



FINANCIAL STATEMENTS

2022

NET INSURANCE

23TH financial year

Registered Office and Headquarters

Via Giuseppe Antonio Guattani, 4 00161 Roma

Letter to shareholders	7
Significant events	9
Corporate Governance System.....	9
Listing on Euronext STAR Milan.....	9
Public Tender Offer	11
Share capital structure.....	11
The "Black Swan" event	12
Strategic approach.....	12
Business performance	12
Rating	13
Brand awareness and Trademark	14
Covid-19 phenomenon and the Russian-Ukrainian conflict	14
2022-2025 Business Plan of the Net Insurance Group	14
Macroeconomic and market scenarios	17
Insurance market.....	19
Main performance highlights	21
Business Organisation	21
Operating Performance	22
INSURANCE MANAGEMENT	25
Premiums issued	25
Non-Life claims performance	27
Operating expenses.....	32
Other administrative expenses and other acquisition expenses	32
Acquisition expenses	33
Technical reserves.....	34
Technical Result of individual insurance products	34
Outward Reinsurance.....	38
Non-Life business	38
Credit segment	38
Fire segment ("CAT" risks)	39
Fire and General Liability ("Leasing" risk) segments	39
Financial Loss and General Liability ("Cyber" risk).....	39
Suretyship segment.....	39

Accident and injury segment	39
Fire Segment	40
General Civil Liability Segment	40
Legal Protection	40
Assistance/Illness	41
Illness	41
Other Damage to Property (Homix Smart Protection product)	41
Multi-risk policies of school administrations	41
Agricultural risks for hail and other adverse weather events	41
Inward reinsurance - Non-life classes	42
Research and development activities - new products	42
BANCASSURANCE	43
OTHER INFORMATION	53
Litigation Technical Area	56
Commercial and Operation Area Litigation	56
Risk management	62
Financial risks	63
Technical risks	64
Operational risks	65
GOVERNANCE SYSTEM	70
Privacy Compliance	70
Safety at the workplace	70
CORPORATE GOVERNANCE STRUCTURE	73
Board of Directors	73
Board of Statutory Auditors	74
Board Committees	75
Supervisory Body	75
Senior Staff	75
Manager in charge of financial reporting	76
Essential Functions	77
Organisational Governance Divisions	78
Internal control and risk management system	79
Equity and economic transactions with intra-group and related parties	81





BUSINESS OUTLOOK	84
SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING PERIOD	85
NOTES TO THE FINANCIAL STATEMENTS	112

A small, handwritten signature or mark in the bottom right corner of the page.

Corporate bodies

BOARD OF DIRECTORS¹

Luisa TODINI	Chairperson and Independent Director
Andrea BATTISTA	Chief Executive Officer
Anna DORO	Independent Director
Simonetta GIORDANI	Independent Director
Roberto ROMANIN JACUR	Independent Director
Mayer NAHUM	Independent Director
Matteo CARBONE	Independent Director
Andrea MARALLA	Independent Director
Monica REGAZZI	Independent Director
Nicoletta GAROLA	Independent Director
Pierpaolo GUZZO	Independent Director

BOARD OF STATUTORY AUDITORS²

Antonio BLANDINI	Chairperson
Marco GULOTTA	Statutory Auditor
Sabina IPPOLITONI	Statutory Auditor
Ettore GUARINI	Alternate Auditor
Carmen PADULA	Alternate Auditor

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

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

INTERNAL CONTROL, RISK AND RELATED PARTIES COMMITTEE OF THE NET INSURANCE GROUP

Andrea MARALLA	Chairperson and Independent Director
Mayer NAHUM	Independent Director
Pierpaolo GUZZO	Independent Director

APPOINTMENT AND REMUNERATION COMMITTEE OF THE NET INSURANCE GROUP

Roberto ROMANIN JACUR	Chairperson and Independent Director
Anna DORO	Independent Director
Nicoletta GAROLA	Independent Director

INVESTMENT COMMITTEE OF THE NET INSURANCE GROUP

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

ESG COMMITTEE OF THE NET INSURANCE GROUP

Simonetta GIORDANI	Chairperson and Independent Director
Monica REGAZZI	Independent Director
Anna DORO	Independent Director

MANAGER IN CHARGE OF FINANCIAL REPORTING

Luigi DI CAPUA

AUDITING COMPANY

KPMG S.p.A.

Letter to shareholders

Dear Shareholders,

The year we have left behind has been a really positive year for your company, an extraordinary one even.

A year of important challenges and achieved goals. Once again, we have successfully grown both in terms of results and technical margins. In a context, the year 2022, where we have left behind, perhaps definitively, the pandemic emergency, however where, after 80 years, the danger of war reappears at the borders of the Old Continent with clear impacts on market stability.

We must therefore be very satisfied with what we have achieved and, in particular, with the process of creating value for the benefit of shareholders and all stakeholders.

The public tender offer launched by the Poste Group on 28 September 2022 (of which we give full account below) is probably the definitive proof of the process carried out in the last 4 years.

Analysing the most significant episodes that occurred in 2022, we must necessarily start from the 2021 Financial Statements, what was defined as a 'year to be framed' due to the excellent results obtained three years after the integration with SPAC Archimede was completed. After the approval of the results, the Company planned all the projects for the year 2022, starting with the group level drafting of the new 2022-2025 Business Plan, which although highly ambitious, we believe to be well within our reach. In fact, this is in perfect continuity with the previous 2019-2023 Business Plan, which will accompany us until 2025 on this new journey, which we hope will once again stand out for the greatness of the project and success for the stakeholders.

Subsequently, after the consolidated experience on the Euronext Growth Milan market, the 'jump' on the Euronext STAR Milan was launched. A step that we considered necessary due to the strong governance structure that distinguishes the Group, but above all to increase the liquidity and visibility of your Company and Group on the capital market.

Lastly, in the summer of 2022, less than two months after the start of trading on the STAR market, the public tender offer was promoted by the Poste Group, in agreement with IBL Banca and the CEO Andrea Battista - which frames a year of undoubtedly historic corporate events for your Group.

Going over the most significant results we achieved during the year, let's start by recalling how the **Salary-backed loan** business was confirmed as the most significant in terms of premium income also for the year 2022, thanks to the high standard of service guaranteed to all Partners.

The year just ended was for **bancassurance** the year of its take-off, with gross premiums written reaching the threshold of 41.3 million Euros. In this business line, the Group is confirmed as the reference insurance Partner of Italian banks at local value and the insurance protection offer is guaranteed by a consolidated and complete training program provided by the **NIBA (Net Insurance Business Academy)** internal Academy and by a solid distribution force thanks to over a thousand 'points of sale' that place innovative Net branded products.

The **world of brokers**, to be considered complementary to the world of bancassurance, is starting to show strong growth in terms of results and insurance offers, demonstrating that this line of business must (and can) represent a lever of sustainable and additional revenues for your Group.

As for the other transversal 'intangible' assets functional to the achievement of the industrial objectives, we recall:

- (i) confirmation of the '**bbb- rating**' by the AM Best Agency;
- (ii) the reconfirmation of the '**Great Place to Work**' certification, which is an important lever in terms of sustainability for our insurance Group;
- (iii) the extension of the sponsorship of football referees, which increases the visibility of the Net Insurance brand on a daily basis.

All of the above has undoubtedly been translated into numbers that we can summarise here. Starting from the **Gross Premiums written**, which reached 95 million Euros, yet another record turnover figure for the Company, thus exceeding the figure of 2021 by **26%**.

Ordinary expenses amounted to a total of **19.5 million Euros**, and reflect the continuous investment effort to support growth, the strengthening of the organisational structure and, to a lesser and limited extent, the strong inflationary trend that has pervaded the economic system in the last year.

In terms of technical performance, the multi-specialist business determined a **Combined Ratio**, gross of Reinsurance, of **92%** and **95%**, net of Reinsurance.

The **Net Profit** amounted to **2.6 million Euros**, therefore making it possible to remunerate the Shareholders.

This closed an extremely positive year for our Company. This is the starting point for a new story that, after the positive outcome of the public tender offer launched by Poste Vita, will undoubtedly point us towards new challenges - but we are always confident of successes.

Significant events

The following is a commentary on the facts that have characterised the 2022 financial year that just ended.

Corporate Governance System

With regard to the corporate governance structure, it should be noted that on 27 April 2022, the Shareholders' Meeting resolved to appoint, in the ordinary session, the new Board of Directors and the new Board of Statutory Auditors of the company for the 2022-2024 three-year period.

On 1 June 2022, the renewed Board of Directors resolved to adhere to the Corporate Governance Code with effect from the start date of trading on the Euronext STAR Milan market, which then took place on 1 August 2022. The act of accession is the final act of a progressive process of strengthening the corporate governance system implemented since the business combination with Archimede and then culminating with the decision to adopt a 'strengthened' system, pursuant to IVASS regulations.

Listing on Euronext STAR Milan

During the 2022 financial year, the Company, in possession of the necessary requirements, undertook a translisting process on the main price list during the first half of 2022. The reasons underlying the process of transition from Euronext Growth Milan (formerly AIM Italia) to the main price list can be identified essentially as:

- the objective of a re-rating on the market of the Net Insurance share, with consequent effects in terms of visibility and liquidity;
- the involvement of new investors who, due to internal investment policies and strategies, do not invest in financial instruments issued by issuers listed on Euronext Growth Milan;
- the increase in the shareholding structure.

The translisting process was carried out in extremely short times, thanks to the collaboration of an accurate and selected team of advisors who made it possible to achieve the listing on the STAR market.

The salient stages of the translisting process towards the main price list are reported below:

- on 6 April 2022, the Board of the Company approved the launch of the Project for the admission to listing and trading of ordinary shares and warrants on Euronext STAR Milan, a regulated market organised and managed by Borsa Italiana S.p.A.;
- on 1 June 2022, the Board of Directors passed the preparatory resolutions for the project for the so-called translisting of the ordinary shares and warrants of the Company from the Euronext Growth Milan market to the Euronext STAR Milan market;
- the listing project therefore continued to the point that the Shareholders' Meeting of Net Insurance S.p.A. on 21 June 2022 resolved to approve the project for the admission to listing and trading of the ordinary shares and warrants issued by the Company on the main market and consequent revocation of the same from the negotiations on Euronext Growth Milan;
- on 30 June 2022, the Company submitted an application for admission to listing of the ordinary shares and warrants on Euronext Milan on the Italian Stock Exchange. At the same time, the communication was filed with CONSOB pursuant to Article 42 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended, and Article 52 of CONSOB Regulation no. 11971, dated 14 May 1999, as amended (the 'Issuers' Regulation'), concerning the request for approval of the prospectus for the admission to trading on Euronext Milan of the Company's ordinary shares and warrants;
- on 25 July 2022, Borsa Italiana issued the measure admitting to listing the Company's ordinary shares and warrants on Euronext STAR Milan. On the same date, the Company applied to Borsa Italiana for admission to trading of its ordinary shares and warrants on Euronext STAR Milan;
- on 27 July 2022, CONSOB approved the prospectus relating to the admission to listing of the Company's ordinary shares and warrants on Euronext Milan.
- on 28 July 2022, the Parent Company filed with CONSOB and made available to the public at its registered office as well as on the website, the prospectus relating to the admission to listing of the Company's ordinary shares and warrants on Euronext Milan.
- on 28 July 2022, as per notice no. 29887 Borsa Italiana ordered the start of trading of the ordinary shares and warrants of Net Insurance S.p.A. on Euronext STAR Milan on 1 August 2022 and their simultaneous withdrawal from trading on Euronext Growth Milan;
- 1 August 2022 was the first day of listing of Net Insurance shares and warrants on the Euronext STAR Milan market.

Public Tender Offer

On 28 September 2022, the Company Poste Vita S.p.A. announced through a press release that on the same date it had taken the decision to promote, through a corporate vehicle then established under the name of Net Holding S.p.A. (hereinafter also referred to as the 'Offeror') directly controlled:

- voluntary, all-inclusive tender offer pursuant to Articles 102 et seq. of the Consolidated Law on Finance (TUF) and Article 37 of the Issuers' Regulation (hereinafter also the 'Share Offer'), aimed at:
 - a) acquiring all the ordinary shares of Net Insurance S.p.A., less no. 400,000 shares subject to the Non-Acceptance Commitment and;
 - b) obtaining delisting from Euronext Milan, STAR segment, organised and managed by Borsa Italiana S.p.A. ('Borsa Italiana') of the Shares and
- a voluntary, all-inclusive public tender offer, pursuant to Article 102 of the Consolidated Law on Finance (TUF), for all the warrants denominated 'Warrant Net Insurance S.p.A.' (the 'Warrants') in circulation (the 'Warrant Offer'), in order to obtain the delisting of the Warrants from Euronext Milan, STAR segment.

Share capital structure

With regard to the share capital structure, it should be noted that during the year 2022, the Company's equity structure changed as a result of:

- conversion of 4,199 warrants of Net Insurance S.p.A. with the consequent issue of 4,199 new ordinary shares as well as a capital benefit of just over 19 thousand Euros;
- conversion of the convertible subordinated loan, carried out on 16 December 2022, for a nominal amount of 1,200,000 Euros with the consequent transfer of 199,992 own shares of the parent company.

As at 31 December 2022, the share capital amounted to 17,619,249 Euros and was divided into 18,514,269 ordinary shares with no par value.

The Company holds 1,789,941 own shares in its portfolio as at 31 December 2022.

The "Black Swan" event

In relation to the well-known event already covered by the previous reports, it should be noted that in the 2022 financial year, the actions aimed at recovering the stolen sums continued, which led, in December 2022, to the collection of 3.8 million Euros provided for by the Conciliation Agreement signed with Augusto S.p.A. However, considering the serious delay in the fulfilment of the liquidators of Augusto, who did not respect the deadline for payment of the aforementioned sum (contractually envisaged for 30 September 2022), the Company will take action in the appropriate offices to carry out the necessary activities aimed at the collection of amounts by way of interest and monetary revaluation for delayed payment of the amount due at maturity.

With regard to the case of the 'Net Life injunction' on 7 June, the Subsidiary Net Insurance Life S.p.A. received an Order issued by the Ordinary Court of Milan in which the Court decided not to grant the application for the concession of provisional enforceability of the injunction issued in favour of the subsidiary, considering it appropriate to evaluate all the evidence first.

In the year 2022, the lawsuit pending before the Court of London against Mr G. Torzi was also settled, again by way of a settlement. On the basis of this transaction, Mr Torzi undertook to unconditionally pay to the Companies of the Group an amount equal to 550 thousand Euros by 30 November 2022, without, moreover, paying on the due date what had been settled under the court settlement - as indeed was widely expected.

For details, please refer to the paragraph 'Legal Affairs dispute'.

Strategic approach

In terms of strategy, the Company develops a business model according to a multi-specialist approach where digital is a pervasive enabling factor in support of the entire value chain, thus impacting all the processes underlying the individual business lines (i.e. Salary-backed loans, Bancassurance and Broker). This model was confirmed, in perfect strategic continuity with the original 2019-2023 Business Plan, also in the new 2022-2025 Business Plan.

Business performance

The year 2022 saw the Company, and more generally the Net Insurance Group, continue the industrial initiatives in all its business lines, starting with the signing of the new bancassurance distribution agreements with Cassa di Risparmio di Volterra and Banca di Credito Popolare who further increased the number of 'points of sale' (to date equal to more than one thousand units) where the Group's insurance solutions are distributed.

With these additional bancassurance agreements, the Company, and more generally the Group, is therefore gradually establishing itself as the reference insurance player for local banks in terms of protection, therefore in line with the objectives defined in the new 2022-2025 Business Plan.

In the 'historical' business of the Salary-backed loan (hereinafter also 'SB'), the Company and more generally the Group, continued to consolidate its work as a leading operator in the market of insurance coverage on SB loans with a market share firmly in the 25% area³.

With regard to the broker channel, 14 new brokerage agreements (or agencies) including Victor Insurance Italia S.r.l., Saluzzo, Italbroker, Assipiemonte, Cletus, GBSapri, AssicuraRE (belonging to the Gabetti real estate group) and agreements were also concluded with the players Galgano S.p.A. and Olimpia Managing General Agenti S.r.l. (Suretyships specialists).

With regard to the new products of the broker channel, please note the launch of:

- the 'School Environment Programme' with 'One Underwriting' relating to multi-risk policies for students and school staff;
- the 'Yobi Dental' product and the 'all Well' health product, both sold through digital platforms.

With regard to 'digital' platforms, the distribution network was expanded by signing new agreements with All Well S.r.l., Coverzen S.r.l., Yobi S.r.l. and Styla.

Rating

In September 2022, the international agency AM Best confirmed, during the annual review, the opinion of the long-term issuer credit rating 'bbb-' (with stable outlook) and the financial strength rating of 'B +' (good), already expressed for the first time in August 2020 and then reconfirmed in the following year.

Following the public tender offer promoted by Poste Vita on all Net Insurance shares and warrants, the Agency, with a press release dated 7 October 2022, placed the rating 'under review' with possible 'developing implications' until closure of the public tender offer transaction.

³ Source: Company processing based on Assofin data.

Brand awareness and Trademark

During the second half of 2022, the Company and the Italian Football Federation, with the Italian Referees Association, signed the renewal of the official sponsorship agreement of the Italian football referees, signed for the first time during 2019, with the aim of further expanding the already strong visibility of its brand. The brand awareness figure, in fact in the last survey released in July 2022, showed to have grown by more than 75% compared to the first survey (October 2020), reaching 8.3% of the general public of football fans. As proof of the excellent results achieved, the recent edition of the research conducted by Nielsen Sports (a leading company for the measurement and professional analysis of the world of sport) showed a strong increase in the recognition of the Net Insurance brand, also on the total Italian population (+ 40% in May 2022 compared to the first survey in October 2020).

Covid-19 phenomenon and the Russian-Ukrainian conflict

On 31 March 2022, the Council of Ministers resolved to end the Covid-19 state of emergency. The past year was also characterised by the Russian-Ukrainian conflict, which led to the start of the war between the two nations at the end of February 2022. This conflict, which is still ongoing, has caused an increase in the cost of raw materials, the cost of money and strong pressures on inflation, with direct consequences, in turn, on the stability of the financial markets where, in fact, situations of strong turbulence have been witnessed. In this context, we managed volatility and contained losses thanks to consolidated and constant monitoring also with our internal functions.

The aforementioned events, albeit having an impact on the general economy, did not have negative effects on the business of the Company and more generally for the Net Insurance Group which, also for the year 2022, managed to close the year with positive technical-accounting results.

2022-2025 Business Plan of the Net Insurance Group

The 2022-2025 Business Plan of the Net Insurance Group, approved by the Boards of Directors of the Group companies on 22 June 2022, was presented to the financial community at the headquarters of the Italian Stock Exchange on 23 June, reconfirming the strategy underlying the previous 2019-2023 Business Plan.

The new 2022-2025 Business Plan follows a line of continuity with the previous 2019-2023 Business Plan which, in turn, articulated the industrial mission and the business model developed by Archimede during the business combination.

The new Business Plan is in fact based on four strategic pillars:

- (i) enhancement of the "historical" Salary-backed loan *segment* where the Net Insurance Group is strongly positioned;
- (ii) development of the Non-Motor Non-Life Insurance *segment* and, in general, of the *Protection* segment dedicated to Individuals, Families and Small-Medium Enterprises (including agricultural risks);
- (iii) development of the Non-Life broker retail segment; and
- (iv) activation of digital platforms.

In view of the evolution of the positioning within the competitive environment, thanks to the achievement of the results expected for the three-year period 2019-2021, the Group deemed it appropriate to approve a new Business Plan, as a continuation of the previous one and with the will to embrace change and to focus - even more - on the needs of policyholders.

The Plan was drawn up with the aim of maintaining an increasing and sustainable level of profitability over time, leveraging on a multi-specialist business model, divided into the following strategic pillars:

- (i) dynamic balance between growth, capital strength and shareholder remuneration, in order to maintain high levels of capital strength (*Solvency Capital Ratio* or '*SCR*'), and support current rating levels, ensuring an attractive dividend level;
- (ii) consolidation of the Group's position as leader in the Salary-backed loan segment by maintaining the share of wallet acquired with its main partners and increasing its presence with the other players based on a smaller share;
- (iii) transition from start-up to scale-up in the Bancassurance segment to become a market leader in local banks, through the consolidation of distribution agreements with major Bancassurance partners on CPI and protection as well as the development of new distribution agreements with local banks;
- (iv) development of the Broker segment with a strongly digital-oriented approach and a strong focus on the Suretyship business and Agro products;
- (v) consolidation of an efficient and digital operating scale organisation ensuring strong customisation of service to partners; and

- (vi) evolution of the business and operating model towards ESG best practices, through the continuous promotion of a sustainable business model, aimed at meeting the needs of the present without compromising the ability of future generations to meet their own requirements.

The 2022-2025 Business Plan of the Group provides for the following:

- **gross premiums written** for 169 million Euros in 2022; 191 million Euros in 2023; 221 million Euros in 2024 and 252 million Euros in 2025;
- **ordinary expenses** of 23.1 million Euros in 2022, rising to 26 million Euros in 2023, to 28 million Euros in 2024 and landing at around 29 million Euros in 2025;
- **Combined Ratio** from 87% expected by the end of 2022 to 86% in 2023, to 84% in 2024 and 82% in 2025;
- a **financial operations** result that grows progressively until it reaches 5.2 million Euros in 2025; in fact, starting from 2.5 million Euros in 2022 it would increase to 3.7 million Euros in 2023 and to 4.5 million Euros in 2024;
- a **normalised profit**⁴ that rises from an expected level of about 13.6 million Euros in 2022 to 15.8 million Euros in 2023, to 19.3 million Euros in 2024 and to 25.9 million Euros in 2025 with a RoE at full operation at approximately 19%.
- a **Solvency Ratio** around 175% in 2025, thanks to the generation of capital from business activities and the prudent dividend policy. There are no capital increases. The amount of **dividends** paid is expected to grow due to the increase in profit, with a constant payout ratio over the period of the Plan; dividends are expected to be paid out to shareholders in an amount equal to 30% of the lower of consolidated net profit and the Group's normalised net profit.

The Business Plan also provides for a significant and necessary strengthening of the operating organisation with the entry of new resources during the Plan period, the creation of a Value Pool dedicated to talent retention and a new 'extended' stock option plan.

For more detailed information on the Business Plan, please refer to its presentation, made available on the corporate website in the Investor Relations⁵ section.

The Business Plan was prepared by the Group on the basis of accounting standards consistent with those used for the preparation of the consolidated financial statements for the year ended 31 December 2021, without, therefore, taking into account the effects of the introduction of IFRS 17 and IFRS 9 as of 1 January 2023. However, according

⁴ Normalised figure is net of non-recurrent charges and revenues, therefore linked to events of an extraordinary nature;

⁵ See the link <https://www.netinsurance.it/investor-relations/presentazioni/roadshow/>

to the company, the 2025 net profit under the new accounting standards should not deviate significantly from the net profit figure in the plan, assuming the same underlying assumptions.

Macroeconomic and market scenarios

The year 2022 was a particularly turbulent year for the financial markets. The invasion of Ukraine by Russia triggered the biggest energy and inflationary crisis of the last 50 years. In this context, both the equity and bond segments jointly recorded significant losses, as demonstrated by the performance of the MSCI World index, which recorded a loss of around 15%, and the performance of the FTSE World Government Bond Index (WGBI) which fell by 13%.

With reference to GDP growth, the Eurozone recorded a growth rate of 3.5%, compared to 5% in 2021. The GDP of the United States increased in 2022 by 2.1%, with a contraction compared to the 5.9% of the post-pandemic rebound of 2021. In the fourth quarter, China recorded a GDP up by 2.9%, with growth of 3% over the whole 2022, at the lowest levels in over 40 years, due to the heavy manoeuvres for the management of the pandemic crisis. Finally, Italian GDP grew by around 3.2% in 2022, compared to an area of 6% growth in 2021.

The global economy was also affected by strong inflationary pressures, concentrated mainly in the energy and food sectors, and which have become increasingly structural: the harmonized inflation rate (HICP - Harmonized Index of Consumer Prices) in 2022 recorded in the United States, an average annual growth of +8%, against an average growth of +4.7% in 2021. In the Eurozone, the same indicator grew on average by +8.4% compared to an average increase of +2.6% in 2021 and finally in Italy in 2022 the index recorded an average growth of +8.7%, an increase significant if compared with the +1.9% recorded in 2021.

The economic context was also affected by fears of recession, resulting from the restrictive monetary policy manoeuvres that the Central Banks were forced to enact. After a decade of expansionary interventions characterised by zero interest rates and quantitative easing policies, all the most important Central Banks (with the exception of the Japanese, Chinese, Russian and Turkish banks) launched progressive increases in their rates during the year: the US Federal Reserve raised rates by 425 bps (to a level never reached since December 2007), the Bank of England raised rates by 325 bps (to a level never reached since November 2008), the European Central Bank raised rates by 250 bps (to a level never reached since March 2009), with an initial increase of 50 bps in July, followed by an increase of 75 bps in September and October respectively and by a last increase of 50 bps in December.

With specific reference to the manoeuvres implemented by the European Central Bank, in addition to interventions on rates, the bank also put an end to the asset purchase program (APP) starting from 1 July 2022. As regards the pandemic emergency purchase program (PEPP), the ECB stopped net purchases at the end of March 2022 with the intention of reinvesting only the capital at maturity and the proceeds until the end of 2024, managing the reduction

of the portfolio intended for the PEPP program in order to avoid interference with the current monetary policy stance. In addition, at the July 2022 meeting, the Central Bank approved the Transmission Protection Instrument (TPI), in order to support the effective transmission of monetary policy and price stability in the Eurozone. In particular, the TPI will ensure that the monetary policy stance is transmitted in an orderly manner in all euro area countries. However, eligibility for the TPI is subject to four criteria that each country will be required to comply with, such as compliance with the EU budgetary framework (i.e. not being subjected to an excessive deficit procedure), the absence of significant macroeconomic imbalances and compliance with sustainable fiscal and macroeconomic policies.

The restrictive measures implemented inevitably influenced the performance of the financial markets.

On the stock market, the Nasdaq technology index recorded an annual loss of about 29%, the Chinese CSI 300 index of about 21%, the S&P 500 index of about 14%, while the Japanese Nikkei 225 index by around 15%. In the Eurozone, the Eurostoxx 50 index fell by around 11%, the German Dax index by around 12%, the Cac 40 index by around 9% and finally the Ixex 35 index by around 5%. From a sector point of view, the energy sector benefited from the sharp increases in the prices of oil products, while the sectors most exposed to rate increases such as the technology sector and telecommunications, discretionary consumption and real estate recorded heavy declines. In Italy, the FTSE MIB index closed with a loss of around 13% and with an aggregate capitalisation down to 628.6 billion Euro compared to 769.3 billion Euro at the end of 2021.

On the fixed-income market, the return of inflation (**from 2% to 8% on average in one year**) had a significant impact at global level. The increase in monetary policy rates and the prospects for a reduction in purchases of financial assets by Central Banks in the major advanced economies have led to an increase in long-term interest rates. This context generated an increase in bond yields at global level: the US ten-year yield went from around 1.5% at the end of 2021 to around 3.90% in December 2022; the German ten-year yield went from a negative return of around 0.19% at the end of 2021 to around 2.5% in December 2022; the Italian ten-year period went from around 1.17% at the end of 2021 to around 4.70% in December 2022. The 10-year spread with respect to the German Bund recorded a value of approximately 212 basis points at 31 December 2022 compared to approximately 134 basis points at 31 December 2021.

Credit yields also recorded a rapid increase, both in the investment grade and high yield sectors.

Commodities were the main beneficiaries of the macroeconomic context that characterised 2022. The aggregate index of commodities, led by energy products such as diesel (+40% at ICE in London), heating oil (+42% at NYMEX) and natural gas (+18.3% at NYMEX), gained 21.2%. On the other hand, aluminium (-14.3%), steel (-17%) and copper (-13.4%) were penalised, the latter particularly sensitive to recession expectations.

Like commodities, the dollar also benefited from the economic context. In fact, on the currency markets the US currency gained up to 16% against the euro in 2022, closing at the end of the year with an appreciation of 5.5%. The exchange rate was affected not only by the more restrictive manoeuvres of the Fed compared to the ECB (US rates fluctuated between 0% and 4.5% against a much less aggressive policy by the ECB, which increased rates from 0% to 2.5%) but also the European sanctions against Russia which led to the elimination of gas imports from this country, the simultaneous search for new suppliers and therefore the need, by all European countries, previously importers of Russian gas (contractually also available in euros), to provide for a supply of US dollars (the predominant currency for 'foreign' purchases), strengthening the upward trend. Against the US currency, the yen lost 14.55% of its value, also due to the ultra-expansionary policy implemented by the Bank of Japan, which only started the first restrictive measures at the end of 2022. Against the Swiss Franc and the British Pound, the US currency appreciated by 1.18% and 12%, respectively, while against the Euro the Swiss currency appreciated by 4.4% and the yen depreciated by 8.2% and the British pound by 5.8%.

Insurance market

In the Non-Life business, the most recent data available on the Italian direct business market (ANIA Trends 11.2022) indicate gross premiums written, as at 30 September 2022, of 29,037 million Euros, an increase compared to 30 September 2021 of 6.3% when the sector recorded a growth of 2.8%.

This is the seventh consecutive positive interim change that has brought premium income to come close to 30 billion for the first time at the end of the first nine months of the year.

The increase in total non-life premiums recorded at the end of September 2022 is attributable, in particular, to the development in the Non-Motor sector which recorded the highest positive change ever observed (+11.6%); premiums in the Motor sector were still slightly down (-0.5%).

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

- a slight decrease of 0.5% in the Motor segment;
- a sustained growth in the other non-life classes, whose premiums marked a change of 11.6%, the highest value ever, almost 6 percentage points higher than in the first nine months of 2021 when the segment grew by 5.9%.

More specifically, in the Motor segment, at the end of September, there was a further decrease in premiums in the Motor liability segment (-2.0%), while the positive trend (+5.1%) of the Land Vehicle Hulls segment was confirmed. The contraction of the Motor liability segment is the combined effect of a further and progressive decline in average premiums, which according to association estimates decreased by 3.1% in the first nine months, and an increase in the fleet of insured vehicles of 1%.

The other non-life classes were positively affected by the recovery of production. The overall growth of this segment was 11.6%, the highest value ever recorded. All the main insurance classes contributed to the recovery: the Accident and Illness classes, with a premium volume of 2.7 billion Euros and 2.6 billion Euros respectively, grew by 5.4% and 14.5%, the Fire class with 2.0 billion Euros by 7.1%, the Other damage to property class with around 2.8 billion Euros by 10.6% and finally the general civil liability class with a growth of 12.1% and a volume (the highest among the other non-life classes) of just over 3.4 billion Euros. Although with a limited weight on the total of the non-motor non-life business, there was growth in the credit (+30%) and suretyship (+9.6%) sectors. In particular, the driving force that the NRRP (National Recovery and Resilience Plan) gave to the tenders sector contributed to the development of suretyship class premiums, while for the credit class the growth in premiums is linked to the possibility of insurance companies to join a fund (worth 2 billion Euro), established in 2020 through an agreement signed with SACE, which allowed insurers to continue to provide insurance guarantees to companies in liquidity crisis due to the pandemic. 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 (73.0%), a slight decrease with what was recorded at the end of the third quarter of 2021 (73.4%). In particular, the classes in which the agency channel is more developed are Marine vehicles liability (94.0%), Motor vehicle liability (85.6%), Other damage to property (79.1%), General Civil Liability (78.6%), Suretyship (77.3%), Legal protection (76.0%), and Assistance (73.1%).

The premium collection of the non-life classes shows for agents, on the other hand, are found in the Aircraft Hulls (18.0%), Marine Vehicle Hulls (25.2%) and Aircraft liability (32.7%) in which the presence of brokers is very strong with market shares of 80.4%, 74.0% and 65.4%, respectively. For the first time in the non-life sector, the banking channel achieved a market share higher than that of brokers and equal to 9.2%, becoming the second most used sales channel. The Financial Losses (39.0%), Credit (22.6%) and Accident and injury (20.3%) classes were mainly involved in the marketing of premiums through this channel. However, they also play an important (and growing) role in the Illness (17.8%), Fire (15.1%), Assistance (12.2%) and Legal Protection (12.3%). On the other hand, brokers represent the third channel for the distribution of non-life premiums with a share of 8.7%. In addition to those already mentioned previously in the agency channel analysis, the segments in which brokers' intermediation is very significant are Freight Transport (54.0%), Rail Vehicle Hulls (47.9%), Credit (26.9%), and Suretyship (21.1%).

Main performance highlights

The financial statements for the 23rd year, which are submitted for the approval of the Shareholders, show a net profit of 2,624 thousand Euros.

Total premium income amounted to 95,062 thousand Euros, corresponding to an increase of 26% compared to 2021 and the 'Return of equity' (ROE) was 3%.

Business Organisation

As at 31 December 2022, the composition of the Company's sales network was as follows:

Table no. 1 - Composition of the sales network

Type	no.
Insurance Intermediaries registered in the RUI Section A	10
Insurance Intermediaries registered in the RUI Section B	59
Insurance Intermediaries registered in the RUI Section D	20
Subjects registered in the List attached to the RUI (European Union Intermediaries)	1
<ul style="list-style-type: none"> <i>CBP Italia - enrolled with no. UE00006756</i> 	

Operating Performance

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

Table no. 2 - Reclassified income statement

	Thousands of Euro		
RECLASSIFIED INCOME STATEMENT	2022	2021	Change
Gross premiums written	95,062	75,460	19,602
Premiums ceded	(47,344)	(35,601)	(11,743)
Claims expenses net of reinsurance	(16,450)	(14,590)	(1,860)
Changes in net technical reserves	(7,939)	(7,021)	(918)
Operating expenses net of reinsurance commissions	(29,508)	(17,532)	(11,976)
Balance of other technical charges and revenue	(318)	(625)	307
Rebates and profit sharing net of reinsurance	0	(100)	100
Income from investments attributed to the technical account	0	2,807	(2,807)
TECHNICAL RESULT	(6,497)	2,798	(9,295)
Income from investments attributed to the non-technical account	4,225	3,852	373
Balance of other charges and income	1,650	720	930
Balance of extraordinary income and charges	(719)	375	(1,094)
PROFIT (LOSS) BEFORE TAXES	(1,341)	7,744	(9,085)
Income taxes	3,965	(396)	4,361
RESULT FOR THE YEAR	2,625	7,349	(4,724)

Gross premiums written amounted to 95,062 thousand Euros at the end of the year, marking an increase of 19,602 thousand Euros compared to the result recorded at the end of the previous year (+26% roughly).

The increase in gross premiums earned is attributable to the 'Credit Protection Insurance' products and to the so-called 'Protection' products allocated to the Non-life classes and to the policies to cover the risks of Hail and other natural disasters, allocated to the Other Damage to Property Class.

Operating expenses, net of commissions received from reinsurers, amounted to 29,508 thousand Euros, with an increase of 11,976 thousand Euros. This increase is a consequence of:

- provision for the long-term incentive plan called 'Performance Shares Plan (2019-2023)', allocated to the Chief Executive Officer and the key Senior Staff of the Management team in the amount of 6,579 thousand Euros. In fact, it should be noted that, as envisaged in the plan itself, in light of the decision of the Poste Group to promote the voluntary and full public tender offer on the shares and warrants of the parent company, the conditions necessary for its early termination have been met.

- the strengthening of the workforce and of the investments in support of the Business made during the year by the Company.

Finally, there was an increase in other charges and income, which went from the 2021 balance of 720 thousand Euros to 1,650 thousand Euros in 2022.

Other income mainly consists of:

- the positive effect of the assignment of a portfolio of irrecoverable loans, deriving from salary-backed loan contracts, for 977 thousand Euros. The sale was concluded following a traditional auction mechanism carried out to collect the various offers made by the buyers specialising in the acquisition and management of non-performing loans.
- intra-group income for 2,275 thousand Euros.

Other charges mainly consist of:

- Interest on subordinated loans for 890 thousand Euros.
- Intra-group charges for 647 thousand Euros.

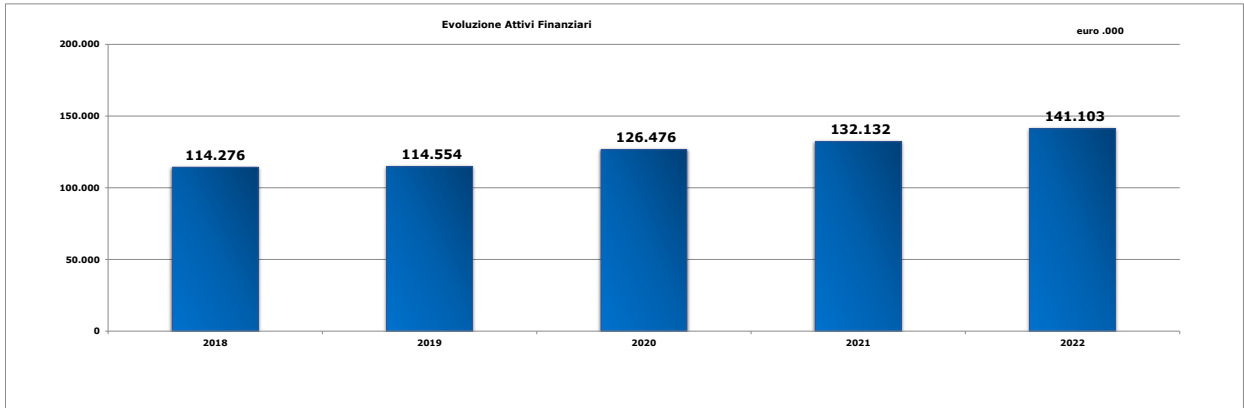
Taxes for the year show a positive effect of 3,965 thousand Euros on the pre-tax result compared to the previous year when they had a negative balance of 396 thousand Euros.

Structure costs, as shown in Table no. 21 - Structure costs, recorded an increase compared to 2021, mainly due to the increase in labour costs and the cost for professional services. Their incidence on premiums written increased from 23.6% in 2021 to 29.9% in 2022 due to the increase in premiums issued and higher costs incurred for:

- the strengthening of the organisational structure in order to incorporate an adequate know-how for the achievement of the plan's objectives;
- the consulting fees for the definition of the new organisational structure;
- provision for the long-term incentive plan called 'Performance Shares Plan (2019-2023)', allocated to the Chief Executive Officer and the key Senior Staff of the Management team in the amount of 6,579 thousand Euros.

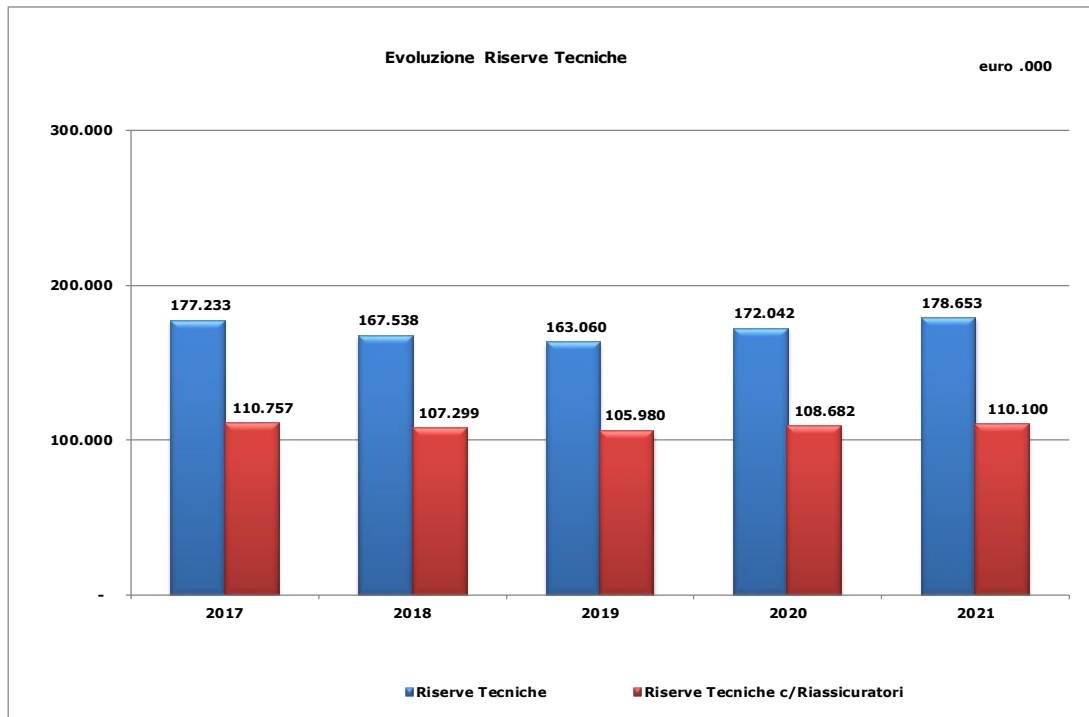
The mass of investments at the end of the year amounted to 141,103 thousand Euros, up by +6.79% compared to the previous year (see the evolution of the investment portfolio illustrated in the graph below).

Table no. 3 - Evolution of financial assets



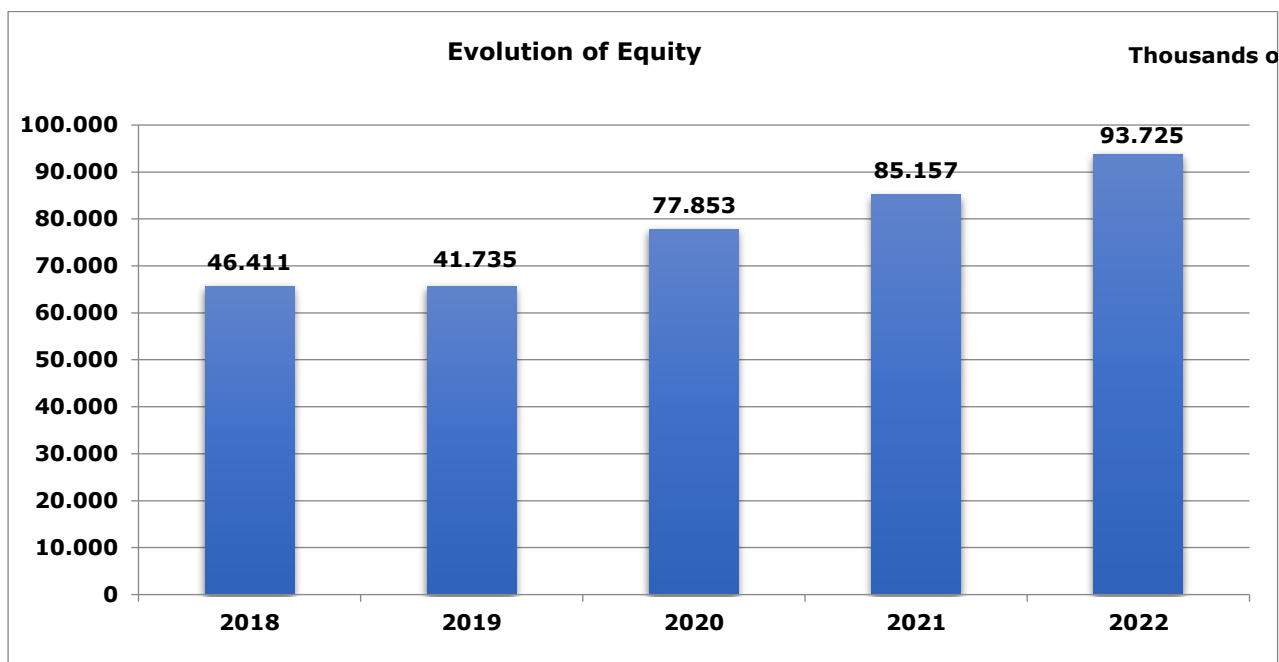
The technical provisions, net of the transfer attributable to the reinsurers' share and gross of the indirect business technical reserves, recorded an increase of approximately 11%.

Table no. 4 - Evolution of technical reserves



The total equity amounted to 93,725 thousand Euros at the end of the year, compared to 85,157 thousand Euros as at 31 December 2021 (+10.06%).

Table no. 5 - Evolution of equity



INSURANCE MANAGEMENT

Premiums issued

The production acceleration and the expansion in the range of products offered is reflected in the premium income in 2021. The table below highlights the evolution of premiums by individual classes.

Table no. 6 - Gross premiums written

	Thousands of Euro		
Gross premiums written	2022	2021	Change
Accident and injury	11,719	7,289	4,429
Illness	2,611	1,589	1,022
Fire	2,416	1,842	574
Other damage to property	37,231	28,762	8,469
General Civil Liability	1,839	1,196	643
Credit	34,497	31,644	2,853
Suretyship	1,647	1,290	356
Financial losses	2,133	1,282	851
Legal Protection	528	335	193
Assistance	442	229	213
Grand Total	95,062	75,460	19,602

Gross premiums written recorded, compared to the previous year, an increase of 19,602 thousand Euros essentially attributable to premiums income related to CPI products (2,853 thousand Euros), to the premiums income recorded in the accident and injury class (4,429 thousand Euros) and to the trend in other damage to property (8,469 thousand Euros).

The graphs below show the total volume of gross premiums written and the composition of the portfolio in the last four years of operations of the Company, net of indirect business.

Table 7 - Evolution of gross written premiums

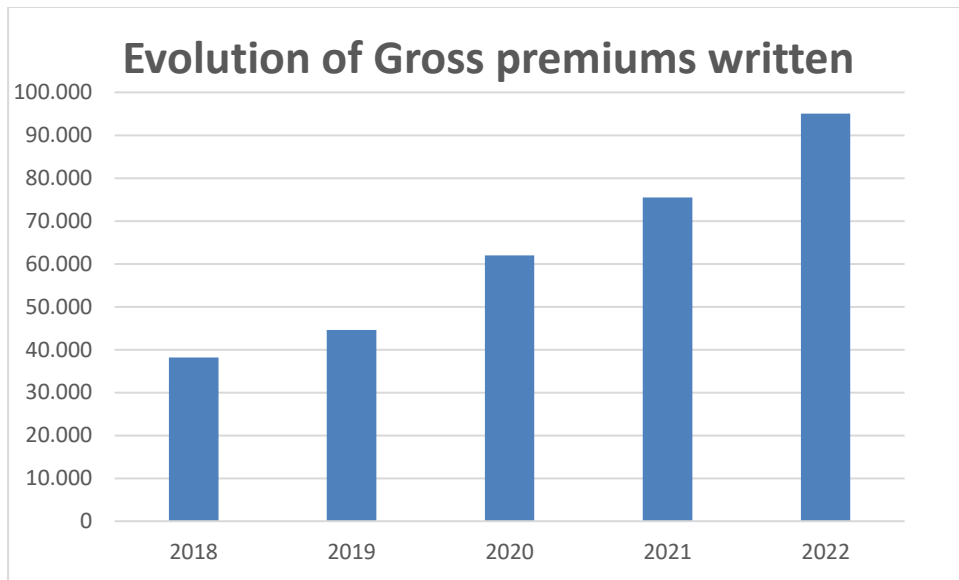
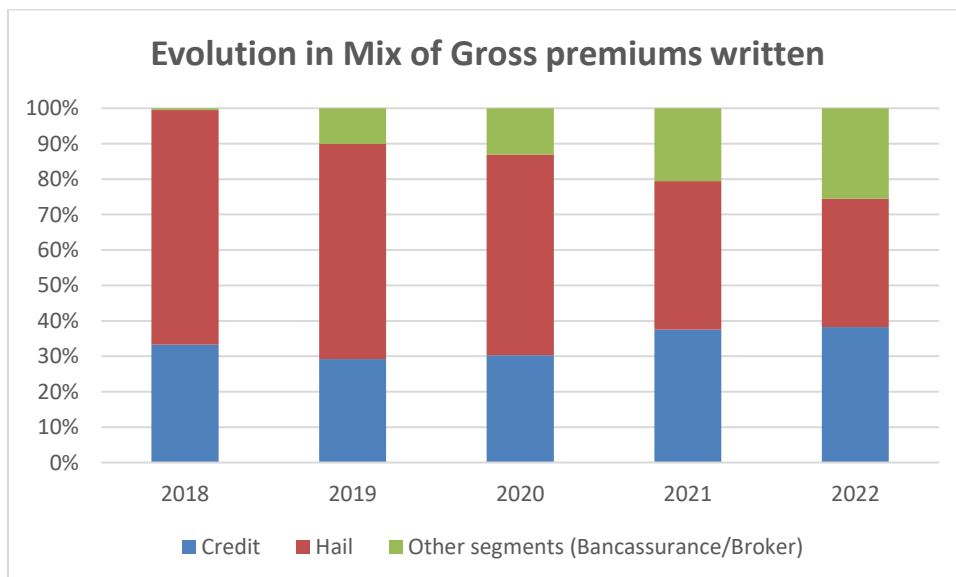


Table No. 7b - Evolution of gross premiums written



Non-life premium income increased by 25.98% compared to the same period of the previous year, from 75,460 thousand Euros in 2021 to 95,062 thousand Euros as at 31 December 2022.

In particular, as can be seen in table 7b, the Company's business mix shows a progressive increase in the weight of the new business lines on the entire premium income from 20% in 2021 to 25% of 2022.

Non-Life claims performance

In the year 2022, the total number of complaints showed an overall upward trend compared to the same period of the previous year. The increase, in line with expectations, is mainly attributable to the growth of the portfolio and therefore does not determine an increase in the loss ratios, which are very positive overall.

In fact, as a result of the bancassurance channel's premium income, the growth of the portfolio in the Elementary lines of business led to a consequent and natural increase in the number of claims and, consequently, of the related claims and claims paid. Such an increase can be seen in the multi-guarantee products marketed through Cassa di Risparmio di Bolzano, which constitutes the main distributor within the banking channel in volume terms, and on the Digital segment (namely PET policies distributed by YOLO).

The statement of claims reported was drawn up from the data based on the registration date of the positions opened during the year, regardless of the incident period and only with reference to the direct portfolio.

Table No. 8 – Claims reported

Claims Reported	2022	2021	Change
Accident and injury	351	230	121
Illness	1,347	1,158	189
Fire	224	190	34
Other damage to property	9,613	8,029	1,583
General Civil Liability	205	153	52
Credit	3,806	3,395	411
Suretyship	32	54	(22)
Financial losses	525	78	447
Legal Protection	104	93	11
Assistance	5	3	2
Total Non-life segment	16,211	13,383	2,828

The increase in claims (+21% compared to the previous year), in line with expectations, is attributable to all classes of the non-life business, except for the Suretyship segment. More specifically, in the Other Damage to Property segment, there was a greater increase in the number of claims reported compared to all Non-Life segments, essentially due to an expansion of the portfolio between 2021 and 2022.

In the Credit segment, there was a natural increase in the number of claims reported of 12%, also in this case, attributable to the growth in the policy portfolio recorded in recent years. The substantial stability of the complaints on this segment is mainly due to the quality of the portfolio.

The cost of claims for the year, defined as the sum of the amounts paid and reserved for claims incurred in the current year and in previous years, including the provision for late claims and indirect business, amounted to 48,521 thousand Euros due to a general increase in the Non-Life segments of 5.6%, mainly attributable to the Accident, Fire, Credit segments and, to a lesser extent, to the Other Damage to Property segment.

Below is the table representing the breakdown by segment of the charge for claims paid:

Table no. 9 - Claims Paid

Claims paid	2022	2021	Change
Accident and injury	1,031	462	569
Illness	469	504	(35)
Fire	418	216	202
Other damage to property	22,949	22,490	459
General Civil Liability	334	105	230
Credit	20,868	19,807	1,061
Suretyship	187	221	(34)
Financial losses	186	151	35
Legal Protection	74	94	(19)
Assistance	1	2	(1)
Grand Total	46,517	44,051	2,466

The following table highlights the **claim settlement time** (by number), analysed according to the incident period, net of claims eliminated as without payout, and divided into current claims and claims from previous years.

Table no. 10a - Settlement time in 2022 by generation

Claims paid in 2022		
Segment	Current generation	Previous generations
01 - Accident and injury	44.94%	70.59%
08 - Fire	65.19%	100.00%
09 - ODP	94.86%	98.75%
14 - Credit	79.28%	93.89%
16 - Financial losses	98.17%	86.67%
– Other segments	90.34%	84.83%
Total	87.55%	93.41%

Table no. 10b - Settlement time in 2021 by generation

Segment	Current generation	Previous generations
01 - Accident and injury	50.33%	68.75%
08 - Fire	71.65%	82.50%
09 - ODP	94.04%	100.00%
14 - Credit	83.36%	91.22%
16 - Financial losses	80.00%	95.83%
– Other segments	91.74%	81.58%
Total	88.97%	90.87%

The settlement time of the current claims paid by the parent company and received in 2022 stood at roughly 88%, in line with the figure recorded in 2021.

For the claims filed prior to 2022, the settlement time was instead even slightly higher than the 2021 performance.

It should be noted, that in general, the settlement time remains quite high and satisfactory in all insurance classes and this level represents a standard value to maintain over time.

As regards the Company and concerning the claims recorded in 2022, the following represents the amount of claims provisions including provisions for expert expenses and other expenses indirectly attributable to the classes, and the estimate for IBNR provisions for outstanding claims during the year. Please note that the following only refers to Direct Business.

Table no. 11 - Claims provision for the current year

Claim Provision - current year	Thousands of Euro		
	2022	2021	Change
Accident and injury	495	190	306
Illness	220	143	77
Fire	260	66	194
Other damage to property	2,789	1,599	1,190
General Civil Liability	261	57	204
Credit	17,826	14,255	3,571
Suretyship	188	140	48
Financial losses	695	184	511
Legal Protection	281	80	201
Assistance	2	1	1
Grand Total	23,017	16,714	6,303

As highlighted in the table above, the amount of operating reserves, as at 31 December 2022, increased by around 38% compared to the previous year. In general, there was a general increase in the provision for all non-life classes.

Furthermore, it should be noted, for the purposes of the operating claims provision of the Other damage to property class (Hail sector) that this is almost entirely estimated and for the 2022-2023 Autumn-Winter campaign, the usual estimate was made based on premium income and the loss ratio average observed historically by the Parent Company on this type of risk. In any case, the risk is almost entirely reinsured.

Evidence of the so-called Run-off claims recognised as at 31 December 2022 compared with the run-off recognised as at 31 December 2021, are provided below, broken down by individual Non-Life classes. 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 No. 12 – Non-Life business run-off

Financial Statement segments	2022 Financial Statements				2021 Financial Statements			
	Claims provision - 2021 Financial statements	Indemnities paid in 2022 for claims of prev. year	Claims provision in 2022 for claims of prev. year	Run-off Claims - 2022 Financial statements	Claims provision - 2020 Financial statements	Indemnities paid in 2021 for claims of prev. year	Claims provision in 2021 for claims of prev. year	Run-off Claims - 2021 Financial statements
Accident and injury	410	529	243	(362)	367	303	221	(157)
Illness	239	55	145	39	97	46	96	(44)
Fire	293	105	105	83	234	74	227	(67)
Other damage to property	1,609	2,621	9	(1,020)	1,522	1,209	12	301
General Civil Liability	90	204	47	(161)	62	28	33	0
Credit	17,225	14,434	2,333	458	18,524	14,472	2,969	1,082
Suretyship	219	142	79	(1)	287	211	79	(3)
Financial losses	1,051	99	540	412	1,960	132	867	961
Legal Protection	255	68	179	8	264	85	175	4
Assistance	1	1	1	(0)	0	1	0	(1)
Total Non-life segment	21,393	18,258	3,680	(545)	23,317	16,560	4,681	2,076

As shown in the table, the group recorded a substantially positive run-off for the classes other than other non-life and assets.

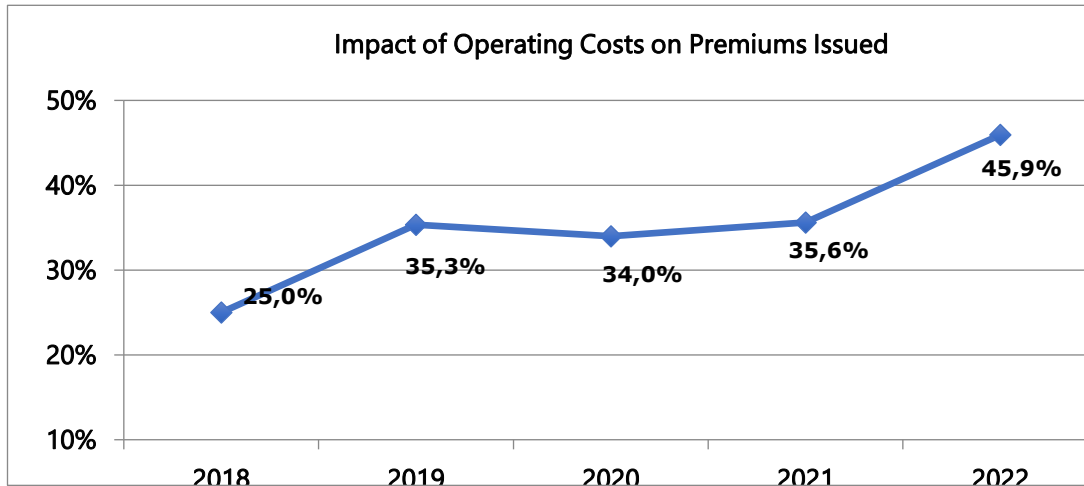
It should be noted that, although this class has a negative run-off attributable to the Hail business for the campaigns at the turn of the year, the overall technical result contributes positively to the Group's income statement result.



Operating expenses

Operating expenses, gross of fees and profit-sharing received from reinsurers, impacted premiums issued during the year to the extent of 45.9% (35.6% in the previous year).

Table No. 13a - Impact of operating costs on premiums issued



The table below shows the breakdown of operating costs compared with that of the previous year.

Table no. 13b - Operating expenses

	Thousands of Euro		
Operating expenses	2022	2021	Change
Acquisition and collection commissions	17,671	9,965	7,706
Other acquisition expenses	18,772	11,813	6,959
Change in commissions and other acquisition expenses to be amortised	(27)	595	(623)
Other administrative expenses	7,251	4,504	2,747
Total Operating expenses	43,666	26,877	16,789
(-) Fees from reinsurers	(14,158)	(9,345)	(4,813)
Total net operating expenses	29,508	17,532	11,977

Other administrative expenses and other acquisition expenses

The increase in operating expenses compared to the previous year is mainly due to the provision for the long-term incentive plan called 'Performance Shares Plan (2019-2023)', allocated to the Chief Executive

Officer and the key Senior Staff of the Management team in the amount of 6,579 thousand Euros and by the increase in production with the consequent effect on commissions paid to the network.

In fact, it should be noted that, as envisaged in the plan itself, in light of the decision of the Poste Group to promote the voluntary and full public tender offer on the shares and warrants of the parent company, the conditions necessary for its early termination have been met.

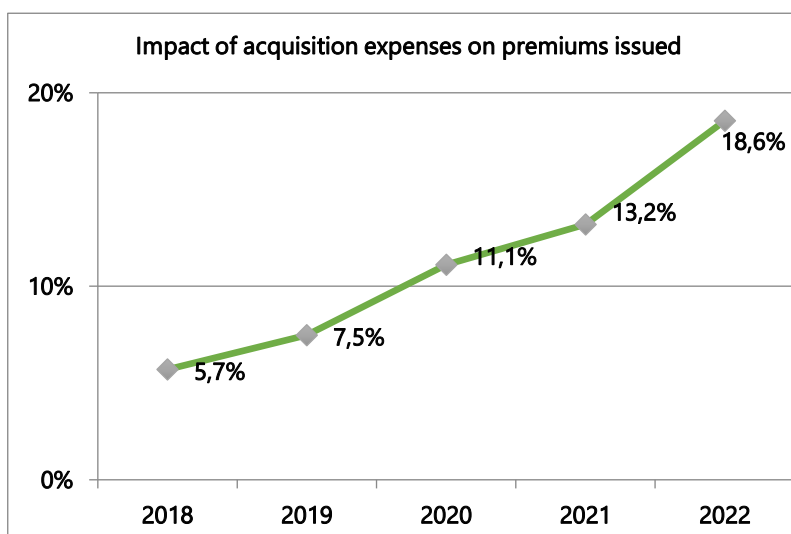
Acquisition expenses

Acquisition expenses, limited to acquisition and collection commissions, impacted gross premiums written for the year to the extent of 18.6%, against 13.2% in 2021.

Table no. 14 - Impact of acquisition and collection commissions on premiums

Year	Thousands of Euro	
	2022	2021
Commissions	17,671	9,965
% Impact on premiums	18.6%	13.2%

The trend in the incidence is mainly attributable to the increase in the bancassurance share in the company's business mix compared to the traditional salary-backed loan business.



Technical reserves

At the end of the year, technical provisions, gross of indirect business and net of reinsurance, amounted to 84,010 thousand Euros, compared to 76,071 thousand Euros in the previous year, with an increase of 7,939 thousand Euros.

The table below shows the breakdown of the net change in technical reserves in the Income Statement of the Company.

Table no. 16 - Net change in technical reserves

	Thousands of Euro			
	Change in Premium Reserve net of reinsurance	Change in Claims Provision net of reinsurance	Change Equalisation Reserves and Other Technical Reserves	Total Change in Reserves
Accident and injury	3,722	98	5	3,825
Illness	472	(20)	102	555
Fire	222	21	0	244
Other damage to property	8	201	193	402
General Civil Liability	131	184	0	315
Credit	769	(321)	1,455	1,903
Suretyship	210	(14)	0	196
Financial losses	845	(370)	0	475
Legal Protection	(4)	47	0	42
Assistance	(19)	(0)	0	(19)
Total	6,357	(173)	1,755	7,939

Technical Result of individual insurance products

With reference to the various segments of the Company, the main considerations on the technical items gross and net of reinsurance by single sector, for the years 2022 and 2020, are set out below.

Table No. 18 – Non-Life Reclassified Income Statement by segment – Financial year 2022

	000.euro				
	NET 2022 Financial Statements NON-LIFE	NET 2022 Financial Statements NON-LIFE CREDIT (SBL)	NET 2022 Financial Statements NON-LIFE Hail	NET 2022 Financial Statements NON-LIFE Bancassurance/Brokers	NET 2022 Financial Statements NON-LIFE Financial Losses (SBL)



Gross premiums written	95,062	34,497	36,343	24,384	(161)
Delta reserves (premium and mathematical reserves)	(12,956)	(6,872)	(503)	(5,596)	14
Gross premiums earned	82,086	27,625	35,840	18,768	(148)
Expenses from claims	(48,521)	(21,895)	(23,727)	(3,356)	458
<i>Gross Loss Ratio - recoveries</i>	59%	79%	66%	18%	NA
Recoveries earned	10,209	8,654	-	(7)	1,562
<i>Loss Ratio (1)</i>	47%	48%	66%	18%	NA
Commissions	(17,643)	(38)	(7,900)	(9,705)	-
<i>Commission Ratio (2)</i>	21%	0%	22%	52%	0%
Direct business margin	26,131	14,346	4,212	5,700	1,872
Ceded premiums earned	(40,744)	(16,269)	(21,468)	(3,139)	132
Expenses for claims ceded	28,354	14,135	13,867	519	(167)
Earned recoveries ceded	(6,319)	(5,661)	-	(9)	(648)
Fees from reinsurance	14,158	9,742	3,841	598	(24)
Reinsurance balance	(4,552)	1,947	(3,760)	(2,031)	(708)
Changes in other technical reserves	(1,755)	(1,455)	(193)	(107)	-
Technical margin	19,824	14,838	259	3,562	1,164
Ordinary expenses (including amortisation/depreciation)	(19,511)	(8,714)	(313)	(10,484)	-
<i>Expense Ratio (3)</i>	24%	32%	1%	56%	0%
<i>Combined Ratio (4 = 1 + 2 + 3)</i>	92%	80%	89%	125%	NA
Net technical result	313	6,124	(54)	(6,922)	1,164

	NET 2022 Financial Statements NON-LIFE	NET 2022 Financial Statements NON-LIFE CREDIT (SBL)	NET 2022 Financial Statements NON-LIFE Hail	NET 2022 Financial Statements NON-LIFE Bancassurance/Brokers	NET 2022 Financial Statements NON-LIFE Financial Losses (SBL)
Net Reins. Combined ratio	95%	33%	99%	144%	NA

Table No. 19 – Non-Life Income Statement by segment – Financial year 2021

000.euro

	NET 2021 Financial Statements NON-LIFE	NET 2021 Financial Statements NON-LIFE, CREDIT (SBL)	NET 2021 Financial Statements NON-LIFE, Hail	NET 2021 Financial Statements NON-LIFE Bancassurance/Broker s	NET 2021 Financial Statements NON-LIFE Financial Losses (SBL)
Gross premiums written	75,460	31,641	28,325	15,808	(314)
Delta reserves (premium and mathematical reserves)	(8,508)	(5,113)	(311)	(3,111)	27
Gross premiums earned	66,952	26,528	28,014	12,697	(287)
Expenses from claims	(42,154)	(18,529)	(22,355)	(2,024)	754
<i>Gross Loss Ratio - recoveries</i>	63%	70%	80%	16%	NA
Recoveries earned	10,675	8,633	-	0	2,042
<i>Loss Ratio (1)</i>	47%	37%	80%	16%	NA
Commissions	(10,560)	(128)	(3,685)	(6,748)	-
<i>Commission Ratio (2)</i>	16%	0%	13%	53%	0%
Direct business margin	24,913	16,504	1,974	3,925	2,509
Ceded premiums earned	(32,756)	(15,697)	(15,582)	(1,609)	132
Expenses for claims ceded	24,387	11,839	12,557	327	(336)
Earned recoveries ceded	(6,256)	(5,428)	-	-	(827)
Fees from reinsurance	9,345	7,604	2,138	346	(744)
Reinsurance balance	(5,280)	(1,681)	(886)	(937)	(1,775)
Changes in other technical reserves	(1,828)	(1,563)	-	(265)	-
Technical margin	17,805	13,260	1,088	2,723	734
Ordinary expenses (including amortisation/depreciation)	(16,852)	(10,589)	(316)	(5,948)	-
<i>Expense Ratio (3)</i>	25%	40%	1%	47%	0%
<i>Combined Ratio (4 = 1 + 2 + 3)</i>	88%	78%	94%	116%	NA
Net technical result	953	2,671	772	(3,225)	734

	NET 2021 Financial Statements NON-LIFE	NET 2021 Financial Statements NON-LIFE, CREDIT (SBL)	NET 2021 Financial Statements NON-LIFE, Hail	NET 2021 Financial Statements NON-LIFE Bancassurance/Brokers	NET 2021 Financial Statements NON-LIFE Financial Losses (SBL)
Net Reins. Combined ratio	92%	61%	94%	127%	NA

The values shown in tables no. 18 and no. 19, are determined on the basis of reclassifications aimed at better representing the business of the Company.

The net reinsurance combined ratio, in line with the previous period, was 95%. It should be noted that the technical result is influenced by the weight of the technical performance of Hail coverage, the loss ratio of which is higher than that of the salary-backed loan sector and also of Bancassurance, the latter characterised, by nature, by a loss ratio that continues to be extremely low. The Loss ratio gross of



reinsurance and net of subrogation recoveries for the year 2022 is perfectly in line with 47% as at 31 December 2021.

On the basis of the tables above, some considerations on the technical trends of the main segments are provided below:

- **For the Credit Class**, premium income recorded a 9% increase even due to the prudent actions taken on the portfolio with the aim of limiting the underwriting risk and making the mix between segments more efficient, also from a post-pandemic perspective. Gross earned premiums understood as the sum of gross premiums written and the change in premium reserves between the beginning and end of the year show an increase of 4% compared to 2021. With regard to expenses for claims, an increase in expenses for claims was observed in 2022, net of the effect of subrogation recoveries, such as to determine a loss ratio higher than 11 percentage points compared to 2021. Although this is the case, net of reinsurance, the combined ratio on the line is lower than in 2021, due to the combined effect of the reinsurance transfer rate (+5%) and the decrease in overheads reversed to the line of business.
- **Financial Losses (Salary-backed loan sector)**: given the unique characteristics of this portfolio (the class is in run off and consequently no new production is generated but only reimbursements of unused premium accruals), for representative purposes, the decision has been taken to separate the claims relating to salary-backed loans from the premium portfolio relating to the bancassurance income, which therefore is incorporated in the figures in the third column of the previous tables. The run-off business shows a positive net technical result both in 2021, but even more so in 2022 due to the run-off of the reserve for IBNR claims relating to previous years. In this view, overheads were not reversed, considering the small portfolio still in place.
- **Hail coverage (allocated to the Other Damage to Property class)**: in 2022, the marketing of products to guarantee the damage suffered by agricultural production following events such as hail (basic guarantee) and other natural disasters now represents a well-established business in the parent company's portfolio. In particular, as for the 2021 financial year, also for 2022 the portfolios relating to the Summer Campaign are prevalent in the composition of this business and, specifically, the premium income for 2022 has seen further growth (28% more premiums than those in 2021). Claims also increased slightly compared to the previous year, mainly as a result of higher exposure in terms of pieces, since, in terms of gross loss ratio on total portfolios and campaigns, a reduction was observed from 2021 (80%) to 2022 (66%). Finally, it should be noted that the coverage other than Hail always allocated to the same class are instead incorporated in the data relating to bancassurance.

- The bancassurance column includes the technical items relating to all the other classes distributed through the banking channel for which the following considerations apply:
 - o **Accident and Injury and Illness:** the classes in question recorded a notable increase in premium income. These are products placed through the bancassurance channel, the marketing of which by the Group began during 2019. Claims increased as expected in percentage terms, due to the collective health policy relating to Sparkasse employees
 - o **Fire and natural elements:** premium income on this class, driven by the push on bancassurance production, also absorbed the impact of premium repayments, which affect, now in a residual manner, the amount of gross premiums written and which concern a sub-portfolio of run-off policies, relating to contracts with fire coverage linked to mortgages. Overall, premiums written increased substantially compared to 2021 (+31%). With regard to claims, there was a slight increase compared to 2021 (+40%) and, in any case, almost in line with the growth of the exposure portfolio.
 - o A good technical performance was recorded in the Suretyship and Legal Protection classes, with an overall gross loss ratio of 17%, substantially in line with the 15% recorded for the same indicator calculated in 2021.
 - o On a residual basis, albeit up significantly, it is worth noting the positive contribution of classes such as RCG (General Civil Liability) and Assistance for which, although the risk exposures have increased due to higher premium income, the loss ratio is still in line with the previous year and in any case reduced (20% for the RCG class and 0.2% for Assistance).

Outward Reinsurance

The company policy, with regard to outward reinsurance, was designed in continuity with previous years, taking into account the impact in terms of capital and reduction of the volatility of the economic results. Relationships are maintained with highly rated groups operating in the international reinsurance market. Based on these principles, the plan of disposals for the 2022 financial year has been set up as described below:

Non-Life business

Credit segment

For the Credit class, in relation to the Salary-backed loan segment, four separate pure quota share treaties were stipulated with partners of primary standing to reach an overall sale amount in terms of premiums issued equal to 70%.

Treaties were all drafted for "underwriting premiums" ("underwriting year") and, therefore, the reinsurance protection has followed the entire insurance period of each security issued in 2022, according to the so-called "Risk Attaching" principle.

Fire segment ("CAT" risks)

A risk premium quota share treaty was renewed with an international operator, with a 50% quota share transferred. The treaty covers the Earthquake and Flood coverages allocated to multi-risk or stand-alone products.

Fire and General Liability ("Leasing" risk) segments

A risk premium pure quota treaty was renewed with an international operator, with a 50% quota share transferred. The treaty covers Fire and General Civil Liability allocated to multi-risk products related to immovable or movable property leases.

Financial Loss and General Liability ("Cyber" risk)

A risk premium pure quota treaty was renewed with an international operator, with a 50% quota share transferred. The treaty covers the Financial Losses and General Civil Liability coverages allocated to multi-risk products for SMEs related to damages deriving from cyber attacks.

Suretyship segment

A risk premium pure quota treaty was renewed with an international operator, with a 50% quota share transferred.

The treaty was drafted for "underwriting premiums" (underwriting year) and, therefore, the reinsurance protection will follow the entire insurance period of each security issued in 2022, according to the so-called "Attaching Risk" principle.

Accident and injury segment

A treaty for the coverage of "Excess of Loss" was concluded with a highly rated international operator and has allowed for a reduction in the retained net profit on each individual claim. This treaty provided coverage on all retained risks and, for 2022, applies to all claims bearing 2022 as the "event date", regardless of the effective date of the policies concerned.

Fire Segment

A treaty for the coverage of "Excess of Loss" was concluded with a highly rated international operator and has allowed for a reduction in the retained net profit on each individual claim. This treaty provides, in particular:

- a. the entire exposure coverage relating to policies issued from 2011 to 2022 (excluding Deutsche Bank mortgage portfolio, referred to under the following item "c");
- b. coverage of the retained part of quota share treaties concluded for the years 2002-2010 and coverage of the exceeding of the recovery limit set for the claim in the above quota share treaties;
- c. coverage of the retained part of quota share treaties concluded for the years 2010 and 2011 for the Deutsche Bank mortgage portfolio.

This coverage is effective for 2022 on all claims with an event date of 2022, regardless of the effective date of the affected policies.

General Civil Liability Segment

A treaty for the coverage of "Excess of Loss" was concluded with an international operator and has allowed for a reduction in the retained net profit on each individual claim. This treaty provides coverage on all retained risks and, for 2022, applies to all claims bearing 2022 as the "event date", regardless of the effective date of the policies concerned.

Legal Protection

The proportional "Quota Share" treaty with the historical partner (since 2003) of the Company was renewed. This treaty provides for a sale of 90% of the exposures.

Assistance/Illness

The relationship with the Company's historical partner (since 2003) was renewed, through the proportional risk premium treaty, by selling 90% of the exposures. This treaty was extended, but limited to a "Travel" product, to the Illness segment.

Illness

A proportional risk-premium treaty was renewed with a highly rated international operator, with a ceded share of 80%. The treaty refers to a new line of Illness products to be offered "stand-alone" or in the multi-risk product range.

Other Damage to Property (Homix Smart Protection product)

A proportional risk-premium treaty was renewed with a highly rated international operator, with a ceded share of 80%. The treaty refers to a new line of products with a Theft coverage on residential properties, equipped with ENEL-X home protection devices.

Multi-risk policies of school administrations

With a pool of three high-rated international operators, a protection programme in 'Excess of Claims' was set up, which made it possible to reduce the net amount retained on the individual claim for the Accident and General Civil Liability Classes.

Agricultural risks for hail and other adverse weather events

A reinsurance programme was set for 2022, which is divided into separate proportional and non-proportional treaties, depending on the portfolio lots:

- A) A pure quota share treaty was executed, with a highly rated international operator, in respect of risks assumed, as part of the so-called "Summer Campaign" on various agricultural crops - with a 20% premium retention rate and sale of 80% of premiums issued to a highly rated international operator. For the retained part, a Stop Loss Treaty was executed.

- B) Pure quota share treaties was executed, with a pool of highly rated international operators, in respect of risks assumed, as part of the so-called "Summer Campaign", on various agricultural crops:
- for one lot in the portfolio, with a transfer quota of 84% of the premiums issued;
 - for another lot in the portfolio, with a transfer quota of 48.50% of the premiums issued.

The retained parts are protected by specific Stop Loss treaties.

- C) A pure quota share treaty was executed, with a highly rated international operator, in respect of risks assumed, as part of the so-called "Winter Campaign", on various agricultural crops - with a transfer quota of 81.67% of the premiums issued. For the retained part, a Stop Loss Treaty was executed.
- D) Stipulation, with a highly rated international operator, of a pure quota proportional treaty regarding the risks assumed in the 'nurseries and ornamental plants' segment with a transfer share of 85.00% of the premiums issued.

Inward reinsurance - Non-life classes

In 2022 no new inward reinsurance treaties were concluded, without prejudice to the run-off of the Pure quota share Treaty stipulated in 2014.

Research and development activities - new products

During 2022, the Company and more generally the Group continued the process for the innovation of its product catalogue, both through the introduction of new insurance solutions and through the revision of existing products; this was done with the aim of making the Group's insurance product offer - already distinctive, innovative and customised in terms of internal features - ever more:

- consistent with the business model outlined in the Group's Business Plan,
- responsive to market dynamics,
- compliant with sector regulations.

The marketing of insurance products, carried out in 2022, reported new premium income made up of around 61% from covers linked to loans repayable by salary/pension assignment, around 17% from 'Agro' coverage (hail damage and other adverse weather events) and the remaining 22%, with now significant growth volumes from the bancassurance and broker retail segment.

As part of the Salary-backed loan segment, during 2022:

- new premium income consists of 61% of Life premiums and the remaining 39% of Credit premiums;
- pricing updates were carried out. These measures, effective as of 1 September, are aimed at strengthening the industrial balance and profitability of these segments.

As regards the products distributed through the bank and broker channels, including digital ones, the following are the new products whose marketing began in 2022, broken down by distribution channel.

BANCASSURANCE

Banca Antonio Capasso S.p.A. (IBL Banca Group)

- AssiAgro: Non-Life multi-risk product for the farm, with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection, Accident and Injury.
- CasaSicura: Non-Life multi-risk product for the home, with coverage against: Fire, Other Damage to Property, General Civil Liability, Legal Protection. The product includes coverage for "CAT" (earthquake and flood) events.
- AssiInfortuni: multi-risk product for the family, including Accident/Injury and Assistance coverage.
- AssiCapoFamiglia: Non-Life multi-risk product for the family with coverage for: General Civil Liability and Legal Protection.
- AssiSalute: medical expenses reimbursement product for the family.
- AssiMutuoIPO: Fire product combined with a mortgage loan.
- Flessibile/Flessibile per tutti (Flexible - Flexible for all): Life and Non-Life multi-risk credit protection product with recurrent premium combined with personal loan, including coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Loss of Employment.

Banca di Credito Popolare S.c.p.a.

- NET CPI Business: Life and Non-Life multi-risk Credit Protection product with single premium upfront or recurring combined with a mortgage, with coverage for: Term Life Insurance, Total Permanent Invalidity from Accident and Injury/Illness (the policyholder is the company key-man).
- NET CPI Mutui: Life and Non-Life multi-risk Credit Protection product combined with mortgages, bearing guarantees, including coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Admission from Major Interventions, Loss of Employment.

Banca di Piacenza S.c.p.A.

- NET K-Man: Life and Non-Life multi-risk product, with recurring premiums, with coverage for: Term Life Insurance, Total Permanent Invalidity from Accident and Injury/Illness, Assistance (the policyholder is the key-man of the company).

Banca Popolare di Puglia e Basilicata S.c.p.A.

- lot Assicuro Salute: personal/family protection product, containing Illness coverage.

Banca Popolare Pugliese S.c.p.A.

- NET CPI Prestiti: Life and Non-Life multi-risk Credit Protection product with a single upfront premium combined with a personal loan, including coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Loss of Employment.

Banca Popolare di Santangelo S.c.p.A.

- Net Artigianato: Non-Life multi-risk product for the SMEs, with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.
- Net Commercio: Non-Life multi-risk product for traders with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.

- Net Casa: Non-Life multi-risk product for the household, with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection. The product includes coverage for "CAT" (earthquake and flood) events.
- Net K-Man: Life and Non-Life multi-risk product, with recurring premiums, with coverage for: Term Life Insurance, Total Permanent Invalidity from Accident and Injury/Illness, Assistance (the policyholder is the key-man of the company);
- NET RC e Tutela Legale: Non-life multi-risk product for the protection of family assets, with coverage for: General Civil Liability and Legal Protection.
- NET CPI Business: Life and Non-Life multi-risk Credit Protection product with single premium upfront or recurring combined with a mortgage, with coverage for: Term Life Insurance, Total Permanent Invalidity from Accident and Injury/Illness (the policyholder is the company key-man).

Banca Popolare Valconca S.p.A.

- Net Infortuni: Non-Life product, with Accident and Injury and Assistance coverage.

Banco di Desio e della Brianza S.p.A.

- Protezione PPI Mutuo – a Life and Non-life multi-risk protection product with a single upfront or recurring premium combined with a mortgage including coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Loss of Employment.

Cassa di Risparmio di Bolzano S.p.A.

- Protection PET: product for the protection of dogs/cats, with guarantees: reimbursement of veterinary expenses.
- Protection (4.0): implementation of the Life and Non-Life multi-risk product (already in the catalogue) for the household, with coverage for: Term Life Insurance, Illness, Accident and Injury, Assistance, Financial Losses, General Civil Liability, Legal Protection, Fire, Other Damage to Property.

Cassa di Volterra S.p.A.

- CPI Mutui Privati: Life and Non-Life multi-risk Credit Protection product with a single upfront or recurring premium combined with a mortgage, including coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Loss of Employment.

FIGENPA S.p.A.

- Segui il Sorriso: Illness product, with coverage for reimbursement of dental expenses.
- Segui il Tuo Amico: Non-life multi-risk product for the protection of dogs/cats, with coverage for: reimbursement of veterinary expenses, General Civil Liability, Legal Protection and Assistance.
- Segui la Serietà: Non-Life multi-risk product for the protection of family assets, with coverage for: General Civil Liability and Legal Protection.
- Segui la Tranquillità: Life and Non-Life multi-risk Credit Protection product with a single upfront premium combined with a loan, with coverage for: Term Life Insurance, Total Permanent Disability due to Accident and Injury/Illness, Total Temporary Disability due to Accident and Injury/Illness, Loss of Employment.
- Segui la Strada: Non-life product, with Accident and Injury coverage.
- Segui il Futuro: Life and Non-Life multi-risk product, with recurring premiums, with coverage for: Term Life Insurance, Total Permanent Invalidity from Accident and Injury/Illness, Assistance.

BROKER /AGENTS (Agro Risk)

Launch of the 2022 summer and winter campaign for the risks of adverse weather conditions for agricultural production.

BROKER /AGENTS (Retail products; including Digital/Insurtech segment)

ALL Well S.r.l.

- ALL WELL and ALL WELL EXECUTIVE: Illness products, with coverage for reimbursement of medical expenses.

COVERZEN S.r.l.

- Artigianato ZEN: Non-Life multi-risk product for the SMEs, with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.
- PMI Zen: Non-Life multi-risk product for traders with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.

Neosurance S.r.l.

- OK4 PET: Non-life multi-risk product for the protection of dogs/cats, with coverage for: reimbursement of veterinary expenses, General Civil Liability, Legal Protection and Assistance.

One Underwriting S.r.l. (AON Group)

- School Environment: Non-Life multi-risk product (GCL, Accident and Injury, Financial Losses, Other Damage to Property) for school administrations.

Styla S.r.l.

- Net for Bike: Non-Life multi-risk product for bikers, with GCL and Accident and Injury coverage.
- SkiPass protection: Non-Life product, containing GCL coverage, for winter sports.
- Net for Padel: product for amateur sports, with Accident and Injury coverage.

TIM myBroker.

- TIM myPET: Non-life multi-risk product for the protection of dogs/cats, with coverage for: reimbursement of veterinary expenses, General Civil Liability, Legal Protection and Assistance.

VITANUOVA S.r.l.

- VitaNuova Patrimonio: implementation of the Non-Life multi-risk product (already in the catalogue) with coverage: Assistance, General Liability, Legal Protection, Fire, 'Cat' Events, Other Damage to Property.

YOBI S.r.l.

- Yobi Dental: personal protection product, containing Illness coverage (reimbursement of dental expenses).

YOLO S.r.l.

- ENDU SAFE: Accident and Injury product referring to amateur sporting events.
- YOLO Artigianato: Non-Life multi-risk product for the SMEs, with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.
- YOLO Commercio: Non-Life multi-risk product for traders with coverage for: Fire, Other Damage to Property, General Civil Liability, Legal Protection.
- YOLO for Ski: Non-Life multi-risk product (GCL, Legal protection, Accident and Injury, Financial losses) for winter sports.

CAPITAL AND FINANCIAL MANAGEMENT

The Company's investments in financial assets as at 31 December 2022 amounted to 141,103 thousand Euros, up 6.79% compared to the previous year. The increase is attributable to the investment of the funds from premium income.

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.

The average weighted return of the portfolio, considered net of the effects recorded on the Augusto security, is negative and equal to -0.53% gross of expenses; the net expense return was negative at -0.80%.

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

The following table shows the breakdown of investments, in thousands of euros, as at 31 December 2022 compared to the breakdown as at 31 December 2021.

Table no. 20 - Breakdown of investments

Assets	Thousands of Euro			
	2022	%	2021	%
Fixed-income bonds	54,413	38.56%	44,406	33.61%
Floating-income bonds	8,809	6.24%	13,342	10.10%
Units of mutual investment funds	34,930	24.75%	36,142	27.35%
Stocks	1,819	1.29%	1,331	1.01%
Equity investments	35,613	25.24%	31,390	23.76%
Loans	316	0.22%	264	0.20%
Property intended for business operations	5,159	3.66%	5,139	3.89%
Deposits with assignors	43	0.03%	118	0.09%
Total	141,103	100.00%	132,132	100.00%

Bonds amounted to 63,222 thousand Euros, up by 5,474 thousand Euro compared to 2021. During 2022 investments in bonds, including government bonds, were in fact preferred, given the market context and considering the gradual increase in returns recorded in the sector, which guaranteed attractive returns on both the short and intermediate parts of the curve of rates. Also by virtue of the market performance recorded in 2022, exposure in mutual investment funds decreased, mainly as a result of the write-downs recorded on individual funds. With regard to the equity investments sector, during the year, shares characterised by weak growth expectations were disposed of, in an attempt to take advantage of the market rebounds.

In addition, in the unlisted equity segment (not listed or listed on unregulated markets), the Company increased some existing positions or made new investments, in particular related to companies operating in the insurtech sector (a privileged business sector in the field of the Group's investment strategy) and to banking and financial institutions with which distribution agreements are in place.

As part of the first case, investments in Yolo S.p.A and Tech Engines S.r.l. were increased, respectively for 96 thousand Euros and 20 thousand Euros and new investments were launched in Wallife S.p.A. and Engagigo S.r.l., for 133 thousand Euros and 300 thousand Euros, respectively. The overall total of investments in insurtech companies amounted to approximately 549 thousand Euros.

As part of the second case, investments were increased in OneOsix S.p.A., Banca Popolare di Puglia e Basilicata and Cassa di Risparmio di Bolzano, for 90 thousand Euros, 10 thousand Euros and 51 thousand Euros respectively, and new investments were launched in Banca Popolare di Torre di Greco for 188 thousand Euros. The overall total of investments in banking and financial institutions amounted to approximately 339 thousand Euros.

Investments in structured securities and derivative instruments

The Company, 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 all structured securities taken into consideration, a maximum investment limit of 40% of the overall securities portfolio is authorised. In particular, with regard to investments in structured securities, the Company at the end of 2022 recorded a direct exposure in 'light structured' securities, mainly characterised by positions with early redemption options for a total book value of 17,250 thousand Euros. These securities represent, in percentage terms, 12.67% of the total assets of Class C of the balance sheet, net of loans and borrowings. As at 31 December 2022, the Company did not hold or hold investments in derivatives.

Cost Management

Structure costs

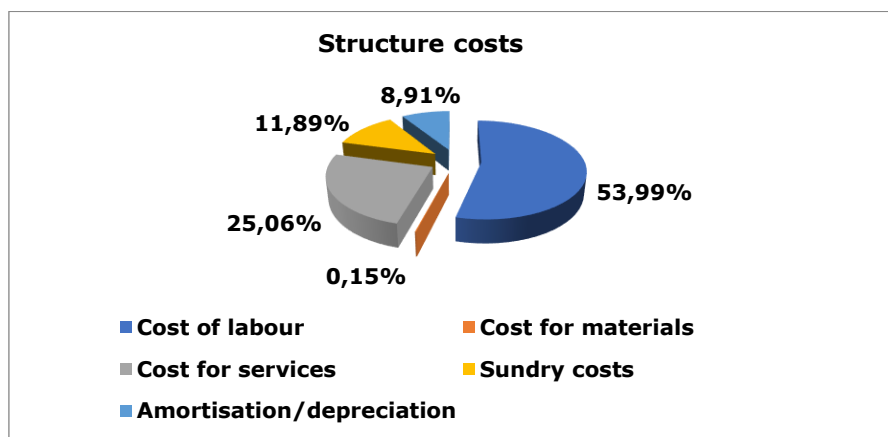
The total amount of structure costs, including labour cost, services, materials, sundry costs and amortisation/depreciation, gross of the attributions to specific functions such as the settlement of claims, production organisation and asset management, was 27,514 thousand Euros compared to 17,818 thousand Euros reported in the previous year, with a change of 54.4%, mainly due to the increase in labour costs (including stock option costs), service costs, and amortisation/depreciation costs.

The breakdown of these costs is shown in the following tables:

Table no. 21 - Structure costs

Structure costs	Thousands of Euro		
	2022	2021	Change
Labour cost	14,854	7,636	7,218
Cost for materials	42	32	10
Cost for services	6,895	5,268	1,626
Sundry costs	3,271	2,910	361
Amortisation/Depreciation	2,453	1,972	481
Total	27,514	17,818	9,696

Table no. 22 - Structure costs



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

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 (in particular the sponsorship of Referees), and other general costs.

Amortisation/depreciation refers to the allocation of 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.

OTHER INFORMATION

Staff

During 2022 the new Smart Working system consolidated and the Company intends to promote it as 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 recognition was also noted. This certification attests to a positive work environment, appreciated by its employees, with high quality HR processes.

In this context, within the framework of human resources valorisation and development, the Company's great commitment to training activities continues to be recorded (in 2022 the NET Group provided 38 different training courses for a total of 194 hours of training) as a strategic variable capable of bringing a real competitive advantage to the entire organisation, as well as the use of job rotation as a factor of company enrichment and contextual professional growth.

Also during 2022, it should be particularly noted that 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.

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.

With regard to the above, in the second half of 2022, 15 key people were identified among the non-executive employees of the Company (for a total of 19 in the Net Group), for whom a development plan is envisaged for the 2023-2025 three-year period.

Finally, in support of the policies aimed at remunerating not only the activity carried out, but also to respond effectively to the non-economic needs of personnel, it is important to note that in the course of 2022 the Company has further developed the offer of welfare services, already launched previously with the WELNET platform, thanks to which people can choose to convert a portion of the company

bonus (the Welfare Credit) in the form of social and welfare benefits reserved for both employees and their families.

In this sense, employees can now count (in addition to the concessions and services introduced by the current company pandemic plan) on supplementary pension payments, on the assistance fund (health, accident and injury and TCM), including annual check-ups and on subsidised rates both for the purchase of insurance products under the Net brand, and for personal loans.

On the latter point, during the year the offer was expanded with the use of new financing solutions and banking products thanks to the agreement signed with Banca Capasso (IBL Group).

Among the initiatives undertaken in this regard by the Company during 2022, please note the creation of a new space on the company Intranet dedicated to the most significant new features in terms of human resources, among which we highlight in particular 'Net X Te' (Net for you) as a tool designed to accompany colleagues in the world of conventions reserved for them.

The number of employees of the NET INSURANCE S.p.A. as at 31 December 2022, compared with that as at 31 December 2021, is broken down in the following table.

Table no. 23 - Staff

Staff	2022	2021	Changes
Executives	11	6	+5
Officers	12	14	-2
6th level Middle managers	15	13	+2
Employees	56	55	+1
Total	94	88	+6

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

- the appointment of 5 new Executives following the management training course undertaken in the previous year;
- the 94 resources in force as at 31 December included 1 employee with fixed-term employment (expiring by 2023).
- As at 31 December 2022, there is also 1 intern.

Finally, the turnover recorded in 2022 is as follows:

- Internal: 4 employees
- External: 18 hires - 12 terminations

As regards personnel, it should be noted that the long-term incentive plan known as the "Performance Shares Plan (2019-2023)" for the CEO and the key Senior Staff is in effect, approved by the Board of Directors on 28 June 2019 and by the Shareholders' Meeting on 19 July 2019 and not subject to any further changes.

This Plan provides for the payment to Management of a share-based bonus, up to a maximum of 1,059,273 of Net Insurance S.p.A. ordinary shares, upon achievement of the strategic objectives of the 2019-2023 Business Plan, in terms of the level of:

- cumulative net profits (2019-2023);
- ROE at 31 December 2023;
- Solvency Ratio at 31 December 2023;
- compound annual return on Net Insurance stocks.

In line with market practice and investor expectations, the shares will be assigned and made available to the beneficiaries at the end of the multi-year plan, subject to the achievement of performance objectives, without prejudice to the existence of "gates" which, where not exceeded or equalled, always make the number of shares to be assigned/transferred equal to zero, such as:

- Solvency Ratio < 100%
- Compound annual yield of the stock (including dividends) over the five-year plan < hurdle rate, where:
 - hurdle rate per CEO: 10%
 - hurdle rate for other beneficiaries: 6%

The Performance Shares Plan envisages that in the event of launch of a public tender offer on 100% of NET's shares (such as the one in progress at the date of this report) or acquisition of its control by right by third parties, during the course of the duration of the Plan, it will terminate in advance of the Final Term. In this case, the Shares will be assigned and/or transferred and/or liquidated to each beneficiary within 15 working days of the occurrence of one of the aforementioned events and in any case in good time to participate in the public tender offer.

In consideration of the above, it should be noted that on 28 September 2022, the company Poste Vita S.p.A. communicated, pursuant to and for the purposes of Article 102, paragraph 1, of the Consolidated Law on Finance (TUF) and Article 37 of the Issuers' Regulation to have taken the decision to promote (through a corporate vehicle directly controlled by Poste Vita) an all-inclusive voluntary public tender offer on the ordinary shares and on the Net Insurance Warrants.

It is therefore envisaged that 847,418 own shares held by the Company will be assigned and transferred free of charge to the Beneficiaries of the Plan (Chief Executive Officer and key Senior Staff of the Management team).

Litigation Technical Area

As at 31 December 2022, in relation to Agro and Suretyships risks, there are no pending positions.

Commercial and Operation Area Litigation

As at 31 December 2022, there are other disputes related to claims. In detail:

Court dispute, concerning the 'Claims & Operations' division, relating to a claim for 'Permanent Disability from Illness' set aside in the reserve for 40,000 Euros. The chances of the dispute being resolved in favour of the Company are promising. For legal expenses, the amount of 3.5 thousand Euros was set aside for the Company. Disputes on Non-Life segment claims. For legal expenses, the amount of 7 thousand Euros was allocated to the Provision for risks and charges.

Legal Affairs Division dispute

As at 31 December 2022, the costs associated with the Company's litigation relating to a petition for the reimbursement of prepaid premiums in the case of an early extinction of the loan, amounted to about 102 thousand Euros, these costs relate to 114 positions.

As at 31 December 2022, legal actions continue in relation to a fraud on the assets stolen to the company and more generally to the Group, as described below, in respect to which the Group is an active party for their recovery.

Specifically, the Group's companies suffered a shortfall of Italian government bonds amounting to approximately 26.67 million Euros, discovered in March/April 2019 (following the radical change in their governance and ownership structure that took place at the beginning of 2019) and dating back to the 2017 financial year (an event defined as a '**black swan**' in order to characterise the severity and uniqueness of its occurrence).

The Companies initiated actions to recover the sums unduly stolen. Up to 31 December 2022, 15 million Euros have actually been recovered. Legal actions are underway to recover the amounts still outstanding in the following areas.

a. breach by Mr Gianluigi Torzi and Sunset Financials Ltd with respect to the agreements they signed related to the plan to return the stolen assets

Following the default by Mr Gianluigi Torzi ('**Mr Torzi**') and Sunset Financials Ltd ('**Sunset**') of the agreement for 18.67 signed by them in relation to the stolen assets repayment plan of 21 July 2019 ('2019 Agreement'), the Group took action against Mr Torzi and Sunset Financials.

On 8 March 2022, another conciliation agreement was reached on the basis of which Mr Torzi undertook to pay the Group companies an amount equal to 550 thousand Euros by 30 November 2022.

This conciliation agreement is without prejudice to all other contractual obligations arising under the 2019 Agreement especially in respect of Sunset, as ruled by the High Court in London and more generally those relating to the payment by Sunset of 10 million Euros in respect of the third instalment of the 2019 Agreement and the other tranches of 8.676 million Euros. As at 31 December 2022, the amount of 550 thousand Euros was not paid to the Companies of the Group, the collection of which had been defined for 30 November 2022, based on the court settlement.

The Group will assess how to assert its credit claims in the appropriate venues and, in particular, the declaration of bankruptcy of Mr Torzi pursuant to the English law.

As at 31 December 2022 the Group is awaiting the setting of the first hearing in the case against Sunset in Malta.

b. failure to repay the bond loan issued by Augusto

As is known, as part of the 2019 Agreement, Net Insurance and Net Insurance Life had become the owners of the entire bond loan issued by Augusto S.p.A. in liquidation ('**Augusto**'), for a nominal amount of 10 million Euros, albeit within the scope of some securities transfer contract rights that can be activated in the event of full payment of the repayment plan. Following the overt default of Torzi and Sunset, Net Insurance and Net Insurance Life became the absolute owners of the entire bond loan issued by Augusto and, as such, acquired, definitively and without any contractual limitation, the right to request the payment of the amount due to Augusto, as also ascertained by the English High Court with final judgment, which has its full effects also in our legal system.

On 2 November 2021, an agreement ('**Conciliation Agreement**') was signed between Net Insurance, Net Insurance Life and Augusto, as part of the broader debt restructuring agreement pursuant to Article 182 bis LF (Bankruptcy Law) of the latter ('**Restructuring Agreement**'), published at the competent Register of Companies. The Restructuring Agreement was approved on 14 January 2022 by the Court of Milan.

With this Settlement Agreement, only Net Insurance and Augusto settled the dispute relating to the injunction issued in favour of Net Insurance ('**Net Injunction**') and the corresponding objection, through the definitive payment by Augusto of the all-inclusive amount of 3.8 million Euros with waiver of the objection and the return to Augustus of 38 bonds. The parties have committed to implement the agreement by 30 September 2022.

In December 2022, Net Insurance collected 3.8 million Euros from Augusto.

Considering the serious breach of Augusto's liquidators, who did not meet the payment deadline of 30 September to which they had unconditionally committed, Net Insurance requested an additional 228,290.44 Euros from Augusto, of which 53,263.71 Euros were for interest and 175,026.84 Euros for monetary revaluation, reserving all further rights.

With reference to the injunction issued in favour of Net Insurance Life ('**Net Life Injunction**'), i.e. the remaining claim amounting to 6.2 million Euros, by means of the Settlement Agreement, the parties also agreed that (in the event that the Ordinary Court of Milan should order the provisional enforceability of said injunction challenged), the amount imposed will be paid by Augusto in favour of the subsidiary Net Insurance Life with the proceeds from the sale of Augusto's equity investments in subsidiaries Aedes SIIQ S.p.A. ('**Aedes**') and Restart SIIQ S.p.A. and, nonetheless, by 30 September 2022.

On 6 June 2022, The Court of Milan decided to reject (with an interim measure subject to reform) the request for provisional enforceability of the Net Life injunction, having erroneously held that the English High Court's judgment by which it ruled (with a final judgment that is fully effective in our legal system) that Net Insurance Life was fully entitled to request payment of the amount due to Augusto, was not applicable to Net Insurance Life, considering, moreover, that it was appropriate to first assess all the evidence by assigning to the parties the terms for the presentation of the preliminary briefs pursuant to Article 183, paragraph 6 of the Code of Civil Procedure. Following the filing of the preliminary briefs, as well as the request for remittance made by the Companies with respect to the filing of documentation formed at a later date, the Court set a hearing for 23 March 2023.

In the meantime, also in relation to complaints submitted by the Companies, Consob has imposed administrative sanctions (see Sanction Measures issued by Consob - Resolution no. 22407 (of 13/07/2022 and publication date of 27/07/2022), Resolution no. 22406 (of 13/07/2022 and publication date of 27/07/2022) and Resolution no. 22272 (of 16/03/2022 and date of publication of 01/04/2022) - with regard to Mr Giuseppe Roveda, and Mr Giacomo Garbuglia, of Aedes, to the auditing firm Deloitte & Touche S.p.A. and to Mr Giacomo Bellia - the latter two parties for the statutory audit of the financial statements as at 31 December 2017 and as at 31 December 2018 of Augusto, relating to the item of the same financial statements called '*Equity investments in subsidiaries*').

On 28 November 2022, a notice of conclusion of the investigations pursuant to Article 415 *bis* of the Code of Criminal Procedure was filed by the Public Prosecutor's Office of Milan, with the notification to the suspects - including two top managers of Augusto and Aedes, Mr Giacomo Garbuglia and Mr Giuseppe Roveda, as well as Mr Torzi - where, *inter alia*, alleged cases of false corporate communications are identified (pursuant to Articles 2622 and 2621 of the Italian Civil Code), an obstacle to the exercise of the functions of public supervisory authorities (pursuant to Article 2638, paragraphs 2 and 3 of the Italian Civil Code), stock exchange (pursuant to Article 185 of Italian Decree Law no. 58/1998), as well as corruption between private parties (pursuant to Article 2635 of the Italian Civil Code).

With reference to the offences related to the statutory audit of the financial statements as at 31 December 2017 and 31 December 2018 of Augusto, please refer to the section Significant events occurring after the end of the year.

With reference to the litigation initiated by the Group and the joint representative of the bondholders against Augusto (concerning the challenge of the 2019 financial statements and, *incidenter tantum*, of the 2017 and 2018 financial statements), the presiding Ordinary Court of Milan, (i) first ordered Augusto to present the opinions issued by two professionals appointed by the same and forming the basis of a liability action approved by the shareholders' meeting against some of its former directors regarding the events connected with the management of the Augusto Bond and (ii) postponed the proceedings to the hearing for the clarification of the conclusions on 14 February 2023. At that hearing, a request was made (and authorised by the judge) for the registration, on the one hand, of the Consob

administrative sanctions (Resolutions nos. 22407, 22406 and 22272) and on the other hand, the notice of conclusion of the investigations and other relevant documents for the purposes of the possible decision.

On 28 November 2022, the Companies filed (currently out of court) a claim for damages against (i) the former directors, statutory auditors and liquidators of Augusto and (ii) the independent auditors of Augusto and Aedes, Deloitte & Touche S.p.A., requesting compensation for the damages suffered.

Likewise, with reference to Aedes, on 30 December 2022, the Companies also filed (currently out of court) a request for compensation against that company, as it was held liable, directly and jointly with some of its former directors, of the damages *suffered and that may be suffered* by the Companies for the events described above. The quantified amount is higher than 9.2 million Euros and in this context additional interest and revaluation have also been requested up to the balance (currently for an approximate amount of 2,050.74 Euros on a daily basis, of which 1,046.36 Euros is for interest and 2,004.38 Euros for revaluation), subject to any further right, more precise quantification in legal disputes, as well as the experimentation of further actions and/or disputes in each venue, none excluded, including those therein pursuant to Italian Legislative Decree 231/2001.

c. liability actions against the auditing company BDO Italia S.p.A., the former Chief Executive Officer and General Manager, the former Chief Financial Officer of Net Insurance and Director of Net Insurance Life S.p.A. and the former Director of Net Insurance.

As at 31 December 2022, proceedings are pending against the former directors and managers and the auditing company BDO Italia S.p.A., all of whom had relationships with the Group in the 2017 and 2018 financial years.

At the hearing of 14 February 2023, the parties discussed their respective preliminary requests and the Court reserved the right to decide on the proceedings.

d. labour law suit regarding the former managing director and chief executive officer and the former chief financial officer of Net Insurance

The previous managing director and general manager and the former chief financial officer, with an appeal pursuant to article 414 of the Italian Code of Civil Procedure, sued Net Insurance to ascertain and declare the unlawfulness of the dismissal imposed by the parent company Net Insurance.

On 11 March 2022, the parent company Net Insurance and the former chief financial officer reached an agreement on the basis of which the former chief financial officer waived his right to appeal against the ruling (in favour of Net Insurance) and undertook to pay the parent company Net Insurance an amount equal to 5,000.00 Euros as partial repayment pursuant to Article 2033 of the Italian Civil Code of the greater amount due by way of bonus, with the

consequent waiver of the parent company Net Insurance to execute the sentence. With reference to the former chief financial officer, the Judge on 28.06.2022 declared the case dismissed.

On 25 March 2022, the parent company Net Insurance and the former managing director and general manager signed an agreement, pursuant to which the parent company Net Insurance paid the total net amount of 3,823.99 Euros, as well as 2,674.15 Euros for reimbursement of medical expenses, in settlement of the severance pay, and the former managing director and general manager waived the appeal against the ruling – which was in favour of Net Insurance – as well as the acts and action in relation to the judgement challenging the resolutions of the 2017 financial statements and the 2018 financial statements. At the same time, the parent company Net Insurance waived the implementation of the ruling.

Remuneration of the Board of Directors and the Board of Statutory Auditors

The remuneration of directors and statutory auditors is described in detail in Annex 32 of the Notes to the Financial Statements.

Own shares

As at 31 December 2022, the Company holds 1,789,941 own shares in the portfolio; this value is down compared to 1,989,933 held as at 31 December 2021. The number of own shares in the portfolio, representing a share of 9.67% of the ordinary share capital, was in fact reduced following the conversion of a part of the bond loan convertible into own shares, issued at the end of 2020.

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.

In particular:

- the Solvency Capital Requirement of the Company is equal to 45.458 thousand Euros;
- the Minimum Solvency Capital Requirement of the Company amounted to 16.787 thousand Euros;
- the amount of the eligible Own Funds covering the Solvency Capital requirement is 88,925 thousand Euros of which 69,015 thousand Euros Tier 1; 13,092 thousand Euros Tier 2 and 6,819 thousand Euros Tier 3;

- the amount of the eligible Own Funds covering the Minimum Solvency Capital Requirement amounted to 72,372 thousand Euros of which 69,015 thousand Euros for Tier 1 and 3,357 thousand Euros for Tier 2.

The Company's Solvency Index, resulting from the ratio of the authorised Own Funds covering the Solvency Capital Requirement, stood at 195,62%.

The Company's eligible Own Funds and Minimum Solvency Capital Requirement ratio stands at 431,11%. The information already mentioned refers to that indicated in the QES (Quarterly ECB reporting Solo) at 31 December 2022 (Q4-2022), forwarded to IVASS by the Company on 6 February 2023; these data are to be considered temporary as the final annual data, which may be subject to revision and adjustments, will be sent to the Supervisory Authority, as required in the Italian legislation, with the AES (Annual ECB Reporting Solo) at 31 December 2022 and included in the Solvency and Financial Condition Report (SFCR).

Risk management

The ultimate responsibility for the functioning of the Risk Management and Control System is defined at Group level and is required by law, to the Board of Directors, which, through its synergistic action, is able to define the strategic and general operating guidelines at the Group and individual Company levels. It is the duty of the Board of Directors to ensure that the risk management system makes it possible to identify, assess and control all risks, and in particular the most significant ones to which the Group and the individual companies are exposed.

In fact, the following are determined annually:

- the risk objectives, through the approval of the Risk Appetite Framework, which internally defines the expected profitability, the related capital absorption and the risk metrics which, jointly, determine an expected level of coverage of the regulatory capital required, given a profitability defined as target, ensuring full compatibility between risk appetite and risk tolerance;
- the strategies, the underwriting and assessment policies of the relevant risks;
- the emergency plans that the Group has adopted.

The Board of Directors approves at least annually all the policies which, jointly, make up the risk and control management system, and oversees that Senior Staff ensure their correct implementation.

The definition of risk measurement methods is the responsibility of the Risk Management Function, which must also define the most appropriate methods of estimating them and the reporting through which the Board of Directors is informed about the evolution of the relative risk-related magnitudes.

The Risk management and internal control system is based not only on the Board of Directors but also on the following other Bodies:

- the Board Committees (Internal Control, Risk and Related Parties Committee, Investments Committee, Remuneration Committee);
- Senior Staff;
- Board of Statutory Auditors and the Supervisory Body;
- Essential Functions;
- Operational Functions.

The Group has classified the identified risks according to a taxonomy as represented in the Risk Management Policy and in the Operational Risk Management Policy.

Financial risks

Interest rate risk, which is the risk of a possible loss in value of assets and liabilities as a result of changes in the term structure of interest rates or in the volatility of interest rates;

Equity risk, which is the risk that arises from the level or volatility of market prices for equities;

Spread risk, which is the risk of a possible loss in value of an asset due to a change in the yield of an asset with respect to the risk-free rate maturity structure;

Concentration risk, or the risk that is generated as a result of the accumulation of positions with the same counterparty;

Real estate risk, that is the risk of financial assets, liabilities and investments deriving from possible changes in the level or volatility of real estate market prices;

Exchange rate risk, or the risk of possible losses on foreign currency positions in the portfolio as a result of the trend in exchange rates;

Country risk, or the risk of insolvency or possible changes, on the prices of financial instruments whose issuer is a public body, dependent on political, economic and social variables;

Credit risk, or the risk that, in the context of a credit position, the debtor will not fulfil, even only partially, its obligations to repay the principal and/or pay interests to its creditor;

Liquidity and custody risk: the risk that the insurance undertaking will not be able to liquidate investments and other assets to settle its financial commitments when they fall due.

ESG risks, i.e. risks attributable to environmental, social and governance issues, with particular attention to risks such as climate change, aging and new welfare, pandemics and extreme events, geopolitical and financial instability, change in healthcare, the changing nature of work and polarisation of lifestyles, and the degradation of biodiversity.

The following table shows the impact of parallel changes in the rate curve on the value of investments in debt instruments.

Table no. 24 - Stress hypothesis

Thousands of Euro	
Assumptions	Impact on the value of debt securities
Increase of 100 basis points	1,745
Increase of 50 basis points	884
Decrease of 50 basis points	-906
Decrease of 100 basis points	-1,836

Technical risks

Pricing risk, i.e. the risk of loss or deriving from adverse change in the value of insurance liabilities, resulting from fluctuations in the time of occurrence, frequency and severity of insured events, associated with the insured events, the pricing processes and selection of risks and unfavourable trends in the actual loss ratio as against the one that has been estimated;

Risk of reserves and deviation of the loss ratio, or the risk linked to the quantification of technical reserves that are not sufficient with respect to the commitments undertaken towards the insured and damaged parties;

Catastrophic risks, i.e., the risk of loss or of adverse change in the value of insurance liabilities arising from the significant uncertainty in pricing assumptions and the establishment of provisions in relation to the occurrence of extreme or exceptional events;

Lapse risks, i.e. the risk of a loss or an adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates applied to policy lapses, terminations, renewals and surrenders;

Risks related to reinsurance efficiency, i.e. the risk that a given reinsurance strategy results in a reduction in risk-adjusted profitability or an increase in capital requirement.

ESG risks, i.e. risks attributable to environmental, social and governance issues, with particular attention to risks such as climate change, aging and new welfare, pandemics and extreme events, geopolitical and

financial instability, change in healthcare, the changing nature of work and polarisation of lifestyles, and the degradation of biodiversity.

Operational risks

▪ Organisation

▪ Policies and Procedures

The risks associated with non-compliance with processes, phases, procedures, activities, interrelationships among operating units, departments, resources; risks associated with mismatching between offices.

▪ People

- Internal fraud
- Key roles, staff shortages, inclusion of women and minorities
- Compliance with powers and proxies
- High manual skills

Operational risks relate to people's behaviour, including those arising in the context of customer relations or concerning the entire insurance distribution chain and the management of pre-sales, sales and post-sales activities, and the increasing search for gender balance, non-discrimination and the empowerment of diversity. They also concern the risks associated with the theft, damage, appropriation or improper or unauthorised use of the assets that the Company uses to achieve its corporate purpose. They also include the risks associated with the excessive manual activities, the lack of key personnel and compliance with the framework of powers and delegations approved by the Board of Directors.

▪ External events

- Outsourcing
- External fraud

Risks relating to non-compliance with service levels agreements by suppliers and, in particular, by suppliers of key outsourced activities, including business continuity risks. Risks relating to possible fraud by third parties to the organisation, to the detriment of the Company, are also included in this category. They also include risks associated with the theft, damage, appropriation or improper or unauthorised use, by third parties, of the assets that the Company uses to achieve its corporate purpose.

▪ Information management system

- Data governance and data quality
- Business continuity
- ISO 27001 information security

- Digital revolution and IT security

This refers to risks related to operational continuity and generated by fortuitous or malicious events affecting human resources or physical/IT assets, including computer sabotage, also by third parties, data theft and activation of malware of any kind. This category also includes risks relating to the area of data governance and data quality, as regards aspects of completeness, relevance, appropriateness and continuity of data availability, as well as the risks that may arise from the presence of poor data quality.

- **Non-compliance**

- Non-compliance with regulations, sanctionability and regulatory complexity
- Transparency and business

This refers to the risk of incurring judicial or administrative sanctions, suffering a loss or damage as a result of non-compliance with laws at any level, directly applicable regulations and standards or provisions issued by the Supervisory Authorities or self-regulatory rules, such as by-laws, codes of conduct or codes of self-regulation; this also the risk arising from unfavourable changes in the regulatory framework or case law guidelines.

Transparency and business risk refers to the fact that investors consider sustainability factors as investment and divestment criteria and institutional investors are committed to influencing issuers towards more sustainable practices. Governments and regulators asking companies to increasingly disclose the impacts they generate on the environment and society in detail.

- **Socio-economic area**

- Reputational and strategic risk
- Geopolitical and financial instability
- The changing nature of work and the polarisation of lifestyles
- Change in healthcare

The risk of deterioration of the company's image and increased conflict with policyholders, also due to the poor quality of the services offered, the placement of inappropriate policies or the behaviour of the sales network, and the economic risks arising from geopolitical uncertainty that could trigger a wider deterioration in global interconnectedness, are also included. It also includes all the strategic risks deriving from external factors such as the business strategy and the achievement of the strategic objectives defined by the Board of Directors. This also includes the risk of belonging to the Group, due to which, as a result of the relationships between the Company and the other entities of the Group, situations of difficulty arising in one entity of the same Group can spread with negative effects on the solvency of one or all the Companies of the Group. In addition, socio-economic risks include risks linked to the changing nature of work and the polarisation of lifestyles, as well as to changes in healthcare.

- Environment
- Climate change
- Pandemics and extreme events

Operational risks include environmental risks, which can be divided into the dual component of risks incurred and risks generated. With reference to the former, and in relation to the Group's activities, the risks linked to the direct generation of impacts on the environment cannot be excluded. However, due to the business situation that characterises the Companies of the Group, belonging to the tertiary sector, the risk profiles relating to environmental issues are currently reduced. It should be noted in particular that the waste cycle follows the local regulations currently in force and that no harmful gases are released into the atmosphere due to the type of systems used in the headquarters building for air conditioning and the production of domestic hot water. The company building is also equipped with photovoltaic panels for the production of electricity, with an average production of between 20% and 30% of the energy consumed. With regard to the environmental risks suffered, the Companies of the Group are exposed to the risk related to global climate change, which can have both physical and transitional impacts, and to the risk linked to the increase in pandemics and extreme events.

Following is a description of the strategic levers through which the Company and, as a whole the Group, aim at a risk profile compatible with the related own funds to cover, also in a medium-long term time horizon:

- diversification of technical risks, through the Companies' willingness to be strategically present not only in the area of Salary-backed loans, where there is an undisputed leadership on the Italian market, but also in the other Non-life segments, excluding in particular Civil Liability for driving motor vehicles;
- recourse to the reinsurance lever, through the constant search for the balance point between the optimisation of the exposure to technical risks, the maintenance of an adequate level of solvency and the achievement of an adequate technical profitability;
- the innovative approach, a cutting-edge distribution model and a wide openness to the issues of digital, process and product innovation;
- the definition of robust procedures and processes in the context of underwriting, settlement and exposure monitoring practices;
- the efficient diversification of the risks associated with the financial portfolio of the Companies and the Group as a whole, as part of a constant search for the optimisation of the risk-return profile through a

careful policy consisting of choosing the types of securities, issuers, sectors and investment themes, reducing specific risks and avoiding excessive concentrations;

- constant attention to liquidity risks, not only understood as the possible difficult conversion into cash of investments in securities, but also in relation to the asset-liability mismatch, both in a short-term and medium-long term;
- an operational risk management framework based on the identification of said risks within the system of procedures, the use of mitigation techniques, including business continuity and disaster recovery plans, the definition of quantitative metrics for the assessment of operational risks and the maintenance of a database for recording operational losses.

Furthermore, the Company is insured with other companies for the greater risks deriving from the performance of their business.

The Company, and likewise the Group, also has an internal control system proportionate to the nature, extent and complexity of the current and future business risks, aimed at identifying, assessing and controlling the most significant risks to which it is exposed. This system is made up of a set of roles, functions and activities that cascade down from the top management to the individual operating units, based on the Procedures and operational processes and which also reverberates within the framework of powers and delegations within the business organisation.

Table no. 24 - Stress hypothesis

Thousands of Euro	
Assumptions	Impact on the value of debt securities
Increase of 100 basis points	1,745
Increase of 50 basis points	884
Decrease of 50 basis points	-906
Decrease of 100 basis points	-1,836

The following table shows the exposure at book value of the financial investments to the different rating classes, excluding the real estate exposure and any existing loans:

Table no. 25 - Credit risk of financial investments

Credit risk from financial investments 31/12/2022 (excluding Property and Financing)	2022 Book value	%
AAA	2,963	2.26%
AA	7,660	5.84%
A	12,393	9.45%
BBB	31,853	24.30%
Non-investment (BB/B/C)	7,739	5.90%
Not Rated	614	0.47%
Total Bonds	63,222	48.23%
Mutual Funds	34,930	26.65%
Stocks	2,235	1.71%
Equity investments	30,696	23.42%
Total Investments	131,083	100.00%

*Net Life equity investment not included

The following table shows the exposure of the top five government issuers within the Company's portfolio:

Table No. 26 – Exposure to the top 5 issuers countries

Exposure to the top 5 issuers Countries	Book value as at 31/12/2022	%
Italy	25,215	62.90%
Spain	9,018	22.49%
France	2,158	5.38%
Netherlands	1,494	3.73%
Germany	1,469	3.66%
Total	40,090	100.00%

GOVERNANCE SYSTEM

Privacy Compliance

The Company, in the capacity as 'Data Controller' guarantees constant compliance with the provisions set forth in Regulation EU 2016/679 (GDPR) as well as with Italian Legislative Decree no. 196 of 30 June 2003.

In particular, the Company has prepared the 'Guidelines and Organisational Model on Privacy'.

The document pursues the objective of describing the obligations regarding the protection of personal data, to be fulfilled by all the entities involved, introducing, if necessary, the detailed operational processes for each subject dealt with.

The Organised Model pivots on the following figures: Data Controller; DPO; Privacy contacts; Data Processors; System administrators.

The DPO acts as the main company contact in relation to issues concerning the processing of personal data and is required to monitor compliance, within the company, with the rules on the protection of personal data. In this regard, the DPO is responsible for informing and providing advice to the Data Controller and to the data processors concerning the obligations deriving from the GDPR, and acts as a contact point for the Supervisory Authority for any matter related to the processing.

Safety at the workplace

The implementation of the obligations provided for by Legislative Decree 81/08 and subsequent amendments and additions (so-called Consolidated Law on Safety at the workplace) has been entrusted, under an outsourcing arrangement, to the company Ecoconsult S.r.l.

In particular, Ms Silvia Marchese, fulfilling all requirements for the position, has been appointed as the Manager of the Prevention and Protection Service (MPPS) (art. 32 of Italian Legislative Decree no. 81/08 and subsequent amendments and additions). The contract, executed on 27 June 2007, is automatically renewable. The Manager of Internal Safety is also part of the Group, since 2009; he/she is responsible for occupational health and safety at the workplace and represents the reference point for the Board of Directors, for the individual officers and employees and he/she interfaces on behalf of the Company with the external safety representatives and with the public control authorities. The Manager of Internal Safety is also responsible to present, to the Board of Directors at the time of approval of the financial statements, a report on the current status of implementation of prevention measures in the area of occupational health and safety, any shortcomings and deficiencies identified, and any corrective

measures that are deemed to be necessary, as well as any concrete interventions to be carried out. The already mentioned report is also accompanied by a note sent by the Manager of the external service of prevention and protection.

The Company, in compliance with the provisions of Italian Legislative Decree no. 81/2008 and subsequent amendments and additions has completed the following:

- the drafting and updating of the risk assessment document (DVR), with the performance of environmental surveys,
- lighting technology and ergonomic inspections of each work station;
- attachment for the containment of the risk from COVID-19 (for the pandemic situation);
- the drawing up and update of the emergency plan pursuant to Ministerial Decree of 10 March 1998 (fire safety and emergency management) and pursuant to Ministerial Decree 388/03 (company first aid);
- evacuation drills in compliance with articles 43 and 44 of Italian Legislative Decree 81/08 and subsequent amendments and additions;
- convening of the annual meeting on safety according to the provisions of art. 35 of Italian Legislative Decree 81/08 and subsequent amendments and additions;
- updates provided to the Workers Safety Representative pursuant to art. 37, paragraphs 10 and 11 of Italian Legislative Decree 81/08, and subsequent amendments and additions;
- training of the newly hired personnel according to the provisions of art. 37 of Italian Legislative Decree 81/08, and subsequent amendments and additions;
- training on the defibrillator use for the first aid team;
- training for newly promoted executives;
- appointment of the Competent Physician pursuant to Italian Legislative Decree 81/08, as amended;
- appointment of the Manager of the Prevention and Protection Service pursuant to Italian Legislative Decree 81/08, as amended.

The additional activities carried out during the 2022 financial year were as follows:

- Survey for the assessment of work-related stress;
- Survey for the assessment of the concentration of radon gas in underground and basement rooms.

Administrative liability of the Company pursuant to Italian Legislative Decree No. 231/2001

The Board of Directors of 26 January 2022 approved the update - started in the second half of 2021 - of the organisation, management and control model in compliance with the provisions of Legislative Decree 231/2001 (hereinafter OMM).

In particular, during the second half of 2021, on the recommendation of the SB, the project to update the OMM was launched with particular reference to the additions necessary for tax offences, for the offences introduced with Legislative Decree No. 75/2020 (PIF), for the regulations pursuant to Directive (EU) 2019/1937 as well as for the organisational changes that occurred in the Company.

On 9 November 2022, the Board of Directors approved a further update to the 231 OMM, which exclusively concerned Market Abuse Offences.

The OMM was prepared on the basis of the provisions contained in Decree 231 and other reference standards, the Guidelines for the insurance sector drawn up by the National Association of Insurance Companies (Associazione Nazionale fra le Imprese Assicuratrici - ANIA) and those issued by Confindustria, best practices on the administrative liability of entities (corporate criminal liability), the main doctrinal and jurisprudential guidelines available and the results of the Risk Self-Assessment activities conducted.

The OMM 231 is divided into two sections:

- General Part (accompanied by Attachment 1: Code of Ethics and Conduct and Attachment 2: Disciplinary Code)
- Special Part

The Supervisory Body of the Company was established by a resolution adopted by the respective Board of Directors, in order to supervise the functioning and compliance with the OMM and to update it.

The Supervisory Body was established in a collegiate form and consists of members from different professional backgrounds to ensure the expertise and knowledge of the organisational structure and business processes and the effectiveness of controls.

The members of the Supervisory Body are as follows:

- Mr Blandini Antonio (Chairman), currently also Chairman of the Company's Board of Statutory Auditors;
- Mr Marco Gulotta, currently also a member of the Company's Board of Statutory Auditors.
- Mrs Sabina Ippoltoni, currently also a member of the Company's Board of Statutory Auditors.

In line with best practices and previous case law on the subject, the SB meets the necessary requirements of independence, honourableness and professionalism and does not present any grounds for incompatibility with the appointment.

One of the members of the Board of Directors of Net Insurance holds a liaison position at Group level between the Board of Directors and the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001.

In order to facilitate the flow of reports and information to the SB, a dedicated e-mail channel has been set up to which SB members have access externally via a browser through their login credentials and a certified email channel dedicated only to reporting pursuant to the whistleblowing legislation, to which only SB members have access.

CORPORATE GOVERNANCE STRUCTURE

The model adopted by the Company, since 2019, is based on the joint activity of the various players involved, in particular the Board of Directors, the Board of Statutory Auditors, the Board Committees, the Supervisory Body, the Senior Staff, the Manager in charge of financial reporting, the Essential Functions and Operational Governance Areas.

Board of Directors

The management of the Company is exclusively entrusted to the Board of Directors which has full powers in the pursuit of the corporate objectives within the limits set forth by the law.

Pursuant to the Articles of Associations, the Board of Directors is vested with the broadest and unlimited powers for the ordinary and extraordinary management of the Company and more specifically, the Board is granted all the powers that are necessary or even only appropriate for the achievement of the corporate objectives as well as general representation for all actions performed on behalf of the Company.

The Board, based on the information received, assesses the adequacy of the organisational, administrative and accounting structure of the Company; when the strategic, business and financial plans of the company are completed, it reviews and assesses them; it finally evaluates, based on the reports provided by the delegated bodies, the general performance of the Company.

The Board promotes a high level of integrity and a culture of internal controls and risk management – covering also outsourced activities – so as to raise the awareness of the employees on the importance and necessity of controls and risk management; defines and formalises the interactions among the several functions that are responsible for controls and risk management in order to ensure a system that is adequate and effective in both of these two areas.

The Board of Directors is also responsible for updating the risk assessment, so that internal controls adequately take into account new risks or risks that were previously not subject to assessment and controls.

The BoD must also be periodically informed on the effectiveness and adequacy of the internal control and risk management system and must be promptly made aware of any more significant critical issues, by the person who has identified them.

The Board ascertains that the corporate governance system is consistent with the set forth strategic policies and risk appetite and that it is capable of identifying and updating corporate risks and their interrelations, so that the organisational units take into appropriate account the new risks or the risks that were previously not subject to assessment and controls.

Board of Statutory Auditors

The activities of the Board of Statutory Auditors focus on an evaluation of the organisational, administrative and accounting structure of the Company and on its functioning; on a general assessment of the efficiency and effectiveness of the internal control system while ensuring that the internal auditing, in particular, is carried out with the necessary autonomy, independence and professionalism, without duplicating the work of the other subjects involved.

Within the scope of its activities, aiming at a general assessment of the actual appropriateness of the internal control system to the performance of its tasks, the Board of Statutory Auditors maintains constant and continuous contacts with the Manager of the Internal Audit Function through a review of the periodical (quarterly) reports drawn up thereby, and through specific meetings.

The Board of Statutory Auditors may derive significant information for the monitoring of its internal control system also from the work of the Risk Manager, the Compliance Officer and the Management Control Officer as well as the Manager in charge of financial reporting.

Board Committees

In 2019, the following Board Committees were established in the Company for the purpose of assisting and providing advisory and proposal services to the Board of Directors and to Senior Staff. These are:

- the Appointment and Remuneration Committee is responsible for providing advisory and proposal services applied to assessments and decisions related to appointments and remunerations.
- the Investment Committee is responsible for managing investments, as well as monitoring the Company's compliance with the policies, guidelines and recommendations issued in the area of investments.
- the Internal Risk Control Committee and Related Parties, established in order to strengthen the internal control and risk management system in compliance with the provisions of art. 6 of the Regulation 38/2018, oversees the Board in its assessments and decisions related to the internal control and risk management system, including transactions with related parties.
- the ESG Committee, established in order to assist the Board in evaluations and decisions related to sustainability, understood in the broader concept of environmental, social & governance, including the definition of a sustainability strategy with the aim of generating value in the medium to long term.

Supervisory Body

The Supervisory Body is an important component of the continuous monitoring carried out by the internal control and risk management system of the Company, since, being in charge of supervising and controlling the effectiveness of and compliance with the organisational model, it allows to prevent deviant conduct for which the Company could be accountable pursuant to Legislative Decree 231/2001 and, therefore, represents a further safeguard for the stability of the Company.

Senior Staff

The Chief Executive Officer is responsible for implementing the resolutions passed by the Board of Directors; in particular, the CEO is responsible for ensuring that the organisational, administrative and accounting structure is adequate for the type and size of the company and reports to the BoD and the

Board of Statutory Auditors on the general performance and on the most important operations carried out by the Company, based on its size and characteristics, in executing its mandate.

Senior Staff are responsible for implementing the strategies and the policies approved by the Board of Directors; for designing processes aimed at identifying, measuring, monitoring and controlling the risks undertaken by the Company; maintaining an organisational structure that can clearly identify responsibilities, competences and hierarchical reporting; ensuring that the delegated functions are properly performed; verifying the adequacy and efficacy of the corporate governance.

The BoD and Senior Staff are responsible for promoting high ethical and integrity standards as well as creating a corporate culture that enhances and demonstrates to all personnel the importance of internal controls. The purpose is that all the employees gain a clear understanding of their roles in the internal control process and are fully committed to it.

Manager in charge of financial reporting

The Manager in charge of financial reporting reports periodically to the Board of Directors also through the Internal Control, Risk and Related Parties Committee, as regards the activities carried out while performing their functions. They are responsible for the following functions:

- guaranteeing the development of adequate administrative and accounting procedures for the preparation of the financial statements for the period, of the consolidated financial statements and any other type of financial reports, in collaboration with the company's competent structures;
- assessing, jointly with the delegated body, the adequacy and the actual application, during the reference period of administrative and accounting procedures, the correspondence of the corporate accounting documents with the accounting records, as well as their suitability in providing a truthful and correct representation of the equity, economic and financial position of the Company;
- declaring the correspondence to the results from documents, accounting books and records of any acts and communications sent by the Company to the market concerning financial annual and intra-annual reports.

Essential Functions

Pursuant to the sector regulations, the Company has established the following Essential Functions which, in compliance with the independence requirement, since they are separate in terms of their organisational profile, report directly to the Board of Directors and the Internal Control, Risk and Related Parties Committee:

- Internal Audit Function, internalised by resolution of the Board of Directors of 21 January 2019;
- Risk Management, internalised by resolution of the Board of Directors of 25 November 2019;
- Compliance, DPO and Anti-Money Laundering Function;
- Internalised Actuarial Function with resolution of the Board of Directors of 30 September 2021.

The Internal Audit Function is an independent and objective Assurance, Control and Advisory Function, aimed at improving the effectiveness and efficiency of the organisation. In compliance with the principle of separation, it assists the organisation in pursuing its objectives through a professional and systematic approach, generating added value with a view to evaluating and improving the control, risk management and Corporate Governance processes.

The **Risk Management Function** contributes, together with the other players involved in the risk management, to the identification, definition and creation of a management system for all risk-related activities, through the development and maintenance of policies, methodologies and risk measurement tools.

Compliance, DPO and Anti-Money Laundering Function:

- **Compliance** is responsible for assessing the organisation and the internal procedures of the Company in terms of their adequacy in pursuing the objectives for preventing the risk of incurring any legal or administrative penalties, loss of assets or damage to the reputation following any breach of the law, regulations or provisions set forth by the Supervisory Authority or any self-regulatory provisions, focusing on compliance with the regulations related to transparency and appropriateness of the behaviours towards the insured and more in general the protection of the consumer.
- **Anti-Money Laundering** ensures the suitability of the system of internal controls and company procedures as regards the risk of money laundering and terrorist financing, with the aim of preventing

and combating the breach of laws, regulations and self-regulation on the matter.

- **The DPO** promotes the culture of data protection within the Company and the Group by pursuing the implementation of all the essential principles of EU Regulation 679/2016 (GDPR).

The **Actuarial Function** ensures, based on the applicable laws, that the methodologies and the assumptions formulated in the calculation of the technical reserves are appropriate as regards the specificity of the business lines and that they can, in general, guarantee an effective risk management system, especially as regards technical aspects and capital requirements.

Organisational Governance Divisions

The organisational structure of Net Insurance Life S.p.A. is of a functional type and, at 31 December 2022, can be broken down into the following four Divisions:

2. Marketing Officer;
3. Business Officer;
4. Financial Officer;
5. Operating Officer.

These Divisions report to the CEO and are divided into Services.

The activities pertaining to these Divisions are summarised below:

- **The Marketing Officer Division:** provides an overall view of the market and its development, identifying the processes and actions aimed at promoting brand recognition and reputation as well as further developing relationships with its customers (intermediaries or retail).
- **The Business Division:** ensures the achievement of the commercial objectives set out for the identified channels and business lines (Bancassurance, Brokers and Salary-Backed loans) further advancing the development of products in line with the customers and the distribution channels requirements, while guaranteeing continuous and increasing levels of the offer's innovation and uniqueness, also through the promotion and support of professional training and updating activities related to the direct network.
- **The Financial Division** formulates and implements, in line with the strategic choices of the Group, the policies concerning general, reinsurance and financial accounting, separate and consolidated financial

statements, half-yearly separate and consolidated financial reports, as well as any activity related to compliance with tax and corporate requirements; policies concerning the financial statements in compliance with Solvency II and with all related quarterly and annual supervisory quantitative models; additional Solvency II reports; policies concerning management planning and controls, and all activities related to the formulation of business projections – equity and technical, both forward-looking and final (including policies concerning the internal current and future risk assessments) as well as reports on the solvency of the Company and the Group (so-called ORSA Report); policies concerning financial investments and management of the Treasury, policies applicable to the management of capital and assets aimed at fulfilling obligations related to the quotation of the Companies on the AIM Italia market.

- The Operations Division defines the industrial guidelines of the Company, planning and managing all the projects for the transformation and change of the Company.

These activities are accompanied by adequate plans for the professional growth and training of the resources and for supporting them with adequate sourcing policies.

It also guarantees the technological, digital and architectural developments of systems and platforms, taking care of their maintenance and evolution and also ensuring physical and logical security within the Company. Defines the Development and Retention Plans used by human resources ensuring the application of the remuneration policies defined by the BoD as well as the definition of training plans. It provides support to the CEO and to the BoD in the definition of the business strategies with a specific focus on the processes, selection activities and monitoring of the outsourcers. Manages all operations of a logistic nature, as well as the activities and operations related to the process of purchasing goods and services, thus guaranteeing the execution of high standard contracts, based on SLAs that are constantly being monitored. Manages all operations related to the Salary-backed Loans portfolio and RE as well as all related claims, monitoring the technical performance and optimising the process of the Company for credit recovery.

Internal control and risk management system

The internal control and risk management system plays a key role in the Company's corporate governance and during the 2022 financial year oversaw:

- the guidance capacity of the Board of Directors, also with the support of the Board Committees and the proactive participation in them by the Chief Executive Officer, Management and Middle Management, aimed at greater involvement of the organisational structure in achieving the objectives of the Business Plan and in compliance with the control and risk management system;

- the role of the Internal Control, Risk and Related Parties Committee for the improvement of the governance system implemented also through the formalisation of the Action Log, which collects the recommendations provided to Management during its work;
- the guidance capacity of the Supervisory Body, as can also be seen from the reading of the 2021 Annual Report and the update of the Organisation and Management Model under Legislative Decree no. 231 of 8 June 2001, of the Code of Ethics and the Disciplinary Code;
- the proactive participation of the Chief Executive Officer, of the Management and Middle Management in the Internal Control, Risk and Related Parties Committee aimed at greater involvement of the organisational structure for the implementation of an adequate risk management process and related controls in terms of:
 - reliability and integrity of information;
 - effectiveness and efficiency of projects;
 - safeguarding of assets;
- listing on the Euronext Milan STAR segment;
- the organisational system, consistent with the strategy and company policies that was formalised with the draft of the organisation chart, the functions chart and the document Power, Powers of Attorney and Delegations Structure;
- the continuous strengthening of information flows to all corporate bodies and the rapidity of response of the operating structures to further needs for documents or in-depth analyses on relevant issues;
- the system of company rules, consisting of policies, procedures, guidelines and organisational provisions aimed at guaranteeing, with a reasonable security margin, the achievement of company objectives;
- an adequate and proportionate risk management system for the company;
- robust training and refresher courses for all personnel.
- The maintenance of ISO 27001:2013 Certification for the Information Security Management System.

IT and technology development

The management of the information systems was aimed primarily at supporting the various business lines of the companies of the Group: Salary-backed loans, Bancassurance, Brokers and digital channel.

In particular:

- the launch of new distribution agreements with banking partners was supported (of which 4 launched in 2021 and three in 2022);
- a sale of impaired loans was carried out as they are no longer collectible.

Particular attention was paid to IT security, both by strengthening the controls and by increasing employee awareness (knowledge) of cybersecurity issues through specific training.

Management was then characterised by a continuous search for efficiency, improvement and automation of processes, with special attention paid to those areas with a significant presence of staff and extensive use of paper material.

The current management has been accompanied by quite important project activities, such as the transition to the new SAP accounting system, the internalisation of the medical tele-visit in the context of the salary-backed loan underwriting processes, the centralisation of all paper documentation in a single TPA (third party administrator).

Finally, from a purely technological point of view, a software layer has been developed that allows our products distributed on the digital channel to be available 24/7.

The development team was strengthened, also thanks to the support of external resources and the relationships with the main technology suppliers.

All the activities were carried out in full and continuous compliance with the investment budget as approved by the Board of Directors.

Equity and economic transactions with intra-group and related parties

As at 31 December 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 31 December 2022.

As at 31 December 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.); (v) Banca di Sconto S.p.A. (entity controlled by Related Party IBL Banca S.p.A.); (vi) Figenpa S.p.A. (entity invested 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., Banca di Sconto S.p.A. and Figenpa S.p.A., pursuant to the insurance agreements stipulated with the same, 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 31 December 2022, distributes 8 family protection products and has been authorised to distribute the Suretyship segment; 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 31 December 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 was equal to a total annual amount of 646,644.00 Euros; the cost of services rendered by Net Insurance to the subsidiary was equal to a total annual amount of 1,944,122.00 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 credit/debit relationship with IBL Banca S.p.A. deriving from the portion of the Bond Loan, issued by the parent company, and signed by IBL on 28 September 2021As at 31 December 2022 on the basis

of regulation no. 30/2016 (Policy on intercompany transactions), the Company Net Insurance - declares that the intercompany transactions carried out are:

- the credit relationship generated by the subordinated ten-year bond loan (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 provision of operational support/assistance services by Net Insurance Life S.p.A.
The transaction amounted to 646.64 Euros;
- On 28/09/21, IBL Banca subscribed a part of the Tier II subordinated bond issued by NET and listed on the Vienna MTF (a nominal value of 12,500,000 Euros of the bond issued) Duration: 10 years, with the Issuer's right to call the bond early starting from the 5th year. Interest rate: 5.10% fixed (on an annual basis).
- On 17/12/20, IBL Banca subscribed a part of the Tier II subordinated bond issued by NET and listed on the Vienna MTF (a nominal value of 500,000 Euros of the bond issued) Duration: 10 years, with the Issuer's right to call the bond early starting from the 5th year. Interest rate: 4.60% fixed (on an annual basis) and payable in two half-yearly coupons.

With regard to other intra-group and related party transactions that took place in 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 Company is required to comply with the provisions of:

- the Guidelines and Procedure for Related Party Transactions approved by the Board of Directors and available on the website of the Net Insurance Group;
- the Policy on Intra-Group Transactions approved by the Board of Directors of the Company pursuant to IVASS Regulation No. 30/2016.

BUSINESS OUTLOOK

Excluding events of an extraordinary nature and not foreseeable at the time of drafting of these financial statements, the company shall continue with the development relating to the Business Plan, of all the projects functional to achieving the targets set for the year 2023.

As regards the 'non-salary-backed loan' area, the company will consolidate the expansion of distribution collaborations, both in the bancassurance segment and in the broker/multi-firm agency channel.

Overall, business development activities shall be carried out, in terms of product - such as the enrichment of the insurance offer in the catalogue - and process, with the aim of guaranteeing an increasingly high standard of quality and innovation to current and perspective partners.

Also for the year 2023, the company will make investments in training, IT applications and human resources, with the aim of further strengthening the operating machine serving the business.

In 2023, the action to strengthen the Group's presence in the core sector of salary-backed loans will continue through the digital approach and further optimisation of the efficient and digital operating machine that can guarantee a strong personalisation of service to partners.

The company will continue to invest in the proposition of flexible tariffs, calibrated on the reliability profile of the employer associated with the creditworthiness of the borrower and on the technical performance of the contracting parties.

With regard to Digital, the development of this strategic pillar will continue, which through its tools will make it possible, on the one hand, to digitise all the legacy processes forming the basis of business processes and, on the other hand, the distribution of innovative, competitive and flexible Protection products.

SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING PERIOD

With regard to the events occurred after the reporting period, it shall be noted that:

- on 8 February 2023, the Company, at the request of Net Holding S.p.A. (the 'Offeror') disclosed a press release issued by the same Offeror announcing the authorisation of the Bank of Italy for the acquisition of an equity investment in Net Holding S.p.A. by IBL Banca, pursuant to Articles 53, paragraph 1, letter c), and 67 of the Legislative Decree no. 385 of 1 September 1993 and the related provisions of the secondary regulations issued by the Bank of Italy;
- on 15 February 2023, at the request of Net Holding S.p.A., the Company communicated:
 - obtaining prior authorisation from IVASS for the acquisition by Net Holding S.p.A. of a direct controlling interest in Net Insurance S.p.A. and, consequently, of an indirect controlling interest in Net Insurance Life S.p.A., pursuant to and for the purposes of the Article 68 of Italian Legislative Decree no. 209 of 7 September 2005;
 - the approval by Consob of the offer document relating to the full voluntary public tender offers on shares and warrants of Net Insurance S.p.A. promoted by Net Holding S.p.A. The acceptance period was identified from 27 February 2023 (beginning) to 6 April 2023 (term), included, except for extensions.
- on 24 February 2023, the Parent Company, at the request of Net Holding S.p.A., communicated the publication on the same date of the Offer Document approved by Consob with resolution no. 22604 of 15 February 2023; the Offer Document contains a description of the Offers and the procedures for accepting them. In particular, the period of acceptance of the Offers, agreed with Borsa Italiana, covers an interval between 27 February 2023 and 6 April 2023. The consideration for the Offer on the Shares is equal to 9.50 Euros for each share offered in acceptance of the Offer on the Shares; while the consideration for the Offer on the Warrants is equal to 4.81 Euros for each warrant tendered to the Offer on the Warrants. The two considerations will be paid to participants in the Offers on 14 April 2023
- on 27 February 2023 the Board of the Parent Company resolved to approve (in execution of the '2019-2023 Performance Share Plan', as per the Shareholders' Meeting on 19 July 2019) the assignment in favour of the Chief Executive Officer and the entire first line of management of a total of 847,418 ordinary shares of the Company.
- With reference to the events related to the Augusto bond and the notice of conclusion of the investigations pursuant to Article 415 *bis* of the Code of Criminal Procedure:

- On 2 February 2023, the Milan Public Prosecutor's Office requested the committal for trial, among others, of Mr Torzi, Mr Giacomo Garbuglia and Mr Giuseppe Roveda for the case offences indicated above and that the Preliminary Investigations Judge (GIP) has set a hearing for 10 July 2023.
- On 28 February 2023, the Companies legitimately had full access to the criminal file relating to the notice of conclusion of the investigations and, in this sense, from an initial analysis of the documentation it is believed that the same may be of considerable interest for protection of the rights of the Companies.

THE BOARD OF DIRECTORS

Luisa Todini (Chairperson)

A handwritten signature in black ink, appearing to read "L. Todini", written in a cursive style.

FINANCIAL STATEMENTS

AS AT

31 DECEMBER 2022

BALANCE SHEET

Values as at 31-12-2021

						181
		182				
183						
184	3,617,867	185	3,617,867			
		186	30,471			
		187				
		188				
		189	12,434,024			190 16,082,362
		191	5,138,729			
		192				
		193				
		194				
		195		196	5,138,729	
197						
198	29,502,490					
199						
200						
201	1,887,978	202	31,390,468			
203						
204	5,000,000					
205						
206						
207		208	5,000,000			
209						
210						
211						
212						
213		214		215	36,390,468	
			to be carried over			16,082,362



BALANCE SHEET
ASSETS

Values as at 31-12-2022

			carry-over			18,037,508
C. INVESTMENTS (continued)						
III - Other financial investments						
1. Shares and holdings						
a) Listed stocks	36	87,014				
b) Unlisted stocks	37	1,731,901				
c) Holdings	38		39	1,818,914		
2. Units of mutual investment funds			40	34,930,522		
3. Bonds and other fixed-income securities						
a) listed	41	54,079,960				
b) unlisted	42	3,947,879				
c) convertible bonds	43	194,729	44	58,222,568		
4. Loans						
a) collateralised loans	45					
b) loans on policies	46					
c) other loans	47	316,840	48	316,840		
5. Shares in joint investments			49			
6. Deposits with credit institutions			50			
7. Sundry financial investments			51		52	95,288,845
IV - Deposits with assignors					53	42,927
					54	141,102,803
D. INVESTMENTS FOR THE BENEFIT OF LIFE POLICYHOLDERS WHO BEAR THE RISK AND ARISING FROM THE MANAGEMENT OF PENSION FUNDS						
I - Investments relating to services associated with investment funds and market indices					55	
II - Investments deriving from the management of pension funds					56	57
D bis. TECHNICAL RESERVES ATTRIBUTABLE TO REINSURERS						
I - NON-LIFE BUSINESS						
1. Premium reserve			58	103,242,615		
2. Claims provision			59	14,787,169		
3. Reserve for profit sharing and rebates			60			
4. Other technical provisions			61		62	118,029,784
II - LIFE BUSINESS						
1. Mathematical reserves			63			
2. Supplementary insurance premium reserve			64			
3. Amounts to be paid reserve			65			
4. Reserve for profit sharing and rebates			66			
5. Other technical provisions			67			
6. Technical reserves when the investment risk is borne by the policyholders and reserves deriving from the management of pension funds			68		69	70
				to be carried over		118,029,784
						277,170,094

Values as at 31-12-2021

		carry-over			16,082,362
216	68,040				
217	1,262,497				
218		219	1,330,537		
		220	36,141,929		
221	47,786,902				
222	4,764,041				
223	197,183	224	52,748,125		
225					
226					
227	263,648	228	263,648		
		229			
		230			
		231		232	90,484,239
				233	118,357
				234	132,131,792
				235	
				236	237
		238	96,643,503		
		239	13,456,869		
		240			
		241		242	110,100,372
		243			
		244			
		245			
		246			
		247			
		248		249	110,100,372
		to be carried over		250	110,100,372
					258,314,526



BALANCE SHEET
ASSETS

Values as at 31-12-2022

		carry-over				277,170,094		
E.	RECEIVABLES							
	- Receivables arising out of direct insurance transactions, with regard to:							
I	1. Policyholders							
	a) for premiums for the year	71	28,106,924					
	b) for premiums of the previous years	72	(13,774,540)	73	14,332,384			
	2. Insurance brokers			74	17,704,603			
	3. Current account companies			75	285,955			
	4. Policyholders and third parties for amounts to be recovered			76	19,362,998	77	51,685,940	
	Receivables arising out of reinsurance transactions, with regard to:							
II	1. Insurance and reinsurance companies			78	2,491,157			
	2. Reinsurance brokers			79		80	2,491,157	
III	- Other receivables					81	18,794,634	
						82	72,971,731	
F.	OTHER ASSET ITEMS							
I	- Tangible assets and inventories:							
	1. Furnishing, office machines and internal transport means			83	212,252			
	2. Movable assets recorded in public registers			84	721			
	3. Plants and equipment			85	3,936			
	4. Inventories and sundry goods			86		87	216,909	
II	- Cash and cash equivalents							
	1. Bank deposits and postal accounts			88	4,395,260			
	2. Checks and cash balance			89	1,942	90	4,397,202	
III	- Own shares or holdings					91		
IV	- Other assets							
	1. Transitory reinsurance accounts receivable			92				
	2. Sundry assets			93	7,235,338	94	7,235,338	
						95	11,849,450	
G.	ACCRUALS AND DEFERRALS							
	ACCRUALS AND DEFERRALS							
	1. For interest					96	367,190	
	2. For lease payments					97		
	3. Other accruals and deferrals					98	1,441,361	
						99	1,808,551	
	TOTAL ASSETS						100	363,799,826

Values as at 31-12-2021

		carry-over			258,314,526
251	16,794,340				
252	(4,017,046)	253	12,777,293		
		254	7,196,655		
		255	3,370,199		
		256	17,929,641	257	41,273,788
		258	3,119,259		
		259		260	3,119,259
				261	10,781,376
				262	55,174,422
		263	235,748		
		264	6,646		
		265	8,241		
		266		267	250,634
		268	3,785,003		
		269	2,367	270	3,787,370
				271	
		272			
		273	6,944,662	274	6,944,662
				275	10,982,667
				276	343,892
				277	
				278	1,305,765
				279	1,649,657
				280	326,121,271

BALANCE SHEET
LIABILITIES AND EQUITY

Values as at 31-12-2022

A. EQUITY					
I.	- Subscribed share capital or equivalent fund		101	17,619,249	
II	- Share premium reserve		102	63,948,571	
III	- Revaluation reserves		103		
IV	- Legal reserve		104	1,827,036	
V	- Statutory reserves		105		
VI	- Reserves for own shares and parent company's shares		106		
VII	- Other reserves		107	14,719,943	
VIII	- Retained earnings (losses)		108	1,778,167	
IX	- Profit (loss) for the period		109	2,624,606	
X	- Negative reserve for own shares in the portfolio		401	(8,792,711)	110 93,724,861
B. SUBORDINATED LIABILITIES					111 15,487,350
C. TECHNICAL RESERVES					
I - NON-LIFE BUSINESS					
	1. Premium reserve	112	169,708,331		
	2. Claims provision	113	23,058,645		
	3. Reserve for profit sharing and rebates	114			
	4. Other technical provisions	115	261,117		
	5. Equalisation reserves	116	9,011,225	117	202,039,318
II - LIFE BUSINESS					
	1. Mathematical reserves	118			
	2. Supplementary insurance premium reserve	119			
	3. Amounts to be paid reserve	120			
	4. Reserve for profit sharing and rebates	121			
	5. Other technical provisions	122		123	124 202,039,318
D. TECHNICAL RESERVES WHEN THE RISK OF THE INVESTMENT IS BORNE BY THE POLICYHOLDERS AND RESERVES DERIVING FROM THE MANAGEMENT OF PENSION FUNDS					
- Reserves relating to contracts whose services are connected with					
I	investment funds and market indices		125		
II	- Reserves deriving from the management of pension funds		126		127
	to be carried over				311,251,529

Values as at 31-12-2021

		281	17,615,050	
		282	63,715,543	
		283		
		284	1,459,605	
		285		
		286		
		287	7,169,472	
		288	(2,376,436)	
		289	7,348,629	
		501	(9,775,130)	290 85,156,734
				291 16,644,576
	292		156,751,851	
	293		21,901,625	
	294			
	295		158,947	
	296		7,358,614	297 186,171,037
	298			
	299			
	300			
	301			
	302			303 186,171,037
				304
				305
				306
				307
	to be carried over			287,972,347

BALANCE SHEET
LIABILITIES AND EQUITY

Values as at 31-12-2022

	carry-over			311,251,529
E. PROVISIONS FOR RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		128	21,692	
2. Provisions for taxes		129		
3. Other provisions		130	35,282	131 56,974
F. DEPOSITS RECEIVED FROM REINSURERS				132
G. PAYABLES AND OTHER LIABILITIES				
- Payables arising out of direct insurance transactions, with regard to:				
I				
1. Insurance brokers	133	491,544		
2. Current account companies	134	13,257,691		
3. Policyholders for guarantee deposits and premiums	135			
4. Guarantee funds in favour of policyholders	136		137 13,749,235	
- Payables arising out of reinsurance transactions, with regard to:				
II				
1. Insurance and reinsurance companies	138	25,012,857		
2. Reinsurance brokers	139		140 25,012,857	
III - Bonds			141	
IV - Payables to banks and financial institutions			142	
V - Payables with collateral			143	
VI - Sundry loans and other financial payables			144	
VII - Employee severance indemnity			145	270,911
VIII - Other payables				
1. For taxes payable by policyholders	146	878,124		
2. For sundry tax charges	147	1,417,966		
3. To welfare and social security institutions	148	363,740		
4. Sundry payables	149	8,937,825	150	11,597,656
IX - Other liabilities				
1. Transitory reinsurance accounts payable	151			
2. Commissions for premiums being collected	152	1,685,144		
3. Sundry liabilities	153		154	1,685,144
	to be carried over			155 52,315,802
				363,624,306

Values as at 31-12-2021

	carry-over			287,972,347
		308	62,203	
		309		
		310	347,429	311 409,632
				312
	313	300,695		
	314	4,045,585		
	315			
	316		317 4,346,280	
	318	20,152,171		
	319		320 20,152,171	
			321	
			322	
			323	
			324	
			325 269,477	
	326	685,838		
	327	1,005,923		
	328	341,815		
	329	9,256,173	330 11,289,750	
	331			
	332	1,504,170		
	333		334 1,504,170	335 37,561,848
	to be carried over			325,943,827



BALANCE SHEET
LIABILITIES AND EQUITY

Values as at 31-12-2022

	carry-over		363,624,306
H. ACCRUALS AND DEFERRALS			
1. For interests	156	175,519	
2. For lease payments	157		
3. Other accruals and deferrals	158	159	175,519
TOTAL LIABILITIES AND EQUITY		160	363,799,826

Values as at 31-12-2021

	carry-over			325,943,827
		336	177,443	
		337		
		338		177,443
				340
				326,121,271

The undersigned declare that these financial statements are true and correct.

The Company's legal representatives (*)

Ms Luisa TODINI – Chairperson..... (**)

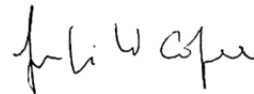


Mr Andrea BATTISTA – Chief Executive Officer (**)



Manager in charge of financial reporting

Mr Luigi DI CAPUA



(*) For foreign companies, the signature must be affixed by the general representative for Italy.

(**) Indicate the position held by the signatory.

INCOME STATEMENT

INCOME STATEMENT

Values as at 31-12-2022

I. TECHNICAL ACCOUNT OF NON-LIFE BUSINESS				
1.	PREMIUMS EARNED, NET OF REINSURANCE TRANSFERS			
	a) Gross premiums written	1	95,061,832	
	b) (-) Premiums ceded to reinsurance	2	47,343,596	
	(c) Change in gross amount of the premium reserve	3	12,956,481	
	d) Change in premium reserve for reinsurers	4	6,599,112	5 41,360,867
	(+) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)			6
3.	OTHER TECHNICAL INCOME, NET OF REINSURANCE TRANSFERS			7 177,669
4.	CHARGES RELATING TO CLAIMS, NET OF RECOVERIES AND REINSURANCE TRANSFERS			
	a) Amounts paid			
	aa) Gross amount	8	47,363,596	
	bb) (-) reinsurers' shares	9	27,023,268	10 20,340,328
	b) Change in recoveries net of reinsurers' share			
	aa) Gross amount	11	10,208,809	
	bb) (-) reinsurers' shares	12	6,318,617	13 3,890,192
	c) Changes in claim provision			
	aa) Gross amount	14	1,157,020	
	bb) (-) reinsurers' shares	15	1,330,300	16 (173,280) 17 16,276,856
5.	CHANGE IN OTHER TECHNICAL RESERVES, NET OF REINSURANCE TRANSFERS			18 102,170
6.	REBATES AND PROFIT SHARING, NET OF REINSURANCE TRANSFERS			19
7.	OPERATING EXPENSES:			
	a) Acquisition commissions	20	17,433,515	
	b) Other acquisition expenses	21	18,771,886	
	c) Change in commissions and other acquisition expenses to be amortised	22	(27,478)	
	d) Collection commissions	23	237,258	
	e) Other administrative expenses	24	7,250,782	
	f) (-) Commissions and profit sharing received from reinsurers	25	14,157,692	26 29,508,271
8.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE TRANSFERS			27 495,908
9.	CHANGE IN EQUALISATION RESERVES			28 1,652,611
10.	RESULT OF THE NON-LIFE TECHNICAL ACCOUNT (Item III. 1)			29 (6,497,280)

Values as at 31-12-2021

		111	75,459,990			
		112	35,600,744			
		113	8,508,013			
		114	2,844,290	115	34,195,523	
				116	2,807,131	
				117	69,252	
	118	44,050,603				
	119	25,818,357	120	18,232,246		
	121	9,897,654				
	122	6,255,723	123	3,641,932		
	124	(1,896,604)				
	125	(1,425,420)	126	(471,184)	127	14,119,130
					128	107,867
					129	100,000
			130	9,756,222		
			131	11,812,573		
			132	595,281		
			133	208,763		
			134	4,503,836		
			135	9,345,087	136	17,531,587
					137	694,557
					138	1,720,109
					139	2,798,654

INCOME STATEMENT

Values as at
31-12-2022

II. TECHNICAL ACCOUNT OF LIFE BUSINESS			
1.	PREMIUMS FOR THE YEAR, NET OF REINSURANCE TRANSFERS:		
a)	Gross premiums written	30	
b)	(-) premiums ceded to reinsurance	31	32
2.	INCOME FROM INVESTMENT:		
a)	Income from shares and holdings	33	
	(of which: from group companies	34)
b)	Income from other investments:		
aa)	from land and buildings	35	
bb)	from other investments	36	
	(of which: from group companies	37)
	(of which: from group companies	38)
c)	Write-backs of value adjustments to investments	39	
d)	Profits on the realisation of investments	40	
	(of which: from group companies	41) 42
3.	UNREALISED INCOME AND GAINS RELATING TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS DERIVING FROM THE MANAGEMENT OF PENSION FUNDS		43
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE TRANSFERS		44
5.	CHARGES RELATING TO CLAIMS, NET OF REINSURANCE TRANSFERS		
a)	Paid amounts		
aa)	Gross amount	45	
bb)	(-) Reinsurers' shares	46	47
b)	Changes in Amounts to be paid reserve		
aa)	Gross amount	48	
bb)	(-) Reinsurers' shares	49	50
			51
6.	CHANGES IN MATHEMATICAL RESERVES AND OTHER TECHNICAL RESERVES NET OF REINSURANCE TRANSFERS		
a)	Mathematical reserves:		
aa)	Gross amount	52	
bb)	(-) Reinsurers' shares	53	54
b)	Supplementary insurance premium reserve:		
aa)	Gross amount	55	
bb)	(-) Reinsurers' shares	56	57
c)	Other technical provisions		
aa)	Gross amount	58	
bb)	(-) Reinsurers' shares	59	60
d)	Technical reserves when the risk of the investment is borne from the policyholders and deriving from the management of pension funds		
aa)	Gross amount	61	
bb)	(-) Reinsurers' shares	62	63
			64

Values as at 31-12-2021

	140	
	141	142
	143	
(of which: from group companies	144)
145		
146	147	
(of which: from group companies	148)
	149	
	150	
(of which: from group companies	151)
		152
		153
		154
155		
156	157	
158		
159	160	161
162		
163	164	
165		
166	167	
168		
169	170	
171		
172	173	174

INCOME STATEMENT

Values as at 31-12-2022

7.	REBATES AND PROFIT SHARING, NET OF REINSURANCE TRANSFERS				65	
8.	OPERATING EXPENSES:					
	a) Acquisition commissions		66			
	b) Other acquisition expenses		67			
	c) Change in commissions and other acquisition expenses to be amortised		68			
	d) Collection commissions		69			
	e) Other administrative expenses		70			
	f) (-) Commissions and profit sharing received from reinsurers		71		72	
9.	EQUITY AND FINANCIAL CHARGES:					
	a) Investment management charges and interest expenses		73			
	b) Value adjustments to investments		74			
	c) Losses on the realisation of investments		75		76	
10.	EQUITY AND FINANCIAL CHARGES AND UNREALISED LOSSES RELATING TO INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE RISK AND INVESTMENTS DERIVING FROM THE MANAGEMENT OF PENSION FUNDS				77	
11.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE TRANSFERS				78	
12.	(-) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)				79	
13.	RESULT OF THE LIFE TECHNICAL ACCOUNT (item III. 2)				80	
	III. NON-TECHNICAL ACCOUNT					
1.	RESULT OF THE NON-LIFE TECHNICAL ACCOUNT (item I. 10)				81	(6,497,280)
2.	RESULT OF THE LIFE TECHNICAL ACCOUNT (item II. 13)				82	
3.	INVESTMENT INCOME FROM THE NON-LIFE BUSINESS:					
	a) Income from shares and holdings		83	999,261		
	(of which: from group companies		84)
	b) Income from other investments:					
	aa) from land and buildings	85				
	bb) from other investments	86	1,235,337		87	1,235,337
	(of which: from group companies		88	350,000)
	c) Write-backs of value adjustments to investments		89	5,004,799		
	d) Profits on the realisation of investments		90	2,043,900		
	(of which: from group companies		91		92	9,283,296

Values as at 31-12-2021

					175
				176	
				177	
				178	
				179	
				180	
				181	182
				183	
				184	
				185	186
					187
					188
					189
					190
					191
					2,798,654
					192
				193	1,002,938
		(of which: from group companies		194)
				195	
				196	1,201,760
		(of which: from group companies		197	1,201,760
				198	350,000)
				199	5,933,498
				200	853,346
		(of which: from group companies		201)
					202
					8,991,542



INCOME STATEMENT

Values as at 31-12-2022

4.	(+) PORTION OF PROFIT FROM INVESTMENTS TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item II. 12)		93	
5.	NON-LIFE EQUITY AND FINANCIAL CHARGES:			
	a) Investment management charges and interest expenses	94	1,685,168	
	b) Value adjustments to investments	95	3,145,464	
	c) Losses on the realisation of investments	96	227,431	97
				5,058,063
6.	(-) SHARE OF PROFIT FROM INVESTMENTS TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)		98	
7.	OTHER INCOME		99	3,656,750
8.	OTHER CHARGES		100	2,006,373
9.	PROFIT (LOSS) FROM ORDINARY ACTIVITIES		101	(621,670)
10.	EXTRAORDINARY INCOME		102	202,049
11.	EXTRAORDINARY CHARGES		103	921,270
12.	PROFIT (LOSS) FROM EXTRAORDINARY ACTIVITIES		104	(719,221)
13.	PROFIT BEFORE TAXES		105	(1,340,891)
14.	INCOME TAXES FOR THE YEAR		106	(3,965,497)
15.	PROFIT (LOSS) FOR THE YEAR		107	2,624,606

Values as at 31-12-2021

			203	
	204	1,319,645		
	205	963,585		
	206	49,558	207	2,332,788
			208	2,807,131
			209	3,681,455
			210	2,961,537
			211	7,370,195
			212	773,694
			213	399,118
			214	374,576
			215	7,744,771
			216	396,142
			217	7,348,629



The undersigned declare that these financial statements are true and correct.

The Company's legal representatives ()*

Ms Luisa TODINI – Chairperson (**)

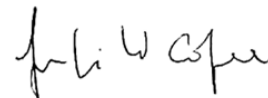


Mr Andrea BATTISTA – Chief Executive Officer (**)



Manager in charge of financial reporting

Mr Luigi DI CAPUA



(*) For foreign companies, the signature must be affixed by the general representative for Italy.

(**) Indicate the position held by the signatory.

NOTES TO THE FINANCIAL STATEMENTS



EXPLANATORY NOTE

2022

NET INSURANCE

23TH financial year

Registered Office and Headquarters

Via Giuseppe Antonio Guattani, 4 00161 Roma



Contents

PART A - MEASUREMENT CRITERIA.....116
Preparation of the financial statements116
PART B - INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT126
BALANCE SHEET - ASSETS126
BALANCE SHEET - LIABILITIES138
INCOME STATEMENT148
PART C - OTHER INFORMATION152
RESULTS FOR THE YEAR AND PROPOSAL FOR THE SHAREHOLDERS' MEETING154
CASH FLOW STATEMENT155
Annexes to the Notes to the financial statements156
OTHER ANNEXES TO THE NOTES TO THE FINANCIAL STATEMENTS193

A small, handwritten signature in the bottom right corner of the page.

PART A - MEASUREMENT CRITERIA

Preparation of the financial statements

The financial statements for the year ended 31 December 2022, consisting of the Balance Sheet, the Income Statement, these Notes to the Financial Statements and the related annexes and the Cash Flow Statement, accompanied by the Management Report, were prepared on the basis of the provisions of the Italian Civil Code, Italian Legislative Decree no. 209 of 7 September 2005 and ISVAP Regulation no. 22 of 4 April 2008 and subsequent provisions relating thereto, as well as with reference to the accounting standards in force in Italy issued by the Italian Accounting Body (OIC).

The preparation of the financial statements and the measurement of the individual items were carried out according to prudence and with a view to business continuity, as well as taking into account the economic function of asset and liability items.

For better disclosure purposes, in addition to the Cash Flow Statement, the following documents have been prepared, which form an integral part of these Notes to the Financial Statements:

- Reclassified balance sheet;
- Reclassified income statement;
- Statement of changes in equity;
- Statement of financial loans;
- Tax schedule;
- Report on claims management in the assistant class.

There were no exceptional cases that required the derogation provided for in paragraph 4 of Article 2423 of the Italian Civil Code. With regard to the salient events occurring after the end of the year, related party transactions and the business outlook, please refer to the Management Report.

The financial statements as at 31 December 2022 are audited, pursuant to Article 102 of Italian Legislative Decree no. 209 of 7 September 2005 and Article 24 of ISVAP Regulation 22 of 4 April 2008 and in implementation of the shareholders' resolution of 3 June 2019, by the auditing company KPMG S.p.A.

The financial statements are drawn up in Euro units, without decimals, with the exception of the notes to the financial statements which are drawn up in Euro thousands.

Management and Coordination Activities

Net Insurance owns 100% of Net Insurance Life, which is therefore fully consolidated. It therefore exercises its management and coordination activities.

Section 1 - Explanation of the measurement criteria

Intangible assets

These are recognised in the financial statements at purchase cost, including directly attributable accessory charges, and systematically amortised in the account, in consideration of their expected future useful life, based on the following criteria:

- other acquisition costs, relating to expenses for application software and advertising costs, are amortised on a straight-line basis over five and three years, respectively;
- start-up and expansion costs are amortised on a straight-line basis over a period of five years;
- other long-term costs include research and development costs and the cost for rights and licences, amortised on a straight-line basis over five years and the cost for improvements and incremental expenses on properties owned by third parties, amortised over the duration of the lease contract of the assets themselves, as well as the value of the trademark as revalued in 2020 pursuant to Law Decree 104/2020 converted by Law no. 126/2020 and amortised on a straight-line basis over eighteen years.

Start-up and expansion costs, which also include research and development costs, were recognised under assets with the consent of the Board of Statutory Auditors.

Tangible assets

These are recognised in the financial statements at purchase cost, including accessory charges, and amortised on a straight-line basis at the ordinary rates set forth by the Ministry of Finance, deemed representative of the residual possibility of use of the assets.

Investments in land and buildings

These are recognised in the financial statements at purchase cost, including accessory charges, and systematically amortised each year in relation to their residual possibility of use.

The value of the building is separated from that of the land on which it is located to be depreciated. In particular, the value of the land is determined as the residual difference after first separating the value of the building from the value of the entire property.

An impairment test is carried out annually to verify any significant impairment losses and, if necessary, adjust the value of investments in land and buildings through a write-down.

Financial fixed assets

In consideration of their instrumental nature and the provisions of ISVAP Regulation 22 of 4 April 2008, equity investments are included in the segment of investments for long-term use and recorded at purchase cost, adjusted if necessary to include impairment losses, or to shareholders' equity when the equity investment is a controlling interest.

Non-current financial assets

Non-current financial assets include short-term financial investments.

The securities belonging to this segment, both listed and unlisted, are valued at the lower of the weighted average cost calculated on year-end inventories and the presumed realisable value based on market trends, recorded (for listed securities) in the last day of listing of the year and (for unlisted securities) on the basis of specific valuations (internal model or equity method).

Changes made pursuant to Article 5, paragraph 1, of Decree Law no. 250/95 (emission allowances), converted into Law no. 349/95, are recognised as an adjustment to the value of the securities with a balancing entry in the income statement under equity and financial income/charges.

The units of mutual investment funds and listed shares are valued at the lower of the weighted average cost calculated on year-end inventories and the market value recorded on the last day of listing of the year.

The value adjustments to and write-backs recognised on debt and equity securities as well as on units of mutual investment funds are recognised as decreases and increases in value with a balancing entry in the income statement under equity and financial charges and income.

The Board of Directors of the Company defines, by means of a specific resolution and based on the size, nature and complexity of the activity carried out, Investment Policies consistent with the risk profile of its liabilities, so as to ensure the continuous availability of suitable and sufficient assets to cover its liabilities.

As part of these Policies and in compliance with the regulatory limits and tolerance levels defined as part of the risk management policies adopted by the Company, the Company defines the composition of the medium/long-term investment portfolio (Strategic Asset Allocation), which has the purpose of:

- ensuring the continuous availability of sufficient assets to cover the liabilities (commitments undertaken), as well as the safety, quality, profitability and liquidity of the investments and the portfolio as a whole;
- correlating investments with the structure of commitments to policyholders and at the same time maintaining a securities portfolio capable of guaranteeing stability and continuity of returns, taking into account the context of the financial markets;
- preserving the capital strength of the Company in compliance with the reference legislation and regulatory requirements;
- obtaining operating returns in line with the Company's profitability targets established in the budget.

In selecting assets, the Company takes into account the type of risks and the commitments undertaken, in order to ensure integrated management of assets and liabilities, as well as the need to guarantee their security, quality, profitability, availability and liquidity. In the operational selection of investments within the various investment classes, geographical areas and sectors, the Company, in compliance with the limits of the Risk Appetite established by the Board of Directors, adopts a bottom-up approach, optimising the risk/return ratio.

Before making any investment, the Companies must at least assess their capacity to manage the investment, the specific risks correlated with it, its consistency with the interests of beneficiaries and policyholders, as well as the investment's impact on the quality, security, return and accessibility of the entire managed portfolio. Furthermore, the Company limits its investments only to assets for which it is possible to identify, measure, monitor and manage the relative risks.

In addition to these conditions, the eligibility or non-eligibility to cover technical reserves, the duration of investments, the analysis of the financial market environment and trends, the 'liquidity' of the financial instrument, and the analysis of the trading conditions offered by external operators must all be considered.

The Company may invest in complex assets (i.e. structured securities, UCITS and AIFs) taking into account the impacts of these instruments on the current and future economic, equity and financial situation of the Company. The assessment of investments in UCITS and AIFs, in addition to fulfilling the general investment criteria defined in the Investment Policy, should consider aspects relating to the quality/experience of the manager, degree of asset diversification, accounting treatment, cost of the instrument and capital absorption linked to the investment.

With regard to the valuation criteria for securities with short-term use, the Company, considering the turbulent situation in the financial markets, decided to avail itself of the option provided for by Decree Law no. 73 of 21 June 2022, whose application to insurance companies is governed by IVASS Regulation no. 52 of 30 August 2022, to value some of the securities belonging to current assets at the value used in the financial statements as at 31 December 2021 and not at the value inferable from market trends as at 31 December 2022, for the purpose of preparing the report on the Financial Statements as at 31.12.2022. For the criteria used, please refer to the paragraph Other financial investments.

Receivables and Payables

These are stated at their estimated realisable and settlement values.

Subordinated liabilities are stated at the value corresponding to the amortised cost criterion.

Employee severance indemnity

The amount of the provision set aside in the financial statements, determined in accordance with Article 2120 of the Italian Civil Code and collective labour and company agreements, covers all commitments to employees at the closing date of the financial year.

Technical provisions of direct business

Premium reserve

Pursuant to Article 90, paragraph 1, letter c) of Legislative Decree no. 209/2005, technical provisions are determined according to the calculation methods set forth in Articles 23-ter, 23-quater and Annexes no. 15 and 16 of Regulation no. 22 of 4 April 2008 as amended by IVASS Provision no. 53 of 6 December 2016 (hereinafter briefly 'Regulation no. 22/2008').

The premium reserve, as defined in Articles 23-ter and 23-quater of Regulation no. 22/2008, consists of the 'unearned premium reserve' and any additional provision relating to the 'provision for current risks', the first related to the criterion of the time allocation of the premium by year, the second related to the technical risk trend.

The unearned premium reserve was calculated on a *pro-rata temporis* basis, making a contract-by-contract analytical calculation of the gross premiums written net of acquisition commissions, and was

supplemented by the provisions set forth in the aforementioned Annex no. 15 for the risks of hail and other natural disasters such as risks of earthquake, tsunami, volcanic eruption and related phenomena, and for the risks deriving from the operation of the Suretyship class.

The guarantees on the first two risks, pertaining to the Accident and Fire classes, are not provided with a separate deed with respect to the main risk and there is no separate indication of the relative premium, which was therefore considered as a lump sum for both guarantees, equal to 10% of the total premium of each contract in which the guarantee that requires the provision is offered, with the exception of some fire contracts stipulated in 2010 and 2011 for which the amount of the premium relating to the insurance of the earthquake risk was separately quantified.

With regard to risks relating to the Suretyship class, it was not necessary to make any additional provisions to the unearned premium reserve.

In accordance with the provisions of the aforementioned Annex, the provision for current risks was calculated separately for each class, following the empirical criterion indicated for the Accident, Illness, Fire, Other damage to property, Credit and Financial Losses classes other than the Salary-backed loan, Suretyship, Legal protection and Assistance. For these classes, the provision for current risks is calculated using the empirical method, estimating it on the basis of a prospective value of the ratio of claims to net premiums earned in the current generation. This prospective value is prudently determined on the basis of the ratio of claims to net premiums earned recorded in the valuation year and also takes into account the values assumed by the ratio itself in a retrospective observation time horizon and additional objective valuation elements inherent to the trend in the expected cost of risks incumbent after the end of the year. The extent of the retrospective observation time horizon is identified in relation to the specific nature of the class and the individual types of risk for which the assessments are carried out. For the purposes of calculating the ratio of claims to net premiums earned, the expense for claims for the year was considered, including direct and settlement expenses, and the net premiums earned, determined on the basis of gross premiums written after deduction of acquisition commissions and other acquisition costs, limited to directly attributable costs. The expected cost of future risks affecting the contracts was determined as equal to the product of the prospective value of the ratio of claims to premiums earned and the sum of the unearned premium reserve and any premiums, net of acquisition costs that will be payable by virtue of these contracts. Therefore, the premium reserve for current risks was determined to the extent of any excess between the expected cost of future risks and the unearned premium reserve plus future premiums, net of acquisition costs, which will be payable on the contracts signed before the end of the year.

Following the regulatory changes that took place with the entry into force of the ISVAP Regulation 29/2008, whose reclassification of the risks led to a different allocation of the premiums previously relating to class 16 - Financial Losses, it was deemed appropriate to adopt the analytical method reported in the aforementioned Annex for the Credit class in the calculation of the provision for current risks.

Starting from the 2011 financial year, for the calculation of the provision for current risks of the Credit class, the method reported in Annex no. 15 of Regulation no. 22/2008 has been adopted, assessing the expected cost of claims for the purpose of any provisioning for homogeneous groups of contracts. The choice of the calculation method is attributable to the peculiarity of the technical trends on the portfolio relating to these risks, which make the application of the empirical method inadequate for the valuation of the expected cost. The Company has adopted an adequate forecasting model, based on prudent evolutionary parameters, through which to estimate, for homogeneous groups of contracts, the expected claims ratio as well as additional cost elements, in light of the trends observed during the year and prospectively.

The calculation procedure follows an analytical criterion aimed at assessing the risks incumbent after the valuation date, deriving from insurance contracts signed up to that date, to the extent that the expected cost of these risks exceeds the unearned premium reserve valued net of supplementary provisions and increased by premiums collectable for these contracts.

This procedure consists of calculating the provision for current risks using the analytical criterion for the valuation of risks incumbent after 31 December 2021 arising from insurance contracts entered into before that date and which have an unearned premium reserve at the end of the financial year, to the extent that the expected cost of these risks exceeds the unearned premium reserve valued net of supplementary provisions and increased by premiums collectable for these contracts.

Claims provision

The claims provision has been determined for each class with the analytical method, claim by claim, according to the 'ultimate cost' criterion, for all claims still 'open' at the end of the year. "Ultimate cost" refers to the estimate of all foreseeable expenses, including all settlement expenses, according to a prudent valuation performed on the basis of objective elements. The claims provision has been integrated with the 'late' claims provision, occurring in the year but not yet reported at the date of year-end close, in compliance with what is set forth in the above-mentioned Annex; this provision was calculated as the sum of late claims provisions of the various classes, considering, by virtue of the 'ultimate cost' criterion, the average cost of the claims reported during the year, the average cost of 'late' claims of previous years, the valuation elements inferable from the late claims received at the time the reserve was determined and a prudent estimate of the number of possible claims for the year still to be reported. The total amount set aside is deemed adequate to cover future claims payments and settlement expenses.

Other technical provisions

These are represented by the aging reserve of the Illness class, defined in Annex no. 15 of Regulation no. 22/2008, which takes into account the natural worsening of the risk borne by the insurer as a result of the increase in the age of the policyholder and is calculated as a lump sum of 10% of the gross premiums for the year.

Equalisation reserve

The equalisation reserve consists of the equilibrium reserve for natural disaster risks and the equalisation reserve of the Credit class, envisaged in Article 23-ter of Regulation no. 22/2008. The equilibrium reserve was calculated by allocating an equalisation reserve equal to 2% of the premiums relating to the insurance contracts of these risks. In cases where it was impossible to separately identify the portion of the premium relating to these risks, a provision of 0.3% was made, based on the methods established by Ministerial Decree 705/96. The equalisation reserve of the Credit class was calculated in accordance with the provisions of the aforementioned Annex 15.

Technical reserves attributable to reinsurers

These are formed by the provision for premiums and the provision for claims borne by reinsurers determined, on the basis of the rates envisaged by the reinsurance treaties, adopting the same criteria used for the provisions of direct business, in compliance with the provisions of Article 23-ter of the Regulation no. 22/2008.

Equity

Indistributable reserve was recorded in equity as required by Regulation no. 52 of August 30, 2022, concerning the implementation of the provisions on the temporary suspension of capital losses for non-durable securities. For details, see Part B - Information on the Balance Sheet and Income Statement - in the paragraph Other financial investments.

Accruals and deferrals

Accruals and deferrals include income pertaining to the year payable in subsequent years and costs incurred by the end of the year but pertaining to subsequent years. Under accrued expenses and

deferred income, costs pertaining to the year but payable in subsequent years and income received by the end of the year but accruing in subsequent years, must be entered. The portions of costs and income common to two or more financial years, the amount of which varies over time, may be recognised.

Premiums and commissions

Gross premiums are accounted for at the time of their accrual, regardless of when they are actually collected. The cancellations motivated by technical reversals relating to premiums issued during the year, as well as premium reimbursements relating to early redemptions, are deducted from the premiums written.

Acquisition commissions and any rappels are recognised in full during the year, even if they relate to multi-year policies. This item includes coinsurance commissions. Collection commissions are accounted for on an accrual basis.

Costs and revenues

Costs and revenues are charged to the income statement on an accruals basis and in compliance with the principle of prudence.

Taxes

Income taxes for the year are recognised on an accruals basis in order to achieve full time correlation with the costs and revenues for the period. In relation to this, the temporary differences between taxes pertaining to the year and those determined on the basis of current tax regulations and which will be paid or recovered in subsequent periods are recorded, if positive, under other receivables and, if negative, in the provision for taxes and duties.

Deferred tax assets are recognised, based on the principle of prudence, in relation to the existence of the reasonable certainty of their recovery based on the capacity of future taxable income. In particular, as required by paragraph 6 of Article 82 of Law 112 of 25 June 2008, which amended paragraph 2-quater of Article 1 of Law 265/2002, the receivables for deferred tax assets recognised against the non-deductible portion (60%) of the net change in the claims provision were recorded in the financial statements, as was used 1/5 of the receivable recognised in previous years (1/6 for the IRAP receivable) as well as the time difference of the amortisation of the trademark carried out statutorily over 18 years with respect to the tax amortisation determined pursuant to Law Decree no. 104/2020 converted with

Law no. 126/2020.

Deferred tax assets, as the taxable income is negative for IRES purposes, were calculated by applying the related tax rates.

Memorandum accounts

The guarantees given and the commitments undertaken are recognised at the bottom of the balance sheet for

the amount corresponding to the actual commitment at the end of the year.

Personnel incentive plan

As at 31 December 2022, the staff of the Net Insurance Group, involved in the Performance Shares Plan 2019-2023 included 5 beneficiaries. As at 31 December 2022, the total cost of the plan recognised in the income statement amounted to 6,579 thousand Euros.

The increase compared to 31 December 2021 derives from the forecast included in the Performance Shares Plan 2019-2023 which, in the event of launch of a public tender offer on 100% of NET's shares or acquisition of its control by right by third parties, during the duration of the Plan, it will terminate in advance of the Final Term. In this case, the Shares will be assigned and/or transferred and/or liquidated to each beneficiary within 15 working days of the occurrence of one of the aforementioned events and in any case in good time to participate in the public tender offer. In consideration of the above, it should be recalled that on 28 September 2022, the company Poste Vita S.p.A. communicated, pursuant to and for the purposes of Article 102, paragraph 1, of the Consolidated Law on Finance (TUF) and Article 37 of the Issuers' Regulation to have taken the decision to promote (through a corporate vehicle directly controlled by Poste Vita) an all-inclusive voluntary public tender offer on the ordinary shares and on the Net Insurance Warrants. The estimate of the assessment for the period relating to the long-term incentive plan "Performance Shares Plan (2019-2023)" is carried out on the basis of the provisions of IFRS 2. The assessment is based on a Monte Carlo simulation model, which combines the fair value of the right to receive free shares with the probability of the conditions to access the right to receive the shares. In order to determine the fair value of the right to receive the shares, the inputs used are the historical volatility of the NET share, the risk-free interest rate and the specific characteristics of the plan, whereas the probability that the access conditions are met, are determined based on the business drivers of the corporate input in the Italian economic scenario.

PART B - INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

BALANCE SHEET - ASSETS

Section 1 - Intangible assets

Intangible assets amounted to 18,038 thousand Euros and their change during the year is shown in Annex 4.

The table below shows the changes that occurred during the year 2022 with regard to the item relating to other acquisition expenses:

Table no. 1 - Other acquisition expenses

Other acquisition expenses	Thousands of Euro			
	2021 Financial Statements	2022 Increase	2022 Amortisation/depreciation	2022 Financial Statements
Acquisitive software	31	61	32	60
Total	31	61	32	60

Other multi-year costs, equal to a total value of 14,011 thousand Euros at the end of the year, are broken down as follows:

Table no. 2 - Other multi-year costs

Other multi-year costs	Thousands of Euro			
	2021 Financial Statements	2022 Increase	2022 Amortisation/depreciation	2022 Financial Statements
Trademarks	6,549	1	386	6,164
Development expenses	0	968	110	858
Administrative software	5,424	1,863	1,658	5,629
Intangible assets in progress	343	980	0	1,324
Rights and licences	117	10	91	36
Total	12,433	3,822	2,245	14,011

Within the long-term costs, with the consent of the Board of Statutory Auditors, development expenses are recorded for an amount of Euro 968 thousand, the amortization portion of which weighed on the income statement for Euro 110 thousand. These costs, which meet the requirements of the OIC24, relate to the salary of personnel operationally involved in the development of the asset for an amount equal to Euro 138 thousand and to invoices issued by external consultants for Euro 830 thousand.

The increase in the item, mainly linked to the value of the licences, is a consequence of the important investments in support of the operational mechanism incurred during the year, as well as the significant and costly implementations required by regulations for the entry into force of the new IFRS 17/IFRS 9 standards.

Section 2 - Investments

Investments in land and buildings

The item includes exclusively the property located in Rome, in via G.A. Guattani 4, where the registered and administrative offices of the Companies of the Net Insurance Group are located. The Company owns 35% of the property, while 65% is owned by the subsidiary Net Insurance Life S.p.A.

The book value is equal to 5,159 thousand Euros, equal to the purchase cost, including the related charges and the restructuring costs incurred, net of amortisation.

It should be noted that the appraisal carried out on the property based on the '*income-financial method*' confirmed the value of the property as at 31 December 2022 and also confirmed that the incidence on it of the value of the land, which at the date of this analysis is equal to 54.4%. With regard to the depreciation of the property, the value of the land was separated and the depreciation rate of 3% was applied to the residual value.

The depreciation recorded in 2022 amounted to 95 thousand Euros.

Investments in Group companies and other investees

Investments in subsidiaries and other investees amounted to 40,612 thousand Euros and concern, for 33,377 thousand Euros, the equity investment as Sole Shareholder in the capital of Net Insurance Life S.p.A., and, for the remaining 5,000 thousand Euros, the subscription of the subordinated bond issued by the subsidiary in

November 2016. This Tier II subordinated loan has a ten-year duration, with the subsidiary having the right to call the security early starting from the fifth year from its issue date, subject to IVASS authorisation. The coupon rate is fixed (7%) payable annually in arrears.

The stocks and shares in associated companies and in other investees amounted to 2,236 thousand Euros and consist of:

- 634 thousand Euros from an equity investment in the capital of Cassa di Risparmio di Bolzano S.p.A., a high capitalisation banking group. The banking institution is listed on the Hi-MTF Order Driven multilateral trading system organised by Hi-MTF SIM S.p.A;
- 1,296 thousand Euros from a direct holding of 4.82% in the capital of Yolo Group S.p.A., an insurtech group established in 2017 by integrating marketing skills, insurance deployment and innovative technology-driven approach;
- 31 thousand Euros from an equity investment in the share capital of Valia S.p.A., a broker in the insurtech sector operating in Italy;
- 87 thousand Euros from an equity investment in the share capital of Banca Popolare Puglia e Basilicata S.p.A., a banking institution listed on the Hi-MTF Order Driven multilateral trading system organised by Hi-MTF SIM S.p.A;
- 188 thousand Euros from an equity investment in the share capital of Banca popolare di Torre del Greco S.C.p.A., a banking institution listed on the Hi-MTF Order Driven multilateral trading system organised by Hi-MTF SIM S.p.A.

Table no. 3 - Investments in Group companies and other investees

Equity investments	2022 Book value	2021 Book value	Change	Thousands of Euro
Net Insurance Life S.p.A.	33,377	29,502	3,875	
Banca popolare Torre del Greco	188	0	188	
Yolo	1,296	1,200	96	
CDR Bolzano	634	581	53	
Valia S.p.A.	31	31	0	
Banca Popolare Puglia e Basilicata	87	76	11	
Total	35,612	31,390	4,222	

Table no. 3a - Investments in Group companies and other investees

Equity investments	Thousands of Euro	
	2022 Book value	2022 Subsidiary's equity
Net Insurance Life S.p.A.	33,377	33,377
Total	33,377	33,377

The increase in the total value of the equity investments is a consequence of the new purchases of equity investments in Yolo, Cassa di Risparmio di Bolzano, Banca Popolare di Torre del Greco and Banca Popolare di Puglia e Basilicata.

Other financial investments

Other financial investments, all classified in the short-term segment, amounted to 95,289 thousand Euros and increased by 4,805 thousand Euros compared to the previous year.

Considering the turbulent situation on the financial markets, recorded during 2022, the Company decided to avail itself of the option provided for by Decree Law no. 73 of 21 June 2022, whose application to insurance companies is governed by IVASS Regulation no. 52 of 30 August 2022, to value some of the securities belonging to current assets at the value used in the 2021 Financial Statements and not at the value inferable from market trends as at 31 December 2022, for the purposes of preparing this half-yearly report.

The following table shows a comparison between the values recorded in the financial statements of short-term securities for which the exception to the measurement criteria has been exercised, with the relative market value at the reference date:

Effects on the Result as at 31.12.2022

Description of the financial statements category	Value as at 31 December 2022	Market value as at 31/12/2022	Effects deriving from the application of IVASS Regulation no. 52	Tax Effect	Effect deriving from the application of IVASS Regulation no. 52 net of the tax effect
C.II 2.b Bonds issued by the Group - Subsidiaries - Non-Life business	5,000,000	4,667,760	332,240	79,738	252,502
C.III 2. Units of mutual investment funds - Non-Life business	917,365	883,585	33,780	8,107	25,673
C.III 3. Bonds and other fixed-income securities - Non-Life business	50,733,303	45,983,642	4,749,661	1,139,919	3,609,743
Total	56,650,668	51,534,987	5,115,681	1,227,763	3,887,918

It should be noted that the choice of securities for which the option referred to in Table 3b has been exercised takes into account the following criteria:

Non-durable securities valued on the basis of their book value as resulting from the last approved annual financial statements or at the acquisition cost, if not present in the portfolio as at 31 December 2021, government and corporate securities characterised by a repayment plan with a single payment on maturity of the bond were identified in the bond segment (therefore perpetual securities and convertible securities were excluded). In the credit segment, securities issued by companies with high credit quality were selected. In addition to selecting bonds, some AIF funds were also selected that invest in bonds and similar instruments. Therefore, securities able to repay the nominal amount at maturity and characterised by a low probability of default were selected. Therefore, if market volatility persists, the market price of the securities for which the company avails itself of the option provided for in Regulation no. 52, would gradually converge to the redemption price and therefore the losses inferred from market performance as at 31 December 2022, they are not of a lasting nature.

The details of investments in securities, as well as the comparison between the values of the securities recorded in the financial statements and their current value at market prices, are shown in Annex 8.

The shares and units in the portfolio, amounting to 1,819 thousand Euros, consist of listed stocks for 87 thousand Euros and unlisted stocks for 1,732 thousand Euros.

Compared to 2021, they show an increase of 488 thousand Euros, the changes in which are shown in the following table:

Table no. 3c - Listed/Unlisted stocks

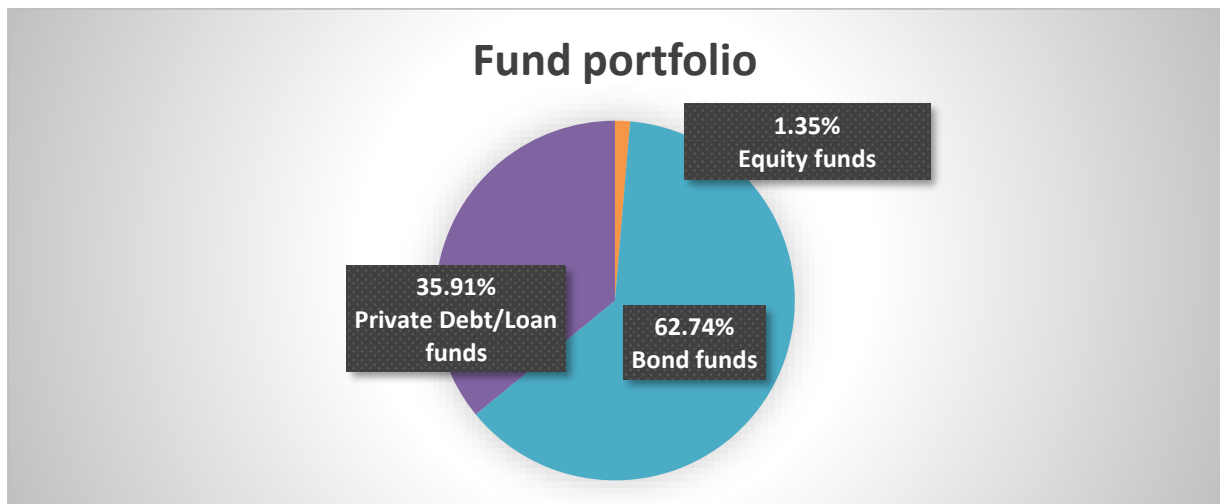
	Thousands of Euro
Listed/unlisted stocks	
Balance as at 31.12.2021	1,331
Purchases	1,026
Sales	(552)
Value adjustments/write-backs	14
Balance as at 31.12.2022	1,819

The units of mutual investment funds, equal to 34,930 thousand Euros, decreased compared to the previous year by an amount of 1,212 thousand Euros. Total investments in funds consist of:

- equity funds for 473 thousand Euros;
- bond funds for 21,915 thousand Euros;
- private debt/loan funds for 12,542 thousand Euros.

The chart below shows the percentage breakdown of investment in mutual funds:

Table no. 4 - Fund portfolio



In 2022, the portfolio consisting of units of mutual investment funds showed the following changes, amount and composition by issuer:

Table no. 5 - Funds and SICAVs

	Thousands of Euro
Funds and SICAVs	
Balance as at 31.12.2021	36,142
Purchases	3,078
Sales	(1,311)
Value adjustments/write-backs	(2,979)
Balance as at 31.12.2022	34,930

Table no. 5.a - Fund Issuers

	Thousands of Euro
Issuers	
Natam Management	12,422
Tenax Capital L	5,236
Axa Funds	3,661
BlueBay Funds M	2,738
M&G International	2,713
TIKEHAU INVESTMENT	2,100
ALLIANZ GLOBAL	1,799
Anthilia SGR S.	1,241
Muzinich & Co	1,103
ART SGR S.P.A.	1.000
QUAESTIO CAPITAL	592
SCOR INVESTMENT	245
ACP SGR S.P.A	80
Balance as at 31.12.2022	34,930

Bonds and other fixed-income securities amounted to 58,222 thousand Euros, an increase of 5,474 thousand Euros compared to the previous year, and are composed of:

- listed bonds for 54,080 thousand Euros;
- unlisted bonds for 3,948 thousand Euros;
- convertible bonds for 195 thousand Euros.

The changes in 2022 are shown in the following table:

Table no. 6 - Bonds

	Thousands of Euro
Bonds	
Balance as at 31.12.2021	52,748
Purchases	28,689
Sales and repayments	(23,118)
Balance of issue spreads	(10)
Value adjustments/write-backs	(87)
Balance as at 31.12.2022	58,222

As indicated in the section dedicated to accounting standards, the accrued portion of the issue spread was calculated in line with the provisions of Article 5, paragraph 1, of Decree Law no. 250/95, converted into Law no. 349/95.

The following tables, which show the distribution of bonds between government bonds and corporate securities, show a clear prevalence of government bonds over corporate issues.

Table no. 7 - Bonds portfolio

	Thousands of Euro	
Bonds portfolio	Book value as at 31/12/2022	%
Italian Government Bonds	25,215	43.31%
Foreign Government Bonds	14,875	25.55%
Corporate Securities	18,132	31.14%
Total	58,222	100.00%

Below is a summary of the distribution of bonds between fixed rate securities and floating rate securities, and the evidence of the top 5 bond issuers.

Table no. 8 - Bonds portfolio

	Thousands of Euro	
Bonds portfolio	Book value as at 31/12/2022	%
Fixed-rate securities	49,413	84.87%
Floating rate securities	8,809	15.13%
Total	58,222	100.00%

Table no. 8.a - Bond portfolio

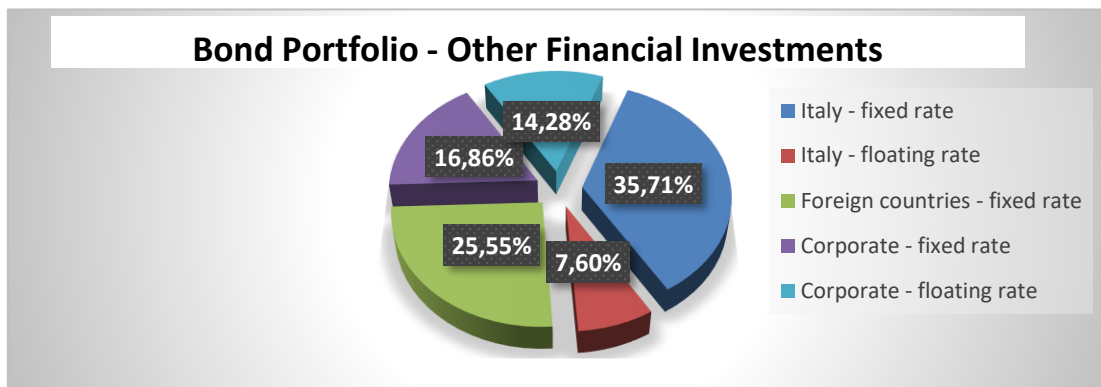


Table no. 9 - Top 5 Bond Issuers

Thousands of Euro

Top 5 Bond Issuers	Book value as at 31/12/2022
Republic of Italy	25,215
Kingdom of Spain	9,018
Net Insurance S.p.A.	5,000
BPPB	2,931
French Republic	2,158
Total	44,322

Loans, amounting to 316 thousand Euros, consist exclusively of loans granted to employees during the current and previous years, net of repayments.

Deposits with credit institutions

As at 31 December 2022, there wasn't a deposit with credit institutions.

Deposits with assignors

Deposits with assignors amounted to 43 thousand Euros.

Section 4 - Technical reserves attributable to reinsurers

Technical reserves attributable to reinsurers amounted to 118,030 thousand Euros, with an increase of 7,929 thousand Euros compared to the previous year.

The premium reserve, amounting to 103,243 thousand Euros and broken down by segment, concerns:

- 55 thousand Euros for the accident and injury segment;
- 1,821 thousand Euros for the fire segment;
- 3,387 thousand Euros for the other damage to property segment;
- 96,873 thousand Euros for the credit segment;
- 829 thousand Euros for the suretyship segment;
- 20 thousand Euros for the financial losses segment;
- 134 thousand Euros for the legal protection segment;
- 38 thousand Euros for the assistance segment,
- 86 thousand Euros for the illness segment,
- 1 thousand Euros for the General Civil Liability segment.

The claims provision, amounting to 14,787 thousand Euros, broken down by segment concerns:

- 23 thousand Euros for the accident and injury segment;
- 82 thousand Euros for the fire segment;
- 2,278 thousand Euros for the other damage to property segment;
- 0 thousand Euros for the General Civil Liability segment;
- 11,893 thousand Euros for the credit segment;
- 90 thousand Euros for the suretyship segment;
- 208 thousand Euros for the financial losses segment;
- 203 thousand Euros for the legal protection segment;
- 1 thousand Euros for the assistance segment;
- 9 thousand Euros for the illness segment.

Section 5 - Receivables

Receivables totalled 72,972 thousand Euros, with an increase of 17,800 thousand Euros compared to the previous year, due to the sum of the effects illustrated below:

- receivables deriving from direct insurance transactions for 51,686 thousand Euros, an increase of 10,412 thousand Euros compared to the previous year. These refer to 14,332 thousand Euros in receivables from policyholders for premiums for the year, 17,705 thousand Euros from insurance brokers, 286 thousand Euros from co-insurers of the Company and 19,363 thousand Euros from policyholders and third parties for amounts to be recovered;
- receivables deriving from reinsurance transactions with reinsurance companies for 2,491 thousand Euros, with an overall decrease of 628 thousand Euros compared to 2021;
- other receivables for 18,795 thousand Euros, relating both to receivables from the tax authorities for deferred tax assets, tax advances, for withholdings and other tax receivables and to trade receivables. Deferred tax assets, recognised for an amount of 4,381 thousand Euros, were recognised and deemed recoverable on the basis of the 2022-2025 business plan approved by the Board of Directors, which shows, in the years covered by the plan, the achievement of an adequate taxable income to guarantee the full recovery of these deferred tax assets.

•
Receivables from policyholders and third parties for recoveries were considered prudently, taking into account only those amounts recoverable in future years, the amount of which is already defined and formalised at the time of approval of these financial statements.

Sections 6 - Other asset items

Other asset items totalled 11,849 thousand Euros, with an increase compared to the previous year of 867 thousand Euros, mainly due to the increase in sundry assets, concerning:

- tangible assets and inventories for 217 thousand Euros;
- cash and cash equivalents for 4,397 thousand Euros;
- sundry assets for 7,235 thousand Euros.

Tangible assets and inventories consist of furniture and office machines for 212 thousand Euros, plant and equipment for 4 thousand Euros and movable assets recorded in public registers for 1 thousand Euros.

The changes in this item are shown in the following table:

Table no. 10 - Tangible assets

	Thousands of Euro
Tangible assets	
Balance as at 31.12.2021	250
Investments	52
Divestments	0
Depreciation	(85)
Balance as at 31.12.2022	217

Cash and cash equivalents are almost exclusively made up of bank deposits, as cash balances are minimal.

Sundry assets consist exclusively of the annual advance tax on insurance premiums (85% of the tax paid for the previous year) introduced by Article 6, paragraph 1, of Decree Law 282/2004, converted from Law 307/2004, as the amount paid in advance is connected to the presence of future taxes that will occur only on the collection of new premiums, in the course of 2022, consequently determining their total absorption.

Section 7 - Accruals and deferrals

Accrued income and prepaid expenses amounted to 1,809 thousand Euros, with an increase of 159 thousand Euros compared to the previous year, and concern:

- accrued interest of 367 thousand Euros, essentially relating to interest accrued in the year on bonds;
- other accrued income and prepaid expenses for 1,441 thousand Euros, essentially referring to prepaid expenses for costs incurred in the year but pertaining to the following year.

BALANCE SHEET - LIABILITIES

Section 8 - Equity

The total equity amounted to 93,725 thousand Euros, as follows:

- share capital for 17,619 thousand Euros;
- share premium reserve for 63.949 thousand Euros;
- legal reserve for 1,827 thousand Euros;
- other reserves for 14,720 thousand Euros;
- retained earnings for 1,778 thousand Euros;
- profit for the period for 2,625 thousand Euros;
- negative reserve for own shares in the portfolio for 8,793 thousand Euros.

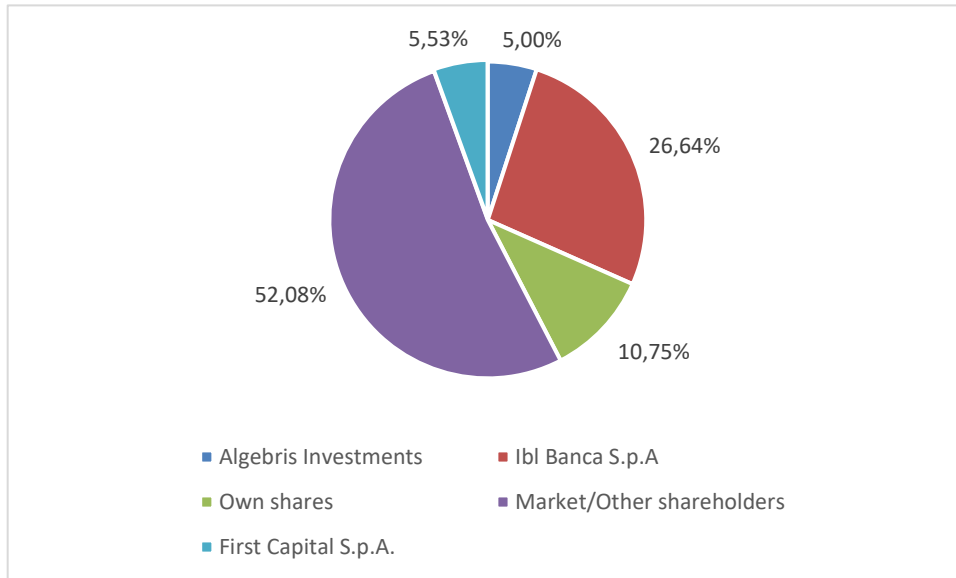
The subscribed and paid-in share capital as at 31 December 2022 is equal to 17,619,249 Euros and is divided into 18,514,269 ordinary shares, without nominal value. The Company holds 1.789.941 own shares in its portfolio.

The graph and table below show the information known to the Company on its shareholding structure, thus taking into account the ordinary share capital (in relation to the total number of ordinary shares issued by the Company):

Table no. 11 - Shareholders

Shareholders	% owned
Algebirs UK Limited	5.16%
Unicredit Spa	6.11%
IBL Banca S.p.A.	19.85%
Own Shares	11.86%
Market/Other Shareholders	57.02%

Table no. 11a - Shareholders



Lastly, at 31 December 2022, there are 1,823,235 outstanding warrants issued by the Company and admitted to trading on the Euronext STAR Milan market. The aforementioned warrants attribute to their holders the right to subscribe 1 (one) Conversion Share for each Warrant presented, on the basis of a fixed exercise ratio of 1:1, against payment of the Strike Price. All as indicated in the Warrant Regulations available on the Company's website¹. The changes in the various components of equity that took place during the year are shown in the following table.

¹ Click the link: <https://www.netinsurance.it/investor-relations/strumenti-finanziari-net/warrant/>

Table no. 12 - Statement of changes in equity

	Share capital	Share premium reserve	Dividend distribution	Legal reserve	Available reserve	Negative reserves for own shares in the portfolio	Retained earnings/losses	Profit/loss for the year	Total
Balance as at 01.01.2021	17,485	63,163	0	1,195	6,919	(10,103)	(6,094)	5,288	77,853
Allocation of profit for the year 2020 based on the resolution of the Shareholders' Meeting of 23.04.2021			1,269	264	37		3,717	(5,288)	0
Dividend distribution			(1,269)		(37)				(1,306)
Stock option					250				250
Bond conversion		73				327			400
Conversion of Warrants in February 2021	4	16							20
Conversion of Warrants in May 2021	9	31							40
Conversion of Warrants in June 2021	2	8							10
Conversion of Warrants in September 2021	115	425							541
Profit for the year as at 31.12.2021								7,349	7,349
Balance as at 31.12.2021	17,615	63,716	0	0	1,459	(9,776)	(2,377)	7,349	85,157
Balance as at 01.01.2022	17,615	63,716	0	0	1,459	(9,776)	(2,377)	7,349	85,157
Allocation of profit for the year 2021 based on the resolution of the Shareholders' Meeting of 27.04.2022			2,827	367	0		4,155	(7,350)	0
Dividend distribution			(2,827)		0				(2,827)
Stock option					7,550				7,550
Bond conversion		218				982			1,200
Conversion of Warrants in July 2022	1	5							7
Conversion of Warrants in September 2022	1	4							5
Conversion of Warrants in October 2022	2	6							8
Profit for the year as at 31.12.2022								2,625	2,625
Balance as at 31.12.2022	17,619	63,949	0	0	1,827	(8,793)	1,778	2,624	93,725

The table required by accounting standard OIC 28 and Article 2427 of the Italian Civil Code follows:

Table no. 13 - Breakdown of equity

Thousands of Euro

	Amount as at 31.12.2022	Possible uses of the reserve	Availability of the reserve	Coverage of losses	Use in the previous 3 years Other
Share capital	17,619				
Capital reserves					
- Share premium reserve	63,949	A - B - C	49,151		
- Reserve for own shares	(8,793)				
Other reserves					
- Other reserves	14,720	A - B - C			
Profit reserves					
- Legal reserve	1,827	B	1,827		
- Retained earnings	1,778	A - B - C			
Total	91,100		58,761		
Total distributable			58,761		

Key: A - Share capital increase; B - Coverage of losses; C - Shareholder distribution

The share premium reserve is available for an amount of Euro 49,151 thousand. The unavailable portion relates to the reserve for valuation using the equity method of the subsidiary for an amount of euro 10,910 thousand and for the reserve deriving from the application of regulation 52 regarding the suspension of capital losses for an amount equal to euro 3,888 thousand.

Section 9 - Subordinated liabilities

In December 2020, the Company issued a subordinated convertible bond loan (Tier II) in the amount of 5,000 thousand Euros, with a ten-year term and a yield rate of 4.60%, listed on the Vienna Stock Exchange and subscribed by institutional and professional investors. The bond, eligible for inclusion under own funds, provides for two conversion ratios per share (6.00 and 7.00 Euros), which vary according to the conversion window. During 2021, a conversion request was made by the bond holders for this bond for a total amount of 400,000 Euros for this bond (4 bonds, each with a denomination of 100,000 Euros). To serve the conversion of the convertible subordinated bond loan (Isin IT0005429268), no. 66,664 own shares of the Company were transferred, thus bringing the outstanding amount of the instrument from the initial nominal value of 5,000 thousand Euros (issued in December 2020) to the nominal value of

4,600 thousand Euros.

On 16 December 2022, the second annual period in which to exercise the conversion of the convertible subordinated bond loan (Isin IT0005429268) ended. The bond holders applied for a conversion for a total nominal value of 1,200,000 Euros (12 bonds, each with a denomination of 100,000 Euros) and, to service the aforementioned conversion, 199,992 own shares of the Company were transferred, in line with the provisions of the 'Terms and conditions' of the bond, thus bringing the outstanding amount of the instrument from the previous nominal value of 4,600 thousand Euros to the nominal value of 3,400 thousand Euros.

The value as at 31.12.2022, using the amortised cost criterion, amounted to 4,389 thousand Euros.

In September 2021, the Company issued a subordinated bond loan (Tier II), amounting to 12,500 thousand Euros. The bond pays an annual fixed coupon rate of 5.10% and is eligible under own funds. The duration of the financial instrument is ten years, except for the right for the Company to be able to call up the financial instrument in advance, starting from the fifth year ('call'). The value as at 31.12.2022 is equal to 12,303 thousand Euros.

Section 10 - Technical reserves

Technical reserves amounted to 202,039 thousand Euros, compared to 186,171 thousand Euros in the previous year, and refer for 169,708 thousand Euros to the premium reserve, 23,059 thousand Euros to the claims provision and 261 thousand Euros to other technical reserves, and for 9,011 thousand Euros to equalisation reserves.

The premium reserve mainly consists of the unearned premium reserve for 167,772 thousand Euros, supplemented by the reserves for risks deriving from earthquakes and other natural disasters for 1,936 thousand Euros.

The unearned premium reserve refers for 2,705 thousand Euros to the financial losses segment, of which 6 thousand Euros deriving from indirect business, for 5,491 thousand Euros to the fire segment, for 4,136 thousand Euros to the other damage to property segment, for 7,527 thousand Euros to the accident and injury segment, 588 thousand Euros to the illness segment, 145,030 thousand Euros to the credit class, of which 37 thousand Euros deriving from indirect business, 149 thousand Euros to the legal protection segment, for 1,715 thousands of Euros to the suretyship segment, for 379 thousand Euros to the general civil liability segment and for 52 thousand Euros to the assistance segment.

The current risk reserve was calculated according to the empirical criterion based on the prospective value of the ratio of claims to net premiums earned in the current generation. This value was determined

on the basis of the ratio of claims to net premiums earned, recorded in the valuation year, also taking into account the values assumed by the same over a retrospective observation time horizon. Direct and settlement expenses and net premiums earned, determined on the basis of gross premiums written net of commissions and other acquisition expenses, limited to the directly attributable costs, shall be taken into account in determining the expenses from claims. The provision for current risks is established to an extent equal to any excess between the expected cost of future risks and the unearned premium reserve plus the premium instalments falling due in the following year, net of acquisition expenses. Verifies that the premium reserve allocated at the end of the previous year, plus the premium instalments relating to contracts for which the premium reserve was established, was sufficient during the year to meet the total cost of the claims that occurred and that concerned the contracts that gave rise to the provision. Limited to segment 14, with specific reference to the Salary-backed loan portfolio, similarly to previous years, the analytical method was adopted for homogeneous groups of contracts referred to in paragraph 7, point 1, of Annex no. 15 to ISVAP Regulation no. 22/2008, rather than the empirical method adopted until 31 December 2008. The criterion adopted is based on a forecasting model aimed at estimating, for homogeneous classes of risk, in light of the trends observed during the year and, taking into account prospective analyses, the expected loss ratio. The assessments carried out as at 31 December 2022 led to a self-sufficiency of the unearned premium reserves for all segments of the financial statements, for which there was no allocation to premium reserve for current risks.

The provisions for risks deriving from natural disasters are represented by 26 thousand Euros for the accident segment, 119 thousand Euros for the fire segment and 334 thousand Euros for the ODP segment.

The following table shows the details of the reserve by financial statement segment compared with that of the previous year.

Table no. 14 - Premium Reserve

Premium reserve	Thousands of Euro		
	2022	2021	Change
Accident and injury	8,174	4,459	3,715
Illness	588	76	512
Fire	6,447	6,414	32
Other damage to property	4,470	3,941	529
General Civil Liability	379	249	
Credit	145,030	138,158	6,872
Suretyship	1,715	1,351	364
Financial losses	2,706	1,870	836
Legal protection	149	196	(48)
Assistance	52	38	14
Total	169,708	156,752	12,956

The claims provision is determined for each segment and for each claim incurred and reported for which,

at the end of the year, the settlement process has not yet started, or has not yet been completed, in relation to claims reported during the year or in previous years. The measurement of the provision is made, for all non-life segments at ultimate cost, to take into account all foreseeable future charges on the basis of historical and prospective data. The provision for claims incurred but not yet reported is determined on the basis of experience acquired, considering the frequency of claims and the average cost of claims reported late and the actual distribution (numbers and amounts) by year of occurrence of the late claims recorded over the years, as well as the average cost of claims reported and incurred during the year. The valuation is made at ultimate cost through the application of a statistical-actuarial methodology of the frequency-severity type, i.e. which is based at the same time on the frequency of the claim and on the historical amount of the average cost. The evolution of the portfolio of those exposed to risk is also taken into account, so as to correctly calibrate the IBNR estimate in relation to the portfolio of policies in existence.

The claims provision, whose components are highlighted in Annex 13, concerns for 731 thousand Euros the financial losses segment, of which 4 thousand Euros are from indirect business, 17,830 thousand Euros for the credit segment, of which 36 thousand Euros are from indirect business, 2,789 thousand Euros for other damage to property segment, 260 thousand Euros for fire segment, 495 thousand Euros for accident and injury segment, 281 thousand Euros for legal protection segment, 188 thousand Euros for the suretyship segment, 261 thousand Euros for the general civil liability segment, and 220 thousand Euros for the illness segment and 2 thousand Euros for the assistance segment.

Table no. 15 - Claims provision

Claims provision	2022	2021	Change
Accident and injury	495	410	85
Illness	220	239	(19)
Fire	260	293	(33)
Other damage to property	2,789	1,611	1,178
General Civil Liability	261	90	171
Credit	17,830	17,475	355
Suretyship	188	219	(31)
Financial losses	731	1,308	(577)
Legal protection	281	255	26
Assistance	2	1	1
Total	23,059	21,902	1,157

The other technical reserves consist solely of the ageing provision of the illness segment for 261 thousand Euros.

The equalisation reserves are represented by the equilibrium reserve for natural disaster risks, relating to the accident and injury segment for 29 thousand Euros, the fire segment for 10 thousand Euros, the other damage to property segment for 735 thousand Euros and the credit segment for 8,237 thousand Euros.

Section 12 - Provision for risks and charges

The value as at 31.12.2022 is equal to 57 thousand Euros, of which:

- 35 thousand Euros for the closure of some insurance agencies of Net Insurance and for legal disputes related to claims litigation;
- 22 Euros for the pension provision;

Deposits from reinsurers

As at 31 December 2022, there were no deposits from reinsurers.

Sections 13 - Payables and other liabilities

Payables and other liabilities totalled 52,316 thousand Euros, with an increase of 14,754 thousand Euros compared to the previous year, mainly due to the increase in payables to co-insurers.

The payables, in detail, concern:

- payables deriving from coinsurance relationships for 13,258 thousand Euros;
- payables arising from reinsurance transactions with insurance and reinsurance companies for 25,013 thousand Euros, determined on the basis of the signed reinsurance treaties;
- payables for post-employment benefits of 271 thousand Euros, the changes of which are described in Annex 15;
- other payables for 11,598 thousand Euros, of which 878 thousand Euros for taxes payable by policyholders, 1,418 thousand Euros for sundry tax payables, 364 thousand Euros for charges to welfare and social security institutions and 8,938 thousand Euros for sundry payables.

Sundry payables, amounting to 8,938 thousand Euros, are mainly composed of 4,498 thousand Euros of payables to suppliers, relating to sundry services received during the year, and for 2,928 thousand Euros of allocations, relating to charges pertaining to the for the most part relating to services received during the year, from technical provisions, and from invoices to be received.

The most significant amounts of the provisions made concern 323 thousand Euros relating to the cost for the intercompany service contract.

The other amounts relate to fees for professional services relating to services received for outsourced activities and payables for sundry services.

Section 14 - Accrued liabilities and deferred income

Accrued interest expense amounted to 176 thousand Euros and refers to interest expense accrued as at 31 December 2022 on outstanding subordinated loans.

Section 15 - Assets and liabilities relating to Group companies and other investees

The assets and liabilities relating to Group companies and other investees, described in detail in Annex 16, mainly concern equity investments held for long-term use, the subordinated loan subscribed to the Subsidiary. The related receivables and payables are described in Part C of the Notes to the Financial Statements.

Section 16 - Receivables and payables

The receivables and payables recorded in items C and E of assets and items F and G of liabilities are due within the following year, with the exception of payables for employee severance indemnity (presumably payable beyond five years), of part of the receivables from policyholders and third parties for amounts to be recovered

(most of which can be realised in the following four years), and of the receivables from the tax authorities for deferred tax assets (accounted for on the basis of accounting standard no. 25 of the CNDC and on the basis of what is indicated in the part of the explanatory notes dedicated to the assessment criteria, for which these receivables will be recovered, containing the non-deductible portions in each year of the net change in the claims provision, within the next nine years).

Section 17 - Guarantees, commitments, contingent liabilities and other memorandum accounts

The guarantees, commitments and other memorandum accounts (the details of which are described in Annex 17) amount to a total of 81,667 thousand Euros and consist of:

- the purchase commitment for subscription of units of the closed-end fund Anthilia BIT III for 142 thousand Euros;
- the purchase commitment for subscription of units of the closed-end Tenax European credit fund for 770 thousand Euros;
- the purchase commitment for subscription of units of the closed-end fund Quaestio Private Markets FD for 158 thousand Euros;
- the purchase commitment for subscription of units of the closed-end fund Tikehau Direct Lending IV for 74 thousand Euros;
- ;
- the purchase commitment for subscription of units of the closed-end fund ACP Sustainable Securities Fund for 919 thousand Euros;
- the purchase commitment for subscription of units of the closed-end fund Muzinich Diversified Enterprises Credit II for 392 thousand Euros;
- the purchase commitment for subscription of units of the closed-end fund High Score Income Infrastructure Loans for 1,367 thousand Euros;
- securities deposited with third parties, relating to bonds for a nominal value of 61,696 thousand Euros, securities as collateral relating to the recovery of the stolen securities equal to 16,148 thousand Euros.

INCOME STATEMENT

Section 18 - Information concerning the technical account of the non-life segments

Gross premiums written amounted to 95,062 thousand Euros, compared to 75,460 thousand Euros in the previous year; the contribution of production by segment is shown in the table below.

Table no. 16 - Gross Premiums Written

Gross premiums written	Thousands of Euro		
	2022	2021	Change
Accident and injury	11,719	7,289	4,429
Illness	2,611	1,589	1,022
Fire	2,416	1,842	574
Other damage to property	37,231	28,762	8,469
General Civil Liability	1,839	1,196	643
Credit	34,497	31,644	2,853
Suretyship	1,647	1,290	356
Financial losses	2,133	1,282	851
Legal protection	528	335	193
Assistance	442	229	213
Total	95,062	75,459	19,603

The summary information concerning the technical account of the non-life segments is indicated in Annex 19.

Net charges relating to claims show a balance of 16,2776 thousand Euros, compared to 14,119 thousand Euros in the previous year, consisting of 20,340 thousand Euros of net amounts paid, 3,890 thousand Euros of positive net change in recoveries and 173 thousand Euros of positive net change in the claims provision. The component of the claims provision at the end of the year in these financial statements relating to the estimate of late claims at the same time incorporates, in its quantification, the experience gained in all previous years, both with regard to the number of claims and their average cost, and recent trends found in recent years.

Operating expenses, before the effect of reinsurance commissions, amounted to 43,666 Euros, an increase of 16,789 Euros over the previous year.

The amount of commissions and profit sharing received from reinsurers came to 14,158 thousand Euros, an increase of 4,813 thousand Euros compared to the previous year. The balance as at 31 December

2022 relates to commissions received from reinsurers relating to the quota treaties signed for the various segments.

Other technical charges, amounting to 496 thousand Euros, mainly relate to the cancellations of premiums from the previous year. The change in equalisation reserves amounted to 1,653 thousand Euros, down compared to 1,720 thousand Euros in the previous year.

Section 20 - Development of technical segment items

20.1 Non-Life insurance

Annex 25 contains the summary statements of the technical accounts of the various segments exercised. The items common to the various segments were broken down on the basis of the ratio of gross premiums written for each segment to the total gross premiums written for all segments.

The summary statement of the technical account summarizing all the non-life segments is described in Annex 26.

Section 21 - Information concerning the non-technical account

Income from investments amounted to 9,283 thousand Euros, with an increase of 832 thousand Euros compared to the previous year, mainly due to the write-back on the Augusto security of 1,715 thousand Euros: for further information, please refer to the information provided in the management report in the 'Black Swan' section.

In detail, the income mainly consists of:

- 999 thousand Euros for dividend income;
- 1,235 thousand Euros for income from bonds and other fixed-rate securities;
- 5,005 thousand Euros for write-backs;
- 2,044 thousand Euros for bonds.

Equity and financial charges, indicated in Annex 23, amounted to 5,058 thousand Euros, with an increase of 2,725 thousand Euros compared to the previous year, and concern investment management costs and interest expense for 1,685 thousand Euros, losses on realised investments for 227 thousand Euros and value adjustments on investments for 3,145 thousand Euros.

Other income amounted to 3,657 thousand Euros and mainly relates to compensation relating to the claims

management service for 36 thousand Euros and the revenue of Group VAT between Net insurance and Net Insurance Life for 2,275 thousand Euros.

Other charges amounted to 2,006 thousand Euros and are essentially linked to the cost of the Group VAT between Net insurance and Net Insurance Life for 647 thousand Euros and the interest on subordinated loans issued by the Company for 890 thousand Euros.

The result of extraordinary activities posted a negative balance of 622 thousand Euros.

Income taxes include IRES and IRAP taxes based on estimated taxable income of each year and are disclosed in accordance with current regulations. As at 31.12. 2022 they are negative and equal to 3,965 thousand Euros.

The changes in 2022 in deferred tax assets and liabilities resulting from the application of current tax regulations and the reconciliation of the tax rate are shown in the Other Annexes to the Notes to the Financial Statements. It should also be noted that the Company has joined the national tax consolidation program pursuant to Legislative Decree No. 34 dated 12 December 2003, and shall comply with all the requirements and meet all matters relating to IRES statement and payment in its capacity as a consolidating company.

The Company has carried out due diligence with regard to the valuation of the recoverability of deferred tax assets, determining that requirements of reasonable certainty are in place for their total recovery in future years (the 2022-2025 Business Plan). Consequently, a deferred tax asset value was written in the balance sheet at a level deemed consistent with future profits expressed in the business plan and profit expectations of the Net Insurance Group companies.

Section 22 - Miscellaneous information relating to the income statement

Annex 31 shows the premiums written, which during the year concerned only the Italian territory.

Charges relating to personnel, directors and statutory auditors are described in detail in Annex 32.

The derogation from the measurement criteria envisaged by Decree Law no. 73, whose application to insurance companies is governed by IVASS Regulation no. 52 of 30 August 2022, had a positive effect on the Company's financial statements at the end of the period of 5,116 thousand Euros (equal to 3,888 thousand Euros net of the tax rates currently in force).

Data and information relating to employees

The Company's employees as at 31 December 2022 are equal to 94 resources (+6 compared to 2021) and for the breakdown, please refer to the table in the Management Report.

PART C - OTHER INFORMATION

Related parties

In compliance with the information provided in Article 2427 of the Italian Civil Code, no atypical or unusual transactions with related parties were carried out with respect to normal management. In particular, all transactions with related parties were carried out under market conditions.

As at 31 December 2022, the Company Net Insurance declares that the transactions carried out with related parties are:

- credit relationship generated by the subordinated ten-year bond loan (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.;
- provision of operational support/assistance services by Net Insurance Life S.p.A. The transaction amounted to 664,536 Euros;
- the annual consultancy contract amounting to 24,400 Euros with tacit renewal, for Net Insurance title research activities carried out by KT&Partners.

Subsidiaries and associates

The economic relations between Net Insurance and Net Insurance Life from 31/12/2020 are linked by the service contract, which regulates the Group VAT, and the company Net Insurance had income of 2,775 thousand Euros and charges of 647 thousand Euros. In addition, Net Insurance receives coupon interest of 350 thousand Euros in relation to the subscription of the subordinated loan issued by the subsidiary Net Insurance Life.

Disclosure on the unavailable reserve Reg. 52 of 30 August 2022

The effects of the application of IVASS regulation no. 52 of 30 August 2022 are shown below:

Description of the financial statements category	Value as at 31 December 2022	Market value as at 31/12/2022	Effects deriving from the application of IVASS Regulation no. 52	Tax Effect	Effect deriving from the application of IVASS Regulation no. 52 net of the tax effect
C.II 2.b Bonds issued by the Group - Subsidiaries - Non-Life business	5,000,000	4,667,760	332,240	79,738	252,502
C.III 2. Units of mutual investment funds - Non- Life business	917,365	883,585	33,780	13,909	25,673
C.III 3. Bonds and other fixed-income securities - Non- Life business	50,733,303	45,983,642	4,749,661	1,139,919	3,609,743
Total	56,650,668	51,534,987	5,115,681	1,227,763	3,887,918

State aid information

During the year, the Company was granted financial contributions, under Law 124/2017, Article 1, paragraph 25, recorded as per Registro Nazionale degli Aiuti di Stato - RINA (the National Register of State Aid).

Below are these contributions in detail:

Table no. 17 - Funded training

Thousands of Euro		
Project	Financing amount	Presenting Body
More Next to People	30	Ania Servizi e Formazione Srl
Next to People	38	Ania Servizi e Formazione Srl
Next Insurance uno sguardo al futuro ('an eye on the future')	54	Ania Servizi e Formazione Srl
TOTAL	122	

Fees to the Auditing Company

The independent auditing is entrusted to KPMG Spa. The fees were: 125 thousand Euros.

The additional tasks conferred on the independent auditors and the related fees are shown below, net of expenses, VAT and the Consob contribution:

- Audit of MVBS 28 thousand Euros
- Limited review SCR 19,4 thousand Euros
- Listing support 210 thousand Euros
- Transition support IFRS17 e IFRS9 114,5 thousand Euros
- Due diligence support DD 43 thousand Euros.

RESULTS FOR THE YEAR AND PROPOSAL FOR THE SHAREHOLDERS' MEETING

The Board of Directors of the Company, in line with the provisions of the Business Plan, proposes to the Ordinary Shareholders' Meeting to allocate the Net Insurance S.p.A. operating profit as at 31 December 2022, amounting to 2,624,606 Euros as follows:

- 1,697,000 Euros to the legal reserve;
- a dividend to ordinary shares in the amount of 927.606 Euros;

The Board of Directors of the Company, taking into account the dividend policy outlined in the 2022-2025 Business Plan¹⁰, proposed:

- to allocate an additional amount of 1,584,780.30 Euros as dividend, through the use of retained earnings;
- to classify the amount of 1,416,775 Euros of the 'share premium reserve' under 'other reserves' for the purposes of the indistributable reserve pursuant to Article 2426, paragraph 1, no. 4) of the Italian Civil Code

The proposed distribution of the dividend would take place according to the following calendar:

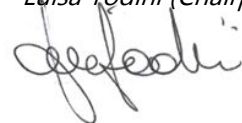
- detachment date: 22 May 2022
- date of entitlement to receive the dividend (record date): 23 May 2022
- payment date: 24 May 2022

The proposed dividend is therefore equal to 0.1357 Euros per ordinary share and the total amount allocated to the dividend is equal to 2,512,386.30 Euros.

Lastly, the Board expresses sincere and heartfelt thanks to all partners, management and staff of Net insurance.

Rome, 21 March 2023

THE BOARD OF DIRECTORS
Luisa Todini (Chairperson)



CASH FLOW STATEMENT

Net Insurance Cash flow statement	Thousands of Euro	
	2022	2021
Result for the year	2,625	7,349
Amortisation/Depreciation	2,456	2,056
Provisions (utilisations)	(312)	(215)
Write-downs (revaluations)	(3,057)	(4,970)
Changes in net technical reserves	7,939	7,021
Net cash flow from current income	9,650	11,240
Change:		
- Receivables and sundry assets	18,247	3,814
- Payables and sundry liabilities	13,188	(5,900)
Net cash flow of working capital	(5,059)	(9,714)
Net cash flow from operating activities (a)	4,591	1,527
Investments:		
Property intended for business operations	115	(95)
Intangible assets	4,232	2,331
Tangible assets	51	47
Equity Investments and securities	5,894	781
Net cash flow from investment activities (b)	(10,291)	(3,063)
- Share capital increase	4	130
- Change in reserves for conversion of warrants	233	553
- Changes in other reserves	6,073	250
Net cash flow from equity changes (c)	6,311	933
Net cash flow for the period (d=a+b+c)	610	(604)
Cash and cash equivalents at the beginning of the period	3,787	4,391
Cash and cash equivalents at the end of the period	4,397	3,787

Annexes to the Notes to the financial statements
2022 Financial Year

DESCRIPTION	Non - Life *	Life *	Non - Life and Life *
Balance sheet - Non-Life business	1		
Balance sheet - Life business		n / a	
Statement relating to the breakdown of the result for the year between non-life and life segments			1
Assets - Changes during the year in intangible assets (item B) and in land and buildings (item C.I)			1
Assets - Changes during the year in investments in Group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)			1
Assets - Statement containing information on investee companies			1
Assets - Detailed statement of changes in investments in Group companies and other investees: shares and holdings			1
Assets - Breakdown based on the use of other financial investments: shares and units of companies, units of mutual investment funds, bonds and other fixed-income securities, shares in joint investments and sundry financial investments (items C.III.1, 2, 3, 5, 7)			1
Assets - Changes during the year in other long-term use financial investments: shares and units, units of mutual investment funds, bonds and other fixed-income securities, shares in joint investments and sundry financial investments (items C.III.1, 2, 3, 5, 7)			0
Assets - Changes during the year in loans and deposits with credit institutions (items C.III.4, 6)			1
Assets - Statement of assets relating to services associated with investment funds and market indices (item D.I)		n / a	
Assets - Statement of assets deriving from pension fund management (item D.II)		n / a	
Liabilities - Changes during the year in the components of the premium reserve (item C.I.1) and the claims provision (item C.I.2) in the non-life segments	1		
Liabilities - Changes during the year in the components of mathematical reserves (item C.II.1) and of the reserve for profit sharing and rebates (item C.II.4)		n / a	
Liabilities - Changes during the year in provisions for risks and charges (item E) and employee severance indemnity (item G.VII)			1
Detailed statement of assets and liabilities relating to Group companies and other investees			1
Details of classes I, II, III and IV of 'guarantees, commitments and other memorandum accounts'			1
Statement of commitments for transactions on derivative contracts			0
Summary information concerning the technical account of the non-life	1		

	segments			
	Summary information concerning the life segments relating to premiums and the reinsurance balance		n / a	
	Income from investments (item II.2 and III.3)			1
	Income and unrealised capital gains relating to investments for the benefit of policyholders who bear the risk and to investments deriving from the management of pension funds (item II.3)		n / a	
	Equity and financial charges (items II.9 and III.5)			1
	Equity, financial charges and unrealised losses relating to investments for the benefit of policyholders who bear the risk and to investments deriving from the management of pension funds (item II.10)		n / a	
	Non-Life insurance - Summary table of technical accounts by individual segment - Italian portfolio	1		
	Summary table of the technical account summarising all non-life segments - Italian portfolio	1		
	Life insurance - Summary table of technical accounts by individual segment - Italian portfolio		n / a	
	Summary table of the technical account summarising all life segments - Italian portfolio		n / a	
	Summary table relating to non-life and life technical accounts - Foreign portfolio			0
	Relations with Group companies and other investees			1
	Summary statement of premiums written for direct business			1
	Statement of charges relating to personnel, directors and statutory auditors			1

* Indicate the number of attachments actually completed. Indicate 0 if the attachment, although due, has not been completed as all items are null. Indicate n/a if the company is not required to complete the attachment.
The undersigned declare that these financial statements are true and correct.

Company NET INSURANCE

**BALANCE SHEET - NON-LIFE BUSINESS
ASSETS**

Values for the year

RECEIVABLES FROM SHAREHOLDERS FOR SHARE CAPITAL				
A.	SUBSCRIBED AND UNPAID			1
	of which called-up capital	2		
B.	INTANGIBLE ASSETS			
	1. Acquisition commissions to be amortised	4	3,967	
	2. Other acquisition expenses	6	59	
	3. Start-up and expansion costs	7		
	4. Goodwill	8		
	5. Other multi-year costs	9	14,011	10 18,038
C.	INVESTMENTS			
I	- Land and buildings			
	1. Property intended for business operations	11	5,159	
	2. Property for use by third parties	12		
	3. Other property assets	13		
	4. Other property rights	14		
	5. Fixed assets in progress and advances	15	5,159	16 5,159
II	- Investments in Group companies and other investees			
	1. Shares and holdings of companies:			
	a) parent companies	17		
	b) subsidiaries	18	33,377	
	c) affiliates	19		
	d) associates	20		
	e) others	21	2,236	22 35,612
	2. Bonds issued by companies:			
	a) parent companies	23		
	b) subsidiaries	24	5,000	
	c) affiliates	25		
	d) associates	26		
	e) others	27	5,000	28 5,000
	3. Loans to companies:			
	a) parent companies	29		
	b) subsidiaries	30		
	c) affiliates	31		
	d) associates	32		
	e) others	33		34 40,612
			35	40,612
			to be carried over	18,038



Financial year 2022

Page 1

Values from the previous year

			181
182			
184	3,618		
186	30		
187			
188			
189	12,434		190 16,082
191	5,139		
192			
193			
194			
195		196 5,139	
197			
198	29,502		
199			
200			
201	1,888	202 31,390	
203			
204	5,000		
205			
206			
207		208 5,000	
209			
210			
211			
212			
213		214	215 36,390
	to be carried over		16,082

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

Values for the year

			carry-over			18,038
C. INVESTMENTS (continued)						
III - Other financial investments						
1. Shares and holdings						
a) Listed stocks	36	87				
b) Unlisted stocks	37	1,732				
c) Holdings	38		39	1,819		
2. Units of mutual investment funds			40	34,931		
3. Bonds and other fixed-income securities						
a) listed	41	54,080				
b) unlisted	42	3,948				
c) convertible bonds	43	195	44	58,223		
4. Loans						
a) collateralised loans	45					
b) loans on policies	46					
c) other loans	47	317	48	317		
5. Shares in joint investments			49			
6. Deposits with credit institutions			50			
7. Sundry financial investments			51		52	95,289
IV - Deposits with assignors					53	43
					54	141,103
D bis. TECHNICAL RESERVES ATTRIBUTABLE TO REINSURERS						
I - NON-LIFE SEGMENTS						
1. Premium reserve			58	103,243		
2. Claims provision			59	14,787		
3. Reserve for profit sharing and rebates			60			
4. Other technical provisions			61		62	118,030
				to be carried over		277,170

Values from the previous year

		carry-over		16,082
216	68			
217	1,262			
218		219	1,331	
		220	36,142	
221	47,787			
222	4,764			
223	197	224	52,748	
225				
226				
227	264	228	264	
		229		
		230		
		231		
		232	90,484	
		233	118	234
				132,132
		238	96,644	
		239	13,457	
		240		
		241		242
				110,100
		to be carried over		258,315

BALANCE SHEET - NON-LIFE BUSINESS

ASSETS

				Values for the year			
				carry-over		277,170	
E.	RECEIVABLES						
	I	- Receivables arising out of direct insurance transactions, with regard to:					
		1. Policyholders					
	a)	for premiums for the year	71 28,107				
	b)	for premiums of the previous years	72 -13,775	73	14,332		
		2. Insurance brokers		74	17,705		
		3. Current account companies		75	286		
		4. Policyholders and third parties for amounts to be recovered		76	19,363	77	51,686
	II	Receivables arising out of reinsurance transactions, with regard to:					
	- Associates	1. Insurance and reinsurance companies		78	2,491		
	- Companies with which the insurance company	2. Reinsurance brokers		79		80	2,491
	III	- Other receivables				81	18,795
						82	72,972
F.	OTHER ASSET ITEMS						
	I	- Tangible assets and inventories:					
		1. Furnishing, office machines and internal transport means		83	212		
		2. Movable assets recorded in public registers		84	1		
		3. Plants and equipment		85	4		
		4. Inventories and sundry goods		86		87	217
	II	- Cash and cash equivalents					
		1. Bank deposits and postal accounts		88	4,395		
		2. Checks and cash balance		89	2	90	4,397
	III	- Own shares or holdings				91	
	IV	- Other assets					
		1. Transitory reinsurance accounts receivable		92			
		2. Sundry assets		93	7,235	94	7,235
		of which Life business connection account		901		95	11,849
G.	ACCRUALS AND DEFERRALS	ACCRUALS AND DEFERRALS					
		1. For interest				96	367
		2. For lease payments				97	
		3. Other accruals and deferrals				98	1,441
						99	1,809
		TOTAL ASSETS					100 363,800



Values from the previous year

	carry-over			258,315
251	16,794			
252	-4,017	253	12,777	
		254	7,197	
		255	3,370	
		256	17,930	257
				41,274
		258	3,119	
		259		260
				3,119
				261
				10,781
				262
				55,174
		263	236	
		264	7	
		265	8	
		266		267
				251
		268	3,785	
		269	2	270
				3,787
				271
		272		
		273	6,945	274
				6,945
		275		10,983
		903		
				276
				344
				277
				278
				1,306
				279
				1,650
				280
				326,121

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND EQUITY

Values for the year

A. EQUITY			
I	- Subscribed share capital or equivalent fund	101	17,619
II	- Share premium reserve	102	63,949
III	- Revaluation reserves	103	
IV	- Legal reserve	104	1,827
V	- Statutory reserves	105	
VI	- Reserves for own shares and parent company's shares	106	
VII	- Other reserves	107	14,720
VIII	- Retained earnings (losses)	108	1,778
IX	- Profit (loss) for the period	109	2,625
X	- Negative reserve for own shares in the portfolio	401	-8,793
		110	93,725
B. SUBORDINATED LIABILITIES			111
			15,487
C. TECHNICAL RESERVES			
I - NON-LIFE SEGMENTS			
1.	Premium reserve	112	169,708
2.	Claims provision	113	23,059
3.	Reserve for profit sharing and rebates	114	
4.	Other technical provisions	115	261
5.	Equalisation reserves	116	9,011
		117	202,039
	to be carried over		311,252

Values from the previous year

	281	17,615	
	282	63,716	
	283		
	284	1,460	
	285		
	286		
	287	7,169	
	288	-2,376	
	289	7,349	290
	289	-9,775	290 85,157
			291 16,645
	292	156,752	
	293	21,902	
	294		
	295	159	
	296	7,359	297 186,171
	to be carried over		287,972

BALANCE SHEET - NON-LIFE BUSINESS
 LIABILITIES AND EQUITY

Values for the year

	carry-over			311,252
E. PROVISIONS FOR RISKS AND CHARGES				
1. Provisions for pensions and similar obligations		128	22	
2. Provisions for taxes		129		
3. Other provisions		130	35	131 57
F. DEPOSITS RECEIVED FROM REINSURERS				132
G. PAYABLES AND OTHER LIABILITIES				
I - Payables arising out of direct insurance transactions, with regard to:				
1. Insurance brokers	133	492		
2. Current account companies	134	13,258		
3. Policyholders for guarantee deposits and premiums	135			
4. Guarantee funds in favour of policyholders	136		137 13,749	
II - Payables arising out of reinsurance transactions, with regard to:				
1. Insurance and reinsurance companies	138	25,013		
2. Reinsurance brokers	139		140 25,013	
III - Bonds			141	
IV - Payables to banks and financial institutions			142	
V - Payables with collateral			143	
VI - Sundry loans and other financial payables			144	
VII - Employee severance indemnity			145 271	
VIII - Other payables				
1. For taxes payable by policyholders	146	878		
2. For sundry tax charges	147	1,418		
3. To welfare and social security institutions	148	364		
4. Sundry payables	149	8,938	150 11,598	
IX - Other liabilities				
1. Transitory reinsurance accounts payable	151			
2. Commissions for premiums being collected	152	1,685		
3. Sundry liabilities	153		154 1,685	155 52,316
of which Life business connection account	902			
		to be carried over		363,624

Values from the previous year

	carry-over		287,972
		308	62
		309	
		310	347
			311
			410
			312
	313	301	
	314	4,046	
	315		
	316	317	4,346
	318	20,152	
	319	320	20,152
		321	
		322	
		323	
		324	
		325	269
	326	686	
	327	1,006	
	328	342	
	329	9,256	330
			11,290
	331		
	332	1,504	
	333	334	1,504
			335
			37,562
	904		
	to be carried over		325,944

BALANCE SHEET - NON-LIFE BUSINESS
LIABILITIES AND EQUITY

Values for the year

	carry-over		363,624
H			
.	ACCRUALS AND DEFERRALS		
	1. For interests	156	176
	2. For lease payments	157	
	3. Other accruals and deferrals	158	159
			176
	TOTAL LIABILITIES AND EQUITY		160
			363,800

Page 6

Values from the previous year

	carry-over		325,944
		336	177
		337	
		338	339
			177
			340
			326,121

Company

NET INSURANCE

Financial year 2022

Statement relating to the breakdown of the result for the year between non-life and life segments

		Non-Life businesses	Life businesses	Total
Balance in technical account		1 (6,497)	21	41 (6,497)
Income from investments	+	2 9,283		42 9,283
Equity and financial charges	-	3 5,058		43 5,058
Portions of profit from investments transferred from the technical account of life segments	+		24	44
Portions of profit from investments transferred to the technical account of non-life segments	-	5		45
Interim Management Result		6 (2,272)	26	46 (2,272)
Other income	+	7 3,657	27	47 3,657
Other charges	-	8 2,006	28	48 2,006
Extraordinary income	+	9 202	29	49 202
Extraordinary charges	-	10 921	30	50 921
Profit before taxes		11 (1,341)	31	51 (1,341)
Income taxes for the year	-	12 (3,965)	32	52 (3,965)
Profit (loss) for the year		13 2,625	33	53 2,625

Company NET INSURANCE

Assets - Changes during the year in intangible assets (item B) and in land and buildings (item C.I)

		Intangible assets B	Land and buildings C.I
Opening gross balance	+ 1	23,731	31 5,952
Increases during the year	+ 2	4,204	32 115
for: purchases or increases	3	4,204	33 115
write-backs	4		34
revaluations	5		35
other changes	6		36
Decreases during the year	- 7		37
for: sales or decreases	8		38
permanent write-downs	9		39
other changes	10		40
Closing gross balance (a)	11	27,935	41 6,067
Amortisation/depreciation:			
Opening balance	+ 12	7,649	42 814
Increases during the year	+ 13	2,249	43 95
for: amortisation/depreciation for the year	14	2,249	44 95
other changes	15		45
Decreases during the year	- 16		46
for: reductions for disposals	17		47
other changes	18		48
Closing balance of amortisation/depreciation (b) (*)	19	9,898	49 909
Book value (a - b)	20	18,038	50 5,159
Current value			51
Total revaluations	22		52
Total write-downs	23		53



Company

NET INSURANCE

Financial
year

2022

Assets - Changes during the year in investments in Group companies and other investees: shares and holdings (item C.II.1), bonds (item C.II.2) and loans (item C.II.3)

		Shares and holdings C.II.1	Bonds C.II.2	Loans C.II.3
Opening balance	+	1 31,390	21 5,000	41
Increases during the year:	+	2 4,222	22	42
for: purchases, subscriptions or disbursements		3	23	43
write-backs		4 3,874	24	44
revaluations		5		
other changes		6 348	26	46
Decreases during the year:	-	7	27	47
for: sales or reimbursements		8	28	48
write-downs		9	29	49
other changes		10	30	50
Book value		11 35,612	31 5,000	51
Current value		12 35,612	32 5,000	52
Total revaluations		13		
Total write-downs		14	34	54

The item C.II.2 includes:

Listed bonds	61	
Unlisted bonds	62	5,000
Book value	63	5,000
of which convertible bonds	64	

Company **NET INSURANCE**

Assets - Statement containing information on investee companies (*)

Ord. No. (**)	Type (1)	Listed or unlisted (2)	Activity carried out (3)	Name and registered office	Currency	Share capital		Equity (***) (4)	Profit or loss of last year (***) (4)	Share held (5)		
						Amount (4)	No. of shares			Directly %	Indirectly %	Total %
5	B	NQ	1	Net Insurance Life S.p.A. - Via Giuseppe Antonio Guattani, 4 - 00161 Rome	242	15,000	15,000	33,377	4,917	100.00		100.00
10	E	NQ	3	Cassa di Risparmio di Bolzano S.p.A. - Via Cassa di Risparmio 12 39100 Bolzano	242	469,331	60,952			0.01		0.01
11	E	Q	9	YOLO GROUP S.p.A - Blend Tower, Piazza Quattro Novembre 7, 20124 Milan	242	86	8,617			4.89		4.89
12	E	NQ	3	Valia S.p.A. - Viale Adriano Olivetti 36 38122 Trento	242	600	600			5.00		5.00
13	E	NQ	3	Banca Popolare di Puglia e Basilicata - Via Ottavio Serena 13 70022 Altamura	242	152,863	59,249			0.04		0.04
14	E	NQ	3	Banca di Credito Popolare S.C.p.A. - C.so Vittorio Emanuele 92/100 - 80059 Torre del Greco	242	20,039	7,767			0.01		0.01

(*) Group companies and other companies in which an equity investment is held directly, also through trust companies or third parties, must be listed.
 (**) The order number must be greater than '0'

(***) To be completed only for subsidiaries and associates

- (1) Type
 a = Parent companies
 b = Subsidiaries
 c = Affiliates
 d = Associates
 e = Other
- (2) Indicate Q for securities traded on regulated markets and NQ for others
- (3) Activity carried out
 1 = Insurance Company
 2 = Financial company
 3 = Credit institution
 4 = Real estate company
 5 = Trust company
 6 = Mutual investment fund management or distribution company
 7 = Consortium
 8 = Industrial company
 9 = Other company or entity
- (4) Amounts in original currency
- (5) Indicate the total share held

Company **NET INSURANCE**

Financial year **2022**

Assets - Detailed statement of changes in investments in Group companies and other investees: shares and holdings

N. o. ord. (1)	Type (2)	Name (3)	Increases during the year			Decreases during the year			Book value (4)		Acquisition cost	Current value
			For purchases		Other increases	For sales		Other decreases	Quantity	Value		
			Quantity	Value		Quantity	Value					
5	B D	Net Insurance Life S.p.A. - Via Giuseppe Antonio Guattani, 4 - 00161 Rome							15,000,000	33,377	24,549	33,377
10	E D	Cassa di Risparmio di Bolzano S.p.A. - Via Cassa di Risparmio 12 39100 Bolzano	10,000	93		4,451	41		70,619	634	652	634
11	E D	YOLO GROUP S.p.A - Blend Tower, Piazza Quattro Novembre 7, 20124 Milan	25,500	96	392				421,300	1,296	1,296	1,296
12	E D	Valia S.p.A. - Viale Adriano Olivetti 36 38122 Trento							30,000	31	31	31
13	E D	Banca Popolare di Puglia e Basilicata - Via Ottavio Serena 13 70022 Altamura	10,000	11					70,000	87	87	87
14	E D	Banca di Credito Popolare S.C.p.A. - C.so Vittorio Emanuele 92/100 - 80059 Torre del Greco	11,000	188					11,000	188	188	188
		Total C.II.1	56,500	388	392	4,451	41		15,602,919	35,612	26,803	35,612
	a	Parent companies										
	b	Subsidiaries							15,000,000	33,377	24,549	33,377
	c	Affiliates										
	d	Associates										
	e	Others	56,500	388	392	4,451	41		602,919	2,236	2,254	2,236
		Total D.I										
		Total D.II										

(1) It must correspond to that indicated in Annex 6

(2) Type

- a = Parent companies
- b = Subsidiaries
- c = Affiliates
- d = Associates
- e = Others

(3)

Indicate:
 D for investments assigned to non-life business (item C.II.1)
 V for investments assigned to life business (item C.II.1)
 V1 for investments assigned to life business (item D.1)
 V2 for investments assigned to life business (item D.2)
 The participation, even if divided, must still be assigned the same order number

(4) Highlight with (*) if measured using the equity method (only for Types b and d)

Company NET INSURANCE

Financial year 2022

Assets - Breakdown based on the use of other financial investments: shares and holdings of companies, units of mutual investment funds, bonds and other fixed-income securities, shares in joint investments and sundry financial investments (items C.III.1, 2, 3, 5, 7)

I - Non-Life business

	Long-term use portfolio		Short-term use portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Shares and holdings of companies:	1	21	41	61	81	101
a) listed stocks	2	22	42	87	82	87
b) unlisted stocks	3	23	43	1,732	83	1,732
c) holdings	4	24	44	64	84	104
2. Units of mutual investment funds	5	25	45	34,931	65	35,147
3. Bonds and other fixed-income securities	6	26	46	66	86	106
a1) listed Government bonds	7	27	47	40,090	67	40,090
a2) other listed securities	8	28	48	13,990	68	13,990
b1) unlisted Government bonds	9	29	49	69	89	109
b2) other unlisted securities	10	30	50	3,948	70	3,948
c) convertible bonds	11	31	51	195	71	195
5. Shares in joint investments	12	32	52	72	92	112
7. Sundry financial investments	13	33	53	73	93	113

II - Life business

	Long-term use portfolio		Short-term use portfolio		Total	
	Book value	Current value	Book value	Current value	Book value	Current value
1. Shares and holdings of companies:	12	14	16	18	20	221
a) listed stocks	1	1	1	1	1	2
b) unlisted stocks	2	14	16	18	20	222
c) holdings	3	14	16	18	20	223
2. Units of mutual investment funds	4	14	16	18	20	224
3. Bonds and other fixed-income securities	5	14	16	18	20	225
a1) listed Government bonds	6	14	16	18	20	226
a2) other listed securities	7	14	16	18	20	227
b1) unlisted Government bonds	8	14	16	18	20	228
b2) other unlisted securities	9	14	16	18	20	229
c) convertible bonds	10	15	17	19	21	230
5. Shares in joint investments	11	15	17	19	21	231
7. Sundry financial investments	12	15	17	19	21	232
	13	15	17	19	21	233

Company

NET INSURANCE

Assets - Changes during the year in loans and deposits with credit institutions (items C.III.4, 6)

		Loans C.III.4	Deposits with credit institutions C.III.6
Opening balance	+ 1	264	21
Increases during the year:	+ 2	94	22
for: disbursements	3	94	
write-backs	4		
other changes	5		
Decreases during the year:	- 6	41	26
for: reimbursements	7	41	
write-downs	8		
other changes	9		
Book value	10	317	30

Company NET INSURANCE

Financial
year 2022Liabilities - Changes during the year in the components of the premium reserve (item C.I.1) and the claims provision
(item C.I.2) of the non-life segments

Type	Financial year	Previous financial year	Change
Premium reserve:			
Unearned premium reserve	1 169,708	11 156,752	21 12,956
Provision for current risks	2	12	22
Book value	3 169,708	13 156,752	23 12,956
Claims provision:			
Provision for compensation and direct expenses	4 7,484	14 6,206	24 1,278
Provision for settlement expenses	5 215	15 425	25 -210
Provision for claims incurred and not reported	6 15,360	16 15,271	26 89
Book value	7 23,059	17 21,902	27 1,157

Company

NET INSURANCE

Financial
year

2022

Liabilities - Changes during the year in provisions for risks and charges (item E) and employee severance indemnity (item G.VII)

		Provisions for pensions and similar obligations	Provisions for taxes	Other provisions	Employee severance indemnity
Opening balance	+ 1	62	11	21 347	31 269
Provisions for the year	+ 2	22	12	22	32 94
Other increases	+ 3		13	23	33
Uses for the year	- 4		14	24 247	34
Other decreases	- 5	62	15	25 65	35 92
Book value	6	22	16	26 35	36 271

Company NET INSURANCE

Financia
l year 2022

Detailed statement of assets and liabilities relating to Group companies and other investees

I: Assets

	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total
Shares and holdings	1	2 33,377	3	4	5 2,236	6 35,612
Bonds	7	8 5,000	9	10	11	12 5,000
Loans	13	14	15	16	17	18
Shares in joint investments	19	20	21	22	23	24
Deposits with credit institutions	25	26	27	28	29	30
Sundry financial investments	31	32	33	34	35	36
Deposits with assignors	37	38	39	40	41	42
Investments relating to services associated with investment funds and market indices	43	44	45	46	47	48
Investments deriving from the management of pension funds	49	50	51	52	53	54
Receivables arising out of direct insurance transactions.....	55	56	57	58	59	60
Receivables arising out of reinsurance transactions	61	62	63	64	65	66
Other receivables	67	68 1,979	69	70	71	72 1,979
Bank deposits and postal accounts	73	74	75	76	77	78
Sundry assets	79	80	81	82	83	84
Total	85	86 40,355	87	88	89 2,236	90 42,591
of which subordinated assets	91	92	93	94	95	96

Detailed statement of assets and liabilities relating to Group companies and other investees

II: Liabilities

	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total
Subordinated liabilities	97	98	99	100	101	102
Deposits from reinsurers	103	104	105	106	107	108
Payables arising out of direct insurance transactions	109	110	111	112	113	114
Payables arising out of reinsurance transactions	115	116	117	118	119	120
Payables to banks and financial institutions	121	122	123	124	125	126
Payables with collateral	127	128	129	130	131	132
Other loans and other financial payables	133	134	135	136	137	138
Sundry payables	139	140	141	142	143	144
Sundry liabilities	145	146	147	148	149	150
Total	151	152	153	154	155	156

Net Insurance S.p.A.
Company

Financial year 2022

Disclosure on 'guarantees, commitments and other memorandum accounts'

	Financial year		Previous financial year	
I. Guarantees given:				
a) sureties and endorsements given on behalf of parent companies, subsidiaries and affiliates	1	0	31	0
b) sureties and endorsements given on behalf of associates and other investees	2	0	32	0
a) sureties and endorsements given on behalf of third parties	3	0	33	0
d) other personal guarantees given on behalf of parent companies, subsidiaries and affiliates	4	0	34	0
e) other personal guarantees given on behalf of associates and other investees	5	0	35	0
f) other personal guarantees given on behalf of third parties	6	0	36	0
g) collateral for obligations of parent companies, subsidiaries and affiliates	7	0	37	0
h) collateral for bonds of associates and other investees	8	0	38	0
i) collateral for third-party obligations	9	0	39	0
l) guarantees given for company obligations	10	0	40	0
m) assets held on deposit for transaction of inward reinsurance.....	11	0	41	0
Total	12	0	42	0
II. Guarantees received:				
a) from Group companies, associates and other investees	13	0	43	0
b) from third parties.....	14	0	44	0
Total	15	0	45	0
III. Guarantees given by third parties on behalf of the company:				
a) from Group companies, associates and other investees	16	0	46	0
b) from third parties.....	17	16,148	47	16,148
Total	18	16,148	48	16,148
IV. Commitments:				
a) commitments for purchases with resale obligation	19	0	49	0
b) commitments for sales with repurchase obligation	20	0	50	0
c) other commitments	21	3,822	51	4,933
Total	22	3,822	52	4,933
V. Assets pertaining to pension funds managed in the name and on behalf of third parties	23	0	53	0
VI. Securities deposited with third parties	24	61,696	54	55,679
Total	25	61,696	55	55,679

Company NET INSURANCE

Financial year 2022

Summary information concerning the technical account of non-life segments

	Gross premiums written	Gross premiums earned	Gross charge of claims	Operating expenses	Balance of reinsurance
Direct insurance:					
Accidents and illness (segments 1 and 2)	1 14,330	2 10,102	3 1,566	4 8,051	5 -477
Land vehicle liability (segment 10)	6	7	8	9	10
Land vehicle hulls (segment 3)	11	12	13	14	15
Marine, aviation and transport insurance (segments 4, 5, 6, 7, 11 and 12)	16	17	18	19	20
Fire and other damage to property (segments 8 and 9)	21 39,647	22 39,085	23 24,512	24 10,246	25 -4,260
General civil liability (segment 13)	26 1,839	27 1,709	28 505	29 2,063	30 -139
Credit and suretyship (segments 14 and 15)	31 36,146	32 28,881	33 12,981	34 11,168	35 1,615
Miscellaneous financial losses (segment 16)	36 2,146	37 1,263	38 -1,733	39 9,591	40 -774
Legal Protection (segment 17)	41 528	42 576	43 101	44 1,486	45 -223
Assistance (segment 18)	46 442	47 428	48 1	49 1,061	50 -293
Total direct insurance	51 95,076	52 82,044	53 37,933	54 43,666	55 -4,552
Indirect insurance	56 -15	57 61	58 379	59	60
Total Italian portfolio	61 95,062	62 82,105	63 38,312	64 43,666	65 -4,552
Foreign portfolio	66	67	68	69	70
Grand Total	71 95,062	72 82,105	73 38,312	74 43,666	75 -4,552

Company NET INSURANCE

Financial
year 2022

Income from investments (item II.2 and III.3)

	Non-Life business	Life business	Total
Income from shares and holdings:			
Dividends and other income from shares and holdings of Group companies and investees	1	41	81
Dividends and other income from shares and holdings of other companies	2	999	42
Total	3	999	43
Income from investments in land and buildings	4	44	84
Income from other investments:			
Income from bonds of Group companies and investees	5	45	85
Interest on loans to Group companies and investees	6	46	86
Income from units of mutual investment funds	7	47	87
Income from bonds and other fixed-income securities	8	1,233	48
Interest on loans	9	1	49
Income from shares of joint investments	10	50	90
Interest on deposits with credit institutions	11	0	51
Income from sundry financial investments	12	52	92
Interest on deposits with assignors	13	1	53
Total	14	1,235	54
Write-backs of value adjustments to investments relating to:			
Land and buildings	15	55	95
Shares and holdings of Group companies and investees	16	4,917	56
Bonds issued by Group companies and investees	17	57	97
Other shares and holdings	18	82	58
Other bonds	19	59	99
Other financial investments	20	6	60
Total	21	5,005	61
Profits on the realisation of investments:			
Capital gains from the sale of land and buildings	22	62	102
Profits on shares and holdings of Group companies and investees	23	63	103
Profits on bonds issued by Group companies and investees	24	64	104
Profits on other shares and holdings	25	1	65
Profits on other bonds	26	2,017	66
Profits on other financial investment	27	25	67
Total	28	2,044	68
GRAND TOTAL	29	9,283	69
			109
			9,283

Company NET INSURANCE

Financial year 2022

Equity and financial charges (items II.9 and III.5)

	Non-Life business	Life business	Total
Investment management expenses and other charges			
Charges relating to shares and holdings	1 315	31	61 315
Charges relating to investments in land and buildings	2	32	62
Charges relating to bonds	3 612	33	63 612
Charges relating to units of mutual investment funds	4 338	34	64 338
Charges relating to shares in joint investments	5	35	65
Charges relating to sundry financial investments	6 420	36	66 420
Interest on deposits received from reinsurers	7	37	67
Total	8 1,685	38	68 1,685
Value adjustments to investments relating to:			
Land and buildings	9 6	39	69 6
Shares and holdings of Group companies and investees	10	40	70
Bonds issued by Group companies and investees	11 87	41	71 87
Other shares and holdings	12 68	42	72 68
Other bonds	13	43	73
Other financial investments	14 2,985	44	74 2,985
Total	15 3,145	45	75 3,145
Losses on the realisation of investments			
Capital losses deriving from the sale of land and buildings	16	46	76
Losses on shares and holdings	17 35	47	77 35
Losses on bonds	18 171	48	78 171
Losses on other financial investment	19 21	49	79 21
Total	20 227	50	80 227
GRAND TOTAL	21 5,058	51	81 5,058

Company NET INSURANCE Financial year 2022

Non-Life insurance - Summary table of technical accounts by individual segment - Italian portfolio

	Segment code 01 Accident and injury (name)		Segment code 02 Illness (name)		Segment code Land vehicle hulls (name)	
	Direct business gross of transfer to reinsurance					
Premiums written	+	1 11,719	1 2,611	1		
Changes in premium reserve (+ or -)	-	2 3,715	2 512	2		
Charges related to claims	-	3 1,116	3 450	3		
Change in other technical provisions (+ or -) (1)	-	4	4 102	4		
Balance of other technical items (+ or -)	+	5 -92	5 -13	5		
Operating expenses	-	6 6,913	6 1,137	6		
Technical balance of direct business (+ or -)		7 -118	7 396	7		
Result of outward reinsurance (+ or -)		8 -425	8 -52	8		
Net result of indirect business (+ or -)		9	9	9		
Change in equalisation reserves (+ or -)		10 5	10	10		
Portion of profit from investments transferred from the non-technical account		11	11	11		
Balance in technical account (+ or -)		12 -549	12 344	12		

	Segment code 07 Freight transport (name)		Segment code 08 Fire and natural forces (name)		Segment code Other damage to property (name)	
	Direct business gross of transfer to reinsurance					
Premiums written	+	1	1 2,416	1	37,231	
Changes in premium reserve (+ or -)	-	2	2 32	2	529	
Charges related to claims	-	3	3 385	3	24,127	
Change in other technical provisions (+ or -) (1)	-	4	4	4		
Balance of other technical items (+ or -)	+	5	5 13	5	-6	
Operating expenses	-	6	6 1,597	6	8,649	
Technical balance of direct business (+ or -)		7	7 415	7	3,919	
Result of outward reinsurance (+ or -)		8	8 -509	8	-3,751	
Net result of indirect business (+ or -)		9	9	9		
Change in equalisation reserves (+ or -)		10	10	10	193	
Portion of profit from investments transferred from the non-technical account		11	11	11		
Balance in technical account (+ or -)		12	12 -94	12	-25	

	Segment code 13 General liability insurance (name)		Segment code 14 Credit (name)		Segment code Suretyship (name)	
	Direct business gross of transfer to reinsurance					
Premiums written	+	1 1,839	1 34,499	1	1,647	
Changes in non-life premium reserve (+ or -)	-	2 130	2 6,901	2	364	
Charges related to claims	-	3 505	3 12,818	3	163	
Change in other technical provisions (+ or -) (1)	-	4	4	4		
Balance of other technical items (+ or -)	+	5 -7	5 -201	5	-4	
Operating expenses	-	6 2,063	6 10,289	6	878	
Technical balance of direct business (+ or -)		7 -867	7 4,290	7	238	
Result of outward reinsurance (+ or -)		8 -139	8 1,947	8	331	
Net result of indirect business (+ or -)		9	9 -398	9		
Change in equalisation reserves (+ or -)		10	10 1,455	10		
Portion of profit from investments transferred from the non-technical account		11	11	11		
Balance in technical account (+ or -)		12 -1,006	12 4,384	12	-94	

(1) In addition to the change in 'Other technical provisions', this item also includes the change in the 'Reserve for profit sharing and rebates'

Financial year 2022

Segment code 04 Railway vehicle hulls (name)	Segment code 05 Aircraft hulls (name)	Segment code 06 Marine vehicle hulls (name)
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12

Segment code 10 Land vehicle liability (name)	Segment code 11 Aircraft liability (name)	Segment code 12 Marine vehicle liability (name)
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12

Segment code 16 Financial losses (name)	Segment code 17 Legal Protection (name)	Segment code 18 Assistance (name)
1	2,146	442
2	883	14
3	-1,733	1
4		
5	-2	-4
6	9,591	1,061
7	-6,597	-638
8	-774	-293
9	79	
10		
11		
12	-7,292	-931

Company NET INSURANCE

Summary table of the technical account summarising all non-life segments Italian portfolio

	Risks of direct insurance		Risks of indirect insurance		Risks retained Total 5 = 1 - 2 + 3 - 4
	Direct risks 1	Risks ceded 2	Risks assumed 3	Downgraded risks 4	
Premiums written	+ 1 95,076	11 47,344	21 -15	31	41 47,718
Changes in premium reserve (+ or -)	- 2 13,032	12 6,599	22 -75	32	42 6,357
Charges related to claims	- 3 37,933	13 22,035	23 379	33	43 16,277
Change in other technical provisions (+ or -)	- 4 102	14	24	34	44 102
Balance of other technical items (+ or -)	+ 5 -318	15	25	35	45 -318
Operating expenses	- 6 43,666	16 14,158	26	36	46 29,508
Technical balance (+ or -)	7 26	17 4,552	27 -318	37	47 -4,845
Change in equalisation reserves (+ or -)					48 1,653
Portion of profit from investments transferred from the non-technical account	+ 9		29		49
Balance in technical account (+ or -)	10 26	20 4,552	30 -318	40	50 -6,497



Company NET INSURANCE

Financial year 2022

Relations with Group companies and other investees

I: Income

	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total
Income from investments						
Income from land and buildings	1	2	3	4	5	6
Dividends and other income from shares and holdings	7	8	9	10	11	12
Income from bonds	13	14	350	15	16	17
Interest on loans	19	20	21	22	23	24
Income from other financial investments	25	26	27	28	29	30
Interest on deposits with assignors	31	32	33	34	35	36
Total	37	38	350	39	40	41
Income and unrealised capital gains on investments for the benefit of policyholders who bear the risk and to investments deriving from the management of pension funds	43	44	45	46	47	48
Other income						
Interest on receivables	49	50	51	52	53	54
Recovery of administrative expenses and charges	55	56	57	58	59	60
Other income and recoveries	61	62	1,629	63	64	65
Total	67	68	1,629	69	70	71
Profits on the realisation of investments (*)	73	74	75	76	77	78
Extraordinary income	79	80	81	82	83	84
GRAND TOTAL	85	86	1,979	87	88	89

	Parent companies	Subsidiaries	Affiliates	Associates	Others	Total
II: Charges						
Relations with Group companies and other investees						
Investment management expenses and interest expenses:						
Charges relating to investments	91	92	93	94	95	96
Interest on subordinated liabilities	97	98	99	100	101	102
Interest on deposits received from reinsurers	103	104	105	106	107	108
Interest on payables arising out of direct insurance transactions	109	110	111	112	113	114
Interest on payables arising out of reinsurance transactions	115	116	117	118	119	120
Interest on payables to banks and financial institutions	121	122	123	124	125	126
Interest on payables with collateral	127	128	129	130	131	132
Interest on other payables	133	134	135	136	137	138
Losses on receivables	139	140	141	142	143	144
Administrative expenses and expenses on behalf of third parties	145	146	147	148	149	150
Other charges	151	152	153	154	155	156
Total	157	158	159	160	161	162
Charges and unrealised capital losses on investments for the benefit of policyholders who bear the risk and deriving from the management of pension funds	163	164	165	166	167	168
Losses on the realisation of investments (*)	169	170	171	172	173	174
Extraordinary charges	175	176	177	178	179	180
GRAND TOTAL	181	182	183	184	185	186

(*) With reference to the counterparty in the transaction

Company NET INSURANCE

Financia
1 year 2022

Summary statement of premiums written for direct business

	Non-Life businesses		Life businesses		Total				
	Plant	LPS	Plant	LPS	Plant	LPS			
Premiums written: in Italy	1	95,062	5	1	1	2	1	95,062	25
..... in other countries of the European Union	2		6	1	2	2	2		26
..... in third countries	3		7	1	3	2	3		27
Total	4	95,062	8	1	4	2	4	95,062	28

Company NET INSURANCE

Financia
1 year 2022

Statement of charges relating to personnel, directors and statutory auditors

I: Personnel expenses

	Non-Life business	Life business	Total
Expenses for employment services:			
Italian portfolio:			
- Remuneration	1 12,115	31	61 12,115
- Social security contributions	2 1,289	32	62 1,289
- Allocation to provision for employee severance indemnity and similar obligations	3 344	33	63 344
- Miscellaneous personnel expenses	4 759	34	64 759
Total	5 14,508	35	65 14,508
Foreign portfolio:			
- Remuneration	6	36	66
- Social security contributions	7	37	67
- Miscellaneous personnel expenses	8	38	68
Total	9	39	69
Grand Total	10 14,508	40	70 14,508
Expenses for self-employment services:			
Italian portfolio	11	41	71
Foreign portfolio	12	42	72
Total	13	43	73
Total expenses for employment services	14 14,508	44	74 14,508

II: Description of the allocation items

	Non-Life business	Life business	Total
Investment management expenses	15 822	45	75 822
Charges related to claims	16 538	46	76 538
Other acquisition expenses	17 8,236	47	77 8,236
Other administrative expenses	18 4,912	48	78 4,912
Administrative expenses and expenses on behalf of third parties	19	49	79
.....	20	50	80
Total	21 14,508	51	81 14,508

III: Average headcount during the year

	No.
Executives	91 11
Office employees.....	92 12
Employees	93 15
Others	94 56
.....	95 94
Total	95 94

IV: Directors and Statutory Auditors

	No.	Fees due
Directors	96 11	98 250
Statutory Auditors	97 3	99 86

The undersigned declare that these financial statements are true and correct.

The Company's legal representatives (*)

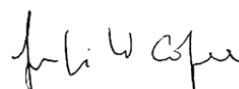
Ms Luisa TODINI – Chairperson  (**)

Mr Andrea BATTISTA – Chief Executive Officer (**)



Manager in charge of financial reporting

Mr Luigi DI CAPUA



(*) For foreign companies, the signature must be affixed by the general representative for Italy.

(**) Indicate the position held by the signatory.

OTHER ANNEXES TO THE NOTES TO THE FINANCIAL STATEMENTS

RECLASSIFIED BALANCE SHEET	2022	2021
ACTIVITIES		
Investments		
Land and buildings	5,159	5,139
Shares and holdings	1,819	1,331
Fixed-income securities	58,223	52,748
Equity investments	40,612	36,390
Units of mutual investment funds	34,931	36,142
Loans	317	264
Deposit with credit institutions	-	0
Deposits with assignors	43	118
	141,103	132,132
Cash and cash equivalents	4,397	3,787
Receivables		
Receivables arising out of insurance and reinsurance transactions	54,177	44,393
Other receivables	26,030	17,726
	80,207	62,119
Accrued income and prepaid expenses	1,809	1,650
Net technical fixed assets		
Intangible assets	18,038	16,082
Tangible assets	217	251
	18,254	16,333
TOTAL ASSETS	245,770	216,021
LIABILITIES		
Net technical reserves	84,010	76,071
Provision for risks and charges	57	410
Deposits from reinsurers	0	0
Payables		
Payables arising out of insurance and reinsurance transactions	38,762	24,498
Employee severance indemnity	271	269
Other payables	13,283	12,794
	52,316	37,562
Subordinated loan	15,487	16,645
Accrued liabilities and deferred income	176	177
Equity		
Share capital	17,619	17,615
Share premium reserve	63,949	63,716
Legal reserve	1,827	1,460
Reserve for own shares	(8,793)	(9,775)
Other reserves	14,720	7,169
Retained earnings/losses	1,778	(2,376)
Profit (loss) for the year	2,625	7,349
	93,725	85,157
TOTAL LIABILITIES AND EQUITY	245,770	216,021

RECLASSIFIED INCOME STATEMENT

	2022	2021
Gross premiums written	95,062	75,460
Premiums ceded	(47,344)	(35,601)
Net expenses from claims	(16,450)	(14,590)
Changes in net technical reserves	(7,939)	(7,021)
Balance of other net technical items	(318)	(625)
Operating expenses	(29,508)	(17,532)
Rebates and profit sharing net of reinsurance	0	(100)
Income from technical investments	0	2,807
TECHNICAL RESULT	(6,497)	2,799
Income from non-technical investments	4,225	3,852
Balance of other charges and income	1,650	720
Balance of extraordinary income and charges	(719)	375
PROFIT (LOSS) BEFORE TAXES	(1,341)	7,745
Income taxes	3,965	(396)
PROFIT (LOSS) FOR THE YEAR	2,625	7,349

Statement of financial loans as at 31.12.2022

	Nominal Value	Carrying Amount	Value adjustments/write-backs	Book value
Bonds - Other Issuers - fixed rate	12,370	12,450	-52	12,398
<i>of which Bonds in Group Companies</i>	<i>5,000</i>	<i>5,000</i>	<i>0</i>	<i>5,000</i>
Bonds - Other Issuers - floating rate	1,000	1,034	0	1,034
Bonds - Credit institutions - fixed rate	2,200	2,221	0	2,221
Bonds - Credit institutions - floating rate	3,200	3,352	0	3,352
Bonds - IT Government - fixed rate	20,800	20,793	0	20,793
Bonds - IT Government - floating rate	4,400	4,422	0	4,422
Bonds - Foreign Countries - fixed rate	14,850	14,907	-32	14,875
Convertible Bonds - Credit Institutions - fixed rate	200	197	0	197
Unlisted bonds - Credit Institutions - fixed rate	4,000	3,930	0	3,930
Total Bonds	63,020	63,306	-84	63,222
Stocks	300	258	-1	257
Equity Investments	15,603	26,785	8,828	35,613
Holdings	359	1,546	16	1,562
Total Shares and Holdings	16,262	28,589	8,843	37,432
Mutual Private Debt/Loan funds	2,169	13,010	-468	12,542
Mutual Bond Funds	172	24,363	-2,448	21,915
Mutual Equity Funds	8	536	-63	473
Total Mutual Investment Funds	2,349	37,909	-2,979	34,930
Deposit with credit institutions	0	0	0	0
Availability on Current Accounts		4,397		4,397
Total Financial Lending	81,631	134,201	5,780	139,981

Net Insurance
S.p.A.

Financial statements as at
31.12.2021

RECONCILIATION BETWEEN ORDINARY IRES RATE AND ACTUAL IRES RATE

	Current financial year	Previous financial year
Applicable ordinary rate	24.00%	24.00%
Effect of the increase/decrease compared to the ordinary rate:		
- Non-deductible interest expense	0.64%	0.17%
- Non-deductible or unpaid taxes (Article 99, paragraph 1)	0.00%	0.12%
- Non-deductible expenses for means of transport pursuant to Article 164 TUIR	0.63%	0.08%
Remuneration due to directors but not paid (Article 95, paragraph 5)	0.00%	0.32%
- Expenses pursuant to Articles 108, 109, paragraph 5, last sentence, or pertaining to other years (Article 109, paragraph 4)	0.00%	1.23%
- Other increases	2.35%	2.04%
Write-downs and provisions, non-deductible in whole or in part		0.05%
-		
Change in claims provision and life business		-1.84%
Expenses pursuant to Articles 108, 109, paragraph 5, and other negative components not deducted in previous years or not attributed to IS		-1.11%
Capital gains on exempt equity investments (Article 87)	-0.02%	
Excluded portion of distributed profits (Article 89)	-0.47%	-0.15%
Other decreases	-1.89%	-14.94%
ACE - Aid for Economic Growth	-20.67%	
Non-taxable capital gains - Net Life (code 99)	-88.00%	
Effective rate	-107.43%	-14.02%

RECONCILIATION BETWEEN THEORETICAL AND ACTUAL IRES TAX CHARGE

	amounts in euro	
	Current financial year	
Profit before taxes		(1,340,885)
<i>Theoretical IRES tax charge</i>		(321,812)
Temporary differences deductible in subsequent years	8,968,659.62	
Reversal of temporary differences from previous years	-	1,625,709.16
Differences pertaining to the current year		
Taxable income		6,002,065
<i>Actual IRES tax charge</i>		1,440,496
% effective rate		-107.43%

The attached auditor's report and the Statutory financial statements report to which it refers conforms to the original Italian-language report filed at the registered office of Net Insurance S.p.A., and subsequent to the procedure given therein, KPMG S.p.A. has not carried out any auditing procedures aimed at updating the contents of the report.

Certification of the consolidated financial statements and of the financial statements pursuant to Art. 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

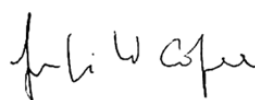
1. The undersigned Andrea Battista and Luigi Di Capua, respectively Chief Executive Officer and Manager in charge of the financial reporting of the Net Insurance SpA (the "Company") and of the Net Insurance Group (the "Group"), certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:
 - adequacy in relation to the characteristics of the Company and of the Group;
 - actual implementation of the administrative and accounting procedures for the preparation of the group consolidated financial statements and of the company financial statements during the 2022.
2. It is also certified that:
 - 2.1 The consolidated financial statements of the group and the financial statements of the company have been respectively prepared:
 - a) in compliance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
 - b) in compliance with the provisions of the Italian Civil Code, Italian Legislative Decree no. 209 of 7 September 2005 and ISVAP Regulation no. 22 of 4 April 2008 and subsequent provisions relating thereto, as well as with reference to the accounting standards in force in Italy issued by the Italian Accounting Body (OIC)
 - c) correspond to the entries in the books and records;
 - d) are suitable for providing a true and fair view of the assets and liabilities, profit and loss, and financial position of the issuer and the group of companies included in the consolidation scope.
3. The management report includes a reliable analysis of references to important events that occurred in the financial year and their impact on the group consolidated financial statements and, on the company financial statements, together with a description of the main risks and uncertainties to which are exposed. The management report also includes a reliable analysis of the information on significant transactions with related parties.

16 march 2023

Andrea Battista
Chief Executive Officer



Luigi Di Capua
Manager in charge of financial reporting



Capitale Sociale € 17.619.249 i.v.
n. di REA RM 948019
Iscrizione al Registro delle Imprese di Roma
C.F. n. 06130881003 P.I. 15432191003
La Società è Capogruppo del Gruppo Assicurativo Net Insurance

Impresa autorizzata all'esercizio delle assicurazioni e
riassicurazioni nei rami danni
Iscrizione Albo Imprese IVASS n. 1.00136
Iscrizione Albo Gruppi Assicurativi IVASS n. 23



KPMG S.p.A.
Revisione e organizzazione contabile
Via Curtatone, 3
00185 ROMA RM
Telefono +39 06 80961.1
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010, article 10 of Regulation (EU) no. 537 of 16 April 2014 and article 102 of Legislative decree no. 209 of 7 September 2005

*To the shareholders of
Net Insurance S.p.A.*

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Net Insurance S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 December 2022 and of its financial performance for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Net Insurance S.p.A.
Independent auditors' report
 31 December 2022

Measurement of financial instruments

Notes to the financial statements

Part A – Accounting policies: section 1 – Financial fixed assets

Part A – Accounting policies: section 1 – Current financial assets

Part B – Information on the balance sheet and income statement: section 2 – Investments

Key audit matter	Audit procedures addressing the key audit matter
<p>The financial statements at 31 December 2022 include financial instruments of €141,103 thousand, comprising unquoted financial instruments of €53,383 thousand.</p> <p>Measuring financial instruments, particularly those unquoted on active markets or illiquid, requires estimates, including by using specific valuation methods, which may present a high level of judgement and are, by their very nature, uncertain and subjective.</p> <p>For the above reasons, we believe that the measurement of investments in financial instruments is a key audit matter.</p>	<ul style="list-style-type: none"> • Understanding the process for the measurement of financial instruments and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls. • Analysing the significant changes in financial instruments and in the related income statement items compared to the previous years' figures and discussing the results with the relevant internal departments. • Performing an objective and independent valuation and analysing any material differences compared to the company's measurement of all quoted financial instruments in portfolio at 31 December 2022. • Checking the measurement of unquoted or illiquid financial instruments, by analysing the valuation methods and the reasonableness of input data and parameters used and their consistency with the applicable financial reporting framework. • Checking the correct application of IVASS (the Italian insurance supervisory authority) regulation no. 52 of 30 August 2022, as amended and supplemented by IVASS measure no. 127 of 14 February 2023 on the option to not consider losses on investments in financial instruments classified as non-current assets. • Checking the journal's entries, especially those imputed manually. • Assessing the appropriateness of the disclosures about financial instruments.



Net Insurance S.p.A.
Independent auditors' report
 31 December 2022

Measurement of technical provisions

Notes to the financial statements

Part A – Accounting policies: section 1 – Technical provisions - direct business

Part B – Information on the balance sheet and income statement: section 10 – Technical provisions

Key audit matter	Audit procedures addressing the key audit matter
<p>The financial statements at 31 December 2022 include technical provisions of €202,039 thousand.</p> <p>The company measures this caption using actuarial valuation techniques which entail a high level of judgement in making the underlying assumptions relating to past and future internal and external variables. Accordingly, any changes in the underlying assumptions may have a significant impact on the measurements of these liabilities.</p> <p>For the above reasons, we believe that the measurement of technical provisions is a key audit matter.</p>	<ul style="list-style-type: none"> • Understanding the process for the measurement of technical provisions and the related IT environment and assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls. • Analysing the significant changes in technical provisions compared to the previous years' figures, analysing the key summary indicators and discussing the results with the relevant internal departments. • Analysing the valuation methods adopted by the company and the reasonableness of input data and parameters used to estimate the technical provisions of the most significant regulatory lines of business; we carried out these procedures with the assistance of experts of the KPMG network. • Checking the compliance of the calculation of the overall technical provisions with the applicable laws and regulations and correct actuarial techniques. We carried out this procedure with the assistance of experts of the KPMG network. • Checking the journal's entries, especially those imputed manually. • Assessing the appropriateness of the disclosures about technical provisions.

Other matters – Election to not consider losses on investments in financial instruments classified as current assets

The directors disclosed in the notes to the financial statements that certain investments in financial instruments classified as current assets, the losses on which are not permanent, were measured availing of the departures provided for by Law decree no. 73 of 21 June 2022, converted with amendments with Law no. 122 of 4 August 2022 and by IVASS regulation no. 52 of 30 August 2022, as amended and supplemented by IVASS measure no. 127 of 14 February 2023. Accordingly, they are recognised at the carrying amount they had in the latest annual financial statements duly approved or, with respect to those not in the company's portfolio at that reporting date, at cost. The notes show the effects of the application of this departure.



Net Insurance S.p.A.
Independent auditors' report
31 December 2022

Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;



Net Insurance S.p.A.

Independent auditors' report

31 December 2022

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537 of 16 April 2014

On 3 June 2019, the company's shareholders appointed us to perform the statutory audit of its financial statements and consolidated financial statements as at and for the years ending from 31 December 2017 to 31 December 2025.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537 of 16 April 2014 and that we remained independent of the company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The company's directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at 31 December 2022 and for the consistency of such reports with the related financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the directors' report and the specific information presented in the report on corporate governance and ownership structure indicated by article 123-bis.4 of Legislative decree no. 58/98 with the company's financial statements at 31 December 2022 and their compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the directors' report and the specific information presented in the report on corporate governance and ownership structure referred to above are consistent with the company's financial statements at 31 December 2022 and have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.



Net Insurance S.p.A.
Independent auditors' report
31 December 2022

Opinion pursuant to article 102.2 of Legislative decree no. 209 of 7 September 2005

The company appointed us to perform the check required by article 102.2 of Legislative decree no. 209/2005 of the non- technical provisions, recognised under liabilities in its financial statements at 31 December 2022.

The directors are responsible for the sufficiency of the technical provisions recognised to cover the obligations arising from insurance and reinsurance contracts.

Based on the procedures carried out in accordance with article 102 of Legislative decree no. 209/2005, ISVAP regulation no. 22/2008 and the Clarification published by IVASS on its website on 31 January 2017, the above technical provisions recognised under liabilities in the company's financial statements at 31 December 2022 are sufficient in conformity with the applicable laws and regulations and correct actuarial techniques, in accordance with the requirements of ISVAP regulation no. 22/2008.

Rome, 30 March 2023

KPMG S.p.A.

(signed on the original)

Riccardo De Angelis
Director of Audit