also increased (+18.9%), as did premiums related to payment guarantees (+10.3%) and premiums related to customs transactions (+2.2%). By contrast, guarantees related to waste management (-1.2%) and tax refunds (-2.9% of total premiums) declined slightly.

The 2022 IVASS annual report, presented to the market on 19 June 2023, also shows a consolidation of premium income growth in other non-life classes (+8.2%), the most representative sectors being health and property, which account for 39.6% of non-life business, up 8.5%. In the health segment, premiums for the health class (+12.6% compared with 2021) grew, due to the increased use of private insurance, particularly in the corporate sector. In the property sector, the increase in premium income in the “Other damage to property” (+8.3%) and “Fire and natural forces” (+6.2%) classes reflects the increase in demand for asset protection. In Fire and natural element cover, the retail and corporate segments are growing, while in Other damage to property, the corporate segment is expanding, particularly for hail cover. Growth in general third-party liability strengthened (+8.2%, accounting for 10.5% of total non-life business), mainly due to business related to Superbonus 110% returns and the recovery of the corporate sector. Legal expenses and Assistance grew (+6.8%), the latter mainly due to the recovery in the tourism sector after the pandemic, as did Credit (+25.1%) and Suretyship (+7.7%), respectively due to the recovery in economic activity and the high number of tenders, including within the scope of the NRRP.

With regard to the distribution channel, the main form of brokerage of the entire non-life segment in terms of market share (69.9%) is still the agency network, which is particularly successful in the Suretyship, General liability, Motor liability, Marine hull and Other damage to property classes. The broker channel holds a 10.6% share. The classes in which brokers’ intermediation is significant are Aviation hull, Marine hull, Railway rolling stock and Goods in transit.

[4]Monthly report issued by the industry association ANIA

The most significant trends in the insurance sector, identified by the main consulting firms and by the companies themselves, include:

- the evolution of products (including the growth of parametric policies) and distribution methods (with a strongly increasing trend towards digital policies), with the aim of faster market entry and claims settlement;
- the use of artificial intelligence (AI) and improved data analysis capabilities on the part of insurance companies, which can, for example, speed up underwriting risk assessments or increase the use of chatbots or claims support and risk mitigation;
- increasing attention, including in the regulatory sphere, to ESG issues and the reporting of sustainability aspects associated with products and business practices, with a particular focus on environmental and climate change-related issues (climate change insurance);
- management of a risk directly at the time that consumers purchase a good or service (instant insurance);
- automation of processes and decisions through cloud application development platforms in order to better respond to market and customer needs (Platform Orchestrator).

Industry regulations

This section describes some of the new legislation that affected the insurance sector during the year:

- European and national cybersecurity regulations - Reg. 2022/2554, or "DORA" (Official Journal of 27 December 2022) and Directive 2556/2022 relating to digital operational resilience for the financial sector;
- IVASS Letter to the Market of 3 January 2023 Consolidated financial statements - Notice on the transition to IFRS 17 referred to in Annex 4 of Reg. No. 7/2007, amended by Order No. 121/2022;
- EIOPA Supervisory Statement of 19 January 2023 - the Statement addresses the impact of inflation on insurance and reinsurance companies from a prudential perspective. Published to support Solvency II year-end calculations;
- IVASS Order No. 127 of 14 February 2023 for amendments and additions to IVASS Reg. No. 52 of 30 August 2022 concerning the implementation of provisions on the temporary suspension of capital losses for short-term securities introduced by Decree-Law No. 73 of 21 June 2022;
- Legislative Decree No. 36 of 31 March 2023 Public Contracts Code and Decree-Law 29 May 2023, No. 57 - Urgent measures for local authorities as well as to ensure timely implementation of the National Recovery and Resilience Plan and for the energy sector, for amendments to the Public Contracts Code;
- IVASS Order No. 131 of 10 May 2023 Order laying down amendments and additions on sustainable finance to the following IVASS Regulations:
- No. 24/2016 laying down provisions on investments and assets covering technical provisions;
- No. 38/2018 laying down provisions on the corporate governance system;
- No. 40/2018 laying down provisions on insurance and reinsurance distribution;
- No. 45/2020 laying down provisions on insurance product governance and control requirements.
- Order No. 132 of 7 June 2023 Amendments and additions to IVASS Regulation No. 18 of 15 March 2016 concerning the implementing rules for determining the technical provisions referred to in Article 36-bis of the CAP resulting from the national implementation of the EIOPA guidelines on the financial requirements of the Solvency II regime (Pillar 1 requirements);
- Order No. 134 of 25 July 2023, which amends and supplements IVASS Regulation No. 40 of 2 August 2018, containing provisions on insurance and reinsurance distribution. In particular, the amendments aim to optimise the management of the Single Register of Insurance and Reinsurance Intermediaries (RUI), also taking into account the high number of persons registered therein, providing for the use of modern operator identification tools with respect to certified electronic mail, as required by the CAP and in line with the provisions of Article 109-*bis*, paragraph 1-*ter* of the Private Insurance Code;
- Order No. 138 of 25 September 2023 amending IVASS Regulation No. 52 of 30 August 2022 concerning the implementation of provisions on the temporary suspension of capital losses for short-term securities introduced by Decree-Law No. 73 of 21 June 2022 on urgent measures concerning tax simplifications and the issue of

employment permits, state treasury and other financial and social provisions converted, with amendments, by Law No.122 of 4 August 2022;

- Commission Regulation (EU) 2023/2822 of 19 December 2023 amending Regulation (EU) 2023/1803 as regards International Accounting Standard (IAS) 1, in order to specify how an undertaking shall determine, in its statement of financial position, debt and other liabilities with an uncertain settlement date. Under these amendments, the debt or other liabilities must be classified as current (with an effective or potential settlement date within one year) or non-current.

Main corporate events

A number of corporate events took place in 2023, the most significant of which are outlined below:

- On 16 March, the Board of Directors approved the 2022 annual financial statements and, at the same time, acknowledged the resignation of Alfredo Malguzzi as Chairman of the Board of Statutory Auditors, with effect from the end of the Shareholders' Meeting called on 19 April 2023 to approve the annual financial statements and called upon, *inter alia*, to take action to supplement the Board of Statutory Auditors and appoint its chairperson;
- The Shareholders' Meeting of 19 April proceeded, *inter alia*, to: (i) approve the 2022 annual financial statements; (ii) supplement the Board of Statutory Auditors by appointing Saverio Ugolini as chairman of the supervisory body in office until the approval of the 2024 financial statements; and (iii) amend the Articles of Association, in extraordinary session, for the extension of insurance and reinsurance activities to Class 17 - Legal expenses;
- On 15 May, Revo Insurance S.p.A. made a partial voluntary public tender offer for treasury shares, relating to a maximum number of 700,000 ordinary shares of the Company, equal to 2.84% of the share capital, at a price of €9.25 per share and for a maximum value of €6,475,000. The transaction was completed on 16 June with the purchase of 699,885 own shares tendered via the public tender offer. At 30 June 2023, REVO Insurance, following transactions in its treasury shares, held a total of 850,700 treasury shares equal to 3.46% of the share capital;
- On 18 May, the Supervisory Authority authorised REVO Insurance to operate in Class 17 - Legal expenses. Consequently, the new Articles of Association, as amended by the Shareholders' Meeting on 19 April, entered into force;
- On 15 June, the Board of Directors approved a change to the composition of the Internal Control and Risks Committee, with effect from 1 July, with the appointment of Director Ignazio Rocco di Torrepadula to replace Ezio Bassi, and to the Appointments and Remuneration Committee, appointing Director Claudio Giraldi to replace Elena Biffi;
- On 22 June, REVO Insurance obtained an "EE (strong)" rating from Standard Ethics, an independent international agency that assesses the sustainability of companies;
- On 27 June, S&P Global Ratings upgraded REVO's outlook from stable to positive, confirming its BBB+ rating. The ratings agency appreciated the Company's risk diversification, its continued leadership in Suretyship, and its capital strength;
- On 8 August, the Board of Directors approved the interim financial report as at 30 June 2023, together with the indipendent auditor's report. The report was filed and made available to the public on 11 August;
- On 12 September, REVO announced the opening of its new operational headquarters in Genoa, dedicated exclusively to the maritime insurance segment. This responds to the need to consolidate its physical and direct presence in one of the most important Italian marketplaces in the sector;
- As part of its commitment to environmental and social sustainability, in September REVO organised initiatives to upgrade some common areas, with the involvement of all Company employees;
- On 22 September, REVO opened its new Milan headquarters in the iconic complex at Via Monte Rosa 91. The new offices, which are in addition to the Verona headquarters and the Genoa operational headquarters, accommodate more than 200 employees on an area of approximately 3,000 square metres;
- On 15 December 2023, REVO published, pursuant to Article 2.6.2 of the Regulation for Markets Organised and Managed by Borsa Italiana, its annual calendar of corporate events for the 2024 financial year;

- On 19 December 2023, REVO acquired 33% of the share capital of the insurance brokerage company, MedInsure s.r.l., with registered office at Via G. Frua 22 in Milan, which is 77% owned by MRC S.r.l.;
- On the same date, the Company also released a €1,000,000 escrow account, set up as collateral following the acquisition of Elba Assicurazioni S.p.A.

General performance

Alternative performance indicators

Alternative performance indicators	31.12.2023	31.12.2022
Loss ratio [5]	42.0%	20.3%
Combined ratio [6]	85.8%	75.8%

Group performance

At Group level, operating performance in the 2023 financial year was characterised by the Group's pursuit of its own strategic plan, which envisaged the further development of its existing insurance business and the broadening of its offer, with the launch of new lines and products focused on specialty and parametric risks.
The consolidated financial statements at 31 December 2023 show a pre-tax profit of €10,141,000. After taxes of €424,000, the profit amounted to €10,566,000.
This result was determined by the IAS profit, net of the taxes recorded by Revo Insurance S.p.A., amounting to €10,445,000 and increased by the IAS profit of Revo Underwriting, amounting to €120,000.
The Group's income statement [7] is set out below, including the contribution of each individual company within the scope of consolidation.

	Income statement	REVO Insurance	REVO Underwriting	Total
1.	Insurance revenues deriving from insurance contracts written	146,911	2,038	148,949
2.	Costs of insurance services deriving from insurance contracts written	-118,677	-	-118,677
3.	Insurance revenues deriving from cessions to reinsurance	69,748	-	69,748
4.	Costs of insurance services deriving from cessions to reinsurance	-81,087	-	-81,087
5.	**Result of insurance services**	**16,896**	**2,038**	**18,933**
6.	Fair value gains (losses) on financial assets and liabilities measured at FVTPL	-	-	-
	Net fair value on financial assets and liabilities measured at FVTPL	178	-	178
	Fair value gains (losses) on financial assets and liabilities measured at FVTPL	-	-	-
7.	Gains (losses) on investments in subsidiaries, associates and joint ventures	-	-	-
8.	Income/expenses from other financial assets and liabilities and from investment property	3,073	-	3,073
9.	**Investment result**	**3,252**	**-**	**3,252**
10.	Net financial expenses relating to ins. contracts written	-393	-	-393
11.	Net financial income relating to cessions to reinsurance	119	-	119
12.	**Net financial result**	**2,978**	**-**	**2,978**
13.	Other revenues/costs	70	-1,591	-1,521

[5] Profitability indicator calculated as the ratio of claims-related expenses gross of reinsurance to insurance revenues, gross of commissions and the value of the acquired portfolio (ex. VoBA).
[6] Profitability indicator calculated as the ratio between the sum of the costs for insurance services issued and the result of reinsurance and insurance revenues gross of the value of the acquired portfolio (ex. VoBA).
[7] The prospectus is presented in the format provided for by IVASS Regulation No. 7/2007 as amended following the entry into force of the new IFRS 17.

14.	Operating expenses:	-6,489	-226	-6,715
14.1	- Investment management service expenses	-25	-	-25
14.2	- Other administrative expenses	-6,464	-226	-6,690
15.	Net accruals to provisions for risks and charges	-	-	-
16.	Depreciation and net impairment losses on property, pland and equipment	-1,767	-	-1,767
17.	Amortisation and net impairment losses on intangible assets	-148	-1	-149
18.	Other operating income/expenses	-1,575	-43	-1,618
19.	Profit for the year before tax	9,964	177	10,141
20.	Taxes	481	-57	424
21.	**Profit for the year after tax**	**10,445**	**120**	**10,566**

At year-end, the adjusted operating profit amounted to €21,279,000. This figure has undergone the following adjustments compared with the operating result in that it:

- includes investment income and expenses, exclusively related to accrued coupons and issue and trading differences (and therefore, impairment losses/reversals of impaiment losses and gains/ losses on disposals are excluded, as they are non-recurring);
- includes the commissions paid by REVO Underwriting S.r.l. (Group MGA) to its commercial network;
- excludes the depreciation of property, plant and equipment over the year;
- excludes costs for financial liabilities;
- excludes the negative change attributable to the value paid for the acquisition of the insurance portfolio of Elba Assicurazioni (ex. VoBA);
- excludes costs relating to payment of agents' severance indemnity, which are typically non-recurring;
- excludes non-recurring costs incurred for one-off projects, such as, for example, the voluntary public tender offer and the application to IVASS for authorisation to operate in Class 17 - Legal expenses and extraordinary tax assistance.

The following table summarises the components of the adjusted operating result for 2023:

Adjusted operating profit	**2023**
Insurance result	18,933
Operating expenses [8]	-8,305
LTI	-1,659
Amortisation of intangible assets transferred to the technical part	2,936
Interest income - expense	3,620
Operating profit	15,525
One-off costs	1,288
LTI	1,659
Settlement of agents'severance indemnity	30
Depreciation of property, plant and equipment (no IFRS 16)	124
Depreciation of value of acquired portfolio (ex. VoBA)	2,583
Adjustments of interest on loan	70
Adjusted operating profit	**21,279**

For the sake of completeness, the adjusted profit for the year is shown below. It includes the same adjustment measures made to the operating profit shown above but excludes the provision for LTI incentive plans:

Adjusted net profit	**31.12.2023**
Profit	10,566
Unrealised and realised capital gains/losses	368
Adjustments of interest on loan	70
Listing and other one-off costs	1,288
Depreciation of property, plant and equipment (no IFRS 16)	124
LTI	1,659

[8] The item includes the commissions that REVO Underwriting S.r.l. paid to its commercial network in 2023.

Agency liquidation	30
Depreciation of value of acquired portfolio (ex. VoBA)	2,583
Tax adjustment	-1,887
Adjusted profit	**14,801**

The total value of the technical balance, net of reinsurance, was €18,933,000, representing an increase on the same period in 2022, when it was €13,724,000.
The technical performance of the insurance portfolio during the year was characterised by:

- A significant increase in gross premiums written (+64.6% compared with 31 December 2022), due to:
  - ✓ extension of the business lines;
  - ✓ new product launches on the market;
  - ✓ the overall expansion of the distribution network, which as at 31 December 2023 consisted of 111 multi-firm agents (116 at 31 December 2022) and 67 brokers (53 at 31 December 2022).
- A total loss ratio, at 31 December 2023, of 42.0% compared with 20.3% in 2022, expenses relating to gross reinsurance claims amounted to €79,962,000, of which approximately €17.6 million related to the catastrophic events that hit Italy in July and August (tornadoes and severe thunderstorms).
  At 31 December 2023, management increased the claims provision, increasing IBNR by a total of €2,916,000 compared with 31 December 2022, with €1,289,000 ceded to reinsurance. Total IBNRs at 31 December 2023 amounted to €4,556,000 (€1,640,000 at 31 December 2022). The net loss ratio of the Suretyship class confirmed the extremely positive trend, at 12.5%.
- The reinsurance technical balance of €11,338,000 (€9,756,000 at 31 December 2023), following the amendment and streamlining of reinsurance agreements and the activation of non-proportional and optional cover to better protect the technical result and the soundness of the Company;
- Acquisition commissions amounted to €40,710,000, an increase compared with 31 December 2022 (€14,816,000), consistent with the strong growth in premiums recorded in the period. Overall, acquisition commissions represented 18.8% of gross premiums (a slight improvement on 19.7% in 2022). The decrease mainly reflected the new mix of premium portfolios and distribution channels.

Due to the above performance, the adjusted COR[9] (combined operating ratio) was 85.8% (75.7% for 2022).

The positive investment result of €3,252,000 (€1,756,000 for 2022), was positively affected by the reduction of €497,000 in impairment losses on investments measured at fair value. These impairment losses recognised in 2022 were due to the sharp rise in reference rates during the period.
Added to this effect was the increase of €1,718,000 in interest on coupons in the 2023 financial year, partially offset by the €719,000 decrease in net gains on disposals compared with 2022.

	Insurance sector		**Other**		**Total**	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Intangible assets	88,412	83,071	3	-	88,415	83,071
Property, plant and equipment	13,926	14,448	-	-	13,926	14,448
Insurance assets	68,750	45,805	-	-	68,750	45,805
Investments	223,677	188,531	-	-	223,677	188,531
Other financial assets	4,735	4,018	-511	-183	4,224	3,835
Other assets	19,698	19,032	-	17	19,698	19,049
Cash and cash equivalents	5,456	4,445	946	207	6,402	4,652
Total assets	**424,654**	**359,350**	**438**	**41**	**425,092**	**359,391**
Equity	225,377	216,367	248	128	225,625	216,495
Provision for risks and charges	2,988	3,243	-	-	2,988	3,243
Insurance liabilities	156,308	101,473	-	-108	156,308	101,365
Financial liabilities	14,503	14,448	-	-	14,503	14,448

[9] Profitability indicator, calculated as the ratio of the sum of the costs of insurance services issued and the result of reinsurance and insurance revenues gross of VoBA.

Liabilities	14,657	18,149	103	18	14,760	18,167
Other liabilities	10,821	5,670	87	3	10,908	5,673
Total equity and liabilities	**424,654**	**359,350**	**438**	**149**	**425,092**	**359,391**

	Insurance sector		Other		Total	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Result of insurance services	16,895	13,656	2,038	67	18,933	13,723
Investment result	3,252	1,756	-	-	3,252	1,756
Net financial income	2,978	3,088	-	-	2,978	3,088
Other revenues/costs	70	-	-1,591	-51	-1,521	-51
Operating expenses	-6,489	-8,840	-226	-16	-6,715	-8,856
Net accruals to provisions for risks and charges	-	-320	-	-	-	-320
Depreciation and net impariment losses on property, plant and equipment	-1,767	-916	-	-	-1,767	-916
Amortisation and net impairment losses on intangible assets	-148	-3	-1	-1	-149	-4
Other operating income/expenses	-1,575	-156	-43	-28	-1,618	-184
Profit/Loss for the year before tax	**9,964**	**6,509**	**177**	**-29**	**10,141**	**6,480**

Performance of insurance operations

Evolution of the insurance portfolio and the sales network

Insurance revenues deriving from insurance contracts written

The sections on the performance of insurance operations concern the performance of the insurance company only. The following table sets out the reconciliation between the classification of the business by groups of contracts (Revo LoB) and IFRS 17 portfolios for the purposes of comparison:

IFRS 17 portfolio	Contract group - REVO LoB
Property	Engineering
	Property
	FI
Indirect Property	Property Cat
Parametric	Parametric Cat
	Parametric Agro
	Parametric Financial Loss
Accident & Health	PA
Other Motor	Land Vehicles
MAT Specialty Lines	Aviation
	FA&S
	Marine
General Liability	Liability
	PI
	D&O
	Cyber
Credit	Credit
Agro	Agro
Suretyship	Bond
Legal	Legal

Insurance revenues from insurance contracts written by REVO Insurance alone amounted to €146,911,000 for 2023, up by €78,245 compared with 2022 (€68,666,000 for 2022)

Premiums written, gross of reinsurance and net of current year cancellations, totalled €216,239,000 in 2023, a significant increase compared with the €131,388,000 recorded at 31 December 2022 (an increase of 64.6%).

The following is a presentation of direct and indirect premium income, first by Revo LoB and then by IFRS 17 portfolio:

Revo LoB	31.12.2023	%	31.12.2022	%
Bond	85,176	39.4%	73,229	55.7%
Property	28,106	13.0%	14,681	11.2%
Engineering	20,887	9.7%	13,634	10.4%
Marine	17,485	8.1%	4,102	3.1%
Agro	13,803	6.4%	3,898	3.0%
PI	13,499	6.2%	7,362	5.6%
Aviation	8,322	3.8%	921	0.7%
Casualty	7,989	3.7%	6,641	5.1%
PA	5,786	2.7%	964	0.7%
Cyber	4,173	1.9%	1,394	1.1%
D&O	3,222	1.5%	2,689	2.0%
Land Vehicles	2,701	1.2%	0	0.0%
Property CAT	1,897	0.9%	377	0.2%
FA&S	1,002	0.5%	386	0.3%
FI	823	0.4%	890	0.7%
Legal	555	0.3%	0	0.0%
Credit	507	0.2%	0	0.0%
Parametric Financial Loss	191	0.1%	0	0.0%
Parametric Agro	115	0.1%	220	0.2%
Total gross premiums	**216,239**	**100.00%**	**131,388**	**100.00%**

IFRS 17 portfolio	31.12.2023	%	31.12.2022	%
Suretyship	85,176	39.4%	73,229	55.70%
Property	49,817	23.0%	29,205	22.20%
General Liability	28,883	13.4%	18,073	13.80%
MAT Specialty lines	26,808	12.4%	5,421	4.10%
Agro	13,803	6.4%	3,898	3.00%
Accident & Health	5,786	2.7%	964	0.70%
Other Motor	2,701	1.2%	-	0.00%
Indirect Property	1,897	0.9%	377	0.30%
Legal	555	0.3%	-	0.00%
Credit	507	0.2%	-	0.00%
Parametric	306	0.1%	221	0.20%
Total gross premiums	**216,239**	**100.00%**	**131,388**	**100.00%**

The following is a breakdown of insurance revenues deriving from insurance contracts written per IFRS 17 portfolio:

Insurance revenues deriving from insurance contracts written	31.12.2023	%	31.12.2022	%
Suretyship	52,525	35.8%	42,979	62.6%
Property	33,273	22.6%	13,699	20.0%
General Liability	22,002	15.0%	6,048	8.8%
MAT Specialty lines	19,690	13.4%	2,037	3.0%
Agro	12,115	8.2%	3,277	4.8%
Accident & Health	4,536	3.1%	270	0.4%
Indirect Property	1,412	1.0%	168	0.2%
Other Motor	856	0.6%	-	-
Parametric	237	0.2%	188	0.3%
Credit	224	0.2%	-	-
Legal	42	0.0%	-	-
Total	**146,911**	**100%**	**68,666**	**100%**

The income statement item described above also includes (with a negative sign) the commissions paid to the sales network. The following table sets out the amount of revenues gross of the share of commissions of REVO Insurance alone:

Insurance revenue deriving from insurance contracts after commissions	31.12.2023	%	31.12.2022	%
Suretyship	73,118	38.4%	62,118	63.1%
Property	44,224	23.2%	19,824	20.1%
General Liability	26,688	14.0%	8,965	9.1%
MAT Specialty lines	23,107	12.2%	2,878	2.9%
Agro	13,822	7.3%	3,813	3.9%
Accident & Health	5,362	2.8%	422	0.4%
Indirect Property	1,599	0.8%	168	0.2%
Other Motor	1,491	0.8%	-	-
Credit	382	0.2%	-	-
Parametric	288	0.2%	221	0.3%
Legal	129	0.1%	-	-
Total	**190,212**	**100.0%**	**98,409**	**100.0%**

For presentation purposes and in order to ensure continuity with the information provided up to 31 December 2022, the following table summarises gross premiums written by regulatory class:

	Gross premiums	31.12.2023	%	31.12.2022	%
1	Accident	1,916	0.9%	973	0.7%
2	Health	4311	2.0%	15	0.0%
3	Land vehicles	2,732	1.3%	-	0.0%
4	Railway rolling stock	1,789	0.8%	-	0.0%
5	Aviation hull	5,652	2.6%	261	0.2%
6	Marine hull (sea, lake and river and canal vessels)	10,318	4.8%	2,205	1.7%
7	Goods in transit	4,936	2.3%	2,008	1.5%
8	Fire and natural forces	28,010	13.0%	14,730	11.2%
9	Other damage to property	34,018	15.7%	15,918	12.1%
11	Aviation liability	935	0.4%	99	0.1%
12	Marine liability (sea, lake and river and canal vessels)	359	0.2%	70	0.1%
13	General liability	31,846	14.7%	20,977	16.0%
14	Credit	507	0.2%	289	0.2%
15	Suretyship	85,176	39.4%	73,229	55.7%
16	Financial loss	3,161	1.5%	602	0.5%
17	Legal expenses	558	0.3%	-	0.0%
18	Assistance	13	0.0%	10	0.0%
	Total	**216,239**	**100.0%**	**131,388**	**100.0%**

In this regard, it should be noted that during the year there was an increase not only in Suretyship (+16.3% compared with 2022), which remained the main business class, but also a significant increase in the other classes, mainly due to the impetus provided by the expansion of the product range and the distribution network.
At the end of the year, the insurance portfolio was more diversified, with Suretyship accounting for 39.4% of total premiums (55.7% at 31 December 2022), due to greater exposure to other classes, the proportion of which increased from 44.3% for 2022 to 60.6% for 2023.

To complete the description of premium income for the year, a breakdown of premium income by geographical area is shown below:

Geographical area	31.12.2023	%	31.12.2022	%
Northern Italy	148,665	69%	91,811	70%

Central Italy	34,318	16%	25,118	19%
Southern Italy and Islands	28,867	13%	14,082	11%
Foreign under FPS and Indirect	4,389	2%	377	0%
Total	216,239	100%	131,388	100%

In 2023, the Company continued its efforts to strengthen and optimise, where necessary, measures to increase the number of agency mandates and the number of non-exclusive agency agreements with brokers, in order to boost overall production and the productivity of individual intermediaries.
At 31 December 2023, the sales network consisted of 111 multi-firm agents (116 at 31 December 2022) and 67 brokers (53 at 31 December 2022).
During 2023, the Company, as part of a process aimed at strengthening its commercial structure, embarked on a harmonisation of the agency network that entailed the opening of 10 new agency mandates, 15 new free cooperation agreements with brokers and the closure of 1 free cooperation agreement and 15 agency mandates.

The distribution of agencies/brokers and the average premiums written at 31 December 2023 by geographical area in Italy are as follows:

Geographical area	No. of agencies/brokers by geographical area	Overall premiums	Average premiums per Agency/Broker 2023	Average premiums per Agency/Broker 2022
North	89	148,665	1,670	1,208
Centre	48	34,318	715	534
South and Islands	41	28,867	704	306
Total	**178**	**211,850**	**1,190**	**775**

Insurance costs deriving from insurance contracts written

A breakdown of the components of the item “Insurance costs deriving from insurance contracts written by the Parent Company" is provided below:

Insurance costs deriving from insurance contracts written	31.12.2023	31.12.2022	Change
Amounts paid	67,288	15,985	51,303
Amounts to be recovered	-36,572	-7,530	-29,042
Change in LIC	49,501	11,499	38,002
Costs attributed to insurance contracts	34,591	24,259	10,332
Non-distinct investment component	-256	-29	-227
Loss component	-	-	-
Other technical items	4,125	1,096	3,029
Total	**118,677**	**45,280**	**73,397**

In particular, claims-related expenses for direct and indirect business amounted to €79,961,000 gross of reinsurance (€19,925,000 for 2022). Operating expenses and other technical items totalled €38,716,000 (€25,355,000 for 2022).

The following table provides a breakdown of direct and indirect [10] claims-related expenses by portfolio:

Claims for the period	31.12.2023	31.12.2022
Property	26,511	4,997
Indirect Property	1,659	-
Parametric	123	259
Accident & Health	3,712	225
Other Motor	590	-

[10] Calculated as the sum of the amounts paid net of recoveries, including the change in LIC, the investment component and the loss component (if any).

MAT Specialty lines	22,350	1,463
General Liability	2,703	3,328
Credit	16	-
Agro	13,862	2,425
Suretyship	8,437	7,228
Legal	-	-
Total	**79,961**	**19,925**

The overall performance of claims-related expenses at 31 December 2023, measured in terms of loss ratio, was, although it increased, appropriate in view of the development and diversification of other lines of production, standing at 42.0% [11](20.3% at 31 December 2022).
In absolute terms, claims-related expenses increased by €60,037,000, mainly due to the effect of the Property portfolio (€21,514,000), the Suretyship portfolio (€11,437,000) and the MAT Specialty Lines portfolio, which had been negligible in the 2022 half-year, and increased by €20,887,000, due to the reporting of six large claims, amounting to a claims expense net of reinsurance totalling around €2,790,000. At the end of the year, the MAT Specialty portfolio was fully overhauled.
The General Liability portfolio decreased by €625,000.

- Suretyship

The technical performance in 2023, due to the Company's particular focus on customer retention and risk assessment during the underwriting phase, once again proved profitable. The ratio, net of reinsurance, of claims for the period to insurance revenues, was 12.5% at 31 December 2023, unchanged compared with 2022.
Net claims for the year increased by €892,000 compared with 31 December 2022, due to the increase in claims paid and proveded for in the current year.

- Other portfolios

In the other portfolios, the ratio, gross of reinsurance, of claims paid and provided for net of recoveries (including an IBNR provision of €4,556,000, up from €1,640,000 at 31 December 2022) to earned premiums net of commissions totalled 61.1% overall (35% in 2022). Excluding reinsurance, the ratio was 54.4%, compared with 39.7% in 2022.

An analysis of the claims performance of the main portfolios is shown below:

- The Property portfolio recorded an increase in claims for the period totalling €21,514,000 compared with the previous year. The ratio of claims to premiums gross of reinsurance premiums was 59.9% (25.2% at 31 December 2022) and the ratio of claims net of reinsurance was 35.1% (29.8% for 2022). This increase was mainly due to the flood event in Emilia-Romagna, which had a gross impact of €3,498,000 (and a net impact of €900,000) and the weather events in northern Italy in July and August, which had a gross impact of €14,068,000 (and a net impact of €2,802,000). The contribution of reinsurance to risk mitigation was particularly important;
- The General liability portfolio, as specified above, improved in 2023, recording a gain of €625,000 compared with 31 December 2022. The gross loss ratio was 10.1% (37.1% for 2022), while the net loss ratio was 19.5% (32.3% for 2022). The marked improvement in the class is due to the more than proportional increase in business for the period, compared with new claims reported and/or paid during the period;
- The Agro portfolio recorded an increase in claims for the period net of reinsurance of €4,319,000 relating to the development of the business underwritten during the year (gross premiums written increased by €9,905,000 compared with 2022) and to weather events that resulted in an increase in claims mitigated by the reinsurance policy adopted. The portfolio's net loss ratio was 96.7%;
- The MAT Speciality Lines portfolio recorded a loss of 96.7% for 2023, mainly due to the reporting of six large claims during 2023 (claims expense net of reinsurance of approximately €2,790,000).

[11] The loss ratio is obtained by comparing claims for the year relating to direct and indirect business to insurance revenues gross of the share of commissions and the share of amortisation of the portfolio acquired (former Elba Assicurazioni S.p.A.).

With regard to the largest claims, with an impact net of cession of more than €200,000, the following should be noted:

- ten claims relating to cover underwritten in 2022, of which six occurred in 2023, with an overall negative impact of €8,577,000 and €4,129,000 net of reinsurance (five relating to the Property LOB for €2,289,000 net and five relating to the Engineering LOB for €1,840,000, both of which relate to the Property portfolio);
- seven claims incurred in 2023 relating to the Bond portfolio with a total negative impact of €5,072,000 and €2,603,000 net of reinsurance;
- six claims opened in 2023 relating to cover underwritten in 2022 and 2023, with an overall negative impact of €7,736,000 and €2,790,000 net of reinsurance;
- a claim in 2023 relating to the General liability portfolio with an overall negative impact of €502,000 and €301,000 net of reinsurance.

According to the new IFRS 17, the item "insurance costs deriving from insurance contracts written" includes the Company's operating expenses attributable to insurance contracts.

The following table shows the breakdown of operating expenses allocated to insurance contracts:

Total costs attributed to insurance contracts	31.12.2023	31.12.2022
Portion of operating expenses allocated to insurance contracts	24,002	16,926
Other acquisition expenses	7,653	5,917
Amortisation of intangible assets	2,936	1,416
Total	**34,591**	**27,057**

The portion of operating expenses by type allocated to the insurance business was €24,002,000, in addition to €7,653,000 relating to other acquisition expenses, such as additional commissions and commission bonuses, and €2,936,000 for the amortisation of intangible assets.

The following table shows the split of operating expenses by type between the various items of the income statement:

Breakdown of operating expenses by type	31.12.2023	31.12.2022
Costs attributed to insurance contracts written	24,002	16,926
Costs not allocated to insurance contracts	7,114	10,385
Costs attributed to claims settlement expenses	806	627
Total	**31,922**	**27,938**

The following table contains a breakdown by type of the Company's total operating expenses, compared with operating expenses at 31 December 2022, showing the share allocated to insurance management. Costs have been allocated based on their nature and the relevant cost centre and distributed by portfolio based on earned premiums.

Operating expenses by type	31.12.2023	31.12.2022	Change
Personnel	17,824	15,038	2,785
Travel/Company car expenses	1,020	708	311
Depreciation of property, plant and equipment	124	134	-10
BoD-Board of Statutory Auditors-Various Committees	948	644	304
Ind. Auditor	395	271	125
Rents and condominium expenses/cleaning	892	752	140
Legal expenses	368	407	-39
EDP services/maintenance	4,388	2,382	2,006
Policies	487	347	140
Advisory services	2,682	3,298	-616
One-off costs	1,288	2,864	-1,576
Corporate events/agents and advertising	678	330	348
Other expenses	829	763	66
	31,922	**27,938**	**3,985**

The main changes compared with costs at 31 December 2022 relate to payroll costs, which rose by €2,785,000, mainly due to the marked increase in the number of people compared with 2022 (+38 resources) and the costs of EDP services related to the continuation of the technological development project.

The total costs attributed to insurance management thus amounted to €24,002,000 for 2023 (€16,926,000 for 2022).

Foreign business

During the year, the Company carried out insurance activities under the freedom to provide services scheme in the territory of the Member States of the European Community, including States in the European Economic Area, following the authorisation received from IVASS on 4 July 2022.

The table below sets out the most substantial operating amounts relating to foreign business, separated into direct and indirect business:

Foreign business	Direct 31.12.2023	Indirect 31.12.2023
Premiums	15,183	3,064
Change in premium provision	-2,792	-497
Claims paid	-3,055	-1,075
Change in claims provision	-5,583	-574
Operating expenses	-3,638	-917
- o/w commissions	-1,601	-495
Total	**115**	**1**

Reinsurance policy

In 2023, the Company's reinsurance policy pursued the aim of optimising the overall risk profile and protecting the Company from unexpected/unforeseen events such as "large" claims, including catastrophe claims.
Treaties continued to be signed with leading reinsurance companies, significantly reducing the Group's counterparty risk. The minimum rating of the companies included in the panel was greater than or equal to an A- rating from Standard & Poor's and an A- rating from A.M. Best.
Quota and excess of loss treaties were agreed for Suretyship policies (as in previous years) and quota and excess of loss treaties for other non-life policies, (except for Assistance, Cyber and Fine Art policies, for which quota share treaties were signed). For LoB Engineering, Agro and D&O policies it was decided to retain pure excess of loss coverage.

The following table shows a breakdown of the balance of ceded business compared with the previous year:

Technical reinsurance account	31.12.2023	31.12.2022
Insurance revenues deriving from reinsurance contracts	69,749	24,211
Insurance costs deriving from reinsurance contracts	-81,087	-33,967
Loss of insurance services deriving from cessions to reinsurance	**-11,338**	**-9,756**

Premiums ceded, which equalled €99,954,000 (€53,823,000 for 2022) increased due to both new business and the new proportional, non-proportional and optional treaties entered into, primarily from the second half of 2022 and in 2023.

Main new products launched on the market

In 2023, the REVO product range was further expanded:

- Property: new cover to protect manufacturing companies and their property assets against the risk of fire and other damage to property, theft and robbery, catastrophic events and indirect damage, and income protection. In the catastrophic event insurance, activating the earthquake cover provides parametric cover for initial expenses,

with prompt automatic compensation provided if an earthquake occurs that exceeds a given parameter: this cover is completely new on the market;
- Marine: new insurance solutions for owners of leisure, sailing or motor craft, to provide damage cover against the risks of sailing and during wet or dry docking while not in use; for boats flying the Italian flag, assistance at sea can also be activated, provided through the Main Office, open 24 hours a day, 7 days a week;
- Travel agency and tour operator liability and insolvency: new insurance policies – distributed through brokers specialising in travel – that enable travel agencies to protect themselves against claims for damages by third parties and to protect their customers in the event that the travel agency becomes insolvent or bankrupt;
- Legal expenses: the new product, developed following authorisation to operate in the ministerial class from the Supervisory Authority, is dedicated to companies or professionals, covering legal and expert expenses incurred by the insured to assert his/her rights in and out of court, for risks related to the business and to the circulation and suspension of the licence;
- Cyber risk: the new insurance solution dedicated to protecting companies and professional firms from direct damage and third parties due to cyber attacks, protecting the customer's assets in the event of claims for compensation for data breaches, security, privacy law and breach notification law, as well as business interruption, extortion and e-crime. Incident management services are also available.
- Flight delay: the cover provides protection in the event of a flight delay at the destination of more than three hours. It is a parametric policy that provides immediate compensation to the customer if the event occurs, with a view to providing refreshment as a result of the inconvenience caused by the delay;
- Honey production: a parametric policy has been created for bee keepers in Piedmont to compensate them for damage caused by the loss of honey yields due to drops in temperature at certain stages of the flowering of the acacia plant;
- Alfalfa: a parametric policy has been created for alfalfa producers and processors to compensate farmers if the irrigation needs of the alfalfa field are not met due to particularly dry weather conditions;
- Wine grape plant diseases: this product is for growers of wine grapes who, in the event of particularly adverse weather conditions, experience reduced yields due to a season that predisposes plants to develop diseases such as oidium, peronospora and botrytis. Again, this is a parametric policy based on a biological indicator;
- Olive fly: this product is for customers who produce olives for oil and who, due to certain weather conditions, see an increase in olive fly infestations that damage the harvest, reducing yields. A parametric policy based on an infestation indicator was developed.

OverX

Revo Insurance S.p.A. has further developed the new proprietary technological platform, OverX. The tool, which is fundamental for structuring and creating new insurance products, significantly simplifies underwriting and distribution processes, partly thanks to automated reading of broker communications, the use of external databases and the structuring of information needed to assess risk and draw up insurance contracts.

OverX was developed natively in the cloud environment, using cutting-edge technologies, such as artificial intelligence, micro-services, APIs (application programming interfaces) and paradigms of privacy and security by design; it is based on a simple and efficient data structure, which facilitates information collection by brokers and stands out as it is highly innovative in terms of flexibility and efficiency in product personalisation.

During 2023, in addition to the implementations necessary for the development of the above-mentioned products, various new features were enhanced and provided, and specifically:
- The OverX Claims Module for automated and facilitated insurance claims management;
- Management of multiple currencies and foreign taxes;
- The Document Composition tool for customisation of the insurance contract with specific Company clauses;
- Tailor-made solutions for accounting for risks not attributable to existing insurance products;
- Management and accounting of appendices in simplified mode.

Investment policy guidelines and profitability achieved

In 2023, the Company's investment policy was based on prudent criteria. The guidelines also take account of the framework resolution referred to in Article 8 of IVASS Regulation No. 24/2016, updated by the Board of Directors on 28 March 2023. It should be noted that updates to the framework resolution are designed to ensure both greater flexibility in investments in securities and greater diversification of portfolio instruments.
In the first half of the year, in particular, Italian and foreign government securities with high credit ratings were purchased, including from Germany, the Netherlands, France and Spain, as well as from supranational issuers. In the same period, to a lesser extent, highly rated corporate bonds were also purchased.
In the second half of the year, the diversification process continued with the purchase of core government bonds and highly rated corporate bonds (covered bonds). In the phase of volatility on the spread, the domestic government bond component was tactically increased on medium-term maturities. Operations in the equity segment are purely tactical in nature.
The asset portfolio has a particularly low duration of approximately two years and an excellent level of liquidity. All portfolio positions are denominated in euro.
The Company's prudent policy in terms of investments and issuer quality serves to protect it from market risk and liquidity risk, despite the current fragile economic scenario. The ongoing increased diversification in terms of asset class and issuers is intended to make the portfolio more resistant to market fluctuations and increased volatility in domestic government bond spreads.

Total investments at 31 December 2023 amounted to €223,677,000 (€188,531,000 for 2022), including €217,811,000 in bonds and other listed fixed-rate securities (including 37.7% in Italian government securities and other bonds and 42.3% in foreign government securities and other bonds), in addition to €2,775,000 relating to units in bond funds. Shares and quotas of companies include a €556,000 investment in Mangrovia Blockchain Solutions S.r.l. and €3,000 in MedInsure S.r.l.
This item includes, in assets measured at amortised cost, the escrow account set up following the acquisition of Elba Assicurazioni S.p.A., amounting to €3,088,000 (€4,016,000 for 2022). The escrow account was reduced by €1,000,000 in December. This reduction will continue annually until the escrow account is exhausted (30 December 2026).
Total cash and cash equivalents amounted to €6,402,000 for 2023 (€4,652,000 for 2022).
The following table sets out the breakdown of investments compared with the previous year:

Investments and cash and cash equivalents	**31.12.2023**	**31.12.2022**
Investment property	-	-
Investments in subsidiaries, associates and joint ventures	3	-
Financial assets measured at amortised cost	3,088	4,016
Financial assets measured at fair value through OCI	217,811	181,895
Financial assets measured at fair value through profit or loss	2,775	2,620
Total investments (excluding cash and cash equivalents)	223,677	188,531
Cash and cash equivalents	6,402	4,652
Total (including cash and cash equivalents)	**230,079**	**193,183**

Investments by type – excluding escrow	**31.12.2023**	**%**	**31.12.2022**	**%**
Shares and quotas	560	0.2%	556	0.3%
Foreign corporate bonds	28,966	12.8%	22,480	11.9%
Italian corporate bonds	6,740	3.0%	4,861	2.6%
Italian government bonds	85,481	37.7%	97,987	51.8%
Foreign state/government bonds	96,067	42.3%	56,011	29.6%
Mutual fund units	2,775	1.2%	2,620	1.4%
Total investments (excluding cash and cash equivalents)	220,589		184,515	
Cash at bank and in hand	6,402	2.8%	4,652	2.5%

Total investments (including cash and cash equivalents)	**226,991**	**100.0%**	**189,167**	**100.0%**

Remuneration policies and employee information

At 31 December 2023, the internal structure consisted of 189 resources, as well as four external contractors (at 31 December 2022, there were 151 plus six external contractors).
The substantial increase compared with 2022 (+38 resources) is mainly due to the recruitment of new staff to develop the Company's new business lines, authorised by IVASS at the end of March 2022, and the strengthening of the Operations structures, with the simultaneous strengthening of staff structures and key functions.
The internal structure by area of expertise breaks down as follows:

	31.12.2023	**31.12.2022**
CEO/GM	1	1
Specialty Insurance Solutions	98	98
Operations	41	19
Finance Planning and Control	16	11
Legal & Corporate Affairs	11	10
Risk Management	4	3
Human Resources and Organisation – General/Centralised Services	7	3
Communications & ESG	3	-
Internal Audit	3	1
Actuarial	2	1
Compliance	2	2
Staff	1	2
Total	**189**	**151**

Also during 2023, staff training continued with the aim of promoting professional and managerial growth. In particular, a training course was set up for Parent Company managers who took part in this 40h course entitled "Leadership training: the strategic role of the manager". Managers are one of the cornerstones of an organisation. Their daily work is essential for interpreting and passing on the Company's values.
In addition, in December, the development programme was launched, which will run in 2024 under the title "Taking care of value: growth and development of skills in REVO", aimed at further delineating the attention and importance that REVO places on staff growth pathways.
In April 2023, the Company opened its new operational headquarters in Milan, at Via Monte Rosa 91, with collaborative workspaces and a strong sustainability footprint.
REVO also decided to open an additional operational headquarters in the city of Genoa, a choice dictated by the growing need for proximity to business, particularly Marine insurance.
During the year, two changes were made to REVO's organisation, involving the Claims team and the Parametric team. In particular:

- as part of the process of developing the OverX platform, OverX Claims, representing the new claims management system, was developed in the second half of 2023. At REVO, technology and process simplification are tools to serve expertise. In this context, it was decided to integrate the Claims team into the Operations Department in order to create the synergies necessary for further streamlining of the settlement process, thereby enabling the best enhancement of the skills of the Claims team;
- during 2023, the work of the Parametric team enabled these kinds of innovative insurance solutions to be widely recognised in the market and to begin to generate an ever-increasing interest on the part of intermediaries. In order to consolidate and strengthen the positioning of Parametric products, it was decided to incorporate the Parametric team into the Underwriting Department with the aim of strengthening distribution synergies and favouring the design of integrated insurance solutions, for a service that is increasingly accurate and attuned to the needs of SMEs and professionals.

Total labour costs, including the reimbursement of expenses (employees and contractors on project-based contracts) at 31 December 2023 came to €17,824,000 (€15,038,000 at 31 December 2022). The change compared with 2022 mainly reflects the increase in total remuneration due to the recruitment of a further 38 resources since 31 December 2022.

Remuneration policies

At the Shareholders' Meeting of 19 April 2023, the Company approved a remuneration policy in accordance with the provisions of the legislation applicable to listed companies and in compliance with the specific provisions in this regard set out in IVASS Regulation No. 38. 38.

The management remuneration system comprises the following main elements:

- an annual incentive system in formalised MbO form for the entire corporate population, except for the key functions, which aims to increase involvement in the achievement of annual company targets;
- a long-term incentive plan (2022-2024 Performance Share Plan) for the Chief Executive Officer/General Manager, key persons and additional beneficiaries;
- a welfare plan for the entire corporate population.

In particular, the remuneration system for top management, in addition to the Chief Executive Officer and employees of the Company who perform managerial roles or functions, consists of a fixed and a variable component, the latter with an annual component and a deferred long-term incentive plan, in line with best practice at national and international level.

MbO system

The annual variable component consists of the "MbO" system, which provides for the payment of a cash bonus, subject to the achievement of predetermined annual objectives - both quantitative (operating result and premium income) and qualitative (on a personalised basis) - that are commensurate with the specific role and activities performed by the individual beneficiary.

2022-2024 Performance Share Plan

On 4 April 2022, the Company's Shareholders' Meeting also approved a performance share plan called the "2022-2024 Performance Share Plan" (hereinafter, the "Plan"), the rules of which were drawn up and approved by the Board of Directors on 26 May 2022.

The Plan is a valid tool for retaining and motivating individuals who play a key role in achieving the Company's objectives, and for aligning the interests of key company resources with those of other stakeholders, with a view to long-term sustainable development.

The value of the LTI item at 31 December 2023 was €1,659,000.

Code of Ethics

Employees and contractors are required to scrupulously observe the rules of conduct established in the Code of Ethics updated by resolution of the Board of Directors of 13 July 2023.

This document establishes the specific rules and procedures of conduct which, in line with principles of a commitment to fairness and consistency of approach, must be observed by employees and contractors in their multiple relationships with policyholders, agents, suppliers, service providers and any other company or entity, whether public or private, that comes into contact with the Company.

No cases of non-compliance in this regard were reported or discovered during 2023.

Performance of the Subsidiary

The Subsidiary, Revo Underwriting, which is responsible for insurance brokerage and advisory services and operates as the Group's MGA (managing general agency), has been active since 6 July 2022, the date of entry in the Single Register of Insurance and Reinsurance Intermediaries (RUI) with registration number A000711224.

During the year, the subsidiary activated 165 mandates, including the 69 that were opened during the second half of 2022, bringing the total number of active mandates to 234.
At 31 December 2023, the subsidiary posted revenues of €2,038,000, costs associated with the marketing of insurance products of €1,591,000 and costs associated with administrative services of €270,000. The result for the period was a profit after tax of €120,000.

Group summary data for 2023

Further to the above, the figures are summarised below, in thousands of euro, for the year ended 31 December 2023 compared with 2022 for the income statement and for statement of financial position items:

Assets	**31.12.2023**	**31.12.2022**
Intangible assets	88,415	83,071
Property, pland and equipment	13,926	14,448
Insurance assets	68,750	45,805
Investments	223,677	188,531
Other financial assets	4,224	3,835
Other assets	19,699	19,049
Cash and cash equivalents	6,402	4,652
Total assets	**425,093**	**359,391**

Equity and liabilities	**31.12.2023**	**31.12.2022**
Equity	225,625	216,495
Provision for risks and charges	2,988	3,243
Insurance liabilities	156,308	101,365
Financial liabilities	14,503	14,448
Payables	14,760	18,167
Other liabilities	10,909	5,673
Total liabilities and equity	**425,093**	**359,391**

Income statement	**31.12.2023**	**31.12.2022**
Result of insurance services	18,933	13,723
Net financial income	2,978	3,088
- *o/w gains oninvestments*	3,252	1,756
Other costs net	-1,521	-51
Operating expenses	-6,715	-8,856
Net accruals to provisions for risks and charges	-	-320
Depreciation and net impaiment losses on property, plant and equipment	-1,767	-917
Amortisation and impaiment losses on intangible assets	-149	-3
Other operating expenses, net	-1,618	-184
Profit (loss) for the year before tax	**10,141**	**6,480**
Taxes	424	-287
Profit (loss) for the year after tax	**10,565**	**6,193**

For presentation purposes and to ensure continuity with the information provided up to 31 December 2022, the restated statement of financial position and income statement, setting out figures in accordance with the old IFRS 4 (superseded by the introduction, on 1 January 2023, of IFRS 17), are set out below:

Assets	**31.12.2023**	**31.12.2022**
Intangible assets	94,878	92,128
Property, plant and equipment	13,926	14,448
Investments	223,677	188,531
Reinsurers' share of technical provisions	96,331	55,737
Receivables	70,952	52,856
Other assets	5,193	7,528

Cash and cash equivalents	6,402	4,654
Total assets	**511,359**	**415,882**

Equity and liabilities	**31.12.2023**	**31.12.2022**
Equity	225,760	216,632
Technical provisions	196,427	140,074
Provisions	2,988	3,176
Financial liabilities	17,171	16,048
Payables	61,151	31,613
Other liabilities	7,862	8,340
Total liabilities and equity	**511,359**	**415,882**

Income statement	**31.12.2023**	**31.12.2022**
Net premiums	99,458	56,704
Commission income	0	0
Net fais value gains (losses) deriving from financial instruments measured at fair value through profit or loss	178	-172
Reclassification according to the overlay approach (*)	0	0
Income deriving from investments in subsidiaries, associates and joint ventures	0	0
Income deriving from other financial instruments and investment property	4,940	3,720
Other revenue	3,687	2,018
Total revenue and income	**108,263**	**62,272**
Net claims-related expenses	-38,170	-14,010
Commission expenses	0	0
Expenses deriving from investments in subsidiaries, associates and joint ventures	0	0
Expenses deriving from other financial instruments and investment property	-1,850	-1,839
Operating expenses	-40,820	-33,213
Other costs	-17,284	-7,998
Total costs and expenses	**-98,124**	**-57,059**
Profit for the year before tax	**10,139**	**5,213**
Taxes	425	103
Profit for the year after tax	**10,564**	**5,316**

The difference, gross of taxes, of €3,000 between the IFRS 17 and IFRS 4 result is mainly due to the effect of the use of the present value of future cash flows of -€59,000 and the elimination of the €62,000 change in the profit-sharing reserve and the liability for adequacy test.
The IFRS 4 adjusted operating profit was €21,000,000, while the IFRS 4 adjusted profit was €14,800,000.

Solvency II – Solvency margin

Information on the Group's Solvency II solvency margin, calculated on the basis of the information available at the date of preparation of this report, compared with the annual 2022 data, is provided below:

Information on the solvency margin - Solvency II	**31.12.2023**	**31.12.2022**
Solvency Capital Requirement	72,422	52,895
Eligible Own Funds to meet the SCR (Tier 1)	153,543	142,463
Solvency Ratio	212.0%	269.3%
Minimum capital requirement	20,767	14,652
MCR Coverage Ratio	739.3%	972.3%

The Solvency II Ratio was 212.0% at 31 December 2023, down compared with 31 December 2022, due to the growth in business volumes affecting non-life premiums and reserves, partially offset by an increase in own funds due to the profit for the year and expected future earnings.

It should be noted that the Solvency II Ratio does not take into account the organisational provision of €8.150 million to cover start-up expenses (set aside in response to the authorisation to operate in the new insurance classes), which has to be excluded from the calculation of own funds for the first three financial years. Treasury shares are also not included in own funds. The amount of treasury shares increased in the first half of 2023 as a result of the public tender offer. For details, see the section on treasury shares held and changes in treasury shares in the Report on Operations.
The solvency situation will be specifically reported to the Supervisory Authority within the deadlines established by the applicable legislation.

Risk management objectives and policy and hedging policy of the companies included in the scope of consolidation

The Group's risk management is designed to comply with regulatory provisions, including constant monitoring according to the provisions of IVASS Regulation No. 24/20216. The Company has defined and implemented its risk assumption, measurement and management policies, taking an integrated view of its assets and liabilities in accordance with European Solvency II rules.
With regard to liquidity, underwriting and counterparty risks, ordinary monitoring activities continue to be overseen at all times, in order to ensure the Company's ongoing ability to meet its commitments. Furthermore, with reference to the internal solvency objective referred to in Article 18 of IVASS Regulation No. 38/18, the current assessments do not highlight any critical issues that require specific action.
The Group, also in financial year 2023, was required by the Supervisory Authority to monitor its solvency position on a monthly basis, pursuant to the communication dated 17 March 2020. The results of these monthly assessments showed a high and constant capital solvency level.
In the same period, the Group underwent an organisational enhancement following the merger in November 2022 between Elba Assicurazioni S.p.A. and Revo S.p.A. The Risk Management function was strengthened with new resources (internal and outsourced) and a system of risk oversight tools was created that includes the new risk management policies, Risk Appetite Framework (RAF) and Own Risk and Solvency Assessment (ORSA), as well as a more structured and effective Risk Register.
The Risk Officer's report to the Board of Directors did not highlight any critical issues and noted that the control processes implemented emphasise the Company's timely compliance with the reference provisions and regulations, to safeguard and protect the activity performed.
Based on the risk mapping undertaken, the highest-intensity risk to which the Group is exposed is its underwriting risk.
In particular, the following should be noted:

Underwriting risks
Revo Insurance takes a conservative approach to underwriting risk, in order to avoid underwriting that could undermine the Company's solvency or constitute a serious obstacle to achieving its objectives.
The main techniques used by the Company to mitigate underwriting risk are:

- underwriting techniques;
- reinsurance techniques.

With regard to the assumption of risks in the Suretyship class, which is the Company's core business, policies are written following careful technical investigations to establish the nature and characteristics of the risks to be covered and the soundness in terms of capital, income and cash flow, as well as the reliability, of the obligated entities, depending on the activities they carry out, to which the cover applies.
With regard to reinsurance techniques, specific treaties were entered into for each line of business.

Market risk

REVO has a portfolio of assets consisting mainly of government and corporate bonds. Liquid assets are managed to ensure that sufficient resources are always available for normal claims payment.
The Company's prudent policy in terms of investments and issuer quality serves to protect it from market risk and liquidity risk, despite the current economic environment.
All investments are denominated in euro and therefore no currency risk exists.
With regard to concentration risk, there is a significant percentage of investment in the Italian Republic (although this has been decreasing steadily since December 2022), amounting to 37.7% of the Group's total portfolio at 31 December 2023 (around 51.8% at 31 December 2022).

Credit risk

The Group is exposed to the risk associated with a deterioration in the creditworthiness of the market counterparties with which it operates and has business and insurance relationships. These exposures mainly derive from reinsurance and co-insurance activities, cash deposits with banks and activities with insurance brokers and policyholders, in respect of which receivables are typically generated according to recurring insurance product underwriting patterns, particularly when the end of each quarter approaches.
At the same time, in its investment activities, the Group is subject to the creditworthiness and default risk of the relevant issuers. In addition to the Italian government, any default on the part of issuers in which the Company has exposure could have a negative impact on its financial position, cash flows and performance, as well as an effect on its Solvency II Ratio.
The default risk management system defined by the Company is assessed on the basis of the material risk factors related to the receivable for which top management ensures the correct and timely application of the same and ensures the consequent establishment of adequate processes for the analysis of overdue receivables and the monitoring and recovery of overdue receivables with respect to the main business counterparties (policyholders, intermediaries and reinsurance partners).
At least once a quarter, as part of its SCR recalculation activities, the Risk Management Function monitors changes in the risk profile and compliance with the risk appetite and risk tolerance limits defined in the Risk Appetite Framework.
In addition, the ratings of reinsurance counterparties are monitored every six months, as required by the Reinsurance Policy.

Liquidity risk

Liquidity risk is the risk of not being able to meet obligations to policyholders and other creditors due to the difficulty of converting investments into cash without suffering losses; this risk is monitored through specific stress scenarios based on short- and medium-term cash flow planning.

Operational risk

Operational risk is the risk of losses due to inefficiencies in human resources, processes and systems, including those used for distance selling, or to external events, such as fraud or the actions of service providers; this definition includes legal risk but not strategic or reputational risk.
In the procedures currently in force, operational risk is also quantified in the context of the solvency requirement through the standard formula.
In addition to this quantitative support, "residual" risk is measured, at least once a year, on the basis of the probability of occurrence of the negative event and the severity of its impact, the scale of which is determined using a qualitative and quantitative methodological approach that helps management in mapping risks in order to adequately identify the most exposed areas and to prioritise when implementing action/mitigation plans.
These assessments enable the Company to ascertain the consistency of the results with the Risk Appetite Framework (RAF), outlined by the Company in its risk appetite policy.

Climate change risk

As part of the ORSA assessment, the Group, in accordance with what is indicated in the EIOPA Opinion, carried out qualitative-quantitative assessments relating to climate change and, specifically, in relation to the risk of transition and to

physical risk. The analyzes of these risks are aimed at identifying the possible impacts caused by climate change on the assets and liabilities of the Group. During the quarterly monitoring activity, the Company checks the amount of assets that could be exposed to ESG risk.
Great attention is given to ESG issues, for which an ESG driven pricing project is underway. The Company, in product development, has identified the following emerging risks:

- Climate Change – Transition Risk: risk showed by the possible increase in compensation requests from companies operating in carbon-intensive sectors which could be negatively affected by the energy transition, in terms of getting worse of creditworthiness. This risk would be attributable to customers of the credit and surety lines linked to the carbon-intensive sectors. In order to supervise and limit this risk, income and asset analyzes are carried out on these customers taking into account ESG parameters;
- Climate Change – Physical Risk: collects all the risks deriving from the physical effects induced by climate change. The most impact could be involved these line of business property, engineering, fine-art, agro and parametric.

Compliance risk

Compliance risk is the risk of incurring legal or administrative penalties or suffering losses or reputational damage as a result of failure to comply with laws, regulations or provisions of the Supervisory Authorities or self-regulation rules, such as articles of association, codes of conduct or governance codes.
The Compliance Risk Management System has been defined, in accordance with the provisions in force. Responsibility for this lies with the Compliance Manager, who is supported by the heads of the corporate functions in performing operating activities.
The compliance mission and operating procedures are defined in directives on the Company's internal control system and operating activities are governed by a specific company procedure.
As part of the activities envisaged in the compliance process, the Compliance Manager monitors on an ongoing basis and shares the relevant impact analyses with the relevant process manager. In the event of critical issues that could entail the risk of legal challenges and penalties, the Board of Directors becomes involved.
A report is produced each year describing all the ongoing and non-ongoing Compliance activities carried out during the year, as provided for in Regulation No. 38/18.

Reputational risk

Reputational risk (or image risk) is the risk of losses that the Company may suffer as a result of events that degrade its image among the various types of stakeholders (policyholders, shareholders, counterparties, investors and Supervisory Authorities).
The Company manages reputational risk by means of appropriate mitigation measures and via appropriate organisational and control structures.
In this area, correctness and professionalism are of the utmost importance, particularly regarding:

- the level of awareness among senior management of the importance of the subject;
- the promotion, at all corporate levels, of a culture of ethics and fair behaviour;
- adequate management of relations with all stakeholders;
- the suitability of the risk management and mitigation systems.

To this end, the Company has adopted a Code of Ethics in order to promote a culture of ethics and fair behaviour at all levels of the Company. As part of the activities envisaged in the compliance process, the Compliance Manager monitors on an ongoing basis and shares the relevant impact analyses with the process manager.
In the event of critical issues that could entail significant reputational risks, the Board of Directors becomes involved.
A report is produced each year describing all the ongoing and non-ongoing Compliance activities carried out during the year, as provided for in Regulation No. 38/18.

Strategic risk

Strategic risk is defined as the current or prospective risk arising from a decline in profits or capital and the sustainability of the business model, including the risk of not being able to generate an adequate return on capital based on the risk

appetite defined by the company, arising from changes in the operating environment or poor corporate decisions, inadequate implementation of decisions, incorrect management of the risk of belonging to the group or insufficient responsiveness to changes in the competitive environment.
As part of the ORSA, the Company checks that the analysis of changes in profits resulting from strategic planning and the adequacy of the own funds held to cover the capital requirement, including in major stress scenarios, does not highlight any particular critical situations.
Strategic risk management is based on the Company's ability to identify and measure this form of risk and to adopt management practices that allow it to be mitigated in accordance with the appetite defined by the Board of Directors in the Risk Appetite Framework.
Strategic risk is monitored by the CFO in a qualitative and quantitative manner, taking into account any changes in the corporate and organisational structure, including through quarterly analysis of the performance of the main management KPIs compared with those provided for in the Strategic Plan, and verifying the adequacy of own funds held to cover the capital requirement.

Ongoing disputes

There are no disputes pending, except for claims-related insurance disputes and disputes relating to recourse or recovery of receivables actions.
With regard to insurance disputes, it should be noted that in 2022, the Company received a payment order for approximately €250,000, relating to a counterfeit suretyship policy. At December 31, 2023, the expert reports arranged by the judge accepted the argument that the signatures on the surety policy were not authentic. For this reason, the company decided to release the portion set aside, on a prudential basis, in 2022.

Twenty complaints were received in 2023, one of which was settled, three were accepted and 16 were rejected. As a result of the above, as of the date of preparation of this Report, there is only one complaint in the investigation phase.
Internal Audit reports on the above claims were issued and the relevant assessments were carried out by the Board of Statutory Auditors and the Board of Directors and, according to the procedures in force, were notified to the Supervisory Authority.

Capital and financial transactions with parent companies, associates, affiliates and other related parties

Companies and subsidiaries included in the scope of consolidation
Pursuant to Article 2497 et seq. of the Italian Civil Code, REVO Insurance S.p.A. exercises management and coordination activities over REVO Underwriting S.r.l.
At 31 December 2023, we report the following transactions between REVO Underwriting S.r.l. and REVO Insurance S.p.A.:

- costs for seconded staff of €44,000;
- revenues from commission income of €2,038,000;
- liabilities for insured sums collected of €576,000;
- liabilities for seconded staff of €72,000.

Associates, companies under joint control and other related parties

The Related Party Transactions Procedure (the "RPT Procedure"), approved by the Company's Board of Directors on 26 May 2022, following a positive opinion from the independent directors in office at that date, is designed to (i) regulate procedures for identifying related parties, defining procedures and time scales for preparing and updating the list of related parties and identifying the corporate functions competent for this purpose; (ii) establish rules for identifying transactions with related parties before they are entered into; (iii) regulate procedures for the carrying out of related party transactions by the Company, including through subsidiaries pursuant to Article 93 of the TUF or in any case companies subject to management and coordination; and (iv) establish procedures and time scales for the fulfilment of reporting obligations to the corporate bodies and to the market.

The Procedure is published in the "corporate-governance/corporate-documents/related party transactions" section of the REVO Insurance website (www.revoinsurance.com).

During the year, only one transaction with a related party was undertaken, with the counterparty being subsidiary REVO Underwriting S.r.l. The transaction was for a modest amount and was by its nature exempt from the application of the Company's related party transactions procedure.

At 31 December 2023, no natural person or legal entity held, directly or indirectly, a number of shares such as to have a controlling interest in REVO Insurance S.p.A. Similarly, no material shareholder agreements were noted or notified to the Company pursuant to Article 122 of the TUF that might result in de facto control.
It follows that the Company is not subject to the management and coordination of any entity or company.

Other significant events during the year

No other significant events occurred during the year, other than those reported in the initial introductory section.

Events after the reporting date

Following the analyses conducted, at its meeting on 8 February 2024, the Board of Directors resolved to commence the process of opening a secondary office in Spain. The project was implemented by Fernando Lara, a manager with proven experience who has already held senior roles in large international insurance groups present in Spain. The operation to establish the secondary office, which is subject to IVASS authorisations, will be concluded by the end of 2024. In the meantime, REVO will both activate functional safeguards to enable the rapid growth of the business following the authorisation process, and continue underwriting activities in 2024 under the freedom to provide services.

No other significant events occurred after the end of the year.

Business outlook

As part of project development, REVO will continue to implement its business plan in accordance with the strategy outlined, aiming to further develop its existing business and to expand its offering with the consolidation of new business lines focused on specialty and parametric risks.
In this regard, the Board of Directors of REVO Insurance S.p.A., at its meeting of 8 February 2024, approved the 2024-2027 rolling plan, which confirms the main areas of development of the project along the following strategic guidelines:

- Strengthening relationships with intermediaries
- Market analysis to seek new distribution opportunities
- Increasing cross-selling between specialty lines and parametric products
- Further enrichment of the OverX platform and increasing its use
- Maintaining a strong capital position

- Continuation of ESG development projects

In addition, at that meeting, the Board of Directors resolved to begin the process of opening a secondary office in Spain. The specialty line market in Spain has recorded attractive growth rates in recent years, particularly in the market niches already dominated by REVO in Italy. The aim of the "REVO Iberia" project is not only to exploit the commercial relations already in place with the large international brokers with which the Company operates in Italy, but to open its distribution model to local intermediaries, including small ones. At the same time, the project will make it possible to optimise the investments already made for the development of OverX and to identify potential development opportunities in the parametric field, benefiting from the skills acquired by the Italian team.
The business activity in Spain will initially focus on certain strategic lines, such as Financial Lines and Suretyship, a class in which the Company is a leader in Italy, with a progressive extension that aims to provide a complete offering to the Iberian market that is similar to the national one.
This operation allows the Group to add another key strategic element for the development of REVO Insurance, pursuing an approach of greater business diversification at an international level.

Treasury shares held and related movements

With regard to the information required by Article 2428, paragraph 3(3) and (4) of the Italian Civil Code, it should be noted that:

- As at 31 December 2023, the Company holds a total of 850,700 treasury shares, equal to 3.46% of the share capital, consisting solely of ordinary shares;
- During the first half of the year, also following the partial voluntary public purchase offer for treasury shares, promoted on 15 May 2023, it repurchased a total of 709,747 treasury shares, equal to 2.88% of the share capital, consisting solely of ordinary shares;
- It did not sell any treasury shares during the year.

The share buy-back programme implemented during 2023 was implemented pursuant to the resolution adopted by the Ordinary Shareholders' Meeting of 3 May 2023, with the aim of making REVO shares available for any external growth transactions effected through an exchange of shares and for incentive plans reserved for the corporate population.

Relations with public authorities and other entities

Pursuant to the regulatory provisions on the transparency of relations with public authorities introduced by Law No. 124/2017, it should be noted that in 2023 REVO Insurance S.p.A. received payments of €113,000 relating to employee training costs. The companies have not received any further subsidies, contributions or economic benefits of any kind from public authorities or from other entities indicated in Article 1, paragraph 125 of the cited law, with the exception of the above.
For the purposes of full disclosure, although these contributions are excluded from the transparency obligations established in the aforementioned legislation, it should be noted that the National Register of State Aid, publicly available in the section on transparency on the relevant website, publishes the aid measures and the relevant individual aid granted and recorded in the system by the granting authorities for the direct or indirect benefit of each of the Group companies.

Report on corporate governance and ownership structure pursuant to Article 123 of Legislative Decree No. 58 of 24 February 1998

The information required by Article 123-*bis* of Legislative Decree No. 58 of 24 February 1998 as amended is contained in the Report on Corporate Governance and Ownership Structure, approved by the Board of Directors and published jointly with the Report on Operations. The Report on Corporate Governance and Ownership Structure is available on the Company's website (www.revoinsurance.com), in the "Corporate Governance/Report on Corporate Governance and Ownership Structure" section.

Methodological note on alternative performance indicators

In order to facilitate an assessment of the quality and sustainability of the Group's financial performance over time, the Report on Operations presents the following alternative performance indicators.

Gross premiums written

The gross premiums written in this report differ from insurance revenues arising from insurance contracts written in the income statement. They represent the Group's insurance turnover and include premium income from direct and indirect business insurance contracts.

Operating profit

The operating result is not a substitute for profit for the year before tax, determined in accordance with the International Financial Reporting Standards, but should be read in conjunction with the other income statement information and explanatory notes presented in these consolidated financial statements and subject to audit.

This indicator is prepared by reclassifying the profit components for the year before tax, taking into account the recurring nature of revenue and expenses.

In particular, the operating profit measures ordinary profitability which, on the basis of the insurance services result:

- Includes investment income and expenses exclusively related to accrued coupons and issue and trading differences (impaiment losses and impaiment gains and gains/losses on disposals are therefore excluded);
- Includes management expenses not directly attributable to insurance contracts;
- Includes the LTI amount;
- Excludes the portion of the amortisation of intangible assets included in the item "Result of insurance services" in the income statement.

Adjusted operating profit

Adjusted operating profit corresponds to the operating result, neutralised by those items considered non-recurring, such as:

- one-off costs;
- interest costs arising from financial liabilities;
- depreciation of property, plant and equipment (without considering IFRS 16 depreciation);
- LTI cost;
- the liquidation of agencies;
- amortisation of the value of the portfolio acquired (former Elba Assicurazioni).

Adjusted profit

The adjusted profit corresponds to the profit for the year with neutralisation of the same items, non-recurring, considered for the calculation of the adjusted operating profit as well as the share of net gains on disposal and net impaiment losses on investments.

Combined Ratio

This alternative performance indicator is calculated as the ratio of:

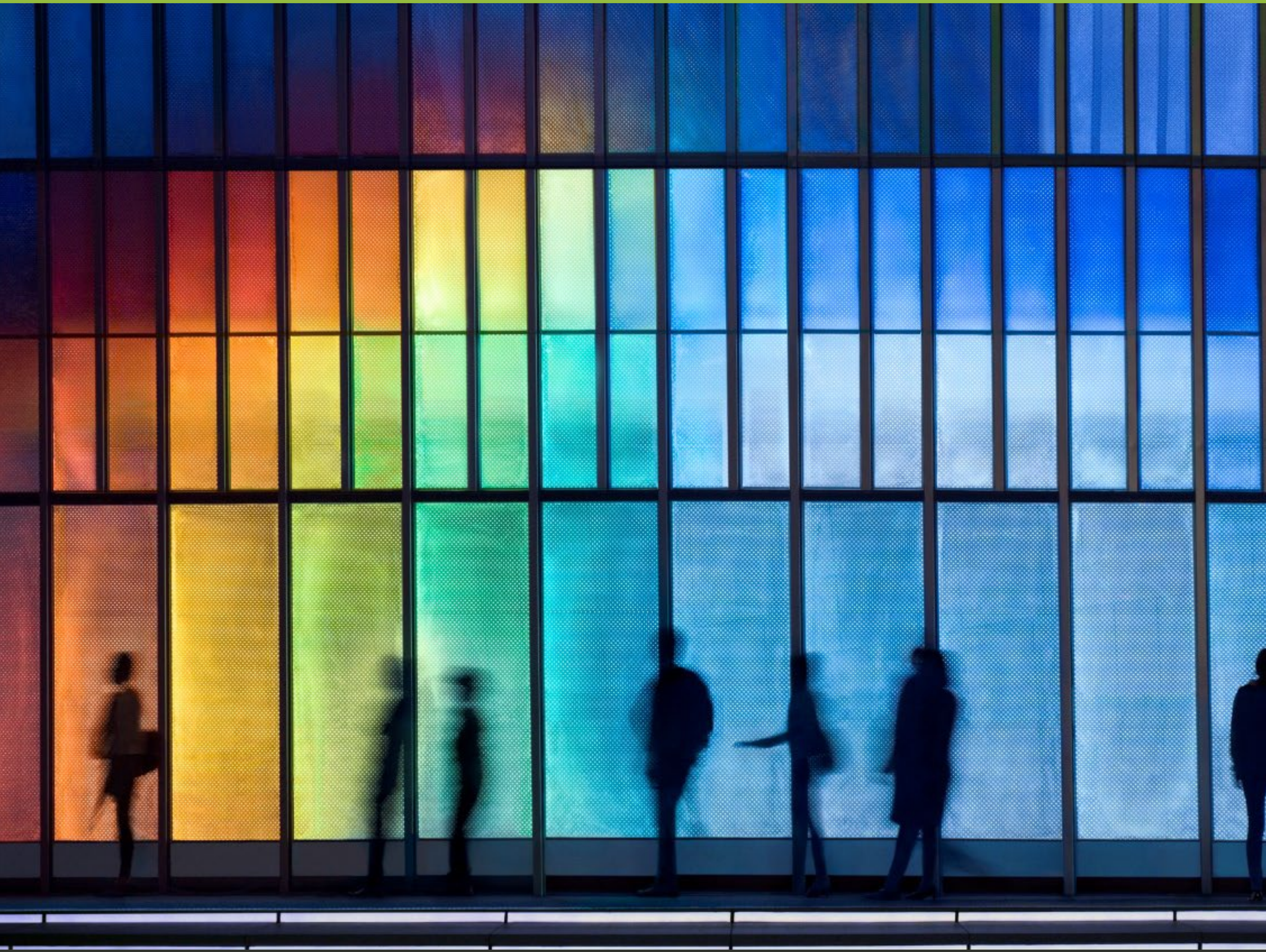
- the sum of the income statement item "Costs of insurance services deriving from insurance contracts written" to the result deriving from reinsurance cessions (obtained as the difference between the items "Insurance revenue arising from cessions to reinsurance" and "Costs of insurance services deriving from cessions to reinsurance");
- the total of the item "Insurance revenue deriving from insurance contracts written" with neutralisation of the component of the issue during the year of the share of the value of the portfolio acquired (formerly VoBA).

Gross Loss Ratio
This alternative performance indicator is obtained from the ratio of:

- the total of the item "Costs of insurance services deriving from insurance contracts written" excluding the portion of management costs attributed to insurance contracts and the balance, positive or negative, between other technical expenses and other technical income relating to insurance contracts written;
- the total of the item "Insurance revenue from insurance contracts written" excluding the effect of acquisition commissions and the released share of the portfolio acquired (former Elba Assicurazioni).

Verona, 13 March 2024

REVO Insurance S.p.A
Chief Executive Officer
(Alberto Minali)



Consolidated financial statements

Consolidated financial statements

Statement of financial position

	Asset items	31.12.2023	31.12.2022
1.	INTANGIBLE ASSETS	88,415	83,071
	o/w: Goodwill	74,323	74,323
2.	PROPERTY, PLANT AND EQUIPMENT	13,926	14,448
3.	INSURANCE ASSETS	68,771	45,805
3.1	Insurance contracts written classified as assets	-	-
3.2	Cessions to reinsurance classified as assets	68,771	45,805
4.	INVESTMENTS	223,677	188,531
4.1	Investment property	-	-
4.2	Investments in associates and joint ventures	3	-
	Investments in subsidiaries	-	-
	Investments in associates	3	-
	Investments in joint ventures	-	-
4.3	Financial assets measured at amortised cost	3,088	4,016
4.4	Financial assets measured at fair value through OCI	217,811	181,895
4.5	Financial assets measured at fair value through profit or loss	2,775	2,620
	a) Financial assets held for trading		
	b) Financial assets designated at fair value	-	-
	c) Other financial assets compulsorily measured at fair value	2,775	2,620
5.	OTHER FINANCIAL ASSETS	4,224	3,835
	OTHER FINANCIAL ASSETS	4,224	3,835
6.	OTHER ASSETS	19,698	19,049
6.1	Non-current assets held for sale or disposal groups	-	-
6.2	Tax assets	3,539	5,402
	a) Current	493	5,394
	b) Deferred	3,046	7
6.3	Sundry assets	16,159	13,647
7.	CASH AND CASH EQUIVALENTS	6,402	4,652
	TOTAL ASSETS	**425,113**	**359,391**

	Shareholders' equity and liability items	31.12.2023	31.12.2022
1.	EQUITY	225,625	216,495
1.1	Share capital	6,680	6,680
1.2	Other equity instruments	-	-
1.3	Equity-related reserves	170	170
1.4	Income-related reserves and other reserves	221,049	214.854
1.5	Treasury shares (-)	-7,803	- 1,247
1.6	Valuation reserves	-5,037	- 10,154
1.7	Assets attributable to non-controlling interests (+/-)	-	-
1.8	Profit for the year (+/-)	10,566	6,193
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-	-
2.	PROVISIONS FOR RISKS AND CHARGES	2,988	3,243
3.	INSURANCE LIABILITIES	156,329	101,365
3.1	Insurance contract liabilities	156,329	101,365
3.2	Reinsurance contract liabilities	-	-
4.	FINANCIAL LIABILITIES	14,503	14,448
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	14,503	14,448
5.	PAYABLES	14,760	18,167
6.	OTHER LIABILITIES	10,908	5,673
6.1	Liabilities of disposal groups	-	-
6.2	Tax liabilities	2,012	275
	a) Current	2,012	-
	b) Deferred	-	275
6.3	Sundry liabilities	8,896	5,398
	TOTAL EQUITY AND LIABILITIES	425,113	359,391

Income statement

	ITEMS	31.12.2023	31.12.2022
1.	Insurance revenues deriving from insurance contracts written	148,949	68,732
2.	Costs of insurance services deriving from insurance contracts written	-118,678	-45,252
3.	Insurance revenues deriving from cessions to reinsurance	69,749	24,210
4.	Costs of insurance services deriving from cessions to reinsurance	-81,087	-33,967
5.	**Result of insurance services**	**18,933**	**13,723**
6.	Net fair value gains (losses) on financial assets and liabilities measured at FVTPL	179	-172
7.	Gains (losses) on investments in associates and joint ventures	-	-
8.	**Income/expenses from other financial assets and liabilities and from investment property**	**3,073**	**1,928**
8.1	- Interest income calculated according to the effective interest method	4,140	2,097
8.2	- Interest expense	-520	-198
8.3	- Other income/expenses	-	-
8.4	- Realised gains/losses	-471	66
8.5	- Unrealised gains/losses	-76	-37
	o/w: Related to non-performing financial assets	0	-
9.	**Investment result**	**3,252**	**1,756**
10.	Net financial expenses/income from insurance contracts	-393	2,311
11.	Net financial income/expenses from reinsurance contracts	119	-979
12.	**Net financial result**	**2,978**	**3,088**
13.	**Other costs, net**	**-1,521**	**-51**
14.	Operating expenses:	-6,715	-8,856
14.1	- Investment management service expenses	-25	-201
14.2	- Other administrative expenses	-6,690	-8,655
15.	Net accruals to provisions for risks and charges	-	-320
16.	Depreciation and net impaiment losses on property, plant and equipment	-1,767	-917
17.	Amortisation and net impaiment losses on intangible assets	-149	-3
	o/w: Impaiment losses on goodwill	-	-
18.	Other operating expenses, net	-1,618	-184
19.	**Profit for the year before tax**	**10,141**	**6,480**
20.	**Taxes**	**424**	**-287**
21.	**Profit for the year after tax**	**10,565**	**6,193**
22.	**Profit (loss) on discontinued operations**	**0**	**0**
23.	**Profit for the year**	**10,565**	**6,193**
	o/w: attributable to the owners of the parent	*10,565*	*6,193*

Statement of comprehensive income

	ITEMS	31.12.2023	31.12.2022
1.	Profit for the year	10,565	6,193
2.	Other items, net of tax not, reclassified to profit or loss	1,439	305
2.1	Share of valuation reserves of equity-accounted investees	-	-
2.2	Change in valuation reserve for intangible assets	-	-
2.3	Change in valuation reserve for property, plant and equipment	-	-
2.4	Financial income or expense relating to insurance contracts	-	-
2.5	Profit (loss) from discontinued operations or disposal groups	-	-
2.6	Actuarial gains and losses and adjustments to defined benefit plans	1,824	690
2.7	Gains/losses on equity securities designated at FVOCI	-385	-385
2.8	Change in creditworthiness on financial liabilities designated at FVTPL	-	-
2.9	Other items	-	-
3.	Other item, net of tax, reclassified to profit or loss	-2,316	-6,300
3.1	Change in translation reserve	-	-
3.2	Gains/losses on financial assets measured at FVOCI	-2,316	-6,300
3.3	Gains/losses on cash flow hedging instruments	-	-
3.4	Gains/losses on instruments hedging a net investment in a foreign operation	-	-
3.5	Share of valuation reserves of equity-accounted investees	-	-
3.6	Financial income and expenses from insurance contracts	-	-
3.7	Financial income or expenses from reinsurance contracts	-	-
3.8	Profit (loss) from discontinued operations or disposal groups	-	-
3.9	Other items	-	-
4.	TOTAL OTHER COMPREHENSIVE EXPENSE	-877	-5,995
5.	COMPREHENSIVE INCOME (Items 1+4)	9,688	198
5.1	o/w: attributable to the owners of the parent	9,688	198
5.2	o/w: attributable to non-controlling interests	-	-

Statement of changes in equity

	Share capital	Other equity instruments	Equity-related reserves	Income-related and other reserves	Treasury shares	Valuation reserves	Profit for the year	Equity attributable to the owners of the parent	Totale equity
Balances at 1.1.2022	23,205	-	207,045	6,462	-	-4,242	-13,842	218,478	218,478
o/w: Change in opening balances	-	-	-	-	-	-	-	-	-
Allocation of profit for the year		-	-	-	-	-	-	-	-
Reserves	-	-	-	-13,842	-	-	13,842	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-
Changes during the year		-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Repurchase of treasury shares	-	-	-	-	+ 1.247%	-	-	+ 1.247%	+ 1.247%
Changes in equity investments	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-6	6,193	6,187	6,187
Other changes (+/-)	-16,525	-	-206,875	222,234	-	-5,907	-	-6,923	-6,923
Balances at 31.12.2022	6,680	-	170	214.854	+ 1.247%	-10,154	6,193	216,495	216,495
Change in opening balances	-	-	-	-	-	-	-	-	-
Allocation of profit for the year		-	-	-	-	-	-	-	-
Reserves	-	-	-	6,193	-	-	-6,193	-	-
Dividends and other allocations	-	-	-	-	-	-	-	-	-
Changes during the year		-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-
Repurchase of treasury shares	-	-	-	-	-6,555	-	-	-6,555	-6,555
Changes in equity investments	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	2	-	3,983	10,566	14,551	14,551
Other changes (+/-)	-	-	-	-	-	1,134	-	1,134	1,134
Balances at 31.12.2023	6,680	-	170	221,049	-7,802	-5,037	10,566	225,625	225,625

Statement of cash flows (indirect method)

	31.12.2023	31.12.2022
Net cash flows generated/utilised by:		
- Profit for the year (+/-)	10,565	6,193
- net income and expenses of insurance contracts and reinsurance contracts (-/+)	15,758	25,960
- Capital losses/gains on financial assets measured at fair value through profit or loss (-/+)	-155	
- Other non-monetary income and expenses deriving from financial instruments, investment property and equity investments (+/-)	-	-977
- Net accruals to provisions for risks and charges (+/-)	-188	-1,525
- Interest income, dividends, interest expense, taxes (+/-)	2,721	
- Other adjustments (+/-)	830	-775
- interest income received (+)	3,474	3,447
- dividends received (+)	-	
- interest expense paid (-)	-70	
- taxes paid (-)	-	-7,092
Net cash flows generated/utilised by other monetary items related to operating activities	-	
- Insurance contracts liabilities/assets (+/-)	-9,008	-27,477
- Reinsurance contracts assets/liabilities (+/-)	16,167	7,388
- Liabilities from financial contracts written by insurance companies (+/-)	-	
- Financial assets of banking subsidiaries (+/-)	-	
- Liabilities of banking subsidiaries (+/-)	-	
- Other financial assets and liabilities measured at fair value through profit or loss (+/-)	24	35,048
- Other financial assets and liabilities (+/-)	4,283	-4,324
Total net cash flows generated by operating activities	44,401	35,866
Net cash flows generated/utilised by:		
- Sale/purchase of investment property (+/-)	-3	-
- Sale/purchase of investments in associates and joint ventures (+/-)	-	1
- Dividends received on investments (+)	-	-
- Sale/purchase of financial assets measured at amortised cost (+/-)	928	3,984
- Sale/purchase of financial assets measured at FV through OCI (+/-)	-35,916	-44,217
- Sale/purchase of property,plant and equipment and intangible assets (+/-)	-2,228	-15,611
- Sale/purchase of subsidiaries and business units (+/-)	-	
- Other net cash flows from investing activities (+/-)	-	
Total net cash flows utilised by investing activities	-37,219	-55,843
Net cash flows generated/utilised by:		
- Issues/purchases of equity instruments (+/-)	-	-
- Issues/repurchases of treasury shares (+/-)	-6,555	+ 1.247%
- Distribution of dividends and other allocations (-)	-	-
- Sale/purchase of control of non-controlling interests (+/-)	-	-
- Issues/purchases of subordinated liabilities and participating financial instruments (+/-)	-	-
- Issues/purchases of liabilities measured at amortised cost (+/-)	1,123	13,480
Total net cash flows generated/utilised by financing activities	-5,432	12,233
NET CASH FLOWS GENERATED/UTILISED DURING THE YEAR	1,750	-7,744

Cash at 31/12/n-1	4,652	12,396.
Cash flows generated/utilised	1,750	-7,744
Cash at 31/12/n	6,402	4,652

Statement of financial position by business segment

	Items/business segments	Non-life operations		Life operations		Intra-sectoral eliminations		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
1	INTANGIBLE ASSETS	88,415	83,071	-	-	-	-	88,415	83,071
2	PROPERTY, PLANT AND EQUIPMENT	13,926	14,448	-	-	-	-	13,926	14,448
3	INSURANCE ASSETS	68,750	45,805	-	-	-	-	68,750	45,805
3.1	Insurance contracts written classified as assets	-21	-	-	-	-	-	-21	-
3.2	Cessions to reinsurance classified as assets	68,771	45,805	-	-	-	-	68,771	45,805
4	INVESTMENTS	223,677	188,530	-	-	-	-	223,677	188,530
4.1	Investment property	-	-	-	-	-	-	-	-
4.2	Investments in associates and joint ventures	3	-	-	-	-	-	3	-
4.3	Financial assets measured at amortised cost	3,088	4,016	-	-	-	-	3,088	4,016
4.4	Financial assets measured at fair value through OCI	217,811	181,895	-	-	-	-	217,811	181,895
4.5	Financial assets measured at fair value through profit or loss	2,775	2,620	-	-	-	-	2,775	2,620
5	OTHER FINANCIAL ASSETS	4,224	3,835	-	-	-	-	4,224	3,835
6	OTHER ASSETS	19,699	19,049	-	-	-	-	19,699	19,049
7	CASH AND CASH EQUIVALENTS	6,402	4,652	-	-	-	-	6,402	4,652
TOTAL ASSETS		425,093	359,391	-	-	-	-	425,093	359,391
1	EQUITY	225,625	216,494	-	-	-	-	225,625	216,494
2	PROVISIONS FOR RISKS AND CHARGES	2,988	3,243	-	-	-	-	2,988	3,243
3	INSURANCE LIABILITIES	156,308	101,365	-	-	-	-	156,308	101,365
3.1	Insurance contracts written classified as liabilities	156,308	101,365	-	-	-	-	156,308	101,365
3.2	Cessions to reinsurance classified as liabilities	-	-	-	-	-	-	-	-
4	FINANCIAL LIABILITIES	14,503	14,448	-	-	-	-	14,503	14,448
4.1	Financial liabilities measured at FVTPL	-	-	-	-	-	-	-	-
4.2	Financial liabilities measured at amortised cost	14,503	14,448	-	-	-	-	14,503	14,448
5	LIABILITIES	14,760	18,166	-	-	-	-	14,760	18,166
6	OTHER LIABILITIES	10,909	5,673	-	-	-	-	10,909	5,673
TOTAL EQUITY AND LIABILITIES		425,093	359,391	-	-	-	-	425,093	359,391

Income statement by business segment

	Items/business segments	Non-life operations 2023	Non-life operations 2022	Life operations 2023	Life operations 2022	Intra-sectoral eliminations 2023	Intra-sectoral eliminations 2022	Total 2023	Total 2022
1	Insurance revenues deriving from insurance contracts written	148,949	68,732	-	-	-	-	148,949	68,732
2	Costs of insurance services deriving from ins. contracts written	-118,678	-45,252	-	-	-	-	-118,678	-45,252
3	Insurance revenues deriving from cessions to reinsurance	69,749	24,210	-	-	-	-	69,749	24,210
4	Costs of insurance services deriving from cessions to reinsurance	-81,087	-33,967	-	-	-	-	-81,087	-33,967
5	Result of insurance services	18,933	13,723	-	-	-	-	18,933	13,723
6	Income/expenses from financial assets and liabilities measured at FVTPL	179	-172	-	-	-	-	179	-172
7	Income/expenses from investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-
8	Income/expenses from other financial assets and liabilities and from investment property	3,073	1,928	-	-	-	-	3,073	1,928
9	Investment result	3,252	1,756	-	-	-	-	3,252	1,756
10	Financial expense/income relating to ins. contracts	-393	2,311	-	-	-	-	-393	2,311
11	Financial income/expense relating to reinsurance contracts	119	-979	-	-	-	-	119	-979
12	Net financial income	2,978	3,087	-	-	-	-	2,978	3,087
13	Other revenues/costs	-1,520	-51	-	-	-	-	-1,520	-51
14	Operating expenses:	-6,715	-8,856	-	-	-	-	-6,715	-8,856
15	Other operating income/expenses	-3,534	-1,424	-	-	-	-	-3,534	-1,424
	Profit for the year before tax	10,141	6,480	-	-	-	-	10,141	6,480

Notes to the consolidated financial statements

Notes to the consolidated financial statements

General section

REVO Insurance S.p.A. is a newly incorporated joint stock insurance company created by the reverse merger between REVO S.p.A. (SPAC – special purpose acquisition company) and Elba Assicurazioni S.p.A., having its registered office at Via dell'Agricoltura 7, Verona, VAT No. 05850710962 and entered in the Verona Companies Register.
REVO was created by the reverse merger on 21 November 2022 of REVO SPAC and Elba Assicurazioni S.p.A., an insurance company operating in the insurance market since 2008.
Since that date, the Company has been listed on the Euronext STAR market organised and managed by Borsa Italiana S.p.A.
In May 2022, REVO Underwriting S.p.A. was established as an agency authorised to write, issue and manage insurance policies, under licences and authorisations held by the insurance company, as well as its risk capital.

The Company, together with the subsidiary, REVO Underwriting S.r.l., forms the REVO Insurance Group, entered in the IVASS register under No. 059.

These consolidated financial statements have been prepared pursuant to ISVAP Regulation No. 7 of 13 July 2007 and have been prepared in accordance with applicable legal provisions, according to the measurement criteria and international reporting standards referred to below, and corresponding to the accounting records that reflect the transactions carried out by the REVO Insurance Group (hereinafter also the "Group") at 31 December 2023, supplemented by internal management data not directly identifiable in the accounts.

They have been prepared on a going concern basis and in accordance with the reporting standards applied in the previous year, to ensure the comparability of the data.

The figures at 31 December 2023 of the REVO Insurance Group are compared, for the comparison with the previous year, with the consolidated figures appropriately adjusted for the entry into force of the new IFRS 17 on 1 January 2023.

Amounts are shown in thousands of euro, unless expressly specified.

Part A – General basis of preparation

Pursuant to Legislative Decree No. 38/2005, REVO Insurance S.p.A. prepared the consolidated financial statements at 31 December 2023 in accordance with Legislative Decree No. 209 of 7 September 2005 (Private Insurance Code) in force at the reporting date and ISVAP Regulation No. 7 of 13 July 2007, as amended, and thy comply with the International Financial Reporting Standards (IFRS) issued by the IASB and endorsed by the European Union in accordance with Regulation (EC) No. 1606 of 19 July 2002, Legislative Decree No. 38/2005 and Legislative Decree No. 209/2005.
These consolidated financial statements include the financial statements of REVO Insurance S.p.A. and REVO Underwriting S.r.l. at 31 December and are prepared:

- according to the going concern principle;
- according to the accruals principle;
- on the basis of the relevance and reliability of the accounting information;
- according to the principle of economic substance over form;

in order to provide a true and fair view of the financial position, cash flows and financial performance.
The going concern requirement is considered to be confirmed with reasonable certainty, as it is believed that the companies belonging to the REVO Insurance Group have adequate resources to ensure the continuity of operations in the foreseeable future.
The unit of account used is the euro. All amounts shown in the notes are expressed in thousands of euro, unless otherwise indicated, for a better representation of the data.
The Group's consolidated financial statements have been audited by the Indipendent Auditor, KPMG S.p.A., charged with auditing the consolidated financial statements for financial years 2017-2025.
These consolidated financial statements have been prepared in accordance with ISVAP Regulation No. 7/2007 and consist of:

- the statement of financial position;
- the income statement;
- the statement of comprehensive income;
- the statement of changes in equity;
- Statement of cash flows (indirect method);
- the statement of financial position and income statement by business segment;
- Notes to the consolidated financial statements (including the schedules required by ISVAP Regulation No. 7/2007).

They are accompanied by the Directors' Report on Operations, drawn up in accordance with Article 100 and Legislative Decree No. 209/05 and Article 2428 of the Italian Civil Code.
The reporting date of the consolidated financial statements is 31 December 2023, which is the closing date of the financial statements of the Parent Company, REVO S.p.A. All of the companies included in the scope of consolidation close their financial statements on 31 December.
No significant events occurred after the end of the financial year that could affect the figures in the consolidated financial statements.

Scope of consolidation

The scope of consolidation includes the annual financial statements of the Parent Company, REVO S.p.A., and those of its direct or indirect subsidiaries.
At 31 December 2023, the scope of consolidation exclusively included REVO Underwriting S.r.l., which is wholly owned by REVO Insurance S.p.A. Details of the equity investment included in the scope of consolidation are provided below:

Equity investments in subsidiaries exclusively

Progressive	Name	Country of registered office	Country of operational headquarters (1)	Method (2)	Activity (3)	Relationship type (4)	% Direct investment	Total investment (5)	% Availability of votes (6)	% consolidation
1	Revo Underwriting S.r.l	Italy		F	11	1	100.0%		100.0%	100%

Consolidation method

The consolidation method for subsidiaries provides for the line-by-line consolidation, from the date of acquisition, of the assets, liabilities, income and expenses of the consolidated companies. By contrast, the carrying amount of the investment is eliminated with the corresponding share of the equity of each subsidiary, and, in the case of equity investments of less than 100%, the share of equity and profit or loss for the year pertaining to non-controlling interests is shown.
The differences resulting from this operation, if positive, are recognised – after allocation to the assets or liabilities of the Subsidiary, including intangible assets – as goodwill under intangible assets.
Any negative differences are recognised in the income statement.
With regard to intragroup transactions, when preparing the consolidated financial statements, receivables and payables between the companies included in the scope of consolidation are de-recognised, as are income and expenses relating to transactions between the companies themselves, and gains and losses arising from transactions between such companies and not yet realised with third parties.

Share-based payments

The international reporting standard that governs share-based payments is IFRS 2. This standard defines a share-based payment transaction as a transaction in which the company receives goods or services from a supplier (including employees and financial advisors) under a share-based payment agreement.
This agreement confers the right to receive cash or other assets of the company in amounts based on the price (or value) of the equity instruments of the entity or another Group entity, or to receive equity instruments of the entity or another Group entity, provided that the specified vesting conditions, if they exist, are met.
In view of the difficulty in reliably assessing the fair value of services received based on the value of shares, reference is made to the fair value of the financial instrument, with the expense recognised over the vesting period. The obligation assumed by the company may be settled by delivery of own financial instruments ("equity-settled") or by delivery of cash and/or financial instruments of other entities ("cash-settled").
The Group settles the obligation through the former configuration, with a contra-entry in equity for the expense, thus without generating either a decrease in equity or monetary effects in the income statement.

Earnings per share

In accordance with IAS 33, basic earnings per share are calculated by dividing the profit attributed to shareholders holding ordinary shares of REVO Insurance S.p.A. by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit attributed to shareholders holding ordinary shares by the weighted average number of any additional ordinary shares that would be outstanding in the event of the conversion of all potential ordinary shares with dilutive effect. In the event of a loss for the year, a loss (basic and diluted) per share is calculated.

Foreign-currency transactions

In accordance with IAS 21, items denominated in foreign currencies are managed according to multi-currency accounting principles.

Monetary items in foreign currencies (currency units held and assets or liabilities to be collected or paid out as a number of fixed or determinable currency units) are converted using the exchange rate prevailing at the reporting date.
Foreign exchange differences deriving from the settlement or valuation of monetary items are recognised in the income statement. At 31 December 2023, the Group did not hold any non-monetary assets denominated in foreign currencies.

New standards in force

IFRS 17 - Insurance Contracts

IFRS 17 for the recognition, measurement, presentation and disclosure of insurance contracts entered into force on 1 January 2023. The standard requires entities to measure insurance contracts using current estimates of cash flows associated with the fulfilment of insurance contracts, both incoming and outgoing, using one of the three measurement models envisaged.
REVO uses the simplified Premium Allocation Approach as a measurement model, after verifying compliance with the conditions that have to be met in order to apply it, with a year-to-date approach regarding the accounting estimates used, or with a measurement and change of the estimates on a year-to-year basis.
The effects for the Company of the effects of the choices made since the adoption of the new standard in the various areas are presented below:

Definition and classification of contracts

The standard defines as an insurance contract a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
Reinsurance contracts do not exempt the Company from its liability associated with the underlying insurance contracts, but are designed to compensate the Company against claims arising from one or more insurance contracts issued by the latter (underlying contracts). Assets deriving from reinsurance contracts held are presented separately in the statement of financial position to indicate the extent of the credit risk and the Company’s obligations to its policyholders.
The Group did not identify any significant impact arising from the introduction of the new IFRS 17 with regard to the classification of contracts as insurance contracts.
Insurance contracts and reinsurance contract assets held are aggregated into insurance contract portfolios according to the underlying risk and the management of such risks, further subdivided into groups according to expected profitability and the year in which the contract was signed, and they are then broken down into annual cohorts.
The Group has divided the business into 20 different groups of contracts, with an approach that reflects the lines currently marketed and is consistent with the segmentation already used for other business valuations. These groups are in turn divided into 11 portfolios of contracts with similar risks, which are managed jointly.
The table below sets out the classification of business within the above contract groups and portfolios:

IFRS 17 portfolio	Contract group - REVO LoB
Property	Engineering
	Property
	FI
Indirect Property	Property Cat
Parametric	Parametric Cat
	Parametric Agro
	Parametric Financial Loss
Accident & Health	PA
Other Motor	Land Vehicles
MAT Specialty Lines	Aviation
	FA&S
	Marine
General Liability	Liability
	PI
	D&O

	Cyber
Credit	Credit
Agro	Agro
Suretyship	Bond
Legal	Legal

With regard to the breakdown of portfolios into the three buckets, provided for by the standard, on the basis of expected profitability, an appropriate onerousness test (Onerous Contract Test or OCT) was defined. This test is carried out on the date of initial recognition of a new group of contracts as well as annually when the financial statements measurements are performed and consists in determining a combined ratio including the non-financial risk component (risk adjustment).
The IFRS 17 combined ratio (also indicated below as $\mathbf{CoR}^*$) is calculated as follows:

$$\mathbf{CoR}^* = [\text{PVFCF (Claims + Acquisition costs + Operating expenses) + RA)}]/\ \text{PVFCF Premiums written}$$

The $\mathbf{CoR}^*$ is obtained from the ratio of the sum of discounted cash flows relating to claims, acquisition costs, operating expenses and the risk adjustment component to the discounted premiums issued.
The ratio numerator is the sum of the following cash flows appropriately discounted on the basis of the discount rate curve shown below in this section of the report:

- Claims: obtained by multiplying earned premiums by the loss ratio in the plan;
- Acquisition costs: equal to the product of the premiums written in the period and the ACR (acquisition cost ratio) in the plan;
- Operating expenses: equal to the product of the premiums for the period and the ER (expense ratio) in the plan.
- Risk adjustment: obtained by multiplying the sum of earned premiums from the observation date until the end of the cash flow projection by the risk adjustment premium percentage (the calculation of which is described below).

The breakdown is obtained by comparing $\mathbf{CoR}^*$ with the values of the thresholds selected by the Company and set out below:

- onerous, if $\mathbf{CoR}^* > 100\%$
- potentially onerous if $95\% < \mathbf{CoR}^* \leq 100\%$
- profitable, if $\mathbf{CoR}^* \leq 95\%$

At 31 December 2023, as at 31 December 2022, no group of contracts was found to be onerous. For this reason, no loss component and *l*oss recovery were determined.

Measurement

The Group measures its insurance contracts and the assets of the reinsurance contracts held primarily using the Premium Allocation Approach (PAA).
The option of applying the PAA for businesses with a duration of more than one year derives from a quantitative analysis (eligibility test), which concluded that the results of applying the PAA do not present significant deviations from the application of the General Model.
The elements necessary for measurement are:

- Contract boundaries - these determine the cash flows included in the measurement of a group of held and active insurance and reinsurance contracts. For insurance contracts, cash flows fall within the limits provided for in the contract and originating from the substantive rights and obligations existing during the reporting period in which the Company may obligate the policyholder to pay premiums or has a substantive obligation to provide services, including insurance cover. For the reinsurance contract assets held, the flows are within the scope of the contract and derive from substantive rights and obligations that exist during the reporting period in which the Company is obligated to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.
  The following assessments were made for the purposes of determining the cash flows within the scope of in force insurance contracts:
  - ✓ for annual contracts, at the end of which it is possible to re-price the risk underwritten on the basis of the evolution of the risk profile and each individual insured, the contract boundaries include only the premium paid by the policyholder for cover for the year and the estimated claims during the period of cover, as well as the cash flows relating to the contract;

- ✓ the automatic renewal options will be excluded from the contract boundaries at initial recognition, due to the presence of the right to terminate or withdraw from the renewal of the contract and the presence of the possibility of repricing the contract. Such renewals, when they occur, will be treated as newly written contracts, falling into a successive annual cohort with a date of initial recognition following the earlier of:
  - the start of the period of cover;
  - the date of the first payment by the policyholder; or
  - for a group of onerous contracts, the date at which the group becomes onerous;
- ✓ for multi-year policies, the amount of premiums is fixed at the issue date and cannot be changed. During the period of cover, for the purposes of the statistical/actuarial balance between premiums and expected benefits, all future premiums and future claims or claims occurring in the period of cover, as well as the cash flows relating to the contract, are regarded as within the contract boundaries.

- Present Value of Future Cash Flows (PVFCF) - these are the current estimates of the cash flows expected within the contract boundaries and include premiums, claims, acquisition costs and other expenses that the Company expects to incur, adjusted as necessary to reflect the timing and uncertainty of these amounts with an explicit adjustment for non-financial risk.

  There are two types of costs directly attributable and included in the contract boundaries:
  - ✓ acquisition costs or costs to acquire insurance contracts, consisting of brokerage fees, underwriting fees and the relevant general expenses amortised in the income statement as the premiums mature;
  - ✓ other costs incurred in the fulfilment of insurance contracts that include all remaining costs not classified as acquisition expenses, such as, for example, general expenses related to claims settlement.

  The PVFCF value takes into account the effects of the acquisition of the insurance portfolio of Elba Assicurazioni S.p.A. completed in November 2021 (ex. VoBA).
- Risk adjustment (RA) - the compensation required in order to withstand the uncertainty of cash flows (in terms of amount and time) due to non-financial risk. The Group calculates this figure using the Percentile Approach, which is an appropriate approximation for estimating the risk adjustment. The amount is therefore calculated using the Value at Risk method with a 75% confidence level. [12]

  This component is calculated on two dimensions:
  - ✓ Premium volume measures for the determination of the liability for remaining coverage (LFRC) for the purposes of the eligibility test as well as for the onerous contract test (OCT).
  - ✓ Claims best estimate (from Solvency II) to determine the percentage of RA for the purposes of calculating the liability for remaining coverage.

  The valuation is performed by using the Solvency II LoBs as an aggregation and adopting as the sigma and average of the normal distribution, respectively: the expected sigmas [13] for the premium risk, for the purposes of calculating the RA for the LFRC, and the reserve risk, for the purposes of calculating the RA for the LIC, appropriately adjusted to be used in a log-normal distribution and multiplied by the square root of the duration, both taken from the Solvency II valuations (premiums best estimate duration and claims best estimate) as well as the averages obtained from the natural logarithm of the volume measures and the claims best estimates appropriately adjusted by reducing the sigma raised to the second power.

  The risk adjustment in terms of absolute value is obtained by subtracting from the result of the normal distribution, with a confidence level at the 75th percentile, the amount of the volume measures and the claims best estimates at the date divided by Solvency LOB.

[12] The risk adjustment uses the method with a run-off view for measurements at 31 December 2023. For this reason, the value of the presented sigma of the standard formula is adjusted for duration. For transition measurements and at 31 December 2022, a method with a one-year view was used. Therefore, the value of the sigma presented in the standard formula is not affected by the adjustment of duration, and is less than 75%.
The minimum duration value was set at 1.

[13] The Group uses a different sigma from that of the standard formula in the presence of historically significant data that is supported by appropriate analysis, calibrating its value on its portfolio. At 31 December 2023, the sigma calibrated on the portfolio was used for the Suretyship portfolio only.

The amounts thus determined for each individual LOB are adjusted on the basis of the correlation indices established by Solvency II and, subsequently, taken from the Solvency II LOB to the REVO LOB based on the Solvency II LOB weight matrices obtained:

a. for OCT purposes on the basis of the premium VMs;
b. for the purposes of calculating the RA component for LFRC based on the UPR+Future instalments;
c. for the purposes of calculating the RA component for LIC (liability for incurred claims) based on the claims UBEL.

The Group uses the PAA to measure insurance and reinsurance contracts held that are found to be eligible for a simplified methodology. The simplified methodology is permitted when the coverage period of each contract is one year or less or when the Company reasonably expects that the valuation of the liability for remaining coverage (LRC) will not differ materially from that deriving from the application of the General Model (based on a materiality threshold identified by the Company).

In the PAA model for insurance contracts, at the time of initial recognition of each group, the carrying amount of the LRC is calculated on the basis of premiums written less any acquisition costs attributed to the group. The LRC is recognised in the income statement on the basis of the contractual coverage period, in particular for the Group using the pro-rata temporis method.
Unless there are onerous contracts, the adjustment for non-financial risks is estimated only to determine liabilities for incurred claims (LIC).
If there are indications that a group of insurance contracts is onerous, the Company recognises a loss in costs for insurance services in the income statement and consequently increases the value of the LRC. This excess amount is recognised as a loss component within the LRC, which is recognised in liabilities deriving from insurance contracts in the statement of financial position.
In conclusion, the carrying amount of a group of insurance contracts at each reporting date is obtained from the sum of the LRC and the LIC. Upon subsequent measurement, the carrying amount of the LRC is increased by any new premiums written and the amortisation of acquisition costs, less the amount recognised as insurance revenues for services provided and any additional insurance acquisition costs allocated after initial recognition.
The LIC includes cash flows relating to claims and expenses that have not yet been paid, including claims incurred but not reported. Its value reflects both an adjustment for non-financial risk and an adjustment for the time value of money, to take account of the time between the reporting and the settlement of the claim.
In each reporting period, the Company measures any loss component using the same calculation as that used at initial recognition and reflects any changes by adjusting the loss component as required until it is reduced to zero. If a loss component did not exist at the time of initial recognition but there are indications that a group of contracts has become onerous during a subsequent measurement, then the loss component is determined using the same methodology as that used at initial recognition.
For reinsurance contracts, the carrying amount at initial recognition of the ARC (assets for remaining coverage) is measured as the premiums ceded adjusted for cession fees.
When a group of onerous underlying contracts exists, a loss recovery component is created to adjust the value of the ARC.
In measurements following initial recognition, the carrying amount of reinsurance contracts held is the sum of the ARC and the AIC (assets for incurred claims). In particular, the carrying amount of the ARC is increased by any new premiums ceded and reduced by the amount recognised as reinsurance cost for the services received.
For contracts measured according to the PAA, the AIC reflects an adjustment for non-financial risk and the time value of money.
If a loss recovery component exists, at the time of subsequent assessments, it is adjusted to reflect the changes in the loss component of the group of underlying onerous contracts and cannot exceed the portion of the loss component that the Company expects to recover from the reinsurance contracts held.

Use of estimates

The measurement of the LIC includes estimates of future cash flows, appropriately adjusted to take into account the time value of money and the non-financial risk (uncertainty of flows in terms of amount and timing). These estimates reflect a range of possible scenarios and results, in which the cash flows for each scenario are discounted and weighted according to the estimated probability of occurrence in order to determine the expected present value.

The estimates reflect the Group's view of current expectations at the measurement date, which include both internal and external historical data updated to reflect current expectations that could affect the amount of cash flows.

The calculation of cash flows may include some measurements and professional judgements in circumstances where the existing inputs, assumptions or techniques do not capture all the relevant risks.

Some consideration is also given regarding the allocation of expenses. In particular, acquisition costs are allocated to contracts on the basis of total premiums, while claims management costs are allocated on the basis of the amount paid. General expenses are allocated based on the nature and cost centre of the expense and on the basis of earned premiums. These costs are recognised in the income statement when they are incurred.

The liability for incurred claims (LFIC) is determined using the following input data:

- The undiscounted best estimate liabilities for claims (hereinafter claims UBEL) used for annual Solvency II valuations;
- EIOPA discount curve (with volatility adjustment);
- Percentage of the risk adjustment reserve risk determined as follows.

The liability for incurred claims is calculated as the sum of the discounted claims UBEL and the discounted risk adjustment reserve risk component.

The claims UBEL is taken from the groupings of Solvency II contracts to the REVO LOB based on the weight matrix obtained from the claims provision for compensation and direct settlement costs (used in the valuation of the Company's local financial statements).

The discounting process [14] of the claims UBEL takes place via these steps:

- Choice of discount curve based on the date of occurrence of the claim forwarded at the measurement date;
- On the basis of the claim settlement dates, the respective points of the discount curve are taken and the relevant discount factor applied for each settlement date;
- On the basis of the current curve on the measurement date, the step in the previous point is repeated: therefore for each settlement date, the discount factor is applied and the relevant amount is discounted. To determine the amount of discounting due to the delta curve, the amount thus obtained will be deducted from the amount calculated with the forwarded curve referred to in the previous point.

A bottom-up approach is used. In order to be consistent with what has been done at the Solvency II level, the Group decided to use the EIOPA risk free curve, appropriately adjusted for the volatility adjustment component, as an estimate of the illiquidity premium established by IFRS 17.

The table below shows the discount rates used at the various measurement dates (transition, 31 December 2022 and 2023). It should be noted that the Group has decided to include all financial costs and income arising from the discounting of insurance liabilities in the income statement for the year:

[14] The curve provided by EIOPA, as it is annual, has to be made quarterly in order to be consistent with the cash flow valuation step. This process is based on a linear interpolation approach in order to derive the rates for each quarter. The quarterly rates are calculated as follows:

$$rf_{t_{Q_i}} = rf_{t-1} * \left(\frac{4-i}{4}\right) + rf_t * \left(\frac{i}{4}\right), \qquad i = 1, \dots, 4$$

where rf_t is the rate provided by EIOPA for the year t and i the reference quarter.

IFRS 17 discount curve Currency Maturity (years)	Group EUR YE2023	YE2022
1	3.18%	3.56%
2	3.30%	2.89%
3	3.20%	2.64%
4	3.15%	2.55%
5	3.13%	2.52%
6	3.11%	2.52%
7	3.09%	2.53%
8	3.09%	2.55%
9	3.09%	2.57%
10	3.09%	2.59%
11	3.10%	2.62%
12	3.09%	2.64%
13	3.07%	2.66%
14	3.05%	2.67%
15	3.02%	2.67%
16	2.97%	2.66%
17	2.92%	2.65%
18	2.86%	2.63%
19	2.81%	2.61%
20	2.77%	2.61%
21	2.74%	2.60%
22	2.72%	2.61%
23	2.70%	2.61%
24	2.70%	2.62%
25	2.70%	2.63%
26	2.70%	2.64%
27	2.70%	2.66%
28	2.71%	2.67%
29	2.72%	2.69%
30	2.73%	2.70%

With regard to the date of occurrence of the claims used, it should be noted that this is exclusively the year of occurrence and that for all years the reference discount curve will be that of 31 December of each year.
For the purposes of determining the settlement date, the settlement speed established by the Solvency II process is used. For the latter, the transition from an assessment made for grouping contracts under Solvency II to an assessment for REVO LOB is also carried out using the claims UBEL as a driver.
The total claims UBEL for REVO LOB at the various settlement dates is aggregated to obtain the UBEL by IFRS 17 portfolio based on the convergence table reported in the "aggregations" section of this chapter. For each IFRS 17 portfolio and for each settlement date, the settlement speed is obtained as the ratio of the claims UBEL at the date and the total claims UBEL.
The risk adjustment is calculated on the two components of claims UBEL and the discounted amount by multiplying for each IFRS 17 portfolio the RA percentage for the respective components of claims UBEL and the discounting factor.

Impacts at Transition date (1 January 2022)

The Transition date (1 January 2022) is the date of commencement of the annual period immediately preceding the effective date of the standard. The purpose of the Transition period is to carry out measurements, under IFRS 17, of the periods prior to the entry into force of the standard, to allow for a comparison of the results.
Following the eligibility test, the Group measured the entire business using the simplified PAA method on 1 January 2022.
The following is a restated statement of financial position for the year beginning on 1 January 2022 (start date of the Transition period):

	STATEMENT OF FINANCIAL POSITION - ASSETS	01.01.2022
1.	INTANGIBLE ASSETS	76,380
	o/w: goodwill	74,323
2.	PROPERTY, PLANT AND EQUIPMENT	1,630
3.	INSURANCE ASSETS	39,038
3.1	Insurance contracts written classified as assets	-
3.2	Cessions to reinsurance classified as assets	39,038
4.	INVESTMENTS	186,794
4.1	Investment property	-
4.2	Investments in associates and joint ventures	1
4.3	Financial assets measured at amortised cost	8,000
4.4	Financial assets measured at fair value through OCI	141,126
4.5	Financial assets measured at fair value through profit or loss	37,668
	a) financial assets held for trading	37,668
	b) financial assets designated at fair value	-
	c) Other financial assets compulsorily measured at fair value	-
5.	OTHER FINANCIAL ASSETS	4,876
6.	OTHER ASSETS	11,475
6.1	Non-current assets or disposal groups held for sale	-
6.2	Tax assets	-
	a) current	-
	b) deferred	-
6.3	Sundry assets	11,475
7	CASH AND CASH EQUIVALENTS	12,396
	TOTAL ASSETS	332,590

	STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS' EQUITY AND LIABILITIES	01.01.2022
1.	EQUITY	217,464
1.1	Share capital	6,680
1.2	Other equity instruments	-
1.3	Equity-related reserves	170
1.4	Income-related reserves and other reserves	214,856
1.5	Treasury shares (-)	0
1.6	Valuation reserves	-4,242
1.7	Equity attributable to non-controlling interests (+/-)	-
1.8	Profit (loss) for the year attributable to the parent (+/-)	-
1.9	Profit (loss) for the year attributable to non-controlling interests (+/-)	-
2.	PROVISIONS FOR RISKS AND CHARGES	4,701
3.	INSURANCE LIABILITIES	80,375
3.1	Insurance contracts issued that are liabilities	80,375
3.2	Reinsurnce contracts held that are liabilities	0
4.	FINANCIAL LIABILITIES	1,316
4.1	Financial liabilities measured at fair value through profit or loss	0
	a) financial liabilities held for trading	0
	b) financial liabilities designated at fair value	0
4.2	Financial liabilities measured at amortised cost	1,316
5.	LIABILITIES	21,525
6.	OTHER LIABILITIES	7,208
6.1	Liabilities of disposal groups	-
6.2	Tax liabilities	4,367
	a) current	888
	b) deferred	3,479
6.3	Sundry liabilities	2,841
	TOTAL EQUITY AND LIABILITIES	332,590

The following table shows the impact on equity of the application of IFRS 17 at 1 January 2022:

Equity	01.01.2022
Equity IFRS 4	218,477
IFRS 17 effects:	
- PVFCF measurement	-141
- inclusion of non-financial risk	-1,254
- discounting of reserves and credit risk	-70
- loss component net of loss recovery	-
- deferred taxes	452
Equity	**217,464**

The effects of the application of IFRS 17 on 1 January 2022 were:

- a decrease of €1,013,000 in equity, as shown in the table above, recognised in the valuation reserve, mainly due to the determination of the PVFCF of the LIC (liability for incurred claims) reserve and the inclusion of non-financial risk
- the risk adjustment is the remuneration that the Company requires to bear the uncertainty of both the amount and the timing of cash flows deriving from non-financial risks associated with the insurance contracts and reinsurance contracts held. The resulting amount of the adjustment for the calculated risk corresponds to a consolidated confidence level of 75% with an overall impact on the total LIC (liability for incurred claims) reserves net of AIC (assets for incurred claims) of approximately 8% at 1 January 2022.

Additional IFRS 17 accounting information at 1 January 2023

Since the adoption of IFRS 17 on 1 January 2023, the Company has revised certain internal controls on financial reporting. These changes were necessitated by the implementation of new information systems, new actuarial processes, and the reconciliation of financial data between IFRS 4 and IFRS 17.
The Group's insurance contracts, measured using the PAA method, resulted in minimisation of the impact of the transition from IFRS 4 to IFRS 17.
The supplementary schedules for the consolidated financial statements as at 31 December 2022 are provided below, distinguishing between adjustments due to measurement changes following the adoption of the new standard and adjustments due to mere reclassification of amounts:

ASSETS	IFRS 9 and 4	Reclassifications	Adjustments	IFRS 9 and 17
INTANGIBLE ASSETS	x	83,071	-	83,071
INTANGIBLE ASSETS	92,128	-92,128	x	x
Goodwill	74,323	-74,323	x	x
Other intangible assets	17,805	-17,805	x	x
PROPERTY, PLANT AND EQUIPMENT	x	14,448	-	14,448
PROPERTY, PLANT AND EQUIPMENT	14,448	-14,448	x	x
Property	13,973	-13,973	x	x
Other items of property, plant and equipment	475	-475	x	x
REINSURERS' SHARE OF TECHNICAL PROVISIONS	55,737	-55,737	x	x
INSURANCE ASSETS	x	46,045	-240	45,805
INVESTMENTS	188,531	-	-	188,531
OTHER FINANCIAL ASSETS	x	3,835	-	3,835
MISCELLANEOUS RECEIVABLES	52,856	-52,856	x	x
Receivables deriving from direct insurance operations	40,303	-40,303	x	x
Receivables deriving from reinsurance operations	969	-969	x	x
Other receivables	11,584	-11,583	x	x
OTHER ASSETS	7,528	11,519	-	19,049
Non-current assets held for sale or disposal groups	-	-	-	-
Deferred acquisition costs	-	-	x	x

Deferred tax assets	-	7	-	7
Current tax assets	5,394	-	-	5,394
Other assets	2,134	11,511	-	13,647
CASH AND CASH EQUIVALENTS	4,654	0	-	4,652
TOTAL ASSETS	**415,882**	**-56,250**	**-240**	**359,391**

LIABILITIES	IFRS 9 and 4	Reclassifications	Adjustments	IFRS 9 and 17
EQUITY	216,632	-	-137	216,495
Share capital	6,680	-	-	6,680
Equity-related reserves	170	-	-	170
Income-related reserves and other reserves	215,870	-3	-1,014	214.854
(Treasury shares)	+ 1.247%	-	-	+ 1.247%
Gains/losses on financial assets measured at FVOCI	-6,687	6,687	x	x
Valuation reserves	x	-10,154	-	-10,154
Other gains or losses recognised directly in equity	-3,470	3,470	x	x
Profit for the year	5,316		877	6,193
PROVISIONS	3,176	-3,176	x	x
PROVISIONS FOR RISKS AND CHARGES	0	3,243	0	3,243
TECHNICAL PROVISIONS	140,074	-140,074	x	x
INSURANCE LIABILITIES	x	101,405	-40	101,365
FINANCIAL LIABILITIES	16,048	-1,600	0	14,448
LIABILITIES	x	18,167	-	18,167
PAYABLES	31,613	-31,613	-	-
Payables deriving from direct insurance operations	-	-	x	x
Payables deriving from reinsurance operations	9,061	-9,061	x	x
Sundry payables	22,553	-22,553	x	x
OTHER LIABILITIES	8,340	-2,606	-61	5,673
Liabilities of disposal groups	-	-	-	-
Deferred tax liabilities	336	-	-61	275
Current tax liabilities	-	-	-	
Other liability items	8,004	-2,606	-	5,398
TOTAL EQUITY AND LIABILITIES	**415,882**	**-56,250**	**639**	**359,391**

The main effects are reported below, taking the figures presented in the statement of financial position at 31 December 2022 shown above as a reference:

- The following are reported under “Adjustments”:
  - ✓ in the “insurance assets” item, a total change of €240,000 compared with IFRS 4 in measurements of reinsurance contracts relating to PVFCF and the risk adjustment;
  - ✓ in the “equity” item, the effects of the FTA reserve as at 1 January 2022, amounting to €1,014,000, and the effect on the income statement of the adjustments resulting from the adoption of the new standard, with a total effect, net of taxes, of €877,000:
  - ✓ in the “insurance liabilities” item, a total change of €40,000 compared with IFRS 4 in measurements of insurance contracts relating to PVFCF and the risk adjustment;
  - ✓ in the “deferred tax liabilities” item, a total effect of €61,000 for the differences generated during the transition to the new IFRS 17;
- The “Reclassifications” column shows the reclassifications arising from the new items present in IVASS Regulation No. 7 of 2007, as amended by Order No. 121 of 7 June 2022 and the amendments required by the new IFRS 17.

The effect, on 1 January 2023, of the entry into force of IFRS 17, was a reduction in equity of €137,000, as shown in the table below, recognised in the valuation reserve and mainly attributable to the determination of the PVFCF of the liability for incurred claims (LIC), as well as the inclusion of non-financial risk, which, at that date, had an overall impact on the total LIC reserves net of the AIC of approximately 7%.

Equity	01.01.2023
Equity IFRS 4	216,632
IFRS 17 effects:	-
- inclusion of non-financial risk	-1,428
- discounting of reserves and credit risk	1,231
- loss component net of loss recovery	-
- deferred taxes	61
Equity	**216,495**

The table below shows a breakdown of equity items at 1 January 2023 and a breakdown of equity items at 31 December 2022 in the official financial statements:

Items	Equity at 31.12.2022	Equity at 1.1.2023
Share capital and equity-related, net of treasury shares	5,603	5,603
Other equity instruments	-	-
Income-related reserves and other reserves	215,870	215,870
Valuation reserves	-10,154	-10,154
Equity attributable to non-controlling interests	-	-
Profit for the year	5,316	5,316
First-time adoption reserve under IFRS 17 (+/-)	X	- 1,015
Determination of first-time adoption reserve under IFRS 17:	X	X
Technical provisions before discontinued operations - IFRS 4	97,004	X
Deferred acquisition costs - IFRS 4	-	X
Other IFRS 4 assets	12,954	X
Insurance contracts written that are recognised as liabilities - IFRS 17	X	86,613
Of which PAA: Insurance contracts written - Adjustment relating to the component without loss	X	86,613
Of which PAA: Insurance contracts written - Adjustment relating to the loss component	X	-
Technical provisions ceded - IFRS 4	39,895	X
Cessions to reinsurance classified as assets - IFRS 17	X	40,993
Of which PAA: Cessions to reinsurance - Adjustment relating to component without loss recovery	X	40,993
Of which PAA: Cessions to reinsurance - Adjustment relating to the loss recovery component	X	-
Other adjustments	-	877
First-time adoption reserve under IFRS 9 (+/-):	X	-
o/w: Financial assets: classification in accounting portfolios - business model	X	-
o/w: Financial assets: classification in accounting portfolios - SPPI test	X	-
o/w: Financial assets: impairment	X	-
o/w: Financial liabilities: own credit risk	X	-
o/w: Other adjustments, if any (detail if material)	X	-
TOTAL	216,635	216,495

Amendments to IAS 1 - Presentation of Financial Statements Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1 to clarify how to classify debt and other financial liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that can be settled through conversion to equity. These amendments are effective as of 1 January 2023. The Group has not recorded any material impact due to the adoption of these amendments.

IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, requiring entities to provide information on their material accounting policies, rather than significant accounting policies, and providing guidance on how to apply the concept of materiality to the disclosure of accounting policies. These amendments in effect from 1 January 2023 did not have material impacts on the Group.

Amendments to IAS 8 - Changes in estimates and errors

In February 2021, the IASB issued amendments to IAS 8, clarifying that entities are to distinguish changes in accounting policies from changes in accounting estimates. These amendments are effective as of 1 January 2023. The Group has not recorded any material impact due to the adoption of these amendments.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 to clarify how entities should account for deferred tax liabilities on transactions such as leases and decommissioning obligations, transactions for which entities recognise both an asset and a liability. In particular, it was clarified that the exemption does not apply and that entities are required to recognise deferred taxation on such transactions. These amendments, effective as of 1 January 2023, have not resulted in any material impact for the Group.

Amendments to IAS 12 - "International Tax Reform - Pillar Two Model Rules"

In May 2023, the IASB issued amendments to IAS 12 - "Income Taxes" that allow companies to temporarily suspend the recognition of deferred taxes deriving from the international tax reform aimed at implementing the Pillar Two Model Rules of the Organisation for Economic Cooperation and Development (OECD), according to which large multinationals with turnover of over €750 million must pay a global minimum tax rate of 15% in each jurisdiction in which they operate.
The amendments introduced:

- a temporary exception to the accounting of deferred taxes deriving from jurisdictions that implement global tax rules in order to help ensure the consistency of financial reporting while facilitating the implementation of the rules;
- disclosure requirements designed to help investors better understand a company's exposure to income taxes deriving from the reform, particularly before the legislation implementing the rules takes effect.

Companies may immediately benefit from the temporary exception, but are required to provide disclosure to investors for annual reporting periods starting on or after 1 January 2023.
These amendments did not have any impact on the Group, as it does not fall within the scope of the amendment.

New standards that have not yet entered into force

The following new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and will become mandatory from 2024 or in subsequent years:

Amendments to IFRS 16 – Leases – Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 with the aim of clarifying how the vendor and lessee may measure the sale and leaseback transaction in order to comply with the requirements of IFRS 15 to account for the sale. The amendment will enter into force on 1 January 2024. The Group does not expect the adoption of these amendments to have any material impact.

Amendments to IAS 1 – Presentation of Financial Statements – Non-current Liabilities with Covenants

The above amendments issued by the IASB on 31 October 2022 aims to clarify the conditions under which an entity may record a short-term or long-term liability. The amendment will enter into force on 1 January 2024. The Group does not expect the adoption of these amendments to have any material impact.

Amendments to IAS 7 - "Statement of Cash Flows" and IFRS 7 - "Financial Instruments: Disclosures"

In May 2023, the IASB published amendments to IAS 7 and IFRS 7 following a request from IFRIC concerning the requirements for the presentation of liabilities and related cash flows arising from supplier finance arrangements (reverse factoring) and related additional disclosures.
Entities will be required to provide certain specific information (qualitative and quantitative) regarding supplier finance arrangements. The amendments also provide guidance on the characteristics of supplier finance arrangements.
The amendment will enter into force on 1 January 2024. The Group does not expect the adoption of these amendments to have any material impact.

New sustainability standards

With regard to sustainability reporting, on 26 June 2023 the International Sustainability Standards Board (ISSB) published the first two standards:

- IFRS S1 – General Sustainability-related Disclosures, which provides a series of disclosure requirements that aim to enable companies to disclose to investors the sustainability risks and opportunities they face in the short, medium and long term;
- IFRS S2 – Climate-related Disclosures, which identifies specific climate-related corporate information designed to be used with IFRS S1.

The two standards came into effect on 1 January 2024: the information will therefore be available from 2025.
The Company and the Group will be required to apply these standards jointly and are exploring the issues related to the application of these new rules.

Part B – Accounting policies

Statement of financial position - assets

Intangible assets

In accordance with IAS 38, an intangible asset is only recognised if it is identifiable, controllable, is expected to generate future economic benefits and its cost can be reliably determined, but it does not include deferred acquisition costs, which must be included in the relevant item 6.2 “Other assets”.

This category includes goodwill and other intangible assets, including application software for long-term use.

Goodwill

Goodwill represents the excess of the purchase cost over the acquirer's share of the fair value of the acquiree's identifiable net assets and liabilities. The purchase cost includes costs directly associated with the transaction.
After initial recognition, goodwill is measured at cost less any cumulative impairment losses. Goodwill is subjected to impairment testing, in order to avoid any impairment. In compliance with IAS 36, goodwill is not amortised.
The purpose of goodwill impairment testing is to identify the existence of any impairment of the value recorded as an intangible asset. To this end, cash generating units (CGUs), to which the goodwill is to be allocated, are first identified. Any impairment is equal to any negative difference between the carrying amount previously recognised and its recoverable amount. The latter is determined as the higher of the fair value of the cash-generating unit and its value in use, which is equal to the discounted future cash flows of the unit. If the reason for a previous impairment no longer pertains, in no case can the carrying amount be reinstated.

Other intangible assets

Intangible fixed assets with a finite useful life are measured at purchase cost or development cost net of amortisation and impairment. Amortisation must be calculated on the basis of useful life, starting from the time when the asset is available for use.
Meanwhile, other intangible fixed assets with an indefinite life are not subject to amortisation but are periodically tested for impairment.
The account also includes intangible assets under development and advances paid for the acquisition of intangible assets, although they cannot be amortised.

Property, plant and equipment

This item includes operating properties, plant, other machinery and equipment and other assets.

Property

In accordance with IAS 16, land and buildings destined for use by the Company are recorded in this category. Property is recognised at purchase cost net of depreciation and impairment. Directly attributable costs incurred to get the asset into the condition necessary for its operation according to business requirements are included.
Ordinary maintenance costs are charged directly to the income statement. Costs incurred after purchase are capitalised only if they can be reliably determined and if they increase the future economic benefits of the assets to which they relate; other costs are recognised in the income statement.
Depreciation, using the straight-line method, is charged over the estimated useful life of properties, ranging from 30 to 50 years.
Maintenance costs that are not ordinary in nature, improvements and transformations that result in an increase in the value, functionality or useful life of the assets, are directly capitalised, allocated to the assets to which they refer and depreciated. Ordinary maintenance and repair costs are charged to the income statement.

Property is tested for impairment by comparing its carrying amount with its estimated fair value, determined according to specific appraisals. Impaired property assets are written down as required.

Other assets of property, plant and equipment

This item includes movable property, furnishings and office machinery.
These are recorded, as established by IAS 16, at purchase cost and subsequently recognised net of depreciation and any impairment. Included in the determination of cost are ancillary charges and directly attributable costs incurred to get the asset to the location and into the condition necessary for its operation according to business requirements. They are systematically depreciated on the basis of economic/technical rates determined in relation to their remaining useful life.
Depreciation rates are reduced for purchases during the financial year by 50% compared with the rates indicated below, which apply from the year after the first year:

	Rate
Furniture and fixtures	12%
Plant	15%
Other equipment	20%
Electronic machinery	20%
Movable property entered in public registers	25%

Repair and ordinary maintenance costs are charged to the income statement for the year in which they are incurred. Subsequent costs, which can be reliably determined and which increase the future economic benefits of the asset are capitalised and depreciated according to the remaining useful life of the asset to which they relate.
Pursuant to IAS 36, these assets are subject, at least once a year, to impairment testing (recognising as a loss the negative difference between the carrying amount and the recoverable amount) and to a residual useful life test.
If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. If, subsequently, the loss no longer exists or is reduced, the carrying amount of the asset or cash-generating unit would be increased up to the new recoverable amount. However, this new amount may not exceed the amount determined prior to recognition of the loss.

Insurance assets

Insurance contracts issued that are assets

As required by paragraph 78 of IFRS 17 and referred to in IVASS Regulation No. 7/2007, this item includes insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary participation features (DPFs), issued, defined and governed by IFRS 17, belonging to portfolios of insurance contracts written that are classified as assets, as the closing balance is positive.

Reinsurance contracts held that are assets

This item includes reinsurance cession contracts defined and governed by IFRS 17, belonging to portfolios of reinsurance cession contracts that are classified as assets, as the closing balance is positive.
This item includes receivables and payables vis-a-vis reinsurance companies or insurance companies relating to reinsurance relationships. They are recognised at their nominal value and subsequently measured at each reporting date at their estimated realisable value.

Investments

Investment property

In accordance with IAS 40, the Group considers investment property to be property assets held for the purpose of earning rental income or capital appreciation purposes, or both.

Investments intended for use by the Company or for sale in the ordinary course of its business are classified under "Property, plant and equipment".
Investment property is recorded at cost, less depreciation and any impairment. Also included in the determination of cost are ancillary costs and directly attributable costs incurred to get the asset into the condition necessary for its operation according to business requirements.
Depreciation is charged on a straight-line basis over the estimated useful life of the assets.
Land, which is assumed to have an unlimited useful life, is not included in the depreciation process. For the purposes of the different accounting treatment, land and buildings are recorded separately, even if they were purchased together.
Repair costs and ordinary maintenance costs are charged to the income statement for the year in which they are incurred.
Subsequent costs, which can be reliably determined and which increase the future economic benefits of the asset, are capitalised and depreciated according to the remaining useful life of the asset to which they relate.
Pursuant to IAS 36 - Impairment of Assets, investment property is tested for impairment by comparing the carrying amount with the estimated fair value, determined through specific appraisals. Any negative difference is recognised in the income statement.
The Group does not have any investment property.

Investments in subsidiaries, associates and joint ventures

This item includes equity investments in subsidiaries, associates and joint ventures, regulated by IFRS 10, IAS 28 and IFRS 11, that are not classified as held for sale in accordance with IFRS 5.
A company is defined as an associate when the investor exercises significant influence, having the power to participate in determining the investee's operational and financial decisions, without holding control or joint control. A significant influence is presumed to exist if the investor possesses, directly or indirectly, at least 20% of the votes exercisable at the shareholders' meeting.
Joint ventures are equity investments in jointly controlled arrangements in which the parties have rights to the assets and assume obligations for the liabilities relating to the arrangement; they differ from joint operations, which exist when joint control of an economic activity is contractually agreed, i.e. when decisions on the relevant activities require the unanimous consent of the parties that share control.
Regardless of the legal form of the investee, the assessment of control takes into account the actual power over the investee and the actual ability to influence the relevant activities, regardless of the number of voting rights.
The measurement criterion adopted by the Group is the 'equity method', i.e. the accounting method by which the equity investment is initially measured at cost and subsequently adjusted as a result of changes in the investor's share of the investee's equity. The profit or loss of the investor reflects its share of the profit or loss for the year of the investee, as per the last approved financial statements.
The list of investments that make up this item is attached to these consolidated financial statements.

Financial assets measured at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose aim is achieved through the collection of contractual cash flows (a 'hold-to-collect' business model), and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows consisting solely of payments of capital and interest on the principal amount outstanding (passing the SPPI test).

Initial recognition of the financial asset occurs at the settlement date for debt securities and at the disbursement date for loans. On initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument.
After initial recognition, loans and receivables are measured at amortised cost, which is equal to their initial value increased or decreased by principal repayments, impairment losses and gains and amortisation - calculated using the effective interest rate method - of the difference between the amount disbursed and the amount to be repaid at maturity, typically related to the costs and income directly attributable to the individual loan or receivable.

The amortised cost method is not used for loans or receivables, whose short duration makes the effect of applying the discounting logic negligible. Such loans or receivables are measured at their historical cost.
The accounting treatment is closely connected to the inclusion of the instruments in question in one of the three stages (stages of credit risk) provided for in IFRS 9, the last of which (Stage 3) includes non-performing financial assets and the remaining performing financial assets (Stages 1 and 2).
If the grounds for impairment cease to apply as a result of an event that occurs after an impairment loss has been recognised, impairment gain is made in the income statement. The gain may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

Financial assets measured at fair value through OCI

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose aim is achieved either through the collection of contractual cash flows or through sale (a hold-to-collect-and-sell business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows consisting solely of payments of capital and interest on the principal amount outstanding (passing the SPPI test).

This item also includes equity instruments not held for trading, for which the option of designation at fair value through other comprehensive income was exercised on initial recognition.
In particular, this item includes:

- debt securities attributable to a hold-to-collect-and sell business model that have passed the SPPI test;
- equity interests that cannot be classed as being in subsidiaries, associates or joint ventures and are not held for trading, for which the option of designation at fair value through other comprehensive income was exercised.

On initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument.
After initial recognition, assets classified at fair value through other comprehensive income, other than equity securities, are measured at fair value, with the impact of the application of amortised cost, impairment and any foreign exchange effect recognised in the income statement, while other gains or losses deriving from a change in fair value are recognised in a specific equity reserve until the financial asset is de-recognised. At the time of full or partial disposal, the gain or loss accumulated in the valuation reserve is reversed in the income statement.
Equity securities classified at fair value through other comprehensive income are measured at fair value, with the recognition of fair value gains of losses in equity and the recognition of dividend income in the income statement.
Financial assets are de-recognised only when the contractual rights to the associated cash flows expire or when the financial asset is sold with the substantial transfer of all the risks and rewards associated with the assets.

Financial assets measured at fair value through profit or loss

This item includes financial assets not classified as financial assets measured at amortised cost or at fair value through other comprehensive income, in particular:

- financial assets held for trading;
- financial assets designated at fair value;
- other financial assets compulsorily measured at fair value, such as, in particular, financial assets other than those that give rise to cash flows on specific dates consisting solely of payments of capital and interest on the principal amount outstanding and assets that are not for held for trading but are managed within other business models.

Other financial assets

This item includes trade receivables from insurance intermediaries and financial assets. Sundry financial assets are recognised at their nominal amount and are subsequently measured at their estimated realisable value.
Amortised cost was not applied as the application of this criterion would be practically the same as the historical cost and, when determining the recoverable amount, no cash flows were discounted, which would yield completely negligible results.

Other receivables

Other sundry receivables that are not related to insurance. They are recognised at their nominal value and subsequently measured at their estimated realisable value and discounted where appropriate.

Other assets

This item includes non-current assets held for sale or disposal groups, current and deferred tax assets and other assets.

Non-current assets held for sale or disposal groups

Non-current assets held for sale or disposal groups are recognised under this item in accordance with IFRS 5. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered mainly through a sale transaction rather than through their continuous use. This condition is considered fulfilled only when a sale is highly probable and the discontinued asset or disposal group is available for immediate sale in its current condition. Assets are recognised at the lower of their carrying amount and their fair value, net of estimated costs to sell. The resulting profit or loss, after tax, is presented separately in the statement of comprehensive income.

Current and deferred tax assets

These items include assets relating to current and deferred taxes, as defined and regulated by IAS 12. These assets are recognised in accordance with current tax legislation on an accruals basis. For tax assets recognised as deferred taxes, a check is periodically carried out on each reporting date for any changes in the relevant tax legislation that might determine a different valuation.

Sundry assets

Sundry assets include accrued income and prepaid expenses, tax assets other than those recognised under “Tax assets”, such as assets associated with withholding agent activity and residual assets not included in the above items, in particular claims in course of payment.

Cash and cash equivalents

This item includes cash, cash equivalents and deposits that are available on demand. These are recognised at nominal value.

Statement of financial position - liabilities

Equity

Share capital

Ordinary shares and preference shares are recorded as share capital and their value corresponds to the nominal value actually paid.

Other equity instruments

This item includes equity instruments not included in the share capital, consisting of special classes of shares, as well as equity components included in complex financial instruments.

Equity-related reserves

This item includes, in particular, the share premium reserve of the company that prepares the consolidated financial statements.

Income-related reserves and other reserves

In particular, this item includes:

- retained earnings or losses carried forward including the legal reserve;
- the reserve including gains and losses deriving from first-time adoption of IAS/IFRS (IFRS 1);
- consolidation reserves;
- reserves resulting from the reclassification of the catastrophe and equalisation reserves accounted for under the previous standards and no longer accepted since the adoption of IFRS 17;
- reserves created in financial years prior to the adoption of IFRS, in accordance with the Italian Civil Code and special laws, including the property revaluation reserve;
- reserves deriving from share-based payment transactions, settled with own equity instruments (IFRS 2).

Any gains or losses due to fundamental errors and changes in accounting standards or the estimates used are included (IAS 8).

Interim dividends

This item includes sums paid out as interim dividends to shareholders. Its amount is to be reported as a reduction of the item “Equity”.

Treasury shares

As specified by IAS 32, this item includes the equity instruments of the company that prepares the consolidated financial statements held by the company itself and by the consolidated companies. The item is negative. Gains or losses deriving from their subsequent sale are recognised as changes in equity.

Valuation reserves

This item includes valuation reserves relating to:

- net currency exchange differences to be recognised in equity in accordance with IAS 21, deriving from transactions in foreign currencies and from translation of financial statements into a presentation currency;
- gains or losses from financial assets measured at fair value through other comprehensive income, as previously described in the corresponding financial investments item. Amounts are shown net of corresponding deferred taxes and the share pertaining to policyholders and attributed to insurance liabilities;
- gains and losses arising from direct allocation to equity, with particular reference to the reserve for investments measured using the equity method;
- long-term incentive plan pursuant to IFRS 2;
- defined benefit plans under IAS 19.

Equity attributable to non-controlling interests
The macro-item comprises equity instruments and components and the relevant reserves attributable to non-controlling interests.
The Group does not have any equity attributable to non-controlling interests.

Profit or loss for the year attributable to the owners of the parent
This item shows the profit or loss for the year.

Provisions for risks and charges
In accordance with IAS 37, provisions are liabilities of uncertain amounts or maturities that are recognised under the following conditions:
- there is an obligation outstanding at the reporting date as a result of a past event;
- it is probable that an outflow of economic resources will be required to fulfil this obligation;
- a reliable estimate can be made of the amount necessary to fulfil the obligation.

Measurement of the values representing the obligation is reviewed periodically. Any change in the estimate is recognised in the income statement in the period in which it occurs.

Insurance liabilities

Insurance contracts issued that are liabilities
As required by paragraph 78 of IFRS 17 and referred to in IVASS Regulation No. 7/2007, this item includes insurance contracts, including reinsurance contracts, issued and investment contracts with discretionary participation features (DPFs), issued, defined and governed by IFRS 17, belonging to portfolios of insurance contracts issued that are liabilities, as the closing balance is negative.
This item also includes receivables from policyholder for premiums not yet collected and payables for commissions on premiums still to be collected. They are recognised at their nominal value and subsequently measured at each reporting date at their estimated realisable value.

Reinsurance contracts held that are liabilities
This item includes reinsurance cession contracts defined and governed by IFRS 17, belonging to portfolios of reinsurance cession contracts that are classified as liabilities on the basis of the sign of the closing balance.

Financial liabilities
This item includes financial liabilities regulated by IFRS 9 other than payables.

Financial liabilities measured at fair value through profit or loss
This item includes financial liabilities at fair value through profit or loss, and specifically:
- financial liabilities held for trading;
- financial liabilities designated at fair value and financial liabilities designated irrevocably on initial recognition to eliminate or reduce accounting mismatches.

Financial liabilities measured at amortised cost
This item includes financial liabilities, including investment contracts written by insurance companies, other than index- and unit-linked contracts, which do not fall within the scope of IFRS 17 and reinsurance deposits.

Liabilities

Liabilities include liabilities to policyholders and insurance intermediaries, as well as other payables, such as trade liabilities, recognised at nominal value.
This item specifically includes provisions for payables to employees for post-employment benefits, recognised in accordance with IAS 19.
In addition, there are other liabilities of a definite nature and certain existence that are not allocated to the previous sections of the consolidated financial statements.

Other liabilities

Liabilities of disposal groups
In accordance with IFRS 5, liabilities relating to disposal groups held for sale are recognised under this item.

Current and deferred tax liabilities
These items include liabilities relating to current and deferred taxes, as defined and regulated by IAS 12. These liabilities are recognised in accordance with current tax legislation and are recognised on an accruals basis. For liabilities recognised as deferred taxes, a check is periodically carried out on each reporting date for any changes in the relevant tax legislation that might determine a different valuation.

Sundry liabilities
This item includes accrued expenses and deferred income, determined on an accrual basis, taxes payable by policyholders, liabilities for sundry tax charges and to social security and pension institutions and, in general, credit tax liabilities other than those included in the item “Tax liabilities”, such as those associated with withholding agent activity, as well as production bonuses to be paid to staff in the following year.

Other information

Fair value policy
IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
Allocation to one of the three fair value levels envisaged by IFRS 13 meets the following criteria:

- Financial instruments quoted on an active market;
- Financial instruments whose fair value has been determined on the basis of valuation techniques based on observable market parameters, other than the prices quoted for the financial instrument;
- Financial instruments whose fair value has been determined on the basis of valuation techniques based on parameters not observable in the market;

Observable market variables and assumptions are favoured in the definition of fair value and measurement techniques are only used in the absence of such inputs.
These valuation methods must be applied in hierarchical order: if, in particular, an active market price is available, no other valuation approach can be used.
In summary, first the prices quoted on active markets for the same or identical financial instruments were examined, then the inputs for the asset or liability, observable both directly and indirectly, and finally the inputs relating to the asset or liability that are not based on observable market data.

Application to assets and liabilities

Debt securities
If available, the fair value of bonds traded in an active and liquid market is defined by the market price.
Otherwise, bonds, both Italian and foreign, that are not listed on active markets, are valued by referring respectively to:

- the price provided by the counterparty, if executable for the counterparty, or corroborated by adequate information on the model and input data used;
- the price provided by the issuer, corroborated by adequate information on the model and the input data used;
- the price provided by the Delegated Manager, corroborated by adequate information on the model and the input data used;
- at the price recalculated using internal valuation tools.

The same valuation methods are also applicable to asset-backed securities and securities issued by special purpose vehicles that are bonds or similar.

Equity securities

This category includes shares, exchange traded funds (ETFs), rights, warrants and covered warrants.
If an active market is available, the fair value of an Italian or foreign equity security is identified by reference to the price expressed by the reference market.
In the absence of any indications of value (i.e. in the absence of an active market), the valuation criterion followed varies according to the sector to which it belongs, in line with the valuation practices in use.
The methods applied are as follows:

- the 'sum of the parts' approach calculates the economic value of a company or business unit as the sum of the economic capital values attributable to the different lines of business within the same corporate structure. Specifically, the tangible equity of the company analysed is considered, adjusted for the difference between the carrying amount and the market value;
- the stock exchange multiples method determines the value of the economic capital of a company or business unit on the basis of market multipliers (stock exchange multiples) derived from the stock exchange prices of listed companies deemed comparable with the entity that is being valued;
- the discounted cash flow method, which estimates the value of a business or business unit on the basis of future cash flows;
- the Net Asset Value (NAV) method, which provides a "static" valuation of a company on the basis of the fair value of the net assets at a given date, without taking into account any income component.

Investment funds

In the case of listed investment funds, fair value is represented by the market price based on quotations in the active market.
Otherwise, the fair value is represented by the net asset value (NAV) communicated by the asset management company ("SGR") or by the fund administrator, or derived from the information provider.

Derivatives

With regard to derivatives (as defined by Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance), if listed on an active market, the fair value is determined by referring to the reference stock exchange price ("close" or "last price" of Bloomberg or alternative information providers).
The fair value of over the counter (OTC) derivatives is determined by referring to:

- the price provided by external counterparties, if executable for the purposes of transferring the transaction;
- the price provided by central counterparties (CCPs) for derivatives covered by EMIR procedures;
- the price recalculated using internal assessment tools or provided by third parties and corroborated by adequate information on the model and input data used.

At the reporting date, the Group is not making use of derivatives.

Other information pursuant to IFRS 16

A contract contains a lease if, in exchange for a consideration, it confers the right to control the use of a specified asset for a period of time.

For contracts in this category the right-of-use asset and the relevant financial liabilities are recognised, except in the following cases: short-term contracts (i.e. leases with a term of 12 months or less) or low-value assets (less than €5,000 when new).
The right-of-use asset and the relevant lease liability are recognised on the contract inception date
Financial liabilities are initially determined at the present value of future payments at the contract inception date, discounted at the implicit rate of the lease or, if this is not readily determinable, at the lessee's incremental borrowing rate. In subsequent entries, the amortised cost method is applied, i.e. the carrying amount of the liability is increased by the interest thereon and decreased to take account of payments made under the lease.
The value of the financial liability is recalculated (with a corresponding adjustment to the value of the right-of-use asset) in the following cases: a change in the term of the lease; a change in the exercise price of the purchase option; a change in the value of lease payments following changes in indices or rates; or amounts expected to be payable under residual value guarantees. The value of the liability is redetermined by discounting the new lease payments at the initial discount rate (unless the lease payments change as a result of a fluctuation in variable interest rates, in which case a revised discount rate is used).
The right-of-use asset is initially measured at cost, which includes: the initial value of the liability deriving from the lease; and lease payments made before or on the inception date of the contract. In subsequent entries, the right-of-use asset is recognised in the financial statements net of depreciation and any impairment. Depreciation is on a straight-line basis over the period between the inception date of the contract and the shorter of the lease term and the residual useful life of the underlying asset.

Income statement

Insurance revenues deriving from insurance contracts written

The macro-item includes revenues associated with insurance contracts written that reflect the portion of the consideration received from the policyholder for services provided during the year on the basis of IFRS 17.
IFRS 17 defines an insurance contract as a contract in which one party accepts a significant insurance risk from another, agreeing to compensate the policyholder if a specific uncertain future event adversely affects the other party.
For contracts within the scope of application of IFRS 1, the insurance revenues item includes:

- amounts relating to the provision of services;
- amounts relating to cash flows associated with the acquisition of insurance contracts.

Costs of insurance services deriving from insurance contracts written

The following are accounted for in this item, in accordance with IFRS 17 and IVASS Regulation No. 7 of 2007:
costs for insurance services, presenting separately;

- claims incurred (excluding investment components) and other costs for insurance services;
- amortisation of cash flows related to the acquisition of insurance contracts;
- changes relating to past services, i.e. changes in fulfilment cash flows relating to liabilities for claims incurred; and
- changes in future services, i.e. losses on onerous contract groups and recoveries of such losses.

This item includes the positive or negative balance of other technical expenses and other technical income not included in fulfilment cash flows relating to insurance contracts written.

Insurance revenues deriving from cessions to reinsurance

The item includes:

- the amount recovered from reinsurers (in respect of claims incurred under the underlying insurance contracts);
- the amount of losses recovered on the underlying insurance contracts;
- the balance, if positive, between impairment losses and reversals of impairment losses associated with expected losses deriving from the risk of default by the reinsurer.

Costs for insurance services deriving from cessions to reinsurance

In accordance with paragraph 86 of IFRS 17, the following are accounted for in this item:

- the allocation of premiums paid during the year, minus the amounts recovered from reinsurers not connected to claims relating to the underlying insurance contracts, such as, for example, certain types of commissions;
- the balance, if negative, between impairment losses and reversals of impairment losses associated with expected losses deriving from the risk of default by the insurer.

This item includes the positive or negative balance of other technical expenses and other technical income not included in the fulfilment cash flows connected to cessions to reinsurance.

Net fair value gains (losses) on financial instruments measured at fair value through profit or loss

The item includes realised gains and losses and increases or decreases in the fair value of financial assets and liabilities measured at fair value through profit or loss.

Gains (losses) on investments in subsidiaries, associates and joint ventures

The item includes:

- gain from equity investments in subsidiaries, associates and joint ventures recognised under the corresponding asset item. Specifically, it includes the portion of the profoit for the year relating to Group companies, accounted for using the equity method;

- losses arising from equity investments in subsidiaries, associates and joint ventures recognised under the corresponding asset item. Specifically, it includes the share of the profit for the year relating to Group companies, accounted for using the equity method.

Income and expenses deriving from other financial instruments and investment property

The macro-item includes income and expenses deriving from financial instruments not measured at fair value through profit or loss.
Specifically, income includes interest income recognised on financial instruments measured using the effective interest method, other investment income and gains realised following the sale of a financial asset or liability.
Expenses include interest expenses recognised using the effective interest method, and in particular losses realised due to the derecognition of a financial asset or liability, impairment losses and other real estate expenses, capital losses on the sale of securities, and lastly the impaiment of bonds of issuers in technical default.

Interest income calculated using the effective interest method

This item includes interest income recognised using the effective interest method.

Interest expense

This item includes interest expenses recognised using the effective interest criterion on financial liabilities.

Other income/expenses

The Group recognises under this item:

- revenues deriving from third-party use of investment properties;
- dividends on equity securities designated at fair value through OCI;
- dividends from shares and units held in the portfolio other than those measured using the equity method.

This item includes, inter alia, costs relating to investment properties, particularly service charges and maintenance and repair costs that are not added to the value of investment property.

Realised gains and losses

This item includes the balance of gains and losses realised on the sale of financial instruments not measured at fair value through profit or loss or on the occasion of a repurchase of its financial liabilities measured at amortised cost.

Unrealised gains and losses

This item includes the balance, positive or negative, between:

- any positive or negative changes arising from reversals of impairment losses or impairment losses and from the subsequent measurement after the initial recognition of real estate investments measured at fair value;
- impairment losses and gains associated with changes in the credit risk of financial assets measured at amortised cost and of financial assets measured at fair value through other comprehensive income.

Net financial expenses and revenues from insurance contracts

This item includes the balance, positive or negative, of changes in the carrying amount of insurance contracts issued in connection with the effects of changes in the time value of money.

Net financial income and costs from reinsurance contracts

This item includes the balance, positive or negative, of changes in the carrying amount of reinsurance contracts connected with the effects of changes in the time value of money.

Other income and costs

The macro-item includes:

- income and costs deriving from the sale of goods, provision of services other than those of a financial nature and the third-party use of property, plant and equipment and intangible assets and other business assets;
- realised gains and losses relating to property, plant and equipment and intangible assets.

Operating expenses
The macro-item includes administrative expenses not included in the calculation of insurance assets and liabilities, as well as investment management expenses. It also includes payroll expenses of companies engaged in activities other than insurance and general and payroll expenses relating to investment operations.

Investment management service expenses
This item includes general and payroll expenses relating to the management of financial instruments, investment property and equity investments.

Other administrative expenses
This item includes general and payroll expenses not included in the calculation of insurance assets and liabilities and not allocated to expenses for acquiring insurance contracts and investment management expenses.

Net accruals to provisions for risks and charges
The item includes accruals to and any releases to the income statement of the item "Provisions for risks and charges" in statement of financial position liabilities.

Depreciation and net impairment losses on property, plant and equipment
This item includes impairment losses, reversals of impairment losses and depreciation of property, plant and equipment and right-of-use assets acquired through leasing transactions involving the use of items of property, plant and equipment.

Amortisation and impairment losses on intangible assets
This item includes impairment, reversals of impairment losses amortisation of intangible assets and rights-of-use assets acquired through leasing transactions involving the use of intangible assets.

Other operating income and expenses
The item includes amounts that cannot be attributed to the other income statement items indicated above.

Taxes
This item includes current taxes for the year and deferred taxes.

Statement of comprehensive income
The schedule includes income components other than those that make up the income statement, recognised directly in equity for transactions other than those carried out with owners.
Revenue and cost items, in accordance with the provisions of ISVAP Regulation No. 7 of 13 July 2007, are shown net of related tax effects and are broken down into items that can or cannot be reclassified to the income statement.
The comprehensive income is presented in the statement of changes in equity.

Statement of changes in equity
The prospectus, as regulated by ISVAP Regulation No. 7 of 13 July 2007, shows all the changes in shareholders' equity. In particular:

- the item "Change in opening balances" shows the changes made to the closing balances of the previous year in order to correct any errors or to recognise the effects of changes in accounting policies and changes arising due to first-time adoption of IFRS;

- the macro-item "Allocation of profit for the year" shows the profit or loss for the year and the allocation of the profit or loss for the previous year;
- the macro-item "Changes during the year" shows the increases and decreases in share capital and other reserves, internal changes in reserves and changes in profits or losses recognised directly in equity.

Statement of cash flows

The prospectus was prepared using the indirect method and in accordance with ISVAP Regulation No. 7 of 13 July 2007, distinguishing between operating, investing and financing activities.

Use of estimates

In accordance with the IFRS, the preparation of financial statements requires the use of estimates that affect the carrying amounts of assets, liabilities, costs and revenues, as well as the disclosure of contingent assets and liabilities.
For the 2023 consolidated financial statements, the assumptions made are believed to be congruous and appropriate and the consolidated financial statements are believed to be prepared clearly, providing a true and fair view of the financial position, cash flows and financial performance for the year.
In order to make reliable estimates, reference was made to historical experience and other reasonable factors. In particular, estimates were used in:

- determining the present value of cash flows and the non-financial risk component for the purposes of measuring insurance assets and liabilities;
- determining the fair value of financial assets and liabilities, if the fair value is not observable on active markets;
- impairment testing;
- assessing the recoverability of deferred taxes and tax assets;
- the quantification of provisions for risks and charges;
- assessing the costs associated with stock option plans or other forms of share-based payment.

These estimates are reviewed periodically and the effects of changes are reflected in the income statement. However, due to the uncertainty inherent in these financial statement items, their actual values may differ from estimates due to the occurrence of unexpected events or changes in operating conditions.
In the following sections, the disclosures and analyses as required in Paragraph 93 *et seq*. of IFRS 17 are provided, specifically:

- disclosures that enable users of the financial statements to assess the nature and extent of risks deriving from insurance contracts;
- significant judgements made and any changes at the time of application;
- additional information enabling stakeholders to understand the Group's exposure to financial risks and how they are managed.

This is qualitative and quantitative information on exposure to insurance, market, credit and liquidity risk deriving from the use of financial instruments, as well as sensitivity analyses, which highlight the impact of changes in the main financial and insurance variables.

Part C – Information on the statement of financial position

Assets

Item 1. Intangible assets

Intangible assets: composition of assets

(in thousands of euro)

Assets/values	Total 2023 Finite life	Total 2023 Indefinite life	Total 2022 Finite life	Total 2022 Indefinite life
A.1 Goodwill	**X**	**74,323**	**X**	**74,323**
A.1.1 attributable to the owners of the parent	X	74,323	X	74,323
A.1.2 attributable to non-controlling interests	X	-	X	-
A.2 Other intangible assets	**14,092**	**74,323**	**8,748**	**74,323**
A.2.1 Assets measured at cost:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	14,092	-	8,748	-
A.2.2 Assets measured at restated value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**14,092**	**74,323**	**8,748**	**74,323**

Intangible assets include start-up costs and other directly attributable deferred costs, and are recognised in the consolidated financial statements at purchase cost. They are amortised over five years on a straight-line basis according to their expected useful life, deemed appropriate to represent the residual useful life of the assets.
No impairment losses have been recognised.

Goodwill

Goodwill, recognised following the acquisition by REVO SPAC of Elba Assicurazioni S.p.A. in November 2021, amounted to €74,323,000 and was unchanged compared with the end of the previous year.
During the year, no potential indicators of impairment were observed and, in particular, no indicators of a failure to achieve the objectives set out in the Plan or material changes with negative effects for the Group from a technological, market, economic and regulatory viewpoint.

Impairment testing

IAS 36 requires that goodwill be tested for impairment at least once a year to determine whether there is evidence that the carrying amounts of assets may not be fully recoverable.
The impairment testing process involves ascertaining whether there are any indicators that the assets may have become impaired and then determining the amount of any such losses. Impairment indicators can essentially be divided into two categories:

- qualitative indicators, such as the achievement of negative results of operations or, in any case, a significant deviation from budget objectives or targets set out in long-term plans communicated to the market, and the announcement/commencement of bankruptcy procedures or restructuring plans;
- quantitative indicators, consisting of a carrying amount of the entity's net assets that is higher than its market capitalisation, or a carrying amount of the investment in the separate financial statements that is higher than the carrying amount in the consolidated financial statements of the net assets and goodwill of the investee, or the latter's distribution of a dividend that exceeds its total profit.

The portion of the purchase price of Elba Assicurazioni's equity investment, that is higher than the portion at current value (net fair value) of assets and liabilities, was accounted for as goodwill and represents a payment made in anticipation of

future economic benefits deriving from assets that cannot be identified individually and recognised separately. The ancillary costs incurred during the acquisition were charged to the income statement during the year.
In light of the current structure of the REVO Group and future corporate developments, focused, from the point of view of business development, on traditional and parametric insurance, mainly relating to the SME segment, the CGU was identified as the operating business itself, as there are no individual organisational/functional units capable of autonomously producing cash flows independently of each other.
With regard to the determination of value in use, parameters, methodologies and criteria commonly used by operators for this type of assessment have been adopted, such as the methodology of excess capital distributable beyond a certain Solvency Ratio threshold identified within the Company's risk appetite system, the cost of capital and the perpetual growth rate "g", determined on the basis of methodologies commonly used for valuation and forward-looking results based on the latest available economic and financial projections with a time horizon of at least four years.
On the basis of these methodologies, the impairment tests performed at 31 December 2023 were successful and did not entail any need to make write-downs.
Specifically, the cost of capital was determined on the basis of the CAPM (Capital Asset Pricing Model), with particular reference to a beta coefficient attributable to European insurance companies operating in the non-life segment and an equity risk premium attributable to the Italian market. On the basis of these parameters, and taking into account the fact that the Company is still limited in size and the project is still in the development phase, a cost of capital of 8.82% was identified, in addition to a nominal long-term growth rate "g" of 0.5%. For the purposes of quantifying potentially distributable capital, a Solvency Ratio threshold of 130% was identified.
A sensitivity analysis was also conducted, using broader values for the parameters described, including the cost of capital and the growth rate "g" (+/-0.5%) and the Solvency Ratio threshold (range of 120%-160%). This analysis did not indicate any need to recognise any goodwill impairment.

Other intangible assets

Other intangible assets totalled €14,092,000 (€8,748,000 at 31 December 2022).
The item includes multi-year costs of €14,026,000 incurred for the preparation and implementation of software relating to corporate information systems (€7,655,000 at 31 December 2022), advances on intangible fixed assets of €46,000 (€42,000 at 31 December 2022), trademarks, patents and similar rights of €11,000 and start-up and expansion costs of €9,000;
The increase in the item relating to information systems was specifically due to the implementation of the strategic development plan that envisaged substantial IT investments to support and sustain the Group during the business development phase (in particular the change in the accounting management system and the development of the OverX platform, designed, inter alia, to simplify and facilitate underwriting processes).

Intangible assets	Gross carrying amount at 31.12.2022	Accumulated amortisation at 31.12.2022	Change	Amortisation	Accumulated amortisation at 31.12.2023	Net carrying amount at 31.12.2023
Other	15,005	-6,253	8,280	-2,940	-9,193	14,092
Total	**15,005**	**-6,253**	**8,280**	**-2,940**	**-9,193**	**14,092**

Intangible assets: annual changes

(in thousands of euro)

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. Opening balances	74,323	-	-	8,752	-	83,075
A.1 Total amortisation and net impairment losses	-	-	-	-	-	-
A.2 Net opening balances	74,323	-	-	8,752	-	83,075
A.2.a Adjustment of opening balances	-	-	-	-	-	-
B. Increases	-	-	-	8,280	-	8,280
B.1 Purchases	-	-	-	8,280	-	8,280
- Business combinations	-	-	-	-	-	-
- Other purchases	-	-	-	-	-	-
B.2 Increases in internal intangible assets	X	-	-	-	-	-
B.3 Reversals of impairment losses	X	-	-	-	-	-
B.4 Positive changes in restated value	-	-	-	-	-	-
- to statement of comprehensive income	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
Other changes (+)	-	-	-	8,280		8,280
C. Decreases	-	-	-	-2,940		-2,940
C.1 Sales	-	-	-	-	-	-
- Business combinations	-	-	-	-	-	-
- Other sales	-	-	-	-	-	-
C.2 Amortisation and impairment losses	-	-	-	-2,940		-2,940
- Amortisation	X	-	-	-2,940		-2,940
- Impairment losses	-	-	-	-	-	-
+ statement of comprehensive income	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative changes in restated value	-	-	-	-	-	-
- to statement of comprehensive income	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balances	74,323	-	-	14,092		88,415
D.1 Total amortisation and net impairment losses	-	-	-	-9,193	-	-9,193
E. Gross closing balances	74,323	-	-	23,286		97,608
F. Measurement at cost						

Item 2. Property, plant and equipment

Property, plant and equipment: composition of assets

(in thousands of euro)

Assets/values	Assets for own use				Balances pursuant to IAS 2	
	At cost		At restated value			
	2023	2022	2023	2022	2023	2022
1. Own assets	**495**	**475**	**-**	**-**	**-**	**-**
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
c) office furniture and machinery	495	454	-	-	-	-
d) plant and equipment	-	-	-	-	-	-
e) other assets	-	21	-	-	-	-
2. Right-of-use assets	**13,431**	**13,973**	-	-	-	-
a) land	-	-	-	-	-	-
-b) buildings	13,198	13,727	-	-	-	-
c) office furniture and machinery	-	-	-	-	-	-
d) plant and equipment	-	-	-	-	-	-
e) other assets	233	246	-	-	-	-
Total	**13,926**	**14,448**	**-**	**-**	**-**	**-**

At 31 December 2023, property, plant and equipment net of related accumulated depreciation, amounted to €13,926,000. The item includes:

- Property of €13,198,000 relating to rights of use of the properties of the registered office of REVO Insurance at Via dell'Agricoltura 7, Verona, the new operational headquarters at Via Monte Rosa 91, Milan and the new offices at Via Cesarea 12, Genoa. Following the decision to transfer its operational headquarters to Via Monte Rosa 91, Milan on 3 April 2023, the rights to use the old registered office at Via Mecenate 90, Milan were fully amortised on the closing date of the lease agreement, i.e. at the end of April 2023;
- Rights of use relating to vehicles of €233,000;
- Other assets, mainly held by the Parent Company and relating to office furniture and machinery, totalling €495,000.

For details on lease agreements, please refer to the dedicated paragraph in Section F – Other information in these notes.

Property, plant and equipment are recognised at purchase cost and depreciated according to the rates below, which are considered appropriate to reflect the remaining useful life of the assets, in line with the Ministerial Decree of 1988. Depreciation rates are reduced for purchases during the financial year by 50% compared with the rates indicated below, which apply from the year after the first year:

	Rate
Furniture and fixtures	12%
Plant	15%
Other equipment	20%
Electronic machinery	20%
Movable property entered in public registers	25%

The following table shows a breakdown of changes in property, plant and equipment during the year.

Property, plant and equipment for own use: annual changes

(in thousands of euro)

	Land	Buildings	Office furniture and machinery	Plant and equipment	Other tangible assets	Total
A. Gross opening balances	-	13,726	454	-	267	14,447
A.1 Accumulated depreciation and net impairment losses	-	-	-	-	-	-
A.2 Net opening balances	-	13,726	454	-	267	14,447
A.2.a Adjustment of opening balances	-	-	-	-	-	
B. Increases	-	1,114	158	-	112	1,384
B.1 Purchases	-	-	-	-	-	-
- Business combinations	-	-	-	-	-	-
Business combinations – mergers	-	-	-	-	-	-
- Other purchases	-	1,114	158	-	112	1,384
B.2 Capitalised improvement costs	-	-	-	-	-	-
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Positive change in restated value allocated to	-	-	-	-	-	-
a) statement of comprehensive income	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
Foreign exchange difference input (+)	-	-	-	-	-	-
Automatic foreign exchange differences (+)	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other changes	-	-	-	-	-	-
C. Decreases	-	-1,642	-117		-146	-1,905
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	-1,642	-117		-125	-1,884
C.3 Impairment losses recognised in	-	-	-	-	-	-
a) statement of comprehensive income	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in the restated value	-	-	-	-	-	-
a) statement of comprehensive income	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
Foreign exchange difference input (-)	-	-	-	-	-	-
Automatic foreign exchange differences (-)	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	-	-	-	-
b) non-current assets or disposal groups held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-21	-21
D. Net closing balances	-	13,198	495	-	233	13,926
D.1 Accumulated depreciation and net impairment losses	-	-2,280	-849	-	-244	-3,373
D.2 Gross closing balances	-	15,478	1,344	-	477	17,299
E. Measurement at cost						

Item 3. Insurance assets

Insurance assets	31.12.2023	31.12.2022	Change
Cessions to reinsurance classified as assets	68,771	45,805	22,966
Total	**68,771**	**45,805**	**22,966**

Cessions to reinsurance classified as assets, measured according to the simplified PAA method, are detailed below:

	31.12.2023	31.12.2022
Assets for remaining coverage	52,150	43,110
Assets for incurred claims	44,880	15,043
Reinsurance payables	-28,259	-12,348
Total	**68,771**	**45,805**

The change in the "Assets for remaining coverage" item is in line with the evolution of the portfolio and with the reinsurance plan implemented by the Company.
The "Assets for incurred claims" item includes the risk adjustment amount of €2,192,000 for non-insurance risks and the counterparty credit risk totalling €3,000.

The table below shows changes in the carrying amounts of cessions to reinsurance.

Changes in the carrying amount - PAA - of cessions to reinsurance - assets for remaining coverage and for incurred claims

(in thousands of euro)

Items/Breakdown of carrying amount	Asset for remaining coverage 2023		Assets for claims incurred 2023		Total 2023	Asset for remaining coverage 2022		Assets for claims incurred 2022		Total 2022
	Net of loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks		Net of loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risks	
A. Initial carrying amount										
1. Cessions to reinsurance classified as assets	33,418	-	11,360	1,027	45,805	-	-	-	-	-
2. Cessions to reinsurance classified as liabilities		-				-	-	-	-	-
3. Net carrying amount as at 1 January	33,418	-	11,360	1,027	45,805	28,412	-	9,574	1,052	39,038
B. Economic effects related to reinsurance cessions							-			
1. Cost of reinsurance	-81,087	-	-	-	-81,087	-33,967	-	-	-	-33,967
2. Claims and other costs recovered	-	-	38,707		38,707		-	20,666	317	20,982
3. Change in the asset for incurred claims	-	-	28,553	1,165	-29,718		-	3,570	-341	3,229
4. Reinsurance cessions covering onerous contracts	-	-	-	-	-	-	-	-	-	-
4.1 Revenues related to the recognition of onerous underlying ins. contracts	-	-	-	-	-	-	-	-	-	-
4.2 Releases of the loss recovery component other than changes in cash flows of reinsurance cession contracts	-	-	-	-	-	-	-	-	-	-
4.3 Changes in cash flows of reinsurance ceded from onerous underlying insurance contracts	-	-	-	-	-	-	-	-	-	-
5. Effects of change in the risk of default by reinsurers		-					-			
6. Total	-81,087	-	67,260	1,165	-12,662	-33,967	-	24,236	-24	-9,755
C. Result of insurance services (Total B)	-81,087	-	67,260	1,165	-12,662	-33,967	-	24,236	-24	-9,755
D. Financial income/expense	-	-				-	-			
1. Relating to reinsurance cessions	-	-	119		119	-	-	-979	-	-979
1.1. Recognised in profit or loss	-	-	119		119	-	-	-979	-	-979
1.2. Recognised in statement of comprehensive income	-	-	-		-	-	-	-	-	-
2. Effects related to exchange rate fluctuations	-	-	-		-	-	-	-	-	-
3. Total	-	-	119		119	-	-	-979		-979
E. Investment components		-					-			
F. Total amount recognised in profit or loss and other comprehensive income (C+D+E)	-81,087	-	67,379	1,165	-12,584	-33,967	-	23,257	-24	-10,734
G. Other changes	-	-	-		-	-	-	-	-	-
Increases	-	-	-		-	-	-	-	-	-
Decreases		-	-			-	-	-	-	-
Other changes (-)		-	-			-	-	-	-	-
H. Cash movements		-	-			-	-	-	-	-
1. Premiums paid net of amounts not related to claims recov. from reins.	72,892	-	-		72,892	38,974	-	-	-	38,974
2. Amounts recovered from reinsurers		-	37,382		37,382		-	21,471	-	21,471
3. Total	72,892	-	37,382		35,510	38,974	-	21,471	-	21,471
I. Net carrying amount at 31 December (A.3+F+G+H.3)	25,223	-	41,356	2,192	68,771	33,418	-	11,360	1,028	45,807
L. Final carrying amount		-					-			
1. Cessions to reinsurance classified as assets	25,223	-	41,356	2,192	68,771	33,418	-	11,360	1,028	45,807
2. Cessions to reinsurance classified as liabilities		-					-			
3. Net carrying amount at 31 December	25,223	-	41,356	2,192	68,771	33,418	-	11,360	1,028	45,807

Item 4. Investments

Investments	31.12.2023	31.12.2022	Change
Investment property	-	-	
Investments in subsidiaries, associates and joint ventures	3	-	3
Financial assets measured at amortised cost	3,088	4,016	-928
Financial assets measured at fair value through OCI	217,811	181,895	35,916
Financial assets measured at fair value through profit or loss	2,775	2,620	154
Total	**223,677**	**188,531**	**35,146**

The following tables set out the Group's exposures solely to debt securities at 31 December 2023, with a breakdown by geographical area and maturity band. In particular, government bonds are broken down into maturities ranging from 0 to 2 years and 2 to 5 years, while corporate bonds fall mainly within the 2 to 5-year range.
In terms of geographical exposure, government debt securities are mainly Italian government bonds, followed by issues by France, Spain, Germany and supranational entities. The bond issuers in the portfolio are well-diversified geographically between the United States, the United Kingdom, Germany, Spain and elsewhere.

Description	0-2	2-5	> 5	Total
Non-Italian corporate bonds	8,889	20,077	-	28,966
Italian corporate bonds	497	6,243	-	6,740
Non-Italian government bonds	43,739	39,340	12,988	96,067
Italian government bonds	41,610	40,401	3,470	85,481
Total	**94,735**	**106,062**	**16,458**	**217,255**

Years to maturity	0-2	2-5	>5	Total
Non-Italian government bonds	43,739	39,340	12,988	96,067
FR	13,945	5,867	4,712	24,525
ES	8,546	9,055	5,262	22,863
DE	8,966	7,477	1,537	17,980
SNAT	2,438	12,608	1,037	16,082
BE	7,838	-	-	7,838
NL	2,006	4,333	-	6,339
CL	-	-	440	440
Italian government bonds	41,610	40,401	3,470	85,481
IT	41,610	40,401	3,470	85,481
Non-Italian corporate bonds	8,889	20,077	-	28,966
US	6,879	-	-	6,879
UK	516	3,569	-	4,085
DE	502	3,356	-	3,858
ES	-	3,395	-	3,395
FR	-	3,183	-	3,183
BE	-	2,701	-	2,701
NL	-	1,862	-	1,862
CA	-	1,549	-	1,549
AT	992	-	-	992
CZ	-	463	-	463
Italian corporate bonds	497	6,243	-	6,740
IT	497	6,243	-	6,740
Total	**94,735**	**106,062**	**16,458**	**217,255**

The tables relating to exposure by rating subdivided into government securities and corporate bonds are set out below.

Government securities	Amount
AAA	37,497
AA	35,268
A	23,302
BBB	85,481
Total	**181,548**

Corporate securities	Amount
AAA	3,108
AA	1,462
A	13,675
BBB	17,461
Total	**35,706**

Item 4.2 Investments in subsidiaries, associates and joint ventures

Investments in associates

On 19 December 2023, the insurance company acquired a stake in the insurance brokerage company MedInsure S.r.l., consisting of 33% of its share capital. The remaining 67% of the share capital of MedInsure is held by Holborn Underwriting Ltd, a company incorporated under UK law. The parties agreed on the terms of a call option in favour of REVO which, at the end of the fifth year, will have the right to acquire the remaining 67% stake, subject to authorisation by the Supervisory Authority.

Equity investments: information on investment relationships

Progressive Company*	Name	Country of registered office	Country of operational headquarters (1)	Activity (2)	Relationship type (3)	% Direct investment	% 100% interest (4)	% Availability of votes at the ordinary shareholders' meeting (5)
Associates								
2	MedInsure S.r.l	Italy		11	b	33	33	

Significant equity investments: carrying amount, fair value and dividends received

Name	Relationship type	Carrying amount	Fair value	Dividends received
Associates				
MedInsure S.r.l.	b	3	3	-
Total		3	3	-

The mechanism for exercising the above-mentioned call option is representative of practices recognised by the market. At 31 December 2023, this option had a value of zero.
The accounting information and reconciliation of the equity investment valued in these financial statements using the equity method are as follows:

Significant equity investments: accounting information

(in thousands of euro)

Name	Investments	Other assets	Cash and cash equivalents	Insurance liabilities	Financial liabilities	Total revenue	Impairment losses/reversals of impairment losses of PP&E and intangible assets	Loss from continuing operations before tax	Loss from continuing operations after tax	Profit (Loss) from discontinued operations after tax	Loss for the year (1)	Other comprehensive income after tax (2)	Comprehensive expense (3) = (1) + (2)
B. Associates													
MedInsure S.r.l.	-	211	X	-	152	30	X	(143)	(143)	-	(143)	-	(143)

Significant equity investments: reconciliation of carrying amounts

Name	2023 Carrying amount of the investment at the beginning of the year	Comprehensive expense att. to the owners of the parent (+/-)	Dividends received during the year (-)	Carrying amount of the equity investment at the end of the year	2022 Carrying amount of the equity investment at the beginning of the year (T-1)	Comprehensive income att. to the owners of the parent (+/-) (T-1)	Dividends received during the year (-) (T-1)	Carrying amount of the equity investment at the end of the year (T-1)
B. Associates								
MedInsure S.r.l.	-	(143)	-	3	-	-	-	-

(in thousands of euro)

Item 4.3 Financial assets measured at amortised cost

Financial assets measured at amortised cost: composition by type and credit risk stage

(in thousands of euro)

	Carrying amount 2023			Carrying amount 2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Government securities	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-
Loans and receivables:	-	-	-	-	-	-
a) from banks	-	-	-	-	-	-
b) from customers	-	-	-	-	-	-
- mortgage loans	-	-	-	-	-	-
- loans on policies	-	-	-	-	-	-
- other loans and receivables	3,088	-	-	4,016	-	-
Total 2023	3,088	-	-	-	-	-
Total 2022				4,016		

Financial liabilities measured at amortised cost: composition by type and percentage and fair value hierarchy

Items/Values	2023						2022					
	Carrying amount	Comp %	L1	L2	L3	Total fair value	Carrying amount	Comp %	L1	L2	L3	Total fair value
1) Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Government securities	-	-	X	X	X	X	-	-	X	X	X	X
a) listed	-	-	X	X	X	X	-	-	X	X	X	X
b) unlisted	-	-	X	X	X	X	-	-	X	X	X	X
Other debt securities	-	-	X	X	X	X	-	-	X	X	X	X
a) listed	-	-	X	X	X	X	-	-	X	X	X	X
b) unlisted	-	-	X	X	X	X	-	-	X	X	X	X
2) Loans and receivables	3,088	100%	3,088	-	-	3,088	4,016	100%	-	-	4,016	4,016
Total	3,088	100%	3,088	-	-	3,088	4,016	100%	-	-	4,016	4,016

Financial assets measured at amortised cost: gross value and total impairment losses

	Gross value				Impairment losses				Total	Total
	Stage 1	o/w: Assets with low credit risk	Stage 2	Stage 3	Stage 1	o/w: Assets with low credit risk	Stage 2	Stage 3	31.12.2023	31.12.2022
Government securities	-		-	-	-		-	-	-	-
Other debt securities	-		-	-	-		-	-	-	-
Loans and receivables:	3,088		-	-	-		-	-	3,088	4,016
a) with banks	-		-	-	-		-	-	-	-
b) with customers	3088		-	-	-		-	-	3,088	4,016
Total 2023	**3,088**		**-**	**-**	**-**		**-**	**-**	**3,088**	
Total 2022	**4,016**		**-**	**-**	**-**		**-**	**-**	**-**	**4,016**

This category includes financial assets held to collect contractual cash flows, the terms of which give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

The amount of €3,088,000 refers to deposits in escrow accounts designed to secure the obligations assumed by the sellers of Elba Assicurazioni S.p.A. shares to pay indemnities other than those of a tax nature as specified in the share purchase agreement signed on 19 July 2021. The amount deposited is expected to be released by 30 December 2026, as per the escrow agreement of 30 November 2021.
The change recorded in the escrow deposits with respect to 31 December 2022, amounting to approximately €1,000, is due to the release that took place in December 2023 in relation to tax guarantees provided for in the purchase agreement.

Item 4.4 Financial assets measured at fair value through OCI

Financial assets measured at fair value through OCI: composition by type and percentage

(in thousands of euro)

	2023		2022	
	Carrying amount	Comp %	Carrying amount	Comp %
Equity securities	556	0.2%	556	0.3%
a) listed	-	-	-	-
b) unlisted	556	0.2%	556	0.3%
Debt securities	217,254	99.8%	181,339	99.7%
Government securities	181,548	83.4%	153,997	84.7%
a) listed	181,548	83.4%	153,997	84.7%
b) unlisted	-	-	-	-
Other debt securities	35,706	16.4%	27,342	15.0%
a) listed	35,706	16.4%	27,342	15.0%
b) unlisted	-	-	-	-
Other financial instruments	-	-	-	-
Total	217,811	100%	181,895	100%

Financial assets measured at fair value through other comprehensive income totalled €217,811,000 (€181,895,000 at 31 December 2022), showing an increase of €35,916,000, essentially attributable to growth in equity compared with the closing date of the previous year.
This item mainly includes Italian and foreign government bonds, Italian and foreign corporate bonds and other listed fixed-income securities that have passed the SPPI test, amounting to €217,255,000. The bonds in the portfolio are all investment grade securities and therefore all allocated to Stage 1 for the purposes of determining the ECL (expected credit loss); the statement of financial position ECL component relating to these instruments amounts to a total of €149,000.
The item also includes a 9.5% [15] equity investment in Mangrovia Blockchain Solutions S.r.l., acquired in the first half of 2022 and recognised in the financial statements at €556,000. As it is strategic, the Group has decided to designate this investment at fair value through other comprehensive income. Qualitative and quantitative measurements have confirmed the valuation of the equity investment at the amount recognised in the 2022 annual financial statements.

Financial assets valued at fair value through other comprehensive income: gross value and total impairment losses

	Gross value				Total impairment losses					
	Stage 1	o/w: Assets with low credit risk	Stage 2	Stage 3	Stage 1	o/w: Assets with low credit risk	Stage 2	Stage 3	Total 2023	Total 2022
Government securities	181,697	-	-	-	-149	-	-	-	181,548	153,997
Other debt securities	35,706	-	-	-	-	-	-	-	37,706	27,342
Other financial instruments	556	-	-		-	-	-	-	556	556

[15] The equity investment decreased from 10% on 31 December 2022 to 9.5% as a result of the increase in the company's share capital subscribed by the majority shareholder.

Total 2023	**217,96**	**-149**	**217,811**	**181,895**
Total 2022	**181,443**	**-104**	**181,895**	**181,895**

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss	**31.12.2023**	**31.12.2022**	**Change**
- Listed shares	-	-	-
- Debt securities held for trading	-	-	-
- Equity investments	-	-	-
Total financial assets held for trading	-	-	-
- Investment property	-	-	-
- Listed debt securities held - regulated markets	-	-	-
- Time deposits	-	-	-
- Unlisted equity securities measured at fair value	-	-	-
Total financial assets measured at fair value	-	-	-
- Units of UCIs	2,775	2,620	155
Total other financial assets compulsorily measured at fair value	2,775	2,620	155
Total	**2,775**	**2,620**	**155**

At 31 December 2023, the amount of €2,775,000 (€2,620,000 at 31 December 2022) is exclusively attributable to "Financial assets compulsorily measured at fair value", which exclusively comprises mutual fund units held by the Group. There are no "Financial assets designated at fair value" or "Financial assets held for trading" in the portfolio.
This item shows a slight increase of €155,000, due exclusively to the recovery in the value of the UCI in the portfolio recorded during the year.

At 31 December 2023, there were no Group financial investment exposures to Russia and Ukraine. The table below shows the product breakdown by type and percentage.

Financial assets measured at fair value through profit or loss: composition by type and percentage

(in thousands of euro)

Items/Values	Financial assets held for trading				Financial assets designated at fair value				Financial assets compulsorily measured at fair value			
	2023		2022		2023		2022		2023		2022	
	Carrying amount	Comp %	Carrying amount	Comp %	Carrying amount	Comp %	Carrying amount	Comp %	Carrying amount	Comp %	Carrying amount	Comp %
Equity securities	-		-		-		-		-		-	
a) listed	-	-	-	-	-	-	-	-	-	-	-	-
b) unlisted	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Own financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
a) listed	-	-	-	-	-	-	-	-	-	-	-	-
b) unlisted	-	-	-	-	-	-	-	-	-	-	-	-
Units of UCIs	-	-	-	-	-	-	-	-	2,775	100%	2,620	100%
Non-hedging derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	2,775	100%	2,620	100%

Item 5. Other financial assets

Other financial assets	31.12.2023	31.12.2022	Change
Receivables from agents and brokers	3,904	3,795	109
Other receivables	320	40	280
Total	**4,224**	**3,835**	**388**

At 31 December 2023, miscellaneous receivables amounted to €4,224,000 (€3,835,000 at 31 December 2022), representing an increase of €388,000.
Receivables from intermediaries are essentially in line with the amount present at 31 December 2022.
The nature of the receivables, their amount and the collection of a large portion limit the relative credit risk for the Group.

Item 6. Other assets

Other assets	31.12.2023	31.12.2022	Change
Non-current assets held for sale or disposal groups	-	-	-
Deferred tax assets	3,046	7	3,039
Current tax assets	493	5,395	-4,902
Sundry assets	16,159	13,647	2,512
Total	**19,698**	**19,049**	**649**

Other assets refer to:

- Current tax assets for tax payments on account of €493,000 (€5,395,000 in 2022). The change is linked to the loss for the 2022 financial year, which had generated current tax assets;
- Deferred tax assets of €3,046,000 consisted of receivables from tax authorities for prepaid taxes of €8,998,000 - €5,306,000 at 31 December 2022. The increase mainly due to the increase in business and the change in the net claims provision, and deferred tax liabilities of -€5,952,000 due to differences generated by the adoption of the IFRS which, in accordance with IAS 12.74, were offset, as they refer to the same type of tax;
- Sundry assets of €16,159,000, mainly consisting of receivables for the tax advance on premiums of €14,437,000 (€11,375,000 at 31 December 2022). The trend in this item is related to the strong growth in the Company's premiums in 2022 compared with 2021, prepaid costs of €1,398,000, receivables from tax authorities for VAT and withholding tax on interest of €110,000 and other receivables of €214,000.

Item 7. Cash and cash equivalents

Cash and cash equivalents	31.12.2023	31.12.2022	Change
Cash and cash equivalents	6,402	4,652	1,750
Total	**6,402**	**4,652**	**1,750**

Cash and cash equivalents showed a balance of €6,402,000 at 31 December 2023 (€4,652,000 at 31 December 2022).
This item consists exclusively of bank current accounts and cash.

Liabilities

Item 1. Equity

Shareholders' equity	31.12.2023	31.12.2022	Change
Share capital	6,680	6,680	-
Other equity instruments	-	-	-
Equity-related reserves	170	170	-
Income-related reserves and other reserves	221,049	214.854	6,195
(Treasury shares)	-7,803	+ 1.247%	-6,556
Valuation reserves	-5,037	-10,154	5,117
Profit for the year attributable to the owners of the parent	10,566	6,193	4,373
Total equity attributable to the owner of the parent	*225,625*	*216,495*	*9,129*
Share capital and reserves - non-controlling interests	-	-	-
Gains or losses recognised directly in equity	-	-	-
Profit (loss) for the year attributable to non-controlling interests	-	-	-
Total equity attributable to non-controlling interests	-	-	-
Total	**225,625**	**216,495**	**9,129**

At 31 December 2023, €6,680,000 of the share capital was subscribed and paid up, and it consisted of 24,619,985 ordinary shares and 710,000 special shares convertible to ordinary shares subject to the conditions laid down in Article 5.8 of the Articles of Association.

At 30 June 2023, the Group held 850,700 treasury shares, amounting to €7,803,000 (around 3.46% of the share capital, including only ordinary shares). The Group did not sell any own shares during the year.

The "Valuation reserves" item, amounting to -€5,037,000, includes the costs of -€4,160,000 incurred by REVO for the listing, the adjustment pursuant to IAS 19 of the post-employment benefits of -€13,000 and the adjustment of €1,837,000 arising from the application of IFRS 2 relating to the portion of the fair value of the three-year incentive plan described below, as well as the -€2,701,000 change in financial assets measured at fair value through other comprehensive income and relating to the IFRS 9 adjustments.

Share capital - number of parent company shares: annual changes

(in thousands of euro)

Items/Types	Ordinary	Other
A. Existing shares at the beginning of the year	24,619,985	-
- fully paid up	24,619,985	-
- not fully paid up	-	-
A.1 Treasury shares (-)	-140,953	-
A.2 Shares outstanding: opening balances	24,479,032	710,000
Changes in opening balances	-	-
B. Increases	-	-
B.1 New issues	-	-
- payment	-	-
- business combinations	-	-
- conversion of bonds	-	-
- warrant exercise	-	-
- other	-	-
- bonus	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
Business combinations - external	-	-
Business combinations - internal	-	-
Business combinations - mergers	-	-
- Other changes (+)	-	-

Foreign exchange difference input (+)	-	-
Automatic foreign exchange differences (+)	-	-
Change in scope of consolidation (+)	-	-
Change in method and % of consolidation (+)	-	-
C. Decreases	-709,747	-
C.1 Cancellation	-	-
C.2 Repurchase of treasury shares	-709,747	-
C.3 Business disposal transactions	-	-
C.4 Other changes	-	-
Business combinations - external	-	-
Business combinations - internal	-	-
- Other changes (-)	-	-
Foreign exchange difference input (-)	-	-
Automatic foreign exchange differences (-)	-	-
Change in scope of consolidation (-)	-	-
Change in method and % of consolidation (-)	-	-
D. Outstanding shares: closing balances	23,769,285	710,000
D.1 Treasury shares (+)	850,700	-
D.2 Shares existing at the end of the year	24,619,985	710,000
- fully paid up	24,619,985	710,000
- not fully paid up		

In the first half of 2022, the Company announced a plan to allot bonus ordinary shares, named the "2022-2024 Performance Share Plan" (the "Plan"), reserved for the Chief Executive Officer and employees of the Company who perform significant roles or functions and for which an action is justified that will strengthen their loyalty with a view to creating value.
The Plan was approved by the Company's Shareholders' Meeting of 4 April 2022.
The allotment of shares is subject to verification by the Board of Directors, for the year ending 31 December 2024, of a consolidated Solvency II Ratio higher than 130%, while the number of shares to which each beneficiary is entitled will depend on the number of rights allotted to each beneficiary, the level of performance targets achieved by the Company as defined in the Plan rules and the weighting attributed to individual targets.
Beneficiaries will be required to hold 50% of the shares received in each tranche for at least one year from the allotment date.

The following table sets out the reconciliation of equity:

	Share capital and reserves	Profit for for the year	Equity
Balances of REVO Parent Company – Local GAAP	211,144	5,830	216,974
IFRS Parent Company adjustment	-	-	-
- 2021 IFRS adjustment	52	-	52
- Treasury shares	-7,803	-	-7,803
- OCI reserve	-3,861	-	-3,861
- Local supplementary reversal	3,249	1,862	3,249
- Valuation of securities portfolio under IFRS 9	6,138	-2,189	6,138
- Retained earnings reserve	221	-	221
- Amortisation of value of acquisition of Elba Ass. portfolio (formerly VoBA)	-6,491	-2,583	-6,491
- Valuation of post-employment benefits	-127	23	-127
- Valuation of agency severance indemnity	678	-164	678
- Property under IFRS 16	-1,971	-1,587	-1,971
- LTI	-	-1,659	-
- Write-off of improvements to third-party assets	185	95	185
- Reclassification of Mangrovia impairment loss	-	-	-
- IFRS 17 valuations - LIC and AIC discounting	1,973	731	1,973
- IFRS 17 valuations - RA	-2,169	-729	-2,169
- Reversal of amortisation of calculated intangible value (CIV) of goodwill	17,808	8,904	17,808

- Tax effects related to the above consolidation adjustments	670	1,911	670
Balances of Parent Company – IFRS	219,696	10,445	225,526
Elimination of carrying amount of consolidated equity investments:	-	-	-
- Local GAAP results achieved by investee REVO Underwriting	99	120	99
Equity and profit attributable to the owners of the parent	219,795	10,565	225,625
Equity and profit attributable to non-controlling interests	-	-	-
Equity and profit as per the consolidated financial statements	**219,795**	**10,565**	**225,625**

Earnings per share

Basic earnings per share was calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the period.

(amounts in euro)	**31.12.2023**
Profit for the year	10,565,625
Weighted average no. of shares	24,619,985
Average earnings per share	**0.42**

Diluted earnings per share reflects any dilutive effect of potential ordinary shares.

(amounts in euro)	**31.12.2023**
Profit for the year	10,565,625
Weighted average no. of shares [16]	29,305,985
Diluted earnings per share	**0.36**

Dividends

No dividends were distributed during 2023.

Item 2. Provisions for risks and charges

Provisions for risks and charges	**31.12.2023**	**31.12.2022**	**Change**
Provisions for risks and charges	2,987	3,243	-256
Total	**2,987**	**3,243**	**-256**

At 31 December 2023, this item includes provisions for future risks amounting to €2,987,000 (€3,243,000 at 31 December 2022) that refer, in accordance with IAS 37, to all future risks arising from potential terminations of agency relationships existing at 31 December 2023 (the "TFM provision", amounting to €2,856,000 at 31 December 2022).

It should be noted that in 2023, the allocation of €200,000 recognised at 31 December 2022 was fully utilised following the settlement of a non-insurance dispute, and that with regard to the payment order relating to a counterfeit surety policy, it was decided to release the allocated amount of €120,000, following the expert report ordered by the judge, who accepted the argument that the signatures on the surety policy were not authentic.

The agents' end-of-service provision benefited from the review of mandate agreements with the new agencies, which began in 2022, in order to determine and maintain provisions in the financial statements for the part within the Company's remit not covered by an appropriate indemnity, and was affected by the utilisation of €31,000 to pay some agencies that reached the end of their mandates.

Item 3. Insurance liabilities

[16] The weighted average number of outstanding shares is calculated by adding to the weighted average of outstanding ordinary shares the number of ordinary shares in the event of conversion of special shares at the established conversion rate.

Insurance liabilities	31.12.2023	31.12.2022	Change
Insurance contracts written classified as liabilities	156,330	101,365	-54,965
Cessions to reinsurance classified as liabilities	-	-	-
Total	**156,330**	**101,365**	**-54,965**

Liabilities relating to insurance contracts classified as liabilities, measured according to the simplified PAA method, are detailed below:

Insurance contracts classified as liabilities	31.12.2023	31.12.2022
Liability for remaining coverage	133,125	107,344
- o/w non-distinct investment component	*53*	*34*
Loss component	-	-
Net flows attributable to the value paid for the acquisition of Elba Assicurazioni (ex. VoBA)	-6,463	-9,046
Total LRC	126,662	98,298
Liability for incurred claims (PVFCF)	83,552	35,551
Risk adjustment	4,348	2,455
Total LIC	87,900	38,006
Receivables from policyholders	-41,062	-36,545
Amounts to be recovered	-25,033	-5,319
Commissions for premiums in the process of collection	7,863	6,925
Total	**156,330**	**101,365**

The liability for remaining coverage includes the value of business acquired which, following the business combination in November 2022, was allocated to reduce future risk liabilities by €6,463,000 at 31 December 2023.
The liability for incurred claims includes the present value of future cash flows (PVFCF) of €83,552,000 and the risk adjustment for non-insurance risks of €4,348,000 (5.2% of the value of PVFCF).

Carrying amount dynamics - PAA - of insurance contracts written - liability for remaining coverage and for claims incurred

(in thousands of euro)

Items/Liabilities	Liability for remaining coverage 2023		Liabilities for claims incurred 2023		Total 2023	Liability for remaining coverage 2022		Liabilities for claims incurred 2022		Total 2022
	Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks		Net of loss	Loss	Present value of cash flows	Adjustment for non-financial risks	
A. Initial carrying amount										
1. Ins. contracts written that are classified as liabilities	68,676	-	30,233	2,455	101,364	-	-	-	-	-
2. Ins. contracts written that are classified as assets	-	-	-	-	-	-	-	-	-	-
3. Net carrying amount as at 1 January	68,676	-	30,233	2,455	101,364	55,261	-	22,782	2,333	80,375
B. Insurance revenues	-148,949	-			-148,949	-68,732	-			-68,732
C. Costs of insurance services										
1. Incurred claims and other directly att. costs	-	-	94,210	-	94,210		-	28,437		28,437
2. Change in liability for incurred claims	-	-	22,574	1,893	24,467		-	11,374	122	11,496
3. Losses and related recoveries on onerous contracts	-	-					-			
4. Amortisation of contract acquisition costs	-	-					-			
5. Total	-	-	116,784	1,893	118,677		-	39,811	122	39,933
D. Result of insurance services (B+C)	-148,949	-	116,784	1,893	-30.272	-68,732	-	39,811	122	-28,799
E. Net financial income/expense	-	-					-			
1. Relating to insurance contracts written	-	-	393	-	393	-	-	-2,311	-	-2,311
1.1 Recognised in profit or loss	-	-	393	-	393	-	-	-2,311	-	-2,311
1.2 Recognised in other comprehensive income	-	-	-	-	-	-	-	-	-	-
2. Effects related to exchange rate fluctuations	-	-	-	-	-	-	-	-	-	-
3. Total	-	-	393		393		-	-2,311		-2,311
F. Investment components	-	-					-			
G. Total amount recognised in profit or loss and other comprehensive income (D+E+F)	-148,949	-	117,178	1,893	-29,878	-68,732	-	37,500	122	-31,110
H. Other changes	-	-	-	-	-	-9	-	-	-	-
I. Cash movements		-	-	-			-	-	-	-
1. Premiums received	209,138	-	-	-	209,138	102,559	-	-	-	102,559
2. Payment related to acquisition costs of contracts	-35,401	-	-	-	-35,401	-20,403	-	-	-	-20,403
3. Claims paid and other cash outflows		-	-88,894	-	-88,894		-	-35,396	-	-35,396
4. Total	173,737	-	-88,894	-	82,989	82,156	-	-35,396	-	46,759
L. Net carrying amount at 31 December (A.3+G+H+I.4)	93,464	-	58,518	4,348	156,330	68,676	-	30,233	2,455	101,364
M. Final carrying amount							-			
1. Ins. contracts written that are classified as liabilities	93,464	-	58,518	4,348	156,330	68,676	-	30,233	2,455	101,364
2. Ins. contracts written that are classified as assets	-	-	-		-		-			
3. Net carrying amount at 31 December	93,464	-	58,518	4,348	156,330	68,676	-	30,233	2,455	101,364

Insurance contracts written – Claims development net of reinsurance (non-life segment)

(in thousands of euro)

Claims/Time bands	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
A. Cumulative claims paid and other directly attributable costs paid											
1 At the end of the year of occurrence	-4,346	-6,194	-8,021	-7,290	-7,426	-8,905	-6,528	-6,945	-7,123	-28,170	x
2. One year later	-7,608	-9,817	-14,660	-9,928	-10,035	-19,066	-9,545	-8,521	-41,503	x	x
3. Two years later	-8,313	-10,426	-14,984	-10,521	-10,311	-19,689	-10,353	-10,006	x	x	x
4. Three years later	-8,483	-10,588	-15,693	-10,769	-11,683	-20,542	-10,624	x	x	x	x
5. Four years later	-8,731	-10,913	-15,874	-11,043	-13,875	-20,667	x	x	x	x	x
6. Five years later	-8,184	-11,858	-16,073	-12,354	-14,007	x	x	x	x	x	x
7. Six years later	-9,300	-12,078	-16,122	-12,677	x	x	x	x	x	x	x
8. Seven years later	-9,494	-13,005	-16,370	x	x	x	x	x	x	x	x
9. Eight years later	-9,812	-13,078	x	x	x	x	x	x	x	x	x
10. Nine years later	-9,852	x	x	x	x	x	x	x	x	x	x
Total cumulative claims paid and other directly att. costs paid (Tot. A)	-85,123	-97,957	-117,797	-74,582	-67,337	-88,869	-37,050	-25,472	-48,626	-28,170	-670,983
B. Estimated final cost of cumulative claims (amount gross of cessions to reinsurance and not discounted)											
1 At the end of the year of occurrence	-4,737	-5,597	-8,612	-6,612	-7,057	-14,339	-7,063	-8,876	-12,024	-5,804	x
2. One year later	-2,013	-2,074	-4,283	-3,720	-2,932	-4,837	-4,092	-8,092	-11,110	x	x
3. Two years later	-1,703	-1,930	-4,130	-2,935	-2,103	-3,071	-4,161	-7,527	x	x	x
4. Three years later	-1,199	-1,662	-3,261	-2,675	-1,952	-3,376	-4,650	x	x	x	x
5. Four years later	-841	-1,988	-3,091	-1,870	-2,071	-3,481	x	x	x	x	x
6. Five years later	-390	-1,252	-2,316	-1,345	-2,147	x	x	x	x	x	x
7. Six years later	-331	-2,469	-2,307	-1,386	x	x	x	x	x	x	x
8. Seven years later	-356	-1,695	-1,910	x	x	x	x	x	x	x	x
9. Eight years later	-288	-1,740	x	x	x	x	x	x	x	x	x
10. Nine years later	-297	x	x	x	x	x	x	x	x	x	x
Estimated final cost of gross cumulative claims not discounted at the reporting date (Total B)	-12,155	-20,407	-29,910	-20,543	-18,262	-29,104	-19,966	-24,495	-23,134	-54,804	252,780
C. Liabilities for undiscounted gross claims incurred - year of occurrence from T to T-9 (Total B – Total A)	72,968	77,550	87,887	54,039	49,075	59,765	17,084	977	25,492	-26,634	418,203
D. Liabilities for undiscounted gross claims incurred - years prior to T-9	x	x	x	x	x	x	x	x	x	x	440
E. Discounting effect	x	x	x	x	x	x	x	x	x	x	-5,940
F. Effect of adjustment for non-financial risks	x	x	x	x	x	x	x	x	x	x	-4,348
G. Liabilities for claims incurred gross of insurance contracts written	x	x	x	x	x	x	x	x	x	x	-62,866

Insurance contracts written – Claims development net of reinsurance (non-life segment)

(in thousands of euro)

Claims/Time bands	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
A. Cumulative claims paid and other directly att. costs paid											
1 At the end of the year of occurrence	-2,203	-3,105	-4,014	-3,664	-3,813	-4,223	-3,282	-3,528	-4,806	-24,914	x
2. One year later	-3,860	-4,944	-7,457	-5,037	-5,054	-8,487	-4,886	-4,464	-34,022	x	x
3. Two years later	-4,248	-5,284	-7,642	-5,350	-5,218	-8,873	-5,308	-29,096	x	x	x
4. Three years later	-4,343	-5,379	-8,020	-5,480	-5,922	-9,300	-5,526	x	x	x	x
5. Four years later	-4,473	-5,564	-8,115	-5,623	-7,029	10,224	x	x	x	x	x
6. Five years later	-4,702	-6,062	-8,249	-6,281	-7,113	x	x	x	x	x	x
7. Six years later	-4,764	-6,196	-8,275	-6,568	x	x	x	x	x	x	x
8. Seven years later	-4,865	-6,674	-8,499	x	x	x	x	x	x	x	x
9. Eight years later	-5,032	-6,727	x	x	x	x	x	x	x	x	x
10. Nine years later	-5,070	x	x	x	x	x	x	x	x	x	x
Total cumulative claims paid and other directly att. costs paid (Total A)	-43,559	-49,933	-60,271	-38,003	-34,149	-20,659	-19,003	-37,088	-38,828	-24,912	-366,407
B. Estimated final cost of cumulative claims (amount gross of cessions to reinsurance and not discounted)											
1 At the end of the year of occurrence	-2,466	-2,921	-4.510	-3,405	-3,390	-6,450	-3,830	-5,208	-7,303	-23,369	x
2. One year later	-1,174	-1,153	-2,464	-1,958	-1,546	-2,562	-2,253	-4,722	-7,327	x	x
3. Two years later	-1,081	-1,080	-2,347	-1,527	-1,142	-1,569	-2,483	-4,384	x	x	x
4. Three years later	-779	-888	-1,863	-1,419	-1,043	-1,734	-2,811	x	x	x	x
5. Four years later	-466	-1,037	-1,797	-1,015	-1,135	-1,730	x	x	x	x	x
6. Five years later	-221	-669	-1,394	-768	-1,198	x	x	x	x	x	x
7. Six years later	-174	-1,122	-1,391	-816	x	x	x	x	x	x	x
8. Seven years later	-191	-762	-1,131	x	x	x	x	x	x	x	x
9. Eight years later	-167	-810	x	x	x	x	x	x	x	x	x
10. Nine years later	-176	x	x	x	x	x	x	x	x	x	x
Estimated final cost of gross cumulative claims not discounted at the reporting date (Total B)	-6,895	-10,442	-16,898	-10,910	-9,454	-14,046	-11,377	-14,314	-14,629	-23,369	-132,335
C. Liabilities for undiscounted gross claims incurred - year of occurrence from T to T-9 (Total B – Total A)	36,664	39,491	43,374	27,093	24,695	6,612	7,626	22,773	24,199	1,544	234,072
D. Liabilities for undiscounted net claims - years prior to T-9	x	x	x	x	x	x	x	x	x	x	-267
E. Discounting effect	x	x	x	x	x	x	x	x	x	x	-3,154
F. Effect of adjustment for non-financial risks	x	x	x	x	x	x	x	x	x	x	-2,156
G. Liabilities for claims incurred net of insurance contracts written	x	x	x	x	x	x	x	x	x	x	-19,318

Item 4. Financial liabilities

Financial liabilities	31.12.2023	31.12.2022	Change
Financial liabilities measured at fair value through profit or loss	-	-	-
Financial liabilities held for trading	-	-	-
Financial liabilities designated at fair value	-	-	-
Financial liabilities measured at amortised cost	14,503	14,448	55
Total	**14,433**	**14,448**	**55**

At 31 December 2023, financial liabilities amounted to €14,503,000. This item includes, exclusively, lease liabilities pursuant to IFRS 16, and includes liabilities relating to the rental of:

- Viale dell'Agricoltura, 7 in Verona;
- Via Monte Rosa 91, Milan;
- Via Cesarea 17, Genoa.

The amount also includes lease liabilities for company cars amounting to €239,000.
The table below shows the breakdown by type, percentage composition and fair value hierarchy.

Financial liabilities measured at amortised cost: composition by type and percentage and fair value hierarchy

(in thousands of euro)

Items/Values	2023						2022					
	Carrying amount	Comp %	L1	L2	L3	Total fair value	Carrying amount	Comp %	L1	L2	L3	Total fair value
Participating financial instruments												
Subordinated liabilities												
Debt securities issued												
Other loans obtained	14,503	100%					14,448	100%				
- from banks			x	x	x	x			x	x	x	x
- from customers	14,503	100%	x	x	x	x	14,448	100%	x	x	x	x
Total	14,503	100%					14,448	100%				

Item 5. Payables

Payables	31.12.2023	31.12.2022	Change
Trade payables	3,719	4,694	-975
Invoices to be received	304	3,413	-3,109
Miscellaneous payables	9,987	9,457	530
Post-employment benefits	750	602	148
Total	**14,760**	**18,166**	**-3,406**

Trade payables include invoices not yet paid at year end.
Invoices to be received show a substantial decrease, mainly due to contracts entered into for activities carried out in 2022, for which an invoice had not yet been received.
Miscellaneous payables include, *inter alia*:

- the amount of payables to intermediaries for commission bonuses and additional commissions of €5,956,000 (€4,025,000 at 31 December 2022). This amount is closely linked to the strong growth in production, the growth in the lines of business and the technical trend underlying the determination of this item;
- the portion still to be paid to the shareholders of Elba Assicurazioni following the acquisition of the Company by REVO S.p.A. of €2,998.

Item 6. Other liabilities

Other liabilities	31.12.2023	31.12.2022	Change
Liabilities of disposal groups	-	-	-
Deferred tax liabilities	-	275	-275
Current tax liabilities	2,012	-	2,012
Sundry liabilities	8,896	5,395	3,501
Total	10,908	5,670	5,238

Current tax liabilities, amounting to €2,012,000 (zero at December 2022), include €1,963,000 relating to Parent Company corporation tax payable for 2023, not present at 31 December 2022, and €49,000 in current taxes on the result of subsidiary REVO Underwriting.
Sundry liabilities amounted to €8,896,000 and refer to:

- €2,932,000 in tax liabilities on insurance premiums;
- €667,000 in tax liabilities relating to withholdings and VAT;
- €1,222,000 relating to provisions for invoices to be received;
- €3,215,000 in payables relating to employees;
- €860,000 in various contributions (employee and INAIL (National Institution for Insurance against Accidents at Work)).

Part D – Information on the income statement

Result of insurance services

Item 1. Insurance revenue deriving from insurance contracts written

Insurance revenues deriving from insurance contracts written	31.12.2023	31.12.2022	Change
LFRC release	148,949	68,732	80,217
Total	**148,949**	**68,732**	**80,217**

The following table provides a breakdown of insurance revenues deriving from insurance contracts written:

Items	31.12.2023	31.12.2022
Gross premiums written	216,241	131,388
LRC release for the period	179,955	91,087
LRC change due to premiums for the period	-213,602	-133,472
Earned premiums	182,595	89,003
Depreciation of value of acquired portfolio (ex. VoBA)	-2,583	-3,909
Non-distinct investment component	-275.	-63
Earned premiums net of the value of the acquired portfolio (ex. VoBA) and investment component	179,737	85,031
Commissions	-38,673	-25,827
LRC release - part for commissions	-39,842	-29,072
Change in LRC due to commissions for the period	47,727	38,601
Commissions for the period	-30,788	-16,298
Insurance revenue deriving from insurance contracts written	**148,949**	**68,732**

The item "Insurance revenues deriving from insurance contracts written" amounted to €148,949,000, comprising €179,737,000 in gross premiums earned (€85,031,000 at 31 December 2022) and €30,788,000 in commissions for the period (€16,298,000 at 31 December 2022).
There was a significant increase in gross premiums earned (+64.6% compared with 31 December 2022), due to:

- the launch of new products on the market, partly due to the expansion into the new classes;
- expansion of the distribution network, which as at 31 December 2023 consisted of 111 multi-firm agents (116 at 31 December 2022) and 67 brokers (53 at 31 December 2022).

During the period there was an increase not only in Suretyship (+16,3% compared with 2022), which remained the main business class, but also a significant increase in the other portfolios, which more than doubled their premium volumes, mainly due to the impetus provided by the expansion of the product range and the distribution network.
At the end of the year, the insurance portfolio was more diversified, with the Suretyship class representing 39.4% of total earned premiums (55.7% at 31 December 2022), due to greater exposure to the other portfolios, the percentage of which increased from 44.3% at 31 December 2022 to 60.6% at 31 December 2023.

For further comments on business performance in 2023, please see the relevant section of the Report on Operations.

Item 2. Costs of insurance services deriving from insurance contracts written

Costs of insurance services deriving from insurance contracts written	31.12.2023	31.12.2022	Change
Costs of insurance services deriving from insurance contracts written	118,678	45,252	73,426
Total	**118,678**	**45,252**	**73,426**

The following table provides a breakdown of costs of insurance services deriving from insurance contracts written:

Items	31.12.2023	31.12.2022
Amounts paid	67,288	15,985
Change in LIC - PVFCF	47,607	11,376

Change in risk adjustment	1,893	122
Loss component	-	-
Non-distinct investment component	-256	-29
Amounts recovered	-16,858	-5,915
Amounts to be recovered	-19,714	-1,615
Insurance costs excluding operating expenses and other technical expenses	79,962	19,925
Expenses directly attributable to insurance contracts	34,593	24,231
Balance of other technical expenses/income	4,123	1,096
Insurance costs deriving from insurance contracts written	**118,677**	**45,252**

Costs of insurance services increased by a total of €73,426,000.
The overall performance of claims-related expenses at 31 December, measured in terms of loss ratio was, although increasing, appropriate in view of the development and diversification of other lines of production, standing at 42.0% [17], compared with 20.3% in 2022.
In absolute terms, the costs of insurance services provided by insurance contracts written increased, mainly due to the effect of the Property portfolio (€26,164,000), the MAT Specialty lines portfolio which although negligible in 2022, recorded an increase of €24,760,000 caused by the reporting of six large claims for a claims-related expense net of reinsurance of approximately €2,790,000, and the Agro portfolio, which recorded an increase of €12,751,000, linked both to the development of the business underwritten and to the weather events that occurred during 2023, causing substantial damage to crops.
The technical performance of the Suretyship portfolio was, once again, particularly profitable, with an increase of €375,000 in insurance costs compared with 2022 and a ratio of claims for the year to insurance revenue net of reinsurance unchanged compared with 2022 at 12.5%.

With regard to the largest claims [18], the following should be noted:

- ten claims relating to cover underwritten in 2022, of which six occurred in 2023, with an overall negative impact of €8,577,000 and €4,129,000 net of reinsurance (five relating to the Property LOB for €2,289,000 net and five relating to the Engineering LOB for €1,840,000, both of which relate to the Property portfolio);
- seven claims incurred in 2023 relating to the Bond portfolio with a total negative impact of €5,072,000 and €2,603,000 net of reinsurance;
- six open claims relating to the MAT portfolio in 2023 and concerning cover underwritten in 2022 and 2023, with an overall negative impact of €7,736,000 and €2,790,000 net of reinsurance;
- a claim in 2023 relating to the General liability portfolio with an overall negative impact of €502,000 and €301,000 net of reinsurance.

The claims provision was strengthened by setting aside a higher IBNR, net of reinsurance, of €2,916,000, and €1,628,000 net of reinsurance, the result of a normal increase in overall business.

[17] The loss ratio is obtained by comparing claims from direct and indirect business with insurance revenue before commissions and the value of the portfolio acquired (ex. VoBA).
[18] With an impact net of reinsurance of more than €200,000.

Insurance revenues and costs deriving from insurance contracts written – Composition

(in thousands of euro)

Items/Bases of aggregation	Base A1 2023	Basis A2 2023	Basis A5 2023	Total 2023	BASE A1 2022	BASIS A2 2022	BASIS A5 2022	Total 2022
A. Ins. revenues der. from ins. con. written measured on the basis of the GMM and the VFA	-	-	-	-	-	-	-	-
A.1 Amounts related to changes in assets for remaining coverage	-	-	-	-	-	-	-	-
1. Incurred claims and other expected costs for ins. services	-	-	-	-	-	-	-	-
2. Changes in the adjustment for non-financial risks	-	-	-	-	-	-	-	-
3. Contractual service margin recorded in profit or loss for services provided	-	-	-	-	-	-	-	-
4. Other amounts	-	-	-	-	-	-	-	-
A.2 Acquisition costs of ins. con. recovered	-	-	-	-	-	-	-	-
A.3 Total insurance revenues deriving from insurance contracts written measured on the basis of the GMM or VFA	-	-	-	-	-	-	-	-
A.4 Total insurance revenue deriving from insurance contracts written measured on the basis of the PAA	-	-	-	148,949		-	-	68,666
- Life segment	X	X	X		X	X	X	
- Non-Life segment – Motor [19]	X	X	X	856	X	X	X	
- Non-Life segment – Non-Motor	X	X	X	148,093	X	X	X	68,666
A.5 Total insurance revenues deriving from insurance contracts written	-	-	-	148,949	-	-	-	68,666
B. Costs of insurance services deriving from insurance contracts written – GMM or VFA	-	-	-	-	-	-	-	-
1. Incurred claims and other directly attributable costs	-	-	-	-	-	-	-	-
2. Change in liability for incurred claims	-	-	-	-	-	-	-	-
3. Losses on onerous contracts and recovery of such losses	-	-	-	-	-	-	-	-
4. Amortisation of the acquisition expenses of ins. contracts	-	-	-	-	-	-	-	-
5. Other amounts	-	-	-	-	-	-	-	-
B.6 Total costs of insurance services deriving from insurance contracts written – GMM or VFA	-	-	-	-	-	-	-	-
B.7 Total costs of insurance services deriving from insurance contracts written measured on the basis of the PAA	-	-	-	-118,678	-	-	-	-45,252
- Life segment	X	X	X		X	X	X	
- Non-Life segment – Motor	X	X	X	-1,003	X	X	X	
- Non-Life segment – Non-Motor	X	X	X	-117,675	X	X	X	-45,252
C. Total net costs/revenue deriving from insurance contracts written (A.5+B.6+B.7)				30,271				23,414

[19] In the non-life segment, only the Land Vehicles LOB is included.

Item 3. Insurance revenues deriving from cessions to reinsurance

Insurance revenue from cessions to reinsurance	31.12.2023	31.12.2022	Change
Insurance revenue from cessions to reinsurance	69,749	24,211	45,538
Total	**69,749**	**24,211**	**45,538**

The following table provides a breakdown of the item for 2023 compared with 2022:

Insurance revenues from cessions to reinsurance	31.12.2023	31.12.2022
Amounts paid ceded net of recoveries	11,611	3,286
Amounts recovered	1,324	-807
Change in AIC	28,553	3,570
Change in risk adjustment	1,165	-25
Reinsurers' share of commissions payable	39,075	26,197
Non-distinct investment component	-11,980	-8,011
Total	**69,749**	**24,211**

Item 4. Costs of insurance services deriving from cessions to reinsurance

Costs of insurance services deriving from cessions to reinsurance	31.12.2023	31.12.2022	Change
Costs of insurance services deriving from cessions to reinsurance	81,087	33,967	47,120
Total	**81,087**	**33,967**	**47,120**

The following table provides a breakdown of the item for 2023 compared with 2022:

Insurance costs from cessions to reinsurance	31.12.2023	31.12.2022
Premiums ceded to reinsurance	99,954	53,823
ARC release	40,883	7,150
Change in ARC reserve for the year	-48,315	-17,805
Change in non-distinct investment component	-13,588	-10,099
Other technical income/expenses ceded	2,153	898
Total	**81,087**	**33,967**

Costs of insurance services from cessions to reinsurance, which amounted to €81,087,000 (€33,967,000 for 2022) increased due to new business and the new proportional, non-proportional and optional treaties entered into, primarily from the second half of 2022 and in 2023.

Insurance costs and revenues deriving from cessions to reinsurance – Composition

(in thousands of euro)

Items/Bases of aggregation	Basis of aggregation 1 2023	Basis of aggregation 2 2023	Total 2023	Basis of aggregation 1 2022	Basis of aggregation 2 2022	Total 2022
A. Allocation of premiums paid relating to cessions to reinsurance measured on the basis of the GMM	-	-	-	-	-	-
A.1 Amounts related to changes in assets for remaining coverage	-	-	-	-	-	-
1. Amount of claims and other recoverable costs expected	-	-	-	-	-	-
2. Change in the adjustment for non-financial risks	-	-	-	-	-	-
3. Margin on contract services registered in P&L for services received	-	-	-	-	-	-
4. Other amounts	-	-663	-663	-	-454	-454
5. Total	-	-663	-663	-	-454	-454
A.2 Other costs directly attributable to cess. to reins.	-	-	-	-	-	-
A.3 Allocation of premiums paid relating to cess. to reins. measured on the basis of the PAA	-	-80,424	-80,424	-	-33,513	-33,513
B. Total costs deriving from cessions to reinsurance (A.1+A.2+A.3)	-	-81,087	-81,087	-	-33,967	-33,967
C. Effects of the change in the risk of default by reins.	-	-	-	-	-	-
D. Amount of claims and other expenses recovered	-	12,935	12,935	-	2,480	2,480
E. Changes in the ass. for incurred claims	-	29,718	29,718	-	3,545	3,545
F. Other recoveries	-	27,095	27,095	-	18,186	18,186
G. Total net costs/revenue deriving from cessions to reinsurance (B+C+D+E+F)	-	-11,338	-11,338	-	-9,756	-9,756

Breakdown of costs for insurance services and other services

(in thousands of euro)

Aggregation costs/bases	Basis A1 - with DPF 2023	Basis A2 - without DPF 2023	Basis A1 + Basis A2 2023	Basis A3 2023	Basis A4 2023	Basis A3 + Basis A4 2023	Other 2023	Basis A1 - with DPF 2022	Basis A2 - without DPF 2022	Basis A1 + Basis A2 2022	Basis A3 2022	Basis A4 2022	Basis A3 + Basis A4 2022	Other 2022
Costs attributed to acquisition of insurance contracts	-	-	-	-	-	-	X	-	-	-	-	-	-	X
Other directly attributable costs	-	-	-	-	-2	-2	X	-	-	-	-	-	-	X
Investment management expenses	X	X	-	X	X	-	-95	X	X	-	X	X	-	-201
Other costs	X	X	-	X	X	-34,591	-6,810	X	X	-	X	X	-24,231	-8,717
Total	-	-	-	X	X	-34,593	-6,905	-	-	-	X	X	-24,231	-8,918

Investment result

Item 6. Net fair value gains (losses) on financial instruments measured at fair value through profit or loss

Net fair value gains (losses) on financial instruments measured at fair value through profit or loss	31.12.2023	31.12.2022	Change
Net fair value gains (losses) on financial instruments measured at fair value through profit or loss	178	-172	350
Total	**178**	**-172**	**350**

Net fair value gains on financial instruments measured at fair value through profit or loss amount to €178,000 due to unrealised gains on instruments in the Group's portfolio (€155,000) and capital gains on disposals (€23,000).

Item 7. Gains (losses) on investments in subsidiaries, associates and joint ventures

The Group holds an equity investment in the associate, MedInsure S.r.l., acquired in December 2023. No gains or losses were recognised on this investment at 31 December 2023.

Item 8. Income and expenses deriving from other financial instruments and investment property

Income deriving from other financial instruments and investment property	31.12.2023	31.12.2022	Change
Interest income net of discounts	4,140	2,097	2,043
Interest expenses	-520	-198	-322
Other income and expenses	-	-	-
Realised gains and losses	-471	66	-537
Unrealised gains and losses	-76	-38	-38
Total	**3,073**	**1,927**	**1,146**

The item "Income deriving from other financial instruments and investment property" amounts to €3,073,000 and comprises interest income totalling €4,140,000, interest expense of €520,000 (including €434,000 in interest linked to leases on buildings, €16,000 to leases on company cars and €70,000 in interest expense on loans), realised losses of €471,000 and unrealised losses of €76,000.
The following tables show the breakdown of economic and financial items.

Impairment losses/gains for credit risk

(in thousands of euro)

	Impairment losses				Impairment gains			
	Stage 1	**o/w: Assets with low credit risk**	**Stage 2**	**Stage 3**	**Stage 1**	**o/w: Assets with low credit risk**	**Stage 2**	**Stage 3**
Government securities	-82	-	-	-	-	-	-	-
Other debt securities	-	-	-	-	6	-	-	-
Loans and receivables:	-	-	-	-	-	-	-	-
- with banks	-	-	-	-	-	-	-	-
- with customers	-	-	-	-	-	-	-	-
Total 2023	**-82**	**-**	**-**	**-**	**6**	**-**	**-**	**-**
Government securities	-38	-	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-	-	-
Loans and receivables:	-	-	-	-	-	-	-	-
- with banks	-	-	-	-	-	-	-	-
- with customers	-	-	-	-	-	-	-	-
Total 2022	**-38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Item 10. Net financial expenses/income from insurance contracts written

The following table shows the breakdown of financial expenses and income relating to the discounting of direct and indirect insurance cash flows.

Net financial expenses and income form insurance contracts written

(in thousands of euro)

Items/Bases of aggregation	Base A1 2023	Basis A2 2023	Basis A3 2023	Total 2023	Base A1 2022	Basis A2 2022	Basis A3 2022	Total 2022
1. Accrued interest	-	-	-227	-227	-	-	155	155
2. Effects of changes in interest rates and other financial assumptions	-	-	-166	-166	-	-	2,156	2,156
3. Change in the fair value of the assets underlying contracts measured on the basis of the VFA	-	-	-	-	-	-	-	-
4. Effects of exchange rate changes	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
6. Total net financial income/expenses relating to insurance contracts written recorded in the income statement	-	-	-393	-393	-	-	2,311	2,311

Item 11. Net financial income/expenses from reinsurance contracts

Net financial income and expenses from reinsurance contracts

The following table shows a breakdown of financial costs and revenues associated with the discounting of cash flows relating to reinsurance contracts.

(in thousands of euro)

Items/Bases of aggregation	Base A1 2023	Basis A2 2023	Total 2023	Base A1 2022	Basis A2 2022	Total 2022
1. Accrued interest	-	79	79	-	-67	-67
2. Effects of changes in interest rates and other financial assumptions	-	40	40	-	-912	-912
3. Effects of exchange rate changes	-	-	-	-	-	-
4. Other	-	-	-	-	-	-
5. Total net financial income/expenses from reinsurance contracts	-	119	119	-	-979	-979

Insurance transactions - Net financial result of investments broken down by life and non-life segments

Items/Bases of aggregation	Life segment 2023	o/w: DPF	Non-life segment 2023	Total 2023	Life segment 2022	o/w: DPF	Non-life segment 2022	Total 2022
A. NET FINANCIAL RESULT OF INVESTMENTS	-	-	8,969	8,969	-	-	-7,905	-7,905
A.1 Interest income from financial assets measured at amortised cost and at fair value through OCI	-	-	4,140	4,140	-	-	1,899	1,899
A.2 Net gains/losses on assets measured at fair value through profit or loss	-	-	178	148	-	-	-171	-171
A.3 Net impairment losses for credit risk	-	-	-76	-76	-	-	-38	-38
A.4 Other net income/expenses	-	-	-990	-920	-	-	66	66
A.5 Net capital gains/losses on financial assets measured at fair value through OCI	-	-	5,717	5,717	-	-	-9,660	-9,660
B. NET CHANGE IN INVESTMENT CONTRACTS WRITTEN IFRS 9	-	-			-	-		
C. TOTAL NET FINANCIAL RESULT OF INVESTMENTS	-	-	8,969	8,969	-	-	-7,904	-7,904
of which: recorded in the income statement	-	-	3,252	3,252	-	-	1,756	1,756
of which: recorded in the statement of comprehensive income	-	-	5,717	5,717	-	-	-9,660	-9,660

Insurance operations – Summary of economic results by life segment and non-life segment

(in thousands of euro)

Results summary/Basis of aggregation	2023			2022		
	Life segment	Non-Life segment	Total	Life segment	Non-Life segment	Total
A. Financial results	-	8,696	8,696	-	-6,573	-6,573
A.1 Amounts recorded in the income statement	-			-		
1. Total net financial result of investments	-	3,252	3,252	-	1,755	1,755
2. Net financial income/expenses from insurance contracts	-	-274	-274	-	1,332	1,332
3. Total	-	2,978	2,978	-	3,087	3,087
A2. Amounts recorded in the statement of comprehensive income	-			-		
1. Total net financial result of investments	-	5,717	5,717	-	-9,660	-9,660
2. Net financial income/expenses from of insurance contracts	-	-	-	-	-	-
3. Total	-	5,717	5,717	-	-9,660	-9,660
B. Insurance and net financial result	-			-		
1. Net result of insurance services	-	18,933	18,933	-	13,657	13,657
2. Total net financial result of investments	-	8,969	8,969	-	-7,905	-7,905
3. Net financial result of insurance contracts	-	-274	-274	-	1,332	1,332
4. Total		27,628	27,628	-	7,084	7,084

Item 13. Other costs, net

Other costs, net	31.12.2023	31.12.2022	Change
Other revenue	70	0	70
Other costs	-1,590	-51	-1,539
Total	**-1,521**	**-51**	**-1,469**

Other revenue included €28,000 at 31 December 2023 relating to revenues from the sale of property, plant and equipment and interest of €42 on current accounts, while Other costs included the fees paid to intermediaries by the subsidiary, Revo Underwriting S.r.l. (€51,000 at 31 December 2022).

Item 14. Operating expenses

Operating expenses	31.12.2023	31.12.2022	Change
Investment management service expenses	25	201	-176
Other administrative expenses	6,690	8,655	-1,964
Total	**6,715**	**8,856**	**-2,141**

Other administrative expenses of €6,690,000 (€8,655,000 for 2022) represent the portion of the Company's management costs that are not attributable to insurance contracts. This value was determined by an analysis carried out on the basis of the nature of the cost and the cost centres and mainly consists of payroll costs of €2,640,000, one-off costs of €1,288,000, consultancy costs and legal and notarial expenses of €1,197,000 and fees to corporate officers and the independent auditors of €1,111,000.

Item 16. Depreciation and net impairment losses on property, plant and equipment
Item 17 Amortisation and net impairment losses on intangible assets

Depreciation/amortisation and net impairment losses on property, plant and equipment and intangible assets	31.12.2023	31.12.2022	Change
Depreciation and net impairment losses on property, plant and equipment	-1,767	-917	-945
Amortistaion and net impairment losses on intangible assets	-149	-3	14
Total	**-1,916**	**-920**	**-931**

Depreciation/amortisation and net impairment losses on property, plant and equipment and intangible assets include depreciation of property, plant and equipment of €1,767,000 resulting from the adoption of IFRS 16 relating to leased assets, and amortisation of intangible assets of €149,000.

Item 18. Other operating expenses, net

Other operating expenses, net	31.12.2023	31.12.2022	Change
Other operating expenses	-1,938	-186	-1,752
Other operating income	320	2	318
Total	**-1,618**	**-184**	**-1,434**

Other operating income includes the use of the provision of €200,000 recognised at 31 December 2022, following the settlement of a non-insurance dispute and the release of the portion of €120,000 set aside in 2022, arising from a court payment order concerning a counterfeit surety policy.

Other operating expenses include €164,000 for the adjustment of the actuarial valuation of the agents' severance indemnity, an allocation of €1,659,000 for the LTI plan, €101,000 in costs deriving from exchange rate differences on bank current accounts, and €14,000 for contingent liabilities.

Item 20. Taxes

Taxes	31.12.2023	31.12.2022	Change
Taxes	424	-287	711
Total	**424**	**-287**	**711**

Taxes have been accounted for in accordance with current tax provisions on an accruals basis.
Deferred tax assets are duly adjusted taking into account the temporary differences between the carrying amounts of assets and liabilities and the corresponding values recognised for tax purposes.
The balance at 31 December 2023 of €424,000 was affected by the following factors:

- current taxes: the calculation of current regional business tax and corporation tax benefited from €2,863,000 in a tax relief for the New Patent Box (hereinafter "NPB"), linked to the OverX software, as it is particularly innovative and potentially worthy of legal protection.
  Decree-Law No. 146 of 21 October 2021, "Urgent measures on economic and fiscal matters, to protect employment and for requirements that cannot be deferred", published in the Official Journal of 21 October 2021 No. 252, which came into force on 22 October 2021, made radical changes to the "patent box" system for tax relief on income from the direct or indirect use of certain intangible assets, which was introduced in 2015. The government amendment to the 2022 Budget Law, approved on 28 December 2021, confirmed the repeal of the Patent Box (old scheme), but corrected the start date indicated in the Decree-Law. The scheme has been cancelled based on the options starting from the 2021 financial year (five-year period 2021-2025), while the options for the five-year period 2020-2024 remain valid, including if they are exercised after 22 October 2021, although effectively they are weaker.
  The option is valid for five tax periods and is irrevocable and renewable.
  Relief may be obtained on costs incurred directly or indirectly in the conduct of business activities, for the research and development of copyrighted software, industrial patents, designs and models. Research and development activities may be carried out inside the undertaking or externally by means of research agreements with universities, research organisations or companies not directly or indirectly linked to the party requesting the relief.
  The costs incurred for eligible intangible assets benefit from a specific incremental deduction of 110% for corporate income tax purposes. The option exercised is valid for both regional business tax (IRAP) and corporation tax (IRES) purposes.
- DTA/DTL on IFRS adjustments: at 31 December 2023, the adjustment of amortisation of statutory goodwill of €8,904,000 is present: this does not generate corresponding deferred tax assets as statutory goodwill is not relevant for tax purposes.

The following table sets out the reconciliation between the tax rate and the effective rate:

Effect of increases or (decreases) compared with the ordinary rate		REVO INSURANCE 31.12.2023		REVO UNDERWRITING 31.12.2023	
	IRES				
a	Profit before tax		7,260		177
a'	IRES rate		24%		24%
	Expected corporation tax (IRES) for the current year		1,742		42
	Expected tax increase				
	Multi-year commissions	23,249		-	
	Change in net claims provision	14,998		-	
	Allocation to productivity bonuses	2,059		-	
	Amortisation of goodwill	8,904		-	
	Other increases	598		20	

b	Total increase	49,808		20	
c	Total expected tax increase		11,954		5
	Expected tax decrease				
	Multi-year commissions	13,798		-	
	Change in net claims provision	5,056		-	
	NPB deduction	9,288		-	
	Other decreases	2,084		-	
d	Total decrease	30,225		0	
e	Total expected tax decrease		7,254		0
	Tax losses	5,168		29	
	ACE (Support for Economic Growth scheme)	2,709		3	
	Total other decreases	7,877		32	
	Total other expected tax decreases		1,891		8
f =a+b+d	IRES taxable base		18,966		165
g=f x a'	IRES for the current year		4,552		39
h= g/a	Effective IRES rate		62.70%		22.31%
	IRAP				
i	Technical result		15,421		186
i'	IRAP rate		6.82%		3.90%
	Expected IRAP for the current year		1,052		7
	Expected tax increase				
	Non-deductible payroll costs	15,362		-	
	Other administrative expenses	1,934		-	
	other increases	185		64	
l	Total increase	17,481		64	
m	Total expected tax increase		1,192		2
	Expected tax decrease				
	Deduction for certain employees (employee tax wedge)	14,356		-	
	Amortisation of intangible operating assets	2,708		-	
	Other decreases	136		-	
	NPB deduction	9,288		-	
n	Total decrease	26,488		0	
o	Total expected tax decrease		0		0
p=i+l+n	IRAP tax base		6,414		250
q=p x i'	IRAP for the current year		437		10
r= q/i	Effective IRAP rate		2.84%		5.24%
	Summary				
a	Profit before tax		7,260		177
s=g+q	IRES and IRAP for the current year		4,989		49
t=s/a	Total tax rate for the year (current IRES + IRAP)		68.72%		27.82%
u=a'+i'	theoretical rate (IRES + IRAP)		30.82%		30.82%
v	Deferred tax assets 2023		-9,117		
v'	Deferred tax assets 2022		5,557		7
v'' (v-v')	Balance of deferred tax assets for temporary differences		-3,559		7
y=s+v''	Taxes for the year including effect of deferred tax assets		1,430		56
z=y/a	Effective tax rate for the year (including previous prepaid tax effect)		19.70%		31.77%
	Total consolidated taxes				
α	Total changes adj. IAS/IFRS				-6,202
β	Tax rate applied on adj. IAS/IFRS				30.82%
Γ=α*β	Total taxes on changes adj. IAS/IFRS				-1,912

ε= y+r	Total consolidated taxes	-425
ω	Profit before consolidated taxes	10,142
ε/ω	Effective tax rate for the year (including previous prepaid tax effect)	4.19%

The following table summarises the data relating to the deferred tax assets and liabilities recognised in the financial statements, based on the nature of the temporary differences that generated them:

		31.12.2023	
	Deferred tax assets	**Temporary differences**	**Tax effect**
IRES	Multi-year commissions	18,849	4,524
IRES	Change in net claims provision	16,487	3,957
IRES	Directors' remuneration and impairment losses	293	70
IRES	Non-deductible portion of receivables impairment losses	2,059	494
IRES	Productivity bonuses	353	85
IRES	REVO 2021 tax loss	500	120
IRES	Measurement of securities under IFRS 9	-2,340	- 562
IRES	Measurement of IFRS 17 reserves	-19,735	-4,736
IRES	Measurement of leases under IFRS 16	2,063	495
IRES	Valuation of post-employment benefits and agency severance indemnity	423	101
IRES	Leasehold improvements	280	67
IRES	Total deferred tax assets - IRES	19,037	4,616
IRAP	Non-deductible portion of receivables impairment losses	277	19
IRAP	Measurement of securities under IFRS 9	-2,340	-160
IRAP	IFRS 17 measurement	-19,735	-1,346
IRAP	Measurement of leases under IFRS 16	2,063	141
IRAP	Measurement of post-employment benefits and agency severance indemnity	423	29
IRAP	Leasehold improvements	280	19
IRAP	Total deferred tax assets - IRAP	-19,227	-1,298
	Total deferred IRES and IRAP tax liabilities/assets	**-190**	**3,318**
	Deferred tax assets on merger securities	-878	-271
	Total deferred IRES and IRAP tax liabilities/assets	**-1,068**	**3,047**

The temporary differences that generated deferred tax assets, as shown in the above table, are the same as those recorded in previous years.
Following the reverse merger between REVO and ELBA, which had retroactive effect as of 1 January 2022, the latter's financial investments were revalued at market value on that date, generating a positive difference of €878,000 (higher values deriving from the allocation of goodwill arising on the merger). To avoid any difference between accounting and tax values, the Company has opted to apply the substitute tax for corporation tax (IRES) and regional business tax (IRAP), obtaining tax recognition of the higher values recognised in the financial statements. Accordingly, to all intents and purposes, this is a substitute tax payable in January 2024.
The tax loss of REVO generated during 2021 has been fully utilised.

Fair value measurement

IFRS 13 regulates the measurement of fair value and the related disclosure.
A breakdown of the measurement at fair value and the amount of investments and financial liabilities recorded in the consolidated financial statements is provided below.

	31.12.2023		31.12.2022	
Carrying amounts and fair values	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Investment property	-	-	-	-
Investments in subsidiaries, associates and joint ventures	3	3	-	-
Financial assets measured at amortised cost	3,088	3,088	4,016	4,016

Financial assets measured at FV through OCI	217,811	217,811	181,895	181,895
Financial assets measured at FVTPL	2,775	2,775	2,620	2,620
Cash and cash equivalents	-	-	-	-
Total investments	**223,677**	**223,677**	**188,531**	**188,531**
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	14,503	14,503	14,448	14,448
Total financial liabilities	**14,503**	**14,503**	**14,448**	**14,448**

As can be seen from the table above, there are no investments or financial liabilities whose carrying amount differs from their fair value.
With respect to the fair value hierarchy, it should be noted that the item "Financial assets measured at fair value through other comprehensive income" includes the equity investment in Mangrovia Blockchain Solutions S.r.l., allocated to Stage 3. Please refer to the "Investments" section of these notes for details.
During the year, there were no purchases or sales of the equity investment, the qualitative and quantitative measurement of which confirmed the value recognised in the 2022 annual financial statements.
The remaining securities in the "Financial assets measured at fair value through other comprehensive income" item are all allocated to Stage 1.

The security under the "Financial assets measured at FVTPL" item is allocated to Stage 2.
The following table illustrates the above information on the breakdown of assets and liabilities by fair value levels.

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(in thousands of euro)

Financial assets/liabilities measured at fair value	Level 1 2023	Level 1 2022	Level 2 2023	Level 2 2022	Level 3 2023	Level 3 2022	Total 2023	Total 2022
Financial assets measured at fair value through OCI	217,255	181,339	-	-	556	556	217,811	181,895
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-	-	-
a) financial assets held for trading	-	-	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-	-	-
c) other financial assets compulsorily measured at fair value	-	-	2,775	2,620	-	-	2,775	2,620
Investment property	-	-	-	-	-	-	-	-
Property, plant and equipment	13,926	14,448	-	-	-	-	13,926	14,448
Intangible assets	88,412	83,071	-	-	-	-	88,412	83,071
Total	319,593	278,858	2,775	2,620	556	556	322,924	282,034
Financial liabilities measured at fair value through profit or loss								
a) Financial liabilities held for trading	-	-	-	-	-	-	-	-
b) Financial liabilities designated at fair value	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

(in thousands of euro)

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	Carrying amount 2023	Carrying amount 2022	Fair value Level 1 2023	Fair value Level 1 2022	Fair value Level 2 2023	Fair value Level 2 2022	Fair value Level 3 2023	Fair value Level 3 2022	Fair value Total 2023	Fair value Total 2022
Assets	-									
Financial assets measured at amortised cost	3,088	4,016	3,088	4,016	-	-	-	-	3,088	4,016
Investments in associates and joint ventures	-	-	-	-	-	-	-	-	-	-
Investment property	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale or disposal groups	-	-	-	-	-	-	-	-	-	-
Total assets	3,088	4,016	3,088	4,016	-	-	-	-	3,088	4,016
Liabilities										
Financial liabilities measured at amortised cost	14,503	14,448	14,503	14,448	-	-	-	-	14,503	14,448
Liabilities of disposal groups	-	-	-	-	-	-	-	-	-	-
Total liabilities	14,503	14,448	14,503	14,448	-	-	-	-	14,503	14,448

Annual changes in Level 3 assets and liabilities measured at fair value on a recurring basis

(in thousands of euro)

	Financial assets measured at fair value through OCI	Financial assets measured at fair value through profit or loss			Investment property	Property, plant and equipment	Intangible assets	Financial liabilities measured at fair value through profit or loss	
		Financial assets held for trading	Financial assets designated at fair value	Financial assets compulsorily measured at fair value				Financial liabilities held for trading	Financial liabilities designated at fair value
1. Opening balances	556	-	-	-	-	-	-	-	-
2. Increases	-	-	-	-	-	-	-	-	-
2.1. Purchases	-	-	-	-	-	-	-	-	-
Business combinations - external	-	-	-	-	-	-	-	-	-
Business combinations - internal	-	-	-	-	-	-	-	-	-
Business combinations - mergers	-	-	-	-	-	-	-	-	-
- Other purchases	-	-	-	-	-	-	-	-	-
2.2. Profits allocated to:	-	-	-	-	-	-	-	-	-
2.2.1 Income statement	-	-	-	-	-	-	-	-	-
of which capital gains	-							X	X
of which capital losses	X	X	X	X	X	X	X		
2.2.2 Statement of comprehensive income	-	X	X	X				X	X
2.3. Transfers from other levels	-	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-	-
Foreign exchange difference input (+)	-	-	-	-	-	-	-	-	-
Automatic foreign exchange differences (+)	-	-	-	-	-	-	-	-	-
Change in scope of consolidation (+)	-	-	-	-	-	-	-	-	-
Change in method and % of consolidation (+)	-	-	-	-	-	-	-	-	-
- Other changes (+)	-	-	-	-	-	-	-	-	-
3. Decreases	-	-	-	-	-	-	-	-	-
3.1. Sales	-	-	-	-	-	-	-	-	-
Business combinations - external	-	-	-	-	-	-	-	-	-
Business combinations - internal	-	-	-	-	-	-	-	-	-
- Other sales	-	-	-	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-	-
3.3. Losses allocated to:	-	-	-	-	-	-	-	-	-
3.3.1 Income statement	-	-	-	-	-	-	-	-	-
of which capital losses	-	-	-	-	-	-	-	X	X
of which capital gains	X	X	X	X	X	X	X		
3.3.2 Statement of comprehensive income	-	X	X	X				X	X
3.4. Transfers to other levels	-	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-	-
Foreign exchange difference input (-)	-	-	-	-	-	-	-	-	-
Automatic foreign exchange differences (-)	-	-	-	-	-	-	-	-	-
Change in scope of consolidation (-)	-	-	-	-	-	-	-	-	-
Change in method and % of consolidation (-)	-	-	-	-	-	-	-	-	-
- Other changes (-)	-	-	-	-	-	-	-	-	-
4. Closing balances	556	-	-	-	-	-	-	-	-

Breakdown of other comprehensive income

Items	31.12.2023	31.12.2022
1 Profit for the year	10,565	6,193
2. Other items not reclassified to profit or loss		
2.1 Share of valuation reserves for equity accounted investees	-	-
2.2 Valuation reserve for intangible assets	-	-
2.3 Valuation reserve for property, plant and equipment	-	-
2.4 Financial income or expenses relating to insurance contracts written	-	-
Profit (loss) from non-current assets held for sale or disposal groups	-	-
2.6 Actuarial gains and losses and adjustments to defined benefit plans	2,637	997
2.7 Gains or losses on equity securities designated at FVOCI:	-556	-556
a) change in fair value	-556	-556
b) transfers to other components of equity	-	-
2.8 Reserve deriving from changes in own creditworthiness for financial liabilities designated at FVOCI	-	-
a) change in fair value	-	-
b) transfers to other components of shareholders' equity	-	-
2.9 Other changes:	-	-
a) change in fair value (hedged instrument)	-	-
b) change in fair value (hedging instrument)	-	-
c) other changes in fair value	-	-
2.10 Income taxes relating to other items not reclassified to profit or loss	-641	-136
3. Other items reclassified to profit or loss		
3.1 Translation reserve:	-	-
a) changes in value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
3.2 Gains/losses on financial assets (other than equity securities) measured at FV OCI:	-3,371	-9,106
a) changes in fair value	-3,371	-9,106
b) reclassification to profit or loss	-	-
adjustments for credit risk	-	-
gains/losses on disposals	-	-
c) other changes	-	-
3.9 Other items:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
3.10 Income taxes relating to other comprehensive income reclassified to profit or loss	1,055	2,806
4. Total other comprehensive expense (sum of Items 2.1 to 3.10)	-876	-5,995
5. Comprehensive income (Items 1 + 4)	**9,689**	**198**
o/w: attributable to the owners of the parent	9,689	198
o/w: attributable to non-controlling interests	-	-

The item "Actuarial gains and losses and adjustments to defined benefit plans" includes provisions of €2,438 relating to the LTI (Long-Term Incentive) plan (see the paragraph in Section F of these documents) and €199,000 for IAS 19 valuations relating to post-employment benefits..

The item "Gains or losses on equity securities designated at FV- OCI" includes the change in the fair value recorded by the equity investment in Mangrovia S.r.l.

The item "Gains/losses on financial assets measured at FV-OCI" includes changes in the fair value of securities, which recorded a change compared with 2022 of €5,735,000.

The statement, compiled in accordance with Annex 1 to IVASS Regulation 7/2007, does not include the amount relating to the reclassification to equity of the costs of €4,160,000 incurred by REVO SPAC in 2021 for its listing. Taking this item into account, comprehensive income at 31 December 2023 was €5,529,000 (compared with -€3,962,000 at 31 December 2022).

Part F – Other information

Nature and extent of risks that arise from contracts within the scope of IFRS 17

In accordance with the provisions of IFRS 17, paragraphs 121 to 132, the following information is provided to enable an assessment of the nature, amount, timing and uncertainty of future cash flows that arise from contracts within the scope of the new international accounting standard.

Risk concentration

The Group operates in the non-life segment only, and its business is mainly denominated in euro. Accordingly, the main insured events and the main business sectors in which insured customers operate are shown below for the purposes of calculating risk concentration.
The following tables show the information in relation to gross premiums written in 2023:

Business sector [20]	**%**
Construction	49.3%
Buildings and landscape services	10.4%
Manufacture of means of transport	9.2%
Manufacture of chemical, metal, pharmaceutical and other products	4.5%
Transport activities and transport support services	3.8%
Financial, insurance and pension fund services	3.7%
Information technology and telecommunications services	2.2%
Management, consultancy, architecture and professional activities	4.6%
Arts, sports and entertainment activities	2.5%
Food industries	0.8%
Agriculture and production of animal products	0.7%
Other	8.2%
Total gross premiums written	**100%**

Description of guarantee	**%**
Contracts	20.3%
Incorporated into contracts	11.6%
Fire of buildings, machinery and goods	10.9%
Damage to direct and indirect material property resulting from the setting up of the site of a work	8.0%
Marine, air and rail vehicles	7.9%
Other guarantees on sureties	6.0%
Professional liability	5.9%
Agro - hail risk	5.1%
Third-party liability (construction sites, cyber, workers and general)	5.0%
Reimbursement of medical expenses	1.9%
Goods in transit	1.8%
Directors & officers liability	1.4%
Payment and refunds of surety taxes	1.0%
Medical liability	0.9%
Customs duties	0.8%
Land vehicles - Fire, theft and third-party fire liability	0.7%
Permanent disability injuries	0.5%
Other	10.5%
Total gross premiums written	**100%**

[20] The business sector was determined on the basis of the alphanumeric combinations set out in the Ateco Code, where the letters identify the macro-economic sector to which they belong, while the numbers represent categories and sub-categories of the relevant sectors.

Sensitivity analysis

The Group operates exclusively in the non-life insurance sector and the entire portfolio is valued using the premium allocation approach, as set out in previous chapters of these documents. For this reason, the sensitivity analyses were performed by analysing the change in the liability for incurred claims and the corresponding reinsurance item, “Asset for incurred claims”, by amending the following measures:

- The discount rate of +/- 0.5 percentage points;
- Gross and net cash flows of +/- 5%.

The change in the discount rate of +/- 0.5 percentage points resulted in:

- an impact on the liability for incurred claims of -/+0.33% and the asset for incurred claims of -/+ 0.30%;
- an effect after tax and before reinsurance on profit for the year of +/-1.8% and after disposal of +/-1.0%.

The change in the undiscounted best estimate liabilities for claims (‘UBEL’ claims) and the Reinsurance Recoverable Undiscounted Claims of +/-5% resulted in:

- an impact on profit for the year of -/+28.6% after tax effects and before reinsurance;
- an impact on profit for the year of -/+13.9% after tax effects and reinsurance.

Credit risk

With regard to credit risk, the maximum exposures of the Group to the various credit categories related to the insurance business are shown below:

- Receivables due from intermediaries at 31 December 2023 amounted to €4,852,000 and the maximum exposure to a single intermediary was approximately €605,000;
- Receivables from policyholders amounted to €47,608,000 at 31 December 2023, and the maximum exposure to an individual policyholder was €1,755,000;
- Receivables from insurance and reinsurance companies and brokerage agencies relating to indirect and ceded business amounted to €5,614,000 at 31 December 2023. The maximum exposure concerns two receivables from individual insurance companies of €1,228,000 and €1,076,000, respectively.

Reinsurance treaties were signed with leading reinsurance companies, significantly reducing the Group’s counterparty risk. The following table sets out the ratings of the companies in the panel:

Reinsurance company	Rating agency	Rating
Partner Reinsurance Europe Se - Zurich Branch	Standard & Poor's	A+
R+V Versicherung Ag Ruckversicherung Reinsurance	Standard & Poor's	A+
XL RE EUROPE SE, French Branch	Standard & Poor's	AA-
Sirius International Insurance Corporation Belgian Branch	Standard & Poor's	A-
Ccr Caisse Centrale De Reassurance	Standard & Poor's	A
Devk Ruckversicherung - Und Beteiligungs Ag	Standard & Poor's	A+
Scor Europe Se - General Representation Office for Italy	Standard & Poor's	A+
National Borg Reinsurance N.V.	Standard & Poor's	A
Swiss Reinsurance Company Ltd	Standard & Poor's	AA-
Atradius Reinsurance Dac Ltd	A.M. Best	A
Aspen Insurance Uk Limited, London - Zurich Branch	Standard & Poor's	A-
XL RE EUROPE SE, French Branch	Standard & Poor's	AA-
Ms Amlin Ag	Standard & Poor's	A
Catlin Europe Se Italy Branch On Behalf Of Xl Re Europe Se	Standard & Poor's	AA-
Probitas Lloyd's Syndicate Pbs 1492	Standard & Poor's	AA-
Credendo - Export Credit Agency	Standard & Poor's	A-
Catlin Re Switzerland Ltd	Standard & Poor's	AA-
Hannover Rueck Se	Standard & Poor's	AA-
Arch Reinsurance Europe Underwriting Dac, Zurich Branch	Standard & Poor's	A+
Polish Reinsurance Company	A.M. Best	A-
Irb Re	A.M. Best	A-
Europ Assistance Italia Spa	A.M. Best	A
General Reinsurance Milan Branch	Standard & Poor's	AA+
Swiss Re Europe Sa. Representation Office for Italy	Standard & Poor's	AA-

Aig Europe S.A. - General Representation Office for Italy	Standard & Poor's	A+
Münchener Rückversicherungs-Gesellschaft, Gen. Representation Office	Standard & Poor's	AA-
Sigurd Rück Ag	A.M. Best	B++
Tegron Specialty Limited	A.M. Best	A+
Starr Europe Insurance Limited	A.M. Best	A
Hdi Global Sp – Representation Office For Italy	Standard & Poor's	A+
Elseco	Standard & Poor's	AA-
Emerging Risk	Standard & Poor's	AA-
Chubb European Group Se France	Standard & Poor's	AA
Atrium - Auw 5310	Standard & Poor's	AA-
Nexus Underwriting	Standard & Poor's	A+
Hive Aero	Standard & Poor's	A+
Dual Europe Gmbh	Standard & Poor's	A
Oman Insurance	Standard & Poor's	A
Misr Insurance Company	A.M. Best	B++
Chaucer	Standard & Poor's	AA-
Lloyd's Insurance Company SA	Standard & Poor's	AA-
Scor Europe Se	Standard & Poor's	A+
Scor Se Paris, Zurich Branch	Standard & Poor's	A+
Tokio Marine Europe Sa	Standard & Poor's	A+
Leopanthera	Standard & Poor's	AA-
Tokio Marine Europe Sa - Spanish Branch	Standard & Poor's	A+
Everest Reinsurance Company	Standard & Poor's	A+
Liberty Mutual Reinsurance	Standard & Poor's	A
Lloyd’s Syndicate 1609, Mosaic	Standard & Poor's	AA-
Convex Europe Sa	Standard & Poor's	A-
Delvag Versicherungs-AG	A.M. Best	A-
Lloyd’s Syndicate Hig 1221	Standard & Poor's	AA-
Everest Insurance (Ireland) Dac	Standard & Poor's	A+
Probitas Managing Agency 5327	Standard & Poor's	AA-
Anv Specialty Europe S.L.U.	Standard & Poor's	AA-
Sompo International Insurance Europe - (Si Insurance Europe	Standard & Poor's	A+
Aviva Insurance Ireland Dac	Standard & Poor's	AA-
Drave Underwriting	Standard & Poor's	A+
Lloyd’s Insurance Company SA - Syndicate 5310, pseudonym AUW	Standard & Poor's	AA-
Lloyd’s Insurance Company SA - Syndicate 5324, pseudonym IGO	Standard & Poor's	AA-
Lloyd’s Insurance Company SA - Syndicate 5319, pseudonym AMA	Standard & Poor's	AA-
Cincinnati - Cin 5302	Standard & Poor's	AA-
Argenta - Arg 5353	Standard & Poor's	AA-
Flagstone Re	Standard & Poor's	A
Innovisk Europe Srl 4877	Standard & Poor's	AA-
Innovisk Europe Srl 9204	Standard & Poor's	AA-
Innovisk Europe Srl Trading As Leopanthera	Standard & Poor's	AA-
Lloyd's Insurance Company S.A. No. 7761	Standard & Poor's	AA-
Markel - Mkl 5368	Standard & Poor's	AA-
Qbe Representation Office for Italy	Standard & Poor's	A+
Stewart Title Europe Ltd	Fitch Ibca	A-
Ascot 5325	Standard & Poor's	AA-
Beazley Insurance Dac - Spanish Branch	Fitch Ibca	A+
Brit	A.M. Best	A+
Arch Aal 5348	Standard & Poor's	AA-
Allianz Global Corporate & Specialty Se	Standard & Poor's	AA
Arch Asl 5339	Standard & Poor's	AA-
Arch D&O Consortium 9013	Standard & Poor's	AA-
QBE Reinsurance Syndicate 566	Standard & Poor's	AA-
Chubb European Group Se	Standard & Poor's	AA
TransRe Europe SA	Standard & Poor's	AA+
Mapfre Re S.A.	Standard & Poor's	A+
Peak Reinsurance AG	A.M. Best	A-
ALLIANZ SE - REINSURANCE BRANCH SWITZERLAND	Standard & Poor's	AA

Everest Syndicate	Standard & Poor's	AA-
Sukoon Insurance	A.M. Best	A
Swiss Pool for the insurance of nuclear risks	Standard & Poor's	AA-
STARR Europe Insurance Limited, Spanish Branch	A.M. Best	A
Lloyd's Insurance Company S.A – Beazley	Standard & Poor's	AA-
Lloyd's Insurance Company S.A. Beazley ESG Cyber Consortium	Standard & Poor's	AA-
AXA XL - Syndicate 2003	Standard & Poor's	AA-
AXIS SPECIALITY EUROPE SE	Standard & Poor's	AA-
Global Aerospace Underwriting Managers (Europe) SAS	Standard & Poor's	A+
Lloyds Syndicate KLN510 80% - TMK1880 20%	Standard & Poor's	AA-
Swiss Re International SE, DE	Standard & Poor's	AA-
Rokstone Underwriting Managers	Standard & Poor's	AA-
Apollo – Lloyd's Insurance Company S.A.	Standard & Poor's	AA-
Faraday – Lloyd's Insurance Company S.A.	Standard & Poor's	AA-
Korean Reinsurance Company	Standard & Poor's	A
Tokio Marine HCC - Lloyds Syndicate	Standard & Poor's	AA-
XL RE EUROPE SE, Zurich Branch	Standard & Poor's	AA-
Specialty MGA UK	A.M. Best	B+
Fidelis Insurance Holdings Limited	Standard & Poor's	A-
Canopius	Standard & Poor's	AA-
PARK LANE PCC LTD	Other	NA
Lloyd's Insurance Company SA - Lancashire Syndicate LRE 5370	Standard & Poor's	AA-
AIG Europe SA	Standard & Poor's	A+
Berkshire Hathaway European Insurance DAC	Standard & Poor's	AA+
Reaseguradora Patria, S.A.	A.M. Best	A
Hyundai Marine & Fire Insurance	A.M. Best	A
Lloyd's Underwriter Syndicate No. 1856 IQU	Standard & Poor's	AA-
Everest Reinsurance (Bermuda) Ltd (UK Branch)	A.M. Best	A+
Geo Underwriting Europe B.V.,	Standard & Poor's	AA/
AXIS Syndicate 1686	Standard & Poor's	AA-
Travelers Syndicate 5384	Standard & Poor's	AA-
American International Group UK Limited	Standard & Poor's	A+
International General Insurance Co. Ltd	Standard & Poor's	A-
Chubb – Lloyd's Syndicate 2488	Standard & Poor's	AA-
Tokyo Marine Kiln	Standard & Poor's	A+
Insurance Company of the West Inc	A.M. Best	A
Eurasia Insurance Company	Standard & Poor's	BBB
General Insurance Corporation of India	A.M. Best	B++
Lloyd's Syndicate AML 2001	Standard & Poor's	AA-
Zavarovalnica Triglav d.d.	Standard & Poor's	A
Ki Lloyd's Syndicate	Standard & Poor's	AA-
Ensuro	Duff & Phelps Credit Rating Co.	NA
Liberty Mutual Insurance Europe SE	Standard & Poor's	A
Zurich Insurance Company LTD	Standard & Poor's	AA
MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	Standard & Poor's	A+
Great Lakes Insurance SE	Standard & Poor's	AA-
Markel Insurance SE	A.M. Best	A
Chaucer Insurance Company DAC	A.M. Best	A
Sirius Point Ltd	A.M. Best	A-
Flux syndicate 1985 - LIC 5411	Standard & Poor's	AA-
Mosaic LIC 5399	Standard & Poor's	AA-
Abu Dhabi National Takaful Company	A.M. Best	A-
Beazley Facilities Syndicate LIC 5410	Standard & Poor's	AA-
Best Meridian International Insurance Company	A.M. Best	A-
GIC of India – UK, London Branch	A.M. Best	B++
Travelers 5000	Standard & Poor's	AA-
Abu Dhabi National Insurance Company	Standard & Poor's	A
The New India Assurance Co. Ltd	Other	AAA
Westfield 1200	Standard & Poor's	AA-
SiriusPoint, Zurich Branch	Standard & Poor's	A-

Great Lakes Insurance SE, London Branch	Standard & Poor's	AA-
CHI23	Standard & Poor's	A+
Lloyds Syndicate Hiscox - HIS33	Standard & Poor's	AA-
Allianz Insurance PLC	Fitch Ibca	AA
CNA Hardy	A.M. Best	A
Partner Re Lloyds Syndicate	Standard & Poor's	AA-
Samsung Fire and Marine Insurance Company of Europe Ltd	A.M. Best	A++
Volkswagen Insurance Company DAC	Standard & Poor's	A+
Redbridge Insurance Company Ltd	A.M. Best	B++
Zurich Insurance PLC, UK	Standard & Poor's	AA
Lloyd's syndicate (TAL 1183) - Talbot	Standard & Poor's	AA-
PVI Insurance Corporation	A.M. Best	A-
Lloyd's Syndicate EVE 5363 - Everest	Standard & Poor's	AA-
Lloyd's Syndicate 5361 (AFB 2623) - A F Beazley and Others	Standard & Poor's	AA-
Lloyd's Syndicate AFB 5311 - A F Beazley and Others	Standard & Poor's	AA-
Lloyd's Syndicate AFB 5373 - Beazley A&H non life	Standard & Poor's	AA-
Lloyd's Syndicate AES 5322 - Aegis	Standard & Poor's	AA-
Lloyd's Syndicate NOA 5375 - Ark	Standard & Poor's	AA-
Lloyd's Syndicate AUL 5323 - Antares	Standard & Poor's	AA-
Lloyd's Syndicate WRB 5340 - W. R. Berkley	Standard & Poor's	AA-
Lloyd's syndicate KII 5396 - Ki	Standard & Poor's	AA-
Fidelis Insurance Ireland DAC	A.M. Best	A
Lloyd's Syndicate QBE 5334	Standard & Poor's	AA-
Lloyd's Syndicate HDU 5303 - CNA Hardy	Standard & Poor's	AA-
Lloyd's Syndicate HDU 4690	Standard & Poor's	AA-
Sava Re	A.M. Best	A
Lloyd's Syndicate TMK 1880 (5332)	Standard & Poor's	AA-
Xl Catlin Services SE	Standard & Poor's	AA-
MSIG Insurance Europe AG - Italy Branch	Standard & Poor's	A+
Lloyd's Syndicate 5380 (CNP 4444) - Canopius	Standard & Poor's	AA-
Lloyd's Syndicate CSL 1084 - Chaucer	Standard & Poor's	AA-
Lloyd's Syndicate AMA 5319 - Argo	Standard & Poor's	AA-
Lloyd's Syndicate ASP 5383 - Aspen	Standard & Poor's	AA-

Liquidity risk

Liquidity risk arises from the risk of not having sufficient cash and cash equivalents to meet commitments arising from contracts within the scope of application of IFRS 17, or of not being able to meet cash outflows (both expected and unexpected) according to cost-effectiveness criteria without prejudicing daily operations or the financial situation. This risk due to uncertainty about the amounts and timing of the cash flows associated with insurance contracts may mainly arise:

- as a result of reduced premium income;
- from the need to settle an insurance claim or an unplanned cost;
- from failure to repay/collect a payable/receivable vis-a-vis a counterparty within the specified time;
- from an operational error.

Liquidity risk management takes place through the monitoring and definition of tolerance thresholds for the liquidity coverage ratio (LCR), which quantifies as a percentage the coverage of the expected cash outs, according to this formula:

$$LCR = (\text{Initial cash balance} + \Sigma \text{ incoming flows}) / \Sigma \text{ outgoing flows}$$

These thresholds are monitored on a quarterly basis with reference to a short-term time horizon (90 days) and a medium-term time horizon (24 months) based on forecast cash flows from the approved rolling business plan. Monitoring is performed by means of stress analysis.
If the thresholds are breached and according to the severity of the breach, the Company decides on the actions to take, according to their cost-effectiveness:

1. use of cash and the sale of securities in the portfolio;
2. bank loans.

The action referred to in the first point is carried out as a priority, but not exclusively, in order to rebalance net cash flows in a manner commensurate with the magnitude of the mismatch and on the basis of the powers and levels of autonomy of the persons delegated by senior management to perform monitoring and on the basis of what is defined in the relevant internal policy.
For the purposes of analysing the maturities of cash outflows, the table below sets out the liability for incurred claims by maturity, gross of the discounting effect and without considering the risk adjustment component, broken down by IFRS 17 portfolio:

Maturity	up to 1 year	2 to 5 years	6 to 10 years	11 to 20 years	over 20 years
Suretyship	3,090	12,332	7,825	8,047	-
Property	365	8,862	1,876	16,935	-
General Liability	989	3,388	2,192	1,610	-
Accident & Health	-	63	-	947	-
MAT Specialty Lines	28	3,949	54	14,639	-
Land Vehicles	-	-	-	430	-
Credit	-	4	-	12	-
Agro	-	-	-	1,276	-
Property CAT	-	50	-	526	-
Parametric	-	-	-	4	-
Total	**4,472**	**28,648**	**11,947**	**44,422**	**-**

Revenue or cost elements of exceptional size or impact

During the year, in accordance with Article 2427, paragraph 13, of the Italian Civil Code, exceptional costs of €1,288,000 were incurred, mainly linked to the voluntary tender offer (takeover bid), the request for authorisation from IVASS to operate in the 17-Legal expenses class and tax assistance for the facilitation of New Patent Box.

Long-term incentives – LTI Plan

On 4 April 2022, the Company's Shareholders' Meeting approved a performance share plan entitled the "2022-2024 Performance Share Plan" (hereinafter, the "Plan"), the rules of which were defined and approved by the Board of Directors of REVO Insurance S.p.A. on 26 May 2022.
The Plan is a valuable tool for retaining and motivating the individuals who play a key role in achieving the Group's objectives, and for aligning the interests of key company personnel with those of other stakeholders, with a view to the long term and the pursuit of sustainable development.
In particular, the Plan sets out the following main terms and conditions:

- it has a total duration of three years starting from 2022;
- beneficiaries will be allocated a number of rights to receive, free of charge, ordinary shares in the Parent Company, if the triggering condition is met and the predetermined performance targets and thresholds are achieved;
- the individual targets to which the allotment of shares is subject are defined by the Board of Directors and are based on the following parameters of performance and sustainability, which are objectively measurable and consistent with the business priorities: Adjusted Operating ROE, P/E (Price-to-Earnings) and ESG Objectives defined in the Business Plan;
- even if the performance targets are met, REVO Insurance S.p.A. may not allocate shares under the 2022-2024 Performance Share Plan if the Solvency II Ratio is lower than 130% (the gate);
- the maximum number of rights that can be allotted and shares that can be allotted to each beneficiary at the end of the three-year reference period is determined by the Board of Directors, with the Chief Executive Officer having the right to make changes both by reducing and, in certain justified cases, increasing the number of rights allotted to beneficiaries of the Plan, other than the CEO himself, for which the Board of Directors remains

responsible, as identified, without prejudice to the overall maximum limit; all of this being in accordance with the procedural requirements for transactions with related parties;
- a three-year total vesting period has been established;
- the shares are allotted to each beneficiary at the end of the vesting period following an assessment of the performance objectives achieved and without prejudice to achievement of the Solvency II Ratio;
- malus and clawback mechanisms are in place in accordance with the Company's remuneration policies and hedging prohibitions.

Overall, the shares allotted and accruing to service the Plan amount to approximately 678,000, for a total value of €5,239,000, of which €2,438,000 has already been recognised in the income statement.

Contingent liabilities, purchase commitments, guarantees, pledged assets and collateral

At 31 December 2023, the Group did not record any contingent liabilities, purchase commitments or guarantees.
Although not reported in the statement of financial position, for some insurance contracts written, collateral guarantees were obtained (mainly pledges on life policies and bank guarantees) to be used, in the event of enforcement of the policy, to ensure the recovery of any sums paid to policyholders.

Leases

Right- of-use assets
The table below shows the carrying amount of right-of-use assets at year-end for each class of underlying asset.

Item	31.12.2023	31.12.2022
Property	13,198	12,440
Company cars	233	246
Total	**13,431**	**12,686**

Liabilities
Lease liabilities at 31 December amounted to €14,503,000 and are recognised under financial liabilities measured at amortised cost in the statement of financial position.
The table below provides a breakdown of lease liabilities by maturity:

Maturity	31.12.2023	31.12.2022
maturing within 1 year	-	330
2-3 years	239	300
after 5 years	14,264	13,905
Total	**14,503**	**14,535**

Main costs deriving from lease agreements

Item	31.12.2023	31.12.2022
depreciation of rights-of-use assets	1,767	783
lease interest expense	450	62
other costs	-	137
Total	**2,217**	**982**

The "depreciation of right-of-use assets" item consists of €57,000 for leased company cars and €889,000 for properties, including the property at Via Monte Rosa 91, Milan, for which lease payments will start being paid from the second quarter of 2024.
The changes during the year concerned, in particular:
- a new lease agreement for an apartment for office use in Genoa for a usage rights fee of €122,000;
- an increase in the value of the rights of use of the property located in Milan, relating to the office construction and fitting out costs, in the amount of €991,000;
- a change in vehicle leases in terms of amount and duration, with an overall impact on the usage rights of €23,000.

Information on employees, directors and statutory auditors

In 2022 the average Group headcount was 175 (19 executives, 152 employees and 4 contract staff), with a total cost of €15,765,000. In the previous year, the average headcount was 128 (18 executives, 107 employees and 4 contract staff), with a total cost of €13,418,000.

At 31 December 2023, the Company's Board of Directors consisted of a chairman, a chief executive officer and five directors. The remuneration payable for 2023 amounts to €700,000 (€512,000 at 31 December 2022).

The Company's Board of Statutory Auditors consists of a chairman, two standing auditors and two alternate auditors. The fees payable for 2023 amount to €214,000 (€132,000 at 31 December 2022).

Fees for auditing and services other than auditing

The following table, pursuant to Article 149 of the Issuers' Regulation, sets out the fees accrued during the year for services provided by the Independent Auditors and entities in its network (the amounts shown do not include expenses, Consob contributions and VAT):

Type of service	Company	Remuneration
Statutory audit	KPMG S.p.A.	139
Solvency II review	KPMG S.p.A.	70
Attestation services	KPMG S.p.A.	75
		284

REVO Insurance S.p.A.
Chief Executive Officer
(Alberto Minali)

Certification of the consolidated financial statements pursuant to Article 81-*ter* of Consob Regulation 11971/1999 193

1. The undersigned, Alberto Minali, in his capacity as Chief Executive Officer, and Jacopo Tanaglia, in his capacity as Financial Reporting Officer of REVO Insurance S.p.A., hereby attest to, also taking account of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the Company; and
   - the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements during the financial year 2023.

2. We also certify that:
   - The consolidated financial statements at 31 December 2023:
     - have been prepared in compliance with the IFRS endorsed by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as the current legislative and regulatory provisions;
     - correspond to the accounting books and records;
     - are suitable to provide a true and fair representation of the financial position, cash flows and results of operations of the issuer and all the companies included within the scope of consolidation.
   - the report on operations includes a reliable analysis of the performance and operating results, as well as the situation, of the issuer and all the companies within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

Jacopo Tanaglia
Financial Reporting Officer
REVO Insurance S.p.A.

Alberto Minali
Chief Executive Officer
REVO Insurance S.p.A.

Board of Statutory Auditors' Report

REVO INSURANCE S.p.A.

Viale dell'Agricoltura n. 17 – (37135) Verona

Capitale sociale: Euro 6.680.000 – i.v.

Registro delle imprese di Verona e codice fiscale n. 05850710962

R.E.A. – VR n. 451759

Iscritta all'Albo Imprese di Assicurazione e Riassicurazione sez. I n. 1.00167

Autorizzata all'esercizio delle assicurazioni con provvedimento ISVAP n. 2610 del 3 giugno 2008

Società capogruppo del Gruppo Revo Insurance, iscritto all'Albo dei Gruppi Assicurativi IVASS al n. 059

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI AI SENSI DELL'ART. 153 DEL D.lgs. 58/1998 e dell'art. 2429 codice civile per l'esercizio chiuso al 31 dicembre 2023

Signori Azionisti,

la presente relazione è redatta in conformità a quanto previsto dall'art. 2429, comma 2, codice civile; l'impostazione è ispirata alle "norme di comportamento del collegio sindacale di società quotate", emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli esperti contabili (versione aggiornata al 21 dicembre 2023).

La relazione ha per oggetto il resoconto dell'attività di vigilanza e controllo svolta dal collegio sindacale durante l'esercizio sociale 2023 e sino alla data della stessa relazione, in conformità alle norme del codice civile ed all'art. 149 del D.lgs. 58/1998 (il TUF), tenendo conto all'occorrenza di tali norme di comportamento, nonché delle disposizioni applicabili del D.lgs. 39/2010 (come modificato dal D.lgs. 17 luglio 2016, n. 135) avuto riguardo alla classificazione della società quale ente di interesse pubblico.

Il collegio sindacale è stato originariamente nominato per il triennio 2021/2023, in occasione dell'assemblea degli azionisti del 30 novembre 2021.

In data 16 marzo 2023 il Consiglio di amministrazione ha preso atto delle dimissioni dalla carica di Presidente del Collegio sindacale del dott. Alfredo Malguzzi, con effetto dal termine dell'assemblea degli azionisti convocata per il giorno 19 aprile 2023 ai fini dell'approvazione del bilancio di esercizio e chiamata, tra l'altro, ad attivarsi per l'integrazione del Collegio sindacale e nomina del suo Presidente.

L'assemblea degli azionisti in data 19 aprile 2023 ha provveduto oltre che all'approvazione del bilancio di esercizio 2022, alla reintegrazione del Collegio sindacale nominando l'avv. Saverio Ugolini quale Presidente dell'organo di controllo in carica sino all'approvazione del bilancio 2023, e alla modifica dello Statuto sociale in sede straordinaria per l'estensione dell'attività assicurativa e riassicurativa al ramo 17 – Tutela legale.

La società incaricata della revisione legale, KPMG SPA, è stata nominata dall'assemblea degli azionisti in data 06 aprile 2017 per il novennio 2017/2025. A seguito della fusione per incorporazione (inversa) di REVO S.p.A. nella Compagnia, con effetto dal 21 novembre 2022 l'incarico è stato esteso alla revisione del bilancio consolidato e della relazione semestrale consolidata con medesima durata e, quindi, sino all'approvazione del bilancio che chiuderà al 31 dicembre 2025.

L'incarico in parola si è poi naturalmente esteso in ossequio alla previsione dei nuovi commi 1.1. e 1.2 dell'articolo 154-ter del TUF, in vigore dal 1° febbraio 2022, intervenuta per adottare il Regolamento Delegato (UE) 2019/815, in base al quale gli emittenti i cui valori mobiliari sono ammessi alla negoziazione in un mercato regolamentato della UE hanno l'obbligo di redigere le relazioni finanziarie annuali nel formato XHTML, formato leggibile da utenti umani, e marcare bilanci consolidati IFRS, ove predisposti, utilizzando il linguaggio di marcatura XBRL.

1. Attività di vigilanza sull'osservanza della legge e dello statuto sociale

Nello svolgere la propria attività durante l'anno 2023, e sino alla data della presente Relazione, il Collegio sindacale si è attenuto alle disposizioni dell'articolo 2403 cod. civ., dell'art. 149 TUF e, per quanto espressamente richiesto, dalle citate norme di comportamento. Tali ultimi indirizzi sono stati seguiti nel rispetto del quadro normativo di riferimento e quindi del Codice Civile, delle leggi, dei regolamenti e delle istruzioni dell'IVASS.

Il Collegio ha vigilato sull'osservanza di legge e dello statuto come di seguito indicato.

1.1 Partecipazioni alle riunioni degli organi sociali, riunioni del collegio sindacale e altre riunioni.

Nel corso dell'esercizio 2023 il collegio sindacale:

- ha tenuto 20 riunioni ai sensi dell'art. 2404 cod. civ., per le quali è stato redatto apposito verbale, debitamente sottoscritto per approvazione unanime da parte dei sindaci;
- ha preso parte, quasi sempre in composizione totalitaria, a tutte le riunioni del consiglio di amministrazione che si sono tenute in n. 21 nell'esercizio sociale, durante le quali si è rilevato un costante, adeguato, fattivo confronto tra i vari soggetti intervenuti ed il collegio ha accertato che le deliberazioni assunte fossero conformi alla normativa vigente e nel rispetto delle norme statutarie e regolamentari che ne disciplinano il funzionamento;
- ciò posto il collegio può ragionevolmente assicurare che le operazioni deliberate sono state conformi alla legge e allo statuto sociale e non sono state manifestamente imprudenti, né in conflitto di interesse, né tali da compromettere l'integrità del patrimonio della società;
- ha partecipato costantemente a tutte le riunioni dei Comitati endoconsiliari (Comitato Controllo Rischi - Comitato per la nomina e la remunerazione – Comitato per le operazioni con parti correlate – Comitato Enviromental, Social and Governance);
- ha assistito all'assemblea, in sede ordinaria e straordinaria, svoltasi in data 19 aprile 2023;
- ha acquisito informazioni relative all'andamento generale della gestione e della sua prevedibile evoluzione, nonché sulle operazioni di maggior rilievo, per dimensioni o caratteristiche, effettuate dalla società;
- ha ricevuto ed esaminato le relazioni sulle attività condotte dalle funzioni fondamentali, ai sensi del regolamento IVASS n. 38/2018: in particolare dalle funzioni Internal Audit, Compliance, Attuariale e Risk Management e la pianificazione di quelle relative all'esercizio sociale in corso;
- ha accertato che le operazioni effettuate siano state conformi alla legge e allo statuto e non siano in potenziale contrasto con le delibere assunte dall'assemblea dei soci o tali da compromettere l'integrità del patrimonio sociale; in particolare, ha vigilato sulla compatibilità delle politiche generali di investimento, deliberate dal consiglio di amministrazione in conformità ai regolamenti ISVAP n. 36 del 31 gennaio 2011 e IVASS n. 24 del 6 giugno 2016, con le condizioni di equilibrio economico finanziario della compagnia e sulla conformità delle stesse degli atti di gestione. Si rileva che non sono stati effettuati e non sussistono investimenti in strumenti finanziari derivati;
- ha preso conoscenza dello sviluppo dell'attività svolta dalla società, ponendo particolare attenzione alle problematiche di natura contingente e/o straordinaria al fine di individuarne l'impatto economico e finanziario sul risultato di esercizio e sulla struttura patrimoniale, nonché gli eventuali rischi, come quelli derivanti da perdite sui crediti e sui contratti in essere, costantemente monitorati;

- ha vigilato in ordine al rispetto da parte degli organi sociali e delle funzioni interessate della normativa emanata nel periodo di riferimento dalle Autorità regolamentari, nonché degli obblighi inerenti alle comunicazioni e richieste di informazioni delle Autorità medesime;
- ha partecipato alle sedute di formazione (induction) in ottemperanza alle previsioni relative alla formazione continua degli amministratori ai sensi dell'art. 5, comma 2, lettera V, del regolamento 38/2018 a beneficio principale degli amministratori indipendenti e dello stesso collegio sindacale con riferimento: alla normativa in tema di Principio Contabile IFRS 17, Market Abuse e Internal Dealers, al prodotto Revo Specialty per Cyber Risk, alla Governance societaria, all'introduzione agli USP;
- ha verificato che le linee guida della politica di investimento fossero coerenti con la normativa di riferimento e compatibili con le condizioni attuali e prospettiche di equilibrio economico-finanziario della Compagnia, compiendo verifiche sugli attivi destinati a copertura delle Riserve Tecniche (con particolare riguardo agli strumenti finanziari) e la loro compatibilità con i limiti ammessi, verificando la piena disponibilità degli attivi stessi e operando il riscontro con il Registro degli attivi destinati a copertura delle Riserve Tecniche.

Nel corso del 2023 la Compagnia ha provveduto all'aggiornamento del codice etico e all'implementazione degli strumenti derivanti dai nuovi obblighi in materia di Whistleblowing.

Il Collegio si è rapportato con l'organismo di vigilanza che ha esposto il programma di implementazione delle attività in ragione del progressivo aumento delle dimensioni e delle complessità aziendali.

L'organismo di vigilanza non ha portato a conoscenza del Collegio criticità o elementi da segnalare con riferimento al perimetro delle attività vigilate dall'organismo, come risulta dalla relazione resa in occasione della riunione di cda del 13 luglio 2023, alla presenza dell'Avv. Lecis, Presidente dell'ODV.

Il Consiglio di amministrazione ha verificato e confermato la sussistenza del requisito di indipendenza di ciascun componente del medesimo Consiglio e del Collegio sindacale, ai sensi degli artt. 147-ter, quarto comma, e 148, terzo comma, del TUF nonché dell'art. 2, raccomandazione n. 7, del Codice di Corporate Governance, come ripresi e integrati nella "Politica aziendale e di Gruppo per l'identificazione e la valutazione del possesso dei requisiti e criteri di idoneità alla carica di esponenti aziendali". Analoghe valutazioni sono state condotte dal Collegio.

1.2 Indicazione di eventuale esistenza di operazioni atipiche e/o inusuali, comprese quelle infragruppo con parti correlate

Il Collegio sindacale dà atto che Revo Insurance S.p.A., con delibera del Consiglio di Amministrazione del 26 maggio 2022, ha adottato una procedura per la gestione delle operazioni poste in essere con parti correlate ai sensi del Regolamento CONSOB adottato con delibera n. 17221 del 12 marzo 2010 (come successivamente modificato) in materia di operazioni con parti correlate volta a definire, *inter alia*, le regole per l'identificazione, istruzione, approvazione ed esecuzione delle operazioni con parti correlate.

Nel corso del 2023 risulta effettuata una sola operazione con Parte Correlata con controparte la società controllata REVO Underwriting srl, di importo esiguo e per sua natura esente dall'applicazione della Procedura OPC.

Non risultano eseguite operazioni di natura atipica o inusuale infragruppo, con parti correlate o terze parti.

Sulla base delle informazioni ottenute, anche mediante la partecipazione alle riunioni del Consiglio di amministrazione, di cui si è detto, nonché sulla scorta dell'informativa prodotta e acquisita dagli esponenti delle funzioni aziendali, il Collegio sindacale è in grado di affermare che, in vigenza del proprio incarico, non risultano poste in essere operazioni di detta natura.

Gli Amministratori hanno dato evidenza alle relazioni in essere con la società controllata Revo Underwriting srl.

In data 05 dicembre 2023, l'Assemblea degli Azionisti ha deliberato la nomina di un Consiglio di Amministrazione della società controllata Revo Underwriting srl, nonché del presidente per garantirne un adeguato assetto organizzativo e una corretta gestione. L'assemblea è stata seguita da una prima riunione del Consiglio medesimo, cha ha nominato, tra i suoi membri, un Amministratore delegato.

2. Vigilanza sui principi di corretta amministrazione

Il Collegio sindacale ha vigilato, per quanto di sua competenza, sulla legittimità delle scelte operate dal Consiglio di amministrazione e sul rispetto dei principi di corretta amministrazione tramite osservazioni dirette, raccomandazioni, raccolta di informazioni e incontri con i responsabili delle principali funzioni aziendali e con la Società di Revisione.

Il Collegio Sindacale dà atto che le scelte gestionali sono state prese nel rispetto dei principi di corretta amministrazione, ispirate al principio di corretta informazione e di ragionevolezza e che gli amministratori sono consapevoli della rischiosità e degli effetti delle operazioni compiute.

Il Collegio Sindacale dà atto dell'avvenuto esame dell'aggiornamento del piano pluriennale e del budget annuale.

3. Vigilanza sull'adeguatezza dell'assetto organizzativo e del sistema di controllo interno

3.1 Struttura organizzativa

Nel contesto della mutata compagine sociale e gestoria avvenuta nell'esercizio 2022, e avuto riguardo all'evoluzione della dinamica aziendale, la Società risulta avere perseguito le attività finalizzate a rafforzare la struttura organizzativa e a organizzare e formulare i modelli e i processi operativi strutturati avuto riguardo ai lanciati progetti, piani e programmi di sviluppo, così come presentati dall'Autorità. Nel corso del 2023 sono state completate le attività di revisione delle politiche e delle procedure, ferma restando la necessità del loro continuo monitoraggio e l'aggiornamento delle stesse di tempo in tempo in un continuo processo di adeguamento rispetto alle dinamiche e alle esigenze aziendali. In tale prospettiva, il Collegio ha avuto periodici incontri con i responsabili delle funzioni aziendali, specialmente quelle Fondamentali (incontrando anche i componenti delle singole funzioni), con il duplice obiettivo di acquisire informazioni in merito al loro effettivo funzionamento e di dare impulso rispetto al predetto, continuo, necessario o anche solo opportuno adeguamento delle strutture. Gli organici della Compagnia sono stati in tal senso integrati in modo coerente con detti piani, tenuto conto anche di quanto occorso nei primi mesi del corrente Esercizio 2024.

E' stata presidiata l'attività di revisione delle Politiche aziendali, di obbligatoria disamina con cadenza annuale e in continuo necessario divenire in relazione alla dinamica aziendale (in parte, ancora in corso).

E' stato oggetto di attenzione il profilo e il ruolo dei titolari delle Funzioni Fondamentali, sempre ai sensi e per gli effetti delle disposizioni di cui al Regolamento Ivass n. 38/2018.

Il Consiglio di Amministrazione in data 13 luglio 2023, previo parere del Comitato per il Controllo Interno e i Rischi e del Comitato per le Nomine e la Remunerazione, sentito il Collegio sindacale, ha nominato, previa verifica circa il possesso dei requisiti di idoneità alla carica, il Dott. Davide Scudiero quale Titolare pro tempore della Funzione Risk Management in sostituzione della Dott.ssa Linda Tso in costanza del congedo di maternità, mentre in data 25 ottobre 2023, previo parere del Comitato per il Controllo Interno e i Rischi e del Comitato per le Nomine e la Remunerazione, sentito il Collegio sindacale, ha nominato, previa verifica circa il possesso dei requisiti di idoneità alla carica, il nuovo titolare della funzione di Internal Audit nella persona del dott. Riccardo Fava, in sostituzione del Dott. Giuliano De Michele che ha rassegnato le dimissioni.

Il Collegio sindacale, per quanto di competenza, ha vigilato, quindi, sull'adeguatezza della struttura organizzativa e dei processi di gestione della Società tramite osservazioni dirette, raccolta di informazioni dai responsabili delle funzioni di controllo e dei responsabili delle principali funzioni aziendali; i rapporti con questi ultimi si sono ispirati alla reciproca collaborazione nel rispetto dei ruoli a ciascuno affidati.

3.2 Sistema di controllo interno

Il sistema di controllo interno e di Gestione dei Rischi ("SCIGR") prevede l'espletamento di attività volte a individuare andamenti anomali, violazioni delle procedure della regolamentazione interna ed esterna, nonché a valutare la funzionalità del complessivo sistema dei controlli interni.

Tale Sistema rappresenta un elemento qualificante ed essenziale della corporate governance della Società ed assume un ruolo fondamentale nella individuazione, misurazione, gestione e monitoraggio dei rischi significativi, rendendoli compatibili con gli obiettivi strategici aziendali e contribuendo quindi alla creazione di valore nel medio-lungo periodo.

Il SCIGR di REVO risulta conforme ai principi contenuti Codice di Corporate Governance promosso da Borsa Italiana S.p.A. e più in generale, alle *best practice* esistenti in materia.

Il SCIGR è, in particolare, costituito da un insieme di regole, procedure e strutture organizzative volte a contribuire in modo proattivo, attraverso un adeguato processo di identificazione, misurazione, gestione e monitoraggio dei principali rischi, alla salvaguardia del patrimonio sociale, ad una efficiente ed efficace conduzione della Società e del Gruppo in linea con le strategie aziendali definite dal Consiglio di Amministrazione, all'attendibilità, accuratezza e affidabilità delle informazioni fornite agli organi sociali ed al mercato e, più in generale, al rispetto delle vigenti disposizioni legislative e regolamentari.

La Società si è dotata di un sistema di governo societario che garantisce un efficace sistema di controllo interno e gestione dei rischi.

La Società intende, altresì, perseguire *best practices* di mercato e aderisce ai principi del Codice di Corporate Governance di Borsa Italiana previsti per le società quotate in tema di corporate governance, da coniugare con quanto prescritto o raccomandato dalla Vigilanza e da declinare tenendo conto della peculiarità e delle caratteristiche della Società.

A seguito del processo di autovalutazione condotto in coerenza alla Lettera al mercato Ivass del luglio del 2018, avuto riguardo allo status di società quotata e tenuto in considerazione il ruolo della Compagnia quale Capogruppo del Gruppo REVO Insurance, è stato identificato, sin dal 2022, il sistema di governo societario "rafforzato" quale modello più idoneo ai fini della sana e prudente gestione.

Sono inoltre istituite le funzioni fondamentali di Revisione Interna ("Audit"), di Gestione dei Rischi ("Risk Management"), di Verifica della Conformità ("Compliance") e Funzione Attuariale ("Funzione Attuariale") sia a livello di Compagnia che a livello di Gruppo.

È altresì presente un Organismo di Vigilanza, istituito ai sensi del D.lgs. n. 231 dell'8 giugno 2001, nominato dal Consiglio di Amministrazione.

La composizione, le attribuzioni e le modalità di funzionamento degli organi sociali sono disciplinate dal Codice Civile, dalla disciplina regolamentare di settore, dallo Statuto Sociale, dal Regolamento del C.d.A. e dei Comitati endoconsiliari e dalle deliberazioni assunte dagli organi competenti, oltre che dai principi e dai criteri enunciati nel Codice di Corporate Governance, cui la Società aderisce dal 2022.

Il sistema di controllo interno della Società, integrato all'interno del sistema di governo societario, è costituito dall'insieme delle regole, delle procedure e delle strutture organizzative, che mirano ad assicurarne il corretto funzionamento e il buon andamento e garantisce, con un ragionevole margine di sicurezza, il raggiungimento degli obiettivi propri del sistema di governo societario di Gruppo di cui all'articolo 4, comma 1 del Regolamento Ivass n. 38.

La struttura di controllo della Compagnia è articolata su tre livelli di presidio che, rispondendo ad obiettivi di controllo specifici e differenziati, contribuiscono a garantire un buon funzionamento del sistema stesso:

- "Controlli di primo livello": rientrano in tale tipologia i controlli insiti nei processi operativi che richiedono competenze specifiche del business, dei rischi e/o delle normative pertinenti; definiti anche come controlli operativi o di linea o permanenti, si concretizzano nelle verifiche svolte sia da chi mette in atto una determinata attività, sia da chi ne ha la responsabilità di supervisione, generalmente nell'ambito della stessa unità organizzativa. Sono le verifiche effettuate dalle stesse strutture operative, anche in forma di autocontrollo, o sono incorporate nelle procedure automatizzate, oppure eseguite nell'ambito dell'attività di back-office.
- "Controlli di secondo livello": tali controlli sono preposti al presidio del processo di individuazione, valutazione, gestione e controllo dei rischi legati all'operatività garantendone la coerenza rispetto agli obiettivi aziendali e rispondendo a criteri di segregazione che consentono un efficace monitoraggio; si tratta di attività affidate a strutture specializzate che hanno la finalità di concorrere, unitamente agli organi amministrativo e direttivo ed alle strutture operative, alla definizione delle politiche di gestione dei rischi, delle metodologie di misurazione degli stessi, dei limiti operativi assegnati alle varie funzioni nonché di controllare la coerenza dell'operatività con gli obiettivi e i livelli di rischio definiti dai competenti organi aziendali.
  Si tratta delle funzioni di controllo, quali le funzioni fondamentali istituite a norma del Codice delle Assicurazioni Private (Funzione Risk Management, Funzione Compliance e Funzione Attuariale). Ulteriori strutture e soggetti aventi compiti di controllo previsti da diverse fonti normative che svolgono la loro attività con differenti gradi di indipendenza e segregazione dalle funzioni operative e dalle funzioni fondamentali sono il Dirigente preposto ai documenti contabili societari istituito ai sensi del D. Lgs n. 58/98 (Testo Unico della Finanza), il Data Protection Officer (DPO), nominato ai sensi del Regolamento UE 2016/679, e il Responsabile della funzione reclami, costituita ai sensi del Regolamento ISVAP n. 24/2008. È inoltre prevista la nomina del Referente unico per la comunicazione delle informazioni statistiche all'IVASS, ai sensi del Regolamento IVASS n. 36/2017.
- "Controlli di terzo livello": forniscono l'assurance complessiva sul disegno e il funzionamento del sistema di controllo interno e delle ulteriori componenti del sistema di governo societario attraverso valutazioni indipendenti. Si tratta dell'attività di controllo periodico svolto dalla funzione Audit, che si estende anche alla funzionalità e adeguatezza dei presidi di primo e secondo livello.

Le attività di verifica sul Sistema di Controllo Interno sono espletate attraverso presidi diretti da parte dei responsabili delle unità organizzative nell'ambito del proprio ruolo e delle proprie competenze, dalle attività e dalla reportistica effettuata dalle funzioni Risk Management, Compliance e Funzione Attuariale, nonché attraverso specifici interventi di Audit, pianificati annualmente e condotti dalla funzione Audit.

La circolazione delle informazioni tra gli Organi Sociali, i Comitati endoconsiliari e le funzioni fondamentali rappresentano una condizione imprescindibile affinché siano effettivamente realizzati gli obiettivi di efficienza della gestione aziendale e di efficacia dei controlli.

Gli esiti di quanto deliberato dal Consiglio di Amministrazione vengono resi noti alle strutture aziendali – per gli adempimenti di propria competenza - a cura della Funzione Corporate and Regulatory Affairs. Le politiche aziendali vengono rese disponibili alle strutture mediante loro pubblicazione su sharepoint aziendale a cura della Funzione Compliance.

L'Amministratore Delegato riferisce periodicamente al Consiglio di Amministrazione in merito all'attività svolta in occasione delle riunioni consiliari e comunque secondo diverse modalità qualora fissate volta per volta dallo stesso Consiglio di Amministrazione. Come previsto dall'art. 2381 del codice civile, l'Amministratore Delegato riferisce periodicamente sul generale andamento della gestione e sulla sua prevedibile evoluzione nonché sulle operazioni di maggior rilievo, per le loro dimensioni o caratteristiche effettuate dalla Società e rientranti nelle deleghe dell'Amministratore Delegato medesimo.

I Comitati riferiscono inoltre al Consiglio di Amministrazione in merito alle operazioni e alla documentazione esaminati rilasciando un preventivo parere motivato.

Le funzioni fondamentali trasmettono direttamente flussi periodici verso ciascuno degli organi aziendali. Sono altresì previste idonee procedure di collegamento tra le stesse funzioni fondamentali.

Si rileva che la Compagnia, decorsa, con l'intervenuta fusione e quotazione, la fase transitoria che ha visto l'adozione di un sistema di governo societario c.d. "semplificato", in conformità a quanto previsto dal combinato disposto di cui al Regolamento Ivass n. 38/2018 e alla Lettera al mercato in data 5 luglio 2018, ricorrendone i relativi presupposti e in aderenza ai parametri quali-quantitativi di tipo presuntivo ivi previsti, è passata (obbligatoriamente) ad un sistema "rafforzato", con conseguente divieto di ricorso all'esternalizzazione delle Funzioni Fondamentali e la necessità che le stesse funzioni siano costituite in forma di specifica unità organizzativa, fermo il principio di separatezza rispetto alle funzioni operative.

Sono stati oggetto di approvazione i piani di Revisione Interna e di Compliance, i piani della Funzione di Audit e Attuariale.

Il collegio sindacale e la società incaricata della revisione legale si sono scambiati regolarmente dati e informazioni rilevanti per l'espletamento dei rispettivi compiti ai sensi sensi dell'art.150, comma 2, del D.Lgs. 58/1998. Il Collegio ha verificato che con riferimento ad un sinistro "large" verificatosi nel corso del 2022 sono state puntualmente rispettate nel corso del 2023 le scadenze pattuite per il piano di rientro concordato.

Anche dall'analisi dei reclami pervenuti nel corso del 2023 non sono emerse carenze a livello organizzativo-procedurale. Sebbene in aumento rispetto alla precedente rilevazione annuale, i reclami si assestano su numeriche contenute, sia in termini assoluti che a livello di incidenza sui contratti in essere. Ed in effetti nel 2023 sono pervenuti complessivamente n. 20 reclami, di cui 12 nel secondo semestre 2023, che si sono aggiunti agli 8 pervenuti nel primo semestre, mentre nel 2022 ne erano pervenuti 11. I reclami sono stati accettati in 2 casi, transatti in 1 e respinti in 16 casi, mentre 1 risultava in istruttoria al 31.12.2023. Il dato relativo alla percentuale di accoglimento, anche parziale, dei reclami pervenuti ed evasi si attesta al 16%, in diminuzione rispetto al 45% registrato a fine 2022. Il tempo medio di evasione registrato è pari a 19 giorni, in linea con il dato registrato a fine 2022.

Alla luce delle soprariportate considerazioni, si ritiene che il sistema di controllo interno e gestione dei rischi e delle ulteriori componenti del sistema di governo societario, attese le azioni di miglioramento evidenziate dalla funzione di Revisione interna nella sua relazione resa al Consiglio sul SCIGR, risulti, nel suo complesso (e tenuto conto dello stadio di maturazione della Società nel suo percorso iniziato con la business combination), efficace, efficiente e adeguato e che non sussistano carenze significative del sistema di controllo interno della Società da portare all'attenzione nella presente Relazione.

4. Vigilanza sull'adeguatezza del sistema amministrativo-contabile e sull'attività di revisione legale dei conti

4.1 <u>Sistema amministrativo-contabile</u>

Il Collegio sindacale ha vigilato sull'adeguatezza e sul funzionamento del sistema amministrativo-contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, sia mediante indagini dirette, sia tramite l'ottenimento di informazioni dai responsabili delle diverse funzioni principalmente tramite informazioni assunte dalle funzioni amministrative preposte e segnatamente dal *Chief Financial Officer*. A tale fine, ha accertato l'adeguatezza e l'idoneità degli assetti organizzativi della società in relazione alla sua attività e agli aspetti gestionali da essa conseguenti e dei processi in corso per ulteriori miglioramenti.

Anche sulla base delle informazioni acquisite dalla Società di Revisione, il Collegio ha avuto contezza, per quanto di competenza, sull'adeguatezza e sul funzionamento del sistema amministrativo – contabile, nonché sull'affidabilità di quest'ultimo di rappresentare correttamente i fatti di gestione, e dell'osservanza delle norme di legge e regolamenti inerenti alla formazione, all'impostazione, agli schemi del Bilancio (e del Bilancio Consolidato), come *infra* individuati, nonché dei contenuti della Relazione degli amministratori sulla gestione.

Il percorso di crescita e di diversificazione degli strumenti di investimento, e la maggiore dinamicità della politica degli investimenti che il nuovo organo amministrativo sta introducendo, nel contempo, ha già comportato taluni adeguamenti e innovazioni dei sistemi informatici, ancora in corso di completa implementazione, e il conseguente adeguamento dei sistemi amministrativo-contabili. Particolare attenzione è prestata ai temi relativi al *disaster recovery*, alla *business continuity* e alla *cyber security*.

A seguito di quanto accertato e dei confronti intervenuti con la Società di Revisione (specie per quanto attiene l'affidabilità dei sistemi informatici, anche considerando le implementazioni di nuovi *tool* in relazione alla mutata dinamica della Compagnia), il Collegio ritiene che il sistema amministrativo-contabile sia idoneo a rappresentare correttamente i fatti gestionali.

Il Collegio ha vigilato e monitorato l'indipendenza della Società di Revisione (a norma degli articoli 10, 10-bis e 17 del D.Lgs. n. 39/2010); il Collegio ha potuto autonomamente verificare la sussistenza di tali requisiti e circostanze ed è stata tempestivamente interpellata in merito a taluni incarichi assunti da KPMG di seguito riassunti:

- procedure di verifica concordate a supporto del dirigente preposto e relative al rilascio delle attestazioni previste dall'art. 154 bis del D.lgs. 24 febbraio 1998, n. 58, con riferimento al bilancio al 30.06.2023 di Revo Insurance spa, con un corrispettivo di € 17.500,00;
- procedure di verifica concordate a supporto del dirigente preposto e relative al rilascio delle attestazioni previste dall'art. 154 bis del D.lgs. 24 febbraio 1998, n. 58, con riferimento al bilancio al 31.12.2023 di Revo Insurance spa, con un corrispettivo di € 17.500,00.

Il Collegio Sindacale ha esaminato l'attestazione del bilancio consolidato ai sensi dell'art. 81-ter del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche ed integrazioni rilasciata dal dirigente preposto alla redazione dei documenti contabili societari, nonché la relazione rilasciata in data 7 marzo 2024 da KPMG S.p.A. sulle procedure richieste a supporto del dirigente preposto e relative al rilascio delle attestazioni previste dall'art. 154-bis del D.Lgs. 24 febbraio 1998, n. 58 con riferimento al bilancio individuale e consolidato al 31 dicembre 2023 della società. Inoltre, il Collegio ha controllato ma non ha rilevato alcun conferimento di incarichi a soggetti legati alla società incaricata della revisione da rapporti continuativi e dei relativi costi.

5. Proposte in ordine al bilancio di esercizio e alla sua approvazione

Il progetto di Bilancio d'esercizio chiuso al 31 dicembre 2023 e la "Relazione degli amministratori sull'andamento della gestione", unitamente ai documenti ancillari, ivi compresi gli allegati previsti sull'articolo 4 del Regolamento ISVAP n. 22/2008, sono stati trasmessi al Collegio sindacale dal Consiglio di amministrazione il 13 marzo

2024, per gli adempimenti di legge, ad esito dell'adunanza consiliare che ha provveduto a licenziarli (di seguito il "Bilancio"). In termini analoghi, è stato consegnato al Collegio il Bilancio consolidato chiuso al 31 dicembre 2023 e i relativi documenti ancillari, approvato nella medesima adunanza consiliare (il "Bilancio consolidato"). Si richiama all'attenzione che per il Bilancio Consolidato trovano applicazione i principi contabili internazionali IAS/Ifrs, mentre per il Bilancio Ordinario si applicano i principi contabili nazionali, OIC.

Il Collegio sindacale, per gli aspetti di competenza:

- ha espresso il consenso richiesto dall'articolo 2426, comma 5, cod. civ. per l'iscrizione nel Bilancio dei costi di impianto e ampliamento e dell'avviamento;
- con riferimento al Bilancio Consolidato, ha preso atto che, in ossequio al documento congiunto Banca d'Italia, Consob, IVASS n. 4/2010, il Consiglio di amministrazione si è dotato di una procedura di *impairment test*, adottata in sede di predisposizione del Bilancio consolidato stesso;
- ha intrattenuto incontri periodici con la Società di Revisione, nel corso dei quali si è dato luogo a scambi di informazioni e orientamenti, senza che siano stati evidenziati rilievi particolari da dover comunicare, né fatti ritenuti censurabili;
- riscontra che la Società di Revisione ha regolarmente svolto l'incarico di revisione contabile del Bilancio (e del Bilancio Consolidato), nonché della verifica della regolare tenuta della contabilità sociale, della corretta rilevazione dei fatti di gestione e della attestazione delle dichiarazioni di natura tributaria.

Il Collegio, in tal senso, ha ricevuto informazioni scritte dalla Società di Revisione in merito ai piani di revisione, alle attività svolte e alla loro conclusione, con particolare riferimento ai punti di attenzione per il Bilancio (e il Bilancio Consolidato).

Il Collegio ha, quindi, esaminato il contenuto delle relazioni della Società di Revisione, emesse in data 27 marzo 2024 da KPMG S.p.A. ai sensi degli artt. 14 del D.lgs. n. 39/2010, dell'art. 10 del Regolamento UE n. 537 del 16 aprile 2014 e dell'art. 102 del D.lgs. 7 settembre 2005, n. 209, che esprimono un giudizio "senza rilievi". Come prevede l'articolo 10 del Regolamento (UE) n. 537/2014, nelle Relazioni sopraindicate sono anche individuati gli "aspetti chiave della revisione contabile" ai sensi di legge e nelle stesse sono espressi il giudizio di coerenza con il bilancio della Relazione sulla Gestione, sulla conformità delle stesse alle norme di legge, nonché il giudizio di sufficienza delle riserve tecniche, ai sensi dell'art. 102 del D.lgs. 7 settembre 2005, n. 209.

La Società di Revisione ha rilasciato, in data 27 marzo 2024, la Relazione Aggiuntiva prevista dall'art. 11 del Regolamento (UE) 537/2014 relativa al Bilancio, dalla quale non emergono carenze significative nel sistema di controllo interno in relazione al processo di informativa finanziaria.

6. Informazioni aggiuntive

Diamo altresì atto che:

- il Collegio è stato informato ed ha potuto verificare con continuità il flusso delle segnalazioni inviate dalla Società IVASS in materia di vigilanza prudenziale; è stata presidiata, in particolare, l'attività relativa al Regular Supervisory Report (RSR), al Report Annual Solo e all'approvazione della Relazione ORSA (*Own Risk and Solvency Assessment*) e del *Solvency and Financial Condition Report* di Gruppo.
- In data 8 novembre 2023, la Società ha ricevuto dall'Autorità di Vigilanza il rapporto ispettivo recante le risultanze (giudizio parzialmente favorevole) dell'ispezione condotta da IVASS presso la Società nel periodo ricompreso tra il 21 febbraio ed il 5 maggio 2023, avente ad oggetto la verifica dei profili di governo e di

controllo, della valutazione del rischio strategico e della sostenibilità del modello di business nel nuovo contesto macroeconomico.

L'Istituto di Vigilanza richiedeva che il rapporto ispettivo fosse sottoposto all'esame degli organi con funzioni di supervisione strategica, di gestione e di controllo, in apposita riunione il cui verbale avrebbe dovuto essere trasmesso anche al Servizio di Ispettorato. Inoltre, richiedeva la redazione di una lettera a firma dei componenti del Consiglio di Amministrazione e del Collegio Sindacale contenente le "considerazioni in ordine ai rilievi e alle osservazioni formulati, dando anche notizia dei conseguenti provvedimenti già assunti o che intenda assumere".

La lettera di riscontro al rapporto ispettivo è stata discussa e approvata dal Consiglio di Amministrazione in occasione della riunione del 14 dicembre scorso e, debitamente sottoscritta da tutti i consiglieri e i sindaci, è stata trasmessa ad IVASS in data 21 dicembre 2023 unitamente ai relativi allegati.

- L'Amministratore Delegato è stato incaricato di predisporre e trasmettere all'IVASS le relazioni semestrali sull'esecuzione del Programma di attività, redatte ai sensi dell'art. 7 del Regolamento ISVAP 14/2008, per il primo triennio.
- Si sono assunte informazioni in merito all'aggiornamento della politica in materia di conflitti di interesse e di *whistleblowing*. In merito a tale ultimo tema lo scorso 11 dicembre 2023 la Società ha adottato la nuova procedura operativa per la gestione delle segnalazioni volta a disciplinare le modalità di segnalazione, da parte del personale dipendente e soggetti terzi esterni al Gruppo REVO, di fenomeni illeciti e comportamenti sospetti, di irregolarità nella conduzione aziendale, di atti o fatti che possano costituire una violazione delle norme, interne ed esterne, che disciplinano l'attività del Gruppo.

La procedura descrive in particolare il sistema interno per la segnalazione delle violazioni adottato dal Gruppo, che ha l'obiettivo di salvaguardare la riservatezza dell'identità del segnalante e di tutelarlo da condotte ritorsive conseguenti alla segnalazione.

Il Titolare della Funzione di Revisione Interna è il Responsabile Incaricato del Sistema Interno di Segnalazione; il Titolare della Funzione Compliance è invece il Responsabile Supplementare del Sistema Interno di Segnalazione, con accesso alla piattaforma e alle segnalazioni ricevute sia per valutarne la rilevanza ai sensi del D. Lgs. 231/2001 (anche in qualità di membro dell'Organismo di Vigilanza 231), sia per garantire la corretta gestione delle segnalazioni con riferimento a eventuali casi di conflitto di interesse relativi alla figura del Responsabile Incaricato.

Estratto di predetta procedura, con particolare riguardo alle modalità di segnalazione e ai canali utilizzabili, unitamente al link per collegarsi alla piattaforma dedicata Whistleblower Software, è stato pubblicato sul sito internet della Società. Parimenti, è stata diramata a tutti i dipendenti un'apposita comunicazione relativa alla messa a disposizione della procedura sul portale aziendale e sul sito internet della Società.

Il Collegio ha avuto conferma che, al momento in cui viene rilasciata la presente relazione, non sono pervenute segnalazioni.

- Il Consiglio ha dato attuazione alla Politica di remunerazione e ai piani dei compensi basati su strumenti finanziari deliberati dall'Assemblea degli Azionisti il 19 aprile 2023, predisposti in conformità al Regolamento 38/2018, all'art. 275 del Regolamento UE 2015/35 relativo alle Politiche di Remunerazione nelle imprese di assicurazione e in ossequio alla lettera al mercato di IVASS in data 5 luglio 2018 nonché, laddove e qualora applicabile per effetto della (in allora solo prevista) quotazione al Mercato Euronext Milan, alla normativa prevista per le Società quotate (D.lgs. 58/1998 - Testo Unico della Finanza, art. 123-ter e Delibera CONSOB n.

11971 - Regolamento Emittenti, art. 84-quater). Esse si ritengono riflettere gli interessi di lungo termine dell'impresa e contribuiscono alla creazione di valore nel lungo termine, nella tutela degli interessi degli *stakeholder* e costituiscono uno strumento rilevante per perseguire gli obiettivi del piano strategico, in una logica di prudente gestione del rischio e di mantenimento della solidità patrimoniale.

- Il Consiglio di amministrazione, assistito dal Comitato per le Nomine e la Remunerazione, in ottemperanza al Criterio applicativo 1.C.1, lettera g) del Codice di Autodisciplina, ha condotto una valutazione sul funzionamento del Consiglio medesimo e dei suoi Comitati nonché sulla loro dimensione e composizione, tenendo anche conto di elementi quali le caratteristiche professionali, di esperienza, anche manageriale, e di genere dei suoi componenti, nonché della loro anzianità di carica, anche in relazione ai criteri di diversità di cui all'art. 2 del medesimo Codice. Il Consiglio di amministrazione non si è avvalso dell'opera di consulenti esterni ai fini dell'autovalutazione.

  Un'autovalutazione è stata condotta dal Collegio sindacale uscente attraverso la somministrazione e compilazione da parte dei suoi membri di un questionario. All'esito di tale esercizio autovalutativo, il Collegio Sindacale uscente ha redatto un documento portante gli orientamenti qualitativi e quantitativi per la composizione del Collegio Sindacale con l'obiettivo di favorire la conoscenza, da parte dell'Assemblea degli Azionisti e dei candidati sindaci, di un quadro complessivo delle attività che l'Organo di Controllo della Compagnia è chiamato a svolgere. Tutto ciò, anche al fine di consentire una valutazione ponderata delle competenze professionali necessarie, nonché dell'adeguatezza del compenso proposto per l'espletamento dell'incarico di Sindaco della Compagnia.

  Il Collegio ritiene che ulteriori riflessioni debbano essere svolte sul tema emolumenti perché gli stessi siano congrui e coerenti con riguardo all'impegno richiesto per lo svolgimento della carica che, prevedibilmente, per i successivi esercizi sarà sensibilmente crescente, tenuto conto dei piani e dei programmi di sviluppo della Compagnia.

- Il Consiglio di amministrazione presta grande attenzione alle tematiche ESG, anche grazie al supporto fornito dal Comitato *Environmental, Social and Governance.*
- In data 15 maggio 2023 Revo Insurance S.p.A. ha promosso un'offerta pubblica di acquisto volontaria parziale su azioni proprie avente ad oggetto massime n. 700.000 azioni ordinarie della società, pari al 2,84% del capitale sociale, al prezzo di € 9,25 per azione e per un controvalore massimo di € 6.475.000,00. L'operazione si è conclusa in data 16 giugno 2023 con l'acquisto di n. 699.885 azioni proprie raccolte in OPA. Dal 30 giugno 2023 Revo Insurance S.p.A., a seguito dell'operatività intercorsa sulle azioni proprie, detiene un totale di n. 850.700 azioni proprie, pari al 3,46% del capitale sociale.
- L'Assemblea annuale degli Azionisti è convocata in unica convocazione per il giorno 19 aprile 2024 e ai sensi dell'art. 106, comma 4, secondo periodo, DL 18/2020, come successivamente prorogato, gli Azionisti potranno intervenire in Assemblea esclusivamente per il tramite del conferimento di apposita delega o delega/subdelega al Rappresentante Designato ex art. 135- undecies del TUF.

  Il Consiglio di amministrazione ha tempestivamente reso disponibile al Collegio il fascicolo di Bilancio (e del Bilancio Consolidato) e la Relazione sul Governo societario e gli Assetti proprietari, la Relazione sulla politica di remunerazione e sui compensi corrisposti (per la quale prima sezione l'articolo 123-ter del TUF e gli articoli 41, 59 e 93 del Regolamento IVASS 38/2018 dispongono l'approvazione da parte dell'Assemblea), i documenti ancillari, nonché una Relazione sulle materie poste all'ordine del giorno, sia in sede ordinaria sia in sede straordinaria.

- Nel corso dell'esercizio in esame non si sono verificate situazioni che richiedessero, ai sensi di legge, il rilascio del consenso o di pareri da parte del Collegio Sindacale, salvo per quanto attiene:
  - all'espressione, in data 13 luglio 2023 del parere relativo alla nomina del titolare della funzione Risk Dott. Davide Scudiero, per sostituzione della titolare della funzione in maternità;
  - all'espressione, in data 25 ottobre 2023 del parere relativo alla nomina del nuovo titolare della funzione internal audit, dott. Riccardo Fava;
  - all'espressione, in data 26 gennaio 2023 e 8 agosto 2023, delle proprie Osservazioni sulla Relazione Semestrale dei Reclami, concernente, rispettivamente, il II semestre 2022 e il I semestre 2023, in conformità alle previsioni del Regolamento ISVAP n. 24 del 19 maggio 2008, modificato e integrato dal Provvedimento IVASS n. 30 del 24 marzo 2015, n. 46 del 03/05/2016 e n. 61 del 04/07/2017, tempestivamente inoltrate a IVASS;
  - l'espressione, in data 28 agosto 2023, delle "Osservazioni del Collegio sindacale sulla Relazione Semestrale chiusa al 30 giugno 2023" (ex articolo 11 del Regolamento ISVAP del 4 aprile 2008, n. 22), una volta acquisita la Relazione di revisione contabile limitata sulla relazione semestrale consolidata da parte di KPMG che ha concluso senza indicazioni di criticità;
  - il parere espresso dal Collegio Sindacale sui requisiti in capo all'avv. Ugolini richiesti per ricoprire la carica di Presidente del Collegio Sindacale fornito al Consiglio di Amministrazione nella riunione del 28 aprile 2023.

Il Collegio sindacale dà atto che, nel corso dell'attività svolta, con carattere di normalità, nell'esercizio 2023 (e sino alla data della presente Relazione):

- non ha avuto alcuna notizia che richiedesse particolari accertamenti, a seguito di richieste di informazioni rivolte agli Amministratori sull'andamento delle operazioni sociali o su particolari affari, ai sensi dell'art. 2403-bis, comma 2, cod. civ.;
- non ha avuto segnalazioni dagli Azionisti, né ricevuto denunce, a sensi dell'art. 2408 cod. civ. o delle applicabili disposizioni del TUF e del Regolamento Mercati;
- non ha ricevuto esposti, né segnalazioni relative ad anomalie o irregolarità degne di comunicazione.

Sulla base delle informazioni ottenute, non sono state rilevate omissioni, fatti censurabili, irregolarità o comunque circostanze significative tali da richiedere la segnalazione alle Autorità o la menzione nella presente Relazione.

7. Valutazioni conclusive

Per quanto riguarda il controllo della regolare tenuta della contabilità e la corretta rilevazione dei fatti di gestione, nonché le verifiche di corrispondenza tra le informazioni di Bilancio e le risultanze delle scritture contabili e di conformità del Bilancio alla disciplina di legge (così come per quanto attinente il Bilancio Consolidato), si ricorda che tali compiti sono affidati alla Società di Revisione. Il Collegio sindacale, per parte sua, ha vigilato sull'impostazione generale data allo stesso Bilancio (e al Bilancio Consolidato). In particolare, il Collegio sindacale:

- ha verificato l'osservanza delle norme di legge inerenti alla formazione e all'impostazione del Bilancio;
- ha verificato che gli Amministratori, nella redazione del Bilancio, non abbiano derogato alle disposizioni di legge ai sensi dell'art. 2423, comma quattro, cod. civ.;

- ha constatato la rispondenza del Bilancio ai fatti e alle informazioni acquisite a seguito della partecipazione alle riunioni degli Organi sociali, anche con riguardo alle operazioni di maggior rilievo economico, finanziario e patrimoniale svolte dalla Società;
- ha verificato che la Nota Integrativa reca la dichiarazione di conformità con i principi contabili nazionali applicabili (e internazionali per quanto attiene il Bilancio Consolidato) e indica i principali criteri di valutazione adottati, nonché le informazioni di supporto alle voci dello stato patrimoniale, del conto economico, del Conto Tecnico, del prospetto delle variazioni del patrimonio netto e degli altri prospetti richiesti dalla normativa applicabile; la medesima dà conto dei corrispettivi di competenza dell'esercizio 2023 per i servizi forniti dalla Società di Revisione;
- ha accertato che la Relazione degli amministratori sull'andamento della gestione risponde ai requisiti dell'art. 2428 del cod. civ. e ai regolamenti vigenti ed è coerente con i dati e le risultanze del Bilancio; essa fornisce un'adeguata informativa sull'andamento della gestione, dà evidenza dei rischi e delle incertezze a cui la Compagnia risulta esposta;
- non ha rilevato nel corso dell'esercizio 2023 omissioni, fatti censurabili, irregolarità o circostanze significative tali da richiedere la segnalazione alle Autorità.

A seguito dell'attività di vigilanza espletata, il Collegio sindacale non ha osservazioni da formulare, né proposte da rappresentare all'assemblea dei soci ai sensi dell'art. 153, comma 2, del D.Lgs. 58/98, ed esprime parere favorevole alle proposte di deliberazione presentate dal Consiglio di amministrazione con riferimento all'approvazione del Bilancio e alla proposta di destinazione dell'utile di esercizio.

Ricordiamo che con l'approvazione del bilancio dell'esercizio 2023 scade il nostro mandato per compiuto triennio; ringraziando per la fiducia accordataci, vi invitiamo a deliberare in merito.

Verona, 27 Marzo 2024

Il Collegio Sindacale

f.to Avv. Saverio Ugolini – Presidente

f.to Rag. Rosella Colleoni – Sindaco Effettivo

Rosella Colleoni

f.to Dott. Alessandro Copparoni – Sindaco Effettivo

Alessandro Copparoni

Independent Auditor's Report

KPMG S.p.A.
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(The accompanying translated consolidated financial statements of the Revo Insurance Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010, article 10 of Regulation (EU) no. 537 of 16 April 2014 and article 102 of Legislative decree no. 209 of 7 September 2005

To the shareholders of
Revo Insurance S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Revo Insurance Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 90 of Legislative decree no. 209 of 7 September 2005.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Revo Insurance S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of insurance liabilities

Notes to the consolidated financial statements "Part B – Accounting policies", paragraph "Insurance liabilities"

Notes to the consolidated financial statements "Part C - Information on the statement of financial position "Item 3. Insurance liabilities"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2023 include insurance liabilities of about €156 million, accounting for about 78% of total liabilities. They comprise the liabilities for remaining coverage and for claims incurred of roughly €93 million and approximately €63 million, respectively, measured using the premium allocation approach (PAA). Insurance liabilities reflect the expected cash flows from insurance contracts, adjusted to take into account the time value of money and non-financial risks. The group measures this caption including by using actuarial valuation techniques which entail a high level of complex and subjective judgement relating to past and future internal and external variables with respect to which any changes in the underlying assumptions may have a significant impact on the measurements of these liabilities. For the above reasons, we believe that the measurement of insurance liabilities is a key audit matter.	Our audit procedures included: • understanding the process for the measurement of insurance liabilities and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; • analysing the significant changes in insurance liabilities compared to the previous year's figures, analysing the key summary indicators and discussing the results with the relevant internal departments; • checking the actuarial techniques adopted by the parent and the reasonableness of the data and parameters used for estimation purposes; we carried out these procedures with the assistance of actuarial experts of the KPMG network; • checking the compliance of the calculation of the overall insurance liabilities with the reference accounting standard, including by assessing their reasonableness on the basis of the ratios and trends of the main indicators; we carried out this procedure with the assistance of actuarial experts of the KPMG network; • assessing the appropriateness of the disclosures about insurance liabilities.

Transition to IFRS 17

Notes to the consolidated financial statements "Part A - General basis of preparation" paragraph "IFRS 17 - Insurance contracts"

Key audit matter	Audit procedures addressing the key audit matter
IFRS 17, which was applied on 1 January 2023 for the first time, has modified the group's accounting policies for insurance contracts. The group applied the new standard retrospectively, which affected its opening balances at 1 January 2022 and, therefore, its equity. As a consequence of adopting a retrospective approach, the group restated its consolidated financial statements figures at 31 December 2022. During the transition to the new standard, the parent was required to use a high level of judgement to develop and implement accounting policies. The application of the new standard led to a reduction of about €1 million in equity at 1 January 2022, net of the related tax. It has also significantly changed the group's processes, organisation and measurement of insurance liabilities. For the above reasons, we believe that the transition to IFRS 17 is a key audit matter.	Our audit procedures included: • gaining an understanding of the group's IFRS 17 transition processes and related IT environment, especially in relation to the calculation of insurance liabilities; • analysing the process for the identification of insurance contracts and checking, on a sample basis, their aggregation; we carried out these procedures with the assistance of actuarial experts of the KPMG network. • analysing how the group applied the insurance contracts' measurement model; we carried out these procedures with the assistance of actuarial experts of the KPMG network; • checking the actuarial techniques adopted by the group and the reasonableness of the data and parameters used; we carried out these procedures with the assistance of actuarial experts of the KPMG network; • checking the appropriateness of the methods adopted and the reasonableness of the assumptions used to calculate the insurance liabilities; we carried out these procedures with the assistance of actuarial experts of the KPMG network; • assessing the appropriateness of the disclosures about the transition to IFRS 17.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulation implementing article 90 of Legislative decree no. 209 of 7 September 2005 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the carve-out consolidated financial statements and for the adequacy of the related disclosures.

The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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 to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. 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 control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the 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 our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease 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 represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, 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 ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the 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 year and are, therefore, the key audit matters. We describe these matters in this report.

Other information required by article 10 of Regulation (EU) no. 537 of 16 April 2014

On 6 April 2017, the shareholders of Revo Insurance S.p.A. (formerly Elba Assicurazioni S.p.A.) appointed us to perform the 2017-2025 statutory audit. We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537 of 16 April 2014 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2023 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2023 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2023 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the group's consolidated financial statements at 31 December 2023 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the group's consolidated financial statements at 31 December 2023 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 27 March 2024

KPMG S.p.A.

(signed on the original)

Maurizio Guzzi
Director of Audit

Glossary

Adjustment for non-financial risks (Risk adjustment – RA)
The remuneration required by the entity to bear the uncertainty as to the amount and timing of cash flows arising from non-financial risk at the time when the entity will fulfil insurance contracts.

Insured
The party entitled under the insurance contract to be indemnified if an insured event occurs.

Net loss ratio — IFRS4
A profitability indicator calculated as the ratio of net claims incurred to net earned premiums.

Gross loss ratio – IFRS17
A profitability indicator calculated as the ratio of claims-related expenses gross of reinsurance and insurance revenues gross of commissions and VoBA.

Net loss ratio – IFRS17
A profitability indicator calculated as the ratio of claims-related expenses net of reinsurance and insurance revenues gross of commissions and VoBA and net of the cost of reinsurance.

Gross combined ratio – IFRS17
A profitability indicator calculated as the ratio of the sum of the costs of insurance services issued, the result of reinsurance and insurance revenues gross of VoBA.

Net combined ratio — IFRS4
A profitability indicator calculated as the ratio of the sum of gross expenses relating to claims, operating expenses and other technical income/expenses to net earned premiums.

Adjusted net combined ratio — IFRS4
Net combined ratio excluding, in the numerator, costs relating to the liquidation of the TFM fund, 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.

Insurance contract
A contract under which one party (the issuer) accepts significant insurance risk from another party (the insured) by agreeing to indemnify the insured if the latter suffers damage as a result of a specified uncertain future event (the insured event).

Reinsurance contract
An insurance contract written by an entity (the reinsurer) in order to indemnify another entity for claims under one or more insurance contracts issued by the latter (underlying contracts).

Cash flows related to the acquisition of insurance contracts
Cash flows generated by the costs of selling, underwriting and commencing a group of insurance contracts (written or expected to be written) directly attributable to the portfolio of insurance contracts to which the group belongs. These include cash flows that are not directly attributable to individual insurance contracts or groups of insurance contracts in the portfolio.

Fulfilment cash flows (FCF)
Current value of future cash outflows minus the current value of future cash inflows that will be realised when the entity fulfils insurance contracts (PVFCF), including the adjustment for non-financial risk (RA).

Group of insurance contracts
A set of insurance contracts deriving from the division of a portfolio of insurance contracts, at a minimum, into contracts issued over a period not exceeding one year and which, at the time of initial recognition:
(a) are onerous if they exist;
(b) have no significant possibility of becoming onerous
subsequently, if they exist; or
(c) do not fall under either point (a) or point (b), if they exist.

LTIP
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 reaching certain strategic objectives.

Liability for remaining coverage (LFRC)
The entity's obligation to:
a) ascertain and pay valid claims under insurance contracts in force for insured events that have already occurred (i.e. the obligation relating to the unexpired portion of the insurance cover); and
(b) amounts under existing insurance contracts which are not included in point (a) and which relate to: insurance services not yet provided (i.e. obligations related to the future provision of insurance services or other amounts not related to the provision of insurance services that have not been transferred to liabilities for incurred claims.

Liabilities for incurred claims (LFIC)
The entity's obligation to:
a) ascertain and pay valid claims for insured events that have already occurred, including events that have occurred but for which the claim has not been submitted, and other insurance costs incurred; and
(b) amounts which are not included in point (a) and which relate to: insurance services which have already been provided or any investment components or other amounts not related to the provision of insurance services that are not covered by the liability for remaining coverage.

Period of cover
The period during which the entity provides insurance services. The period includes insurance services relating to all premiums falling within the scope of the insurance contract.

Portfolio of insurance contracts
Insurance contracts subject to similar risks and managed jointly.

Premium allocation approach (PAA)
A simplified method for the valuation of insurance contracts applicable to contracts with a duration of less than one year or for which the valuation of the liability for remaining coverage resulting from the application of the simplified model does not deviate significantly from the valuation that would result from the application of the GM.

Gross premiums written
The amount of gross premiums written during the year from direct and indirect business.

Financial risk

The risk of a possible future change in one or more of the following specified variables: interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index or other specified variable, provided that, in the case of non-financial variables, the variable is not specific to one of the parties to the contract.

Operating profit– IFRS17

The ordinary measure of profitability which, starting from the result of insurance services:

- Includes management expenses not directly attributable to insurance contracts;
- includes the cost of LTI;
- excludes the amortisation of intangible assets transferred to the technical part;
- includes investment income and expenses, exclusively related to accrued coupons, issue and trading differences (writebacks and value adjustments and gains/losses on disposals are excluded).

Adjusted operating profit – IFRS 4

An ordinary profitability measure which, starting from the operating result:

- includes investment income and expenses, exclusively related to accrued coupons, issue and trading differences (writebacks and value adjustments and gains/losses on disposals are excluded);
- Excludes the depreciation of tangible assets over the period;
- Excludes costs relating to payment of the agency severance indemnity provision, which are typically non-recurring;
- excludes one-off costs for one-off projects;
- excludes possible costs of financial debts;
- excludes costs associated with LTIP incentive plans.

Adjusted operating profit – IFRS17

The ordinary measure of profitability which, starting from the result of insurance services:

- includes investment income and expenses, exclusively related to accrued coupons, issue and trading differences (writebacks and value adjustments and gains/losses on disposals are excluded);
- Includes management expenses not directly attributable to insurance contracts;
- excludes other minor items (liquidation of agency severance indemnity provision, depreciation of tangible assets (non-IFRS 16), cost of financial borrowings).
- excludes the amortisation of intangible assets included in the insurance result;
- excludes one-off costs for one-off projects;
- excludes depreciation and amortisation costs for the portfolios acquired (ex. VoBA);
- excludes costs related to the LTPI share incentive plan;

Solvency Ratio

The ratio of eligible own funds to the Group's solvency capital requirement, calculated according to the Solvency II legislation. The indicator submitted will be communicated to the Supervisory Authority according to the timescales established by law and in any case subsequent to the approval of these financial statements.

Adjusted net profit – IFRS 4

The ordinary net result which, starting from net profit:

- excludes write-backs and value adjustments and gains/losses from investments;
- Excludes the depreciation of tangible assets over the period;
- excludes costs relating to payment of the agency severance indemnity provision, which are typically non-recurring;
- excludes one-off costs for one-off projects;
- excludes possible costs of financial debts;
- excludes costs of LTIP incentive plans;
- excludes VoBA depreciation and amortisation costs;

- includes the tax effect arising from the above adjustments.

Adjusted net profit – IFRS17

The ordinary net result which, starting with net profit, is subject to the same adjustments as already shown in the respective IFRS 4 indicator.

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 policies in place at the time of acquisition. It consists of the difference between the carrying amount of technical provisions net of reinsurance, 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.