



Net Insurance

Premium income up 22.4%

- **Pre-tax profit of Euro 7.9 million (+9.7% compared to 30 June 2021) and normalised net profit of Euro 6 million**
 - **Combined Ratio (net of Reinsurance) at 69% (72% in 2021)**
- **Resilient capital position: Group Solvency Ratio of 171.9% (181.1% at 30 June 2021) a limited decrease of only 9.2 p.p.**

Rome, 4 August 2022 – The Board of Directors of Net Insurance S.p.A., which met today under the chairpersonship of Luisa Todini, has approved the Half-Year Consolidated Financial Statements at 30 June 2022, subject to a limited audit by KPMG S.p.A.

In the first half of the year, **gross written premiums** of the Net Insurance Group amounted to **Euro 96.9 million**, an increase of **22.4%** compared to the same figure in the previous year.

Bancassurance significantly drives growth in both non-life and life protection, with an increase of **51%** in **premium income** compared to 30 June 2021.

In the **non-life segment**, in particular, premiums amounted to **Euro 51.9 million (+20.5%)**. The Salary-backed Loan segment increased by 5.7% (Credit Branch) and was accompanied by the growth of the "Hail" business (+24%), allocated to the Other damage to property segment, and that of Suretyship (+34.8%), the latter distributed through the Broker channel.

In the **Life segment**, premiums amounted to **Euro 44.9 million (+24.8%)**; these policies, mainly the "Term Life Insurance Policy", refer Euro 33.2 million from Salary-backed loans and the remaining Euro 11.8 million from the bancassurance/broker

channels. In particular, compared to the first half of 2021, Salary-backed loans, in the Life segment, grew by 15%, while the bancassurance/broker segment grew by 62%.

The "turnover" figure is therefore **fully in line with the targets of the end of 2022**. Attached is Table 1 with a breakdown of premiums by line of insurance in the reporting period.

Net expenses from claims¹ amounted to Euro 8.1 million, slightly up on last year (Euro 7.5 million at 30 June 2021), without taking into account Hail claims.

To the figure of 8.1 million euros must therefore be added the claims attributable to the Hail risk (equal to 3.3 million euros in June 2022 compared to 3 million euros in June 2021) that bring the charges relating to claims to 11.4 million euros (EUR 10.5 million at 30 June 2021)².

Thus, overall, claims data are also **consistent with year-end targets**.

Ordinary expenses amounted to **Euro 10.6 million** (at 30 June 2021 it stood at Euro **10** million), reflect the investments made and are fully in line with the planning of the year.

As a result of the changes described above, the **gross margin** (net technical result³) was **Euro 7.4 million**, compared to Euro 6.9 million at 30 June 2021.

Consequently, in terms of **technical business performance**, the **combined ratio ("CoR")** stood at **69%** net of reinsurance (72% in 2021). At 30 June 2022, the figures gross of reinsurance were 93% (in 2021 90%).

The Group's **investments** amounted to **Euro 210 million** (+ 4.3% compared to 31 december 2021). The **financial result** was **Euro 1 million** (Euro 1.8 million at 30 June 2021), which is to be considered in line with the expected year-end figure.

¹ The expense figure is that relating to claims of portfolio, as per the Company's reclassified income statement. This differs from the item "net expenses from claims" of the consolidation schemes because it does not incorporate the change in the Life reserves (amounting to 8.8 million euros in the first half of 2022 compared to 5.9 million euros at 30 June 2021), which are included for the purposes of reclassified income statement in the earned premiums. The increase in the variation of the Life reserves is linked to the growth of the single premium multiannual product portfolio anticipated.

² In any case, it is considered appropriate to note that the reinsurance structure of the business Hail, divided into quota share and stop Loss, together with a provisional recognition closely linked to the technical trend of production, ensures the Company a positive technical profitability, albeit contained.

³ The net technical result derives from the algebraic sum of premiums, charges relating to claims, commissions to distribution networks, the reinsurance technical result, operating expenses. This indicator does not include the effect of the extraordinary assignment of an irrecoverable loan portfolio arising from salary-backed loan contracts.

The Group's direct exposure in Russian or Ukrainian securities was nil, net of a bond issued by Gaz Capital S.A. amounting to just over Euro 200 thousand and appropriately written down.

Profit for the period before tax amounted to Euro **7.9 million** (compared to **Euro 7.2 million** at 30 June 2021).

Normalised net profit⁴ amounted to **Euro 6 million** (Euro 7.6 million in the first half of 2021), compared to the Euro 13.6 million indicated in the Plan for the full year 2022. The **tax rate** amounted to **25.4%** of the pre-tax profit for the period and increased compared to the previous half-year period, where the tax rate was almost zero affected by the recognition of deferred taxes related to the brand revaluation process.

Net profit for the period of the Group stood at Euro 5.9 million (where it was Euro 7.2 million in H1 2021).

During the period under review, the **Group's consolidated shareholders' equity** amounted to Euro 78.4 million (at 31 December 2021, shareholders' equity amounted to Euro 88.8 million), a decrease of 11.7%, solely due to the recognition of the depreciation of financial instruments in portfolio in the "Profit or losses on financial assets available-for-sale" reserve.

In terms of **solvency**, the Group's Solvency II Ratio at 30 June was **171.9%** (at the end of H1 2021 it was **181.1%**), as a result of portfolio growth and the aforementioned market tensions. Given the strong financial volatility recorded, the figure is to be considered particularly positive and in any case aligned with the forecasts of the Business Plan⁵.

In the **Salary-backed loan** segment, Net Insurance confirmed its market leadership thanks to the technical quality of its portfolio, accompanied by distinctive and differentiating ecosystem services, such as the project that saw the internalisation of the Teleunderwriting process.

The first half of 2022, there was substantial growth in the activities related to **Bancassurance** business, both in terms of premium income and in terms of multiple

⁴ The normalised profit, is, as always, net of non recurrent charges and revenues and therefore linked to events of an extraordinary nature.

⁵ The Solvency 2 Ratio indicated in the Business Plan, for year-end 2022, is estimated to be in the 175-187% area.

business initiatives, with the implementation of existing agreements and the expansion of commercial offer, increasingly wide and personalized.

The **Broker** segment remained still focused on specialties Agro and Suretyship, which are growing.

About **digital**, in terms of **product innovation**, we highlight the launch of "**Net Sure**", the digital solution for the home that offers, along with insurance coverage, innovative and easy-to-subscribe support services.

It also mentions the trend of **complaints**, a significant indicator, among others, of the level of service that the machine allows to obtain. In the reporting period, the Group's total number of complaints was only 8 (compared to 14 in the first half of 2021).

Finally, it should also be noted that on last 23 June, the Company presented to the market the **New Business Plan** for the three-year period 2022-2025, confirming its vocation for innovation and the development of the multi-specialist model.

Foreseeable Management Evolution

Over the coming months, the company will focus on grounding of the strategic goals set out in the New Business Plan 2022-2025 in all business segments.

In view of the observed dynamics and the results obtained in the half-year just ended, the performance of the 2022 financial year is fully in line with the targets.

"In extremely adverse market conditions amid geopolitical tensions, inflationary dynamics and rising rates, the company has demonstrated industrial robustness, operational agility and financial strength" stated **Andrea Battista, CEO of Net Insurance**. "The results announced today are therefore the concrete basis for achieving the targets for the financial year," Battista concluded.

Presentation of results to the financial community

The consolidated results of the Net Insurance Group at 30 June 2022 will be presented by the CEO on **5 August at 9.00 a.m. (CET)** in a dedicated call.

The presentation, which we suggest you connect to a few minutes before it begins, can be followed via the following connection details.

Connection via Zoom meeting:

<https://us06web.zoom.us/j/85286129438?pwd=WDB6SUF6VDZVYzVCbEZ4TnpISEhEUT09>

ID meeting: 852 8612 9438

Passcode: 1234

Connection via telephone:

+39 021 241 28 823

Declaration of the Manager in charge of financial reporting

The manager in charge of preparing the company's financial reports, Luigi Di Capua, declares, in accordance with the provisions of Article 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

The Half-Yearly Financial Statements, together with the auditors' report, will be made available on the Company's⁶ website within the terms of the law.

⁶See link <https://www.netinsurance.it/investor-relations/budgets-and-reports/>

Table 1

	euro.000		
Gross Premiums Written	06-2022	06-2021	Change
Accident and injury	5,147	3,817	1,331
Illness	1,260	762	498
Fire	1,341	949	392
Other damage to property	24,693	19,937	4,756
General Civil Liability	870	576	295
Credit	16,372	15,491	881
Suretyship	881	654	227
Financial losses	906	681	225
Legal Protection	275	149	126
Assistance	201	100	101
Total Non-life segment	51,948	43,116	8,832
Insurance on Life length - Class I	44,762	36,023	8,739
Insurance on Life length - Class IV	189	0	189
Total Life segment	44,951	36,023	8,928
Total	96,899	79,139	17,760

Consolidated Shareholders' Equity at 30 June 2022 - Assets

(amounts in euro)

	30/06/22	31/12/21
1 INTANGIBLE ASSETS	7,490,947	6,147,105
1.1 Goodwill	0	0
1.2 Other intangible assets	7,490,947	6,147,105
2 TANGIBLE ASSETS	15,224,694	15,306,183
2.1 Properties	14,533,376	14,645,000
2.2 Other tangible assets	691,318	661,183
3 TECHNICAL RESERVES ATTRIBUTABLE TO REINSURERS	237,510,636	213,648,941
4 INVESTMENTS	210,049,830	201,460,185
4.1 Investment property	0	0
4.2 Investments in subsidiaries, associates and joint ventures	0	0
4.3 Held-to-maturity investments	0	0
4.4 Loans and receivables	0	0
4.5 Financial assets available for sale	210,049,830	201,460,185
4.6 Financial assets at fair value through income statement	0	0
5 OTHER RECEIVABLES	93,887,110	63,401,433
5.1 Receivables arising out of direct insurance transactions	56,395,445	45,351,755
5.2 Receivables arising out of reinsurance transactions	24,626,863	12,573,942
5.3 Other receivables	12,864,802	5,475,736
6 OTHER ASSET ITEMS	27,874,135	24,046,061
6.1 Non-current assets or assets of a disposal group held for sale	0	0
6.2 Deferred acquisition costs	5,101,148	4,957,971
6.3 Deferred tax assets	13,377,334	9,161,418
6.4 Current tax assets	1,320,054	1,320,054
6.5 Other assets	8,075,598	8,606,618
7 CASH AND CASH EQUIVALENTS	4,405,849	9,656,818
TOTAL ASSETS	596,443,200	533,666,726

Consolidated Shareholders' Equity at 30 June 2022 - Equity and Liabilities

(amounts in euro)

	30/06/22	31/12/21
1 SHAREHOLDER'S EQUITY	78,377,635	88,776,323
1.1 pertaining to the Group	78,377,635	88,776,323
1.1.1 Share capital	17,615,050	17,615,050
1.1.2 Other equity instruments	0	0
1.1.3 Capital reserves	63,715,543	63,715,543
(1.1.4) Profit reserves and other equity reserves	15,007,044	6,530,299
1.1.5 (Own shares)	(9,775,130)	(9,775,130)
1.1.6 Net foreign exchange differences reserve	0	0
1.1.7 Profit or losses on financial assets available-for-sale	(13,853,183)	(394,558)
1.1.8 Other profit and losses recognised in equity	(218,819)	(218,223)
1.1.9 Profit (losses) for the period pertaining to the Group	5,887,130	11,303,342
1.2 attributable to minority interest	0	0
1.2.1 Share capital and minority interest	0	0
1.2.2 Profit and losses recognised directly in equity	0	0
1.2.3 Profit (losses) for the period attributable to minority interest	0	0
2 PROVISIONS	250,734	476,431
3 TECHNICAL RESERVES	406,953,087	362,106,318
4 FINANCIAL LIABILITIES	17,026,723	17,018,790
4.1 Financial liabilities at fair value through income statement	382,147	374,214
4.2 Other financial liabilities	16,644,576	16,644,576
5 DEBTS	82,128,484	59,492,083
5.1 Payables arising out of direct insurance transactions	3,582,833	5,646,794
5.2 Payables arising out of reinsurance transactions	63,177,042	37,321,953
5.3 Other payables	15,368,609	16,523,336
6 OTHER LIABILITY ITEMS	11,706,538	5,796,781
6.1 Liabilities of a group available-for-sale	0	0
6.2 Deferred tax liabilities	8,368,936	4,081,646
6.3 Current tax liabilities	0	0
6.4 Other liabilities	3,337,601	1,715,135
TOTAL EQUITY AND LIABILITIES	596,443,200	533,666,726

Income Statement at 30 June 2022

(amounts in euro)

	30/06/22	30/06/21
1.1 Net premiums	32,361,388	28,550,214
1.1.1 Gross premiums earned	78,710,722	65,318,098
1.1.2 Premiums ceded to relevant reinsurance	(46,349,334)	(36,767,884)
1.2 Commission income	0	0
1.3 Financial income and charges from financial instruments designated at fair value through income statement	0	0
1.4 Income from investments in subsidiaries, associates and joint ventures	0	0
1.5 Income from other financial instruments and investment properties	2,012,769	2,622,676
1.5.1 Interest income	977,589	904,524
1.5.2 Other income	982,290	1,005,694
(1.5.3) Realised profit	52,891	712,459
1.5.4 Valuation income	0	(0)
1.6 Other revenues	1,740,977	2,031,227
1 TOTAL REVENUES AND INCOME	36,115,134	33,204,117
2.1 Net expenses from claims	20,229,616	16,393,210
2.1.1 Amounts paid and changes in technical reserves	52,588,300	40,920,176
2.1.2 Reinsurers' shares	(32,358,684)	(24,526,966)
2.2 Commission expenses	0	0
2.3 Charges from investments in subsidiaries, associates and joint ventures	0	0
2.4 Charges from other financial instruments and investment properties	987,949	833,361
2.4.1 Interest expenses	292,657	382,094
2.4.2% Other charges	447,566	329,984
2.4.3 Realised losses	30,477	95,177
2.4.4 Valuation losses	217,249	26,107
2.5 Operating expenses	4,738,534	5,663,581
(2.5.1) Commissions and other acquisition expenses	1,619,887	2,613,192
2.5.2 Investment operating expenses	540,771	499,665
2.5.3 Other administrative expenses	2,577,875	2,550,724
2.6 Other costs	2,269,939	3,054,954
2 TOTAL CHARGES AND EXPENSES	28,226,038	25,945,106
PROFIT (LOSS) FOR THE YEAR BEFORE TAXES	7,889,096	7,259,011
3 Taxes	2,001,965	23,275
PROFIT (LOSS) FOR THE YEAR NET OF TAXES	5,887,131	7,235,737
4 PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	0	0
CONSOLIDATED PROFIT (LOSS)	5,887,131	7,235,737
of which pertaining to the Group	5,887,131	7,235,737
of which pertaining to minority interest	0	0

Consolidated cash flow statement at 30 June 2022

(amounts in euro)

	30/06/22	30/06/21
Profit (loss) for the year before taxes	7,889,096	7,259,011
Changes in non-monetary items	20,839,094	17,186,318
Changes in non-life premium reserve	9,719,511	9,596,302
Changes in claims provision and other non-life technical reserves	2,331,956	2,525,152
Changes in mathematical reserves and other Life technical reserves	8,933,607	5,952,035
Changes in deferred acquisition costs	143,178	(493,578)
Changes in provisions	(225,697)	(220,061)
Non-monetary income and charges from financial instruments, investment property and equity investments	0	0
Other changes	(63,460)	(173,532)
Changes in receivables and payables generated by operating activities	(7,849,277)	(738,040)
Changes in receivables and payables from direct insurance and reinsurance transactions	694,517	(129,977)
Changes in other receivables and payables	(8,543,794)	(608,062)
Income tax paid	0	0
Net liquidity generated/absorbed from monetary items related to investment and financial activities	0	0
Liabilities from financial contracts issued by insurance companies	0	0
Amounts owed to banking and interbank customers		0
Loans and receivables from banking and interbank customers	0	0
Other financial instruments designated at fair value through income statement	0	0
TOTAL NET LIQUIDITY FROM OPERATING ACTIVITIES	20,878,913	23,707,290
Net liquidity generated/absorbed from investment property	0	0
Net liquidity generated/absorbed from investments in subsidiaries, associates and joint ventures	0	0
Net liquidity generated/absorbed from loans and receivables	0	0
Net liquidity generated/absorbed from held-to-maturity investments	0	0
Net liquidity generated/absorbed from financial assets available for sale	(8,589,645)	(12,997,323)
Net liquidity generated/absorbed from tangible and intangible assets	(1,262,352)	102,886
Liquidity generated/absorbed from investment activities	0	0
TOTAL NET LIQUIDITY FROM INVESTMENT ACTIVITIES	(9,851,997)	(12,894,437)
Net liquidity generated/absorbed from capital instruments pertaining to the Group	(13,459,222)	(915,340)
Net liquidity generated/absorbed from own shares	0	0
Distribution of dividends pertaining to the Group	(2,826,596)	(720,714)
Net liquidity generated/absorbed from share capital and reserves pertaining to minority interests		
Net liquidity generated/absorbed from subordinated liabilities and investment financial instruments	7,933	(400,000)
Net liquidity generated/absorbed from other financial liabilities		
TOTAL NET LIQUIDITY FROM FINANCING ACTIVITIES	(16,277,885)	(2,036,054)
Effect from foreign exchange differences on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT THE OPENING OF THE YEAR	9,656,818	9,357,551
INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(5,250,969)	8,776,799
CASH AND CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	4,405,849	18,134,350

Net Insurance is an insurance company that aims to offer protection solutions for Individuals, Families and small- and medium-sized enterprises. Net Insurance's history, financial strength, agility and offering of innovative products and approaches make it a unique player within the Italian insurance industry. An evolving and future-oriented company.

CONTACT INFORMATION

Net Insurance S.p.A.

Via Giuseppe Antonio Guattani, 4
00161 Rome
<https://www.netinsurance.it/>

Press Office

Rossella Vignoletti

M: +39 347 7634424

Tel: +39 06 89326299

e-mail: rossella.vignoletti@netinsurance.it

Investor Relator

Ottavio Pennisi

Tel: +39 06 893261

Fax: +39 06 89326300

e-mail: investor.relations@netinsurance.it

Specialist

Banca Finnat Euramerica S.p.A.
Palazzo Altieri - Piazza del Gesù, 49

Lorenzo Scimìa

Tel: +39 06 69933446

Fax: +39 06 69933435

email: l.scimia@finnat.it