



Financial Results 1H2022

conference call

Rome, 5th August 2022

AGENDA

1. New Business Plan 2022-2025
2. Financial results as at 30th June 2022
3. Business model Pillars - some pictures
4. Outlook 2022 – second half

Annex

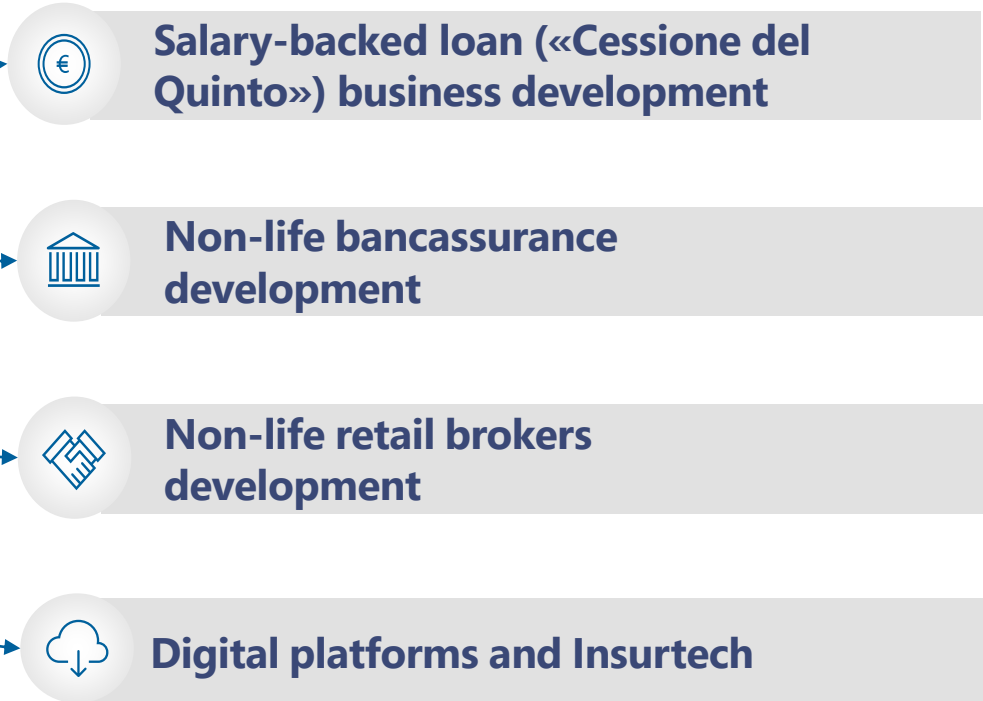
New Business Plan 2022-2025

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



A business model based on a multi-specialist approach and substained by a strong Governance model

Business Plan 2022 – 2025 (*business model*)



Dynamic balance between **growth, capital strength and shareholder remuneration**



Consolidation of Net Insurance's position as **Leader in Salary-Backed Loans**



From Start-up to Scale-up of the **Bancassurance** business to become **leader of the local banking market**



Ramp-up the **Broker channel** with a strong **digital** and **Speciality business-oriented approach**



Efficient and digital organisation at scale ensuring progressive innovation and high **customisation of service** to partners



Evolution of the operational business model towards **ESG 'Good practice'**

Business Plan 2022 – 2025 (*economics*)

| | 2020A | 2021A | 2022 F | 2025 P |
|--|-------|-------|--------|--------|
| Gross premiums written € Min | 117,7 | 149,3 | 169,2 | 252,1 |
| Ordinary Expenses € Min | 18,7 | 21 | 23,1 | 28,9 |
| Net Tech. Result € Min | 10,1 | 10,6 | 17,0 | 31,7 |
| Financial Result € Min | 2,2 | 3,3 | 2,5 | 5,2 |
| Net Profit € Min | 6,5 | 11,3 | 14,9 | 25,9 |
| Normalised Net Profit (*) € Min | 7,6 | 11,5 | 13,6 | 25,9 |

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

Financial results as at 30th June 2022

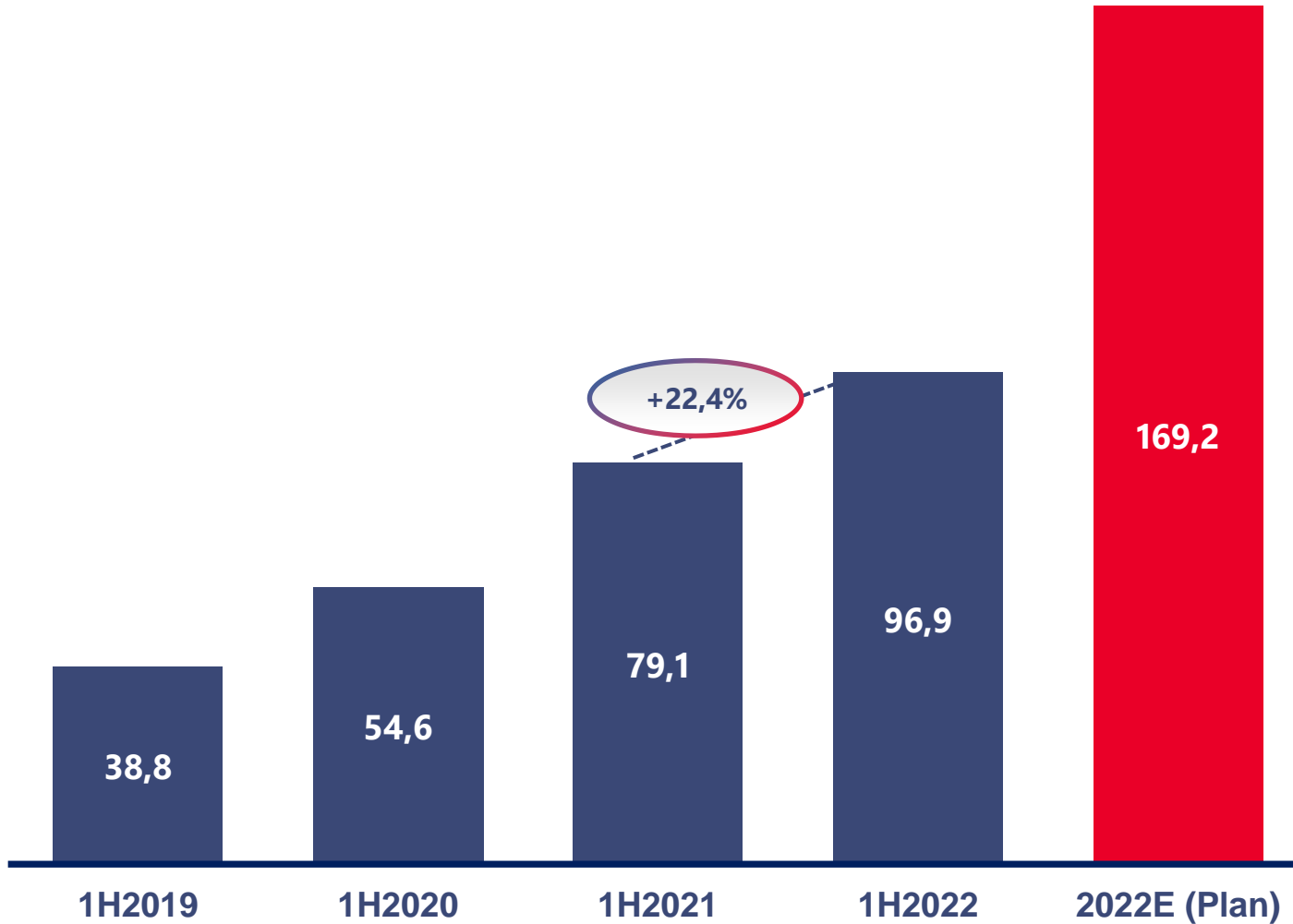
Financial results as at 30th June 2022

| | ACTUAL 1H2021 | ACTUAL 1H2022 | TARGET 2022 |
|---|---------------|---------------|-------------|
| Gross written Premiums <i>(€/mln)</i> | 79,1 | 96,9 | 169,2 |
| Ordinary exp. <i>(€/mln)</i> | 10 | 10,6 | 23,1 |
| Net tech. result <i>(€/mln)</i> | 6,9 | 7,4 | 17 |
| Net income adj. <i>(€/mln)</i> | 7,6 | 6 | 13,6 |

- **GWP and ordinary expenses widely in line with Target's estimates in 2022**
- **We expect "seasonality" rewards the second semester of the year (less claims, more recoveries and more financial income expected in second half)**
- **In extremely adverse market conditions due to geopolitical tensions, inflationary dynamics and rising interest rate expectations, the Company has been able to demonstrate solvability and strenghten**

Gross written Premiums

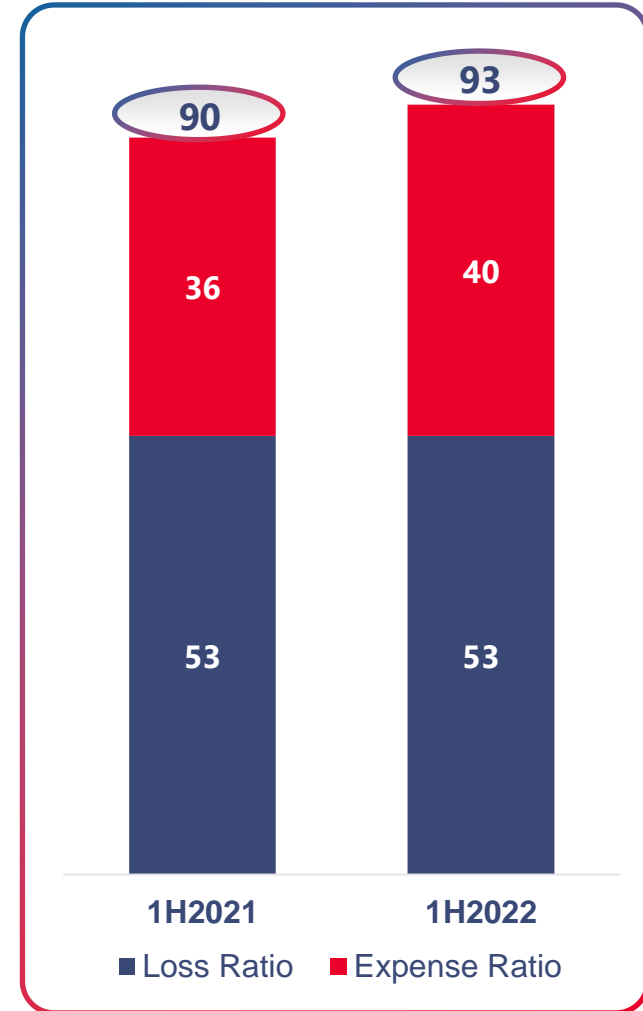
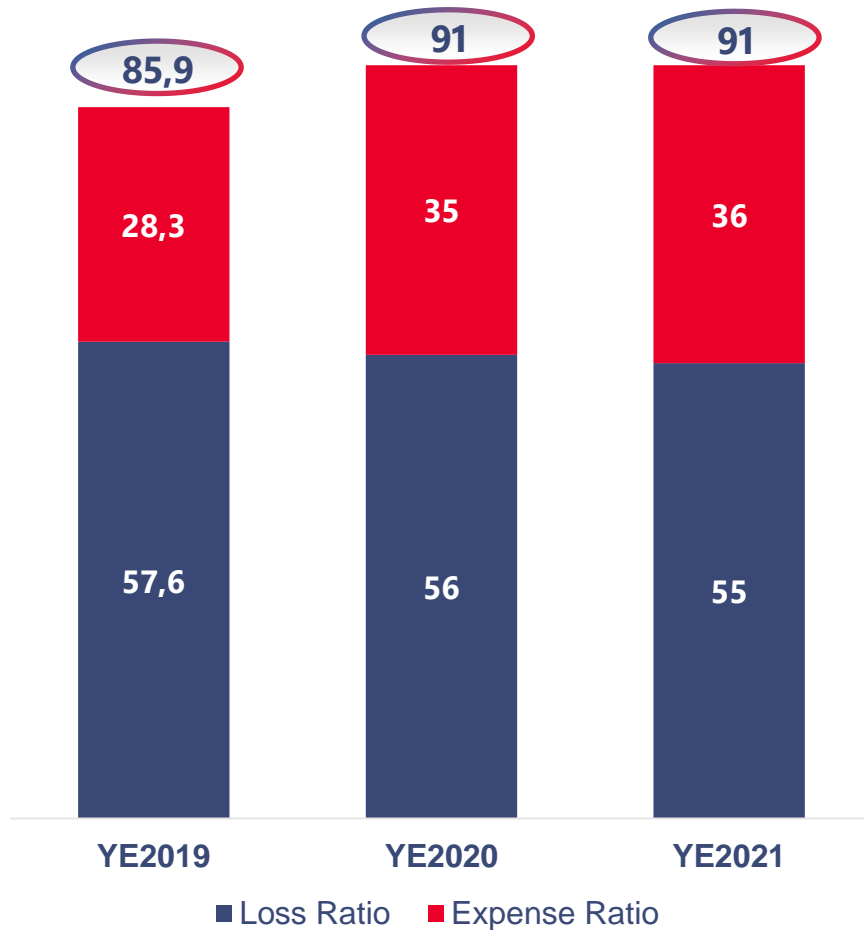
(€/ mln)



- ▶ **Increase in GWP (+22,4% YoY)**
- ▶ **In CQ business GWP increase in 1H2022 (+12% compared to 1H2021)**
- ▶ **Bancassurance GWP increase in 1H2022 (+51% compared to 1H2021)**

Combined Ratio (Gross of Reinsurance)

(%)

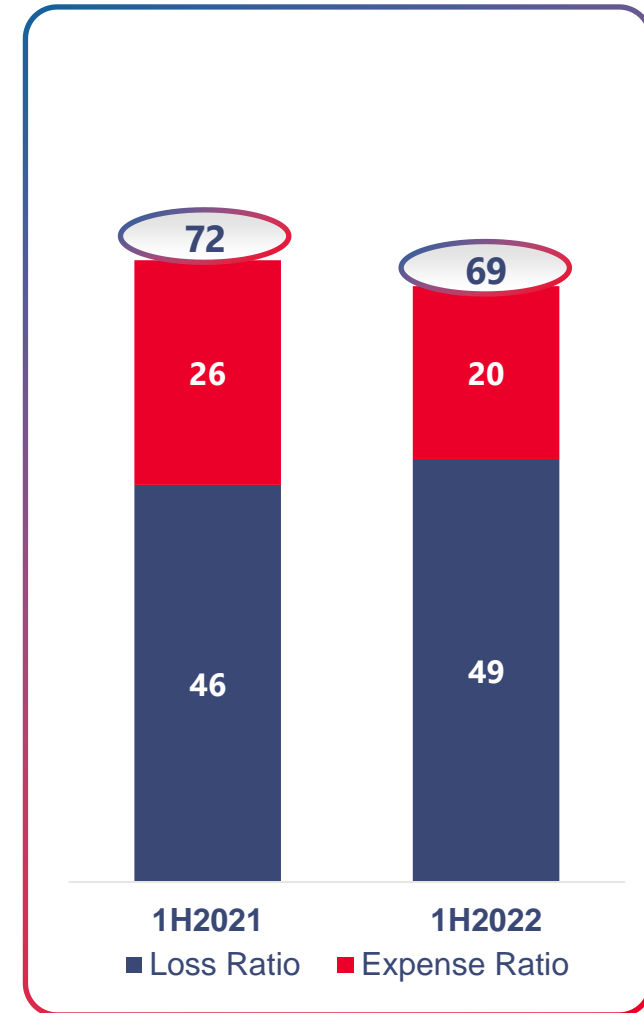
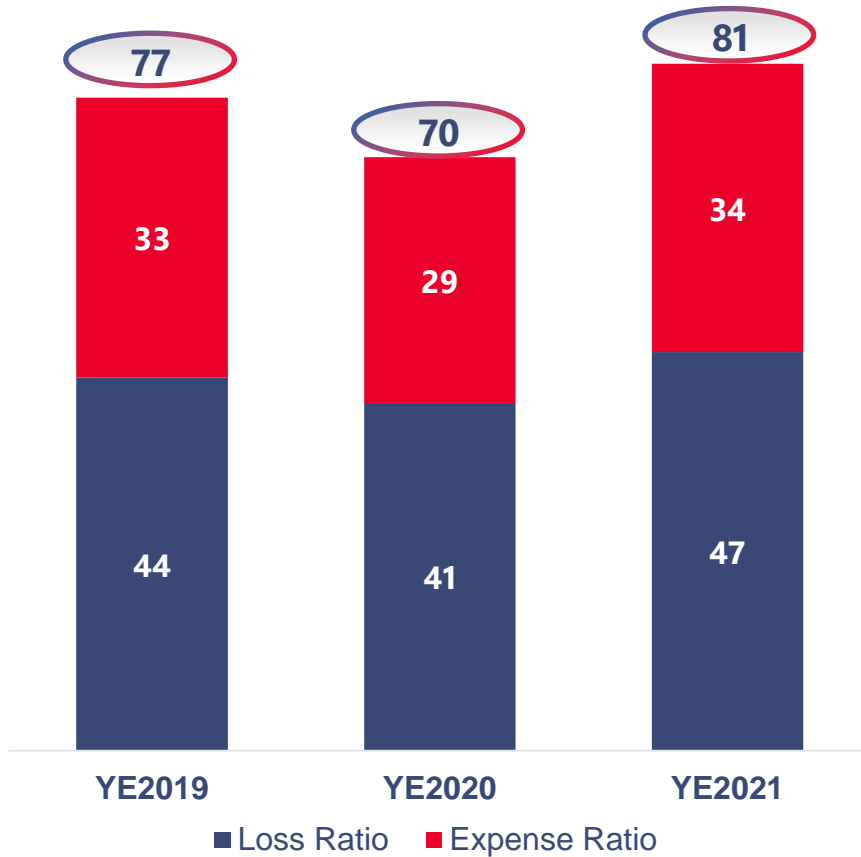


Loss Ratio's reduction (-2 p.p.); Expense ratio slightly up due to the increase of Commission Ratio part (+4 p.p.)

The Expense ratio includes also the commission ratio

Combined Ratio (Net of Reinsurance)

(%)



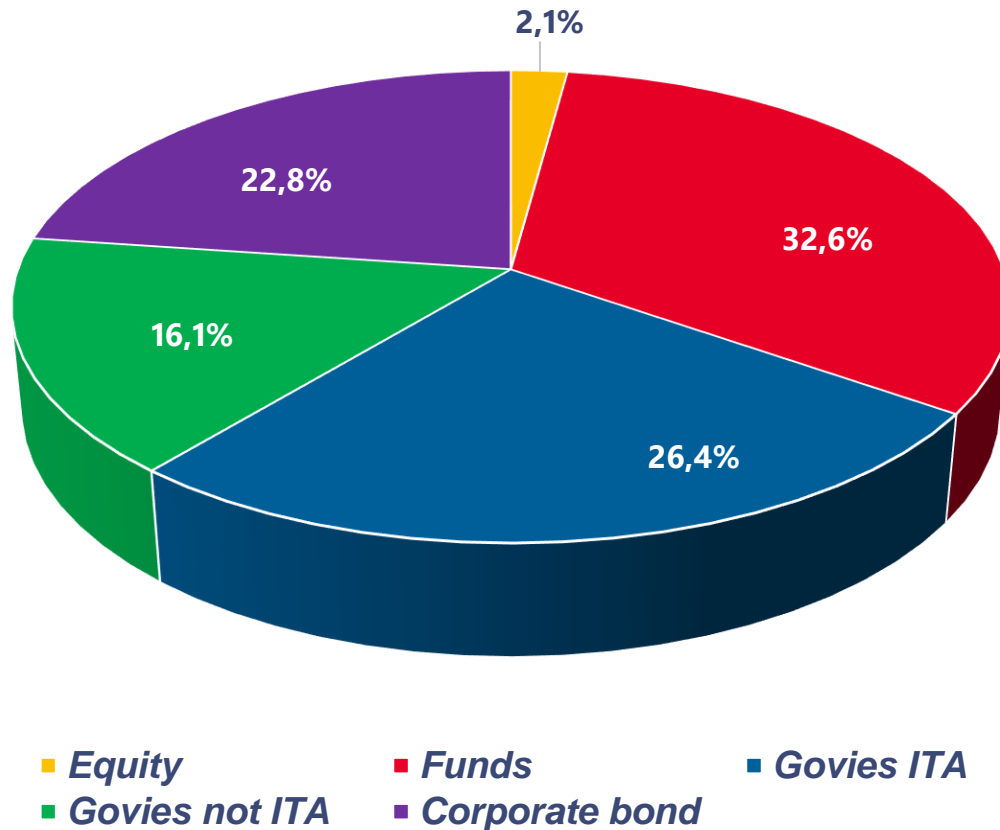
CoR net of Reinsurance improve (-3 p.p.)

The Expense ratio includes also the commission ratio

Investments

Very diversified asset allocation which generates additional profits and lower than expected volatility

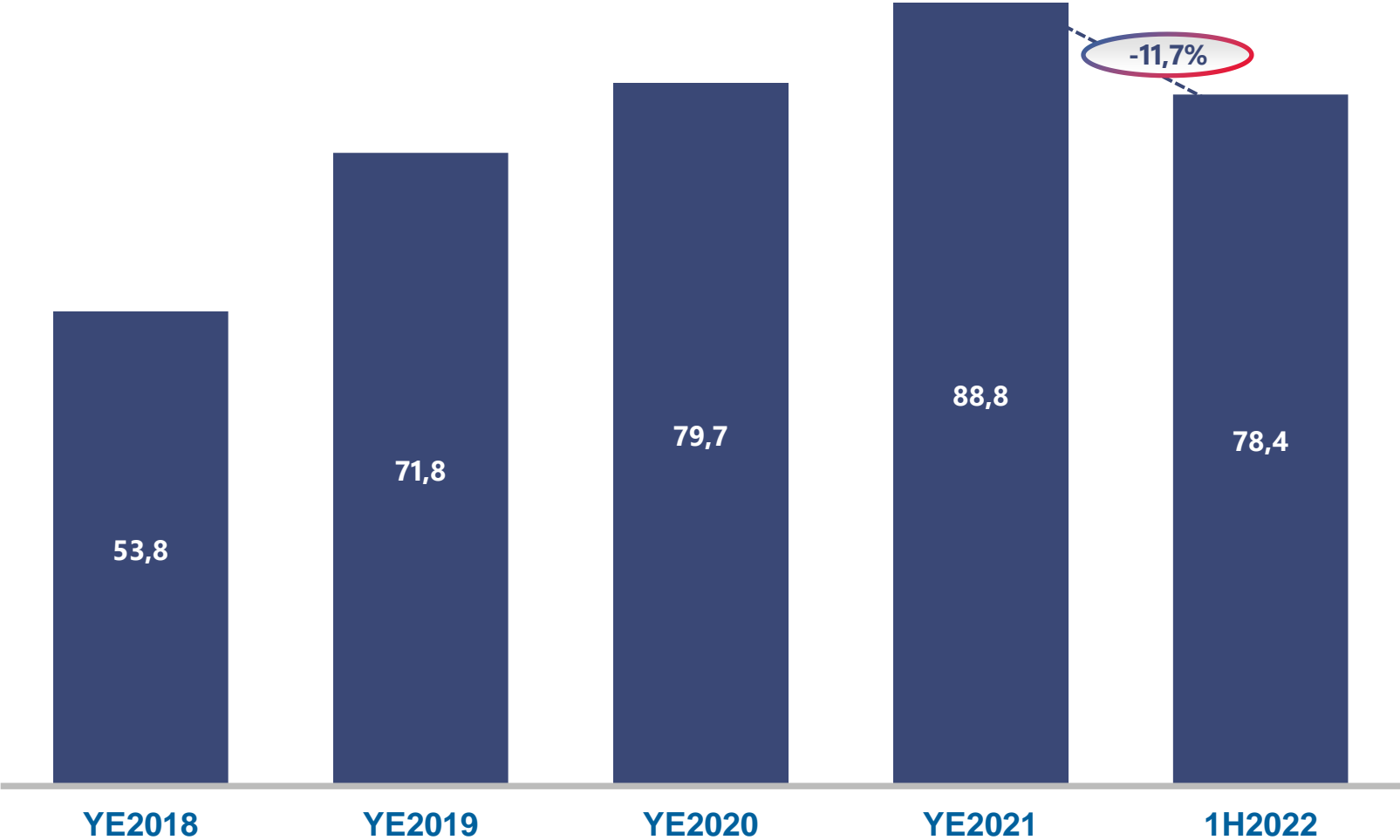
Asset allocation



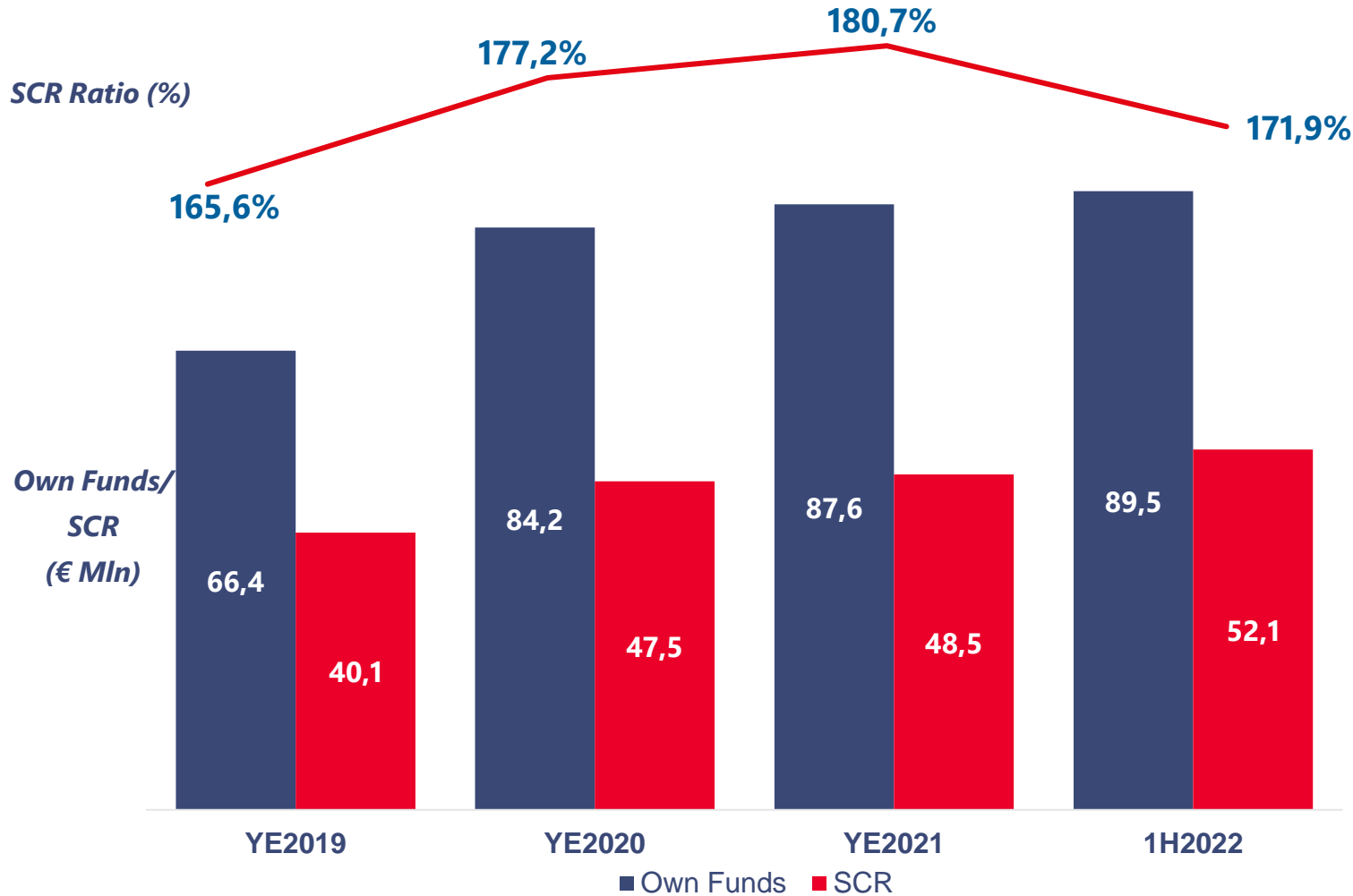
- ▶ *Financial result equal to 1 mln Euro (in line with 2,5 mln Euro as target in 2022)*
- ▶ *Investments reached 210 mln Euro (+4,3% compared to FY2021)*
- ▶ *Exposure in Govies ITA equal to 26,4% and lower than Italian insurance market (38,6%)*
- ▶ *No substantial exposure on Russian and Ukraine securities (unique exposure equal to 300k on Gazprom, regularly impaired)*

Shareholders' Equity

Decrease (-11,7%) due to effect of depreciation of financial assets equal to 8,06%



SCR Ratio – Net Insurance Group



- ▶ *Solvency position well above regulatory minimum*
- ▶ *Strong resilience and limited volatility, despite tension on financial markets*
- ▶ *SCR Ratio in line with the target's expectation (175%-187%). And recovery on going*

Business model Pillars - some pictures

Salary backed – loan (CQ business)

- ▶ Still Confirmed **market leadership** (steadily above 25%*)
- ▶ **Concluded tele-underwriting internalization**
- ▶ **Performed and delivered repricing process (in particular reviewed formula to calculate the amount of repayments of premium accruals for early repayment in order to improve profitability)**

- ▶ During first semester 2022, subscribed **new agreements** with Cassa di Volterra S.p.A. e Banca di Credito Popolare S.c.p.A. and now **more no. 1,000 “points of sale” available**
- ▶ Enlarged **product catalogue** in our distribution network (Sparkasse, Banco Desio, IBL, Banca Popolare Pugliese, Banca di Piacenza, Banca Valconca and Banca Popolare Sant’Angelo)
- ▶ Resumed physical meetings with the distribution network
- ▶ **High growth’s level** on GWP in bancassurance channel, which is passing the "startup" phase, such entering in a **"scale-up" phase**

In coherence with the new Business Plan 2022-2025, the Company is progressively carving out a role within the insurance market, thus becoming a reference insurance player for local banks

- ▶ Kept focus on **specialty lines (Agro and Suretyship)**
- ▶ **Defined agreements** in a very targeted way
- ▶ On digital channel, new distribution agreement (with All Well S.r.l. e Coverzen S.r.l.) and new products (launched the new product named "**Net Sure**")

Other relevant results during 2022



Uplisting on Euronext STAR Milan successfully concluded



Nielsen Sports agency certified NET's **brand awareness**. Total sponsorship awareness is equal to **30%*** thanks to the sponsorship with FIGC and AIA



Renewed the sponsorship with **FIGC** until June 2025



NET received the certification "**great place to work**"



Outlook 2022 – second half

Outlook 2022 – second half



Focus on grounding new strategic objectives set out in the New Business Plan 2022-2025



Enhancing IR and communication activities



Focus on risk assessment in **CQ business**



Further agreements in pipeline and starting distribution with the new ones in **bancassurance**



Broker remains in continuity with first half (current Specialties, new agreements, digital products)

Thanks for your kind attention!

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Mr. Luigi Di Capua, Manager charged with preparing a Company's financial reports of Net Insurance S.p.A., declares, in accordance with Article 154-bis, para 2, of the 'Consolidated Finance Act', that the accounting information reported in this document corresponds to the document contents, books and accounting records.

Annex

Business Plan 2022 – 2025 (Strategic Guidelines 1 of 3)



Dynamic balance between **growth, solidity and shareholder remuneration**

- **Self-financing** of the plan with **operating capital generated by growth with increasing profitability**
- Maintaining **high levels of capital strength** (SCR) and **rating levels**
- **Maintaining attractive dividend payout levels** (30%) for a ‘growth company’
- Continuing drive to improve **brand awareness and positioning** in target markets
- Assessing any **external growth opportunities** consistent with the **business model**



Consolidation as **Leader in Salary-Backed Loans**

- Defending **competitive advantage and leadership position** (30% share) in the top SBL players
- **Increasing presence among the top players** with still limited share of wallet and **development of medium-sized players**
- **Maintaining a high quality of risk-taking** against moderately increasing volumes, thanks to **service quality** and **advanced analytics** applied to best practices in **pricing and underwriting**

Business Plan 2022 – 2025 (Strategic Guidelines 2 of 3)



From Start-up to **Scale-up** of the **Bancassurance** business

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



Ramp-up of the Broker channel with digital and Speciality approach

- **Broker business development** with a **dedicated** digital platform (Digital Attacker) and focus on **business Affinity**
- **Development of Specialities** (Suretyship and Agro) with a **prudent underwriting and reinsurance policy**
- **Gradual growth of digital insurance partnerships** in place and **specific product proposition** for digital channels

Business Plan 2022 – 2025 (Strategic Guidelines 3 of 3)



Efficient and digital operating machine

- **Strengthening the organisation** to support growth and **increase attractiveness for talent and specialised profiles**
- **IT machine efficiency**, completing the transition to greater **digitisation and process automation**
- Maintaining current levels of **investment in cyber security** and a strong focus on **protecting the information assets** of companies and customers



Business and operating model evolution towards ESG 'Good Practice'

- Continued promotion of a **sustainable business model** by **reducing environmental impact** (target of a 15% reduction in CO2 emissions by 2025) and increasing **investment in sustainable assets**
- Consolidation **of the commitment to inclusion and well-being of employees** to maintain **Great Place to Work** status (Trust Index $\geq 60\%$)
- **Internal ESG** controls and alignment of **management targets to sustainability results**