

Consolidated results as at 31 December 2022

REVO: 2022 RESULTS HIGHER THAN EXPECTED IN THE PLAN

Premium growth of 69.5% vs 2021, with Group Solvency II ratio of 269.3%.

- › Gross premiums written € 131.4 million
- › Adjusted operating profit € 13.9 million
- › Net profit € 5.3 million
- › Adjusted net result of €10.8 million
- › Group Solvency II ratio 269.3%
- › All strategic projects planned for 2022 successfully completed

Verona, 9 March 2023 - The Board of Directors of REVO Insurance S.p.A., parent company of the REVO Insurance Group, approved today the consolidated results for the year ended 31 December 2022.

KEY INDICATORS

- › **Gross premiums written of €131.4 million, up +69.5% compared with FY 2021** (equivalent to €77.5 million);
- › Further **profitable growth** in the Suretyship class and simultaneously greater exposure in terms of the business mix vis-a-vis the **new lines** (44.3% of total premiums compared with 23.0% in 2021);
- › **Excellent technical profitability**, with a total loss ratio¹ of 24.7% compared with 14.3% in 2021, consistent with the medium-term expectations of the Plan;
- › **Implementation of the investment plan** totalling €7.1 million, with a focus on developing the database necessary for the underwriting business and the launch of the proprietary OverX platform;
- › **Positive contribution from the investment portfolio** following a precise management strategy, in an environment of rising rates, focused on maintaining particularly low durations and high geographical diversification;

¹ Loss ratio net of reinsurance

- › **Consolidated net profit of €5.3 million**, despite investments and costs - including one-off costs - incurred for the launch of the initiative. **Consolidated adjusted net profit was €10.8 million**, with a flatter j-curve than projected in the plan;
- › **Capital strength** confirmed at **levels of excellence**, with a Group **Solvency II ratio² of 269.3%** capable of ensuring the future development of the Group in accordance with medium-term targets.

Alberto Minali, Chief Executive Officer of REVO, said: “*The excellent 2022 results confirm the ability of our team to implement the business plan communicated to the market and highlight the model of technical excellence that REVO represents for the Italian insurance industry, making it a candidate for the role of benchmark player in Specialty risks and parametric risks, alongside SMEs and professionals.*”

STRATEGIC PERFORMANCE

During the year, **all the strategic objectives** announced to the market were **achieved**, and specifically:

- › **Authorisation to operate in the new regulatory classes** (necessary for the development of the Speciality segment) and under the FPS scheme in most European countries was obtained from IVASS;
- › Launch of the **first parametric insurance cover** in the Agro and Business Interruption field, including through the use of blockchain technology, confirming a growing and increasingly tangible interest on the part of the market in next-generation insurance;
- › **Implementation of the proprietary OverX platform**, a pillar of the REVO project and enabler of process innovation and speed of service to intermediaries. OverX offers the opportunity to structure insurance solutions tailored to the specific coverage needs of customers, allowing underwriters and brokers to rely on a simple, scalable and flexible interface, rich in information and data that can be used in underwriting
- › **Significant expansion of the distribution network**, which at the end of the year comprised 53 brokers (16 at 31 December 2021) and 116 multi-firm agents (100 at 31 December 2021). In this environment, we launched REVO Underwriting, the Group's MGA, which is also instrumental in the assignment of new brokerage mandates involving specialised brokers and third agency networks;
- › **Recruitment of key figures in all corporate functions** (+53 people), particularly favouring the technical-underwriting, pricing and data analysis areas, with the aim of further expanding the Group's range of expertise;
- › Formalisation of a **welfare programme** and an **MbO plan** for all employees and allocation of a major **LTIP stock incentive plan** for key personnel, to promote full alignment of the interests of all stakeholders;

² Calculation based on adoption of the Standard Formula

- › On 21 November 2022, the conclusion of REVO's translisting process on the **Euronext STAR Milan** regulated market. **Just one year after the completion of the business combination**, the simultaneous reverse merger between REVO SPAC and Elba resulted in **REVO Insurance**.

It should be noted that during the first weeks of the year **REVO's Board of Directors approved the 2023-2026 rolling plan**, which **confirmed medium-term targets**.

REVO is also awaiting **authorisation** from IVASS to operate in the **legal protection sector**, a business line in which the key personnel who will oversee its development have already been recruited.

ECONOMIC PERFORMANCE

Technical data ³	31.12.2022	31.12.2021
Gross premiums written	131,388	77,526
Change in gross premium reserve	-32,871	-7,203
Premiums ceded	-53,823	-31,590
Change in ceded premium reserve	12,011	2,493
Net premiums	56,704	41,227
Claims paid	16,170	13,845
Ceded claims paid	-6,223	-6,392
Recoveries	-5,915	-6,389
Recoveries ceded	2,936	3,171
Change in gross claims reserve	11,755	3,317
Change in ceded claims reserve	-3,906	-1,258
Change in recovery reserve	-1,615	-804
Change in ceded recovery reserve	807	411
Net claims-related expenses	14,010	5,901
Acquisition commissions	30,705	18,110
Other acquisition expenses	10,656	6,629
Commissions received from reinsurers	-26,197	-18,732
Other administrative expenses	17,877	6,791
Other direct technical expenses and income	1,096	2,362
Other technical income and expenses ceded	166	-564
Net Loss Ratio	24.7%	14.3%
Net Combined Ratio	85.5%	49.7%
Net adjusted Combined Ratio	78.8%	47.8%

During the year, **gross premiums of €131.4 million were recorded, a significant increase compared with the same period in 2021 (+69.5%)**. The following factors contributed to this result:

- › Launch of the **new business lines** - Specialty and Parametric - following authorisation to operate in the new classes by IVASS on 29 March 2022;
- › Conclusion of **new brokerage mandates** with brokers and agents, expanding the distribution network and strengthening commercial relations;

³ Solely for the purposes of presentation and a better understanding of the performance of insurance operations alone, a comparison between the technical items recorded by the Group in 2022 and the data for the entire 2021 financial year of Elba Assicurazioni S.p.A. is provided below.

- › Entry into production of the **OverX platform**, a business enabler thanks to the **flexibility** of structuring products and **simplicity** of connection to the computer systems of third party operators;
- › Offering consisting of **tailor-made solutions** calibrated according to the actual insurance needs of the market;
- › Long-term **commercial relationships** developed by the underwriters who joined the REVO team.

At 31 December 2022, the business mix showed greater diversification in favour of other business lines, fully confirming our objective of becoming a company with a significant presence in all specialty segments by 2025, with a fully comprehensive service offering to SMEs and professionals.

Business Line	31.12.2022	%	31.12.2021	%
Suretyship	73,229	55.7%	59,674	77.0%
Property	14,892	11.3%	804	1.0%
Engineering	13,634	10.4%	14,186	18.3%
Professional Indemnity	7,362	5.6%	491	0.6%
Casualty	6,641	5.1%	2,096	2.7%
Marine	4,102	3.1%	-	-
Agro	3,687	2.8%	-	-
D&O	2,689	2.0%	-	-
Parametric	221	0.2%	-	-
Other	4,932	3.8%	275	0.4%
Total	131,389	100.0%	77,526	100.0%

In spite of increasing exposure to other business lines, the **Suretyship business** increased significantly during the year (+22.7% compared with 31 December 2021).

From a technical point of view, **the results are fully in line with the plan's expectations**, with a loss ratio of 24.7% for the year, which is excellent for the Italian non-life insurance market. The increase compared with the 2021 ratio (14.3%) is linked on the one hand to the **different business mix of the insurance portfolio**, and, on the other, to the presence of some claims underwritten in years prior to 2022, and to the adoption of a **more prudent approach** in terms of reserving compared with in the past.

Under the **recruitment plan** launched in December 2021, higher staff costs of € 9.0 million were incurred than in the previous year.

During the period, **IT investments of €7.1 million** were incurred, most of which related to the building of the **architecture and the OverX platform**, as well as €1.5 million for the adoption of the **new SAP accounting system**.

The final statement of **acquisition commissions and reinsurance fees** revealed trends **consistent with the development** of the business recorded during the year.

The COR ratio⁴ for the period, as a result of these main trends, was 85.5% compared with 49.7% for the 2021 financial year. This change was in line with plan expectations.

⁴ COR ratio net of reinsurance

There was a **particularly positive contribution from the investment portfolio** (financial result of €1.7 million compared with €0.9 million in 2021), attributable both to the gradual use of residual resources from the Elba acquisition and flows from new funding, and to the adoption of a strategy oriented towards the **gradual investment of assets** in tandem with the **increase in market rates** recorded during the year.

The amount for the year **has a significant impact on the amortisation of the VoBA** that arose at the time of the acquisition of Elba, in the amount of €3.9 million, the annual cost of which will gradually decrease over the next few years.

ADJUSTED RESULTS

Adjusted operating profit for the period was €13.9 million:

Adjusted operating profit	31.12.2022
Net premiums	56,704
Claims-related expenses	-14,010
Operating expenses	-33,213
Other technical expenses	-2,128
Other technical income	866
Technical result	8,220
Costs of financial debt	0
Investment income/expenses	1,854
Listing and other one-off costs	2,864
Depreciation of tangible assets	134
Payment to agencies	29
LTIs	779
Adjusted operating profit	13,879

Adjusted net profit for the period was €10.8 million:

Adjusted net profit	31.12.2022
Net result	5,316
Capital gain/loss on disposals	-65
Capital gain/loss on valuation	209
Listing and other one-off costs	2,864
Depreciation of tangible assets	134
LTIs	779
Payment to agencies	29
VoBA amortisation	3,909
Tax adjustment	-2,422
Adjusted net profit	10,753

For illustrative and non-comparative purposes only, it should be recalled that the IFRS net profit of Elba Assicurazioni as at 31 December 2021 was €14.5 million.

The **adjusted COR ratio**⁵ for the period was 78.8% (47.8% as at 31 December 2021).

⁵ COR ratio net of reinsurance

STATEMENT OF FINANCIAL POSITION

The following table summarises the statement of financial position:

Reclassified statement of financial position	31.12.2022	31.12.2021
Intangible assets	92,128	90,621
Tangible assets	14,448	345
Reinsurers' share of technical provisions	55,737	39,895
Investments	188,531	186,794
Miscellaneous receivables	52,856	21,981
Other assets	7,528	2,428
Cash and cash equivalents	4,654	12,396
Total assets	415,882	354,460
Shareholders' equity	216,632	218,478
Provisions	3,175	4,701
Technical provisions	140,074	97,004
Financial liabilities	16,048	2,568
Payables	31,613	25,152
Other liabilities	8,340	6,557
Total equity and liabilities	415,882	354,460

In the area of **investments**, there was greater **portfolio diversification**, both in terms of asset classes and the geographical area of reference. In particular, the weight of the **Italian government component** at the end of the year was 51.8%, a further reduction compared with 31 December 2021 (65.3%).

Shareholders' equity at the end of the year was €216.6 million, down slightly on 31 December 2022 (€218.5 million), mainly due to the value adjustments made to fair value investments with an impact on overall profitability (the change in which passed through equity amounted to €6.7 million) and the presence of treasury shares.

At 31 December 2022, the Company held **140,953 treasury shares** in the total amount of €1.247 million, equivalent to approximately 0.6% of the share capital⁶.

At the end of the year, REVO presented a **Group Solvency II capital ratio of 269.3%** (to be compared with the Elba Group ratio at 31 December 2021 of 271.4%), thus demonstrating its strong focus on balance and safeguarding its capital strength, even against a backdrop of strong corporate expansion and growth.

IFRS 17

In light of the adoption of the **new IFRS 17 accounting standard** as from 2023, the Group has estimated the impacts of its application on the opening (1 January 2022) and closing (1 January 2023) consolidated balance sheets, as well as on the profit for the period relating to 2022. The expected **overall impacts** are therefore **moderate**.

⁶ Share capital comprising ordinary shares only

Impact of IFRS 17 vs IFRS 4	01.01.2023	01.01.2022
Shareholders' equity attributable to the Group (gross of taxes) IFRS 4	216,632	218,478
Impact on shareholders' equity (gross of taxes) - Application of IFRS 17	tra -1,600 e +700	tra -2,600 e -300
Impact on shareholders' equity attributable to the Group (net of taxes)	tra -1,100 e +500	tra - 1,800 e -100
Profit for the period (after taxes) IFRS 4	5,316	13,842
Impact on profit for the period (net of taxes)	tra +1,000 e +400	-

FINANCIAL REPORTING OFFICER

Pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, the Financial Reporting Officer, Jacopo Tanaglia, declares that the accounting information contained in this press release matches those found in company documents, books and accounting records.

The Company reports that the individual company and the consolidated financial statements as at 31 December 2022 will be made available to the public at its registered office and on the website www.revoinsurance.com in accordance with the terms and conditions laid down by current rules and regulations.

The results for the year ended 31 December 2022 will be presented to the financial community at 18:30 hours in a conference call. The numbers to be called are: +39 02 802 09 11 from Italy, +44 1 212818004 from the United Kingdom and +1 718 7058796 from the United States.

The results presentation is available at www.revoinsurance.com in the Investor Relations section.

The reclassified financial statements as at 31 December 2021 of the consolidated statement of financial position and income statement of REVO Insurance S.p.A. are appended below, with a disclaimer that the individual company and consolidated financial statements and related documentation and the Solvency II data have not yet been certified by the independent auditors, pursuant to IVASS Regulation No. 42 of 2 August 2018.

CONSOLIDATED INCOME STATEMENT

		31.12.2022	31.12.2021
1.1	Net premiums	56,704,347	4,499,682
1.1.1	Total gross premiums	98,516,646	7,102,713
1.1.2	Premiums ceded to reinsurance	-41,812,299	-2,603,031
1.2	Fee and commission income	0	0
1.3	Income and expenses from financial instruments measured at fair value recognised in the income statement	-171,676	-62,827
1.4	Income from equity investments in subsidiaries, associates and joint ventures	0	0
1.5	Income from other financial instruments and investment properties	3,720,495	41,510
1.5.1	Interest income	3,416,411	41,510
1.5.2	Other income	0	0
1.5.3	Profit	304,084	0
1.5.4	Profit on valuation	0	0
1.6	Other revenues	2,018,410	2,980
1	TOTAL REVENUES AND INCOME	62,271,576	4,481,345
2.1	Net claims-related expenses	-14,009,631	-983,805
2.1.1	Amounts paid and change in technical provisions	-20,395,208	-1,314,885
2.1.2	Reinsurers' share	6,385,577	331,080
2.2	Commissions payable	0	0
2.3	Expenses from equity investments in subsidiaries, associates and joint ventures	0	0
2.4	Expenses from other financial instruments and investment properties	-1,838,640	-266,384
2.4.1	Interest expense	-1,561,829	-152,300
2.4.2	Other expenses	0	0
2.4.3	Realised losses	-239,150	-1,919
2.4.4	Losses on valuation	-37,661	-112,165
2.5	Operating expenses	-33,212,769	-13,767,303
2.5.1	Commissions and other acquisition expenses	-15,164,003	-1,116,032
2.5.2	Investment management expenses	-171,687	0
2.5.3	Other administrative expenses	-17,877,079	-12,651,271
2.6	Other costs	-7,997,819	-1,405,981
2	TOTAL COSTS AND CHARGES	-57,058,859	-16,423,473
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	5,212,717	-11,942,128
3	Taxes	103,426	-1,899,961
	PROFIT (LOSS) FOR THE YEAR AFTER TAX	5,316,143	-13,842,089
4	PROFIT (LOSS) ON DISCONTINUED OPERATIONS	0	0
	CONSOLIDATED PROFIT (LOSS)	5,316,143	-13,842,089
	<i>of which attributable to the group</i>	<i>5,316,143</i>	<i>-13,842,089</i>
	<i>of which attributable to minority interests</i>		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION - ASSETS

	31.12.2022	31.12.2021
1 INTANGIBLE ASSETS	92,127,738	90,620,392
1.1 Goodwill	74,322,710	74,322,710
1.2 Other intangible assets	17,805,028	16,297,682
2 TANGIBLE ASSETS	14,448,189	344,377
2.1 Property	13,972,722	0
2.2 Other tangible assets	475,467	344,377
3 REINSURERS' SHARE OF TECHNICAL PROVISIONS	55,736,807	39,894,995
4 INVESTMENTS	188,530,889	186,794,397
4.1 Investment properties	0	0
4.2 Equity investments in subsidiaries, associates and joint ventures	0	1,000
4.3 Financial assets measured at amortised cost	4,016,029	8,000,016
4.4 Financial assets measured at fair value with impact on comprehensive income	181,895,099	141,125,746
4.5 Financial assets measured at fair value through profit or loss	2,619,761	37,667,635
4.5.1 Financial assets held for trading	0	0
4.5.2 Financial assets designated at <i>fair value</i>	0	0
4.5.3 Other financial assets compulsorily measured at fair value	2,619,761	37,667,635
5 MISCELLANEOUS RECEIVABLES	52,855,574	21,981,547
5.1 Receivables arising from direct insurance operations	40,303,271	12,826,743
5.2 Receivables arising from reinsurance operations	968,807	86,962
5.3 Other receivables	11,583,496	9,067,842
6 OTHER ASSETS	7,528,106	2,428,175
6.1 Non-current assets or disposal groups held for sale	0	0
6.2 Deferred acquisition costs	0	0
6.3 Deferred tax assets	0	0
6.4 Current tax assets	5,394,064	0
6.5 Other assets	2,134,042	2,428,175
7 CASH AND CASH EQUIVALENTS	4,654,474	12,395,846
TOTAL ASSETS	415,881,777	354,459,729

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

	31.12.2022	31.12.2021
1 SHAREHOLDERS' EQUITY	216,631,562	218,477,836
1.1 attributable to the group	216,631,562	218,477,836
1.1.1 Capital	6,680,000	23,055,000
1.1.2 Other equity instruments	0	0
1.1.3 Capital reserves	170,000	207,045,000
1.1.4 Retained earnings and other equity reserves	215,869,668	6,461,758
1.1.5 (Treasury shares)	-1,247,111	0
1.1.6 Reserve for currency exchange differences	0	0
1.1.7 Gains or losses on financial assets measured at fair value with impact on overall profitability	-6,687,253	-67,101
1.1.8 Other gains or losses recognised directly in equity	-3,469,885	-4,174,732
1.1.9 Profit (loss) for the year attributable to the Group	5,316,143	-13,842,089
1.2 attributable to minority interests	0	0
1.2.1 Third-party capital and reserves	0	0
1.2.2 Gains or losses recognised directly in equity	0	0
1.2.3 Profit (loss) for the year attributable to minority interests	0	0
2 PROVISIONS	3,175,588	4,700,710
3 TECHNICAL PROVISIONS	140,073,526	97,004,143
4 FINANCIAL LIABILITIES	16,047,787	2,567,991
4.1 Financial liabilities at fair value through profit or loss	0	0
4.1.1 Financial liabilities held for trading	0	0
4.1.2 Financial liabilities designated at fair value	0	0
4.2 Financial liabilities measured at amortised cost	16,047,787	2,567,991
5 PAYABLES	31,613,420	25,152,189
5.1 Payables arising from direct insurance operations	0	0
5.2 Payables arising from reinsurance operations	9,060,885	790,660
5.3 Other payables	22,552,535	24,361,529
6 OTHER LIABILITIES	8,339,894	6,556,860
6.1 Liabilities of a disposal group held for sale	0	0
6.2 Deferred tax liabilities	336,059	3,931,035
6.3 Current tax liabilities	0	887,985
6.4 Other liabilities	8,003,835	1,737,840
TOTAL EQUITY AND LIABILITIES	415,881,777	354,459,729

REVO INSURANCE S.P.A. INCOME STATEMENT

Income statement	31.12.2022	31.12.2021
Gross premiums written	131,388	77,526
Premiums ceded to reinsurance	-53,823	-31,590
Change in gross amount of premium reserve	-33,990	-7,979
Change in reinsurers' share of premium reserve	11,835	2,868
Earned premiums	55,410	40,825
Share of profit from investments transferred from non-technical account	0	585
Other technical income	866	1,750
Claims-related expenses	14,010	5,901
Change in equalisation reserve	92	-
Reversals and profit-sharing	58	-
Operating expenses	32,592	12,799
Other technical expenses	2,128	3,548
<i>Result of the technical account</i>	<i>7,396</i>	<i>20,912</i>
Investment income	4,077	1,672
Capital and financial expenses	10,307	483
Share of profit from investments transferred to technical account	0	-585
Other income	55	988
Other expenses	10,752	1,963
Extraordinary income	1,126	105
Extraordinary expenses	682	85
<i>Result before tax</i>	<i>-9,087</i>	<i>20,561</i>
Taxes for the year	-1,805	6,253
Net result	-7,282	14,308

REVO INSURANCE S.P.A. STATEMENT OF FINANCIAL POSITION

Assets	31.12.2022	31.12.2021
Intangible assets	89,093	2,339
Equity investments	706	-
Investments	184,734	121,290
Reinsurers' share of technical provisions	68,216	51,742
Receivables	72,963	28,641
Other assets	4,936	4,351
Accruals and deferrals	2,669	2,431
Total assets	423,317	210,794

Shareholders' equity and liabilities	31.12.2022	31.12.2021
Shareholders' equity	209,896	73,670
Technical provisions	166,653	120,759
Provisions for risks and charges	2,923	3,607
Deposits received from reinsurers	1,600	1,251
Payables and other liabilities	42,245	11,507
Accruals and deferrals	-	-
Total liabilities and shareholders' equity	423,317	210,794

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

REVO Insurance

REVO Insurance S.p.A. (www.revoinurance.com) è una società assicurativa con sede in Italia, quotata sul mercato Euronext STAR Milan e attiva nei rami danni con particolare riguardo ai rischi speciali (specialty lines) e ai rischi parametrici, e con un focus prevalente sul comparto delle PMI. REVO Insurance nasce il 21 novembre 2022 dalla fusione tra Elba Assicurazioni S.p.A., compagnia di assicurazione attiva in prevalenza nel segmento delle cauzioni, e REVO SPAC, la Special Purpose Acquisition Company (SPAC) che ha dato origine alla business combination. REVO Insurance si propone come player innovativo e all'avanguardia, con una formula imprenditoriale che fa leva sulla leadership tecnologica per ottimizzare e rendere più efficiente e flessibile il processo di sottoscrizione dei rischi e di gestione dei sinistri - anche attraverso l'uso di tecnologia blockchain - e caratterizzata da una spiccata vocazione ESG quale elemento costitutivo del suo orientamento strategico.

Questo comunicato stampa è disponibile sul sito web della Compagnia e su www.1info.it

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PER MAGGIORI INFORMAZIONI SI PREGA DI CONTATTARE

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