



Net Insurance: An evolving and innovation-oriented Company

SmallCap Event, 14th and 15th April 2020

Investor Presentation

AGENDA

Overview

Business Model

Financial Highlights

Analyst coverage

Outlook 2020

Annex

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Overview



We are a Group composed by a **P&C** Company and a **Life** Company, with 20 years story on italian insurance market



We offer agile and innovative solutions on **Protection**, dedicated to **Individuals**, to **Households** and **SME**



NET thanks to technical and technological **capabilities** is running a process of **acceleration** of its **corporate and business model**



NET is a reality that wants to fill «**insurance needs**» with high quality services

OUR NUMBERS

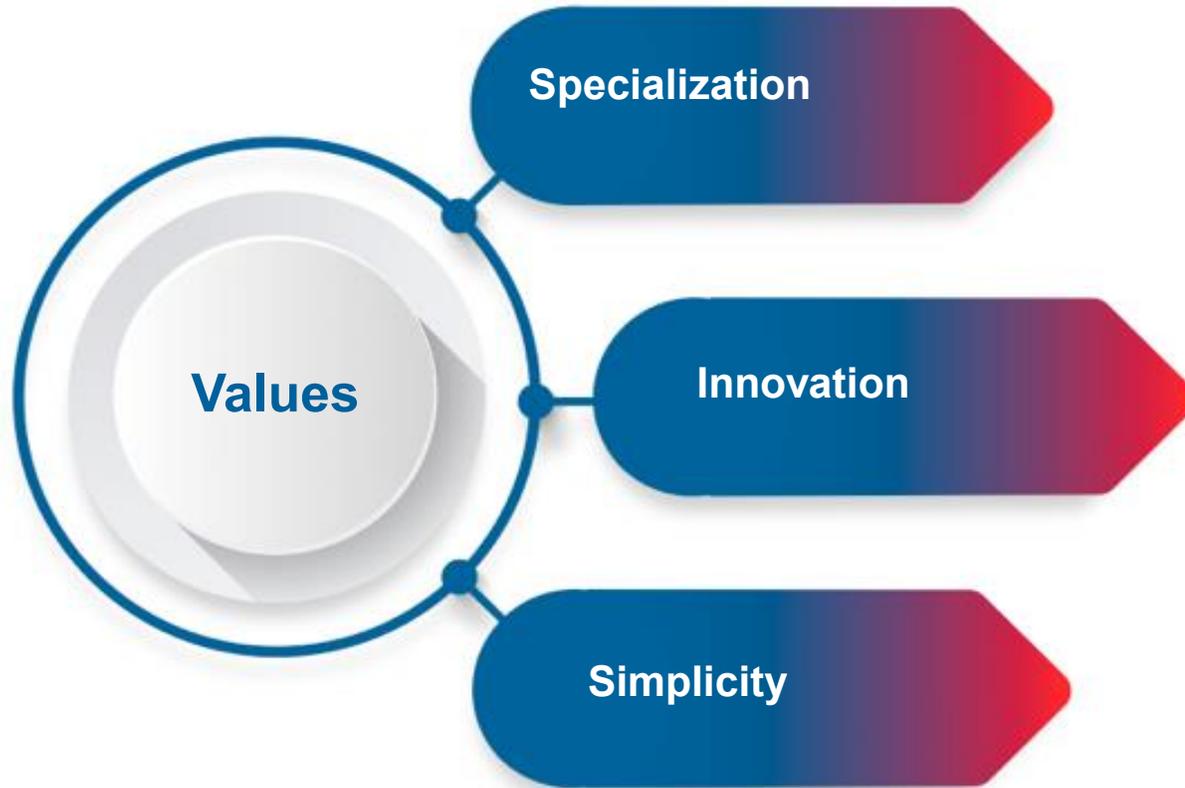
4
Lines of business

> 100
Employees

20
Years on insurance market

84,4 mln
Gross written premiums

Overview

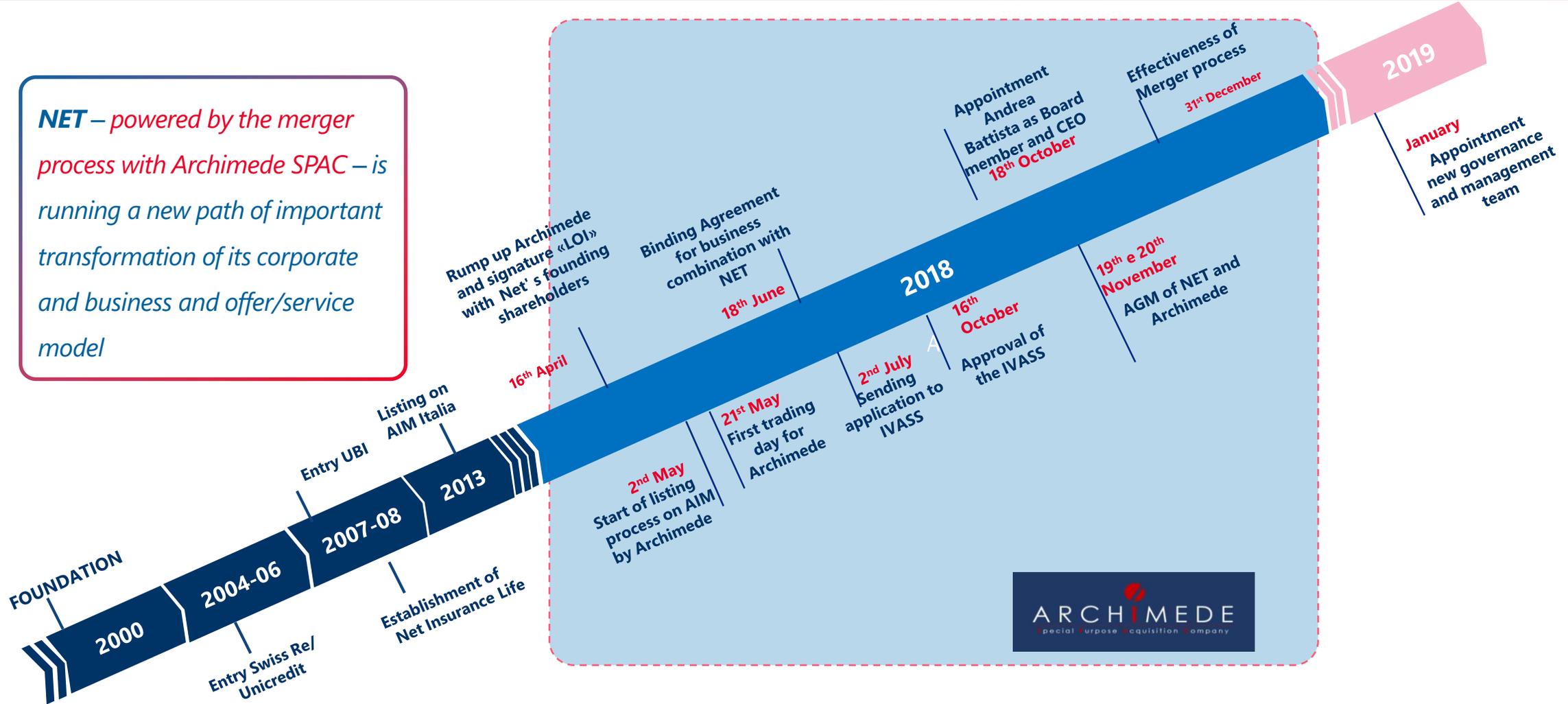


*These are our **common values**, through which we develop business plans and confirm, every day, our **identity** and unique **position** in the Italian insurance market*

The history, financial strength, range of products and innovative approaches make NET a unique player

The history of the Group (business combination NET / Archimede)

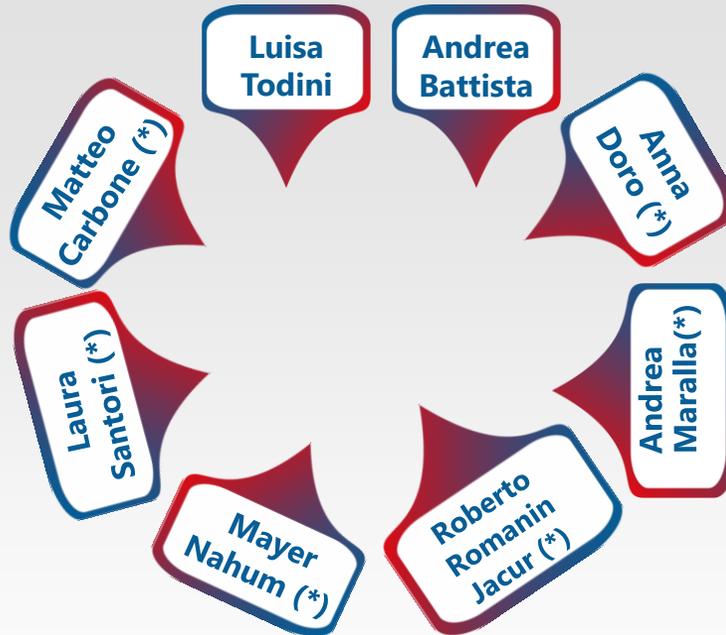
NET – powered by the merger process with Archimede SPAC – is running a new path of important transformation of its corporate and business and offer/service model



Governance and organizational structure

scheme "strong governance model"

Board Member



- Directors of recognized prestige and consolidated experience and gender balance
- High level of diversity among Board members and prevalence of Independent Directors

Board Committee



- Developed and strengthened governance in line with the practices of listed companies
- Establishment of endoconsiliar committee to assist the Board of Directors

* Independent Directors

Governance and organizational structure

Schema di tipo "strong governance model"

Innovation Advisory Board

Innovation Advisory Board (IAB)

Chairman
M. Carbone

- Independent professionals, experts in fintech and innovation
- Strengthening the «Insurtech Inside» philosophy of NET
- Support for the Company's innovation activities and strategies
- Signal startups of the galaxy insurtech more interesting according to an «affinity» logic of Group

Top Management



Andrea Battista
Chief Executive Officer



Luigi Di Capua
CFO



Stefano Longo
CBO



Fabio Pittana
COO



Rossella Vignoletti
CMO

- A consolidated experience and know-how on insurance market of all executive team
- A team completely defined and in action since January 2019

Shareholders

A diversified shareholding with high standing investors



Significant stake of industrial Partners (banks and insurance), to oversee and support the business

Business Model

Mission

Building an open and independent B2B2C platform specializing in people and property protection business, by capitalising on all the opportunities provided by digital technologies

Strategic Pillars



Salary-backed loan business development



Non-life bancassurance development



Non-life retail brokers development



Digital platforms and Insurtech

Business Model

Business model and driver of Archimede's business Plan confirmed still now

Salary-backed loans (CQ business)

- ✓ Twenty year history with consolidated **leadership** that will be further enhanced
- ✓ The credit market grows and is expected to grow in the medium term, even thanks to the regulation on **capital charge**
- ✓ NET has a **diversified portfolio** depending on the sector of (private/public/parapublic) built using high accurate scoring risk criteria
- ✓ The Group achieved in 2019 a **combined Ratio** on CQ business lower than estimates of the Plan

OUR NUMBERS

20
Years on market

>20%
Market share

70%
Weight on turnover 2019

Salary-backed loans (CQ business)

Action points

- ✓ **Organizational reorganization** (separation between Business Area and Operations Area) and review of the processes
- ✓ **Repricing** by introducing different charging levels and new underwriting criteria in term of risk selection (e.g. teleunderwriting)
- ✓ Numerous **technical tables** started with partners to offer targeted and personalized commercial solutions



Goals

Consolidate **leadership** (market share steadily above 20%) and ensure **high quality standards and service specialisation**

Increase level of **business profitability** - product and technical profitability - and **protection against fraud** (e.g. teleUW in the retired sector)

Customer satisfaction (from Partners side) and relationship development and increase the quality of the risks assumed (from Company side)

Bancassurance

- ✓ Bancassurance is the distribution channel with the **highest growth rate** of recent years
- ✓ Has still a **significant potential for growth in non-life (non-motor)** and a **profitability** of the Bancassurance business **is consistently very high**
- ✓ In Italy on 3rd quarter 2019 **banks** represents the **second channel** on distribution with a weight of 12,6% on total premiums income **on non-life business (non – motor)**
- ✓ We offer **Protection** solution to Person, SMEs and credit protection to respond to «insurance needs» **with high quality services**

OUR NUMBERS

5 Agreement

around **400**
Branches where collocate
Insurance products

10%
Weight of bancassurance
On turnover 2019

Main initiatives (*Bancassurance*)

Partnership with national and regional importance

Distribution agreements

2020
2018 - 2019



Protection solution



Protection Family/Person
(Multirisk, Home, Health, Accident)



CPI
(Mortgages, Loans, business)



Protection Business
(Enterprise multirisk, Agricultural risk)



PET Insurance

Thanks to these agreements, protection policies dedicated to Person, SMEs are now placed...other agreements in pipeline

Broker

- ✓ **Over ten new agreements** have started between 2019 and the first part of 2020 for distribution of NET products and **continuous dialogues** are underway with **medium and large brokers**.
- ✓ A niche **suretyship** class is now well under development - highly selected and diversified small risks and an innovative product is available (**rent protection**)
- ✓ Ongoing agricultural risk activities - with strong reinsurance protection
- ✓ Interesting opportunities - still not fully reached - on many segments like **Home, Person** (Health/Accidents/Term life insurance), **Sports Risks, SMEs** and **Cyber risk**; business all fully in coherence with our business model
- ✓ It's a channel where the Company act with a «**tailor made approach**» to develop affinity Group offers, with great flexibility on selling models (web services or NET front-end platform)

OUR NUMBER

over **30**
Agreements in force

around **20%**
weight on turnover 2019

1
Front-end platform fully digital

Digital/Insurtech

- ✓ **Relevant potential number** of digital policies on medium term
- ✓ **Strategic partnership with Yolo and Neosurance**, with whom the first products have launched (sport and travel) and acquisition of minority stake in digital/Insurtech enterprises partner to oversee the business
- ✓ It's a tool to **increase** and **optimize operational and process models**, as well as new sales borders to access unexplored markets (*i.e.* freedom to provide «digital» service)
- ✓ Development of **the digital claims system** - prompt settlement and future use of artificial intelligence mechanisms for the evaluation of damages

OUR NUMBERS

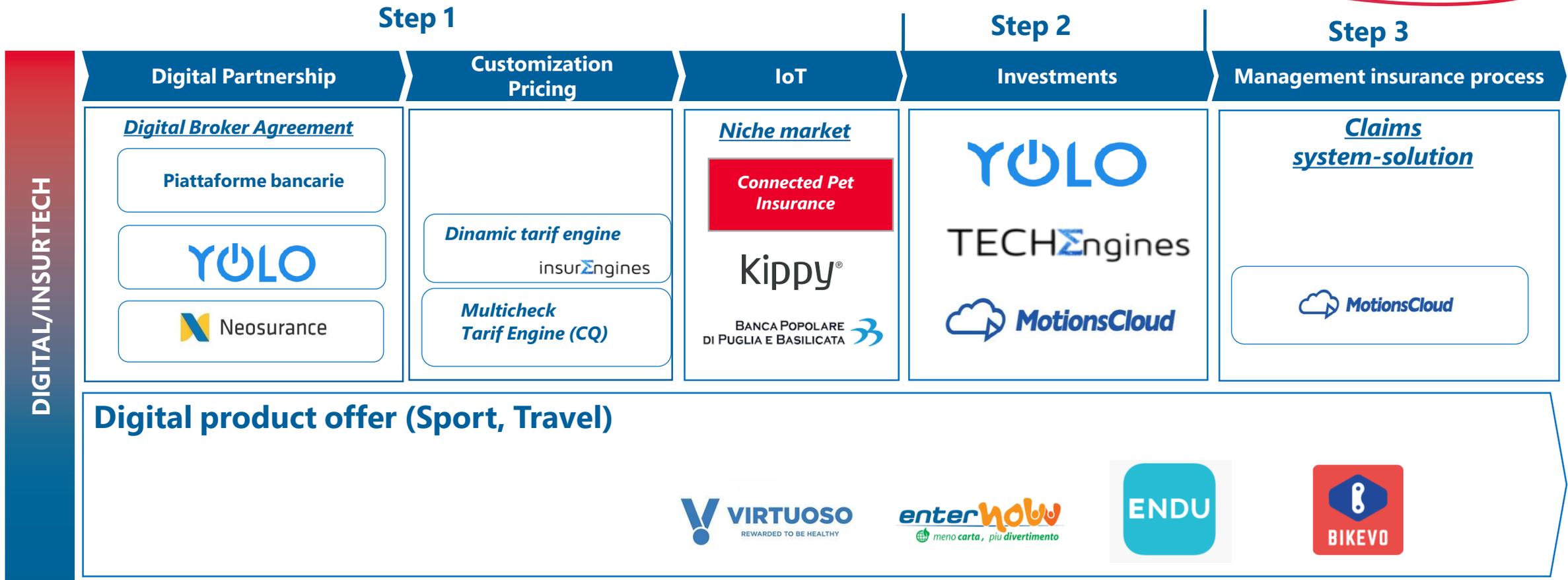
2 Agreements with main Italian player

> 38,000
Digital contracts issued on 2019

1,7 mln
Investments on Digital and Insurtech (during the Plan)

Main initiatives (*Digital*)

Strengthen the innovativeness of the insurance offer and the Value proposition of NET

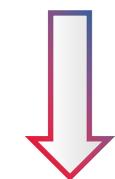


NET will progressively complete the product range (i.e., Pet, Shared mobility, device protection)

Business Plan 2019 - 2023

The estimates include the dividend payment throughout the Plan

	Forecast 2019	2020E	2023E
GWP € Min	83,4	112,9	170,3
General expenses € Min	19,6	20,2	23,5
Net technical result € Min	7,1	6,6	19,7
Net profit € Min	4,5	6,2	17,5
Normalised net profit* € Min	6,5	6,3	17,5
Shareholders' equity ** € Min	58,3	63,3	92,0
ROE %	8,0	10,2	20,2
Combined Ratio %	87,8	87,9	81,4
Solvency Ratio %	~ 160-170	~ 165-175	~ 170-180



FY	Pay-out	Payable term
2020	20%	2021
2021	25%	2022
2022	30%	2023
2023	40%	2024

Subject to SCR Ratio ≥ 150%

* The normalized net income is equal to the net result adjusted by income and expenses related to extraordinary/non-current events

** Net of gradually paid dividends

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Have we kept the Plan's promises?

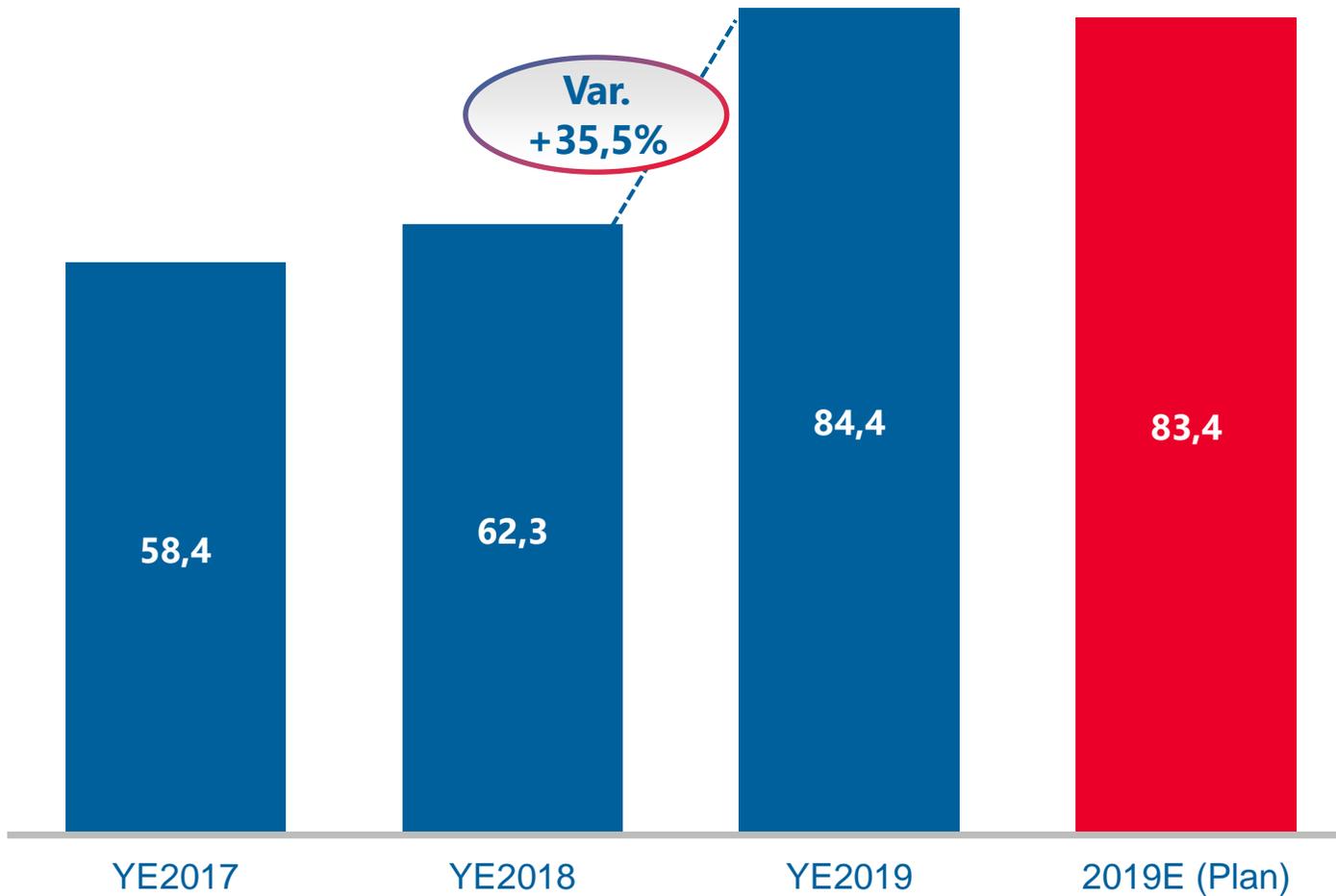
	Actual 2018	Target 2019	Actual 2019	
Gross written Premiums (€/mln)	62,3	83,4	84,4	
General expenses (€/mln)	12,9	19,6	20,4 (*)	
Net technical result (€/mln)	8,6	7,1	7,8	
Net income (€/mln)	4,1	4,5	12,5	
Normalised net incom (€/mln)	6,7	6,5	7	
Shareholders' equity (€/mln)	53,8	58,3	71,8	
ROE (%)	11,3	8,0	19,7	
Combined Ratio (%)	77,9	87,8	85,9	
Solvency Ratio (%)	162,9%	~ 160-170	165,7%**	

(*) The target, to the net of the extraordinary expenses incurred in relation to the event of the fraud (stolen financial assets), is fully achieved

(**) SII Ratio 2019 data based on solvency reporting (4Q 2020). Annual data solvency 2 Group not available yet

Gross written premiums

(€/ mln)

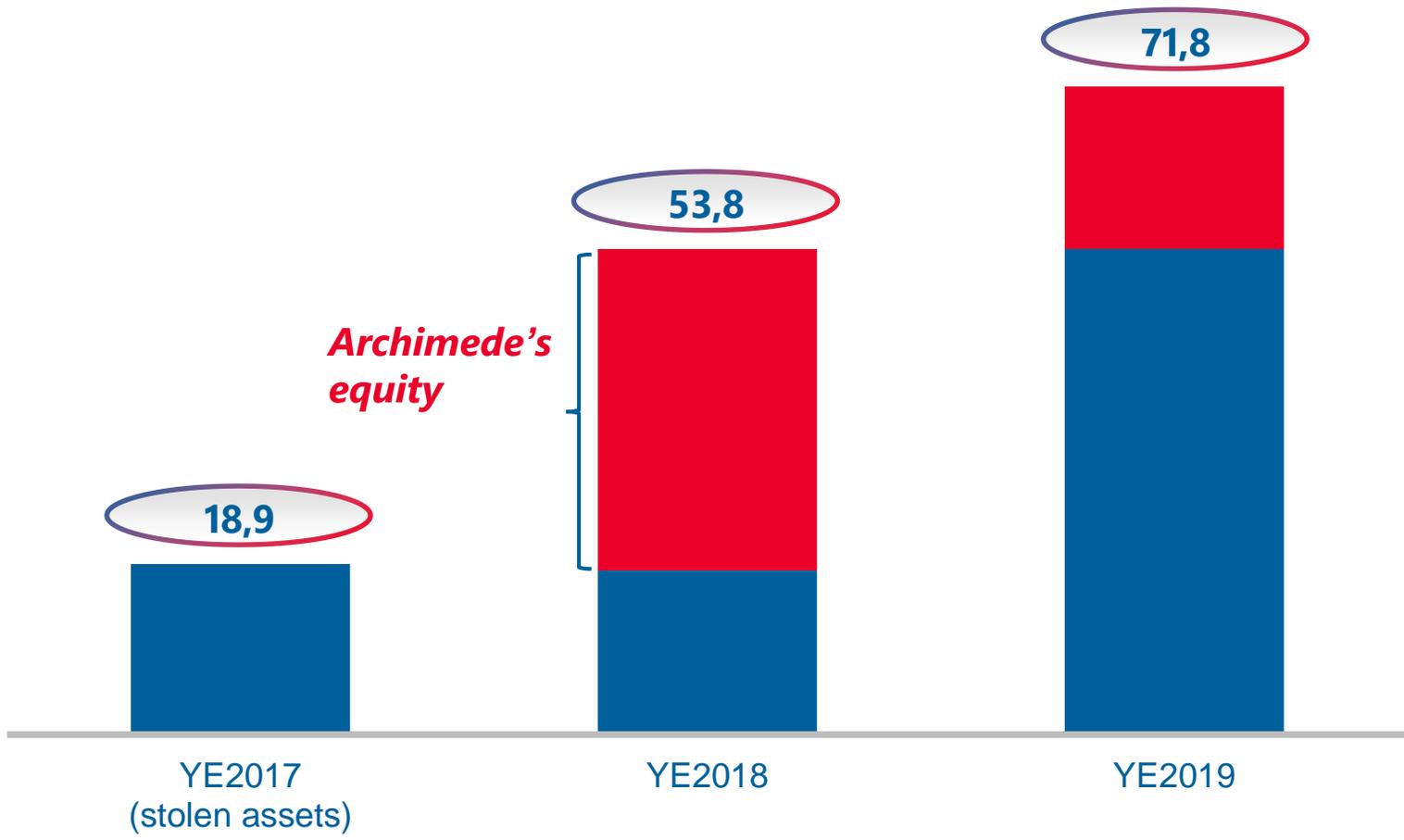


- *All lines of business have been started*
- *Bancassurance contribution already 10% of GWP*
- *Over 38,000 «digital» contracts issued*

Shareholders' Equity

(€/ mln)

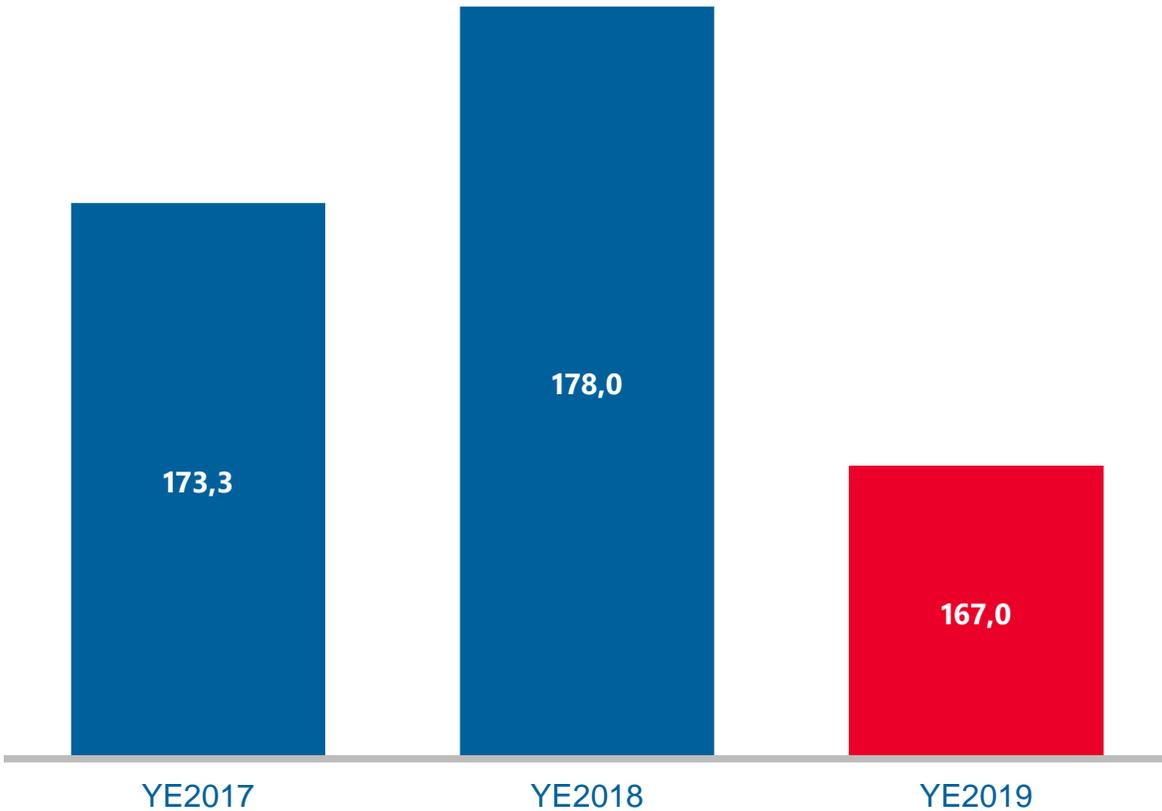
The shareholders' equity benefits of the period result, settlement agreements and benefits of the increase in the value of the assets



Archimede's equity

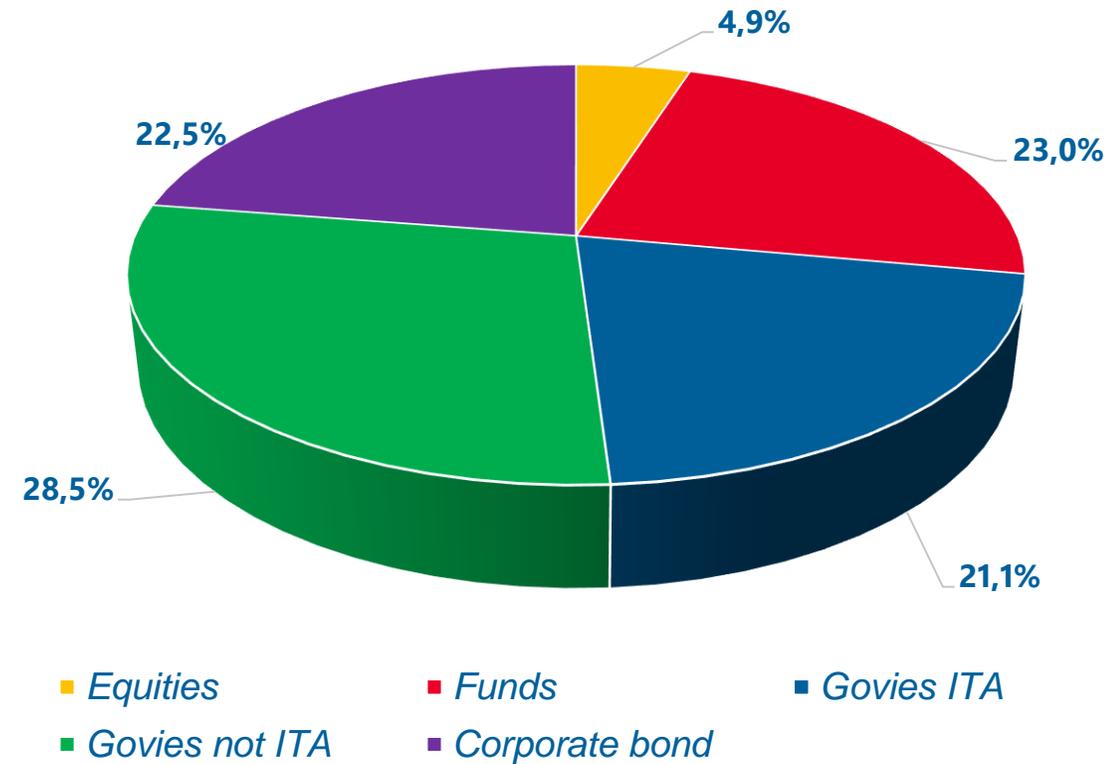
Investments

(€/ mln)



Assets in slight decline for the repayment of reinsurance deposits (17,9 mln) paid at high rates

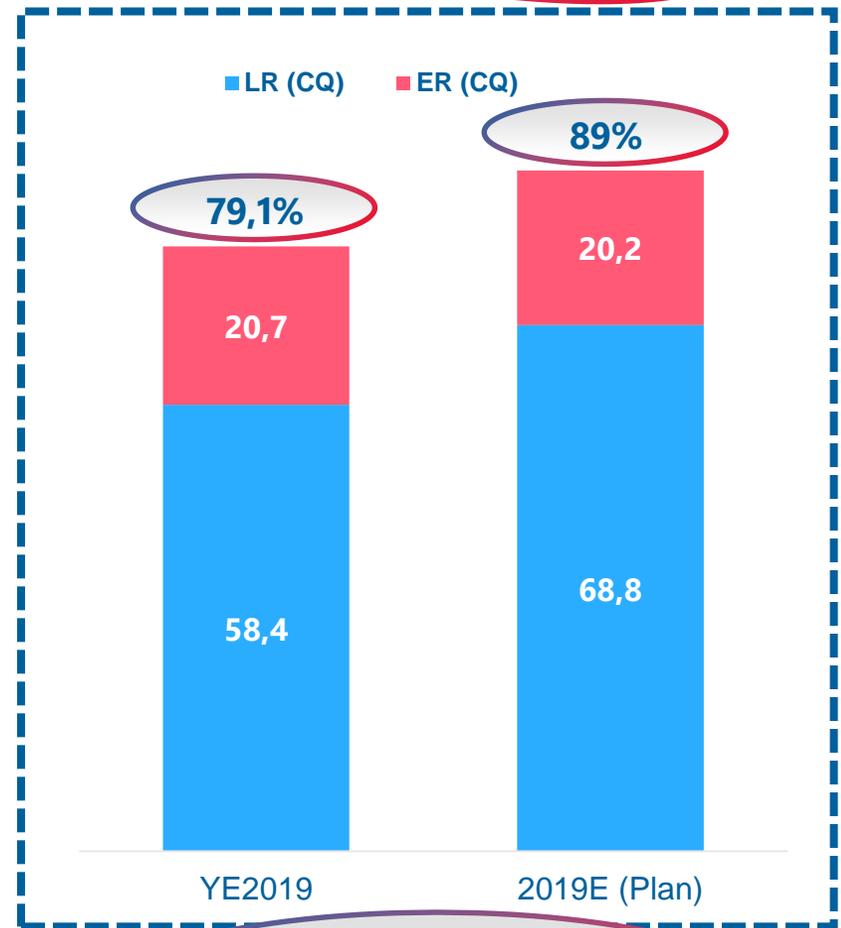
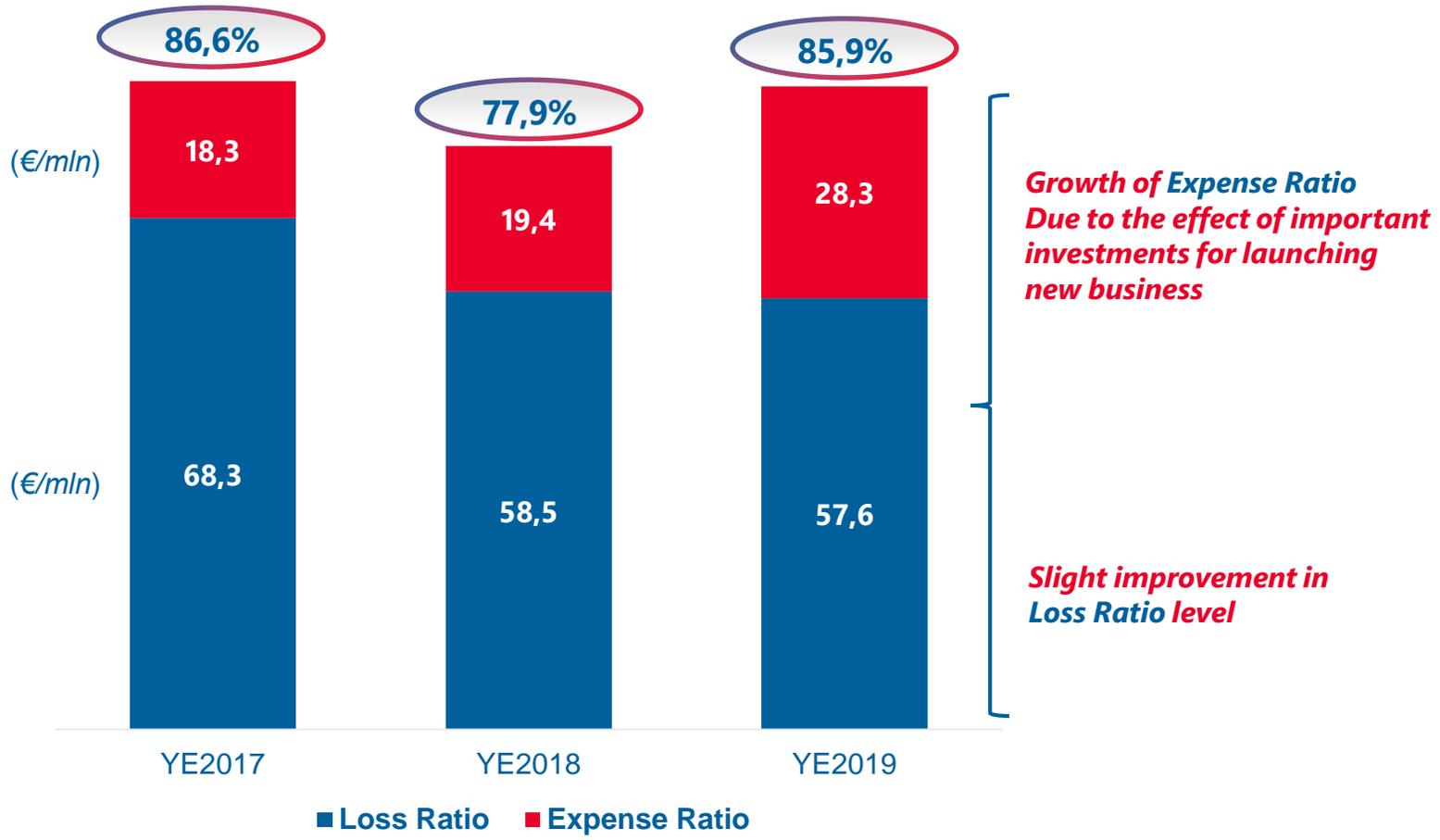
Financial result amounted to 1,9 mln euro



Asset allocation very diversified in coherence with Plan target

Combined ratio

CoR(*) is in line with forecasts of the Plan

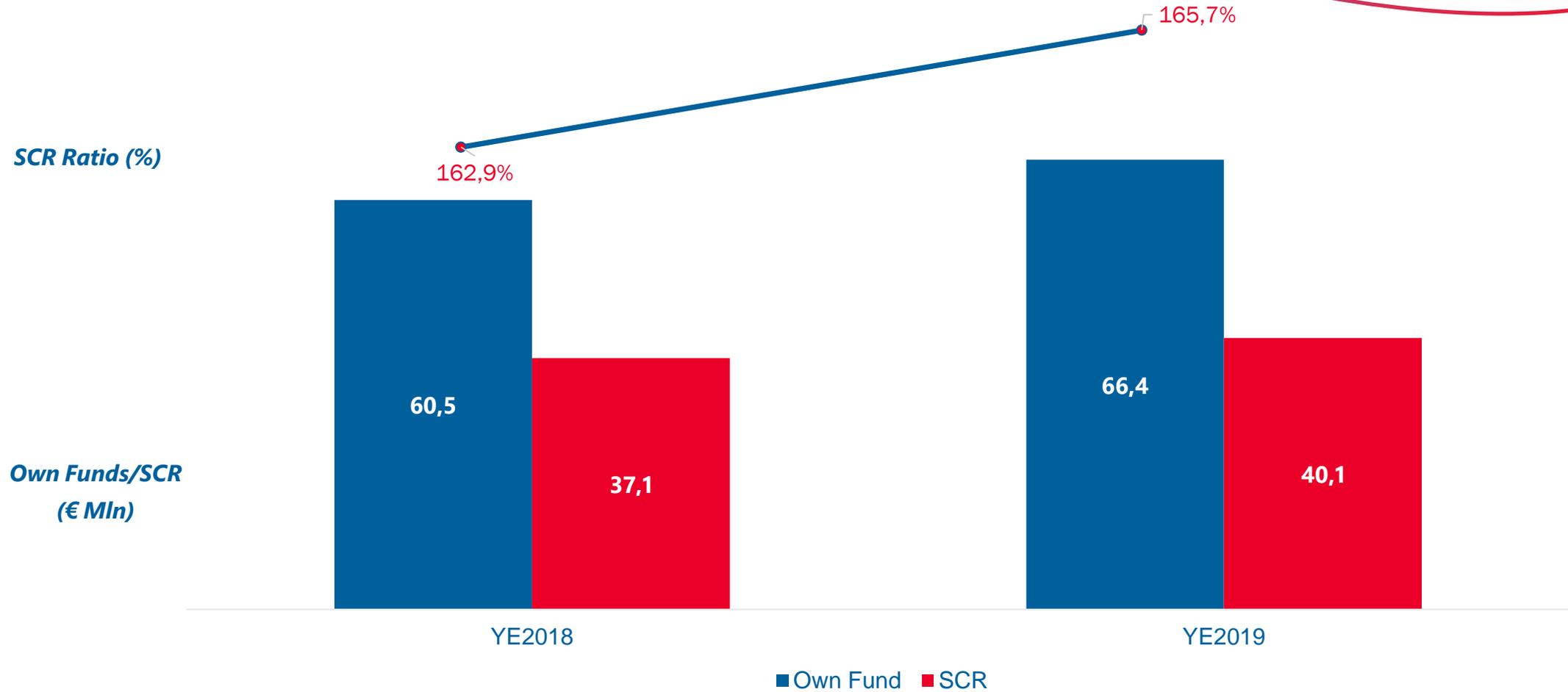


CoR of CQ business lower than Plan estimates (around 10 p.p.) thanks to run-off of previous claims years

(*) Gross of reinsurance

SCR Ratio – Net Insurance Group

The Group's solvency Ratio improves at Plan level



(*) SII Ratio 2019 data based on solvency reporting (4Q 2020). Annual data solvency 2 Group not available yet

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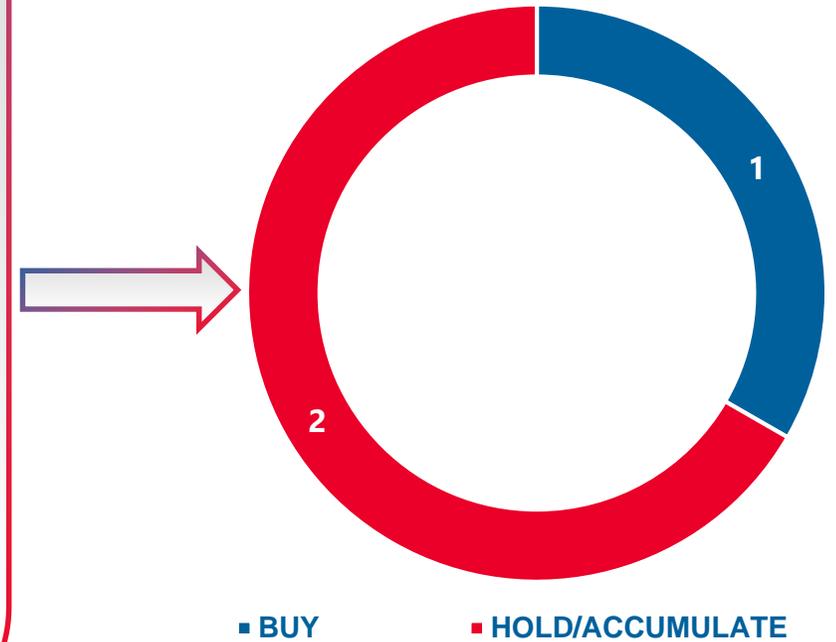
Analyst coverage

Banca Akros – Iniziation coverage 10/30/2018

Kepler Cheuvreaux – Iniziation coverage 03/08/2019

KT&P – Iniziation coverage 08/01/2019

Broker	Recommendation	Target price	Update	Previous
Banca Akros	ACCUMULATE	€ 5,50	26/03/2020	BUY (07/2019)
KT&P	BUY	€ 7,49	03/02/2020	BUY (10/2019)
Kepler Cheuvreaux	HOLD	€ 5,30	27/09/2019	HOLD (08/2019)



Positive start of the business during this early part of the year

Total equity and financial resilience

Full operativity and smart working programme involves all employees

First results on 2020...

<i>Item</i>		<i>Result</i>	
Premiums	➤	25 mln (16 million euro in 2019)	Δ= +56,3%
Total premium income	➤	43 mln* (32 million euro in 2019)	Δ= +34,4%
Solvency Ratio	➤	151%	

(*) This figure takes into account all premiums written including policies with effective date after 31 March 2020.

Annex 1 - Team management

Andrea Battista
Chief Executive Officer



Graduated in Economics cum laude at the Luiss University of Rome.

He started his career as an analyst in McKinsey & Company. On January 2001 he has been Director of Life Business Unit of Cattolica Group and in 2006 he became Managing Director of Duomo Assicurazioni. On January 2009 he became the CEO Aviva Group in Italy.

Recently he held the role of CEO at Eurovita Assicurazioni, achieving financial results of success.

Founder and Executive Chairman of Archimede SPAC, as well as CEO of Net Insurance Spa.

Luigi Di Capua
CFO



Graduated in Economics at the Bocconi University of Milan.

In 2008 he started his experience in insurance at Poste Vita Group holding the position of Head of Risk Management.

He joined the management team of Eurovita Assicurazioni, contributing to the deep transformation of the entire value chain. He joined the role Chief Risk Officer at Poste Vita Group.

Stefano Longo
CBO



Graduated in Industrial Sciences.

In 2008 he joined the Aviva Group as CEO of Avipop Assicurazioni and Avipop Vita and then the role of CEO of Eurovita Assicurazioni and Bancassurance Director of Aviva Group in Italy.

From 2015 to 2017 he joined Senior Advisor of Eurovita Assicurazioni

Fabio Pittana
COO



Graduated in Statistical Sciences at Catholic University of Milan.

He started his career in Group IMI where he remained for eight years-

From 1999 to 2005 he joined Arca Group, where he held the position of Central Director of Arca Vita and Managing Director of Arca Inlinea. In 2005 he joined BNPP Cardif Vita where he remain until 2018.

Rossella Vignoletti
CMO



Graduated in Modern Languages and Literature at the University of Milan.

She joined in 1999 in Allianz for ten years.

In 2010 she moved to the Aviva Group in Italy where she held the position of Communication Manager and, subsequently, Head of Marketing & Communication

*... it will be difficult to go on in
considering insurance a boring topic ...*

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