



# CONSOLIDATED INTERIM MANAGEMENT REPORT AT 30 SEPTEMBER 2022

NET INSURANCE  
GROUP

23<sup>RD</sup> financial year

Registered Office and Headquarter

Via Giuseppe Antonio Guattani, 4 00161 Roma

**Net Insurance S.p.A.**

**Legal Offices and Headquarters**

*Via Giuseppe Antonio Guattani, 4,  
00161 Rome*

*Share capital €17,616,480 fully  
paid-in*

*Enrolment in the Companies'*

*Register of Rome*

*Tax code No. 06130881003 VAT*

*No. 15432191003*

*R.e.a. Rome No. 948019*

*Registration in the ISVAP registrar  
of companies No. 1.00136*

*The Company is the Parent  
Company of the Net Insurance  
Group*

*Registration in the ISVAP registrar  
of Insurance Groups No. 23*

Non-life insurance and reinsurance  
authorised company

**23rd financial year**

**Net Insurance S.p.A. Corporate  
bodies**

**BOARD OF DIRECTORS<sup>1</sup>**

Luisa TODINI  
Chairperson and Independent  
Director

Andrea BATTISTA  
Chief Executive Officer

Simonetta GIORDANI  
Independent Director

Roberto ROMANIN JACUR  
Independent Director

Mayer NAHUM  
Independent Director

Matteo CARBONE  
Independent Director

Andrea MARALLA  
Independent Director

Anna DORO  
Independent Director

Monica REGAZZI  
Independent Director

Nicoletta GAROLA  
Independent Director

Pierpaolo GUZZO  
Independent Director

**BOARD OF STATUTORY  
AUDITORS<sup>2</sup>**

Antonio BLANDINI  
Chairperson

Marco GULOTTA  
Statutory Auditor

Sabina IPPOLITONI  
Statutory Auditor

Ettore GUARINI  
Alternate Auditor

Carmen PADULA  
Alternate Auditor

<sup>1</sup> The members of the Board of Directors were appointed by the Shareholders' Meeting held on 27 April for the three-year period 2022-2024 until the Shareholders' Meeting will be called to approve the financial statements as at 31 December 2024.

<sup>2</sup> The members of the Board of Statutory Auditors were appointed by the Shareholders' Meeting held on 27 April for the three-year period 2022-2024 until the Shareholders' Meeting will be called to approve the financial statements as at 31 December 2024.

**MANAGER IN CHARGE  
OF DRAFTING THE COMPANY'S  
FINANCIAL REPORTS  
Luigi DI CAPUA**

**AUDITING COMPANY  
KPMG S.p.A.**

**INTERNAL CONTROL, RISK AND RELATED  
PARTIES COMMITTEE  
Andrea MARALLA Chairperson and Independent  
Director  
Mayer NAHUM Independent Director  
Pierpaolo GUZZO Independent Director**

**APPOINTMENT AND REMUNERATION  
COMMITTEE  
Roberto ROMANIN JACUR Chairperson and  
Independent Director  
Anna DORO Independent Director  
Nicoletta GAROLA Independent Director**

**INVESTMENT COMMITTEE  
Luisa TODINI Chairperson and Independent  
Director  
Andrea BATTISTA Chief Executive Officer  
Roberto ROMANIN JACUR Independent Director**

**ESG COMMITTEE  
Simonetta GIORDANI Chairperson and Independent Director  
Monica REGAZZI Independent Director  
Anna DORO Independent Director**

## Contents

Structure of the Group .....	2
Form and content.....	2
Measurement Criteria .....	3
Use of estimates.....	3
MANAGEMENT REPORT .....	4
Main performance highlights and management information .....	5
Business Organisation.....	8
PERFORMANCE .....	9
ASSETS AND LIABILITIES .....	11
INSURANCE MANAGEMENT .....	13
Evolution of Life and Non-Life Portfolios and Premium income .....	13
Non-Life claims performance.....	16
Trend of recoveries.....	19
Life claims performance .....	19
Technical Result of individual insurance products.....	21
FINANCIAL MANAGEMENT .....	23
Income from investments .....	27
Financial charges .....	28
STRUCTURE COSTS.....	30
STAFF .....	31
TAXES.....	33
EQUITY AND ECONOMIC TRANSACTIONS WITH INTRA-GROUP AND RELATED PARTIES .....	33
OTHER INFORMATION .....	36
NEW PROVISIONS IN APPLICATION OF THE IFRS .....	36
BUSINESS OUTLOOK.....	39
CONSOLIDATED FINANCIAL STATEMENTS.....	42

## STRUCTURE OF THE GROUP

The Net Insurance Group, registered at No. 023 on the Register of Insurance Groups, operates exclusively in the insurance sector: through the Parent Company Net Insurance S.p.A. in the Non-Life business and through the subsidiary Net Insurance Life S.p.A. in the Life business.

The Parent Company is the sole shareholder of the subsidiary and therefore fully controls and manages the subsidiary.

Net Insurance S.p.A. is the Company that mainly operates in the Pension/Salary-backed loan business. The Group's mission is to meet credit protection requirements.

The subsidiary, Net Insurance Life S.p.A., operates in Life Segment I - insurance on human life length - only for "term life" insurance policies and in Segment IV in respect of Long Term Care coverage.

The Group is headquartered in Rome, in Via Giuseppe Antonio Guattani, No. 4.

## FORM AND CONTENT

The interim management report is prepared in accordance with the provisions of the Borsa Italiana Regulations for companies listed on the STAR segment (Article 2.2.3 paragraph 3). This article states that within forty-five days after the end of the first and third quarter of the year, listed issuers must publish the periodic financial information in accordance with article 154-ter, paragraph 5 of Legislative Decree 58/98 (TUF, Consolidated Law on Finance).

For the purpose of drafting the report, account was also taken of Notice No. 7587 of 21 April 2016 of Borsa Italiana which, as regards the content of the report, confirms the application of the pre-existing Article 154-ter, paragraph 5 of Legislative Decree 58/98 (TUF, Consolidated Law on Finance). In particular, listed issuers must publish an Interim Management Report which provides:

- a. a general description of the financial position and economic performance of the issuer and its subsidiaries in the reference period;
- b. a description of the significant events and transactions that took place in the reference period and their impact on the financial position of the issuer and its subsidiaries.

This Interim Management Report shows the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and Iva forms for the Income Statement by Business Segment, Statement of Comprehensive Income and Details of insurance technical items.

The results for the quarter under review were compared with those of the previous period as follows:

- in the Income Statement structure, the data relating to the third quarter of 2022 are compared with those of the same period of 2021 and the economic results of the first nine months of the

- current financial year are also shown, compared with those of the same period of the previous financial year;
- the Balance Sheet shows the values as at 30 September 2022 compared with those at 31 December 2021, while the Statement of changes in shareholders' equity shows the amounts as at 31 December 2021 and those at 30 September 2022 as well as the changes that took place during the period.

In application of the provisions of current legislation, this interim management report is not subject to auditing.

### MEASUREMENT CRITERIA

The principles and accounting policies adopted for the drafting of the Interim Management Report as at 30 September 2022 are the same as those used for the consolidated financial statements as at 31 December 2021, to which reference should be made.

### USE OF ESTIMATES

Estimates are also used to calculate provisions for employee benefits, taxes and other provisions. Changes in the estimates are recognised in the income statement in the year in which they actually occur.

## MANAGEMENT REPORT

The first nine months of the year were characterised by an intense strategic planning: the preparation of the new 2022-2025 Business Plan, together with the completed translisting process on the Euronext Milan market (STAR segment), represented the milestones for the consolidation of the Net Insurance Group on the market.

During the third quarter of the year, the Group continued the projects planned for the year, opening the third quarter with the important renewal of the official sponsorship agreement of the Italian Football Referees, signed with the Italian Football Federation with the aim of further expanding the already strong visibility of its brand.

In terms of business, the development of the business lines of the Net Insurance Group continues, as demonstrated by gross premiums written equal to **136,940 thousand Euros** posted in the third quarter (**up by 20.22%** compared to 30 September 2021), despite the adverse scenario that occurred during the year due to the ongoing Russian-Ukrainian conflict. In particular, in the "historic" business of the Salary-Backed Loan, the Group continues to consolidate its position as a leading operator while maintaining a stable market share in the 25% bracket. With regard to the bancassurance channel, the premium income volume increased thanks to the widespread network of "points of sale" where the protection products of the Net Insurance Group are placed.

As for the broker channel, new brokerage agreements were signed with new partners, such as Saluzzo, PWV, Italbroker and Styla, the latter relating to "digital". As regards new products, the "School Environment Program" was launched with "*One Underwriting*" relating to multi-risk policies for students and school staff.

In the broker channel, premium income is mainly driven by hail for 23.8 million Euros.

Among the significant events that took place during the third quarter just ended, it should be noted that the group, on 28 September 2022, announced to the market that it had received a communication through whereby Poste Vita spa and IBL spa had made the decision, through a vehicle company which will be established in the form of a joint stock company under Italian law and which will be directly controlled by Poste Vita spa itself, to promote:

- (i) an all-inclusive voluntary tender offer, pursuant to Articles 102 et seq. of the TUF and Article 37 of the Issuers' Regulations aimed at acquiring all the ordinary shares of Net Insurance, and

(ii) an all-inclusive voluntary tender offer, pursuant to Article 102 of the TUF, concerning all the outstanding Net Insurance denominated warrants.

The offers are aimed at acquiring the entire share capital of Net Insurance spa and, therefore, obtaining the delisting of the shares and warrants from trading on Euronext Milan, STAR segment.

The terms and conditions of the offers are set out in the Notice prepared pursuant to and in accordance with Article 102, paragraph 1, of the TUF and Article 37 of the Issuers' Regulation<sup>3</sup>.

### MAIN PERFORMANCE HIGHLIGHTS AND MANAGEMENT INFORMATION

**The Group's result for the period was 10,504 thousand Euros** (against a profit of 8,980 thousand Euros recorded as at 30 September of the previous year) and corresponds to 14,253 thousand Euros before taxes (gross profit of 9,479 thousand Euros as at 30 September 2021).

**Gross earned premiums** amounted to **124,323 thousand Euros (+21.63%** compared to the result achieved as at 30 September 2021).

Ordinary expenses amounted to 16,875 thousand Euros (compared to 15,443 thousand Euros in the third quarter of 2021). The performance was affected by the costs incurred by the parent company for the finalisation of the translisting process on the Euronext Milan market (STAR segment).

In terms of solvency, the **Solvency Ratio** is **166,35%**, with a limited decrease despite the strong market turbulence.

**The year-on-year ROE as at 30 September 2022** compared to the profit for the period was **17.72%**, and **18.79%** compared to normalised profit.

**The CoR net of reinsurance** is **68%**, while **the CoR gross of reinsurance** is **93%**.

**The net normalised result**, i.e. the net result for the period adjusted for the effect of non-recurring items and items outside the ordinary business, amounted to **11.137 thousand Euros**.

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<sup>3</sup> See the document published on the Parent Company's website, in the Investor Relations section.



Overall, the results of these first nine months are in line with the targets forecast for the end of the year and defined in the new 2022-2025 Business Plan disclosed to the financial community on 23 June at the headquarters of the Italian Stock Exchange.

Equity decreased from 88,776 thousand Euros as at 31 December 2021 to 79,016 thousand Euros in the third quarter of 2022, down by 11% to be substantially attributable to the performance of financial operations.

### Scope of consolidation

Net Insurance S.p.A. owns 100% of Net Insurance Life S.p.A., which is therefore fully consolidated.

The consolidated company closed its financial statements as at 31 December 2021.

Table 1 – Scope of consolidation

Scope of consolidation  
model code: BCAREAC

Name	Country registered office	Country Headquarters (5)	Method (1)	Assets (2)	% Direct investment	% Total holding (3)	% Votes available at the Ordinary Shareholders' Meeting (4)	% consolidation
NET INSURANCE LIFE SPA	86	86	G	1	100	100		100

(1) Consolidation method Global integration =G, Proportional integration =P, Global integration for unified management =U  
(2) 1=Italian ins.; 2=EU ins.; 3=non-EU ins.; 4=ins. holdings; 4.1 mixed financial holding companies; 5=EU reins; 6=non-EU reins; 7=banks; 8=asset management company (SGR); 9=various holding; 10=properties; 11=other

(3) is the product of the investment quota related to all the companies which, along the investment chain, are placed in between the company preparing the consolidated financial statements and the company in question. If the latter is directly invested by multiple subsidiaries, it is necessary to add the individual products.

(4) total percentage of available votes at the ordinary shareholders meeting if different from the direct or indirect investment quota

(5) this information is only required if the country of the headquarters is different from the country of the registered office

## Insurance market

The end of the second quarter of 2022<sup>4</sup> the total premiums (Italian companies and agencies) of the Italian direct portfolio in the non-life sector amounted to 20.4 billion Euros, an increase of 6.0% compared to the end of the second quarter of 2021, when the sector recorded a growth of 3.2%. This is the sixth consecutive positive interim change that has led premium income to exceed 20 billion for the first time at the end of the first six months of the year. The increase in total non-life premiums recorded at the end of the first half of 2022 is attributable, in particular, to the recovery in the Non-Motor sector which recorded the highest positive change ever (+11%); premiums in the Motor sector fell again slightly (-0.6%).

The increase on an annual basis recorded for the total non-life premiums in the first six months of 2022 (compared to the same period of 2021) is the consequence of:

- a slight decrease of 0.6% in the Motor sector following the 1.1% decline recorded at the end of the first quarter of 2022;
- a sustained growth in the other non-life classes, whose premiums marked a change of 11%, the highest value ever, more than 5 percentage points higher than in the first 6 months of 2021 when the segment grew by 5.9%.

With regard to Italian and non-EU companies, the main form of intermediation in terms of market share is confirmed to be the agency distribution channel (73.1%), in line with what was recorded at the end of the second quarter of 2021 (73.4%). In particular, the classes in which the agency channel is more developed are Marine vehicles liability (93.4%), Motor liability (85.5%), Other damage to property (80.8%), General Civil Liability (79.5%), Suretyship and Legal protection (76.4%), and Assistance (73.7%).

The broker channel represents the second largest distribution channel for non-life premiums with a share of 9.0%. In addition to those already mentioned, the segments in which brokers' intermediation is very significant are Freight Transport (51.0%), Rail Vehicle Hulls (39.3%), Credit (25.6%), and Suretyship (21.9%). It should be noted, however, that the market share of brokers is underestimated, as it does not take into account an important part of premiums (estimated for total non-life in 2021 at 23.1 percentage points) that these intermediaries collect but submit to agencies and not directly to companies. Assuming that this rate is also applicable to the second quarter of 2022, the share of agents for the total non-life sector would fall to 50.0% while that of brokers would rise to 32.1%. Bank branches, with a market share of 8.9% (8.0% at the end of June 2021), continue to represent a growing distribution channel; they have

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<sup>4</sup> Anno VIII - n.30 - month of September (Non-Life)

been most involved in the marketing of Financial loss (41.2%) and Accident and injury (19.3%) premiums. However, they also play an important (and growing) role in the Illness (17.3%), Fire (14.0%), Assistance (11.9%) and Legal Protection (11.5%).

Direct sales as a whole (including distance sales, telephone and Internet) at the end of June 2022 accounted for 8.6% (down from 9.6% at the end of June 2021).

With regard to the Life sector<sup>5</sup>, considering the new individual and collective life insurance policies taken out by Italian and non-EU companies jointly, in the second quarter of the year total premium income was recorded equal to 20.2 billion Euros (of which 97% relating to individual policies), down by 10.7% compared to the same period of 2021.

With regard to Italian and non-EU companies, in terms of the type of products marketed, in the second quarter of 2022, new premiums of class I policies accounted for 64% of the total premium written (59% in the second quarter of 2021), recorded an annual decline of 2.3%, reaching -7.4% in the first six months of the year, against a volume of new business of 26.6 billion Euros.

## BUSINESS ORGANISATION

The breakdown as at 30 September 2022 of the Group's sales network, which is mainly based on bancassurance agreements and, on a complementary basis, on brokerage agreements and agency mandates (generally underwriting agencies), is shown below.

**Table 2 – Business organisation**

Insurance Intermediaries registered in the R.U.I. Section A (Agencies)	10
Insurance Intermediaries registered in the R.U.I. Section B (Brokers)	55
Insurance Intermediaries registered in the R.U.I. Section D (Banks and Financial Intermediaries)	20
Subjects registered in the Intermediaries Registry of the EU (*)	1

(\*) CBP Italy

<sup>5</sup> Source: Ania Trends trimestrali Anno XVII – No. 06 August 2022 (Life)

The Group does not carry out, nor does it intend to carry out, a direct distribution with an agency network under its brand.

## PERFORMANCE

The main trends of the year, compared with the first nine months of 2021, are summarised below:

**Table 3 – Reclassified income statement**

	Thousands of Euro		
Reclassified income statement	September 2022	September 2021	Change
Gross premiums earned	124,323	102,212	22,111
Net premiums	53,071	45,725	7,346
Gross expenses from claims and changes in provisions	81,815	67,992	13,823
Net claim expenses	27,855	28,125	(270)
Net investment income	1,426	2,085	(659)
Operating expenses gross of commissions received from rein	36,872	27,869	9,004
Commissions received from reinsurers	25,357	19,851	5,506
Other revenues	1,820	1,694	126
Other costs	2,693	3,882	(1,189)
<b>Gross profit in Income Statement</b>	<b>14,253</b>	<b>9,479</b>	<b>4,774</b>
Taxes	3,749	499	3,250
<b>Net profit in Income Statement</b>	<b>10,504</b>	<b>8,980</b>	<b>1,524</b>
<i>Normalised Profit</i>	<i>11,137</i>	<i>9,649</i>	<i>1,488</i>

Gross earned premiums, i.e. premiums written, net of unearned premiums, amounted to 124,323 thousand Euros, an increase of 21.63% compared to the previous year.

Net expenses from claims, in line with 30 September 2021, include the effect of claims paid and changes in technical provisions net of the reinsurance effect.

With specific reference to reinsurance and in compliance with the provisions of Articles 23-bis (life insurance technical reserves) and 23 quarter (reinsurance technical reserves) of ISVAP Regulation No. 22/2008, the Group transferred the expense reserve as required by the treaties in force.

Income from investments was positive for 1,426 thousand Euros and recorded a decrease of 659 thousand Euros compared to the figure as at 30 September 2021 mainly attributable to the impairment on the bond issued by Gazprom, the only direct position in Russian issuers included in the portfolio of the Companies, for an amount equal to 216 thousand Euros and to the impairment on the shares issued by ANIMA HOLDING, owned for 360 thousand Euros by the subsidiary Net Insurance Life, for an amount equal to 131 thousand Euros.

Operating expenses, gross of commissions received from reinsurers, amounted to 36,872 thousand Euros, an increase of 9,004 thousand Euros compared to the same period of the previous year, mainly due to the increase in acquisition commissions, and of other acquisition expenses (8,365 thousand Euros vs. 30 September 2021). As regards other administrative expenses, there was an increase compared to 2021 of 477 thousand Euros or +13%.

Commissions received from reinsurers increased by 28% compared to the same period of 2021, due to the combined effect of reinsurance commissions received from the parent company and the subsidiary. Other revenues amounted to 1,820 thousand Euros (1,694 thousand Euros in 2021) and consisted of income arising from insurance technical management activities, income from claim management services carried out by the Parent Company on behalf of other companies, and from extraordinary income. In particular, other income includes the positive effect of the assignment of a portfolio of irrecoverable loans, deriving from salary-backed loan contracts, for 977 thousand Euros (3.2% of the loan portfolio sold). A similar transaction was concluded in the first half of the previous year with a positive effect of 1,087 thousand Euros (2.9% of the loan portfolio sold).

Other costs, amounting to 2,693 thousand Euros (3,882 thousand Euros in 2021), consisted mainly of costs incurred for interest on subordinated loan, other technical charges relating to cancellations of premiums from previous years, depreciation/amortisation of tangible and intangible assets as well as extraordinary expenses. The decrease of 1,189 thousand Euros compared to 30 September 2021 is mainly due to the decrease in miscellaneous charges and interest on subordinated loans following the repayment on 30 September 2021, at par, of the entire so-called Tier II bond issue referred to as "*7.00 per cent. Fixed Rate Dated Subordinated Notes due 30 September 2026*" (ISIN: IT0005216475).

Taxes for the period have a total negative impact of 3,749 thousand Euros on pre-tax profit, with an incidence rate of 26%, up from the figure of the same period of 2021, since the latter is affected by the recognition of deferred taxes related to the brand revaluation process.

## ASSETS AND LIABILITIES

The assets and liabilities for the year, compared with the same figure as at 31 December 2021, can be summarised as follows:

**Table 4 – Reclassified balance sheet**

Thousands of Euro			
Reclassified balance sheet	September 2022	December 2021	Change
Intangible assets	7,916	6,147	1,769
Tangible assets	15,234	15,306	(72)
Investments	216,170	201,460	14,710
Other asset items	113,432	97,104	16,328
Reinsurance Technical Reserves	249,627	213,649	35,978
Gross Technical Reserves	(419,628)	(362,106)	(57,522)
Financial Liabilities	(17,151)	(17,019)	(132)
Other liability items	(86,585)	(65,765)	(20,820)
<b>Equity</b>	<b>79,016</b>	<b>88,776</b>	<b>(9,760)</b>

Intangible assets amounted to 7.916 thousand Euros and mainly referred to investments in management software and software customisation and investments in rights and licenses.

Financial investments, classified as "available-for-sale financial assets", totalled 216.170 thousand Euros as at 30 September 2022, with an overall increase of 7.3% compared to the previous year.

Other assets amounted to 113.432 thousand Euros showing a 17% increase compared to the previous year. This item includes:

- Receivables deriving from insurance and reinsurance transactions amounting to 76,207 thousand Euros (+18,281 thousand Euros compared to 31 December 2021);
- Deferred and current tax assets deriving from the time lag of the taxes in the financial statements amounting to 16,733 thousand Euros (+6,952 thousand Euros compared to 31 December 2021), mainly attributable to valuation differences in the application of IAS/IFRS compared to those applied (OIC) for the preparation of the financial statements on a statutory basis;
- Cash and cash equivalents of 4,982 thousand Euros (-4,675 thousand Euros compared to 31 December 2021);
- Residual components are other receivables, deferred acquisition costs and other assets totalling 15,510 thousand Euros (-3,530 thousand Euros compared to 31 December 2021).

Other liabilities amounting to 86,585 thousand Euros increased by 32% compared to the previous year.

This item includes:

- Payables from insurance and reinsurance operations amounted to 60,820 thousand Euros (+17,851 thousand Euros compared to 31 December 2021);
- Tax liabilities amounted to 5,388 thousand Euros (+1,306 thousand Euros compared to 31 December 2021), which are due to the tax effect of the valuation differences in the application of the IAS/IFRS standards with respect to those applied (OIC) for the preparation of the statutory financial statements and to the IAS standards;
- Residual components are other liabilities, provisions and other payables amounting to 20,377 thousand Euros (+1,662 thousand Euros compared to 31 December 2021).

## INSURANCE MANAGEMENT

### EVOLUTION OF LIFE AND NON-LIFE PORTFOLIOS AND PREMIUM INCOME

The trend in premium income confirms the NET Group's position as a leader in the Salary-backed loan segment and the Group's leading role in the bancassurance segment by offering products with new coverage and increasingly customised to meet the needs of partners and customers.

The following tables show the evolution of gross premiums written of the individual segments (Table 4) and the composition of the portfolio (Table 5).

**Table 5 - Evolution of gross premiums written by segment**

	<b>Thousands of Euro</b>		
<b>Gross Premiums Written</b>	<b>09-2022</b>	<b>09-2021</b>	<b>Change</b>
Accident and Injury	7,720	5,346	2,374
Illness	1,782	973	809
Fire	1,871	1,386	485
Other Damage to Property	29,607	22,422	7,184
General Civil Liability	1,276	877	399
Credit	24,242	25,024	(782)
Suretyship	1,188	884	304
Financial Losses	1,511	936	575
Legal Protection	395	233	163
Assistance	320	161	159
<b>Total Non-Life segment</b>	<b>69,912</b>	<b>58,242</b>	<b>11,670</b>
Insurance on Life length - Class I	66,680	55,670	11,010
Insurance on Life length - Class IV	347	0	347
<b>Total Life segment</b>	<b>67,028</b>	<b>55,670</b>	<b>11,358</b>
<b>Total</b>	<b>136,940</b>	<b>113,912</b>	<b>23,028</b>

\* The figures shown in the following tables refer to the direct business portfolio of the Group companies.

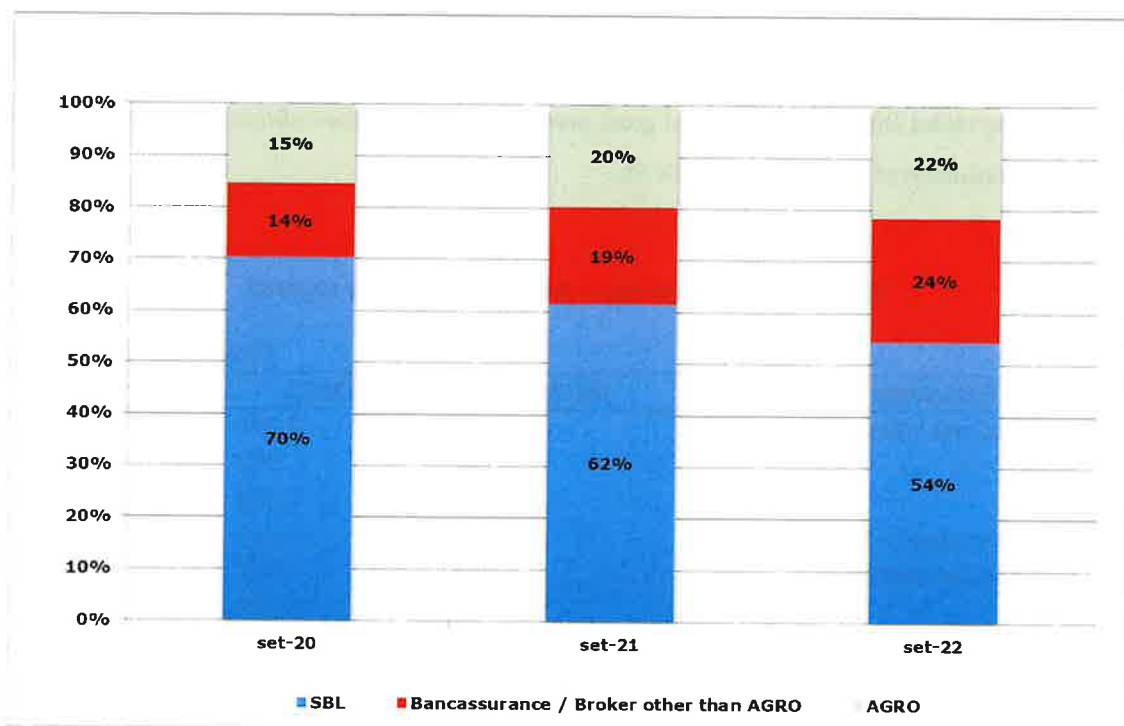
Gross premiums written recorded, compared to the same period of the previous year, an overall increase of 23,028 thousand Euros, i.e. 20%. In particular, for the Non-Life segment alone, the segments other than Other damage to property and Credit segment, i.e. those to which Bancassurance/Broker premium income flows (other than AGRO), saw premium income increase by 49% compared to the same period in 2021. By contrast, the Other damage to property segment, of which the AGRO segment is still the predominant part, recorded an increase in premiums of 32% while for the Salary-backed loans (SBL) allocated to the Credit segment, there was a stability in premiums compared to the first nine months of



2021.

The graph below shows the percentage composition of the Group's gross written premiums, gross of indirect business, among the three macro-businesses (Salary-backed loans, Hail and Bancassurance/Broker) over the last four financial years.

**Table 6 – Evolution of the business mix – Group gross premiums written (direct and indirect business)**



The total premium income from Salary-backed loan segment, which increased by 6% compared to the same period of the previous year, shows, for this period, a reduction in the weight of gross premiums written compared to the weight of the other segments (-7%, i.e. 62% to 54%). In terms of new premium written, the Salary-backed loan premiums, before the negative effect of premium refunds, had an increase in line with the nine-month Report of 2021 (6%), however premium refunds increased by 5% compared to the first nine months of 2021. Compared to the figures as at 30 September 2021, the other segments see gross premiums written have increased and at the same time their percentage contribution to overall premiums is progressively increasing.

Against the positive performance in terms of production, the weight of bancassurance/broker goes from 19% in 2021 to 24% for the same period in 2022.

The amount of gross premiums recorded in the life segment alone is equal to 67,028 thousand Euros, an increase of 20% compared to the same period of the previous year. The policies underwritten refer almost exclusively to "term life insurance policy", mainly of the individual and single-premium upfront

type: in terms of gross premiums written, 75% of the turnover relates to policies linked to salary-backed loan segment and the remainder 24% to "term life insurance policy" underlying products distributed through the bancassurance\broker channel, whose premiums increased by 57% compared to the first half of the previous year. The life segment of insurance policy combined with loans repayable through salary-backed loans or pension-backed loans, compared to the same period of the previous year, recorded an increase of 11%. Compared to the previous third quarter, there was an increase in inflows, in class IV, related to the new Long Term Care segment, for which the Group received operating authorisation in the final months of 2020 and therefore started marketing in the first half of 2021. Gross premiums written as at 30 September 2022 for this segment amounted to 347 thousand Euros (in the portfolio of the previous year's nine-month Report the amount of premiums was insignificant).

The Life business-mix, although heavily unbalanced on the salary-backed loan segment, sees the impact of the bancassurance segment (included class IV) to increase from the 18% reported as at 30 September 2021 to the 25% reported in the same period of 2022.

**NON-LIFE CLAIMS PERFORMANCE**

The amount of claims paid for direct business, broken down by the incurred period, is shown below:

**Table 7 – Claims paid per event generation**

	Thousands of Euro				
	09 – ODP	14 – Credit	16 – Financial losses	– Other segments	Total
09-2022 - current year	2,692	718	13	328	<b>3,751</b>
09-2022 - previous year	2,611	8,796	56	537	<b>12,000</b>
<b>09-2022 - Total</b>	<b>5,303</b>	<b>9,514</b>	<b>69</b>	<b>865</b>	<b>15,751</b>
09-2021 - current year	3,124	421	5	204	<b>3,754</b>
09-2021 - previous year	1,208	8,900	91	536	<b>10,735</b>
<b>09-2021 - total</b>	<b>4,332</b>	<b>9,321</b>	<b>96</b>	<b>740</b>	<b>14,489</b>
<b>% Change in gross settled claims</b>	<b>22.4%</b>	<b>2.1%</b>	<b>-28.1%</b>	<b>16.9%</b>	<b>8.7%</b>

Compared to the same period of the previous year, there was a slightly higher total amount of settlements for the Parent Company (+8.7%), mainly related to the ODP segment, and more specifically to the AGRO segment (+22%) and the Bancassurance segment (+17% approximately). It should be noted that these increases are in any case linked to the growth in underlying premiums and therefore to the increase in the number of policies exposed to risk for these non-life classes. Substantially in line with the cost of claims in the third quarter of 2021, settlements in the Credit segment, while the Financial Losses segment fell sharply (-28%), the latter still mainly affected by claims related to the salary-backed loan segment.

The following table refers to portfolio claims, i.e. those recorded in 2022 (before indirect business), the amount of provisions for outstanding claims including provisions for expert expenses and other expenses directly attributable to the classes, and the estimate for IBNR provisions for outstanding claims during the year.

Table 8 – Claims provision for the current year

Thousands of Euro			
Financial Statement classes	Claims provision Current period 09-2022	Claims provision Current period 09-2021	Change
Accident and Injury	108	192	(84)
Illness	54	102	(48)
Fire	255	71	184
Other Damage to Property	12,767	11,609	1,158
GCL	115	57	57
Credit	13,469	13,031	438
Suretyship	103	123	(21)
Financial Losses	129	242	(114)
Legal Protection	48	76	(28)
Assistance	1	1	0
<b>Total</b>	<b>27,047</b>	<b>25,505</b>	<b>1,543</b>

For claims provisions for the year of occurrence 2022, at the end of the third quarter of 2022, a total 6% increase was reported. This increase is substantially driven by:

- an increase, recorded as at 30 September 2022, in the portfolio of products placed through the banking channel in relation to Accident/Injury, Fire and General Civil Liability segments,
- substantial stability observed as at 30 September 2022 for the Credit segment, the parent company's core business;
- an increase in the estimate of AGRO claims costs, based on notifications of certificates affected by claims by underwriting brokers due to adverse weather conditions in Italy in the first nine months of 2022.

With regard to indirect business, charges for claims as at 30 September 2022 (therefore including the change between outgoing and incoming claims provision) amounted to 41 thousand Euros.

Evidence of the run-off claims valued as at 30 September 2022 compared with the run-off resulting in the same period of 2021, distinct for Non-Life segments, is also provided. The table shows the figures included in the provisions for expert expenses and other expenses directly attributable to the insurance products and the estimate for IBNR provisions for outstanding claims for previous years preceding the year of assessment.

Table 9 – Non-Life business run-off

Thousands of Euro

Financial Statement classes	09-2022				09-2021			
	Claims provision Financial statements 2021	Indemnities paid for claims prev. year	Claims provision 09-2022 for claims prev. year	Claims Run-off 09-2022	Claims provision - 2020 Financial statements	Indemnities paid for claims prev. year	Claims provision 09-2021 for claims prev. year	Claims Run-off 09-2021
Accident and Injury	410	438	274	(302)	367	297	212	(142)
Illness	239	52	144	44	97	37	89	(29)
Fire	293	103	100	89	234	72	187	(25)
Other Damage to Property	1,609	2,687	9	(1,087)	1,522	1,238	13	272
GCL	90	195	55	(160)	62	26	31	5
Credit	17,225	12,201	4,329	694	18,753	12,137	5,806	810
Suretyship	219	99	123	(2)	287	186	109	(8)
Financial Losses	1,051	83	538	429	2,213	112	1,679	422
Legal Protection	255	45	198	13	264	72	186	6
Assistance	1	0	1	0	0	1	0	(1)
<b>Total</b>	<b>21,393</b>	<b>15,904</b>	<b>5,770</b>	<b>(281)</b>	<b>23,798</b>	<b>14,178</b>	<b>8,312</b>	<b>1,308</b>

A negative run-off of a total of 281 million Euros was reported as at 30 September. This negative run-off is mainly affected by the Other damage to property segment, with specific reference to the business of coverage against hail and other natural disasters. The negative difference on this business is due to the fact that the total claims payments were distributed differently between the current and previous years than the expected distribution. The other segments show mainly a positive run-off; in particular, the Group's prudent approach to the provisioning of the claims reserve for Credit and Financial Losses was confirmed, about which the largest positive reserve releases were reported: compared to those observed as at 30 September 2021, the Financial Losses segment was perfectly in line.

The following table shows the expenses for claims as at 30 September 2022, compared with 30 September 2021, broken down by segment. The amounts relate only to direct business and are already all-inclusive of allocations (provisions for late claims) and costs reversed to the personnel and claims management segments.

Table 10 – Expenses for claims - Non-Life

Financial Statement classes	Expenses from claims 09-2022	Expenses from claims 09-2021	Change
Accident and Injury	707	387	320
Illness	246	286	(40)
Fire	350	179	171
Other Damage to Property	16,624	14,589	2,034
GCL	305	88	218
Credit	15,132	14,094	1,038
Suretyship	132	134	(2)
Financial Losses	(280)	(170)	(110)
Legal Protection	37	73	(35)
Assistance	1	2	(1)
<b>Total</b>	<b>33,254</b>	<b>29,662</b>	<b>3,592</b>

The increase in the total expenses for claims (+10,8%) is entirely attributable to the increase in the expenses for claims of segment 9 - Other damage to property (ODP), of which the AGRO business is part. This increase is due to the growth of the risk-exposed portfolio itself. As reported in the table also credit claims increase if compared to the same period of 2021 (7%). In the segments other than segment 9 – ODP, on the other hand, the charges show values that are decreasing or are at most in line with the natural growth of the portfolio.

#### TREND OF RECOVERIES

Recoveries, both with reference to premium income and the recovery provision, are lower than in the same period of 2021 (-17%). This decline reflects a context of persistent inflationary pressures and a deterioration in the cyclical situation.

#### LIFE CLAIMS PERFORMANCE

The amounts paid in the third quarter of the year, analysed according to the year of occurrence, are shown in number and amount in the following table and compared with those of the previous third quarter:

Table 11 - Amount paid – III Quarter of 2022 vs 2021

Year of occurrence	Paid amounts 2022	Paid amounts 2021	Change	% change
2010	0.00	63.00	-63.00	-100.00%
2011	128.00	0.00	128.00	0.00%
2012	25.00	47.00	-22.00	-46.81%
2013	45.00	37.00	8.00	21.62%
2014	87.00	135.00	-48.00	-35.56%
2015	165.00	174.00	-9.00	-5.17%
2016	202.00	114.00	88.00	77.19%
2017	226.00	202.00	24.00	11.88%
2021	6,839.00	12,385.00	-5546.00	-44.78%
2022	12,956.00	0.00	12956.00	0.00%
<b>Total</b>	<b>21,156.00</b>	<b>21,738.00</b>	<b>-582.00</b>	<b>-2.68%</b>

The amounts paid decreased (-2,7%) compared to the same period of the previous year.

Table 11a - Expenses from claims – III Quarter of 2022 vs III Quarter of 2021

	III Quarter 2022	III Quarter 2021	Change	% change
<b>Expenses from claims for the year</b>	<b>14,558</b>	<b>14,581</b>	<b>-23</b>	<b>-0.16%</b>
Segment I	14,558	14,581	-23	-0.16%
Segment IV	0	0	0	0.00%
<b>Expenses from claims in previous years</b>	<b>6,845</b>	<b>6,845</b>	<b>0</b>	<b>0.00%</b>
Segment I	6,845	6,845	0	0.00%
Segment IV	0	0	0	0.00%
<b>Total</b>	<b>21,403</b>	<b>21,426</b>	<b>-23</b>	<b>-0.11%</b>

Claim costs as at 30 September 2022 was down by approximately -0.11% compared to the same period of the previous year.

At the end of the III Quarter of 2022 the amount to be paid, including provisions for settlement requests received but not settled by the end of the audit period, amounted to 1,581 thousand Euros. The amount is shown in the following table:

Table 12 - Amounts to provision – III Quarter of 2022 vs 2021

Year of occurrence	Amount to provision 2022	Amount to provision 2021	Change	% change
2010	0.00	8.00	-8.00	-100.00%
2011	0.00	0.00	0.00	0.00%
2012	0.00	4.00	-4.00	-100.00%
2011	0.00	132.00	-132.00	-100.00%
2012	0.00	257.00	-257.00	-100.00%
2013	17.00	423.00	-406.00	-95.98%
2014	0.00	720.00	-720.00	-100.00%
2015	15.00	599.00	-584.00	-97.50%
2016	0.00	559.00	-559.00	-100.00%
2017	21.00	310.00	-289.00	-93.23%
2018	1.00	224.00	-223.00	-99.55%
2019	8.00	43.00	-35.00	-81.40%
2020	30.00	290.00	-260.00	-89.66%
2021	56.00	2,041.00	-1,985.00	-97.26%
2022	1,433.00	0.00	1,433.00	0.00%
<b>Total</b>	<b>1,581.00</b>	<b>5,598.00</b>	<b>-4,029.00</b>	<b>-71.97%</b>

#### TECHNICAL RESULT OF INDIVIDUAL INSURANCE PRODUCTS

The technical performance of the Group, represented by the item "technical margin", showed a positive result of 31,131 thousand Euros, an increase of 6% compared to the previous year.

With reference to the Non-Life and Life segments, the main considerations on the technical items gross and net of reinsurance by Company for the first nine months of 2022 and 2021.

It should be noted that the values shown in Table 13, are based on the reclassifications to better represent the substance of the Group's business.



Table 13 – Group reclassified income statement and Combined Ratio

	Group nine-month 09-2022 NON-LIFE + LIFE	NET nine-month 09-2022 NON-LIFE	NET LIFE nine-months 09-2022 LIFE	Group nine-months 09-2021 NON-LIFE + LIFE	NET nine-months 09-2021 NON-LIFE	NET LIFE nine-months 09-2021 LIFE
Gross premiums written	136,940	69,912	67,028	113,911	58,242	55,669
Delta reserves (premium and mathematical reserves)	(46,060)	(12,617)	(33,443)	(34,720)	(11,700)	(23,020)
Gross premiums earned	90,880	57,295	33,585	79,191	46,542	32,649
Expenses for claims	(54,696)	(33,293)	(21,403)	(52,570)	(29,662)	(22,908)
<i>Gross Loss Ratio - recoveries</i>	60%	58%	64%	66%	64%	70%
Recoveries earned	6,343	6,343	-	7,633	7,633	-
<i>Loss Ratio (1)</i>	53%	47%	64%	57%	47%	70%
Commissions	(19,441)	(12,021)	(7,420)	(12,660)	(6,818)	(5,842)
<i>Commission Ratio (2)</i>	21%	21%	22%	16%	15%	18%
<b>Direct business margin</b>	<b>23,087</b>	<b>18,324</b>	<b>4,762</b>	<b>21,594</b>	<b>17,695</b>	<b>3,899</b>
Ceded premiums earned	(46,617)	(28,181)	(18,436)	(43,950)	(23,316)	(20,634)
Expenses for claims ceded	33,373	19,530	13,842	31,808	16,868	14,941
Earned recoveries ceded	(4,048)	(4,048)	-	(4,478)	(4,478)	-
Fees from reinsurance	25,357	10,946	14,411	19,851	8,810	11,041
<b>Reinsurance balance</b>	<b>8,064</b>	<b>(1,753)</b>	<b>9,817</b>	<b>3,231</b>	<b>(2,117)</b>	<b>5,348</b>
Changes in other technical reserves	(19)	(19)	-	609	(46)	655
<b>Technical margin</b>	<b>31,131</b>	<b>16,552</b>	<b>14,579</b>	<b>25,433</b>	<b>15,531</b>	<b>9,902</b>
Ordinary expenses (including amortisation/depreciation)	(16,876)	(13,843)	(3,033)	(15,443)	(12,523)	(2,920)
<i>Expense Ratio (3)</i>	19%	24%	16442966476E-2	20%	27%	23778558054E-2
<i>Combined Ratio (4 = 1 + 2 + 3)</i>	93%	92%	95%	92%	89%	97%
<b>Net technical result</b>	<b>14,255</b>	<b>2,708</b>	<b>11,546</b>	<b>9,990</b>	<b>3,008</b>	<b>6,982</b>

	Group nine-month 09-2022 NON-LIFE + LIFE	NET nine-month 09-2022 NON-LIFE	NET LIFE nine-months 09-2022 LIFE	Group nine-months 09-2021 NON-LIFE + LIFE	NET nine-months 09-2021 NON-LIFE	NET LIFE nine-months 09-2021 LIFE
Net Reins. Combined ratio	68%	91%	24%	73%	87%	47%

The table shows that the profitability of the portfolio net of reinsurance is improving; in fact, as at 30 September 2022, the Group's combined ratio indicator (68%), net of reinsurance decreased compared to the same period in 2021 (73%).

The Loss Ratio before reinsurance and net of subrogation recoveries, which well summarises the Group's technical management, is 53% showing a decrease from 2021 (57%).

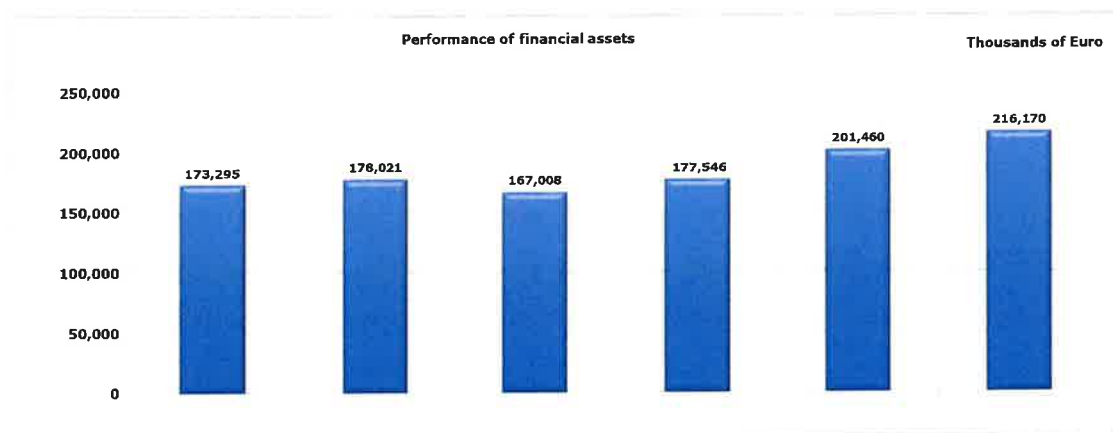
The Expense Ratio, which is an indicator of the spending capacity with respect to the premiums earned, is in line with the first nine months of 2021 (19% in 2022 vs. 20% in 2021).

The Commission ratio, which is an indicator of the weight of the commissions and upfront amounts paid to the distribution network compared to the premium earned, shows a slight increase (+5%) compared to 30 September 2021.

## FINANCIAL MANAGEMENT

Investments, all of which with risks borne by the Group, amounted to 216,170 thousand Euros, an increase of 14,710 thousand Euros, or 7.3% compared to December 2021. The increase is attributable to the investment of the funds from premium income.

**Table 14 – Development of financial assets**



The portfolio's weighted average return, without taking the Augusto security into account, is 0.94% before expenses; the figure after deduction of said effects is 0.66%.

The financial management strategy is implemented through the external manager Banca Finnat Euramerica S.p.A., with which the Companies of the Net Group signed a specific mandate in 2019, in compliance with the service levels required by sector regulations.

### Fixed-income securities, shareholdings, mortgages, loans and liquidity

The following table shows the amount of financial assets as at 30 September 2022 in thousands of Euros, and is compared with that as at 31 December 2021.

Table 15 – Financial assets

	Thousands of Euro		
<b>Investments</b>	<b>2022-09</b>	<b>2021</b>	<b>% Change</b>
Time deposit	500	0	100.0%
Loans	0	0	0.0%
Non-current assets or assets of a disposal group held for sale	0	0	0.0%
<b>Loans and receivables</b>	<b>500</b>	<b>0</b>	<b>100.0%</b>
Equity investments	2,256	2,034	10.9%
Mutual funds	67,790	72,491	-6.5%
Bonds	143,501	124,987	14.8%
Stocks	2,123	1,948	9.0%
<b>Financial assets available for sale</b>	<b>215,670</b>	<b>201,460</b>	<b>7.1%</b>
Financial assets designated at fair value	0	0	0.0%
<b>Financial assets designated at fair value</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total Assets</b>	<b>216,170</b>	<b>201,460</b>	<b>7.05%</b>

During the first nine months of the year, the Group, given the market environment characterised by an inflationary scenario and the increase in yields on all asset classes, pursued a conservative line, maintaining a duration of assets slightly lower than that of liabilities by investing in bonds, mainly government bonds, and capturing attractive yields even on average maturities without penalising capital.

In the equity segment, investments were made in unlisted equity, mainly relating to the strategy of insurtech investments pursued by the Group or referring to issuers under distribution agreements.

Bonds and other fixed-income securities amounted to 143,501 thousand Euros showing therefore an increase compared to the value recorded as at 31 December 2021.

The portfolio of bonds, all classified as available-for-sale, consists of 84.67% from investment grade securities (of which 33.68% from securities rated AAA to single A and 50.99% from securities rated BBB) and 15.33% from unrated or non-investment grade securities.

The following tables highlight, respectively, the distribution of bond investments in government bonds and "corporate" securities and between fixed-rate bonds and variable-rate bonds, with a high prevalence of government bonds and fixed-rate bonds.

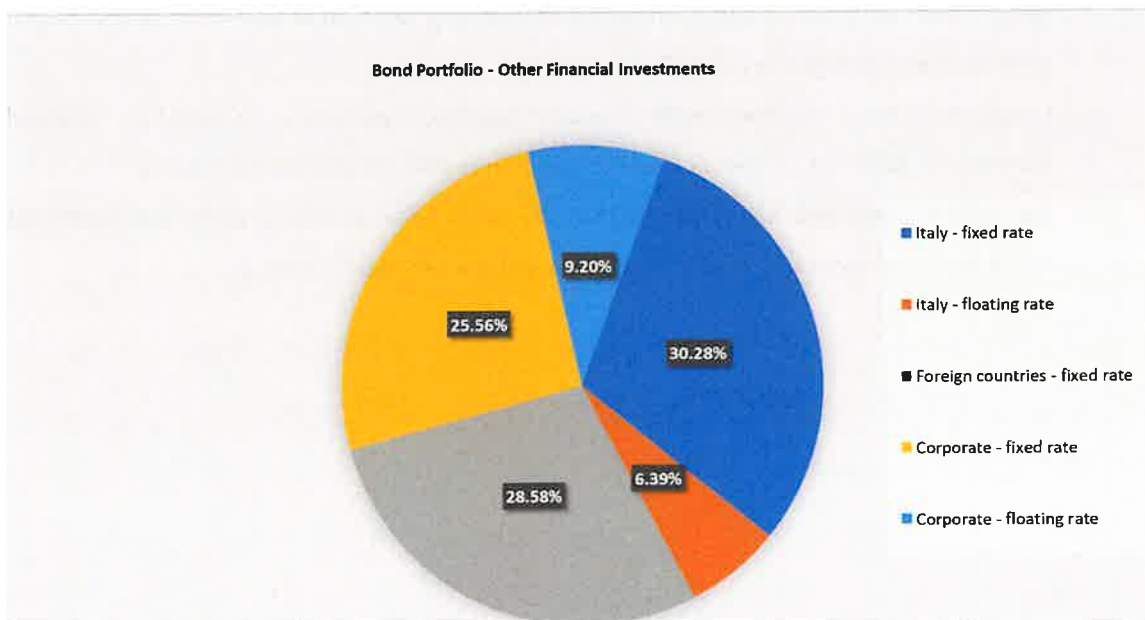
Table 15a – Bonds by issuer

Bonds portfolio	Thousands of Euro	
	Carrying amount	%
Italian Government Bonds	52,610	36.66%
Foreign Government Bonds	41,010	28.58%
Corporate Securities	49,881	34.76%
<b>Total</b>	<b>143,501</b>	<b>100.00%</b>

Table 15b – Bonds by type of rate

Bonds portfolio	Thousands of Euro	
	Carrying amount	%
Fixed-rated securities	120,641	84.07%
Floating-rated securities	22,860	15.93%
<b>Total</b>	<b>143,501</b>	<b>100.00%</b>

Table 16 – Pie chart of Bond portfolio



### Investments in structured securities and derivative instruments

The Group, based on the Framework Resolution on Investments, can invest in derivatives or financial instruments with similar characteristics and effects, taking into account the conditions and the limits specified below.

The derivative financial instrument-based operations and investment in structured products must be guided by sound and prudent management principles.

For investments in structured securities taken into consideration, a maximum investment limit of 40% of the overall securities portfolio is authorised.

The Group, as at 30 September 2022, recorded a direct exposure to structured securities, characterised primarily by bonds with early redemption option for a total amount in the financial statements (including prepaid interest) of 33,090 thousand Euros, with a percentage impact on the total bonds, including prepaid interest, at the same date, standing at 23,06%. The securities have an impact on available-for-sale assets of 15,34%.

The Group does not hold investments in derivative instruments. There is a position in warrants for a total market value of 5 thousand Euros.

An analysis of any possible impairment losses attributable to listed and unlisted shares and equity investments and in units of mutual investment funds was also carried out in the portfolio of assets available for sale.

Based on the IFRS 7 requirements, financial assets available for sale are classified as shown below:

- listed shares, listed bonds and open-ended mutual fund units, all assets valued at the market price in an active market, are classified in level 1;
- bonds not listed on regulated markets, equity investments and shares not listed on regulated markets, valued based on specific internal valuation models are classified in level 3;
- the units in closed-end AIF mutual funds or those classified as illiquid under the Investment Policy, which are assessed using an internal model, are classified in level 3.

Level 3 includes:

Table 17 – Fair value level 3 securities

ASSET CATEGORY	SECURITY DESCRIPTION
Funds	Anthilia Bit III
Funds	TiKehau Direct Lending IV – Class A4 LP
Funds	Tikehau senior loans
Funds	Tikehau Direct Lending V – Class A4
Funds	Quaestio Private Markets FD
Funds	Tenax European Credit Fund
Funds	ACP Sustainable Securites Fund
Funds	Magellano Fund
Funds	Muzinich Diversified Enterprises Credit Fund II
Funds	Scor High Income Infrastructure Loans
Funds	Columbia Threadneedle European Sustainable
Equity investments	Cassa di Risparmio di Bolzano
Equity investments	Yolo Group S.p.A.
Equity investments	Banca Popolare di Puglia e Basilicata
Equity investments	Valia S.p.A.
Stocks	Onesix S.p.A.
Stocks	Tech Engines S.r.l.
Stocks	Neosurance S.r.l.
Stocks	MotionsCloud
Stocks	Trendevice S.p.A.
Stocks	Wallife S.p.A.
Warrant	Trendevice S.p.A.
Bonds	Banca Popolare Puglia e Basilicata 6% 4/2028
Bonds	CMC Ravenna 2022-2026
Bonds	Augusto S.p.A.
Bonds	First Capital Cv 2019-2026 3.75%
Bonds	Cassa di Risparmio di Bolzano 6.5% 09/2032
Bonds	Gazprom 2.5% 21/03/2026
Bonds	Ansaldo 2.75% 31/05/2024
Bonds	SKF 1.625% 02/12/2022

### Income from investments

Income from investments amounted to 2.959 thousand Euros and related to coupon interest on bonds, dividends on shares and mutual funds, interest on current accounts and profits on disposals. The details by individual management are reported in the table below:

Table 18 – Income from investments

	September 2022	September 2021	Change	Thousands of Euro % Change
<b>Non-Life</b>				
Interest income	708	673	35	5.20%
Dividends	634	670	(36)	-5.37%
Income from trading	50	321	(271)	-84.42%
	<b>1,392</b>	<b>1,664</b>	<b>(272)</b>	
<b>Life</b>				
Interest income	829	692	137	19.80%
Dividends	661	649	12	1.85%
Income from trading	77	419	(342)	-81.62%
	<b>1,567</b>	<b>1,760</b>	<b>(193)</b>	
	<b>2,959</b>	<b>3,424</b>	<b>(465)</b>	<b>-13.58%</b>

The increase in the interest income component is related to the increase in the bond exposure of the group's portfolio.

### Financial charges

Financial charges amounted to 1.531 thousand Euros, related to losses arising from permanent write-downs, losses on disposal, interest expense and other charges. The details for individual management are shown in the following table:

Table 19 – Financial charges

	September 2022	September 2021	Change	Thousands of Euro % Change
<b>Non-Life</b>				
Interest expenses	203	288	(85)	-30%
Other charges	306	328	(22)	-7%
Realised losses	13	2	11	550%
Valuation losses	216	6	210	3500%
	<b>738</b>	<b>624</b>	<b>114</b>	
<b>Life</b>				
Interest expenses	212	283	(71)	-25%
Other charges	409	319	90	28%
Realised losses	41	93	(52)	-56%
Valuation losses	131	20	111	555%
	<b>793</b>	<b>715</b>	<b>78</b>	
	<b>1,531</b>	<b>1,339</b>	<b>192</b>	<b>14%</b>

The valuation losses of 347 thousand Euros refer to:

- impairment of the bond issued by Gazprom, held by the Parent Company for a nominal amount of 300,000 Euros, which is the only direct bond position in Russian issuers included in the portfolio of the Companies. The loss amounts to 216 thousand Euros;
- impairment of the shares issued by ANIMA HOLDING, owned for 360 thousand Euros by the subsidiary Net Insurance Life, due to a rapid deterioration detected in September. The loss amounts to 131 thousand Euros.

## Equity

The Group's total equity as at 30 September 2022 amounted to 79,016 thousand Euros, as follows:

**Table 20 – Detail of Equity**

Equity	Thousands of Euro			
	September 2022	December 2021	Change	% Change
Share capital	17,616	17,615	1	0.0%
Capital reserves	63,721	63,716	5	0.0%
Profit reserves and other equity reserves	15,007	6,530	8,477	129.8%
(Own shares)	(9,775)	(9,775)	(0)	0.0%
Profit (losses) from financial assets available for sale	(17,802)	(395)	(17,407)	4406.7%
Other profit (losses) under Equity	(256)	(218)	(38)	17.3%
Profit (losses) for the period pertaining to the Group	10,504	11,303	(799)	-7.1%
	<b>79,016</b>	<b>88,776</b>	<b>(9,760)</b>	<b>-11.0%</b>

As at 30 September 2022, the number of "Warrant Net Insurance S.p.A." (ISINIT0005353880) listed on Euronext STAR Milan was 1,826,004. All shareholders had the right to sign up to as many ordinary shares of the Company (so-called "Conversion Shares") in accordance with the terms and conditions provided for in the Warrant Net Insurance Regulations.

It should be noted, finally, that the Parent Company holds no. 1,989,933 treasury shares, representing: (i) 10.75% of the total ordinary shares issued by the Parent Company.

The value of treasury shares as at 30 September 2022 amounted to 9,775 thousand Euros.

Profit reserves and other equity reserves include:

- provisions of retained earnings of both Companies;
- unavailable provisions that had been previously set aside, and subsequently made available to fund the expenses organisation of the Parent Company;
- IAS adjustments.

Other profits (losses) recognised directly in shareholders' equity refer exclusively to the results of the actuarial valuations of employee benefits (employee severance indemnities in relation to seniority bonuses) that will not subsequently be reclassified to the income statement.

The item of gains and losses on AFS assets includes the effects of the valuation at fair value of securities classified as "available-for-sale" when these positions are disposed of.



## STRUCTURE COSTS

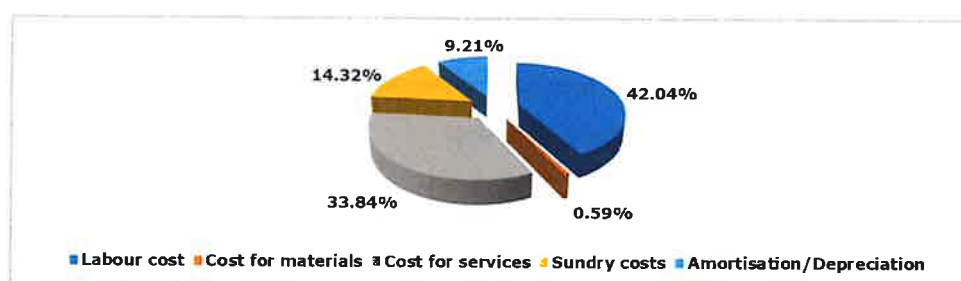
The total amount of structure costs, including labour cost, services, materials, sundry costs and amortisation/depreciation, gross of the attributions to specific functions such as the settlement of claims, production organisation and asset management, was 17,486 thousand Euros compared to 15,712 thousand Euros reported in the previous year, with an increase of 11.29%. The greatest increase is represented by the increase in the cost for services as reported in table 21 - Structure costs.

Their composition is shown in the following table:

**Table 21 - Structure costs**

	Thousands of Euro			
Structure costs	09-2022	09-2021	Change	% change
Labour cost	7,351	7,007	344	4.9%
Cost for materials	103	56	47	83.9%
Cost for services	5,917	4,961	957	19.3%
Sundry costs	2,505	2,300	204	8.9%
Amortisation/Depreciation	1,610	1,388	222	16.0%
<b>Total</b>	<b>17,486</b>	<b>15,712</b>	<b>1,774</b>	<b>11.29%</b>

**Table 21a - Structure costs**



The labour cost includes all charges of direct and indirect attribution to the Group's personnel, expenses for training, travel and missions.

The cost for materials is almost entirely made up of the charges for the design and implementation of the policies and related printed matter.

Costs for services include fees for the Board of Directors and the Board of Statutory Auditors, legal and technical consultancy and services as well as auditing, property management and IT services. The trend in costs for services was affected by the costs incurred by the parent company for the finalisation of the translisting process on the Euronext Milan market (STAR segment).

Sundry costs mainly include rentals, compulsory and membership contributions, costs for the insurance policy to cover the fire risk for the contents of the company's assets of the registered office and for the professional liability policy taken out for the Board of Directors, non-capitalised advertising and promotion costs, and other general costs.

Amortisation/depreciation refers to the portions pertaining to the year of the investments made; the higher depreciation rates refer to the property and the investments in infrastructures and IT products/processes, aimed at optimising management flows while making them secure and improving services to policyholders.

## STAFF

In the course of 2022, the following should be noted:

- The consolidation activities of the Smart Working system, which the Group intended to make its own distinctive feature in a flexible and dynamic work context, promoting a work culture based on results and empowerment of its employees;
- the renewal of the prestigious "Great Place to Work Italia" award. This certification attests to a positive work environment, appreciated by its employees, with high quality HR processes.

In this context, as part of the enhancement and development of human resources:

- as at 30 September 2022, different training courses were offered - for a total of 60 hours of training - as an activity capable of bringing a real competitive advantage to the entire organisation;
- in addition, the job rotation tool was used, as a factor of company enrichment and contextual path of professional growth;
- lastly, the launch of a new HR Development process was confirmed, aimed at the enhancement, recognition and growth of personnel, with particular focus on key people.

With regard to key people, it should be noted that the Group as at 30 September 2022 has defined, for each resource identified, an economic development path correlated with the objectives of the 2023-2025 Business Plan.

The objective is to consolidate the sense of belonging to the Group and the quality of the commitment made, giving continuity to the work performance of the professional figures considered strategic for the achievement of the company's objectives, through the adequate retention of these resources and providing mechanisms to protect the future stability of the employment relationship.

Lastly, to be noted is the appointment of 5 new executives at the end of the managerial training and professional growth path, started in 2021.

The number of employees of the NET Group as at 30 September 2022, compared with that as at 31 December 2021, is broken down as follows:

**Table 22 – Staff**

Staff	09-2022	12-2021	Changes
Executives	11	6	+5
Officers	14	16	-2
6th level Middle managers	15	17	-2
Employees	85	79	+6
<b>Total</b>	<b>125</b>	<b>118</b>	<b>+7</b>

On the basis of what is shown in the table, it should be noted:

- that the 125 resources in force as at 30 September included 6 employees with fixed-term employment (expiring by 2022).

Finally, the turnover recorded from 1 January 2022 until 30 September 2022 is as follows:

- Internal: 1 employee
- External: 12 hires - 7 terminations

## TAXES

Income taxes include IRES and IRAP taxes based on estimated taxable income of each year and are disclosed in accordance with current regulations.

In line with the provisions of IFRS, revaluations of assets carried out in financial statements prepared in accordance with statutory standards must be reversed at the time of preparation of the consolidated financial statements.

## EQUITY AND ECONOMIC TRANSACTIONS WITH INTRA-GROUP AND RELATED PARTIES

As at 30 September 2022, there were no Related Parties transactions that were atypical or unusual with respect to normal operations. In particular, all transactions with Related Parties were carried out under market conditions. With regard to the information provided in Article 2497-bis of the Italian Civil Code, the parent company Net Insurance wholly owns Net Insurance Life, with which credit/debit transactions were in place as at 30 September 2022.

As at 30 September 2022, the parent company has transactions with the following Related Parties: (i) Net Insurance Life (entity wholly owned by the parent company); (ii) IBL Banca S.p.A. (entity having significant influence over the parent company); (iii) IBL Assicura S.r.l. (entity controlled by Related Party IBL Banca S.p.A.); (iv) Banca Antonio Capasso S.p.A. (entity controlled by Related Party IBL Banca S.p.A.). On the same date, the transactions with Related Parties are:

- the insurance coverages issued by the Group in combination with loans repayable through the Salary-backed loans granted by IBL Banca S.p.A. pursuant to the insurance agreements stipulated with IBL Banca S.p.A. as part of the Salary-backed loans segment;
- the relationships arising from the distribution agreements with (i) IBL Assicura S.r.l., an insurance intermediary registered in Section A (agents) of the RUI - IVASS controlled by IBL Banca S.p.A., which, as at 30 September 2022, distributes 8 family protection products; and (ii) Banca Antonio Capasso S.p.A, an insurance intermediary registered in Section D of the RUI - IVASS controlled by IBL Banca S.p.A., which, as at 30 September 2022, distributes 11 protection products for families and businesses;
- credit ratio generated by the subordinated ten-year bond (Tier II), issued by Net Insurance Life in November 2016, amounting to 5,000,000.00 Euros, with a ten-year term, fully subscribed by the parent company;

- the service contract (intercompany cost recharging agreement) between the parent company and Net Insurance Life for the provision of operational support/assistance services, starting from 1 February 2020 and expiring 31 December 2022. The contract includes a tacit renewal clause for periods of one year, unless terminated by one of the parties. Each party may also terminate the contract by means of a written notice to be sent to the other party 60 days in advance. The cost of the services provided by Net Insurance Life to the parent company amounts to a total of 646,644.00 Euros;
- the amount due to IBL Banca S.p.A. deriving from the portion of the Convertible Bond, issued by the parent company, and subscribed by IBL itself on 17 December 2020, totalled a nominal amount of 500,000 Euros;
- the amount due to IBL Banca S.p.A. arising from the portion of the Bond issued by the parent company and subscribed by IBL itself on 28 September 2021.

Below we provide, among other things, details of the relationships between the Companies of the Net Insurance Group.

As at 30 September 2022, in accordance with Regulation No. 30/2016 (Policy on intra-group transactions), the intra-group transactions carried out among the companies of the Net Insurance Group - including transactions with related parties - were as follows:

- credit ratio generated by the subordinated ten-year bond (Tier II), issued by the subsidiary in November 2016, amounting to 5,000 thousand Euros, fully subscribed by the Parent Company Net Insurance S.p.A.;
- the coupon relating to the interest on the bond loan referred to in the previous point;
- the participation in the VAT group by the companies of the Net Insurance Group. In fact, as a result of the option exercised in September 2019, the Companies joined the VAT Group as from 1 January 2020 and, by joining the VAT Group, any service provided by Net Insurance to Net Insurance Life (and vice versa) will benefit from not being subject to VAT.

There have always been strong interrelationships between the entities of the Net Insurance Group as there are functions/persons with specific expertise that operate for both entities of the Group. Therefore, the strategy pursued by the Group has been not to burden the business structures of the individual entities with high staff costs, but to make available to the individual entities the specialist tasks they need through the exploitation and sharing of the skills present within the Group.

This approach has made it possible to keep the operating structures of the individual entities sufficiently streamlined, creating strong competencies and, at the same time, to centrally manage the support they need, allowing for obvious synergies given that, within the Group, there is a single operating unit within the Group that provides specific know-how that can be used by all Group companies.

All Inter-company activities were also mapped, and two service contracts were drawn up governing the services between the two Companies.

With regard to other intra-group transactions in place as at 30 September 2022, it should be noted that:

- on 17 December 2020, the shareholder IBL Banca subscribed a portion of the subordinated Tier II bond, convertible into treasury shares, issued by NET and listed on the Vienna MTF (a nominal amount of 500,000 Euros of the bond issued). The bond has a term of ten years, with the issuer having the option to call the bond in advance as of the fifth year. The coupon rate is 4.60% fixed (on an annual basis) and payable in two semi-annual coupons;
- on 28 September 2021 IBL Banca subscribed the amount of 500,000 Euros of the subordinated tier II bond issued by NET and listed on the Vienna MTF. As for the characteristics of the financial instrument issued, it should be noted that the bond was issued for a total nominal amount of 12,500,000 Euros and has a duration of 10 years, with the Issuer having the right to call the obligation in advance starting from the 5th year. The instrument pays a fixed rate coupon of 5.10% (on an annual basis).

With regard to other intra-group and related party transactions that took place as at 30 September 2022, note also:

- the distribution of dividends, by Net Insurance, to certain related parties and intra-group counterparties of the Company, equal to 0.1711 Euros per ordinary share;
- the distribution of a dividend, by Net Insurance Life, to the Parent Company, equal to 0.0695 Euros per ordinary share.

All the aforementioned intra-group transactions, with the exception of transactions with IBL Banca, and the distribution of dividends, in the context of this report, were not taken into account for consolidation purposes.

The Group Companies are required to comply with the following provisions:

- the Procedure for Related Party Transactions approved by the Board of Directors and available on the website of the Group Companies;

- the Policy on Intra-Group Transactions approved by the Board of Directors pursuant to IVASS Regulation No. 30/2016.

## OTHER INFORMATION

### Solvency Capital Requirement

Under Article 24, paragraph 4-bis of Regulation 7/2007, information is provided regarding compliance with operating conditions pursuant to Article 216-ter of Italian Legislative Decree No. 209/2005.

The Net Insurance Group's Solvency Index, resulting from the eligible Own Funds and Solvency Capital Requirement ratio, amounts to 166.35%.

The Group's eligible Own Funds and Minimum Solvency Capital Requirement ratio stands at 338.35%.

In particular:

- the Solvency Capital Requirement of the Group is equal to 53,976 thousand Euros;
- the Minimum Solvency Capital Requirement of the Group amounted to 21,251 thousand Euros;
- the amount of the Group's eligible Own Funds covering the Solvency Capital Requirement amounted to 89,789 thousand Euros, of which 67,655 thousand Euros Tier 1, 14,038 thousand Euros Tier 2 and 8,096 thousand Euros Tier 3;
- the amount of the Group's Own Funds approved for fulfilling the Group's Minimum Solvency Capital Requirement amounted to 71,905 thousand Euros, of which 67,655 thousand Euros Tier 1 and 4,250 thousand Euros Tier 2.

## NEW PROVISIONS IN APPLICATION OF THE IFRS

### IFRS 9 Financial Instruments (replacement of IAS 39)

On 24 July 2014 the International Accounting Standards Board (IASB) published the International Financial Reporting Standard (IFRS) 9 - Financial Instruments.

This standard highlights the following aspects:

- a fair value measurement for all instruments that do not exclusively remunerate the credit risk;

- risk credit monitoring logics (also for the financial instruments represented by securities) which allow for the prompt identification and correct assessment of signs of impairment also for assessment purposes;
- adoption of forward-looking indicators and assumptions that are more stringent than in the normal practice; greater correlation between return from financial instruments and risk level (related risk approach).

The application of the standard is mandatory starting from 1 January 2018 following the endorsement dated 29 November 2016. In September 2016, the amendment "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts Amendments to IFRS 4" was issued, allowing the insurance companies to defer the entry into effect of the IFRS 9 standard (deferral approach) until the entry into force of IFRS 17, which will replace the current IFRS 4, or to hold, under equity, the greater volatility resulting from the new standards on single securities ("overlay approach"). The First Time Adoption date for companies that adopt the deferral or overlay approach is set for 1 January 2023.

The Group, in compliance with the provisions stated in this document, which was transposed by IVASS with Provision No. 74 of 8 May 2018, decided to apply the option "Deferral Approach" (or "Temporary exemption") which allows, to the entities with an insurance predominance, a deferral of the IFRS 9 application until the effective date of IFRS 17, initially scheduled for 2021. The Group abides by the IFRS 4 requirements, which allow it to benefit from a temporary exemption. The Group's activities are principally related to insurance activities; in particular, the book value of insurance liabilities accounts for over 90% of total liabilities. To be noted is that the IVASS Provision No. 109 of 27 January 2021 extended the deferral to 1 January 2023.

In compliance with Paragraph 39E of IFRS 4, we report the "fair value" as at 30 September 2022 and the amount of the change in "fair value", understood as the change between the market value as at 30 September 2022 and the market value as at 31 December 2021 for the following two groups of financial assets:

- financial assets with contractual terms providing, at pre-set dates, financial flows represented "solely by payments of principal and interest" (SPPI) on the amount of the principal to be paid back (hereinafter "SPPI Financial Assets");
- all other financial assets.



Table 23 – Financial assets

Financial assets	Fair Value as at 30/09/2022	Changes in fair value - Gross tax effect	Changes in fair value - Net tax effect
<b>Financial assets</b>			
Bonds	143,501	(11,394)	(7,883)
<i>of which positions passing the SPPI test</i>	134,822	-	-
<i>of which positions not passing the SPPI test including the Augusto bond</i>	8,679	(1,217)	(842)
<i>of which position in Augusto bond</i>	2,001	30	20
Listed and non-listed stocks	4,378	20	14
Units of mutual funds	67,790	(8,653)	(5,986)
Time deposits	500		
<b>Total</b>	<b>216,170</b>	<b>(20,028)</b>	<b>(13,855)</b>

On the positions analysed as part of the SPPI test, some positions were identified, for a total value of 8,679 thousand Euros (including the Augusto bond), with a marginal weight of 4,01% on total financial assets, which did not pass the test. This is a convertible bond whose structure can be considered incompatible with a loan agreement with certain payment flows, as it is related to the value of the issuer's equity, and with additional positions in subordinated bank and insurance securities with contractual clauses related to the performance of the debtor that modify the timing or the amount of cash flows as well as the repayment conditions as the capital requirement changes.

### IFRS 17 Insurance Contracts

On 28 May 2017, IASB published a Standard on insurance contracts, IFRS 17. The assessing method of the standard is based on three accounting models that allow for estimating the insurance contracts based on current values:

- general accounting model ("Building Block Approach") based on the expected value of the future cash flows, weighted and adjusted based on a risk factor and providing for the suspension of the expected profit ("Contractual Service Margin") at the time of execution of the contract;
- Premium Allocation Approach, an alternative model, simplified compared with the general accounting model, applicable to insurance contracts with a covered contractual period equal to or less than one year;

- Variable Fee Approach, a mandatory model for measuring the contracts characterised by a direct shareholding of underlying assets (e.g. Separate Management and Unit Linked).

IASB has finally approved the postponement of the application of the Standard to 1 January 2023, also following the necessary considerations related to COVID-19.

The Group is currently in the process of implementing the new standards, for which the quantitative information relating to the impacts is being processed.

## BUSINESS OUTLOOK

In the fourth quarter of 2022, further efforts will be made to strengthen the Group's presence in the Salary-backed loan "core" segment through:

- the digital approach and a progressive integration with the systems of the various banking partners so as to allow a simplification of management and a greater speed in the feedback;
- the automation of document checks in the area of Underwriting salary-backed loans with the help of artificial intelligence tools;
- the use of more in-depth risk assessment procedures aimed at allowing an overall subjective and objective analysis of each risk, also with the help of new indicators/scores; this will benefit, among other things, the lending institutions themselves as support in setting up targeted commercial campaigns.

Lastly, still on the subject of salary-backed loans, periodic portfolio checks and assessments should be noted, also in the light of contingent economic and macroeconomic scenarios.

At the same time, in the Bancassurance and Broker sectors, the following is scheduled for the fourth quarter of 2022:

- the consolidation of the operational launch of the distribution agreement with Banca di Credito Popolare S.c.p.A., through the marketing of CPI (Credit Protection Insurance) Mortgage, CPI Business and Term Life Insurance products;

- the authorisation of Banca Popolare del Lazio S.c.p.A. and Blu Banca S.p.A. to offer CPI Mortgage products;
- the authorisation of Cassa di Volterra S.p.A. to offer the CPI Business product;
- the launch of the marketing, by the on-line broker YOLO S.r.l., of both non-life multi-risk products for the trade and crafts sector, and a specific "instant" product for the ski sector;
- the consolidation of the launch of the placement of non-life multi-risk coverage in the school sector.

## SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING PERIOD

- On 1 October 2022, the Parent Company received a notice from Augusto S.p.A., in which the latter, following the sale agreement entered into with Domus S.r.l. for the sale of the majority shareholding in Aedes SIIQ S.p.A., stated that it would be in a position to settle and therefore pay the amount of 3.8 million Euros as set forth in the Settlement Agreement (entered into between the Companies of the Net Insurance Group and Augusto S.p.A.) immediately after the closing of the transaction and the simultaneous collection of the price, which is in any event expected to take place by the end of the year;
- On 3 October 2022 - with reference to the voluntary all-inclusive tender offer for the ordinary shares of Net Insurance S.p.A. and the voluntary all-inclusive tender offer for the warrants of Net Insurance S.p.A. launched by Poste Vita S.p.A. on 28 September 2022 pursuant to Article 102, paragraph 1, of the TUF and Article 37 of the Issuers' Regulations - the Parent Company informed the public that its disclosure obligations pursuant to Legislative Decree No. 58 of 24 February 1998 on shareholders' agreements have been fulfilled;
- On 7 October 2022, Net Insurance spa announced to the market that, for the month of September, requests were received to exercise 1,065 Warrants (marked with Isin IT0005353880) for a total countervalue of 4,994.85 Euros. With the exercise of a part of the Warrants, the Parent Company issued no. 1,065 new ordinary shares as per the Warrant Regulations with the new share capital going from 17,616,480 to 17,617,545 Euros. At the date of preparation of this document, the ordinary shares in circulation are no. 18,512,565 and the number of warrants in circulation are n. 1,824,939;
- On 7 October, Net Insurance spa announced that the rating agency AM Best had placed the rating "under review" with possible "developing implication", following the public all-inclusive

tender offer promoted on the shares and warrants of the Parent Company, as disclosed on 28 September 2022;

- ⊖ On 18 October, the Parent Company received a communication from Net Holding S.p.A. (a company incorporated on 12 October 2022 whose share capital is wholly owned by Poste Vita S.p.A., hereinafter also referred to as the "Offeror") in which the holding company requested the parent company to disseminate via SDIR the press release issued pursuant to Article 102, paragraph 3, of the TUF and Article 37-ter of the Issuers' Regulations. In the press release, the Offeror announced that it had submitted to Consob the Offer Documentation concerning:
  - (i) the all-inclusive voluntary tender offer, pursuant to Articles 102 et seq. of the TUF and Article 37 of the Issuers' Regulations (the "Share Offer") aimed at acquiring all of the ordinary shares (the "Shares") of Net Insurance S.p.A. ("Net Insurance", the "Issuer" or the "Company"), less the 400,000 shares held by Mr Andrea Battista, Chief Executive Officer of the Issuer, with consequent delisting from Euronext Milan, STAR segment, organised and managed by Borsa Italiana S.p.A. ("Borsa Italiana"), of the Shares, and
  - (ii) the all-inclusive voluntary tender offer, pursuant to Article 102 of the TUF, for all of the warrants denominated "Warrant Net Insurance S.p.A." (the "Warrants") issued by the Issuer and outstanding (the "Warrant Offer" and jointly with the Share Offer, the "Offers"), with the consequent delisting of the Warrants from Euronext Milan, STAR Segment, organised and managed by Borsa Italiana.

Rome, 9 November 2022

**THE BOARD OF DIRECTORS**  
*Luisa Todini (Chairperson)*



CONSOLIDATED FINANCIAL STATEMENTS

Net Insurance Group

STATEMENTS

Interim Management Report

**NET INSURANCE GROUP**

**BALANCE SHEET - ASSETS**

**FY: 2022**

*(amounts in Euro)*

	<b>30-09-2022</b>	<b>31-12-2021</b>
<b>1 INTANGIBLE ASSETS</b>	<b>7,916,488</b>	<b>6,147,105</b>
1.1 Goodwill	0	0
1.2 Other intangible assets	7,916,488	6,147,105
<b>2 TANGIBLE ASSETS</b>	<b>15,234,350</b>	<b>15,306,183</b>
2.1 Property	14,465,282	14,645,000
2.2 Other tangible assets	769,068	661,183
<b>3 TECHNICAL RESERVES ATTRIBUTABLE TO REINSURERS</b>	<b>249,627,292</b>	<b>213,648,941</b>
<b>4 INVESTMENTS</b>	<b>216,169,902</b>	<b>201,460,185</b>
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	500,000	0
4.5 Financial assets available for sale	215,669,902	201,460,185
4.6 Financial assets at fair value through income statement	0	0
<b>5 OTHER RECEIVABLES</b>	<b>79,393,103</b>	<b>63,401,433</b>
5.1 Receivables arising out of direct insurance transactions	63,991,452	45,351,755
5.2 Receivables arising out of reinsurance transactions	12,215,227	12,573,942
5.3 Other receivables	3,186,424	5,475,736
<b>6 OTHER ASSET ITEMS</b>	<b>29,056,676</b>	<b>24,046,061</b>
6.1 Non-current assets or assets of a disposal group held for sale	0	0
6.2 Deferred acquisition costs	4,955,581	4,957,971
6.3 Deferred tax assets	15,505,156	9,161,418
6.4 Current tax assets	1,227,598	1,320,054
6.5 Other assets	7,368,340	8,606,618
<b>7 CASH AND CASH EQUIVALENTS</b>	<b>4,982,114</b>	<b>9,656,818</b>
<b>TOTAL ASSETS</b>	<b>602,379,925</b>	<b>533,666,726</b>

**NET INSURANCE GROUP**

**BALANCE SHEET - EQUITY AND LIABILITIES**

**FY: 2022**

(amounts in Euro)

	<b>30-09-2022</b>	<b>31-12-2021</b>
<b>1 EQUITY</b>	<b>79,016,179</b>	<b>88,776,323</b>
<b>1.1 pertaining to the Group</b>	79,016,179	88,776,323
1.1.1 Share capital	17,616,480	17,615,050
1.1.2 Other equity instruments	0	0
1.1.3 Capital reserves	63,720,820	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	(17,801,623)	(394,558)
1.1.8 Other profit and losses recognised in equity	(255,618)	(218,223)
1.1.9 Profit (losses) for the period pertaining to the Group	10,504,206	11,303,342
<b>1.2 attributable to minority interest</b>	<b>0</b>	<b>0</b>
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
<b>2 PROVISIONS</b>	<b>285,209</b>	<b>476,431</b>
<b>3 TECHNICAL RESERVES</b>	<b>419,627,866</b>	<b>362,106,318</b>
<b>4 FINANCIAL LIABILITIES</b>	<b>17,150,506</b>	<b>17,018,790</b>
4.1 Financial liabilities at fair value through income statement	478,563	374,214
4.2 Other financial liabilities	16,671,942	16,644,576
<b>5 PAYABLES</b>	<b>78,656,486</b>	<b>59,492,083</b>
5.1 Payables arising out of direct insurance transactions	2,687,132	5,646,794
5.2 Payables arising out of reinsurance transactions	58,133,088	37,321,953
5.3 Other payables	17,836,266	16,523,336
<b>6 OTHER LIABILITY ITEMS</b>	<b>7,643,680</b>	<b>5,796,781</b>
6.1 Liabilities of an available-for-sale group	0	0
6.2 Deferred tax liabilities	5,387,561	4,081,646
6.3 Current tax liabilities	0	0
6.4 Other liabilities	2,256,120	1,715,135
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>602,379,925</b>	<b>533,666,726</b>

**NET INSURANCE GROUP**

**FY: 2022**

(amounts in Euro)

<b>INCOME STATEMENT</b>	<b>30-09-2022</b>	<b>30-09-2021</b>
<b>1.1</b> Net premiums	<b>53,071,180</b>	<b>45,724,900</b>
1.1.1 Gross premiums earned	124,323,049	102,211,651
1.1.2 Premiums ceded to relevant reinsurance	(71,251,869)	(56,486,751)
<b>1.2</b> Commission income	<b>0</b>	<b>0</b>
<b>1.3</b> Financial income and charges from financial instruments designated at fair value through income statement	<b>0</b>	<b>0</b>
<b>1.4</b> Income from investments in subsidiaries, associates and joint ventures	<b>0</b>	<b>0</b>
<b>1.5</b> Income from other financial instruments and investment properties	<b>2,958,254</b>	<b>3,424,703</b>
1.5.1 Interest income	1,536,587	1,365,160
1.5.2 Other income	1,294,178	1,319,482
1.5.3 Realised profit	127,489	740,061
1.5.4 Valuation income	0	0
<b>1.6</b> Other revenues	<b>1,819,985</b>	<b>1,693,978</b>
<b>1 TOTAL REVENUES AND INCOME</b>	<b>57,849,419</b>	<b>50,843,582</b>
<b>2.1</b> Net expenses from claims	<b>27,855,242</b>	<b>28,124,972</b>
2.1.1 Amounts paid and changes in technical reserves	81,814,616	67,991,527
2.1.2 Reinsurers' shares	(53,959,374)	(39,866,555)
<b>2.2</b> Commission expenses	<b>0</b>	<b>0</b>
<b>2.3</b> Charges from investments in subsidiaries, associates and joint ventures	<b>0</b>	<b>0</b>
<b>2.4</b> Charges from other financial instruments and investment properties	<b>1,532,091</b>	<b>1,339,252</b>
2.4.1 Interest expenses	415,351	570,883
2.4.2 Other charges	715,559	647,076
2.4.3 Realised losses	53,356	95,185
2.4.4 Valuation losses	347,825	26,107
<b>2.5</b> Operating expenses	<b>11,515,916</b>	<b>8,017,916</b>
2.5.1 Commissions and other acquisition expenses	6,359,698	3,500,605
2.5.2 Investment operating expenses	878,250	716,260
2.5.3 Other administrative expenses	4,277,967	3,801,051
<b>2.6</b> Other costs	<b>2,693,156</b>	<b>3,882,335</b>
<b>2 TOTAL CHARGES AND EXPENSES</b>	<b>43,596,406</b>	<b>41,364,474</b>
<b>PROFIT (LOSS) FOR THE YEAR BEFORE TAXES</b>	<b>14,253,013</b>	<b>9,479,107</b>
<b>3</b> Taxes	3,748,807	874,259
<b>PROFIT (LOSS) FOR THE YEAR NET OF TAXES</b>	<b>10,504,206</b>	<b>8,604,848</b>
<b>4 PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED PROFIT (LOSS)</b>	<b>10,504,206</b>	<b>8,604,848</b>
of which pertaining to the Group	10,504,206	8,604,848
of which pertaining to minority interest	0	0



NET INSURANCE GROUP

CONSOLIDATED INTERIM MANAGEMENT  
REPORT AS AT 30.09.2022

COMPREHENSIVE INCOME STATEMENT

	30/09/2022	30/09/2021
<b>CONSOLIDATED PROFIT (LOSS)</b>	10,504,207	8,980,413
Other comprehensive income, after taxes, without reclassification through income statement	(37,395)	(60,033)
Changes in equity of investees		
Changes in revaluation reserve of intangible assets		
Changes in revaluation reserve of tangible assets		
Income and charges related to non-current assets or to a disposal group held for sale		
Actuarial profit and losses and adjustments related to defined-benefit plans	(37,395)	(60,033)
Other items		
<b>Other comprehensive income, after taxes, with reclassification through the income statement</b>	<b>(17,407,065)</b>	<b>(1,040,324)</b>
Changes in the net foreign exchange differences reserve		
Profit or losses on financial assets available for sale	(17,407,065)	(1,040,324)
Profit or losses on financial flow hedging instruments		
Profit or losses on hedging instruments of a net investment in a foreign operation		
Changes in equity of investees		
Income and charges related to non-current assets or to a disposal group held for sale		
Other items		
<b>TOTAL OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT</b>	<b>(17,444,461)</b>	<b>(1,100,357)</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME STATEMENT</b>	<b>(6,940,254)</b>	<b>7,880,056</b>
of which pertaining to the Group	(6,940,254)	7,880,056
of which pertaining to minority interest		

NET INSURANCE GROUP

CONSOLIDATED INTERIM  
REPORT AS AT 30.09.2022

STATEMENT OF CASH FLOWS (indirect method)	30/09/2022	30/09/2021
<b>Profit (loss) for the year before taxes</b>	<b>14,253,013</b>	<b>9,479,107</b>
<b>Changes in non-monetary items</b>	<b>14,439,451</b>	<b>22,537,092</b>
Changes in non-life premium reserve	6,966,330	7,806,242
Changes in claims provision and other non-life technical reserves	5,842,953	6,052,301
Changes in mathematical reserves and other Life technical reserves	8,733,912	10,233,329
Changes in deferred acquisition costs	(2,390)	(685,827)
Changes in provisions	(191,222)	(143,811)
Non-monetary income and charges from financial instruments, investment property and equity investments	0	0
Other changes	(6,910,133)	(725,140)
<b>Changes in receivables and payables generated by operating activities</b>	<b>3,172,733</b>	<b>8,594,442</b>
Changes in receivables and payables from direct insurance and reinsurance transactions	(429,509)	3,468,172
Changes in other receivables and payables	3,602,242	5,126,269
<b>Income tax paid</b>	<b>0</b>	<b>0</b>
<b>Net liquidity generated/absorbed from monetary items related to investment and financial activities</b>	<b>0</b>	<b>0</b>
Liabilities from financial contracts issued by insurance companies	0	0
Amounts owed to banking and interbank customers	0	0
Loans and receivables from banking and interbank customers	0	0
Other financial instruments designated at fair value through income statement	0	0
<b>TOTAL NET LIQUIDITY FROM OPERATING ACTIVITIES</b>	<b>31,865,197</b>	<b>40,610,641</b>
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	(500,000)	6
Net liquidity generated/absorbed from held-to-maturity investments	0	0
Net liquidity generated/absorbed from financial assets available for sale	(14,209,717)	(28,812,694)
Net liquidity generated/absorbed from tangible and intangible assets	(1,697,550)	(469,719)
Liquidity generated/absorbed from investment activities	0	0
<b>TOTAL NET LIQUIDITY FROM INVESTMENT ACTIVITIES</b>	<b>(16,407,267)</b>	<b>(29,282,407)</b>
Net liquidity generated/absorbed from capital instruments pertaining to the Group	(17,444,460)	(1,100,357)
Net liquidity generated/absorbed from own shares	0	0
Distribution of dividends pertaining to the Group	(2,819,889)	(648,119)
Net liquidity generated/absorbed from share capital and reserves pertaining to minority interests	0	0
Net liquidity generated/absorbed from subordinated liabilities and investment financial instruments	131,716	(2,837,499)
Net liquidity generated/absorbed from other financial liabilities	0	0
<b>TOTAL NET LIQUIDITY FROM FINANCING ACTIVITIES</b>	<b>(20,132,634)</b>	<b>(4,585,975)</b>
<b>Effect from foreign exchange differences on cash and cash equivalents</b>		
<b>CASH AND CASH EQUIVALENTS AT THE OPENING OF THE YEAR</b>	<b>9,656,818</b>	<b>9,357,551</b>
<b>INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS</b>	<b>(4,674,704)</b>	<b>6,742,260</b>
<b>CASH AND CASH EQUIVALENTS AT THE CLOSING OF THE YEAR</b>	<b>4,982,114</b>	<b>16,099,811</b>

NET INSURANCE GROUP

CONSOLIDATED INTERIM MANAGEMENT REPORT AS AT 30.09.2022

STATEMENT OF CHANGES IN EQUITY

	Amounts as at 31-12-2021	Changes in closing balances	Allocations	Reclassification adjustments in Income Statement	Transfers	Changes in shareholdings	Amounts as at 30-09-2022
Equity pertaining to the Group	Share capital	17,615,050		1,430			17,616,480
	Other equity instruments						0
	Capital reserves	63,715,543		5,277			63,720,820
	Profit reserves and other equity reserves	6,530,299		(2,826,596)		11,303,342	15,007,044
	(Own shares)	(9,775,130)					(9,775,130)
	Profit (loss) for the half year	11,303,342		10,504,206		(11,303,342)	10,504,206
	Other items of the comprehensive income statement	(612,781)		(17,444,460)			(18,057,241)
	<b>Total pertaining to the Group</b>	<b>88,776,323</b>		<b>9,780,142</b>		<b>-</b>	<b>79,016,179</b>
Equity pertaining to minority interest	Share capital and minority interest						
	Profit (loss) for the half year						
	Other items of the comprehensive income statement						
<b>Total</b>	<b>88,776,323</b>		<b>9,780,142</b>		<b>-</b>	<b>79,016,179</b>	

NET INSURANCE GROUP

CONSOLIDATED INTERIM MANAGEMENT REPORT AS AT 30.09.2022

Income Statement by business segment

		amounts in euro							
		Segment 01 (1)		Segment 02 (1)		Segment 90 (1)		Total	
		30-09-2022	30-09-2021	30-09-2022	30-09-2021	30-09-2022	30-09-2021	30-09-2022	30-09-2021
1.1	Net premiums	29,113,994	23,225,698	23,957,186	22,499,203	0	0	53,071,180	45,724,900
1.1.1	Gross premiums earned	57,295,352	46,541,763	67,027,697	55,669,888	0	0	124,323,049	102,211,651
1.1.2	Premiums ceded to relevant reinsurance	(28,181,358)	(23,316,066)	(43,070,511)	(33,170,685)	0	0	(71,251,869)	(56,486,751)
1.2	Commission income	0	0	0	0	0	0	0	0
1.3	Financial income and charges from financial instruments designated at fair value through income statement	0	0	0	0	0	0	0	0
1.4	Income from investments in subsidiaries, associates and joint ventures	0	0	0	0	0	0	0	0
1.5	Income from other financial instruments and investment properties	7,328,833	6,418,898	1,566,804	1,759,933	(5,937,384)	(4,754,127)	2,958,254	3,424,703
1.6	Other revenues	3,068,621	2,902,142	695,179	747,941	(1,943,815)	(1,956,104)	1,819,984	1,693,977
<b>1</b>	<b>TOTAL REVENUES AND INCOME</b>	<b>39,511,447</b>	<b>32,546,737</b>	<b>26,219,170</b>	<b>25,007,076</b>	<b>(7,881,198)</b>	<b>(6,710,232)</b>	<b>57,849,418</b>	<b>50,843,581</b>
2.1	Net expenses from claims	11,486,706	10,329,168	16,368,536	17,795,804	0	0	27,855,242	28,124,972
2.1.1	Amounts paid and changes in technical reserves	26,968,890	22,718,283	54,845,726	45,273,244	0	0	81,814,616	67,991,527
2.1.2	Reinsurers' shares	(15,482,184)	(12,389,115)	(38,477,190)	(27,477,440)	0	0	(53,959,374)	(39,866,555)
2.2	Commission expenses	0	0	0	0	0	0	0	0
2.3	Charges from investments in subsidiaries, associates and joint ventures	0	0	0	0	0	0	0	0
2.4	Charges from other financial instruments and investment properties	738,516	625,121	793,575	714,131	0	0	1,532,091	1,339,252
2.5	Operating expenses	15,521,345	10,276,075	(4,005,429)	(2,258,159)	0	0	11,515,916	8,017,916
2.6	Other costs	2,394,127	3,437,735	2,505,344	2,662,484	(2,206,315)	(2,217,865)	2,693,156	3,882,334
<b>2</b>	<b>TOTAL CHARGES AND EXPENSES</b>	<b>30,140,694</b>	<b>24,668,099</b>	<b>15,662,027</b>	<b>18,914,260</b>	<b>(2,206,315)</b>	<b>(2,217,885)</b>	<b>43,596,406</b>	<b>41,364,473</b>
	<b>PROFIT (LOSS) FOR THE YEAR BEFORE TAXES</b>	<b>9,370,753</b>	<b>7,878,638</b>	<b>10,557,143</b>	<b>6,092,817</b>	<b>(5,674,884)</b>	<b>(4,492,346)</b>	<b>14,253,013</b>	<b>9,479,107</b>

(1) Segment code:  
 Non-life insurance businesscode = 01  
 Life insurance business code = 02  
 Other segments Code selected by the company; each segment must be marked by a unique consecutive number above or equal to 50 and below 90  
 Intra-segment claims code = 90  
 code = 99

NET INSURANCE GROUP

CONSOLIDATED INTERIM MANAGEMENT REPORT AS AT 30.09.2022

Details of insurance technical items

		30/09/22			30/09/21		
		Gross amount	reinsurers' shares	Net amount	Gross amount	reinsurers' shares	Net amount
<b>Non-life insurance business</b>							
<b>NET PREMIUMS</b>		<b>57,295,351.95</b>	<b>- 28,181,358.45</b>	<b>29,113,993.50</b>	<b>46,541,763.35</b>	<b>- 23,316,065.66</b>	<b>23,225,697.69</b>
a	Premiums written	69,911,991.51	- 33,831,668.35	36,080,323.16	58,242,142.67	- 27,210,203.26	31,031,939.41
b	Changes in non-life premium reserve	- 12,616,639.56	5,650,309.90	- 6,966,329.66	- 11,700,379.32	3,894,137.60	- 7,806,241.72
<b>NET EXPENSES FROM CLAIMS</b>		<b>- 26,968,890.41</b>	<b>15,482,184.22</b>	<b>- 11,486,706.19</b>	<b>22,718,282.89</b>	<b>12,389,114.94</b>	<b>- 10,329,167.95</b>
a	Amounts paid	- 21,829,440.85	13,890,390.21	- 7,939,050.64	- 19,642,615.32	13,467,471.69	- 6,175,143.63
b	Changes in non-life claim reserve	- 11,463,472.42	5,639,818.08	- 5,823,654.34	- 10,018,655.10	4,012,616.29	- 6,006,038.81
c	Changes in recoveries	6,343,322.00	- 4,048,024.07	2,295,297.93	6,989,249.53	- 5,090,973.04	1,898,276.49
d	Changes in other technical reserves	- 19,299.14	-	- 19,299.14	- 46,262.00	-	- 46,262.00
<b>Life insurance business</b>							
<b>NET PREMIUMS</b>		<b>67,027,697.30</b>	<b>- 43,070,510.82</b>	<b>23,957,186.48</b>	<b>55,669,888.09</b>	<b>- 33,170,685.39</b>	<b>22,499,202.70</b>
<b>NET EXPENSES FROM CLAIMS</b>		<b>- 54,845,725.74</b>	<b>38,477,189.56</b>	<b>- 16,368,535.18</b>	<b>45,273,244.06</b>	<b>27,477,439.78</b>	<b>- 17,795,803.28</b>
a	Paid amounts	- 21,423,589.67	13,788,965.98	- 7,634,623.69	- 21,861,282.92	14,298,807.00	- 7,562,474.92
b	Changes in Amounts to be paid reserve	20,977.76	53,381.88	74,359.64	- 1,047,057.33	642,004.17	- 405,053.16
c	Changes in Mathematical reserves	- 28,920,122.23	20,954,394.16	- 7,965,728.07	- 19,348,210.00	12,665,493.61	- 6,682,716.39
d	Changes in Technical reserves if the risk of the investment is borne by the policy-holders, and reserves deriving from the management of pension funds	-	-	-	-	-	-
e	Changes in other technical reserves	- 4,522,991.60	3,680,447.54	- 842,544.06	- 3,016,693.81	128,865.00	- 3,145,558.81

**Certification of the Consolidated Interim Management Report as at 30 September 2022 pursuant to Article 154-bis, paragraph 2 of Legislative Decree No. 58 of 24 February 1998, (Consolidated Law on Financial Intermediation), as amended.**

The undersigned Andrea Battista and Luigi Di Capua, respectively Chief Executive Officer and Manager in charge of financial reporting of the Net Insurance Group (the "Group"), pursuant to Article 154-bis, paragraph 2, of Legislative Decree No. 58 of 24 February 1998

certify

that the Consolidated Interim Management Report as at 30 September 2022 is consistent with the evidentiary documentation, books and accounting records.

Rome, 4 November 2022

Andrea Battista  
Chief Executive Officer



Luigi Di Capua  
Manager in charge of financial reporting

