



Net Insurance: New 2022–2025 Business Plan approved

Rome, 23 June 2022 –The Board of Directors of Net Insurance, which met yesterday evening under the chairmanship of Luisa Todini, has approved the Company's new 2022–2025 Business Plan.¹

In substantial continuity with the previous 2019-2023 Business Plan which was presented to the market in June 2019, the company's new growth project rests and leverages on the positive performance recorded in recent years as well as on six strategic pillars. First and foremost, the dynamic balance between **growth, capital strength** and **shareholders' remuneration**.

This fundamental objective is supported by the following actions:

- Consolidation of Net Insurance's position as a **Leader in Salary-backed Loans**;
- **From start-up to scale-up** of the **Bancassurance** business to become a market leader for local banks;
- **Ramp-up** of the **Broker channel** with a strong **digital** and specialty business-oriented **approach**;
- **Efficient** and **digital** operating machine at scale ensuring strong customisation of service to partners;
- Evolution of the business and operating model towards **ESG "Good practice"**.

In the coming years, Net Insurance will accelerate profitable growth, bringing the operating models of all business lines to maturity:

– **Salary-Backed Loans:**

- Defence of its **competitive advantage** and **leadership position** (30% share) among the top Salary-Back Loan players;
- **Increased presence among the top players** with still limited share of wallet and **development of medium-sized players**;
- **Maintenance of a high quality of risk underwriting** against moderately increasing volumes, thanks to service quality and advanced analytics applied to best pricing and underwriting practices.

¹ The estimates in the new Business Plan reflect the reclassified income statement figures and are expressed according to the accounting standards currently in force, without taking into account the effects of the introduction of IFRS17 and IFRS9.

- **Bancassurance:**
 - **Consolidation of the distribution potential** with primary bancassurance partners (agreements with upfront investments) on **CPI, Non-Life** (Family, Health and Home) and **Life Protection** ;
 - Enhancement of the differential **service model** to increase the share of wallet in still underdeveloped partners;
 - **Selective development of new distribution agreements** with local banks.

- **Broker:**
 - Broker business development with a **dedicated digital platform** ("Digital Attacker") and focus on **business Affinity**;
 - **Consolidation of Specialties** (Suretyship and Agriculture policies) with a prudent underwriting and reinsurance policy;
 - **Gradual growth of existing digital insurance partnerships** and proposition of specific products for digital channels.

At a business level, the Group expects **gross premiums written** for **Euro 169 million** in 2022; **Euro 191 million** in 2023; **Euro 221 million** in 2024 to reach **Euro 252 million** in 2025. Of the latter, **Euro 130 million** refer to the **Salary-Backed Loans** business, **Euro 76 million** to the **bancassurance** segment, and the remaining **Euro 46 million** to the **Broker** segment including **Digital**.

Ordinary expenses at Euro 23.1 million in 2022, rising to Euro 26 million in 2023, to Euro 28 million in 2024 and reaching **around Euro 29 million** in **2025**, with a incidence of gross premiums written down from **13.7%** in 2022 to **11.5%** in 2025. A significant **strengthening** of the **operational machine** is planned with the entry of new resources during the Plan period, the creation of a **Value Pool** dedicated to talent retention and a new **"extended" stock option plan**.

The **Combined Ratio** which will go from an expected 87% by the end of 2022, to **82% in 2025**, due to the technical quality of Non-Life business products and the progressive reduction of expenses as a percentage of premiums. [table1].

The **result from financial operations** is expected to grow to **Euro 5.2 million** by 2025, from Euro 2.5 million in 2022 to Euro 3.7 million in 2023 and to Euro 4.5 million in 2024.

Normalised profit², from a level of about Euro 13.6 million at the end of 2022, will reach Euro 15.8 million in 2023; Euro 19.3 million in 2024 will reach **Euro 25.9 million** in 2025, with a **RoE** that will be around **19%** when fully achieved. [table 2].

The **Solvency Ratio**, thanks to the generation of a capital ensured by the business activity and the prudent dividend policy, will gradually stabilise at around **175%**, without any capital increases. [table 3]

² Normalised figure is net of non recurrent charges and revenues, therefore linked to events of an extraordinary nature.

The **amount of dividends** is expected to grow due to the increase in profit, with a constant **Payout Ratio** at **30%** during the Plan period. [table 4]

In the area of **ESG issues**, Net Insurance aims to consolidate its policies through the introduction of six macro-targets:

- **Increased** focus on selecting investments **that comply with ESG criteria and/or asset companies operating in “non-critical” sectors**;
- **Reduction of CO2 emissions** from offices and data centres by **15% during the Plan period** and increase of the share of renewable energy used;
- Continuous improvement of the working environment and **maintenance of Great Place to Work recognition** (score >60%);
- Commitment to **maintaining the levels of gender representation** (40% of the least represented gender) and **absence of Gender Pay Gap** with full compliance with the meritocracy logic;
- **Development of the internal ESG** committee in terms of developing initiatives to disseminate the culture of sustainability within the organisation;
- Integration of **sustainability objectives into the variable remuneration of management** during the Plan period.

The presentation of the new 2022-2025 Business Plan will be held today at 10:30 a.m. at the headquarters of Borsa Italiana. For further details on the new Business Plan, please refer to the presentation available on the Company's website³.

Finally, the Company informs that the Board of Directors, in the same meeting, has approved the submission of the application for the listing on Euronext Milan, STAR segment (assuming the conditions, Euronext STAR Milan) and the filing with CONSOB of the application for approval of the prospectus for admission to trading of ordinary shares and warrants of the Company, delegating to the Chief Executive Officer any decision relating to the actual filing date taking into account, inter alia, the interlocutions with the Authority.

“Net Insurance's Business Plan” is an ambitious and yet realistic project that, with a view to continuity, aims to develop the strategic options already identified, progressively improving the profit profile and the shareholders' remuneration. “This Plan combines growth, value creation and sustainable development; Net's future is written in these three key words, has stated **Andrea Battista, CEO of Net Insurance**. “Together with the Board and all the people at Net, we are ready to continue with determination along the course that has been mapped out”, has concluded Andrea Battista.

³ Link: <https://www.netinsurance.it/investor-relations/presentazioni/roadshow/>

Combined ratio



Combined Ratio (gross summary) (%)

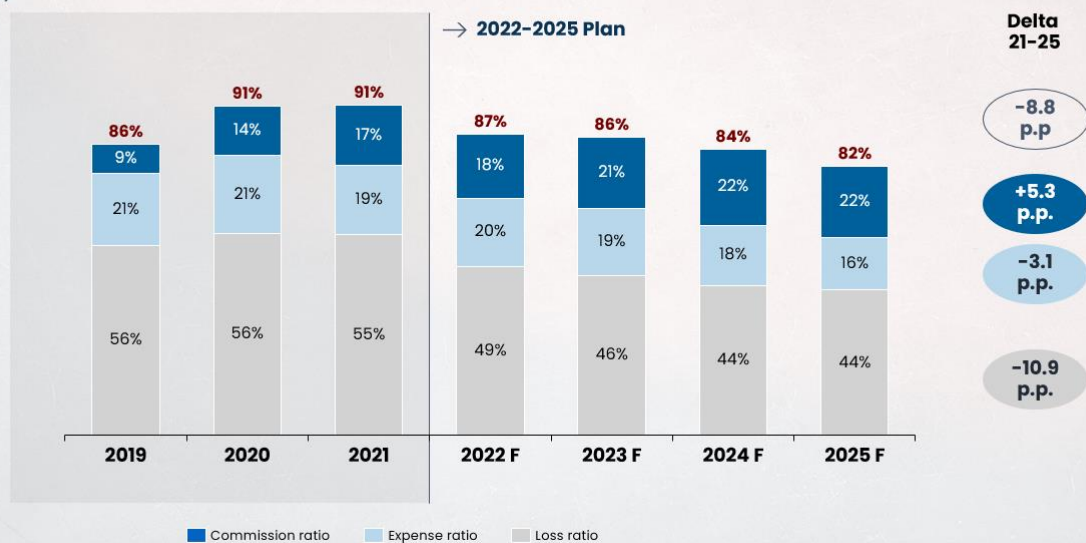


Table 1

Targets 2022-2025



	2021	2022 F	2023 P	2024 P	2025 P
Gross premiums written € Min	149.3	169.2	191.3	221.4	252.1
Ordinary Expenses € Min	21.0	23.1	26.0	28.0	28.9
Net Tech. Result € Min	10.6	17.0	19.0	23.2	31.7
Financial Result € Min	3.3	2.5	3.7	4.5	5.2
Net Profit € Min	11.3	14.9	20.2	19.3	25.9
Normalised Net Profit € Min	11.5	13.6	15.8	19.3	25.9
ROE	13.4%	16.2%	19%	15.7%	18.8%

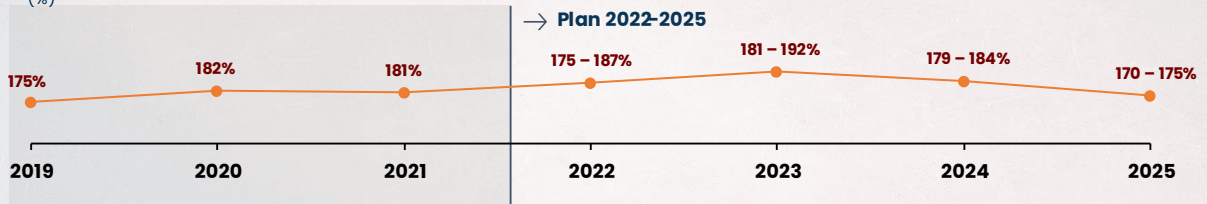
* Normalised net profit includes non-recurring expenses and income linked to extraordinary events

Table 2

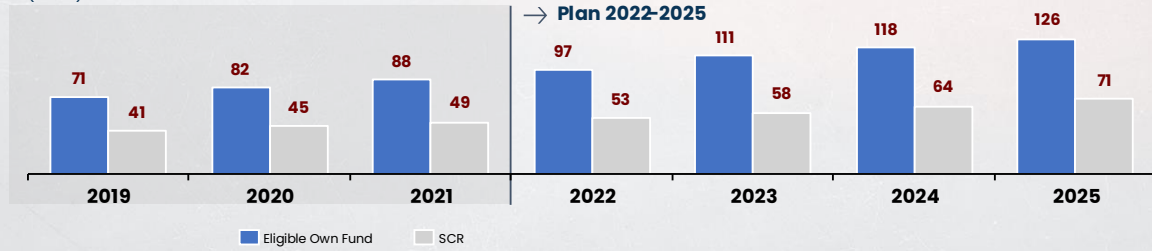
Solvency Ratio



Solvency II ratio (%)



Equity Performance and Solvency Capital Requirement (Mln€)



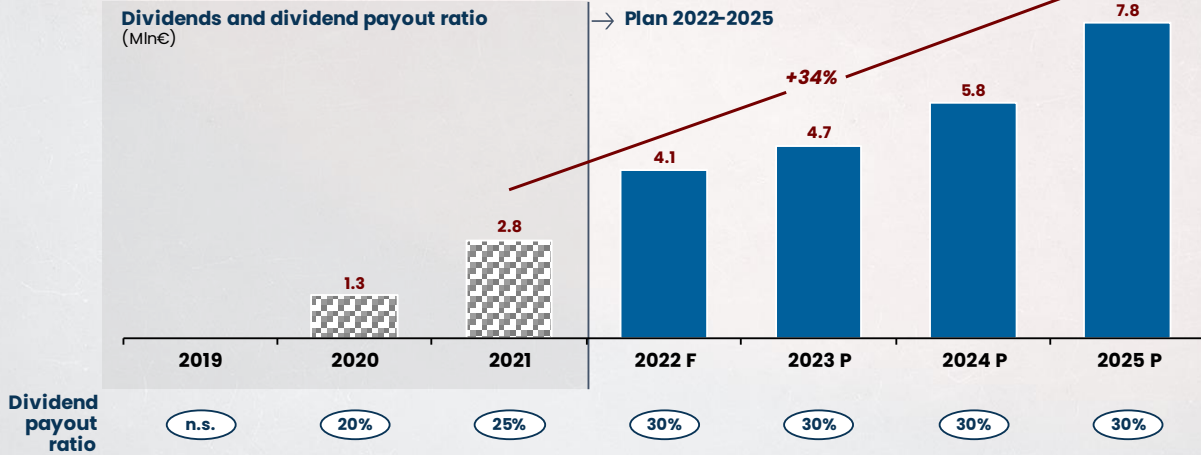
Source: Net Insurance

Table 3

Dividend payout



Dividends and dividend payout ratio (Mln€)



Source: Net Insurance

Table 4

NOTE

“This press release contains “forward-looking statements”, which include all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements are based on various assumptions, expectations, projections and provisional data concerning future events and are subject to numerous uncertainties and other factors, many of which are outside the control of Net Insurance S.p.A. (the “**Company**”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law. The information and opinions contained in this press release are provided as of the date hereof and are subject to change without notice. Neither this press release nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

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