



Net Insurance: An history of development grounded on digital innovation

Mid and Small Virtual Conference – 15th and 16th June 2021

Investor Presentation

AGENDA

1. Overview business model
2. Main drivers of business model
3. Financial Result FY2020
4. Outlook 2021

Business Model

Mission

Building an open and independent B2B2C platform specialising in people and property protection business, by capitalising on every opportunity provided by digital technologies

Strategic Pillars



Salary-backed loan («*Cessione del Quinto*») business development



Non-life bancassurance development



Non-life retail brokers development



Digital platforms and Insurtech



Important Governance structure

A business model based on a multi-specialist approach, where *protection* and *digital* add up to make NET a reference player in the insurance market

Main driver of business model

Salary-backed loan (*CQ business*)

- NET has a stable **market share* above 25%** (more or less 30%), maintaining a service's offer with **high standards quality and specialization**
- **Underwriting and repricing** activities, with the scope to strengthen equilibrium and prospective industrial profitability of this line of business
- **Diversified portfolio** by employers sector (private/public/parapublic) and built **using accurate underwriting criteria and scoring systems**
- **Business subject to «hedging»** through severance indemnity (“TFR”) and reinsurance program (2/3 of the business ceded to Reinsurer)
- **Very low level of exposure in sectors most affected by pandemic**

(*) Source: Assofin data report, based on loans contract's number

Bancassurance

Partnership with regional importance

2018

2019

2020

2021

SPARKASSE
CASSA DI RISPARMIO
(105 branches)

BANCA POPOLARE
DI PUGLIA E BASILICATA
(104 branches)

IBL Banca
(54 branches)

BPSA BANCA POPOLARE
S. ANGELO
(25 branches)

ConfeserFIDI
Intermediario Finanziario Art. 709 TUB
(31 branches)

Banca del Lazio
Blu Banca
(60 branches)

Banco Desio
(243 branches)

BPP Banca
Popolare
Pugliese (106 branches)

Fides
Gruppo Banco Desio
(33 branches)

Banca Popolare Valconca
(23 branches)

Banca Capasso
GRUPPO BANCARIO IBL BANCA
(7 branches)

Banca di Sconto
e Conti Correnti
di Santa Maria Capua Vetere S.p.A.
(3 branches)

Around 80 «points of sale» where NET's products are sold!
A growing and profitable business where NET wants to become a reference player in this sector

Bancassurance

Distribution area



Protection solutions

The figure displays three protection solutions with corresponding icons:

- Protection Households** (Multirisk, Home, Health, Accident, PET): Represented by an icon of a house with two people.
- CPI** (Mortgages, Loans, business): Represented by an icon of a stack of Euro coins.
- Protection Business** (Enterprise multirisk, Agricultural risk, Leasing): Represented by an icon of a building with a red exclamation mark.

Protection solutions dedicated to Person, Households and SMEs cover the entire national territory

Digital and Broker channel

Digital

- **consolidation of partnership with Yolo**, also through distribution in whitelabel on the Intesa Sanpaolo network
- Signed the **agreement with Nexi** which is a fundamental milestone of the project to make NET a digital player of reference
- **In pipeline agreements with utilities**
- **NET** enabled to operate in freedom of service **in Spain** in some P&C insurance Classes
- Important **partnerships with Fabrick** ("Payment & Collection Engine"), **Paydo** ("Digital system payment" via Plick) and **Motionscloud** (for claims management)

Broker retail

- It's a **complementary channel to bancassurance** in the insurance offer
- signed **new agreements with brokers** in a very targeted way and as to products to be distributed
- **New insurance solutions** («TCM», Health product, Dentail solution, PET and multi-guarantee policies in connection with leasing/rental vehicle contracts
- business in **niche markets (agricultural risks, suretyship)**

Other drivers

Rating AM Best (outlook stable)

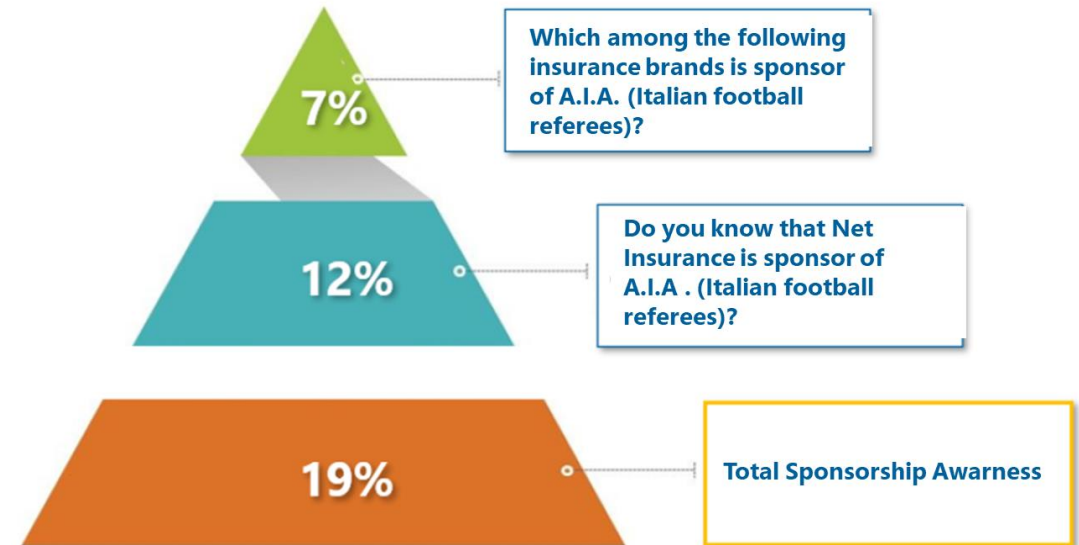


bbb-
(long-term issuer credit rating)



B+
(Financial Strength Rating)

Brand awareness



Rating and Brand are enabling factors to achieve Business Plan's targets

Financial Result FY2020

In line with Plan's targets!

		Target 2019	Actual 2019		Target 2020	Actual 2020	
Gross written Premiums	(€/mln)	83,4	84,4	✓	112,9	117,7	✓
General expenses (*)	(€/mln)	19,6	18	✓	20,2	20,3	✓
Net technical result	(€/mln)	7,1	7,8	✓	6,6	10,1	✓
Net income	(€/mln)	4,5	12,5	✓	6,2	6,5	✓
Net income adj.	(€/mln)	6,5	7	✓	6,3	7,6	✓
Shareholders' equity	(€/mln)	58,3	71,8	✓	63,3	79,7	✓
ROE <i>(ROE adj.)</i>	(%)	11,1	9,7	✓	10	9,5	✓
Combined Ratio <i>(net of Reins.)</i>	(%)	73,3	77	✓	80	70	✓
Combined Ratio <i>(gross of Reins.)</i>	(%)	87,8	86	✓	87,9	89	✓
Solvency Ratio	(%)	~ 160-170	165,6	✓	~ 165-175	177,2	✓

(*) General expenses normalized. The amount of general expenses in FY2020 is equal to 21,6, including also the extraordinary expenses incurred in relation to the event of the fraud (stolen financial assets)

Target of Business Plan

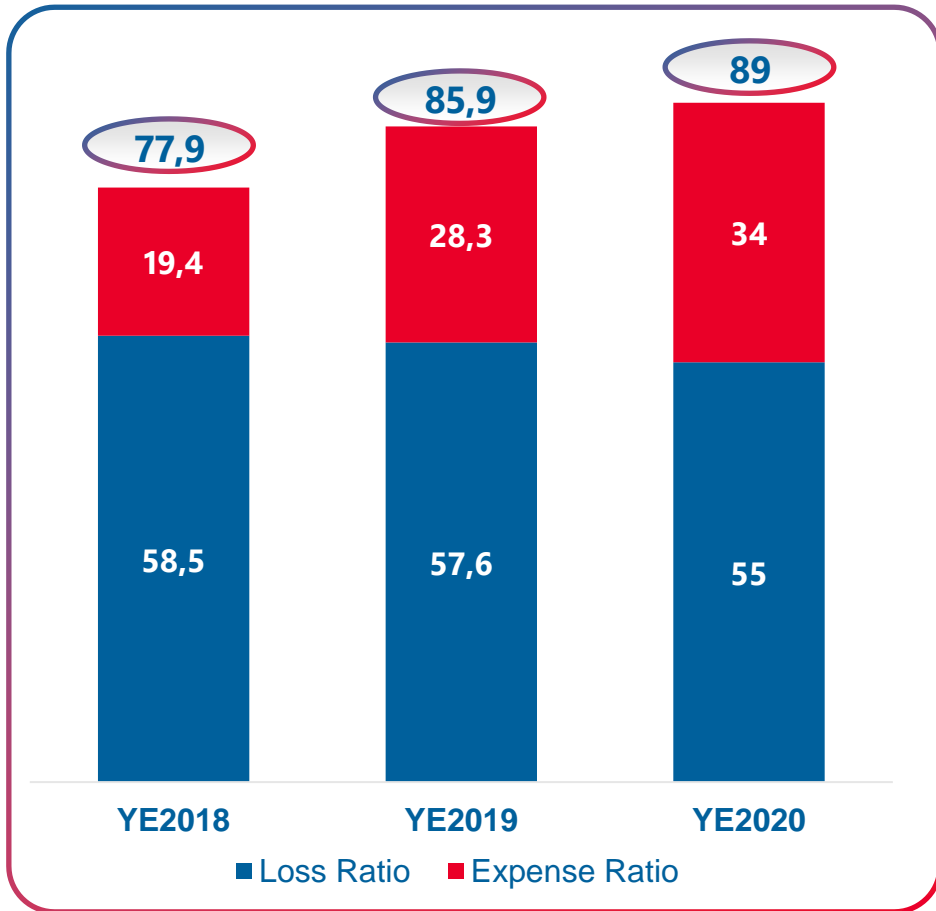
		Target 2021	Target 2022	Target 2023
GWP	(€/mln)	134	153,2	170,3
Net income	(€/mln)	11	14,2	17,5
Net income adj.	(€/mln)	11,3	14,2	17,5
Total equity	(€/mln)	71,5	81,5	92
ROE (Adj.)	(%)	19	17,4	19
Combined Ratio	(loro Riass.)	84,5	83,7	81,4
Solvency Ratio	(%)	~ 165-175	~ 170-180	~ 170-180

Combined ratio

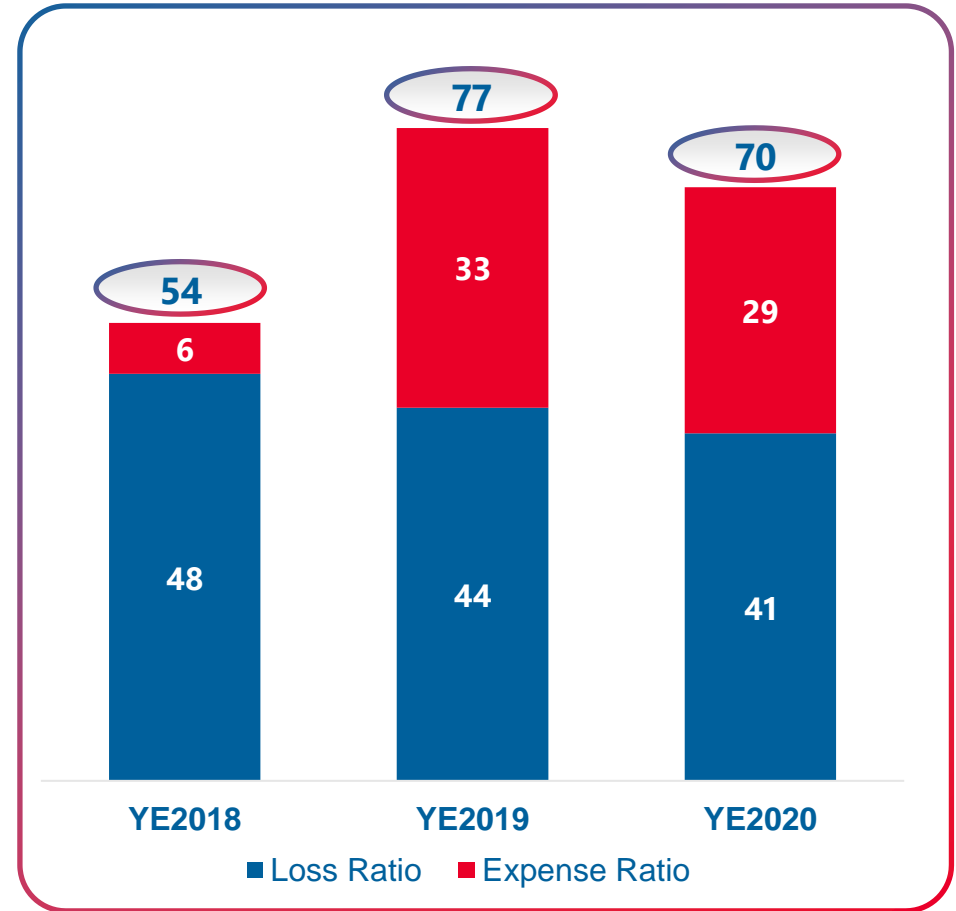
(%)

The Group achieves excellent profitability indicators

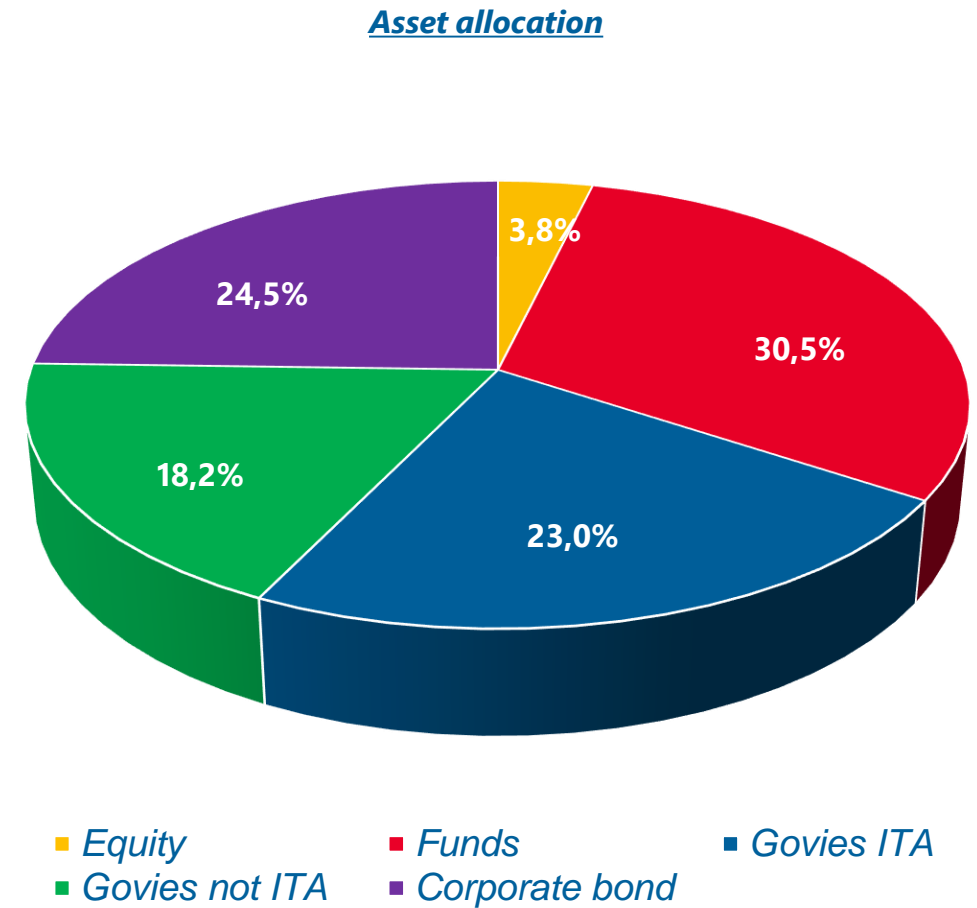
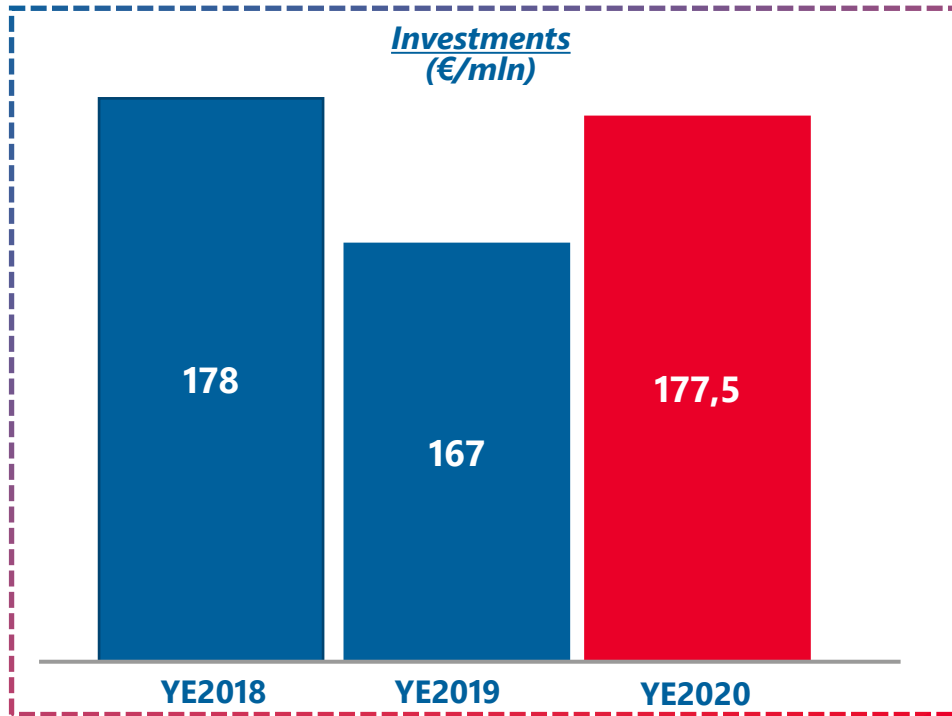
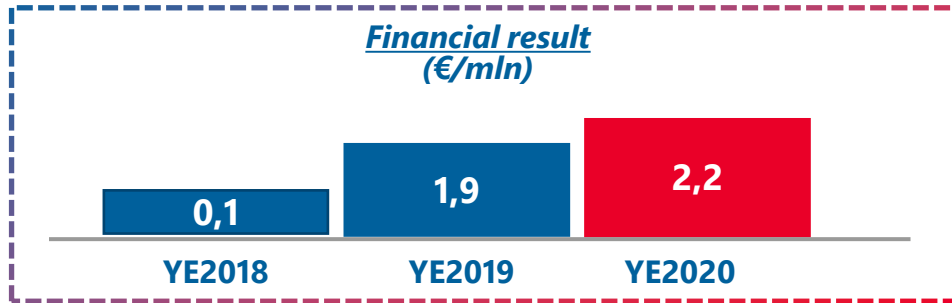
Gross of Reins.



Net of Reins.

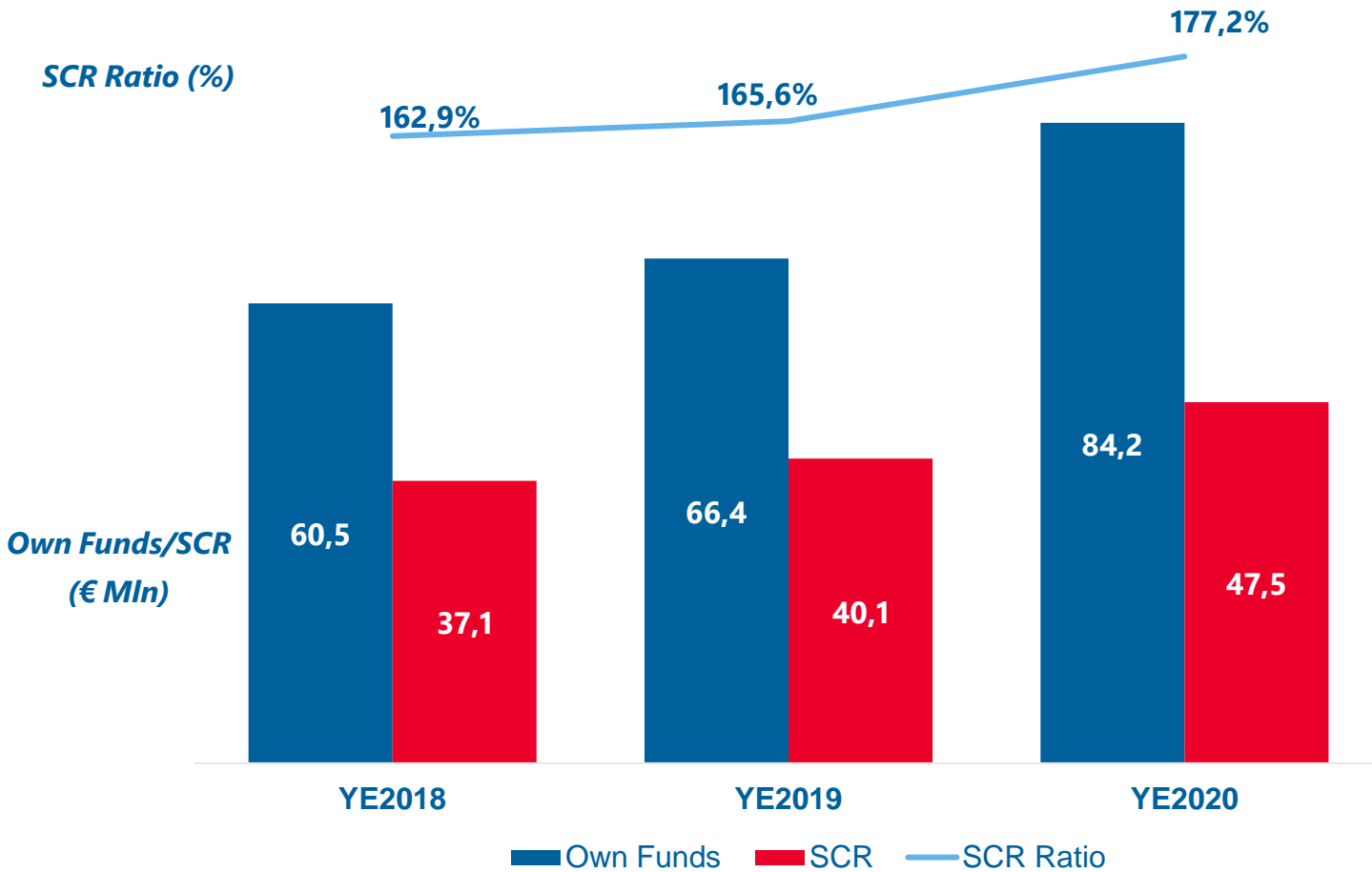


Investments



Asset allocation very diversified, using a moderate risk profile approach

SCR Ratio – Net Insurance Group



- Solvency position largely above regulatory minimum;
- Capital structure showed strong resilience by withstanding the impact of market volatility;
- SCR Ratio has never fallen below 150% including period with high tension level on financial markets

(*) SII Ratio 2020 data based on solvency reporting (4Q 2020)

Dividend policy (Business Plan before Covid event)

Dividend policy

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

Subject to SCR Ratio \geq 150%

- Shareholders remunerated with **first dividend** basis on FY2020 on last 12 May 2021
- dividend per share (**DPS**) equal to € **0,083** and dividend distribution of €1,3 million (20% of Consolidated net income)
- **Dividend yield** (*) equal to 1,5%

(*) Dividend yield basis of Reference close price of ordinary share NET, as at 23rd March 2021 (date of Board's resolution Consolidated FY2020)

Outlook 2021

KPI as at 31st March 2021

	1Q 2021	1Q 2020
Issued premiums (*) (€/mln)	29,6	25
Tot. Premiums income (**) (€/mln)	49	43
SCR Ratio (%)	183,7	151

- *KPI as at 31 March 2021 show already profitable growth under an industrial and capital profile*
- *SCR Ratio increases (+32p.p. compared to 1Q20 and + 6,5 p.p. compared to FY2020)*

(*) This figure takes into account only premiums issued with effective date up to 31 March 2021.

(**) This figure takes into account all premiums, issued including policies with effective date after 31 March 2021.

The company is steadfastly continuing towards fully achieving the targets for the current year

2021 Target Plan...

134
Mln eur (GWP)

11,3
Mln eur (net income adj.)

71,5
Mln eur (total equity)

16,4%
(ROE)

~ 165-175%
(SCR Ratio)

71,5%
(CoR net of Reins.)

...outlook 2021

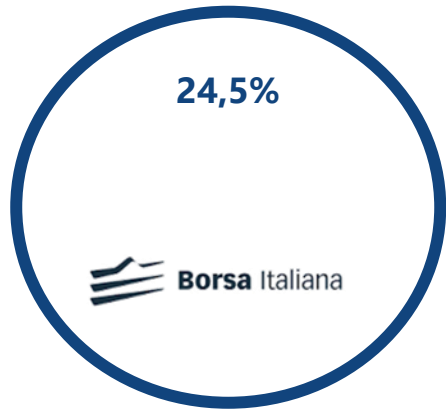
Continuing all projects in this fundamental 3rd year of Business Plan.
Bancassurance will grow with a percentage around equal to 100%

Exploitation every innovation opportunity offered by **digital** technologies with the aim to further strengthen development of all lines of business and, in general, the entire value chain (digitalization of legacy processes)

On **CQ business** we expect an increase of loans' demands (therefore of insurance coverage), due its countercyclical mechanism and due to the entry in force of new parameters for risk capital metrics on CQ loans

Confidence in 2021 in the light of the KPI as at 31 March 2021 and trend of the vaccination campaign

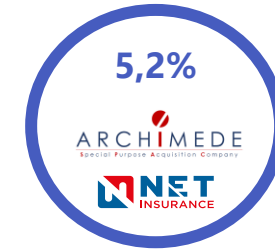
Shareholding structure



Free Float



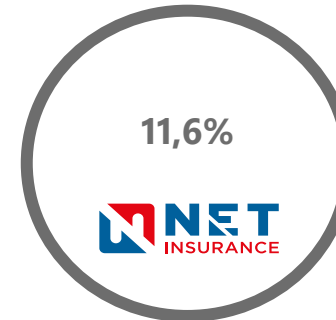
Funds



Promoters SPAC and management



Banks and Insurers



Own shares

A shareholding structure composed by primary standing investors.
Significant stake owned by bank-insurer partners, as supervision on business

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

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