

Consolidated results at 31 March 2023

REVO: STRONG PREMIUM INCOME AND PROFITABILITY IN THE FIRST QUARTER

Premiums in line with annual GWP target of over €180 million, with a strong increase of IFRS 17 adjusted operating result¹, equal to €8.2 million.

The results for the quarter, continuing the positive performance recorded during the 2022 financial year, confirm the project's industrial quality and the close attention that the market is paying to REVO, which stands out for a comprehensive range of insurance solutions and for simple and fast processes.

IFRS 4 results:

- › Gross written premiums €41.1 million
- › Operating result €7.3 million
- › Adjusted operating result¹ €7.9 million
- › Net profit €5.8 million
- › Adjusted net profit¹ of €6.6 million
- › Net loss ratio 18.2%
- › Net combined ratio 69.3%

IFRS 17 results²:

- › Revenues from insurance contracts €26.9 million
- › Insurance services profit €8.5 million
- › Investment profit €0.8 million
- › Operating result €7.3 million
- › Adjusted operating result¹ €8.2 million
- › Net profit €5.8 million
- › Adjusted net profit¹ of €6.9 million
- › IFRS 17 combined ratio³ 68.5%

The Group Solvency II ratio as at 31 March 2023 is 247.0% (279.4% at the end of 2022).

During the period, projects continued to consolidate the REVO plan, including the launch of new specialty and parametric products, more intensive use of the OverX platform by intermediaries, the expansion of distribution network and the further strength of management team.

¹ Including recurring investment income and expenses, excluding depreciation, payment of Directors' Severance Indemnity, extraordinary one-off costs, borrowing costs, VoBA and LTIP.

² The IFRS 17 accounting standard entered into force on 1 January 2023.

³ IFRS 17 CoR = 1 - (Insurance services profit/Revenues from insurance contracts)

Verona, 11 May 2023 - The Board of Directors of REVO Insurance S.p.A., parent company of the REVO Insurance Group, yesterday approved the consolidated results for the first quarter of 2023.

STRATEGIC PERFORMANCE IN THE QUARTER

During the first quarter, the team focused on the execution of the plan and the implementation of projects functional to achieving the annual targets. The following activities are of particular note:

- › **Further expansion of the distribution network** (5 more brokers and 4 more agents compared to 31 December 2022), a total of 58 brokers and 120 agencies as at 31 March 2023;
- › **Opening of new mandates by REVO Underwriting** (13 more brokers and 51 more agents during the first quarter), the Group MGA launched during 2022 with the aim of increasing the Company's distribution capacity;
- › **Recruitment of new personnel** (16 more employees, including 3 management positions) to further strengthen the workforce which has grown steadily since the project started;
- › As per the 2022-2025 Business Plan, **further diversification of the production mix**. A summary is provided in the following table:

LoB - GWP breakdown	Q1 2023	Q1 2022	FY 2022
Bond	48.5%	73.6%	55.7%
Property	13.4%	3.5%	11.3%
Engineering	10.0%	15.0%	10.4%
Professional Indemnity	7.3%	5.2%	5.6%
Personal Accident	8.0%	0.2%	0.7%
Marine	6.8%	0.0%	3.1%
Casualty	2.4%	2.5%	5.1%
Agro	0.1%	0.0%	2.8%
D&O	0.5%	0.0%	2.0%
Parametric	0.0%	0.0%	0.2%
Other	3.0%	0.0%	3.1%
Total	100.0%	100.0%	100.0%

- › Following the launch of **OverX** in the summer of 2022, the proprietary IT platform continued to see **increasing use**, with significant operational benefits for underwriters and brokers, particularly in the specialty lines;
- › **Conception and launch of new parametric cover**, mainly in the business interruption and agro areas, with further releases expected in the coming weeks;
- › **Further reduction in the investment portfolio's exposure to Italian government bond**, against an increase of the core and corporate component. In the current phase of market volatility, exposure to the equity component remained absent;

- › **Intensification of investor relations activities**, partly facilitated by the translisting of REVO on the Euronext STAR Milan;
- › **Approval by the Shareholders' Meeting**, held on 19 March 2023, of **amendments to the Articles of Association** functional to obtaining **authorisation** from the Authority (IVASS) to operate in the **Legal Protection sector**.

IFRS 4 KPIs

The following table summarises the Group's KPIs as at 31 March 2023 (presented in accordance with IFRS 4):

IFRS 4 KPIs €M	Q1 2023	Q1 2022	Change %
Gross written premiums	41.1	22.4	83.5%
Operating result	7.3	2.9	58.4%
Adjusted operating result	7.9	3.3	139.4%
Net profit	5.8	0.5	n.s.
Adjusted net profit	6.6	1.5	n.s.
Ratio	Q1 2023	Q1 2022	Change
Net loss ratio	18.2%	19.8%	-1.6%
Net combined ratio	69.3%	71.9%	-2.6%
Adjusted combined net ratio	67.5%	71.6%	-4.1%

Specifically, the following were reported during the period:

- › **Gross written premiums of €41.1 million**, up 83.5% compared with the first quarter of 2022 (€22.4 million), due to the growth in all business lines, some of which were not yet active as at 31 March 2022⁴;
- › Further **growth in bond segment (up 20.8%** compared to the same period in 2022), due to the significant expansion of the distribution network and the positive effect of the National Recovery and Resilience Plan;
- › Maintenance of an **excellent overall technical profitability level**, with a loss ratio⁵ of 18.2%, an improvement on 19.8% in the first quarter of 2022. As at 31 December 2022, the ratio was 24.7% on an annual basis;
- › **Net combined ratio of 69.3%**, an improvement of about 2.6 percentage points compared to the same period of 2022 (85.5% as at 31 December 2022). This ratio on an adjusted basis was 67.5%;

⁴ Authorisation to operate in the new regulatory classes received from IVASS on 29 March 2022.

⁵ Loss ratio net of reinsurance

- › **Positive investment contribution of around €0.8 million**, with asset management activities focused on further increasing the level of **portfolio diversification** (49.4% exposure to Italian government risk) and maintaining a **low overall duration level** (around 2 years);
- › **Consolidated net profit amounted to €5.8 million**, significantly higher than in the same period of 2022, with a consolidated adjusted net profit of €6.6 million.
- › **Group shareholders' equity of €224.0 million**, up from the end of 2022 (€216.6 million).

IFRS 17 KPIs

In the context of the adoption of the new IFRS 17 accounting standard, in light of the insurance market in which the Company operates, focused exclusively on the non-life business, and following the relative eligibility tests required by the accounting principle, REVO adopts a simplified approach to quantifying the Liability for Remaining Coverage (i.e. the "*Premium Allocation Approach*"), which as at 31 March 2023 did not differ materially from the IFRS 4 values.

The following table summarises the Group's KPIs as at 31 March 2023 (presented in accordance with IFRS 17):

IFRS 17 KPIs €M	Q1 2023	Q1 2022
Revenues from insurance contracts	26.9	5.7
Insurance services profit	8.5	1.9
Investment profit	0.8	-0.5
Operating result	7.3	1.6
Adjusted operating result	8.2	1.6
Net profit	5.8	0.2
Adjusted net profit	6.9	0.8
Ratio	Q1 2023	Q1 2022
IFRS 17 combined ratio	68.5%	67.3%

Of particular note during the period:

- › With gross written premiums of €41.1 million, **revenues from insurance contracts** (including changes in LFRC) **amounted to €26.9 million**, a significant increase over the same period in 2022;
- › **Income from insurance services**, net of costs directly attributable to insurance contracts and reinsurance dynamics, **amounted to €8.5 million** (compared with €1.9 million at 31 March 2022);
- › **IFRS 17 combined ratio of 68.5%**, up slightly compared with the same period in 2022 (67.3%) due to the different allocation under the new accounting standard of cost items attributable to insurance contracts, as well as the different insurance portfolio mix and technical trends described above;

- › **Positive investment result of €0.8 million**, benefiting from the management initiatives implemented since the preceding year. It should be noted that the Company had already adopted IFRS 9 as of financial year 2021;
- › **Adjusted operating result pursuant to IFRS 17 of €8.2 million**, which benefited from a different method and composition of the release of technical provisions compared to the previous standard, with a positive effect in terms of representation (the IFRS 4 adjusted operating result amounted to € 7.9 million in the period);
- › **Consolidated net profit of €5.8 million**, in line with the IFRS 4 representation;
- › **Group shareholders' equity of €224.0 million**, up from the end of 2022 (€216.6 million).

SOLVENCY II

The **Group's capital solidity** remains **particularly high**, with a **Solvency II ratio⁶ of 247.0%** at the end of the quarter (269.3% as at 31 December 2022). The change, related to business development, is in line with expected evolution in the medium term.

TREASURY SHARES

As at 31 March 2023, 150,815 treasury shares were held in the portfolio, amounting to approximately 0.61% of the share capital⁷.

SECOND QUARTER OUTLOOK

After a first quarter marked by moderating inflation and growth dynamics, but also by sharp volatility in financial markets, the macroeconomic outlook of the second quarter of 2023 will be characterised by the monetary policy decisions of the major central banks and the impact of tighter financial conditions on the global economy. Eurozone growth in the first quarter remained positive, with Italy rallying above the European average.

Against this macroeconomic backdrop, which is expected not to affect REVO's ability to implement its business plan, the ongoing programme of development of key projects will continue, including the launch of new specialty and parametric products, the increasing use of the OverX platform, the expansion of the distribution network and the ongoing reinforcement of the management team.

EVENTS AFTER 31 MARCH 2023

It should be noted that the Shareholders' Meeting, which met in ordinary and extraordinary session on 19 April 2023, approved all items on the agenda.

⁶ Calculation based on the adoption of the Standard Formula.

⁷ Share capital comprising ordinary shares only.

In particular, at the said meeting, following the resignation of the Chairman of the Board of Statutory Auditors, Mr. Alfredo Malguzzi, effective as from 19 April, the Shareholders' Meeting appointed the new Chairman of the Board of Statutory Auditors in the person of Mr Saverio Ugolini, who shall remain in office until the natural expiry of the entire Board, scheduled for the approval of the Financial Statements for the year ended 31 December 2023.

Pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, Company Financial Reporting Officer Jacopo Tanaglia declares that the accounting information contained in this press release corresponds to the Company's documentary evidence, books and records. It should be noted that the income statement and balance sheet figures contained in this press release have not been audited.

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ABOUT REVO

REVO Insurance S.p.A. (www.revoinsurance.com) is an insurance company based in Italy, listed on the Euronext STAR Milan market and active in non-life insurance with a focus on specialty lines and parametric risks and mainly oriented to the SME sector. REVO Insurance is an innovative and cutting-edge player, with an entrepreneurial formula that leverages technological leadership to optimise and make the risk underwriting and claims management process more efficient and flexible - including through the use of blockchain technology - and with a strong ESG vocation as a key part of its strategic orientation.

This press release is available on the Company's website and on www.1info.it

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