2022

CONSOLIDATED FINANCIAL

REVO

REVO Insurance S.p.A.
Registered office: Viale dell'Agricoltura 7, 37135 Verona, Italy
Operational headquarters: Via Mecenate 90, 20138 Milan, Italy

Tax code/VAT No. and Verona Companies Register No. 05850710962
An insurance company authorised by ISVAP Order No. 2610 of 3 June 2008
entered in Section I of the Register of Insurance and Reinsurance Companies kept by IVASS, under No. 1.00167;
Parent Company of the REVO Insurance group, entered in the IVASS Register of Groups under No. 059

www.revoinsurance.com

TABLE OF CONTENTS

Corporate officers and Directors

BOARD OF DIRECTORS

Chairman
Antonia Boccadoro

Chief Executive Officer
Alberto Minali

Directors
Ezio Bassi
Elena Biffi
Claudio Giraldi
Elena Pistone
Ignazio Maria Rocco di Torrepadula

BOARD OF STATUTORY AUDITORS

Chairman
Alfredo Michele Malguzzi

Statutory Auditors
Rosella Colleoni
Alessandro Copparoni

Alternate Auditors
Francesco Rossetti
Paola Mazzucchelli

GENERAL MANAGER
Alberto Minali

******

EXTERNAL AUDITOR
KPMG S.p.A.[1]

[1] For external auditors' report, please refer to the Italian's document that has been audited (downloaded on www.revoinsurance.com).

General information

These financial statements have been prepared pursuant to ISVAP Regulation No. 7 of 13 July 2007 and have been prepared in accordance with applicable legal provisions, according to the valuation criteria and international accounting standards referred to below, and corresponding to the accounting records that reflect the transactions carried out by the Revo Insurance Group (hereinafter also the "Group") at 31 December 2022, supplemented by internal management data not directly identifiable in the accounts.
The Group consists of the parent company, Revo Insurance S.p.A. (hereinafter also the "Parent Company", the "Controlling Company" or "the Company"), and the subsidiary, Revo Underwriting s.r.l. (hereinafter also the "Subsidiary").

The financial statements consist of the:
- Statement of financial position;
- Income statement;
- Statement of comprehensive income;
- Statement of changes in shareholders' equity;
- Statement of cash flows (indirect method);
- Notes to the financial statements;
- Schedules attached to the notes to the financial statements.

In accordance with industry regulations, the Italian Civil Code and Consob regulations, the following file is also supplemented with the following documents:
- the Directors' Report on Operations;
- Certification of the consolidated financial statements pursuant to Article 81-*ter* of Consob Regulation 11971/1999 193;
- the Board of Statutory Auditors' Report;
- the External Auditor's Report.

The official document containing the 2022 consolidated financial statements, accompanied by the relevant report on operations, prepared in accordance with the technical requirements established in Commission Delegated Regulation (EU) 2019/815 (European Single Electronic Reporting Format - ESEF), is available, in accordance with the law, on the Company's website (www.revoinsurance.com).

Corporate information

The Revo Insurance Group, entered in the register of insurance groups under No. 059, consists of a Parent Company, REVO Insurance S.p.A., an insurance company created through the reverse merger between Elba Assicurazioni S.p.A. and the parent company, Revo S.p.A., and an insurance brokerage company, Revo Underwriting s.r.l., operational since July 2022.
Revo Insurance S.p.A. is an insurance company operating in the non-life business with its registered office at Viale dell'Agricoltura 7, Verona.
Revo Underwriting, an insurance brokerage and advisory services company, operates as an MGA (managing general agency), i.e. an agency authorised to write, issue and manage insurance policies, under licences and authorisations held by the insurance company, as well as own its risk capital. The Subsidiary, with its registered office at Via Dei Bossi 2/A, Milan, has been acting as an agency since 6 July 2022 (date of entry in the register).
At 31 December 2022, the Parent Company held own shares (a total of 140,953 shares), amounting to 0.573% of the share capital, consisting solely of ordinary shares, and is listed on the Euronext STAR Milan market and therefore subject to the rules of the Euronext Milan Issuers' Regulation.
There are no associates, companies under joint control or other related parties.

The Group is overseen by IVASS, the Italian insurance supervisory authority, which has its registered office at Via del Quirinale 21, Rome.
The consolidated financial statements have been audited by the External Auditor, KPMG S.p.A., charged with auditing the accounts for the 2017-2025 financial years.
In this file, the financial statements relating to the Group's financial position and earnings, composed as described above, at 31 December 2022 are compared with data relating to the consolidated financial statements for the year ended 31 December 2021, for Revo S.p.A. and Elba Assicurazioni S.p.A.

Group structure and scope of consolidation

The legal, organisational and management structure of the Revo Insurance Group is linear, with the Parent Company holding 100% of the share capital of Revo Underwriting S.r.l., an insurance brokerage firm, active since 6 July 2022, which is responsible for insurance advisory services.
Pursuant to IVASS Regulation No. 30, the main intercompany entries recorded during the period are shown below, regardless of their materiality.

- Revo Insurance S.p.A. owns 100% of the share capital of Revo Underwriting S.r.l., amounting to €150,000;
- In the second half of the year, Revo Underwriting carried on insurance brokerage services on which commission income of €67,000 was paid, recognised in the revenues of the Subsidiary and in the costs of the Parent Company. It also expects to collect premiums of €155,000, recognised in the receivables of the Parent Company and in the payables of the Subsidiary; and, lastly, is awaiting commissions still to be paid to the Subsidiary of €107,000, recognised in the receivables of the Subsidiary and in the payables of the Parent Company;
- REVO Insurance S.p.A. provided secondment services to REVO Underwriting S.r.l. totalling approximately €28,000. This amount is recognised respectively among the receivables and revenues of the Parent Company and among the costs and payables of the Subsidiary;
- During the reporting period, the Group did not carry out any intercompany transactions involving derivatives.

Group areas of activity

The Revo Insurance Group operates exclusively in the non-life business in the insurance market.
Insurance business is carried out by the Parent Company, Revo Insurance S.p.A.
As at 31 December 2022, the Revo Insurance Group operates in Italy and abroad under the freedom to provide services scheme[2], in the following areas of activity[3], as defined in Article 2, paragraph 3 of the Italian Private Insurance Code (Decree-Law No. 209 of 7 September 2005): 1. Accident, 2. Sickness, 3. Land vehicles (other than railway rolling stock), 4. Railway rolling stock, 5. Aviation hull, 6. Marine hull (sea, lake and river and canal vessels), 7. Goods in transit, 8. Fire and natural forces, 9. Other damage to property, 11. Aviation liability, 12. Marine hull (sea, lake and river and canal vessels), 13. General liability, 14. Credit, 15. Suretyship, 16. Miscellaneous financial loss and 18. Assistance.

[2] It should be noted that since 4 July 2022 the Parent Company has been authorised to operate under the freedom to provide services scheme.
[3] It should be noted that authorisation for the Sickness, Land vehicles, Railway rolling stock, Aviation hull, Marine hull, Goods in transit, Aviation liability, Marine liability, Credit and Financial loss classes was obtained from the Supervisory Body on 29 March 2022 and that, on the same date, the Company was authorised to extend its reinsurance activities to the Accident, Fire and natural forces, Other damage to property and General liability classes.

Report on Operations

Report on Operations

Market scenario

Macroeconomic scenario
2022 was marked by dramatic geopolitical events and the continuation of the Covid-19 pandemic in various areas of the globe. In a still fragile macroeconomic environment, the outbreak of war between Russia and Ukraine amplified the rise in commodity prices.
This trend, together with the effects of the fiscal expansion of 2020-2021, changed the paradigms of the financial market, particularly in relation to bond yields, with effects that are likely to persist for the next few years.

February saw the military invasion of Russian troops into Ukrainian territory. As well as its dramatic humanitarian consequences, the conflict had a particularly negative impact on trade flows and commodity prices, at a time when some of the global production chain "bottlenecks" caused by the pandemic seemed to be coming to an end. Further uncertainty was caused by the Chinese government's restriction on industrial and commercial activities in large areas of the country, in an effort to curb another surge in Covid-19 cases.

Central banks have been faced with the difficulty of managing an economic scenario characterised by a rapid deterioration in current and forward-looking indicators and a particularly sharp and persistent rise in inflation. While the main activity of central bankers was controlling inflation in the second quarter, prompting expectations of a sharp rise in policy rates, towards the end of June the focus shifted to the risks of recession, due to overly restrictive financial conditions and potential energy rationing. The findings of early autumn price surveys shifted the focus to the risk of inflation being well beyond the central banks' targets and to the threats to financial stability posed by the tightening of monetary policy within a particularly short time frame.
In a generally fragile environment, the European Central Bank acted initially with caution, partly in view of the fact that European inflation was being driven more by rising commodity and energy prices than by demand. From July onwards it implemented a number of hikes, bringing the deposit rate to 2% by year-end, with, in conclusion, further increases expected during 2023 as the bond purchase programmes are phased out.
In the period under review, the Federal Reserve progressively increased its key rate from March (eventually reaching 425 basis points overall at year-end), and began reducing the number of bonds held on its balance sheet in an effort to contain the monetary base and its impact on price dynamics.

The growth recorded in 2022 in the main areas of the planet was still remarkably positive, driven by the impetus of post-pandemic re-openings and incorporating only partially the impacts of the geopolitical picture described above.
The recessionary effects of the sudden normalisation of rates and the rise in commodity prices affected GDP in the second half of the year and the overall result for 2022. Specifically, Italy recorded growth of 0.2% in the first quarter compared with the previous quarter and 6.4% compared with the same period in 2021. In the second quarter, GDP continued to grow by 1.1% compared with the first quarter and by 5.0% compared with the previous year, while in the third and fourth quarters there were clear signs of a slowdown, with growth of 0.5% compared with the June figure and 2.7% compared with the same period in 2021. Overall, growth is estimated at 3.8% for 2022, while forecasts for subsequent years point to much lower GDP figures.

Inflation, which had been rising since mid-2021, accelerated strongly during the first half of the year, reaching record levels in both Europe and the United States. Energy and food were the main contributors, but core inflation also rose as the range of goods and services affected by higher prices continued to grow. This upward trend can also be seen in Italian inflation, which rose from +6.0% in the first quarter to +12.5% at the end of the year.

Insurance scenario

In a macroeconomic environment dominated by the war between Russia and Ukraine, higher commodity prices and double-digit inflation rates, ISTAT estimates have confirmed a positive performance by the Italian economy, with an increase in GDP of 2.7% in the third quarter, compared with the same period in 2021. GDP growth was given a substantial boost by the services sector, while the agricultural and industrial sectors contracted. In the services sector, life and non-life insurers recorded differing performance trends. In particular, new life production declined to its lowest level in eight years, while the non-life segment registered a general increase in premiums.

According to industry studies[4], in the non-life sector, at the end of the third quarter of 2022, total premiums collected by insurance companies and Italian representative offices in the Italian direct portfolio amounted to €29.0 billion, up by 6.3% compared with the end of the same period in 2021, when premiums written totalled €27.2 billion and the sector recorded growth of 2.8%, driven by the post-pandemic recovery. The third quarter of 2022 produced the seventh consecutive positive interim increase, with premium income reaching €30 billion for the first time at the end of the first nine months of the year.

The increase in total non-life premiums was due in particular to growth in the non-motor sector, the Company's core market, which recorded its highest ever increase (+11.6%), compared with a slight decrease (-0.5%) in premiums in the motor sector.

The other classes were positively affected by the recovery in domestic production. All the main insurance classes contributed to the overall growth of the segment (11.6%): the Accident and Sickness classes grew by 5.4% and 14.5% respectively, the Fire class by 7.1% and Other damage to property by 10.6%, while General liability grew by 12.1%.

The non-life business also recorded growth in the Credit (+30%) and Suretyship (+9.6%) classes. The National Recovery and Resilience Plan (NRRP)'s boost to the procurement sector has also helped to increase insurance premiums in the Suretyship sector, while the growth in Credit premiums was boosted by insurance companies being able to access a €2 billion fund, set up in 2020, which enabled insurers to continue providing cover to businesses experiencing cash flow crises due to the pandemic.

Moreover, in the future, a large majority of operators estimate that requests for insurance cover may increase in the SME segment, driven mainly by increased demand from the services sector, followed by manufacturing.

According to the study "Next Level for Insurance – SME segment" by Crif, the IIA (Italian Insurtech Association) and Nomisma, only 62% of Italian SMEs currently have insurance cover. The entire segment of Italian small and medium-sized enterprises, which is the REVO Group's core market, comprising 4.35 million companies and representing 99.3% of active businesses, with a strategically important role in the socio-economic fabric of the country, is heavily under-insured: 1,653,000 of these enterprises (or 38% of the total, based on the sample analysed) have no insurance cover. SMEs have a low perception of the risks involved in business and therefore tend to underestimate the impact an event might have on their activities. In fact, as well as being an under-insured segment, there is a widespread tendency to purchase as little as possible: 71% of SMEs have taken out third-party liability cover, 64% have fire cover and 56% theft cover, and only 39% have directors' liability cover. To address this scenario, the response of insurance companies for the next 12 months will be to increase insurance advice, which will become increasingly strategic, to help businesses develop with a greater focus on risk.

With regard to the distribution channel, the main form of brokerage in terms of market share (73%) is still the agency network, which is particularly successful in the Suretyship, General liability, Motor liability, Marine hull and Other damage to property classes. This year, the banking channel topped the brokers' market share (8.7%) for the first time. This percentage reflects the entire volume of premiums that these intermediaries collect but hand over to companies via agencies. If the market share of these premiums were also taken into account, the percentage of agencies would fall to 49.9% and the percentage of the brokers themselves would rise to 31.8%.

According to the S&P Global Ratings Report ("Global Insurance Markets: Inflation Bites"), also in 2023, although inflation and competition in some segments (particularly motor liability and healthcare) are putting the profits of the world-wide insurance industry at risk, it will remain one of the highest-rated sectors at the global level. The decrease in purchasing

4 Monthly report issued by the industry association, ANIA

power due to the increase in the cost of living may slow growth in premiums, while growth in premiums in the non-life segment will be positively affected by the many mandatory types of cover and by the adjustment of premiums for the new levels of inflation.

Industry regulations

Some of the new legislation affecting the insurance sector in 2022 is described below:

- IVASS Regulation No. 50 of 3 May 2022: the regulation, which lays down provisions relating to the disclosure to IVASS of data and information on non-life premiums collected by companies through individual intermediaries and in the course of management activity, introduces an annual obligation, also for companies operating in the non-life business, to transmit information on insurance activities carried out in Italy in the non-life classes, by compiling the "Intermediaries" section of the document regulated by Article 28-*sexies* of IVASS Regulation No. 44/2019 for companies operating in the life classes.
- IVASS Order No. 121 of 7 June 2022: The regulation, published in Official Gazette No. 144 of 22 June 2022, amends and supplements ISVAP Regulation No. 7/2007, mainly concerning IFRS 17 (Insurance Contracts).
- The IVASS letter to the market of 3 January 2023 regarding "IAS/IFRS consolidated financial statements – Information on the transition to IFRS 17 referred to in Annex 4 of Regulation No. 7/2007, as amended by IVASS Order 121/2022".
- The Joint Communication of the Bank of Italy, Consob and IVASS of 27 October 2022 on "IAS/IFRS financial statements at 31/12/2022 – Information on the transition to IFRS 17 and IFRS 9".
- ESMA Public Statement No. 32-339-208 of 13 May 2022 regarding "Transparency on implementation of IFRS 17 Insurance Contracts" and relating to the information to be provided in the financial statements on the qualitative and quantitative impacts of the new IFRS 17 standard.

Main corporate events

2022 saw the creation of the REVO Insurance Group, and was marked by a number of significant corporate events.
The most significant events during the year were as follows:

- On 10 January 2022, the Supervisory Authority informed REVO S.p.A., pursuant to IVASS Regulation No. 2, of the establishment of the "Elba Assicurazioni" insurance group entered in the Register of Groups under No. 059;
- On 19 January 2022, REVO S.p.A. announced that the take-up of options in respect of shares offered with the right of withdrawal to holders of REVO shares who did not approve the amendments to the Articles of Association approved by the Extraordinary Shareholders' Meeting of 4 August 2021, amounted to 259,076 shares. Of these, 45,390 are share options and 213,686 are shares requested under pre-emption rights. The offer closed with subscription for all the shares benefiting from the right of withdrawal;
- Further to the notice issued on 26 January 2022 concerning the granting of allotment rights on 22,000,000 ordinary shares of REVO S.p.A., with an allotment ratio of four allotment rights for every ten ordinary shares held, on 2 February 2022, a total of 8,799,989 allotment rights were granted, for a total number of tradable outstanding rights of 11,599,989. These rights also include the rights already allotted during the Subscription Offer and during the conversion of Class B shares into ordinary shares;
- On 3 March 2022, pursuant to the Issuer's Regulation of Euronext Growth Milan (formerly AIM Italia), REVO S.p.A., implementing the resolution adopted by the Ordinary Shareholders' Meeting of 3 May 2021, launched a programme to purchase its own shares, which may be used by the Company to fund potential external growth transactions, carried out through an exchange of shares, and incentive plans reserved for company employees;
- On 15 March 2022, Claudio Costamagna tendered his resignation from the position of Director and Chairman of REVO S.p.A. and of the subsidiary, Elba Assicurazioni S.p.A.;
- On 29 March 2022, the Supervisory Authority issued, by means of an order, an authorisation to extend the insurance and reinsurance business to classes 2. Sickness, 3. Land vehicles (other than railway rolling stock), 4.

Railway rolling stock, 5. Aviation hull, 6. Marine hull (sea, lake and river and canal vessels), 7. Goods in transit, 11. Aviation liability, 12. Marine liability (sea, lake and river and canal vessels) (carrier's liability only), 14. Credit and 16. Financial loss, as well as the extension of reinsurance to classes 1. Accident, 8. Fire and natural forces, 9. Other damage to property and 13. General liability, pursuant to Article 2, paragraph 3, of the Insurance Code;

- On 29 March 2022, the Board of Directors approved the "REVO 2022-2025 Business Plan: Towards the Future!", presented to the financial community and the press on 31 March 2022;
- On 4 April 2022, the Shareholders' Meeting of Elba Assicurazioni S.p.A. resolved to increase the number of members of the Board of Directors to seven and to appoint, as Directors, Antonia Boccadoro, Claudio Giraldi and Ezio Bassi;
- On 6 April 2022, the Board of Directors of REVO S.p.A. co-opted Antonia Boccadoro as a Director of the Company and appointed her as Chairman;
- On 23 April 2022, the Shareholders' Meeting of REVO S.p.A. approved the financial statements as at 31 December 2021 and resolved to appoint a member of the Board of Directors (Antonia Boccadoro) to reform the Board with respect to its original composition of seven members;
- On 3 May 2022, REVO Underwriting S.p.A. was established to provide insurance brokerage and advisory services. The Elba Assicurazioni Group therefore has an MGA (managing general agency), i.e. an agency authorised to write, issue and manage insurance policies, under licences and authorisations held by the insurance company, as well as its own risk capital;
- On 1 July 2022, the proprietary OverX platform was launched to facilitate recruitment, product structuring and brokerage processes;
- On 5 July 2022, IVASS announced that the Company was authorised to operate under the freedom to provide services scheme in the territory of Member States of the European Community, including States participating in the European Economic Area;
- On 6 July 2022, MGA REVO Underwriting S.r.l. was registered on the Single Register of Insurance and Reinsurance Intermediaries (*Registro Unico degli Intermediari Assicurativi e Riassicurativi* or RUI) under registration number A000711224;
- On 27 July 2022, IVASS issued an order authorising the merger by incorporation of REVO into Elba Assicurazioni S.p.A., and on 29 July REVO lodged, pursuant to Article 2501-*septies* of the Italian Civil Code, both at the Company's registered office at Via Mecenate 90, 20138 Milan and on the company website, the corporate documents relating to the merger plan, also registering it in the Milan Companies Register;
- On 6 September 2022, the Shareholders' Meeting of REVO S.p.A. approved the merger by incorporation of the Spac, REVO S.p.A. ("REVO") into the subsidiary, Elba Assicurazioni S.p.A. ("Elba Assicurazioni"), and its listing on the Euronext STAR Milan segment of the Italian stock exchange (Borsa Italiana). The merger became effective on the listing date and the new entity resulting from the merger was named REVO Insurance S.p.A.;
- On 10 November 2022, the deed of merger by incorporation of REVO into Elba Assicurazioni was drawn up, following which Elba Assicurazioni took the name REVO Insurance S.p.A. The effectiveness of the merger was subject to the following conditions: (i) the issue by Borsa Italiana S.p.A. of the order for the admission to listing of the ordinary shares and allotment rights of the Issuer on the Euronext Milan market; and (ii) the issue by Consob of the order authorising the publication of the prospectus for the admission to listing of the ordinary shares and allotment rights of the Issuer on the Euronext Milan market. It was also decided that the registered office would relocate to Viale dell'Agricoltura 7, Verona when the merger took effect;
- On 14 November 2022, Borsa Italiana S.p.A. ("Borsa Italiana"), by Order No. 8898, ordered the admission to listing on the Euronext Milan regulated market, organised and managed by Borsa Italiana ("Euronext Milan"), of the ordinary shares and allotment rights of the Company, which, following the merger by incorporation of REVO into Elba Assicurazioni, took the name REVO Insurance S.p.A., abbreviated to "REVO S.p.A.", with registered office at Viale dell'Agricoltura 7, Verona. The Company also submitted an application to Borsa Italiana for the admission of ordinary shares and allotment rights to trading on the STAR segment of Euronext Milan;
- On 15 November 2022, the Italian stock market regulator, "Consob" (*Commissione Nazionale per le Società e la Borsa*) authorised, with Communication No. 0494769/22, the publication of the registration document, and, with

Communication No. 0494770, the publication of the securities information document and key facts document (jointly referred to as the "Prospectus") for the admission to trading of the Issuer's ordinary shares and allotment rights on Euronext STAR Milan. Pursuant to the provisions of the deed of merger, when the listing was authorised, the merger simultaneously became effective and on 21 November 2022, it also resulted in a change in the name of Elba Assicurazioni to REVO Insurance S.p.A. and the relocation of the registered office to Verona;

- On 16 November 2022, Elba Assicurazioni S.p.A. and REVO S.p.A. filed the "Prospectus" with Consob for the admission to trading of the Issuer's ordinary shares and allotment rights on Euronext Star Milan. On the same date, Borsa Italiana S.p.A. ("Borsa Italiana"), as indicated in Notice No. 44128, ordered the commencement of trading of the ordinary shares and allotment rights of the Issuer on the STAR segment of the Euronext Milan regulated market;
- On 21 November 2022, trading began in the ordinary shares and allotment rights on the Euronext Milan regulated market, STAR segment ("Euronext STAR Milan"), organised and managed by Borsa Italiana S.p.A. ("Borsa Italiana") of REVO Insurance S.p.A., resulting from the merger by incorporation of REVO S.p.A. into Elba Assicurazioni S.p.A. On that date, 11,599,989 REVO allotment rights (ISIN code IT0005513103), regulated by the "REVO Insurance S.p.A. Allotment Rights" Regulation, were outstanding. (the "Allotment Rights");
- On 30 November 2022, pursuant to the Regulation, holders of the Allotment Rights were allotted a maximum of up to 2,320,000 (two million three hundred and twenty thousand) in total newly issued REVO conversion shares (the "Conversion Shares"), distributed among all holders of Allotment Rights, according to the allotment ratio of 1 (one) Conversion Share for every 5 (five) Allotment Rights held;
- On 6 December 2022, REVO's Articles of Association were amended to reflect the cancellation of the Allotment Rights and the issue of the new ordinary conversion shares allotted to the holders of Allotment Rights. Following the cancellation of the 11,599,989 REVO Allotment Rights outstanding and the resulting issue of 2,319,985 new ordinary conversion shares, the Company did not record any change in the original amount of share capital;
- At 31 December 2022, as a result of transactions in its own shares, REVO Insurance held a total of 140,953 treasury shares, amounting to 0.573% of the share capital.

General performance

At the Group level, operating performance in the 2022 financial year was characterised by the launch and implementation by the Parent Company of its own strategic plan, presented to the financial community on 31 March 2022, which provided for the further development of the existing insurance business and the broadening of the offer, with the launch of new lines focused on specialty and parametric risks.
The consolidated financial statements for the year ended 31 December 2022 show a pre-tax profit of €5,213,000. After taxes of €103,000, consolidated profit amounted to €5,316,000.
This result was determined by the IAS profit, net of the taxes recorded by Revo Insurance S.p.A., amounting to €5,338,000, partially offset by the IAS losses of Revo Underwriting, amounting to €22,000.
The Group's income statement is set out below, including the contribution of each individual company within the scope of consolidation.

	Income statement	REVO Insurance	REVO Underwriting	Total
1.1	Net premiums	56,704	-	56,704
1.1.1	Gross premiums earned	98,517	-	98,517
1.1.2	Premiums ceded to reinsurance during the year	-41,812	-	-41,812
1.2	Commission income	-	-	-
1.3	Income and expenses deriving from financial instruments measured at FV through profit or loss	-172	-	-172
1.3bis	Reclassification according to the overlay approach (*)	-	-	-
1.4	Income deriving from equity investments in subsidiaries, associates and joint ventures	-	-	-
1.5	Income deriving from other financial instruments and investment property	3,720	-	3,720
1.5.1	Interest income	3,416	-	3,416

1.5.2	Other income	-	-	-
1.5.3	Realised profit	304	-	304
1.5.4	Profit on valuation	-	-	-
1.6	Other revenues	2,046	-28	2,018
1	*TOTAL REVENUES AND INCOME*	*62,300*	*-28*	*62,272*
2.1	Net claims-related expenses	-14,010	-	-14,010
2.1.1	Amounts paid and change in technical provisions	-20,395	-	-20,395
2.1.2	Reinsurers' share	6,386	-	6,386
2.2	Commission expenses	-	-	-
2.3	Expenses deriving from equity investments in subsidiaries, associates and joint ventures	-	-	-
2.4	Expenses deriving from other financial instruments and investment property	-1,839	-	-1,839
2.4.1	Interest expense	-1,562	-	-1,562
2.4.2	Other expenses	-	-	-
2.4.3	Realised losses	-239	-	-239
2.4.4	Losses on valuation	-38	-	-38
2.5	Operating expenses	-33,214	1	-33,213
2.5.1	Commissions and other acquisition expenses	-15,180	16	-15,164
2.5.2	Investment management expenses	-172	-	-172
2.5.3	Other administrative expenses	-17,862	-15	-17,877
2.6	Other costs	-7,996	-2	-7,998
2	*TOTAL COSTS AND EXPENSES*	*-57,058*	*-1*	*-57,059*
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	*5,242*	*-29*	*5,213*
3	Taxes	96	7	103
Profit (Loss) for the year after tax		5,338	-22	5,316

At the end of the year, adjusted operating profit was €13,879,000. This figure has undergone the following adjustments compared with the operating result in that it:

- includes investment income and expenses, exclusively related to accrued coupons and issue and trading differences (and therefore, write-backs and value adjustments and gains/losses on disposals are excluded, as they are non-recurring);
- excludes the depreciation of tangible assets over the period;
- excludes costs relating to payment of the agency severance indemnity provision, which are typically non-recurring;
- excludes extraordinary costs incurred for one-off projects, including the merger, the translisting on Euronext STAR Milan and the introduction of the new IFRS 17 accounting standard;
- excludes any costs for financial payables (not present at that date);
- excludes the provision for LTI incentive plans.

The table below summarises the components of the adjusted operating result as at 31 December 2022:

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

For the sake of completeness, adjusted net profit as at 31 December 2022 is shown below, including the same adjustments made to the operating profit shown above and adjusted for the VoBA (value of business acquired) amortisation portion recorded during the year:

Adjusted net profit	**31.12.2022**
Net profit	5,316
Capital gains/losses on disposal	-65
Valuation gains/losses	209
Listing and other one-off costs	2,864
Depreciation of tangible assets	134
LTI	779
Payment to agencies	29
VoBA amortisation	3,909
Tax adjustment	-2,422
Adjusted net profit	10,753

The technical performance of the insurance portfolio during the year was characterised by:

- A significant increase in gross premiums written (+69.5% compared with 31 December 2021), due to:
  - the strengthening of the team with the recruitment of 35 staff, all in the underwriting area;
  - the extension of the business lines following authorisation from IVASS to operate in new non-life classes (as reported in the section entitled "Main corporate events");
  - new product launches, details of which can be found in the dedicated paragraph entitled "Main new products launched on the market";
  - the expansion of the distribution network, which is described in the following section ("Evolution of the insurance portfolio and the sales network").
- A total loss ratio net of reinsurance at 31 December 2022 of 24.7% compared with 14.3% in 2021, with an increase in claims-related expenses of €8,109,000 (€14,010,000 at 31 December 2022 compared with €5,901,000 in 2021) mainly attributable to the increase in the claims reserve of €5,375,000 and in claims paid of €2,734,000.
  At 31 December 2022, the new management strengthened the claims reserve, setting aside a greater IBNR of €1,190,000 compared with 2021, with €192,000 ceded to reinsurance.
  In particular, it should be noted that the claims reserve increased due to ten large claims relating to cover taken out in the years prior to 2022, with a total negative impact of €2,281,000 net of reinsurance. Four large claims (amounting to more than €200,000) relate to policies taken out in 2022, with a net impact of €821,000, the effect of which has been reduced thanks to the activation of the new reinsurance policy.
- The technical balance for reinsurance of €9,396,000 (€5,733,000 at 31 December 2021), following the amendment and streamlining of reinsurance agreements, with a slight reduction in the portion ceded in the existing quota share treaty, and the activation of non-proportional cover to better protect the technical result and the soundness of the Company.

The business development project, in 2022, entailed the following major costs:

- Higher costs of €9,021,000 incurred for employees compared with 2021, due to the recruitment plan implemented from December 2021 to strengthen the management team in view of implementation of the project. Specifically, 35 new staff were recruited, all in the underwriting area (out of a total of 53 new resources);
- Higher costs of €2,864,000 relating to extraordinary components such as merger support activities, the translisting of REVO to the Euronext Growth Milan regulated market and the adoption of the new IFRS 17 accounting standard;
- Amortisation of new intangible assets totalling €5,437,000, relating in particular to the amortisation of VoBA, as shown above, of €3,909,000, with the remainder being amortisation for software expenses incurred during the year to modify the accounting system, also in view of the adoption of the new international accounting standard (IFRS 17) and the proprietary OverX platform;

- Acquisition costs, in the commissions and other direct and indirect business acquisition expenses component, amounted to €41,361,000, up by €24,679,000 on 31 December 2022, which is, however, consistent with the strong growth in premiums recorded in the period. Commissions received from reinsurers amounted to €26,197,000 (€18,732,000 at 31 December 2021), thanks to the growth of business volumes and the amendment of existing agreements.

Due to the above performance, the adjusted COR[5] (combined operating ratio) gross of reinsurance was 82.6% (solely to show the change more clearly, we have reported the COR of Elba Assicurazioni S.p.A. at 31 December 2021, equal to 62.3%) and amounted to 85.5% net of reinsurance (49.7% for Elba Assicurazioni at 31 December 2021).
The adjusted COR (combined operating ratio)[6] was 78.8% gross of reinsurance (61.7% at 31 December 2021) and 78.8% net of reinsurance (47.8% at 31 December 2021).
The effects of the reinsurance policy on the COR are mainly due to the amendment of the treaties, which led to an extension of the business covered by reinsurance and, at the same time, a decrease in the percentage ceded under quota share treaties.

The financial result, a positive €1,710,000 (a positive €930,000 at 31 December 2021), benefited from an increase in financial income, amounting to €1,854,000, a marked improvement on the same period in the previous year (€628,000), due to the implementation of a careful investment policy that aims both to seize the opportunities offered by an environment of higher interest rates and to increase decorrelation from the performance of the financial markets, with a consequent decrease in overall volatility.

To give a better picture of the Group's performance and operating results, the most significant IAS income and balance sheet data from the 2022 consolidated half-year report, broken down by sector, are provided below. It should be noted that the data presented in the "Other" sector at 31 December 2021 refer to REVO SPAC, while the data at 31 December 2022 refer to REVO Underwriting S.r.l.

	Insurance sector		Other		Total	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Intangible assets	92,117	90,600	11	21	92,128	90,621
Tangible assets	14,448	344	0	1	14,448	345
Reinsurers' share of technical provisions	55,737	39,895	0	0	55,737	39,895
Investments	188,531	122,343	0	64,451	188,531	186,794
Miscellaneous receivables	52,931	21,978	-75	3	52,856	21,981
Other assets	7,527	2,257	1	171	7,528	2,428
Cash and cash equivalents	4,444	4,007	210	8,389	4,654	12,396
Total assets					**415,882**	**354,460**
Shareholders' equity					216,632	218,478
Provisions	3,175	4,701	0	0	3,175	4,701
Technical provisions	140,074	97,004	0	0	140,074	97,004
Financial liabilities	16,048	2,568	0	0	16,048	2,568
Payables	31,594	7,133	19	18,019	31,613	25,152
Other liabilities	8,340	6,557	0	0	8,340	6,557
Total shareholders' equity and liabilities					**415,882**	**354,460**

	Insurance sector		Other		Total	
	31.12.2022	**31.12.2021**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Net premiums	56,704	4,500	-	-	56,704	4,500
Commission income	-	-	-	-	-	-

5 Solely for the purposes of presentation and a better understanding of performance in insurance operations, the figures for Elba Assicurazioni S.p.A. as at 31 December 2021 are shown for comparative purposes.

6 It should be noted that calculation of the adjusted COR for 2021 did not take into account the cost deriving from payment of the agency severance indemnity, totalling €985,000, which was included in "Other acquisition costs". This cost was, in fact, offset by the use of the relevant provision, set aside in previous years and included in the non-technical account under "Other income". The effect on the result for the period was therefore nil.

Income and expenses deriving from financial instruments measured at fair value through profit or loss	-172	0	-	-63	-172	-63
Reclassification according to the overlay approach	-	-	-	-	-	-
Income deriving from equity investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-
Income deriving from other financial instruments and investment property	3,720	41	-	1	3,720	42
Other revenues	2,046	2	-28	1	2,018	3
Total revenues and income	**62,300**	**4,542**	**-28**	**-61**	**62,272**	**4,481**
Net claims-related expenses	-14,010	-984		-	-14,010	-984
Commission expenses	-	-	-	-	-	-
Expenses deriving from equity investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-
Expenses deriving from other financial instruments and investment property	-1,839	-249	-	-17	-1,839	-266
Operating expenses	-33,212	3,665	-1	-17,432	-33,213	-13,767
Other costs	-7,998	-637	-	-769	-7,998	-1,406
Total costs and expenses	**-57,058**	**1,795**	**-1**	**-18,218**	**-57,059**	**-16,423**
Profit (loss) for the year before tax	**5,242**	**6,337**	**-29**	**-18,279**	**5,213**	**-11,942**

Performance of insurance operations

Following the completion of the acquisition of Elba Assicurazioni S.p.A. by REVO S.p.A. on 30 November 2021, the 2021 consolidated data presented in the schedules in these financial statements show only the insurance activity in December 2021, i.e. as of the date of completion of the transaction.
For this reason, solely for the purposes of presentation and a better understanding of the performance of insurance operations on their own, the following table contains a comparison between the technical items recorded by the Group in 2022 and the data for the entire 2021 financial year of Elba Assicurazioni S.p.A., with comments in the following paragraphs.

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

Net combined ratio	85.5%	49.7%
Net adjusted combined ratio	78.8%	47.8%

Evolution of the insurance portfolio and the sales network

Premiums written, gross of reinsurance and net of current year cancellations, totalled €131,388,000 in 2022, a significant increase compared with the €77,526,000 recorded at 31 December 2021 (an increase of 69.5%).
Direct and indirect premium income is reported in the following table by class:

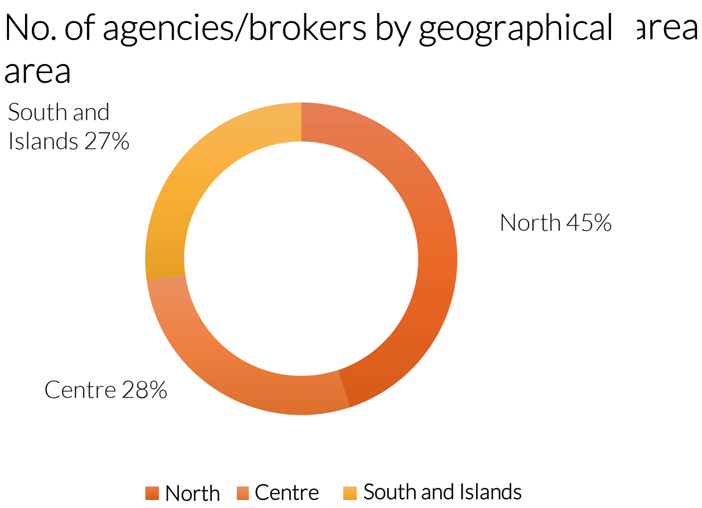
	Gross premiums	31.12.2022	%	31.12.2021	%	Change
1	Accident	973	0.7%	265	0.3%	267.3%
2	Sickness	15	0.0%	-	0.0%	-
5	Aviation hull	261	0.2%	-	0.0%	-
6	Marine hull (sea, lake and river and canal vessels)	2,205	1.7%	-	0.0%	-
7	Goods in transit	2,008	1.5%	-	0.0%	-
8	Fire and natural forces	14,730	11.2%	631	0.8%	2234.4%
9	Other damage to property	15,918	12.1%	12,231	15.8%	30.1%
11	Aviation liability	99	0.1%	-	0.0%	-
12	Marine liability (sea, lake and river and canal vessels)	70	0.1%	-	0.0%	-
13	General liability	20,977	16.0%	4,714	6.1%	345.0%
14	Credit	289	0.2%	-	0.0%	-
15	Suretyship	73,229	55.7%	59,674	77.0%	22.7%
16	Financial loss	602	0.5%	-	0.0%	-
18	Assistance	10	0.0%	11	0.0%	-6.5%
Total		**131,388**	**100.0%**	**77,526**	**100.0%**	**69.5%**

In this regard, it should be noted that during the period there was a significant increase not only in Suretyship (+22.7% compared with 2021), which remained the main business class, but also in other classes historically managed by the Company (Other damage to property, General liability and Fire), mainly due to the impetus provided by the expansion of the product range and the distribution network.
At the end of the year, the insurance portfolio was more diversified, with a 55.7% impact on the total premiums of the Suretyship class (77.0% at 31 December 2021), due to greater exposure to other classes, the proportion of which increased from 23.0% at 31 December 2021 to 44.3% at 31 December 2022.
In addition to the description of premium income for the year, the breakdown of premium income by geographical area is shown below:

Geographical area	31.12.2022	31.12.2021	% incr.
North	91,811	40,089	129.0%
Centre	25,118	16,434	52.8%
South and Islands	14,082	21,003	-33.0%
Abroad	377	-	-
Total	**131,388**	**77,526**	**69.5%**

In 2022, the Company continued to implement measures to increase the number of agency mandates and the number of free collaboration agreements with brokers, in order to boost both overall production and the productivity of individual intermediaries.
At 31 December 2022, the sales network consisted of 116 multi-firm agents (100 at 31 December 2021) and 53 brokers (16 at 31 December 2021).
During the 2022 financial year, as part of a process designed to strengthen its commercial structure, the Company embarked on a path of harmonisation of the agency network that entailed the awarding of 18 new agency mandates, 37 new free collaboration agreements with brokers and the withdrawal of 2 agency mandates, the results of which were not in line with expectations.
The distribution of agencies (including brokers) and the average premiums written at 31 December 2022 by geographical area are as follows:

Geographical area	No. of agencies/brokers by geographical area	Overall premiums	Average premiums per Agency/Broker 2022	Average premiums per Agency/Broker 2021
North	76	91,811	1,208	978
Centre	47	25,118	534	483
South and Islands	46	14,082	306	512
Total	**169**	**131,011**	**775**	**668**



Claims

Claims-related expenses for direct and indirect business at 31 December 2022 amounted, respectively, to €20,395,000 gross of reinsurance (€9,969,000 at 31 December 2021) and €14,010,000 net of reinsurance (€5,901,000).
The following tables show the breakdown by item, both gross and net of reinsurance:

Gross claims-related expenses	31.12.2022	31.12.2021	Change
Change in claims reserve	11,755	3,317	254%
Amounts paid	16,170	13,845	17%
Change in recoveries	-7,530	-7,193	5%
Total	20,395	9,969	105%

Net claims-related expenses	31.12.2022	31.12.2021	Change
Change in claims reserve	7,849	2,059	281%
Amounts paid	9,947	7,453	33%
Change in recoveries	-3,786	-3,611	5%
Total	**14,010**	**5,901**	**137%**

The overall performance of net claims-related expenses at 31 December 2022, measured in terms of net loss ratio, was, although it increased, appropriate for the development of production, standing at 24.7%, compared with 14.3% in 2021. In absolute terms, claims-related expenses increased by €8,109,000, mainly due to the effect of Class 9-Other damage to property (€3,506,000) and Class 13-General liability (€2,316,000). For Class 6-Marine hull and Class 7-Goods in transit, which were not present in the previous year, total net expenses of €842,000 were recorded.

The following tables show the breakdown by class, respectively gross and net of reinsurance:

	Gross claims-related expenses	31.12.2022	31.12.2021	Change
1	Accident	224	25	199

6	Marine hull (sea, lake and river and canal vessels)	891	-	891
7	Goods in transit	511	-	511
8	Fire and natural forces	1,568	213	1,355
9	Other damage to property	5,127	1,151	3,976
13	General liability	4,280	1,523	2,757
15	Suretyship	7,795	7,057	738
	Gross claims-related expenses	**20,395**	**9,969**	**10,426**

	Net claims-related expenses	**31.12.2022**	**31.12.2021**	**Change**
1	Accident	190	25	165
6	Marine hull (sea, lake and river and canal vessels)	540	-	540
7	Goods in transit	302	-	302
8	Fire and natural forces	843	93	750
9	Other damage to property	4,657	1,151	3,506
13	General liability	3,212	896	2,316
15	Suretyship	4,266	3,736	530
	Gross claims-related expenses	**14,010**	**5,901**	**8,109**

The total claims ratio, gross of reinsurance, was 20.7%, compared with 14.2% at 31 December 2021. The claims ratio net of reinsurance was 24.7%, compared with 14.3% for the same period in 2021.
As shown above, the increase in claims-related expenses mainly reflects the increase in the change in the claims reserve of €7,041,000 and, to a lesser extent, higher claims paid of €2,734,000.
The claims reserve was strengthened by setting aside IBNR, net of reinsurance, of €1,448,000, resulting from a physiological trend of increased overall business. Taking into account the most significant claims, with a pay-out of more than €200,000, there was an increase in the claims reserve due to ten claims relating to cover taken out in previous years (two relating to Class 9-Other damage to property for €705,000, three relating to Class 13-General liability for €912,000 and five relating to Class 15-Suretyship for €665,000), with a total negative impact of €2,281,000 net of reinsurance, and four claims relating to policies taken out in 2022 with a net impact of €821,000 (one relating to Class 13-General liability for €314,000, one to Class 8-Fire for €171,000 and two relating to Class 6-Marine hull for €336,000).

Suretyship class

The technical performance in 2022, due to the Company's particular focus on customer retention, the constitution of adequate guarantees and risk assessment during the underwriting phase, once again proved extremely profitable.
The ratio, gross of reinsurance, of claims paid and reserved, net of recoveries, to earned premiums, was 12.5% (12.9% at 31 December 2021), and 13.1% net of reinsurance, compared with 13.9% at 31 December 2021.
Net claims for the year increased by €530,000 compared with 31 December 2021, due to the increase in claims paid and reserved (€693,000) versus the positive change in recoveries (€163,000).
A large claim was reported, adequately covered by collateral, which had been provided as usual in order to protect against this type of risk and which led to a reduction in the amount paid out.

Other classes

In the other non-life insurance classes, the ratio, gross of reinsurance, of claims paid and reserved net of recoveries (including an IBNR provision of €1,640,000, up from €450,000 in 2021) to earned premiums was 35.3% overall (18.6% at 31 December 2021).
Of the IBNR provisioned in the financial statements, €192,000 was ceded to reinsurance. The overall ratio of the other classes, net of reinsurance, was 40.5%, compared with 15.2% in 2021. The increase in this ratio in 2022 was mainly due to the following trends:

- Other damage to property: in absolute values, gross claims for the year amounted to €5,127,000, an increase of €3,979,000 compared with the same period in 2021. In 2022, following the introduction of the new management team, an IBNR totalling €760,000 was provisioned (€250,000 in 2021). Finally, mention should be made of the reporting and consequent reserving of two large claims, both relating to cover taken out in previous years, totalling €705,000 net of reinsurance. The ratio of claims to gross premiums was 33.9%, compared with 10.7% in 2021, while the loss ratio net of reinsurance was 35.5%, compared with 11.7% in 2021. Not taking into account components not included in the 2021 numbers (IBNR increase and large claims), the net loss ratio would be 26.2%;
- General liability: in absolute values, the increase in gross claims for the year was €2,757,000, the result of IBNR provisions totalling €880,000 (€200,000 in 2021) and three significant claims with a total impact of €1,272,000 (€725,000 net of cession to reinsurance). A large late claim totalling €650,000 was also recorded (€500,000 net of reinsurance). The net loss ratio was 52.6%, compared with 23.8% in 2021. Without taking into account the IBNR components and these significant claims, the loss ratio would have been 24.5%;
- Fire: during the year, an increase of €750,000 was recorded in net claims-related expenses, almost exclusively attributable to two claims for €314,000 net, with a consequent increase in the ratio of claims to net premiums (23.4%, compared with 18.8% in 2021). Without taking into account the claims presented above, the net loss ratio would have been 14.7%;
- Goods in transit and Marine hull: for these classes, the claims to premiums ratio gross of reinsurance was 62.4% (98.1% net of reinsurance, due to premiums ceded under non-proportional contracts). These classes were not present in 2021.

Acquisition expenses and general expenses

Total operating expenses at 31 December 2022 came to €59,408,000 gross of reinsurance and €33,213,000 net of reinsurance, an increase compared with the same period in 2021 and in line with the increase in business volume. A detailed summary is provided below:

Operating expenses	**31.12.2022**	**31.12.2021**
Commissions and other acquisition expenses	15,164	6,007
Investment management expenses	172	-
Other administrative expenses	17,877	6,791
Operating expenses	**33,213**	**12,798**

Commissions and other acquisition expenses	**31.12.2022**	**31.12.2021**
Acquisition commissions	30,705	18,110
Other acquisition expenses	10,656	6,569
Collection commissions	-	60
(-) Commissions and share of profits received from reinsurers	26,197	18,732
Commissions and other acquisition expenses	**15,164**	**6,007**

The overall impact of acquisition expenses, including other acquisition expenses relating to payroll costs in the technical and commercial areas (€7,975,000, up by €4,460,000 compared with 2021) and directly attributable general expenses (€1,508,000), was 31.4% of premiums written, down slightly from 31.8% at 31 December 2021. The net impact, taking into account the fees received from reinsurers and premiums ceded, was 19.5%, compared with 13.0% in 2021.

Acquisition commissions as a percentage of gross premiums written were 23.4%, in line with the figures at 31 December 2021 (23.4%). Similarly, other acquisition expenses as a percentage of gross premiums written were 8.1% (8.5% at 31 December 2021).

Fees received from reinsurers as a percentage of premiums ceded were 48.7%, compared with 59.3% in 2021. The decrease mainly reflects the difference in the mix of the ceded portfolio: in 2022 there were more optional cessions as well as the activation of excess of loss and quota share cessions in classes other than Suretyship.

Other administrative expenses as a percentage of gross premiums written, mainly due to the cost of the remaining employees, general expenses not directly attributable and depreciation of tangible assets, amounted to 13.6% (8.8% at 31 December 2021). In this context, the following should be noted:

- the increase in payroll expenses for resources not employed in the technical and commercial areas due to the recruitment plan for the launch of the REVO development project (an increase of €4,018,000);
- listing and other one-off expenses of €2,864,000 and advisory expenses of €1,226,000;
- costs for leases under IFRS 16 relating to the property in Verona and the new building on Via Monte Rosa in Milan, not applicable last year, of €391,000;
- additional costs for EDP (electronic data processing) services of €750,000;
- other expenses of €1,464,000, due to the increase in business and the workforce, as well as the various projects launched during the year (e.g. legal and notarial expenses, fees payable to Directors, Statutory Auditors and External Auditor, advertising and telephone expenses).

Overall, at 31 December 2022, total operating expenses as a percentage of gross premiums written were 45.2%, and 42.8% net of reinsurance (in the previous year these percentages were 40.7% and 27.9%, respectively[7]), most of which arose from the increase in payroll expenses due to the implementation of the development plan and one-off expenses incurred for the listing, the merger and the Company's implementation of the new IFRS 17 accounting standard.

Foreign business

During the year, the Company carried out insurance activities under the freedom to provide services scheme in the territory of the Member States of the European Community, including States in the European Economic Area, following the authorisation received from IVASS on 4 July 2022.
The following table sets out the breakdown of technical items relating to foreign business:

	31.12.2022
Premiums	2,259
Change in premium reserve	1,002
Operating expenses	575
Total	**682**

Reinsurance policy

The Company's reinsurance policy in 2022 was based on entering into contracts designed to optimise its overall risk profile, protecting the Company against unexpected/sudden events such as "large" claims, including catastrophe claims, and increasing its ability to fulfil its obligations to policyholders.
Treaties continued to be signed with leading reinsurance companies, significantly reducing the Group's counterparty risk. The minimum rating of the companies included in the panel was greater than or equal to an A- rating from Standard & Poor's and an A- rating from A.M. Best.
Quota and excess of loss treaties were agreed for Suretyship policies (as in previous years) and quota and excess of loss treaties for other non-life policies, except for Assistance and Fine art policies, for which quota share treaties were signed, and for Engineering LoB policies, for which it was decided to maintain only excess of loss cover.
The following table sets out the breakdown of the technical reinsurance balance compared with the previous year:

[7] The percentages were obtained on the basis of the "technical data" table in the "Performance of insurance operations" section.

Technical reinsurance account	31.12.2022	31.12.2021	Change
Premiums ceded	-53,823	-31,590	-22,233
Change in ceded premium reserve	12,011	2,493	9,518
Reinsurers' share of claims	6,223	6,392	-169
Reinsurers' share of change in recoveries	-3,744	-3,582	-162
Reinsurers' share of change in claims reserve	3,906	1,258	2,648
Commissions received from reinsurers	26,197	18,732	7,465
Technical income and expenses ceded	-166	563	-729
Total	**-9,396**	**-5,734**	**-3,662**

Premiums ceded increased as a result of both new production and the new proportional, non-proportional and optional treaties signed in 2022.
Earned premiums ceded to reinsurance increased, mainly due to the new reinsurance policy, which involved the signing of new quota share treaties, as well as a reduction in the percentage ceded in the Suretyship quota share treaty (from 50% in 2021 to 40% in 2022).
Ceded claims for the year also increased by a total of €2,318,000, due to the cession of the classes related to the new quota share treaties and three new claims ceded with excess of loss treaties in the Other damage to property and General liability classes, totalling €602,000.

Main new products launched on the market

In 2022, the product range was extended to include property, technological risks, corporate civil liability and accidents.
In particular, after obtaining authorisation from IVASS to operate in new regulatory classes, the Company further extended its insurance offering through:

- agricultural cover (policies to insure against adverse weather conditions resulting in shortfalls in crop yields (qualitative and/or quantitative)), both traditional and parametric. With regard to parametric insurance, the cover relates to various areas, including table grapes (to cover botrytis disease), the harvesting of pear trees (to cover damage caused by the marmorated stink bug), aquaculture (cover focused on rising temperatures and the associated change in the quality of marine waters) and fodder (to cover drought damage);
- parametric cover to protect business assets, in particular against the effects of rain, for those sectors more likely to be affected, such as spa and beach resorts, restaurants and event organisation companies;
- new liability cover for industrial and construction companies and miscellaneous risks, covering damage to third parties (death or personal injury), damage to property, employee accidents and damage due to defective products;
- new cover for professionals, designed to protect their assets against claims for compensation due to errors made as they conduct their business (professional indemnity or PI);
- new cover to protect the personal assets of company managers and to protect these companies' assets (directors' and officers' or D&O insurance);
- new hull insurance solutions for pleasure craft;
- new tailored insurance solutions in the area of "cyber risk" to cover expenses incurred by the policyholder and compensation for damages following cyber attacks, for data restoration, data theft and privacy breaches, and to cover other risks relating to the classes authorised by the Supervisory Authority in March 2022.

OverX
In June REVO Insurance S.p.A. also launched the new proprietary technological platform, OverX, a fundamental tool for the structuring and creation of new insurance products, capable of significantly simplifying underwriting processes (use of a common database) and distribution (flexibility and ease of connection to intermediaries).

OverX is a highly innovative information system concerning of flexibility, level of service, response times, efficiency, and the possibility of customizing products, allowing you to easily create the interface with the operating systems of the main intermediaries, guaranteeing a high level of integration with their systems. During 2022, the new specialty lines and parametric products were progressively implemented within the platform with the aim of simplifying the risk analysis processes (so-called underwriting) through the automated reading of communications with the intermediary, the collection and organization of the information necessary for risk assessment, also by external databases, as well as the preparation of insurance contracts.
OverX was developed and created in the Cloud environment, using the most modern technologies, such as Artificial Intelligence, application programming interface (API), advanced security systems, an innovative process automation system and a text recognition system, with a simple and efficient data structure, which facilitates the collection of information by intermediaries.

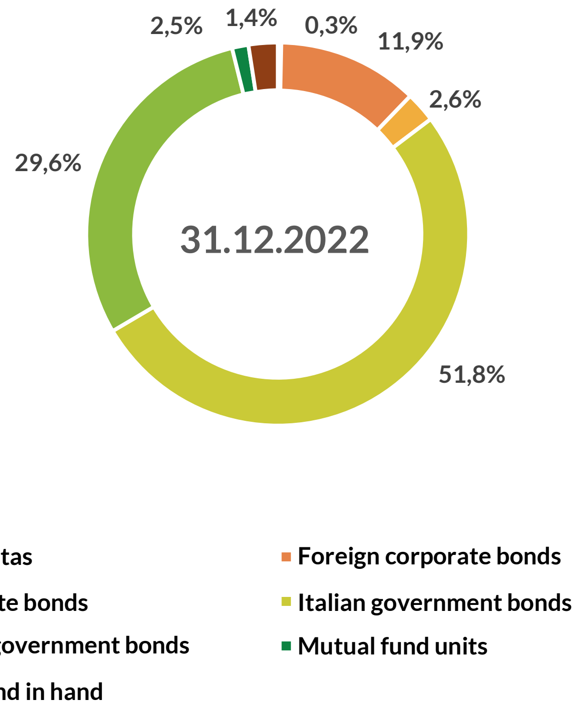
Investment policy guidelines and profitability achieved

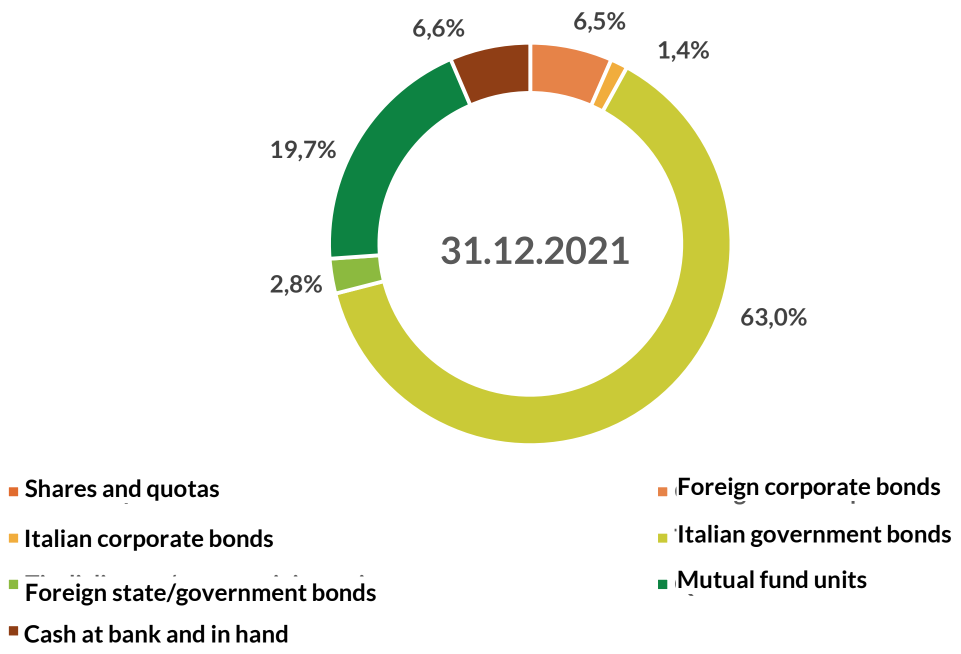
In 2022, the Company's investment policy was based on prudent criteria. The guidelines also take into account the framework resolution referred to in Article 8 of IVASS Regulation No. 24/2016, which was updated by the Board of Directors on 24 November 2022. It should be noted that updates to the framework resolution are designed to ensure both greater flexibility in investments in securities and greater diversification of portfolio instruments.
In 2022, in particular, foreign government securities with high credit ratings were purchased, including from Germany, the Netherlands, France and Belgium. In the first half of the year, corporate bonds were purchased, mainly from foreign issuers with high ratings, and one open-ended alternative investment fund was subscribed to a limited extent. In the second half of the year, domestic 5-year government bonds totalling €8,545,000 were acquired, in accordance with statutory accounting principles, taking advantage of particularly favourable market conditions.
The asset portfolio has a particularly low duration of approximately two years and an excellent level of liquidity. All portfolio positions are denominated in euro.
The Company's prudent policy in terms of investments and issuer quality serves to protect it from market risk and liquidity risk, despite the current fragile economic scenario. The increased diversification in terms of asset class and issuers is intended to make the portfolio more resistant to market fluctuations and increased volatility in domestic government bond spreads.

Total investments at 31 December 2022 amounted to €188,531,000 (€189,794,000 at 31 December 2021), including €181,339,000 in bonds and other listed fixed-rate securities (including 54.1% in Italian government securities and 45.9% in foreign government securities and other bonds), in addition to €2,620,000 relating to units in bond funds. Shares and quotas of companies include a €556,000 investment in Mangrovia Blockchain Solutions S.r.l.
This item includes, in assets measured at amortised cost, the escrow account set up following the acquisition of Elba Assicurazioni S.p.A., amounting to €4,016,000 (€8,000,000 at 31 December 2021). The escrow account will be reduced by €1,000,000 annually from 30 November 2023 until the account balance is zero (on 30 December 2026).
At 31 December 2022, cash and cash equivalents amounted to €4,654,000 (€12,396,000 at 31 December 2021).
The following table sets out the breakdown of investments compared with the previous year:

Investments and cash and cash equivalents	**31.12.2022**	**31.12.2021**
Investment property	-	-
Equity investments in subsidiaries, associates and joint ventures	-	1
Financial assets measured at amortised cost	4,016	8,000
Financial assets measured at fair value through OCI	181,895	141,126
Financial assets measured at fair value through profit or loss	2,620	37,668
Total investments (excluding cash and cash equivalents)	**188,531**	**186,794**
Cash and cash equivalents	4,654	12,396
Total (including cash and cash equivalents)	**193,185**	**199,190**

Investments by type	31.12.2022	31.12.2021
Shares and quotas	556	-
Foreign corporate bonds	22,480	12,624
Italian corporate bonds	4,861	2,608
Italian government bonds	97,987	120,542
Foreign state/government bonds	56,011	5,352
Mutual fund units	2,620	37,668
Total investments (excluding cash and cash equivalents)	**184,515**	**178,793**
Cash at bank and in hand	4,654	12,396
Total investments (including cash and cash equivalents)	**189,169**	**191,189**





Remuneration policies and employee information

At 31 December 2022, the workforce consisted of 151 employees, in addition to 6 external contractors and 1 intern (at 31 December 2021, there were 98 employees, plus 1 external contractor).
The substantial increase compared with 2021 (+53 resources) is mainly due to the recruitment of new staff to develop the Company's new business lines, authorised by IVASS at the end of March 2022, and the launch of the development project, with the simultaneous strengthening of staff structures and key functions.
The internal structure by area of expertise breaks down as follows:

	31.12.2022	31.12.2021
CEO/GM	1	1
Specialty Insurance Solutions	92	59
Operations	19	14
Finance Planning and Control	11	7
Legal & Corporate Affairs	10	7
Parametric Insurance Solutions	6	4
Risk Management	3	1
Human Resources and Organisation	3	2
Compliance	2	1
Staff	2	0
Actuarial	1	1
Internal Audit	1	1
Total	**151**	**98**

During the year, the training of employees continued in order to promote professional and managerial growth, with a particular focus on new hires.
In April 2022, the Smart Working tool was introduced and adopted through the signing of individual agreements with all company employees.
Last but not least, the Company decided to identify new headquarters in Milan, with collaborative workspaces and a strong sustainability footprint. These new operational headquarters were identified at Via Monterosa 91, Milan (the move is scheduled for April 2023).

Total labour costs, including the reimbursement of expenses (employees and contractors on project-based contracts) in 2022 were €15,746,000 (€6,726,000 in 2021). The substantial change compared with 2021 mainly reflects the increase in total remuneration due to the recruitment of a further 53 resources during 2022.

Remuneration policies

At the Shareholders' Meeting of 4 April 2022, the Company adopted a remuneration policy in accordance with the provisions of the legislation applicable to listed companies and in compliance with the specific provisions in this regard set out in IVASS Regulation No. 38.

The management remuneration system comprises the following main elements:

- an annual incentive system in formalised MbO form for the entire corporate population, which aims to increase involvement towards the achievement of annual company targets;
- a long-term incentive plan (2022-2024 Performance Share Plan) for the Chief Executive Officer/General Manager, key persons and additional beneficiaries:
- a welfare plan for the entire corporate population.

In particular, the remuneration system for top management, in addition to the Chief Executive Officer and employees of the Company who perform managerial roles or functions, consists of a fixed and a variable component, the latter with an annual component and a deferred long-term incentive plan, in line with best practice at national and international level.

MbO system

The annual variable component consists of the "MbO" system, which provides for the payment of a cash bonus, subject to the achievement of predetermined annual objectives - both quantitative (operating result and premium income) and qualitative (on a personalised basis) - that are commensurate with the specific role and activities performed by the individual beneficiary.

2022-2024 Performance Share Plan

On 4 April 2022, the Company's Shareholders' Meeting also approved a performance share plan called the "2022-2024 Performance Share Plan" (hereinafter, the "Plan"), the rules of which were drawn up and approved by the Board of Directors on 26 May 2022.

The Plan is a valid tool for retaining and motivating individuals who play a key role in achieving the Company's objectives, and for aligning the interests of key company resources with those of other stakeholders, with a view to long-term sustainable development.

The value of the LTI item at 31 December 2022 was €779,000.

Code of Ethics

Employees and contractors are required to scrupulously observe the rules of conduct established in the Code of Ethics adopted by REVO Insurance S.p.A. by resolution of the Board of Directors of 21 March 2022.

This document establishes the specific rules and procedures of conduct which, in line with principles of a commitment to fairness and consistency of approach, must be observed by employees and contractors in their multiple relationships with policyholders, agents, suppliers, service providers and any other company or entity, whether public or private, that comes into contact with the Company.

No cases of non-compliance in this regard were reported or discovered during 2022.

Performance of the Subsidiary

The Subsidiary, Revo Underwriting, which is responsible for insurance brokerage and advisory services and operates as the Group's MGA (managing general agency), has been active since 6 July 2022, the date of entry in the Single Register of Insurance and Reinsurance Intermediaries (RUI) with registration number A000711224.

The company has recognised revenues of €67,000, costs associated with the marketing of insurance products of €51,000, and incorporation costs and costs associated with administrative services of €44,000. The result for the year is therefore a loss after tax of €22,000.

Group summary data for 2022

Further to the above, the summary figures are presented below, in thousands of euro, for the year ended 31 December 2022 compared with the previous year. Following the acquisition of Elba Assicurazioni S.p.A. in November 2021, only the insurance income data for December is provided below:

Assets	**31.12.2022**	**31.12.2021**
Intangible assets	92,128	90,620
Tangible assets	14,448	344
Investments	188,531	186,794
Reinsurers' share of technical provisions	55,737	39,895
Receivables	52,856	21,982
Other assets	7,528	2,428
Cash and cash equivalents	4,654	12,396
Total assets	**415,882**	**354,460**

Shareholders' equity and liabilities	**31.12.2022**	**31.12.2021**
Shareholders' equity	216,632	218,478
Technical provisions	140,074	97,004
Provisions	3,175	4,701
Financial liabilities	16,048	2,568
Payables	31,613	25,152
Other liabilities	8,340	6,557
Total liabilities and shareholders' equity	**415,882**	**354,460**

Income statement	**31.12.2022**	**31.12.2021**
Net premiums earned	56,704	4,500
Commission income	0	0
Income and expenses deriving from financial instruments measured at FV through profit or loss	-172	-63
Income deriving from equity investments in subsidiaries, associates and joint ventures	0	0
Income deriving from other financial instruments and investment property	3,720	42
Other revenues	2,018	3
Total revenues and income	**62,272**	**4,481**
Net claims-related expenses	-14,010	-984
Commission expenses	0	0
Expenses deriving from equity investments in subsidiaries, associates and joint ventures	0	0
Expenses deriving from other financial instruments and investment property	-1,839	-266
Operating expenses	-33,213	-13,767
Other costs	-7,998	-1,406
Total costs and expenses	**-57,059**	**-16,423**
Profit (loss) for the year before tax	**5,213**	**-11,942**
Taxes	103	-1,900
Profit (loss) for the year after tax	**5,316**	**-13,842**

Solvency II – Solvency margin

Information on the Group's Solvency II solvency margin, calculated on the basis of the information available today, compared with the annual 2021 data, is provided below:

Information on the solvency margin - Solvency II	**31.12.2022**	**31.12.2021**

Solvency Capital Requirement	52,304	51,506
Eligible Own Funds to meet the SCR (Tier 1)	142,550	139,775
Solvency Ratio	272.5%	271.4%
Minimum capital requirement	14,652	12,877
MCR Coverage Ratio	972.9%	1085.5%

The results obtained show the high level of Solvency II coverage available to the Company.
The Solvency II Ratio of 272.5%% at 31 December 2022 benefited from the capital received from REVO S.p.A. following the merger and is in line with the solidity and risk appetite objectives contained in the Business Plan.
It should be noted that the Solvency II Ratio does not take into account the organisational provision of €8 million to cover start-up expenses (set aside in response to the authorisation to operate in the new insurance classes), which has to be excluded from the calculation of own funds for the first three financial years.
The solvency position will be the subject of the relevant disclosure to the market and to the Supervisory Authority within the time limits set by the legislation in force in the context of publication of the Solvency and Financial Condition Report (SFCR).

Risk management objectives and policy and hedging policy of the companies included in the scope of consolidation

The Group's risk management is designed to comply with regulatory provisions, including constant monitoring according to the provisions of IVASS Regulation No. 24/20216. The Parent Company has defined and implemented its risk assumption, measurement and management policies, taking an integrated view of its assets and liabilities in accordance with European Solvency II rules.
Since May 2022, the Risk Management function has been entrusted to Linda Tso, who, for the areas within her remit, has played her part in the activities planned for Solvency II reporting.
With regard to liquidity, underwriting and counterparty risks, ordinary monitoring activities continue to be overseen at all times, in order to ensure the Company's ongoing ability to meet its commitments. Furthermore, with reference to the internal solvency objective established in Article 18 of IVASS Regulation No. 38/18, the current assessments have not brought to light any critical issues that require specific action.
The Group, also throughout 2022, was required by the Supervisory Authority to monitor its solvency position on a monthly basis, pursuant to the communication dated 17 March 2020. The results of these monthly assessments demonstrate a high and constant capital solvency level.
The Group underwent an organisational enhancement during the year, following the merger in November 2022. The Risk Management function was strengthened with new resources (internal and outsourced) and a system of risk oversight tools was created that includes the new risk management policies, Risk Appetite Framework (RAF) and Own Risk and Solvency Assessment (ORSA), as well as a more structured and effective Risk Register.
The Risk Officer's report to the Board of Directors does not highlight any critical issues and notes that the control processes implemented emphasise the Company's commitment to timely compliance with the reference provisions and regulations, to safeguard and protect the activity performed.
Based on the risk mapping undertaken, the highest-intensity risk to which the Group is exposed is its underwriting risk.
In particular, the following should be noted:

Underwriting risks
Revo Insurance takes a conservative approach to underwriting risk, prioritising the financial security of its customers, in order to avoid taking on risk that could undermine the Company's solvency or constitute a serious obstacle to the achievement of its objectives.

The main techniques used by the Company to mitigate underwriting risk are:

- underwriting techniques;
- reinsurance techniques.

With regard to the assumption of risks in the Suretyship class, which is the Company's core business, policies are written following careful technical investigations to establish both the nature and characteristics of the risks to be covered and the soundness in terms of capital, income and cash flow, as well as the reliability, of the obligated entities, depending on the activities they carry out, to which the cover applies.
With regard to reinsurance techniques, quota and excess of loss treaties were entered into for both Suretyship policies and policies for other classes, with the exception of Assistance and Fine art policies, for which specific quota share treaties are in place, and Engineering policies, for which excess of loss cover is in place.

Market risk

REVO Insurance has a portfolio of assets consisting mainly of government and corporate bonds. Liquid assets are managed to ensure that sufficient resources are always available for normal claims payment.
The Company's prudent policy in terms of investments and issuer quality serves to protect it from market risk and liquidity risk, despite the current economic environment.
All investments are denominated in euro and therefore no currency risk exists.
With regard to concentration risk, there is a significant percentage in the Italian Republic, which at 31 December 2022 amounted to 51.8% of the Group's overall portfolio (approximately 62.9% at 31 December 2021).

Credit risk

The Group is exposed to the risk associated with a deterioration in the creditworthiness of the market counterparties with which it operates and has business and insurance relationships. These exposures mainly derive from reinsurance and co-insurance activities, cash deposits and derivatives transactions with banks, as well as activities with insurance brokers and policyholders, in respect of which receivables are typically generated according to recurring insurance product underwriting patterns.
At the same time, in its investment activities, the Group is subject to the creditworthiness and default risk of the relevant issuers. In addition to the Italian government, any default on the part of issuers in which the Company has exposure could have a negative impact on its financial position, cash flows and results of operations, as well as an effect on its Solvency II Ratio.

Liquidity risk

Liquidity risk is the risk of not being able to meet obligations to policyholders and other creditors due to the difficulty of converting investments into cash without suffering losses; this risk is monitored through specific stress scenarios based on short- and medium-term cash flow planning.

Operational risk

Operational risk is the risk of losses due to inefficiencies in human resources, processes and systems, including those used for distance selling, or to external events, such as fraud or the actions of service providers; this definition includes legal risk but not strategic or reputational risk.
In the procedures currently in force, operational risk is also quantified in the context of the solvency requirement calculated using the standard formula.
In addition to this quantitative support, "residual" risk is measured, at least once a year, on the basis of the probability of occurrence of the negative event and the severity of its impact, the scale of which is determined using a qualitative and quantitative methodological approach that helps management in mapping risks in order to adequately identify the most exposed areas and to prioritise when implementing action/mitigation plans.
These assessments enable the Company to ascertain the consistency of the results with the Risk Appetite Framework (RAF), outlined by the Company in its risk appetite policy.

Ongoing disputes

There are no disputes pending, except for claims-related insurance disputes and disputes relating to recourse or recovery of receivables actions.
With regard to insurance disputes, it should be noted that in 2022, the Company received an update from its legal counsel concerning a payment order for approximately €250,000, relating to a counterfeit suretyship policy. As of 31 December 2022 the dispute is still ongoing, and as a precautionary measure it was decided to set aside a portion of the contested amount.

Eleven claims were instigated during 2022, of which three were admitted, two were settled and six dismissed. At the date of preparation of this Report (31 December 2022), there were no claims at the investigation stage.
Internal Audit reports on the above claims were issued and the relevant assessments were carried out by the Board of Statutory Auditors and the Board of Directors and, according to the procedures in force, were notified to the Supervisory Authority.

Capital and financial transactions with parent companies, associates, affiliates and other related parties

Companies and subsidiaries included in the scope of consolidation
Pursuant to Article 2497 *et seq*. of the Italian Civil Code, REVO Insurance S.p.A. exercises management and coordination activities over REVO Underwriting S.r.l.
At 31 December 2022, we report the following transactions between REVO Underwriting S.r.l. and REVO Insurance S.p.A.:

- costs for seconded staff of €28,000;
- revenues from commission income of €67,000;
- receivables for commission income of €107,000;
- payables for insured sums collected of €155,000;
- payables for seconded staff of €28,000.

Associates, companies under joint control and other related parties
The Related Party Transactions Procedure (the "RPT Procedure"), approved by the Issuer's Board of Directors on 26 May 2022 after it obtained a favourable opinion from the independent directors in office on that date, is intended to: (i) regulate procedures for identifying related parties, defining procedures and time scales for preparing and updating the list of related parties and identifying the corporate functions competent for this purpose; (ii) establish rules for identifying transactions with related parties before they are entered into; (iii) regulate procedures for the carrying out of related party transactions by the Company, including through subsidiaries pursuant to Article 93 of the TUF or in any case companies subject to management and coordination; and (iv) establish procedures and time scales for the fulfilment of reporting obligations to the corporate bodies and to the market.

The Procedure is published in the "corporate-governance/corporate-documents/related party transactions" section of the REVO Insurance website (www.revoinsurance.com).

During the year, no transactions were carried out with companies subject to joint control and other related parties.

It should be noted that, as at 31 December 2022, no natural person or legal entity holds, directly or indirectly, a number of shares such as to have a controlling interest in REVO Insurance S.p.A. In view of this, the Company is not subject to the management and coordination of any entity or company.

Other significant events during the year

No other significant events occurred during the year, other than those reported in the initial introductory section.

Main events after year-end

No significant events occurred after year-end.

Business outlook

In terms of business outlook, it should be noted that following the completion of the reverse merger on 21 November 2022 and the simultaneous listing on the Euronext STAR Milan segment of Borsa Italiana, no further changes to the corporate structure are currently planned.
As part of project development, REVO will continue to implement its business plan in accordance with the strategic guidelines outlined, aiming to further develop its existing business and to expand its offering with the consolidation of new business lines focused on specialty and parametric risks.
In this regard, REVO approved, during the Board of Directors' meeting of 25 January 2023, a rolling plan for 2023-2026, which confirms the scale of the projections announced in the 2022-2025 plan.
The current environment of macroeconomic and geopolitical uncertainty has not had a material impact on REVO's production or margins, partly due to the presence in the business of automatic inflation protection mechanisms for specialty lines products, as well as the flexibility afforded to underwriters when policies are written, with the possibility of adapting pricing to changing market conditions. Moreover, in 2023 the Company believes that there will be a gradual easing of inflation which, in the context of a less critical geopolitical situation than in 2022, is expected to continue to have no effects on operations.
From a financial perspective, higher volatility than in the recent past continued in the second half, with average growth in policy rates and bond yields. In view of this, REVO has adopted an investment policy that focuses on greater diversification, significantly reducing the overall level of risk in the managed portfolio, partly thanks to the high level of liquidity available for investments. In the short and medium term, the Company expects to benefit from the higher yields offered by the market by maintaining overall low investment durations and pursuing its policy of diversification and decorrelation from Italy risk.
It should also be noted that on 17 October, REVO applied to IVASS for authorisation to extend both its insurance and reinsurance activities to the Legal expenses class, which, if authorisation is obtained, will enable the further expansion of services offered to small and medium-sized enterprises.
REVO Underwriting's business will be developed further in 2023, with a strong focus on signing new brokerage mandates with specialised small/medium-sized brokers and third-party agencies specialising in the marketing of specialty or parametric solutions.

Own shares held and changes in own shares

With regard to the information required by Article 2428, paragraph 3(3) and (4) of the Italian Civil Code, it should be noted that the Company:

- As at 31 December 2022, holds a total of 140,953 own shares, equal to 0.573% of the share capital, consisting solely of ordinary shares;
- In 2022, purchased a total of 140,953 own shares, amounting to around 0.573% of the share capital, consisting solely of ordinary shares;
- Did not dispose of any own shares in 2022.

The programme to purchase own shares implemented during the 2022 financial year, totalling €1,247,111 including fees, was launched pursuant to the resolution adopted by the Ordinary Shareholders' Meeting of 3 May 2021, with the aim of having REVO shares available for any external growth transactions effected through an exchange of shares and for incentive plans reserved for the corporate population.

Relations with public authorities and other entities

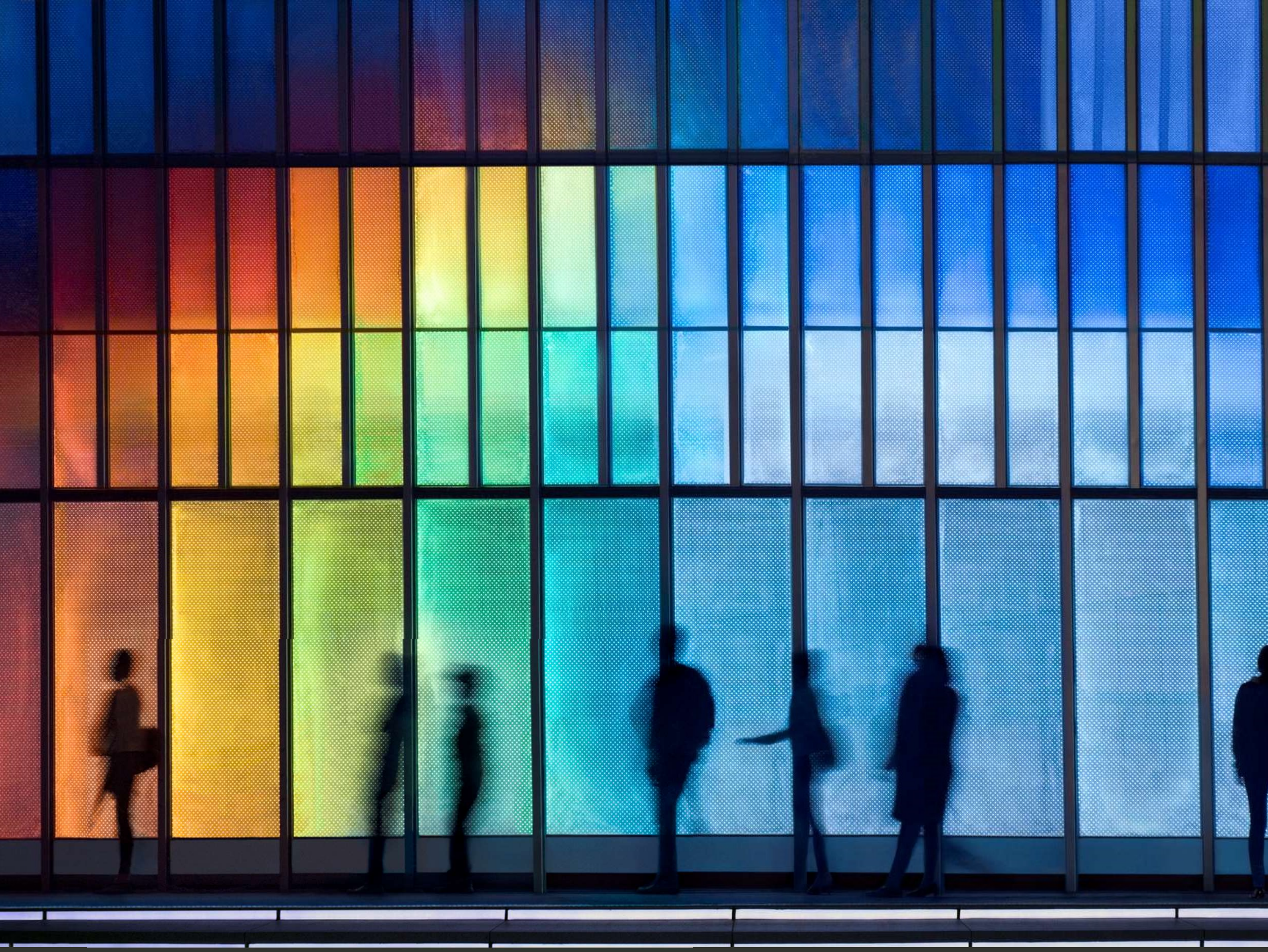
Pursuant to the regulatory provisions on the transparency of relations with public authorities introduced by Law No. 124/2017, it should be noted that in 2022 REVO Insurance S.p.A. received payments of €48,000 relating to employee training costs. The companies have not received any further subsidies, contributions or economic benefits of any kind from public authorities or from other entities indicated in Article 1, paragraph 125 of the said law, with the exception of the above.
For the purposes of full disclosure, although these contributions are excluded from the transparency obligations established in the aforementioned legislation, it should be noted that the National Register of State Aid, publicly available in the section on transparency on the relevant website, publishes the aid measures and the relevant individual aid granted and recorded in the system by the granting authorities for the direct or indirect benefit of each of the Group companies.

Report on corporate governance and ownership structure pursuant to Article 123-*bis* of Legislative Decree No. 58 of 24 February 1998

The information prescribed by Article 123-*bis* of Legislative Decree No. 58 of 24 February 1998 as amended is contained in the Report on Corporate Governance and Ownership Structure, approved by the Board of Directors and published jointly with the Report on Operations. The Report on Corporate Governance and Ownership Structure is available on the Company's website (www.revoinsurance.com), in the "Corporate Governance/Corporate Documents" section.

Milan, 9th March 2023

REVO Insurance S.p.A.
Chief Executive Officer
(Alberto Minali)



Consolidated financial statements

Consolidated financial statements

Statement of financial position

STATEMENT OF FINANCIAL POSITION - ASSETS

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

STATEMENT OF FINANCIAL POSITION - SHAREHOLDERS' EQUITY AND LIABILITIES

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

Income statement

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

Statement of comprehensive income

	31.12.2022	31.12.2021
CONSOLIDATED PROFIT (LOSS)	5,316,143	-13,842,089
Other income after tax without reclassification to the income statement	-3,469,885	-4,174,732
Change in shareholders' equity of investee companies		
Change in revaluation reserve for intangible assets		
Change in revaluation reserve for tangible assets		
Income and expenses relating to non-current assets or disposal groups held for sale		
Actuarial gains and losses and adjustments relating to defined benefit plans	690,131	-14,716
Gains or losses on equity securities designated at fair value through OCI		
Change in own creditworthiness on financial liabilities designated at fair value		
Other elements	-4,160,016	-4,160,016
Other income after tax with reclassification to the income statement	-6,687,253	-67,101
Change in reserve for net foreign exchange gains/losses		
Gains or losses on financial assets (other than equity securities) measured at fair value through OCI	-6,687,253	-67,101
Gains or losses on cash flow hedging instruments		
Gains or losses on instruments hedging a net investment in a foreign operation		
Change in shareholders' equity of investee companies		
Income and expenses relating to non-current assets or disposal groups held for sale		
Other elements		
TOTAL OTHER COMPREHENSIVE INCOME	**-10,157,138**	**-4,241,833**
TOTAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**-4,840,995**	**-18,083,922**
of which attributable to the Group	***-4,840,995***	***-18,083,922***
of which attributable to non-controlling interests		

Statement of changes in shareholders' equity

		Balance as at 31.12.2020	Change in closing balances	Charges	Adjustments due to reclassification to the income statement	Transfers	Changes in participating interests	Balance as at 31.12.2021
Total attributable to the Group	Capital			23,055,000				23,055,000
	Other equity instruments			0				0
	Capital reserves			207,045,000				207,045,000
	Earnings reserves and other equity reserves			6,461,758				6,461,758
	(Own shares)			0				0
	Profit (loss) for the year			-13,842,089				-13,842,089
	Other comprehensive income			-4,241,833				-4,241,833
	Total attributable to the Group			218,477,836	0	0	0	218,477,836
Shareholders' equity attributable to non-controlling interests	Capital and reserves - non-controlling interests			0				0
	Profit (loss) for the year			0				0
	Other comprehensive income			0				0
	Total attributable to non-controlling interests			0	0	0	0	0
Total				**218,477,836**	**0**	**0**	**0**	**218,477,836**

		Balance as at 31.12.2021	Change in closing balances	Charges	Adjustments due to reclassification to the income statement	Transfers	Changes in participating interests	Balance as at 31.12.2022
Total attributable to the Group	Capital	23,055,000				-16,375,000		6,680,000
	Other equity instruments	0						0
	Capital reserves	207,045,000				-206,875,000		170,000
	Earnings reserves and other equity reserves	6,461,758		-13,842,090		223,250,000		215,869,668
	(Own shares)	0		-1,247,111				-1,247,111
	Profit (loss) for the year	-13,842,089		19,158,232				5,316,143
	Other comprehensive income	-4,241,833		-5,909,267	-6,038			-10,157,138
	Total attributable to the Group	218,477,836		-1,840,236	-6,038	0	0	216,631,562
Shareholders' equity attributable to non-controlling interests	Capital and reserves - non-controlling interests	0						0
	Profit (loss) for the year	0						0
	Other comprehensive income	0						0
	Total attributable to non-controlling interests	0						0
Total		**218,477,836**		**-1,840,236**	**-6,038**	**0**	**0**	**216,631,562**

Statement of cash flows (indirect method)

	31.12.2022	31.12.2021
Profit (loss) for the year before tax	5,212,717	-11,942,128
Change in non-monetary items	23,666,034	8,385,177
Change in non-life premium reserve	20,186,500	1,114,726
Change in claims reserve and other non-life technical reserves	7,041,071	204,484
Change in mathematical reserves and other life technical reserves	0	0
Change in deferred acquisition costs	0	0
Change in provisions	-1,525,122	35,153
Non-monetary income and expenses deriving from financial instruments, investment property and equity investments	-974,308	295,035
Other changes	-1,062,107	6,735,779
Change in receivables and payables generated by operating activity	-24,412,796	971,656
Change in receivables and payables deriving from direct insurance and reinsurance operations	-20,088,148	-12,123,045
Change in other receivables and payables	-4,324,648	13,094,701
Taxes paid	-7,092,361	403,248
Net cash generated/utilised by monetary items related to investment and financial activity	35,047,874	-37,730,462
Liabilities from financial contracts written by insurance companies	0	0
Payables to bank customers and interbank payables	0	0
Loans and receivables from bank customers and interbank loans and receivables	0	0
Other financial instruments measured at fair value through profit or loss	35,047,874	-37,730,462
TOTAL NET CASH FROM OPERATING ACTIVITIES	32,421,468	-39,912,509
Net cash generated/utilised by investment property	0	0
Net cash generated/utilised by equity investments in subsidiaries, associates and joint ventures	1,000	-1,000
Net cash generated/utilised by financial assets measured at amortised cost	3,983,987	-8,000,016
Net cash generated/utilised by financial assets at fair value through OCI	-40,769,353	-141,464,620
Net cash generated/utilised by tangible and intangible assets	-15,611,158	-91,230,257
Other net cash flows generated/utilised by investment activities	0	60,336,257
TOTAL NET CASH FROM INVESTMENT ACTIVITY	-52,395,524	-180,359,636
Net cash generated/utilised by equity instruments attributable to the Group	-1	230,100,000
Net cash generated/utilised by own shares	-1,247,111	0
Distribution of dividends attributable to the Group	0	0
Net cash generated/utilised by subordinated liabilities and participating financial instruments	0	0
Net cash generated/utilised by liabilities measured at amortised cost	13,479,796	2,567,991
TOTAL NET CASH FROM FINANCING ACTIVITY	12,232,684	232,667,991
Effect of foreign exchange gains/losses on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT START OF YEAR	**12,395,846**	**0**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**-7,741,372**	**12,395,846**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**4,654,474**	**12,395,846**

Notes to the financial statements

Notes to the financial statements

General section

REVO Insurance S.p.A. is a newly incorporated joint stock insurance company created by the reverse merger between REVO S.p.A. (SPAC – special purpose acquisition company) and Elba Assicurazioni S.p.A., having its registered office at Via dell'Agricoltura 7, Verona, VAT No. 05850710962 and entered in the Verona Companies Register.
REVO was created by the reverse merger on 21 November 2022 of REVO SPAC and Elba Assicurazioni S.p.A., an insurance company operating in the insurance market since 2008.
Since that date, the Company has been listed on the Euronext STAR market organised and managed by Borsa Italiana S.p.A.
In May 2022, REVO Underwriting S.p.A. (MGA) was established to provide insurance brokerage and advisory services as an agency authorised to write, issue and manage insurance policies, under licences and authorisations held by the insurance company, as well as its risk capital.

The Company, together with the subsidiary, REVO Underwriting S.r.l., forms the REVO Insurance Group, registered in the IVASS register under No. 059.

These financial statements have been prepared pursuant to ISVAP Regulation No. 7 of 13 July 2007 and have been prepared in accordance with applicable legal provisions, according to the valuation criteria and international accounting standards referred to below, and corresponding to the accounting records that reflect the transactions carried out by the Revo Insurance Group (hereinafter also the "Group") at 31 December 2022, supplemented by internal management data not directly identifiable in the accounts.

They have been prepared on a going concern basis and according to the accounting standards applied in the previous year, to ensure the comparability of the data.

The data for 2022 of the REVO Insurance Group are compared, for comparison with the 2021 financial year, with the data for the consolidated entity at that time, comprising REVO SPAC and Elba Assicurazioni S.p.A.

Amounts are shown in thousands of euro, unless expressly specified.

Part A – General basis of preparation

Pursuant to Legislative Decree No. 38/2005, REVO Insurance S.p.A. has prepared the consolidated financial statements as at 31 December 2022 in accordance with Legislative Decree No. 209 of 7 September 2005 (Italian Private Insurance Code) in force on the reporting date and ISVAP Regulation No. 7 of 13 July 2007, as amended, and in accordance with the international accounting standards (IAS/IFRS) issued by the IASB and endorsed by the European Union pursuant to Regulation (EC) No. 1606 of 19 July 2002 and Legislative Decree Nos. 38/2005 and 209/2005.
These financial statements consolidate the financial statements of REVO Insurance S.p.A. as at 31 December 2022 and of REVO Underwriting S.r.l. (in the case of the latter, only for the period from 3 May 2022 (the date of incorporation of the company) to 31 December 2022).
The consolidated financial statements have been prepared on a going concern basis, according to the accrual principle and the principles of relevance and reliability of accounting information, in order to provide a true and fair view of the financial position, cash flows and results of operations.
The going concern principle is considered to be confirmed with reasonable certainty, as it is believed that the companies belonging to the REVO Insurance Group have adequate resources to ensure the continuity of operations in the foreseeable future.
The consolidated financial statements have been prepared in accordance with:

- the principle of economic substance over form;
- the principles of accrual, relevance and reliability of accounting information;

in order to provide a true and fair view of the financial position, cash flows and operating performance.
The unit of account used is the euro. All amounts shown in the notes are expressed in thousands of euro, unless otherwise indicated, for a better representation of the data.
The Group consolidated financial statements have been audited by the External Auditor, KPMG S.p.A., charged with auditing the consolidated financial statements for financial years 2017-2025.
These financial statements have been prepared in accordance with ISVAP Regulation No. 7/2007 and comprise:

- the consolidated statement of financial position;
- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the statement of changes in shareholders' equity;
- the statement of cash flows;
- the notes to the consolidated financial statements (including the schedules required by ISVAP (now IVASS) Regulation No. 7/2007).

They are accompanied by the Directors' Report on Operations, drawn up in accordance with Article 100 of Legislative Decree No. 209/05 and Article 2428 of the Italian Civil Code.
The reporting date of the consolidated financial statements is 31 December 2022, which is the closing date of the financial statements of the Parent Company, REVO S.p.A.
All of the companies included in the scope of consolidation close their financial statements on 31 December.
No significant events occurred after the end of the financial year that could affect the figures in the financial statements.

Scope of consolidation

The scope of consolidation includes the financial statements of the Parent Company, REVO S.p.A., and those of its direct or indirect subsidiaries.
At 31 December 2022, the scope of consolidation exclusively included REVO Underwriting S.r.l., which is wholly owned by REVO Insurance S.p.A.

Consolidation method

The consolidation method for subsidiaries provides for the full control, from the date of acquisition, of the assets, liabilities, income and expenses of the consolidated companies. By contrast, the carrying amount of the equity investment is eliminated with the corresponding share of the shareholders' equity of each subsidiary, showing, in the case of equity investments of less than 100%, the share of shareholders' equity and profit for the year pertaining to non-controlling interests.
The differences resulting from this operation, if positive, are recognised – after allocation to the assets or liabilities of the Subsidiary, including intangible assets – as goodwill under intangible assets.
Any negative differences are recognised in the income statement.
With regard to intercompany transactions, when preparing the consolidated financial statements, receivables and payables between the companies included in the scope of consolidation are de-recognised, as are income and expenses relating to transactions between the companies themselves, and gains and losses arising from transactions between such companies and not yet realised with Group third parties.
The financial statements of the Group companies used for the preparation of the consolidated financial statements are those approved by the Shareholders' Meetings or, if not yet approved, those prepared and approved by the respective Board of Directors.

Share-based payments

The international accounting standard that governs share-based payments is IFRS 2. This standard defines a share-based payment transaction as a transaction in which the company receives goods or services from a supplier (including employees and financial advisors) under a share-based payment agreement.
This agreement confers the right to receive cash or other assets of the company in amounts based on the price (or value) of the equity instruments of the entity or another Group entity, or to receive equity instruments of the entity or another Group entity, provided that the specified vesting conditions, if they exist, are met.
In view of the difficulty in reliably assessing the fair value of services received based on the value of shares, reference is made to the fair value of the financial instrument, with the expense recognised over the vesting period. The obligation assumed by the company may be settled by delivery of own financial instruments ("equity-settled") or by delivery of cash and/or financial instruments of other entities ("cash-settled").
The Group settles the obligation through the former configuration, with a contra-entry in equity for the expense, thus without generating either a decrease in the equity value or monetary effects in the income statement.

Earnings per share

In accordance with IAS 33, basic earnings per share are calculated by dividing the net profit attributed to shareholders holding ordinary shares of REVO Insurance S.p.A. by the weighted average of the ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the net profit attributed to shareholders holding ordinary shares by the weighted average of any additional ordinary shares that would be outstanding in the event of the conversion of all potential ordinary shares with dilutive effect. In the event of a negative result of operations, a loss (basic and diluted) per share is calculated.

Foreign-currency transactions

In accordance with IAS 21, items denominated in foreign currencies are managed according to multi-currency accounting principles.

Monetary items in foreign currencies (currency units held and assets or liabilities to be collected or paid out as a number of fixed or determinable currency units) are converted using the exchange rate prevailing at the reporting date.
Foreign exchange differences deriving from the settlement or valuation of monetary items are recognised in the income statement. At 31 December 2022, the Group did not hold any non-monetary assets denominated in foreign currencies.

New accounting standards in force

Amendments to IFRS 3 - Conceptual Framework for Financial Reporting

In May 2020, the IASB issued amendments to IFRS 3 without changing the accounting requirements for business combinations. These amendments are effective as of 1 January 2022. The Group does not expect the adoption of these amendments to have any material impacts.

Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before intended use

In May 2020, the IASB issued amendments to IAS 16. The amendments prohibit an entity from deducting from the cost of property, plant and equipment the amounts received from the sale of items produced while the entity is preparing the asset for its intended use. Instead, an entity should recognise these sale proceeds and their cost in the income statement. These amendments are effective as of 1 January 2022.

Amendments to IAS 37 - Provisions, Contingent Liabilities and Assets - Onerous contracts

In May 2020, the IASB issued amendments to IAS 37, specifying which costs an entity includes when assessing whether a contract will be onerous. These amendments are effective as of 1 January 2022.

Minor amendments

Annual improvements that make minor amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture and the illustrative examples accompanying IFRS 16 - Leasing.

New accounting standards that have not yet entered into force

The following new standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and will become mandatory from 2023 or in subsequent years:

IFRS 17 - Insurance Contracts

The following section has been prepared on the basis of instructions issued by ESMA (European Securities and Markets Authority) in a note published on 13 May 2022, on transparency on implementation of the new IFRS 17 (hereinafter "the Standard"), and according to the contents of the joint press release of 27 October 2022 issued by IVASS, Banca D'Italia and Consob on the information to be provided in the file of financial statements as at 31 December 2022 in order to comply with paragraphs 30-31 of IAS 8.

It should be noted that the quantitative information presented below is to be considered preliminary, since the transition phase to the new accounting standard is being finalised and refined.

The impact of adoption of the new standard will be presented with the following details:

- New elements introduced;
- Classification and levels of aggregation of contracts;
- Measurement models;
- Discount rate;

- Risk adjustment;
- Contractual Service Margin;
- Transition methodologies;
- Estimated quantitative impacts.

New elements introduced

IFRS 17 - Insurance Contracts was created with the aim of introducing greater transparency and clarity of information to stakeholders, defining the principles to be applied for the recognition, measurement and accounting of all insurance and reinsurance contracts, through:

- a single definition of an insurance contract;
- a consistent standard for accounting;
- a uniform assessment model for all types of contracts;
- consistent reporting standards for companies' assets and liabilities.

The main changes introduced for the purposes indicated above relate to:

- a process of grouping insurance contracts, mainly structured on three levels: the definition of portfolios or insurance contracts with similar characteristics; the year in which the contracts are taken out; and the level of profitability. This grouping forms the basis for the measurement of insurance liabilities. This measurement takes place by unit of account, i.e. groups of contracts in the same portfolio, that have the same valuation method, signing year and level of profitability;
- representation in the income statement of the insurance result, defined as the difference between the values of expected contractual flows and those actually realised;
- measurement of insurance liabilities for each unit of account identified at current values, weighted for the probability of occurrence and discounted based on the time value of money (present value of future cash flows (PVFCF);
- measurement of insurance values based on three models: the General Model (GM), the Variable Fee Approach (VFA) and the Premium Allocation Approach (PAA). The first model is the general approach applicable to all insurance contracts. The Premium Allocation Approach is a simplification of the General Model used to assess non-life business, applicable to insurance contracts with a term of less than 12 months or, for contracts with a term of more than one year if they do not deviate significantly from the General Model;
- definition and determination of the risk adjustment or the adjustment of valuations to take account of the non-financial risks associated with the insurance sector;
- definition and determination of the Contractual Service Margin (CSM), i.e. the implied expected profit in the insurance contracts in the portfolio. The CSM has to be represented in the statement of financial position and recognised in the income statement, according to the release pattern related to the coverage of the contracts, if they are profitable, or recognised in its entire amount in the income statement, on the date of signature of the contracts and the subsequent measures, if they are onerous;
- disclosure of the presentation of results, expanded to make the financial statements of insurance companies as comparable as possible;
- specific rules for management of the transition to IFRS 17. Specifically, the standard introduces the following methodology:
  - The Full Retrospective Approach (FRA), which provides for the recalculation of the opening financial statement balances at 1 January 2022, as if it had always been applied.

  If the Full Retrospective Approach cannot be applied, the Standard allows either one of the following two methods to be used:
  - The Modified Retrospective Approach (MRA), which allows for some simplifications (mainly relating to the aggregation level, the discount rate, the recognition of the Contractual Service Margin and the allocation of financial costs and revenues);
  - Fair value approach (FVA).

Classification of contracts

The definition of an insurance contract set out in the new standard is the same as the definition established by the previous standard, IFRS 4. The scope of application is therefore essentially unchanged and includes:

- insurance and reinsurance contracts written;
- reinsurance contracts held;
- investment contracts with discretionary participation features written, provided that the entity also writes insurance contracts.

If an insurance contract includes one or more components with non-insurance characteristics that, if considered individually, would fall within the scope of application of other international standards (this is the case for some contracts that include both insurance and the provision of goods and services[8]), unbundling, i.e. the breaking down of the contract into its components will be necessary, with the relevant recognition of these components according to other standards.

Impacts for REVO

In light of the analyses carried out, both in terms of the classification of insurance contracts and in consideration of the criteria for the separation of non-insurance components, the Group does not expect any impact from the scope of application of IFRS 17 in addition to its current requirements and application under IFRS 4.
Specifically, all the contracts in the Group's portfolio fall within the definition of insurance contracts.

The Standard establishes that, for the purposes of measurement, insurance and reinsurance contracts must be aggregated into contract groups with uniform characteristics. In principle, these groups are grouped together in portfolios that represent a set of contracts with similar risks, for which the legislation allows joint management and which are subsequently divided into annual cohorts on the basis of the year the contract was signed.
Each annual cohort is valued according to the Onerous Contract Test, which enables them to be divided into three sub-groups:

- a group of contracts that are onerous when written (or at initial recognition), if present;
- a group of profitable contracts that, at initial recognition, have no significant probability of becoming onerous;
- a group of the remaining contracts in the portfolio.

Impacts for REVO

In valuing its contracts, the Group has divided the business into the 20 different contract groups listed below:

- Property;
- FI (Financial Institutions);
- Engineering;
- Agro;
- Property Cat;
- Parametric Cat;
- Parametric Agro;
- Parametric Financial Loss;
- PA (Personal Accident);
- Land Vehicles;
- Aviation;
- Marine;
- FA&S (Fine Arts and Specie);
- PI (Public Institutions);
- D&O (Directors & Officers);
- Cyber;
- Liability;

[8] Example: roadside assistance policies, which may fall under the definition of IFRS 15.

- Credit;
- Bond;
- Protection.

This subdivision reflects the business lines currently marketed by the Group and allows for activities to be represented in line with the segmentation already used for the purposes of other business valuations (pricing, planning, Solvency II, etc.), thus achieving valuation synergies as well as consistent business vision and assessment models.

The portfolios have been divided into 11 contract groups, which represent a set of similar risks managed jointly. The company's portfolios are as follows:

- Property;
- Indirect Property;
- Parametric;
- Accident & Health;
- Other Motor;
- MAT Specialty Lines;
- General Liability;
- Credit;
- Agro;
- Suretyship;
- Miscellaneous.

The table below shows the classification of business within the above contract groups and portfolios:

IFRS 17 portfolio	Contract group - REVO LoB
Property	Engineering
	Property
	FI
Indirect Property	Property Cat
Parametric	Parametric Cat
	Parametric Agro
	Parametric Financial Loss
Accident & Health	PA
Other Motor	Land Vehicles
MAT Specialty Lines	Aviation
	FA&S
	Marine
General Liability	Liability
	PI
	D&O
	Cyber
Credit	Credit
Agro	Agro
Suretyship	Bond
Miscellaneous	Protection

With regard to the allocation of portfolios to profitability buckets, the Group has defined a specific Onerous Contract Test, carried out, as permitted by the Standard, for each contract group with the same characteristics,
identified in the table above as Revo LoB. The test, carried out at initial recognition of contract groups, enables a Combined Ratio (CoR) to be obtained that also takes into account the risk adjustment component, and is then compared with the value of the thresholds selected by the Company, which are shown below:

- onerous, if CoR > 100%
- potentially onerous if 95% < CoR ≤ 100%

- profitable, if CoR ≤ 95%

Measurement models

As already mentioned, under the Standard, insurance contracts can be measured using three models: the General Model (GM), the Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA).
Due to the nature of the contracts written, the Group does not use the VFA method as a measurement model for insurance liabilities.
The value of insurance liabilities, according to the Standard, consists of the sum of two components:

- the Liability for Remaining Coverage (LFRC); and
- the Liability for Incurred Claims (LFIC).

The LFRC includes cash flows relating to insurance services (payment of claims and expenses) that will be provided in future years and the expected profit on contractual services at the valuation date.
The LFIC includes cash flows relating to claims (and the relevant expenses) already incurred but not yet paid, including claims incurred but not reported.
The simplified PAA measurement model can be used to measure LFRC only and differs from the GM mainly due to the absence of the Contractual Service Margin and the option of implementing simplifications during the liabilities valuation phase.
Under the Standard, the valuation of the LIC component of insurance liabilities can only be carried out using the GM model.

At initial recognition, the Group will measure the value of financial liabilities as the sum of the following factors:

- Discounted and probability-weighted cash flows (Present Value of Future Cash Flow or PVFCF);
- Adjustments for non-financial risks (Risk Adjustment or RA);
- The Contractual Service Margin (CSM), which represents the expected unearned profit on a contract.

Impacts for REVO

To calculate the Liability for Remaining Coverage, the Group favours the use of the PAA for all contracts, ascertaining beforehand, for contracts with a duration of more than one year, whether it is possible to applying the valuation model chosen on the basis of a quantitative analysis (the "eligibility test"), the results of which show that the effects on the Liability for Remaining Coverage deriving from the application of the Premium Allocation Approach represent a reasonable approximation of the value of the insurance liability obtained by applying the General Model.
By using the PAA method, LFRC is recognised in the income statement over the contractual coverage period. The Group has decided to adopt the *pro-rata temporis* method as its automatic choice for releasing liabilities. Accordingly, the method of recognising revenues will be similar to the accounting of the unearned premium reserve under IFRS 4.

Contract boundaries

Valuation using one of the measurement models set out above must include all cash flows established within the contractual limits ("contract boundaries") of each insurance contract in the reference group.
For groups of insurance contracts, initial recognition occurs when:

- the coverage period starts;
- the first payment is due from a policyholder (or actually received if there is no due date);
- the contract group is onerous, if the facts and circumstances indicate that profitability conditions have changed.

Impacts for REVO

The Company includes in an existing group only contracts that individually meet one of the above criteria.
The cash flows included within the contract boundaries are those directly related to the fulfilment of the contract and those over which the Company has discretion. It was also decided to regard as annual contracts those that allow the Company to redefine the pricing of the contract at the end of each year of coverage, leveraging the Solvency II metrics.

Discount rates

According to the Standard, when determining the present value of future cash flows, cash flows must be measured by reflecting the time value of money and the associated financial risk. To this end, it is established that the discount rate must:

- reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- be consistent with the current observable market prices (where present) of financial instruments whose cash flows have characteristics corresponding to those of the insurance contracts - for example, in terms of maturity, currency and liquidity;
- exclude the effect of factors that do not affect the future cash flows of the insurance contracts, even if they affect observable market prices;
- reflect, where present, the variability of cash flows according to the returns on the underlying financial elements.

Impacts for REVO

The Group uses a bottom-up approach in defining the discount rate, which involves the use of an appropriately adjusted risk-free curve (publicly provided by EIOPA), seeking to maintain consistency with the valuations performed for Solvency II purposes as far as possible.

Risk Adjustment

Risk Adjustment is the compensation that the entity requires in order to withstand the uncertainty of financial cash flows (in terms of amount and time) due to non-financial risk.

Risk Adjustment is measured as a percentage calculated on the present value of future cash flows.

Impacts for REVO

The Standard does not define a specific valuation method and, in this context, the Group considered the percentile approach to be an appropriate approximation for estimating the Risk Adjustment. The amount is therefore calculated using the Value at Risk method with a 75% confidence level.

Contractual Service Margin

The Contractual Service Margin represents the expected profit, not yet realised, recorded when the contract is written as an insurance liability and recognised in the income statement as and when the service is rendered, defined on the basis of a release pattern.

If the contract group, at initial recognition, is onerous (i.e. the difference between incoming and outgoing cash flows is negative), a loss must be recognised in the income statement equal to the net cash flow, resulting in an insurance liability equal to the amount of outflows and a Contractual Service Margin of zero.

At initial recognition, the Contractual Service Margin will be equivalent (in methodological and quantitative terms), in the case of application of either the General Model or the Variable Fee Approach. These models differ, however, in subsequent measurements. The Premium Allocation Approach does not provide for the establishment of the Contractual Service Margin. Its value will be equal to the difference between the present value of future cash inflows and outflows, adjusted for risk.

After the date of initial recognition, the carrying amount of the Contractual Service Margin of the contract group must be recalculated at each reporting date, in order to reflect the profit on a contract group that has not yet been recognised in the income statement.

The carrying amount of the Contractual Service Margin of a contract group at the end of the period is equal to its carrying amount at the start of the period, adjusted for:

- the effect of new contracts that enter the insurance contract groups;
- the capitalisation of interest accrued on the Contractual Service Margin during the reporting period, taking into account the discount rate applied at the time of initial recognition to reflect the time value of money (unwinding);
- changes in cash flows relating to future insurance services;
- any effects due to changes in the exchange rate on the Contractual Service Margin;

- the amount of the Contractual Service Margin recognised in the income statement relating to the provision of insurance services during the reporting period.

If the changes in future cash flows described above, relating to future insurance services, exceed the Contractual Service Margin, the CSM will be reduced to zero and a loss component will be simultaneously recorded in the income statement.

Impacts for REVO

For the calculation of the LFRC, the Group prefers to use the PAA for the entire marketed business, which does not require an estimate of the CSM.

Transition methodologies

The transition date is the date of commencement of the annual reporting period immediately preceding the date of first-time adoption of the Standard, i.e. 1 January 2023, the date from which the business is valued according to IFRS 17 metrics. At the transition date, IFRS 17 requires that the Group, for contracts valued according to the General Model level at LFRC level, identify, recognise and measure each group of insurance contracts in existence as if IFRS 17 had been applied at the time of their initial recognition (Full Retrospective Approach or FRA) in order to identify the CSM. The FRA requires numerous data and information to be available on a UoA basis. This may mean that the method cannot be applied, because information is lacking and cannot be reconstructed retrospectively or would entail higher costs than the benefits that the reader of the financial statements would gain.

If, and only if, the Full Retrospective Approach proves impracticable, the Standard authorises the application of alternative methods for the purposes of valuing assets at the transition date:

- the Modified Retrospective Approach (MRA), which is based on a simplification of the retrospective method;
- the Fair Value Approach (FVA), which is based on a static assessment of the CSM of the business.

Impacts for REVO

In accordance with IFRS 3, in November 2021 the Group carried out a Purchase Price Allocation (PPA) that led to the measurement at fair value of insurance assets and liabilities held through the recognition of the value of business acquired (VoBA). Therefore, to measure the CSM at the transition date using the Fair Value Approach, the Group uses these approaches, exploiting any synergies with the above activity that it already performs.

Estimated quantitative impacts

The following table provides an estimate of the impacts of application of IFRS 17 on the opening (1 January 2022) and closing (1 January 2023) consolidated statements of financial position:

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

At the time of first-time adoption (initial application of the Standard), for the purposes of determining insurance liabilities, the Group determined that, as the business is valued using the Premium Allocation Approach for both insurance contracts written and reinsurance contracts ceded, IFRS 17 does not provide for the calculation of the Contractual Service Margin, only for any loss component, if the contract group is onerous. Therefore, at the time of first-time adoption, the liability for remaining coverage (net of any loss component) will be equivalent to the premium reserve under IFRS 4.

Amendments to IAS 1 - Presentation of Financial Statements Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1 to clarify how to classify payables and other liabilities as current or non-current and, in particular, how to classify liabilities with and uncertain settlement dates and liabilities that can be settled through conversion to equity. These amendments will take effect on 1 January 2023. The Group does not expect the adoption of these amendments to have any material impacts.

IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, requiring entities to provide their material accounting policy information, rather than significant accounting policies, and providing guidance on how to apply the concept of materiality to the disclosure of accounting policies. These amendments will take effect on 1 January 2023. The Group does not expect the adoption of these amendments to have any material impacts.

Amendments to IAS 8 - Changes in estimates and errors

In February 2021, the IASB issued amendments to IAS 8, clarifying that entities are to distinguish changes in accounting policies from changes in accounting estimates. These amendments will take effect on 1 January 2023. The Group does not expect the adoption of these amendments to have any material impacts.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 to clarify how entities should account for deferred tax liabilities on transactions such as leases and decommissioning obligations, transactions for which entities recognise both an asset and a liability. In particular, it was clarified that the exemption does not apply and that entities are required to recognise deferred taxation on such transactions. These amendments will take effect on 1 January 2023, with early adoption permitted. The Group does not expect the adoption of these amendments to have any material impacts.

Part B – General basis of valuation

Statement of financial position - assets

Intangible assets In accordance with IAS 38, an intangible asset is only recognised if it is identifiable, controllable, and it is foreseeable that it will generate future economic benefits and its cost can be reliably determined, while it does not include deferred acquisition costs, which must be included in the relevant item 6.2 “Other assets”.

This category includes goodwill and other intangible assets.

Goodwill

Goodwill represents the excess of the purchase cost over the acquirer's share of the fair value of the acquiree's identifiable net asset and liability values. The purchase cost includes costs directly associated with the transaction.
After initial recognition, goodwill is valued at cost less any cumulative impairment losses. Goodwill is tested for impairment on an annual basis, in order to prevent any impairment. Verification of the adequacy of goodwill is intended to identify the existence of any impairment of the value recorded as an intangible asset.
Cash generating units (CGUs), to which the goodwill is to be allocated, are first identified. Any impairment is equal to any negative difference between the value previously recognised and its recoverable amount. The latter is determined as the greater of the fair value of the cash-generating unit and its value in use, which is equal to the discounted future cash flows of the unit. If the reason for a previous write-down no longer exists, the carrying amount cannot be increased.

Other intangible assets

Intangible fixed assets with a finite useful life are measured at purchase cost or production cost net of amortisation and impairment. Amortisation must be calculated on the basis of useful life, starting from the time when the asset is available for use.
Meanwhile, other intangible fixed assets with an indefinite life are not subject to amortisation but are periodically checked for impairment.
The account also includes intangible assets under construction and advances paid for the acquisition of intangible assets, although they cannot be amortised.
The goodwill paid to acquire portfolios (VoBA), the amount of which is determined by estimating the present value of the future profits of the contracts in place at the time of acquisition, is included in other intangible assets. It consists of the difference between the carrying amount of technical provisions net of reinsurance valued in accordance with IFRS 4 and the corresponding fair value. The VoBA is amortised on the basis of the actual life of the contracts acquired.

Tangible assets

Property

In accordance with IAS 16, land and buildings destined for use by the Company are recorded in this category. Property is recognised at purchase cost net of depreciation and impairment. Directly attributable costs incurred to get the asset into the condition necessary for its operation according to business requirements are included.
Ordinary maintenance costs are charged directly to the income statement. Costs incurred after purchase are capitalised only if they can be reliably determined and if they increase the future economic benefits of the assets to which they relate; other costs are recognised in the income statement.
Depreciation using the straight-line method is charged over the estimated useful life of properties, ranging from 30 to 50 years.

Maintenance costs that are not ordinary in nature, improvements and transformations that result in an increase in the value, functionality or useful life of the assets, are directly capitalised, allocated to the assets to which they refer and depreciated. Ordinary maintenance and repair costs are charged to the income statement.
Property is tested for impairment by comparing its carrying amount with its estimated fair value, determined according to specific appraisals. Impaired property assets are written down as required. This item includes operating properties, plant, other machinery and equipment and other tangible assets. This category includes property and other tangible assets.

Other tangible assets

This item includes property assets, furnishings and office machinery.
These are recorded, as established by IAS 16, at purchase cost and subsequently recognised net of depreciation and any impairment. The determination of cost includes ancillary costs and directly attributable costs, incurred to get the asset to the place and into the condition necessary for its operation according to business requirements. They are systematically depreciated on the basis of economic/technical rates determined in relation to the residual possibility of use.
The depreciation rates are 50% lower for purchases that took place during the year, compared with the rates indicated below, which apply from the year after the first year:

	Rate
Furniture and fixtures	12%
Plant	15%
Other equipment	20%
Electronic machinery	20%
Movable property entered in public registers	25%

Repair costs and ordinary maintenance costs are charged to the income statement for the year in which they are incurred. Subsequent costs, which can be reliably determined and which increase the future economic benefits of the asset are capitalised and depreciated according to the remaining useful life of the asset to which they relate.
Pursuant to IAS 36, tangible assets are subject, at least once a year, to impairment testing (recognising as a loss the negative difference between the carrying amount and the recoverable amount) and to checks on the adequacy of their remaining useful life.
If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. If, subsequently, the loss no longer exists or is reduced, the carrying amount of the asset or cash generating unit would be increased up to the new recoverable value. However, this new value may not exceed the value determined prior to recognition of the loss.

Reinsurers' share of technical provisions

The item in question includes reinsurers' obligations under reinsurance treaties, regulated by IFRS 4. The provisions are calculated using the same criteria as those used to allocate provisions for direct business, taking into account reinsurance contractual clauses.

Investments

Fair value policy

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
Allocation to one of the three fair value levels envisaged by IFRS 13 meets the following criteria:
Financial instruments quoted on an active market;

- Financial instruments whose fair value has been determined on the basis of valuation techniques based on observable market parameters, other than the prices quoted for the financial instrument;

- Financial instruments whose fair value has been determined on the basis of valuation techniques based on parameters not observable in the market;

Observable market variables and assumptions are favoured in the definition of fair value and measurement techniques are only used in the absence of such inputs.
These valuation methods must be applied in hierarchical order: if, in particular, an active market price is available, no other valuation approach can be used.
In summary, first the prices quoted on active markets for the same or identical financial instruments were examined, then the inputs for the asset or liability, observable both directly and indirectly, and finally the inputs relating to the asset or liability that are not based on observable market data.

Investment property

In accordance with IAS 40, the Group considers investment property to be assets held with the objective of receiving rental payments or achieving the aim of appreciating the invested capital, or both.
Investments intended for use by the Company or for sale in the ordinary course of its business are classified under "Tangible assets".
Investment property is recorded at cost, less depreciation and any impairment. The determination of cost includes ancillary costs and directly attributable costs incurred to get the asset into the condition necessary for its operation according to business requirements.
Depreciation is charged on a straight-line basis over the estimated useful life of the assets.
Land, which is assumed to have an unlimited useful life, is not included in the depreciation process. In order to carry out the different accounting treatment, land and buildings are recorded separately, even if they were purchased together.
Repair costs and ordinary maintenance costs are charged to the income statement for the year in which they are incurred.
Subsequent costs, which can be reliably determined and which increase the future economic benefits of the asset, are capitalised and depreciated according to the remaining useful life of the asset to which they relate.
Pursuant to IAS 36 - Impairment of Assets, investment property is tested for impairment by comparing the carrying amount with the estimated fair value, determined through specific appraisals. Any negative difference is recognised in the income statement.
The Group does not have any investment property.

Equity investments in subsidiaries, associates and joint ventures

This item includes equity investments in subsidiaries, associates and joint ventures, regulated by IFRS 10, IAS 28 and IFRS 11, that are not classified as held for sale in accordance with IFRS 5.
A company is defined as an associate when the investor exercises significant influence, having the power to participate in determining the investee's operational and financial decisions, without holding control or joint control. Significant influence is presumed to exist if the investor possesses, directly or indirectly, at least 20% of the votes exercisable at the shareholders' meeting.
Joint ventures are equity investments in joint arrangements in which the parties have rights to the assets and assume obligations for the liabilities relating to the arrangement; they differ from joint operations, which exist when joint control of an economic activity is contractually agreed, i.e. when decisions on the relevant activities require the unanimous consent of the parties that share control. Regardless of the legal form of the investee, the assessment of control takes into account the actual power over the investee and the actual ability to influence the relevant activities, regardless of the number of voting rights.
The measurement criterion adopted by the Group is the ' equity method, i.e. the accounting method by which the equity investment is initially measured at cost and subsequently adjusted as a result of changes in the investor's share of the investee's net assets The profit or loss of the investor reflects its share of the profit or loss for the year of the investee, as per the last approved accounting statement.

Financial assets measured at amortised cost

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose aim is achieved through the collection of contractual cash flows (a hold-to-collect business model), and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows consisting solely of payments of capital and interest on the principal amount outstanding (passing the SPPI test).

Initial recognition of the financial asset occurs at the settlement date for debt securities and at the disbursement date for loans. On initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument.

After initial recognition, loans and receivables are measured at amortised cost, which is equal to their initial value increased or decreased by principal repayments, adjustments or write-backs and amortisation calculated using the effective interest rate method of the difference between the amount disbursed and the amount to be repaid at maturity, typically related to the costs and income directly attributable to the individual loan or receivable.

The amortised cost method is not used for loans or receivables, for which the effect of application of the discounting approach may be deemed negligible due to their short durations. Such loans or receivables are measured at their historical cost.

The basis of valuation is closely connected to the inclusion of the instruments in question in one of the three stages (stages of credit risk) provided for in IFRS 9, the last of which (Stage 3) includes non-performing financial assets and the remaining performing financial assets (Stages 1 and 2).

If the grounds for impairment cease to apply as a result of an event that occurs after an impairment loss has been recognised, a write-back is made in the income statement. The write-back may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

Financial assets measured at fair value through OCI

This category includes financial assets that meet both of the following conditions:

- the financial asset is held within a business model whose aim is achieved either through the collection of contractual cash flows or through sale (a hold-to-collect-and-sell business model); and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows consisting solely of payments of capital and interest on the principal amount outstanding (passing the SPPI test).

This item also includes equity instruments not held for trading, for which the option of designation at fair value through other comprehensive income was exercised on initial recognition.

In particular, this item includes:

- debt securities attributable to a hold-to-collect-and sell business model that have passed the SPPI test;
- equity interests that cannot be classed as being in subsidiaries, associates or joint ventures and are not held for trading, for which the option of designation at fair value through other comprehensive income was exercised.

On initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument.

After initial recognition, assets classified at fair value through other comprehensive income, other than equity securities, are measured at fair value, with the impacts of the application of amortised cost, impairment and any foreign exchange effect recognised in the income statement, while other gains or losses deriving from a change in fair value are recognised in a specific equity reserve until the financial asset is de-recognised. At the time of full or partial disposal, the gain or loss accumulated in the valuation reserve is reversed in the income statement.

Equity securities classified at fair value through other comprehensive income are measured at fair value, with the recognition of valuation effects in shareholders' equity and the recognition of dividend income in the income statement.

Financial assets are de-recognised only when the contractual rights to the associated cash flows expire or when the financial asset is sold with the substantial transfer of all the risks and rewards associated with the assets.

Financial assets measured at fair value through profit or loss

This item includes financial assets not classified as financial assets measured at amortised cost or at fair value through other comprehensive income, and, in particular:

- financial assets held for trading;

- financial assets designated at fair value;
- other financial assets compulsorily measured at fair value, such as, in particular, financial assets other than those that give rise to cash flows on specific dates consisting solely of payments of capital and interest on the principal amount outstanding and assets that are not for held for trading but are managed within other business models.

Miscellaneous receivables

This item includes trade receivables deriving from direct insurance and reinsurance operations and other receivables. Other receivables are recognised at their nominal value and are subsequently measured at their estimated realisable value. Amortised cost was not applied as the application of this criterion would be practically the same as the historical cost and, when determining the recoverable value, no cash flows were discounted, which would yield completely negligible results.

Receivables deriving from direct insurance operations

This item includes receivables from policyholders for premiums not yet collected, and from insurance agents and brokers.

Receivables deriving from reinsurance operations

These are receivables from reinsurance companies or insurance companies relating to reinsurance relationships. They are recognised at their nominal value and subsequently measured at each reporting date at their estimated realisable value.

Other receivables

Other receivables include tax credits and miscellaneous receivables that are not insurance-related. They also include advances paid to third parties. They are recognised at their nominal value and subsequently measured at their estimated realisable value and discounted where appropriate.

Other assets

Non-current assets, current and deferred tax assets and other assets are classified under this item.

Non-current assets or disposal groups held for sale

Non-current assets or disposal groups held for sale are recognised under this item in accordance with IFRS 5. Non-current assets and disposal groups are classified as held for sale if their carrying amount is recovered mainly through a sale transaction rather than through their ongoing use. This condition is considered fulfilled only when a sale is highly probable and the discontinued asset or group is available for immediate sale in its current condition. Assets are recognised at the lower of their carrying amount and their fair value, net of foreseeable costs to sell. The resulting profit or loss, after tax, is presented separately in the statement of comprehensive income.

Deferred acquisition costs

In accordance with IFRS 4, acquisition costs paid in advance at the time of signing multi-year contracts are recognised under this item, to be amortised within the maximum term of the contracts. In accordance with IFRS 4, local accounting standards are used to account for such costs.

Current and deferred tax assets

These items include assets relating to current and deferred taxes, as defined and regulated by IAS 12. These assets are recognised in accordance with current tax legislation and are recognised on an accruals basis. For tax assets recognised as deferred taxes, a check is periodically carried out on each reporting date for any changes in the relevant tax legislation that might determine a different valuation.
Other assets include accrued income and prepaid expenses, in addition to other residual assets that are not included in the above items, and in particular claims in the process of payment.

Cash and cash equivalents

This item includes cash and cash equivalents and deposits that are available on demand. These are recognised at nominal value.

Statement of financial position - liabilities

Shareholders' equity attributable to the Group

Capital

Ordinary shares and preference shares are recorded as share capital and their value corresponds to the nominal value actually paid.

Other equity instruments

This item includes equity instruments not included in the share capital, consisting of special classes of shares, as well as equity components included in complex financial instruments.

Capital reserves

These include the equity reserves of the companies that have been consolidated and the share premium reserves.

Earnings reserves and other equity reserves

In particular, this item includes:

- retained earnings or losses carried forward including the legal reserve;
- the reserve including gains and losses deriving from first-time adoption of IAS/IFRS (IFRS 1);
- consolidation reserves;
- reserves deriving from the reclassification of the catastrophe and equalisation reserves accounted for under the previous standards and no longer recognised as technical liabilities under IFRS 4;
- reserves created in financial years prior to the adoption of international accounting standards, in accordance with the Italian Civil Code and special laws, including the property revaluation reserve;
- reserves deriving from share-based payment transactions, settled with own equity instruments (IFRS 2).

Any gains or losses due to fundamental errors and changes in accounting standards or the estimates used are included (IAS 8).

Own shares

As specified by IAS 32, this item includes the equity instruments of the company that prepares the consolidated financial statements held by the company itself and by the consolidated companies. The item is negative. Gains or losses deriving from their subsequent sale are recognised as changes in shareholders' equity.

Reserve for net foreign exchange gains/losses

This item includes foreign exchange differences deriving from transactions in foreign currencies and from translation of financial statements into a presentation currency, in accordance with IAS 21.

Gains or losses on financial assets measured at fair value through other comprehensive income

This item includes gains or losses from financial assets measured at fair value through other comprehensive income, as previously described in the corresponding financial investments item. Amounts are shown net of corresponding deferred taxes and the share attributable to policyholders.

Other gains or losses recognised directly in equity

This item includes gains and losses recognised directly in shareholders' equity, with particular reference to the reserve deriving from changes in the shareholders' equity of investee companies, that said companies have not recognised in their income statements.

Profit or loss for the year attributable to the Group

This item shows the consolidated result for the period.

Shareholders' equity attributable to non-controlling interests

The macro-item comprises equity instruments and components and the relevant equity reserves attributable to non-controlling interests.
The Group does not have any shareholders' equity attributable to non-controlling interests.

Provisions

In accordance with IAS 37, provisions are liabilities of uncertain amounts or maturities that are recognised under the following conditions:

- there is a current obligation at the reporting date as a result of a past event;
- it is probable that an outflow of economic resources will be required to fulfil this obligation;
- a reliable estimate can be made of the amount necessary to fulfil the obligation.

Measurement of the values representing the obligation is reviewed periodically. Any change in the estimate is recognised in the income statement in the period in which it occurs.

Technical provisions

Commitments arising from insurance contracts and financial instruments with discretionary participation features (DPF) gross of reinsurance are classified in this macro-item.
Under IFRS 4, insurance contracts are contracts that transfer material insurance and financial risks. An insurance risk is material if, and only if, there is a reasonable possibility that the occurrence of the insured event will cause a significant change in the present value of the insurer's net cash flows.

Premium reserve

The unearned premiums reserve is calculated on a *pro-rata temporis* basis according to taxable premiums written, minus acquisition commissions and other directly attributable acquisition expenses. The premium reserve for risks in progress was zero this year.
For the Suretyship class, the unearned premiums reserve is supplemented in accordance with ISVAP Regulation No. 16/2008. For the purposes of the consolidated financial statements, in accordance with the requirements of IFRS 4, the additional suretyship reserve was calculated for contracts still live at the valuation date.

Claims reserve

The claims reserve is determined, in accordance with IFRS 4 and the provisions of ISVAP Regulation No. 16 of 4 March 2008 and Annex No. 15 to ISVAP Regulation No. 22 of 4 April 2008, as amended by IVASS Order No. 53 of 6 December 2016, on the basis of an analytical estimate of the individual cases based on a prudent and objective assessment of the documentation received regarding claims that occurred during the year or in previous years and not yet paid, by estimating the provision for late claims on the basis of an analysis of the information available.
The total amount set aside is deemed appropriate to meet the future payment of claims, direct expenses and settlement expenses.

Financial liabilities

This item includes financial liabilities regulated by IFRS 9 other than payables.

Financial liabilities measured at fair value through profit or loss

This item includes financial liabilities at fair value through profit or loss, and specifically:

- financial liabilities held for trading;
- financial liabilities designated at fair value and financial liabilities designated irrevocably on initial recognition to eliminate or reduce accounting mismatches.

Financial liabilities measured at amortised cost

This item includes financial liabilities, including investment contracts written by insurance companies, other than index- and unit-linked contracts, as reinsurance deposits do not fall within the scope of IFRS 4.

Payables

Payables include payables deriving from reinsurance operations and other payables, such as trade payables, taxes payable by policyholders, payables for severance indemnities, payables for miscellaneous tax charges and payables to social security and pension institutions. Payables are recognised at their nominal value.

Payables deriving from direct insurance operations

This item includes payables deriving from insurance operations recognised at nominal value.

Payables deriving from reinsurance operations

This item includes payables deriving from reinsurance operations recognised at nominal value.

Other payables

This item specifically includes provisions for payables to employees for employee severance benefits, recognised in accordance with IAS 19.
This is in addition to other specific liabilities of certain existence which are not allocated to the previous sections of the financial statements.

Other liabilities

Liabilities of disposal groups held for sale

In accordance with IFRS 5, liabilities relating to disposal groups held for sale are recognised under this item.

Current and deferred tax liabilities

These items include liabilities relating to current and deferred taxes, as defined and regulated by IAS 12. These liabilities are recognised in accordance with current tax legislation and are recognised on an accruals basis. For liabilities recognised as deferred taxes, a check is periodically carried out on each reporting date for any changes in the relevant tax legislation that might determine a different valuation.

Other liabilities

This item includes transition accounts, commissions for premiums in the process of collection, as well as accrued expenses and deferred income, determined according to the accrual principle.

Other information

Other information pursuant to IFRS 16

A contract contains a lease if, in exchange for a consideration, it confers the right to control the use of a specified asset for a period of time.
For contracts in this category the right of use and the relevant financial liabilities are recognised, except in the following cases: short-term contracts (i.e. leases with a term of 12 months or less) or low-value assets (less than €5,000 when new).
The right of use and the relevant financial liability deriving from the lease are recognised on the contract inception date
Financial liabilities are initially determined at the present value of future payments at the contract inception date, discounted at the implicit rate of the lease or, if this is not readily determinable, at the lessee's incremental borrowing rate.

In subsequent entries, the amortised cost method is applied, i.e. the carrying amount of the liability is increased by the interest thereon and decreased to take account of payments made under the lease.
The value of the financial liability is recalculated (with a corresponding adjustment to the value of the right of use) in the following cases: a change in the term of the lease; a change in the value of the exercise of the option right; a change in the value of lease payments following changes in indices or rates; or changes in the amount of guarantees in line with the expected residual value. The value of the liability is redetermined by discounting the new lease payments at the initial discount rate (unless the lease payments change as a result of a fluctuation in variable interest rates, in which case a revised discount rate is used).
The right-of-use asset is initially measured at cost, which includes: the initial value of the liability deriving from the lease; and lease payments made before or on the inception date of the contract. In subsequent entries, the right of use is recognised in the financial statements net of depreciation and any impairment. Depreciation is on a straight-line basis over the period between the inception date of the contract and the shorter of the lease term and the residual useful life of the underlying asset.

Income statement

Net premiums

The macro-item includes earned premiums relating to insurance contracts, net of reinsurance.
Premiums are recognised with reference to their time of accrual. With the recognition of the premium reserve, the accrual for the period is obtained.
IFRS 4 defines an insurance contract as a contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In fact, the insurance risk is transferred from the policyholder to the insurer, as well as the writer of the insurance contract.
Contracts within the scope of IFRS 4 are treated in accordance with the principles applicable to statutory financial statements. In accordance with Legislative Decree No. 173/1997 and ISVAP Regulation No. 22/2008, premiums include:

- cancellations due to technical refunds of individual securities issued during the year;
- changes in the contract, with or without changes in the premium, made through substitutions or appendices.

Commission income

This item includes commission income for financial services provided that are not included in the calculation of the effective interest of a financial instrument.
It includes commissions relating to investment contracts not within the scope of IFRS 4, such as loading (explicit and implicit) and, for contracts that entail investment in an internal fund, management fees and other similar items.

Income and expenses deriving from financial instruments measured at fair value through profit or loss

The macro-item includes realised gains and losses and increases or decreases in the value of financial assets and liabilities measured at fair value through profit or loss.

Income deriving from equity investments in subsidiaries, associates and joint ventures

This item includes income arising from equity investments in subsidiaries, associates and joint ventures recognised under the corresponding asset item. Specifically, it includes the share of the positive result for the year relating to Group companies, accounted for using the equity method.

Income deriving from other financial instruments and investment property

The macro-item includes income deriving from financial instruments not measured at fair value through profit or loss.
Specifically, the item includes interest income recognised on financial instruments measured using the effective interest method, other investment income and gains realised following the sale of a financial asset or liability.

Interest income

This item includes interest income recognised using the effective interest method.

Other income

The Group recognises in this item revenues deriving from third-party use of investment property.

Other revenues

The macro-item includes:

- revenues deriving from the sale of goods, provision of services other than those of a financial nature and the third-party use of tangible and intangible assets and other business assets;
- other technical income relating to insurance contracts;
- realised gains and any write-backs on tangible and intangible assets.

Net claims-related expenses

The macro-item includes the amount paid in the period for claims, as well as the amount of changes in technical provisions relating to contracts under IFRS 4. This item includes reinsurance quotas with a corresponding value in reinsurance cessions deducted from net premiums.

Commission expenses

This item includes commission expenses for financial services received that are not included in the calculation of the effective interest of a financial instrument. Specifically, this includes acquisition costs relating to investment contracts not falling within the scope of IFRS 4.

Expenses deriving from equity investments in subsidiaries, associates and joint ventures

This item includes expenses arising from equity investments in subsidiaries, associates and joint ventures recognised under the corresponding asset item. Specifically, it includes the share of the positive result for the year relating to Group companies, accounted for using the equity method.

Expenses deriving from other financial investments and investment property

The macro-item includes expenses deriving from financial investments not measured at fair value. Specifically, interest expenses recognised using the effective interest criterion are included, and in particular losses realised following the elimination of a financial asset or liability and impairment. Additionally, it includes administrative expenses, including general and payroll expenses, related to the management of financial instruments. In particular, we include interest expense, other property-related expenses, capital losses on the sale of securities, and lastly the write-downs of bonds of issuers in technical default.

Interest expense

This item includes interest expense recognised using the effective interest criterion on financial liabilities.

Other expenses

This item includes, *inter alia*, costs relating to investment property, particularly service charges and maintenance and repair costs not included in the increase in value of the investment property.

Realised losses

The item includes losses realised due to the elimination of a financial asset or financial liability.

Valuation losses

This item includes decreases deriving from financial assets and liabilities measured at fair value through profit or loss.

Operating expenses

The macro-item includes commissions, acquisition expenses, administrative expenses relating to contracts within the scope of IFRS 4 and expenses relating to contracts. It also includes payroll expenses of companies engaged in activities other than insurance and general and payroll expenses relating to investment operations.

Commissions and other acquisition expenses

This item includes acquisition costs, net of reinsurance, relating to insurance contracts and financial instruments pursuant to IFRS 4.

Investment management expenses

This item includes general and payroll expenses relating to the management of financial instruments, investment property and equity investments.

Other administrative expenses

This item includes general and payroll expenses not allocated to claims-related expenses, expenses for acquiring insurance contracts and investment management expenses.

Other costs

Other costs include other technical expenses for insurance contracts, provisions for the year, realised losses, impairment and depreciation/amortisation of both tangible and intangible assets.

Taxes

Current taxes for the year are included in this item.

Statement of comprehensive income

The schedule includes income components other than those that make up the income statement, recognised directly in shareholders' equity for transactions other than those carried out with shareholders.
In accordance with ISVAP Regulation No. 7 of 13 July 2007, revenue and cost items are shown net of the relevant tax effects.
The result of the statement of comprehensive income is presented in the statement of changes in shareholders' equity.

Statement of changes in shareholders' equity

As required by ISVAP (now IVASS) Regulation No. 7 dated 13 July 2007, the schedule shows all changes in shareholders' equity. In particular:

- the "charges" column shows the profit or loss for the year, the allocation of the profit or loss for the previous year, increases in capital and other reserves, and changes in profits or losses recognised directly in shareholders' equity;
- the "transfers" column shows the decreases in capital and other reserves and internal movements in equity reserves;
- the "adjustments due to reclassification to the income statement" column shows gains or losses previously recognised directly in shareholders' equity that are reclassified to the income statement in accordance with international accounting standards.

Statement of cash flows

The table was prepared using the indirect method and in accordance with ISVAP Regulation No. 7 of 13 July 2007, distinguishing between operating, investment and financing activities.

Use of estimates

In accordance with IAS/IFRS, the preparation of financial statements requires the Group to make use of estimates that affect the values of the assets and liabilities recorded, as well as the disclosure of contingent assets and liabilities.
For the 2022 financial statements, the assumptions made are believed to be congruous and appropriate and the financial statements are believed to be prepared clearly, providing a true and fair view of the financial position, cash flows and results of operations for the year.
Reference was made to historical experience and other reasonable factors in formulating reliable estimates. In particular, estimates were used relating to:

- the determination of non-life technical provisions;
- the determination of the fair value of financial assets and liabilities, if the fair value is not observable on active markets;

- the analysis necessary to identify any impairment;
- the recoverability of deferred taxes and tax assets;
- the quantification of provisions for risks and charges;
- the costs associated with stock option plans or other forms of share-based payment.

These estimates are reviewed periodically and the effects of changes are reflected in the income statement. The following chapters provide the analyses required by paragraphs 38 and 39 of IFRS 4, and specifically:

- information that enables users of the financial statements to assess the nature and extent of risks deriving from insurance contracts;
- additional information enabling stakeholders to understand the Group's exposure to financial risks and how they are managed.

This is qualitative and quantitative information relating to the exposure to credit, liquidity and market risk deriving from the use of financial instruments, as well as sensitivity analyses, which highlight the impact of changes in the main financial and insurance variables.

Part C – Information on the statement of financial position

Assets

Intangible assets

Intangible assets	31.12.2022	31.12.2021	Change
Goodwill	74,323	74,323	-
Other intangible assets	17,805	16,298	1,507
Total	**92,128**	**90,620**	**1,507**

Intangible assets include start-up costs and other multi-year directly attributable costs and are recognised in the financial statements at purchase cost. They are amortised over five years on a straight-line basis according to their expected useful life, deemed appropriate to represent the residual useful life of the assets.
Goodwill paid for the acquisition of portfolios (VoBA) is included in other intangible assets. The amount is determined by estimating the present value of the future profits of the contracts outstanding at the time of acquisition. It consists of the difference between the carrying amount of technical provisions net of reinsurance valued in accordance with IFRS 4 and the corresponding fair value. The VoBA is amortised on the basis of the remaining life of the contracts acquired.
The amortisation accruing to each year has been recognised under "other costs" in the income statement.
No impairment losses have been recognised.

Goodwill

Goodwill, recognised following the acquisition by REVO SPAC of Elba Assicurazioni S.p.A. in November 2021, amounting to €74,323,000, is the same as in the previous year.
During the year, no potential indicators of impairment were observed and, in particular, no indicators of a failure to achieve the objectives set out in the Plan or material changes with negative effects for the Group from a technological, market, economic and regulatory viewpoint.

Impairment testing

International accounting standard IAS 36 requires that goodwill be tested for impairment at least once a year to determine whether there is evidence that the carrying amounts of assets may not be fully recoverable.
The impairment testing process involves ascertaining whether there are any indicators that the assets may have become impaired and then determining the amount of any such losses. Impairment indicators can essentially be divided into two categories:

- qualitative indicators, such as the achievement of negative results of operations or, in any case, a significant deviation from budget objectives or targets set out in long-term plans communicated to the market, and the announcement/commencement of bankruptcy procedures or restructuring plans;
- quantitative indicators, consisting of a carrying amount of the entity's net assets that is higher than its market capitalisation, or a carrying amount of the investment in the separate financial statements that is higher than the carrying amount in the consolidated financial statements of the net assets and goodwill of the investee, or the latter's distribution of a dividend that exceeds its total income.

The portion of the purchase price of Elba Assicurazioni's equity investment, that is higher than the portion at current value (net fair value) of assets and liabilities, was accounted for as goodwill and represents a payment made in anticipation of future economic benefits deriving from assets that cannot be identified individually and recognised separately. The ancillary costs incurred during the acquisition were charged to the income statement during the year.
In light of the current structure of the REVO Group and future corporate developments, focused, from the point of view of business development, on traditional and parametric insurance, mainly relating to the SME segment, the CGU was identified as the operating business itself, as there are no individual organisational/functional units capable of autonomously producing cash flows independently of each other.

With regard to the determination of value in use, parameters, methodologies and criteria commonly used by operators for this type of assessment have been adopted, such as the methodology of excess capital distributable beyond a certain Solvency Ratio threshold identified within the Company's risk appetite system, the cost of capital and the perpetual growth rate "g", determined on the basis of methodologies commonly used for valuation and forward-looking results based on the latest available economic and financial projections with a time horizon of at least four years.
On the basis of these methodologies, the impairment tests performed at 31 December 2022 were successful and did not entail any need to make write-downs.
Specifically, the cost of capital was determined on the basis of the CAPM (Capital Asset Pricing Model), with particular reference to a beta coefficient attributable to European insurance companies operating in the non-life segment and an equity risk premium attributable to the Italian market. On the basis of these parameters and taking into account the particular start-up phase of the project, a cost of capital of 11.24% was identified, in addition to a nominal long-term growth rate "g" of 0.5%. For the purposes of quantifying potentially distributable capital, a Solvency Ratio threshold of 130% was identified.
A sensitivity analysis was also conducted, using broader values for the parameters described, including the cost of capital and the growth rate "g" (+/-0.5%) and the Solvency Ratio threshold (+/-10%): this analysis did not indicate any need to recognise any goodwill impairment.

Other intangible assets

Other intangible assets totalled €17,805,000 (€16,298,000 at 31 December 2021).
The item includes:

- the VoBA, with a residual value, net of cumulative amortisation of €4,045,000, of €9,046,000;
- multi-year costs incurred for the preparation and implementation of software relating to corporate information systems of €7,655,000 (€1,995,000 at 31 December 2021), advances on intangible fixed assets of €42,000 (€42,000 at 31 December 2021), trademarks, patents and similar rights of €13,000 and start-up and expansion costs of €21,000;
- incremental expenses on third-party assets of €1,028,000 relating to costs incurred for the new property located at Via Monte Rosa 91, Milan.

The increase in the item relating to information systems was specifically due to the implementation of the strategic development plan, which provides for substantial IT investments to support and sustain the Company during the business development phase (in particular the change in the accounting management system in view of the introduction of the new IFRS 17 accounting standard and the development of the OverX platform, designed, *inter alia*, to simplify and facilitate underwriting processes).

Intangible assets	Gross carrying amount at 31.12.2021	Accumulated amortisation at 31.12.2021	Change	Amortisation	Accumulated amortisation at 31.12.2022	Net carrying amount at 31.12.2022
VoBA	13,091	-136		-3,909	-4,045	9,046
Other	8,190	-4,847	6,836	-1,420	-6,267	8,759
Total	**21,281**	**-4,983**	**6,836**	**-5,329**	**-10,312**	**17,805**

It should be noted that in the consolidated financial statements as at 31 December 2021, other intangible assets also included third-party property rights relating to leases for Via Mecenate 90 and other secondary offices of €1,286,000, reclassified in 2022 under tangible assets, as required by IVASS Order No. 121 of 7 June 2022, amending ISVAP Regulation No. 7/2007.

Tangible assets

Tangible assets	31.12.2022	31.12.2021	Change
Property	13,973	-	13,973
Other tangible assets	475	344	131
Total	**14,448**	**344**	**14,104**

At 31 December 2022, tangible assets, net of related accumulated depreciation, amounted to €14,448,000.
The item includes:

- €13,973,000 relating to third-party property rights over the headquarters at Via Mecenate, 90 in Milan, the registered office of REVO Insurance at Via dell'Agricoltura, 7 in Verona and the new operational headquarters at Via Monte Rosa, 91 in Milan. With regard to the headquarters at Via Mecenate 90, Milan, it should be noted that, following the decision to relocate the operational headquarters, the value of the third-party rights was redetermined in accordance with the new conditions, resulting in the termination of the lease agreement by the end of April 2023.
- Other tangible assets, mainly held by the Parent Company, relating to office furniture and machinery (€454,000), plant and equipment (€11,000) and property assets entered in the public register (€10,000, net of the relevant accumulated depreciation).

Tangible assets are recognised at purchase cost and depreciated according to the rates below, which are considered appropriate to reflect the remaining useful life of the assets, in line with the Ministerial Decree of 1988.
The depreciation rates are 50% lower for purchases that took place during the year, compared with the rates indicated below, which apply from the year after the first year:

	Rate
Furniture and fixtures	12%
Plant	15%
Other equipment	20%
Electronic machinery	20%
Movable property entered in public registers	25%

The following table shows a breakdown of changes in tangible assets during the year:

Tangible assets	**Gross carrying amount at 31.12.2021**	**Accumulated depreciation at 31.12.2021**	**Increases**	**Other changes[9]**	**Depreciation**	**Accumulated depreciation at 31.12.2022**	**Net carrying amount at 31.12.2022**
Property	-	-	15,491	-735	-783	-783	13,973
Other tangible assets	1,281	-936	264	-	-134	-1,070	475
Total	**1,281**	**-936**	**15,755**	**-735**	**-917**	**-1,853**	**14,448**

Reinsurers' share of technical provisions

Reinsurers' share of technical provisions	**31.12.2022**	**31.12.2021**	**Change**
Premium reserve	43,152	30,367	12,785
Claims reserve	12,584	9,528	3,056
Total	**55,737**	**39,895**	**15,841**

The reinsurers' share of technical provisions consists of the premium reserve (€43,152,000) and the claims reserve (€12,584,000).
The changes compared with the previous year mainly reflect the growth in the insurance business and the change in the reinsurance treaties entered into on the basis of the reinsurance policy adopted by the Company and previously described in the Report on Operations.

Investments

[9] Other changes include the recalculation of the value of the right of use for Via Mecenate No. 90 in Milan following the recalculation of the term of the agreement, and in particular the cancellation of the lease agreement with effect from 30 April 2023.

Investments	**31.12.2022**	**31.12.2021**	**Change**
Investment property	-	-	-
Equity investments in subsidiaries, associates and joint ventures	-	1	- 1
Financial assets measured at amortised cost	4,016	8,000	- 3,984
Financial assets measured at fair value through OCI	181,895	141,126	40,769
Financial assets measured at fair value through profit or loss	2,620	37,668	- 35,048
- Financial assets held for trading	-	-	-
- Financial assets designated at fair value	-	-	-
- Other financial assets compulsorily measured at fair value	*2,620*	*37,668*	- *35,048*
Total	**188,531**	**186,795**	**1,736**

The following tables set out the Group's exposures to debt securities at 31 December 2022, with a breakdown by geographical area and maturity band. In particular, government bonds are broken down into maturities ranging from 0 to 2 years and 2 to 5 years, while corporate bonds fall mainly within the 2- to 5-year range.
In terms of geographical exposure, government debt securities are mainly Italian government bonds, followed by issues by Germany, France and supranational entities. The corporate bond issuers in the portfolio are well-diversified geographically between the United States, the United Kingdom, Spain, Germany and elsewhere.

Maturity year	**0-2**	**2-5**	**> 5**	**Total**
Non-Italian corporate bonds	4,348	15,411	2,721	22,480
Italian corporate bonds	-	2,719	2,143	4,862
Non-Italian government bonds	30,322	25,277	412	56,011
Italian government bonds	52,428	44,317	1,241	97,986
Total	**87,098**	**87,724**	**6,517**	**181,339**

Maturity year	**0-2**	**2-5**	**> 5**	**Total**
Non-Italian corporate bonds	4,348	15,411	2,721	22,480
US	4,348	957	-	5,304
UK	-	2,514	900	3,413
ES	-	1,413	1,821	3,235
DE	-	3,231	-	3,231
FR	-	3,041	-	3,041
NL	-	1,768	-	1,768
BE	-	1,092	-	1,092
AT	-	964	-	964
CZ	-	430	-	430
Italian corporate bonds	-	2,719	2,143	4,862
IT	-	2,719	2,143	4,862
Non-Italian government bonds	30,322	25,277	412	56,011
GE	14,517	2,716	-	17,233
FR	6,880	3,724	-	10,605
SNAT	684	8,165	-	8,849
SP	991	6,508	-	7,498
BE	7,250	-	-	7,250
NE	-	4,164	-	4,164
CL	-	-	412	412
Italian government bonds	52,428	44,317	1,241	97,986
IT	52,428	44,317	1,241	97,986

The tables relating to exposure by separate rating for government bonds and corporate bonds are shown below.

Government bonds	Total
AAA	27,437
AA	20,663
A	7,911
BBB	97,986
Totale	**153,997**

Corporate bonds	Total
AA	957
A	10,112
BBB	16,274
Totale	**27,342**

Financial assets measured at amortised cost

This category includes financial assets held to collect contractual cash flows, the terms of which give rise to cash flows on specified dates that are solely payments of capital and interest on the principal amount outstanding.
The amount of €4,016,000 refers to deposits in escrow accounts designed to secure the obligations assumed by the sellers of Elba Assicurazioni S.p.A. shares to pay any compensation:

- related to tax, provided for in the sale agreement for the equity investment signed on 19 July 2021. The release of the deposited amount is scheduled for after the end of the year following the reporting year, as provided in the escrow agreement of 30 November 2021;
- not related to tax, provided for in the sale agreement for the equity investment signed on 19 July 2021. The release of the deposited amount is scheduled to take place by the end of the year following the reporting year, as provided in the escrow agreement of 30 November 2021.

Financial assets measured at fair value through OCI

Financial assets measured at fair value through other comprehensive income totalled €181,895,000 (€141,126,000 at 31 December 2021), increasing by €40,769,000, essentially reflecting a different asset allocation compared with the end of the previous year.
This item mainly includes Italian and foreign government bonds, Italian and foreign corporate bonds and other listed fixed-income securities that have passed the SPPI test, amounting to €181,339,000. The bonds in the portfolio are all investment grade securities and therefore all allocated to Stage 1 for the purposes of determining the ECL (expected credit loss); the statement of financial position ECL component relating to these instruments amounts to a total of €38,000.
The item also includes a 10% equity investment in Mangrovia Blockchain Solutions S.r.l., acquired in the first half of 2022 for €1,112,000. As it is strategic, the Group has decided to designate this investment at fair value through other comprehensive income. This equity investment is allocated to Stage 3, and following qualitative and quantitative assessments, it was decided to write down the equity investment by 50% (€556,000) at 31 December 2022.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss	31.12.2022	31.12.2021	Change
- Listed shares	-	-	-
- Debt securities held for trading	-	-	-
- Equity investments	-	-	-
Total financial assets held for trading	-	-	-
- Investment property	-	-	-
- Listed debt securities held in regulated markets	-	-	-
- Time deposits	-	-	-
- Unlisted equity securities measured at fair value	-	-	-
Total financial assets at fair value	-	-	-
- Units in UCIs	2,620	37,668	-35,048

Total other financial assets compulsorily measured at fair value	2,620	37,668	-35,048
Total	**2,620**	**37,668**	**-35,048**

At 31 December 2022, the amount of €2,620,000 (€37,668,000 at 31 December 2021) is exclusively attributable to financial assets compulsorily measured at fair value, which exclusively comprises mutual fund units held by the Group.
There are no financial assets designated at fair value or financial assets held for trading in the portfolio.
The item shows a decrease of €35,048,000, mainly due to a change in asset allocation to favour medium-/long-term investments, mainly the type of bonds that can be readily sold off.

No derivative transactions were carried out during the year.

Miscellaneous receivables

Miscellaneous receivables	31.12.2022	31.12.2021	Change
Receivables deriving from direct insurance operations	40,303	12,827	27,476
Receivables deriving from reinsurance operations	969	87	882
Other receivables	11,583	9,068	2,515
Total	**52,855**	**21,982**	**30,873**

At 31 December 2022, miscellaneous receivables amounted to €52,855,000 (€21,982,000 at 31 December 2021), representing an increase of €30,873,000.
The nature of the receivables, their amount and the collection of a large portion limit the Group's related credit risk.

Receivables deriving from direct insurance operations

Receivables from policyholders at 31 December 2021, amounting to €8,827,000, gross of the provision for doubtful accounts, were collected during 2022 in the amount of €7,145,000, with €1,353,000 cancelled, and were still in arrears by €329,000 at 31 December 2022. The latter were fully written down by the relative provision for doubtful accounts. Receivables from policyholders at 31 December 2022, amounting to €36,439,000, reflected the marked growth in the insurance portfolio during the year and, in particular, the performance of policies written, mainly concentrated in December, a period in which there are many renewals in the specialty lines.
The item also includes receivables from intermediaries totalling €3,864,000 (€4,855,000 at 31 December 2021) and mainly consists of remittances relating to December 2022, almost all of which were collected in early 2023. Their gross amount of €4,163,000 was reduced by the provision for doubtful accounts for agents and brokers of €299,000.

Receivables deriving from reinsurance operations

Receivables relating to reinsurance relationships totalled €969,000 (€87,000 at 31 December 2021).

Other receivables

Other receivables of €11,83,000 (€9,068,000 at 31 December 2021) refer to:

- receivables for advance tax on premiums of €11,375,000 (€8,964,000 at 31 December 2021), the increase in which correlates to the strong growth in the Company's premiums in 2022 compared with 2021;
- security deposits of €82,000.

Other assets

Other assets	31.12.2022	31.12.2021	Change
Non-current assets or disposal groups held for sale	-	-	-
Deferred acquisition costs	-	-	-
Deferred tax assets	-	-	-
Current tax assets	5,394	-	5,394

Other assets	2,134	2,428	-294
Total	**7,528**	**2,428**	**5,100**

Other assets refer to:

- receivables from the tax authorities for payments on account of €5,394,000, determined on the basis of the Company's result for the period. It should be noted that there were no current IRES and IRAP tax payables at 31 December 2021;
- other receivables of €16,000 relating to the settlement of claims;
- exclusively, blockchain-based digital and IT solutions, owned by REVO, to implement a platform for parametric insurance products.

Cash and cash equivalents

Cash and cash equivalents	**31.12.2022**	**31.12.2021**	**Change**
Cash and cash equivalents	4,654	12,396	-7,741
Total	**4,654**	**12,396**	**-7,741**

Cash and cash equivalents showed a balance of €4,654,000 at 31 December 2022 (€12,396,000 at 31 December 2021). This item consists exclusively of bank current accounts and cash.

Liabilities

Shareholders' equity

Shareholders' equity	**31.12.2022**	**31.12.2021**	**Change**
Capital	6,680	23,055	-16,375
Other equity instruments	-	-	-
Capital reserves	170	207,045	-206,875
Earnings reserves and other equity reserves	215,870	6,462	209,408
(Own shares)	-1,247	-	-1,247
Reserve for net foreign exchange gains/losses	-	-	-
Gains or losses on financial assets measured at fair value through OCI	-6,687	-67	-6,620
Other gains or losses recognised directly in equity	-3,470	-4,175	705
Profit (loss) for the year attributable to the Group	5,316	-13,842	19,158
Total shareholders' equity attributable to the Group	*216,632*	*218,478*	*-1,846*
Capital and reserves - non-controlling interests	-	-	-
Gains or losses recognised directly in equity	-	-	-
Profit (loss) for the year attributable to non-controlling interests	-	-	-
Total shareholders' equity attributable to non-controlling interests	-	-	-
Total	**216,632**	**218,478**	**-1,846**

At 31 December 2022, the subscribed and paid-up share capital was €6,680,000, consisting of 24,619,985 ordinary shares and 710.00 special shares convertible into ordinary shares, subject to the conditions laid down in Article 5.8 of the Articles of Association.
As at 31 December 2022, the Group holds 140,953 own shares amounting to €1,247,000 (approximately 0.573% of the share capital, consisting solely of ordinary shares). The Group did not sell any own shares during the year.
The "Other gains or losses recognised directly in equity" item amounted to €3,470,000 and related to the reclassification to shareholders' equity of the €4,160,000 listing costs incurred by REVO, the €151,000 adjustment to the severance indemnity provision pursuant to IAS 19 and the €539,000 adjustment arising from the application of IFRS 2 relating to the portion of fair value in the three-year incentive plan.

In the first half of 2022, the Company announced a plan to allot bonus ordinary shares, named the "2022-2024 Performance Share Plan" (the "Plan"), reserved for the Chief Executive Officer and employees of the Company who perform significant roles or functions and for which an action is justified that will strengthen their loyalty with a view to creating value.
The Plan was approved by the Company's Shareholders' Meeting of 4 April 2022.
The allotment of shares is subject to verification by the Board of Directors, for the year ending 31 December 2024, of a consolidated Solvency II Ratio in excess of 130%.
The number of shares to which each beneficiary is entitled will depend on the number of rights allotted to each beneficiary, the level of performance targets achieved by the Company as defined in the Plan rules and the weighting attributed to individual targets.
Beneficiaries will be required to hold 50% of the shares received in each tranche for at least one year from the allotment date.

Gains or losses on financial assets measured at fair value through comprehensive income amounted to €6,683,000, and related to IFRS 9 adjustments.

The following table sets out the reconciliation of Group shareholders' equity:

	Capital and reserves	Result for the period	Shareholders' equity
Balances of the Parent Company, REVO	218,426	-7,282	211,143
IAS/IFRS Parent Company adjustment	-	-	-
- 2021 IAS/IFRS adjustment	52	-	-
- Own shares	-1,247	-	-1,247
- Valuation of securities portfolio under IFRS 9	-9,066	7,770	-1,296
- Valuation of net technical provisions under IFRS 4	-	1,386	1,386
- VoBA amortisation	-	-3,909	-
- Valuation of severance indemnity and agency severance indemnity provisions	240	692	-
- Property under IFRS 16	-	-383	-
- LTI	779	-779	-
- Write-off of improvements to third-party assets	-	91	-
- Reclassification of Mangrovia write-down	-556	556	-
- Reversal of amortisation of calculated intangible value (CIV) of goodwill	-	8,904	-
- Tax effects related to the above consolidation adjustments	2,688	-1,709	980
IAS/IFRS balances of Parent Company	211,315	5,338	216,653
Elimination of carrying amount of consolidated equity investments:	-	-	-
- Local GAAP results achieved by investee Revo Underwriting	-	-22	-22
Shareholders' equity and profit attributable to the Group	211,315	5,316	216,632
Shareholders' equity and profit attributable to non-controlling interests	-	-	-
Shareholders' equity and consolidated profit	**211,315**	**5,316**	**216,632**

Earnings per share

Basic earnings per share was calculated by dividing the net profit attributable to the Group by the weighted average number of ordinary shares outstanding during the period.

(amounts in euro)	**31.12.2022**
Profit for the year	5,316,143
Weighted average no. of shares	22,436,317
Average earnings per share	**0.24**

Diluted earnings per share reflects any dilutive effect of potential ordinary shares.

(amounts in euro)	**31.12.2022**
Profit for the year	5,316,143
Weighted average no. of shares	27,109,444
Diluted earnings per share	**0.20**

Dividends

No dividends were distributed during 2022.

Provisions

Provisions	31.12.2022	31.12.2021	Change
Provisions	3,175	4,701	-1,526
Total	**3,175**	**4,701**	**-1,526**

At 31 December 2022, the item includes provisions for future risks in the amount of €3,175,000, all relating to the subsidiary, REVO Insurance. Specifically, the item includes €2,856,000 for future risks deriving from potential terminations of agency relationships existing at the reporting date (the agency severance indemnity provision).
In application of IAS 37, a provision of €120,000 was recognised for an insurance contingent liability associated with the Suretyship class and associated with a court order related to a counterfeit suretyship policy. Accordingly, it was decided, as a precaution, to set aside a portion of the disputed amount and €200,000 for a non-insurance contingent liability.

The agency severance indemnity provision, as well as benefiting from a review of the mandate agreements with the new agencies following the change of ownership, was also specifically analysed during 2022, in order to determine and maintain in the financial statements the portion pertaining to the Company, which is not covered by appropriate indemnity. As a result of these considerations, the provision was subjected to a valuation that, according to market practice, took into consideration the portion covered by the relevant indemnity if the agent terminates its mandate.

Technical provisions

Technical provisions	31.12.2022	31.12.2021	Change
Premium reserve	107,325	74,453	32,872
Profit-sharing reserve	58	-	58
Claims reserve	32,691	22,551	10,140
Total	**140,074**	**97,004**	**43,070**

The item "Premium reserve for direct insurance risks" amounted to €107,325,000 (€74,453,000 at 31 December 2021, +44.2%). This amount was calculated using the *pro-rata temporis* method. For the Suretyship class, the unearned premiums reserve is supplemented in accordance with ISVAP Regulation No. 16/2008.
For the purposes of the consolidated financial statements, in accordance with the requirements of IFRS 4, the additional suretyship reserve was calculated for contracts still live at the valuation date.
The table sets out the breakdown of the premium reserve by class:

	Premium reserve	31.12.2022	31.12.2021	Change
1	Accident	657	113	544
2	Sickness	7	-	7
5	Aviation hull	66	-	66
6	Marine hull (sea, lake and river and canal vessels)	859	-	859
7	Goods in transit	1,110	-	1,110
8	Fire and natural forces	8,660	401	8,259
9	Other damage to property	10,971	10,196	775
11	Aviation liability	24	-	24
12	Marine liability (sea, lake and river and canal vessels)	22	-	22
13	General liability	12,576	2,789	9,787
14	Credit	82	-	82
15	Suretyship	72,064	60,949	11,115
16	Financial loss	222	-	222
18	Assistance	5	5	-

Total	**107,325**	**74,453**	**32,872**

The claims reserves for direct insurance risks amounted to €32,691,000, up by €10,140,000 compared with 31 December 2021 (+45.0%). The provision for this amount is intended to cover future payments relating to claims, direct expenses and settlement expenses.

The claims reserve also includes the reserve for claims reported late (IBNR), amounting to €1,640,000, created to cover claims incurred but not reported at the end of the year, which reflect, following the change of management, a policy aimed at greater internal prudence in reserving. The amount provisioned was also determined on the basis of the historical values recorded in previous years by means of numerical and average cost projections for each reporting class.
The following table sets out the breakdown of the claims reserve by class:

	Claims reserve	31.12.2022	31.12.2021	Change
1	Accident	82	29	53
2	Sickness	-	-	-
5	Aviation hull	-	-	-
6	Marine hull (sea, lake and river and canal vessels)	888	-	888
7	Goods in transit	503	-	503
8	Fire and natural forces	1,365	101	1,264
9	Other damage to property	4,304	1,905	2,399
11	Aviation liability	-	-	-
12	Marine liability (sea, lake and river and canal vessels)	-	-	-
13	General liability	6,675	2,530	4,145
14	Credit	-	-	-
15	Suretyship	18,875	17,986	889
16	Financial loss	-	-	-
18	Assistance	-	-	-
	Total	**32,691**	**22,551**	**10,140**

The total claims reserve has been broken down by duration in proportion to the expected cash flows for each time interval in question. The total excludes reserves relating to indirect settlement expenses of €537,000 and the reserves for amounts to be recovered of €5,316,000.

Maturity	Direct amount
up to 1 year	13,635
2 to 5 years	17,323
6 to 10 years	5,823
11 to 20 years	690
over 20 years	-
Total	**37,470**

The table below shows the trend in cumulative claims paid per year of occurrence, including the amount paid and direct settlement costs and excluding indirect settlement costs.
Cumulative claims paid

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
0	20	65	821	3,217	3,807	4,346	6,194	8,021	7,290	7,426	8,905	6,528	6,945	7,123	70,708
1	23	893	1,566	4,858	7,296	7,608	9,817	14,660	9,928	10,035	19,066	9,545	8,521		103,816
2	63	1,042	1,631	4,929	7,926	8,313	10,426	14,984	10,521	10,311	19,689	10,353			100,188
3	79	1,090	1,692	5,041	8,103	8,483	10,588	15,693	10,769	11,683	20,542				93,763
4	82	1,095	1,797	5,125	8,431	8,731	10,913	15,874	11,043	13,875					76,966
5	82	1,219	1,838	5,223	9,082	9,184	11,858	16,073	12,354						66,913
6	82	1,228	1,879	5,612	9,689	9,300	12,078	16,122							55,990
7	82	1,228	1,919	5,664	9,969	9,494	13,005								41,361
8	82	1,228	2,006	5,756	10,335	9,812									29,219
9	82	1,229	2,020	5,939	10,484										19,754

10	82	1,232	2,047	5,948											9,309
11	87	1,242	2,081												3,410
12	87	1,249													1,336
13	87														87
Total	1,020	14,040	21,297	57,312	85,122	75,271	84,879	101,427	61,905	53,330	68,202	26,426	15,466	7,123	672,820

The difference between the final cost and the cumulative payments recorded in calendar year 2022 produces the claims reserve recognised in the statement of financial position according to the year. The reserve shown in the statement of financial position is obtained by adding to the above reserve a residual portion of €1,640,000 relating to the IBNR reserve, €537,000 to the reserve for indirect settlement expenses and €5,316,000 to the reserve for amounts to be recovered, set out in total in the table below.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
0	41	739	742	3,093	4,260	4,737	5,597	8,612	6,612	7,057	14,339	7,063	8,876	12,024	83,792
1	37	117	344	1,334	1,789	2,013	2,074	4,283	3,719	2,932	4,837	4,091	8,092		35,662
2	7	42	93	1,239	1,486	1,703	1,930	4,130	2,934	2,103	3,072	4,161			22,900
3	4	2	110	1,286	1,542	1,199	1,662	3,261	2,675	1,952	3,376				17,069
4	-	2	47	1,290	1,332	841	1,988	3,091	1,870	2,071					12,532
5	-	19	81	1,271	1,159	390	1,252	2,316	1,345						7,833
6	-	17	74	345	659	331	2,469	2,307							6,202
7	-	30	85	281	598	356	1,695								3,045
8	-	37	8	167	328	288									828
9	8	31	6	58	347										450
10	3	31	6	85											125
11	-	30	5												35
12	-	34													34
13	-														-
Total	**100**	**1,131**	**1,601**	**10,449**	**13,500**	**11,858**	**18,667**	**28,000**	**19,155**	**16,115**	**25,624**	**15,315**	**16,968**	**12,024**	**190,507**

Cumulative	87	1,249	2,081	5,948	10,484	9,812	13,005	16,122	12,354	13,875	20,542	10,353	8,521	7,123	
Reserve	-	34	5	85	347	288	1,695	2,307	1,345	2,071	3,376	4,161	8,092	12,024	35,830

IBNR reserve	1,640
Reserve for indirect settlement expenses	537
Reserve for amounts to be recovered	-5,316
Total reserve	32,691

Financial liabilities

Financial liabilities	**31.12.2022**	**31.12.2021**	**Change**
Financial liabilities measured at fair value through profit or loss	-	-	-
Financial liabilities held for trading	-	-	-
Financial liabilities designated at fair value	-	-	-
Financial liabilities measured at amortised cost	16,048	2,568	13,480
Total	**16,048**	**2,568**	**13,480**

At 31 December 2022, financial liabilities amounted to €16,048,000. This amount corresponds to deposits received from reinsurers of €1,600,000 (€1,252,000 31 December 2021) and are consequent to the reinsurance treaties in progress.
This item also includes the adjustment of lease liabilities, pursuant to IFRS 16, which amounted to €14,448,000 at 31 December 2022 (€1,316,000 at 31 December 2021) and includes lease liabilities for:

- Via Mecenate 90, Milan;
- Via dell'Agricoltura 7, Verona;
- Via Monte Rosa 91, Milan.

The amount also includes lease liabilities for company cars.

Payables

Payables	31.12.2022	31.12.2021	Change
Payables deriving from direct insurance operations	-	-	-
Payables deriving from reinsurance operations	9,061	791	8,270
Other payables	22,553	24,362	-1,809
Total	31,613	25,152	6,461

Payables deriving from reinsurance operations

Payables deriving from reinsurance operations amounted to €9,061,000 (€791,000 at 31 December 2021) and reflected the new agreements entered into on the basis of the reinsurance policy described in the Report on Operations in these financial statements, as well as the increase in volume of business generated.

Other payables

The item "Other payables" amounted to €22,553,000, including:

- The increase in payables to intermediaries for commission bonuses and additional commissions, amounting to €4,025,000, is closely linked to the strong growth in production, the increase in the business lines and the technical performance underlying this item;
- Payables to employees, amounting to €2,426,000, reflect an increase in payables relating to the retention policies introduced by the Company to its employees (MbO), as well as provisions for unused leave and 13th/14th month pay. The increase was due to the new retention plan and the significant increase in the corporate population;
- The trade payables of €4,694,000 reflect the higher expenses incurred for the launch of the REVO project, a significant portion of which was concentrated in the last quarter. Payables for invoices to be received, amounting to €3,413,000, also increased due to contracts entered into for activities carried out in 2022, for which the relevant invoices have not yet been received;
- Miscellaneous payables included €4,006,000 for the portion still owing to the shareholders of Elba Assicurazioni following the acquisition of the Company by REVO S.p.A. An escrow account was opened to secure this debt, which is presented in the item "Other receivables" in these financial statements. In the absence of tax disputes, the escrow account will be reduced by €1,000,000 annually from 30 November 2023 until the account balance is zero on 30 December 2026;
- The item shows payables relating to staff (as contributions and withholdings) amounting to €1,813,000;
- Tax on premiums collected and outstanding of €1,579,000;
- Pending premium collections of €282,000.

Other liabilities

Other liabilities	31.12.2022	31.12.2021	Change
Liabilities of disposal groups held for sale	-	-	-
Deferred tax liabilities	336	3,931	-3,595
Current tax liabilities	-	888	-888
Other liabilities	8,004	1,738	6,266
Total	8,340	6,557	1,783

Pursuant to accounting standard IAS 12.74, deferred tax assets and liabilities have been offset, as they relate to the same type of tax.

Deferred tax liabilities of €336,000 (€3,931,000 at 31 December 2021) refer to net deferred taxes deriving from temporary differences generated by the application of Purchase Price Allocation and other temporary differences generated by the application of international accounting standards.
Other liabilities amounted to €8,004,000 and refer to:

- €6,926,000 in commissions for premiums in the process of being collected that reflect the significant growth in the insurance portfolio during the year and, in particular, the performance of policies written and verified, which was heavily concentrated in December due to the seasonal nature of the specialty lines market;
- €1,078,000 in pending premium collections.

Part D – Information on the income statement

As also indicated in the section entitled "Report on Operations" in this financial statements file, following the completion of the acquisition, as of 30 November 2021, of Elba Assicurazioni S.p.A. by REVO S.p.A., the 2021 consolidated income statement data, presented in the schedules below, exclusively show the insurance business developed after completion of the acquisition transaction and therefore only in the month of December 2021; therefore the numerical comparison between the two years is not material.
For this reason and solely for the purposes of incorporating qualitative comments on the evolution of technical insurance management items, the following table provides a summary of the comparison between the technical items recorded by the Group in 2022 and the data for the entire 2021 financial year of Elba Assicurazioni S.p.A.

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

As set out in detail in the Report on Operations in this financial statements file, it should be recalled that the adjusted operating profit for the period is €13,879,000 and the adjusted net profit is €10,753,000.

Revenues

Net premiums

Net premiums	**31.12.2022**	**31.12.2021**	**Change**
Gross premiums earned	98,517	7,103	91,414
Premiums ceded to reinsurance during the year	-41,812	-2,603	-39,209
Total	**56,705**	**4,500**	**52,204**

The Group's net premiums amounted to €56,704,000, comprising €98,517,000 in gross premiums earned and €41,812,000 in premiums ceded to reinsurance.

There was a significant increase in gross premiums written (+69.5% compared with 31 December 2021)[10], due to:

- the strengthening of the underwriting teams, with 35 new employees;
- the extension of the business lines following authorisation from IVASS to operate in new classes (as reported in the section entitled "Main corporate events");
- new product launches, details of which can be found in the dedicated paragraph entitled "Main new products launched on the market";
- the expansion of the distribution network, details of which are set out in the following section ("Evolution of the insurance portfolio and the sales network");
- adoption of the new proprietary IT platform, OverX.

During the period there was a significant increase not only in Suretyship (+22.7% compared with 2021), which remained the main class during the year, but also in other classes historically managed by the Company (Other damage to property, General liability and Fire), mainly due to the impetus provided by the expansion of the product range and the new intermediation agreements signed in 2022.
At the end of the year, the insurance portfolio was more diversified, with an impact on total gross premiums written in the Suretyship class of 55.7% (77.0% at 31 December 2021), due to the shift towards the other classes, the percentage of which increased from 23.0% at 31 December 2021 to 44.3% at 31 December 2022.

For further comments on the performance of production in 2022, please see the relevant section of the Report on Operations.

Income and expenses deriving from financial instruments measured at fair value through profit or loss

Income and expenses deriving from financial instruments measured at fair value through profit or loss	31.12.2022	31.12.2021	Change
Income and expenses deriving from financial instruments measured at fair value through profit or loss	-172	-63	-109
Total	**-172**	**-63**	**-109**

Income and expenses deriving from financial instruments measured at fair value through profit or loss shows a negative balance (of €172,000) due to financial expenses relating to instruments in the Group's portfolio.

Income deriving from equity investments in subsidiaries, associates and joint ventures

The Group does not have any equity investments in subsidiaries, associates or joint ventures.

Income deriving from other financial instruments and investment property

Income deriving from other financial instruments and investment property	31.12.2022	31.12.2021	Change
Interest income	3,416	42	3,374
Other income	-	-	-
Realised profit	304	-	304
Profit on valuation	-	-	-
Total	**3,720**	**42**	**3,678**

Income deriving from other financial instruments and investment property amounts to €3,720,000 and comprises interest income of €3,416,000 and realised profits of €304,000.

Other revenues

[10] The percentage was obtained from a comparison with the technical data presented in the introduction to Part D ("Information on the income statement") of this file. Net retained premiums amounted to €77,565,000 at 31 December 2022 (€45,937,000 at 31 December 2021).

Other revenues	31.12.2022	31.12.2021	Change
Other revenues	2,018	3	2,015
Total	**2,018**	**3**	**2,015**

Other revenues at 31 December amounted to €2,018,000. This item includes:

- other technical income relating to the insurance business (€270,000);
- other technical reinsurance income (€596,000);
- foreign exchange differences of €61,000;
- €962,000 relating to adjustment of the agency severance indemnity provision for the new agency agreements, which provide for the activation of the indemnity clause for successor agents, as per market practice;
- €64,000 increase in the income tax provision;
- €16,000 for adjustment of the provision for write-downs in respect of intermediaries;
- drawings for utilisation of the agents' provision of €25,000 and, for the remaining portion, drawings from other provisions of €1,000;
- €23,000 of miscellaneous contingent assets.

Costs

Net claims-related expenses

Net claims-related expenses	31.12.2022	31.12.2021	Change
Amounts paid and change in technical provisions	-20,395	-1,315	-19,080
Reinsurers' share	6,386	331	6,054
Total	**-14,010**	**-984**	**-13,026**

Claims-related expenses at 31 December 2022 amounted to €20,395,000 gross of reinsurance and €14,010,000 net of reinsurance.
Claims-related expenses increased, mainly reflecting the increase in the claims reserve of €7,848,000 and, to a lesser extent, higher claims paid of €2,496,000.
At 31 December 2022, the new management strengthened the claims reserve, setting aside a greater IBNR of €1,640,000 compared with 2021, with €192,000 ceded to reinsurance, and implementing a more prudent reserving policy.
In particular, there was an increase in the claims reserve due to ten claims relating to cover taken out in previous years (two relating to Class 9-Other damage to property of €705,000, three relating to Class 13-General liability of €912,000 and five relating to Class 15-Suretyship of €665,000), with a total negative impact of €2,281,000 net of reinsurance, and four claims relating to policies taken out in 2022 with a net impact of €821,000 (one relating to Class 13-General liability of €314,000, one to Class 8-Fire of €171,000 and two relating to Class 6-Marine hull of €336,000).

The technical performance of the Suretyship class was once again extremely profitable in 2022, thanks to the particular attention that the Company devotes to customer lending and the assessment of risks in the underwriting phase. The ratio, gross of reinsurance, of claims paid and reserved, net of recoveries, to earned premiums, was 12.5%, and 13.1% net of reinsurance, compared with 13.9%[11] at 31 December 2021.
Net claims for the year increased by €530,000 compared with 31 December 2021, due to the increase in claims paid and reserved (€693,000) versus the positive change in recoveries (€163,000).

In the other non-life insurance classes, the ratio, gross of reinsurance, of claims paid and reserved net of recoveries (including an IBNR provision of €1,640,000, up from €450,000 in 2021) to earned premiums was 34.9% overall (18.6% at 31 December 2021).

[11] The percentage was obtained using the technical data presented in the introduction to Part D ("Information on the income statement") of this file.

The overall ratio of claims to premiums in the other classes, net of reinsurance, was 40.5%, compared with 15.2% in 2021. The increase in this ratio in 2022 was mainly due to the following trends:

- Other damage to property: the ratio of claims to gross premiums was 33.9%, compared with 10.7% in 2021. In absolute values, gross claims for the year amounted to €5,127,000, an increase of €3,976,000 compared with the same period in 2021. In 2022, following the introduction of the new management team, an IBNR totalling €760,000 was provisioned (€250,000 in 2021). Finally, mention should be made of the reporting and consequent reserving of two large claims, both relating to cover taken out in previous years, totalling €705,000 net of reinsurance. The loss ratio net of reinsurance was 35.5%, compared with 11.7% in 2021. Not taking into account components not included in the 2021 numbers (IBNR increase and large claims), the net loss ratio would be 30.1%;
- General liability: in absolute values, the increase in gross claims for the year was €2,757,000, the result of IBNR provisions totalling €880,000 (€200,000 in 2021) and three significant claims with a total impact of €1,272,000 (€725,000 net of cession to reinsurance). A large late claim totalling €650,000 was also recorded (€500,000 net of reinsurance). The net loss ratio was 52.6%, compared with 23.8% in 2021. As a result of these trends, the ratio of claims to net premiums was 24.5%;
- Fire: during the year, an increase of €750,000 was recorded in net claims-related expenses, almost exclusively attributable to two claims for €314,000 net, with a consequent increase in the ratio of claims to net premiums (23.4%, compared with 18.8% in 2021);
- Goods in transit and Marine hull: for these classes, the claims to premiums ratio gross of reinsurance was 62.4% (98.1% net of reinsurance, due to premiums ceded under non-proportional contracts). These classes were not present in 2021.

Expenses deriving from other financial instruments and investment property

Expenses deriving from other financial instruments and investment property	**31.12.2022**	**31.12.2021**	**Change**
Interest expense	-1,562	-152	-1,410
Other expenses	-	-	-
Realised losses	-239	-2	-237
Valuation losses	-38	-112	74
Total	**-1,839**	**-266**	**-1,573**

Expenses deriving from other financial instruments amounted to €1,839,000 and include:

- the amortised cost of bonds purchased above par. and redeemed at par, for €1,299,000;
- securities custody expenses and securities-related taxes of €185,000;
- reinsurance interest expense of €15,000;
- interest expense relating to lease relationships (IFRS 16) of €62,000;
- losses realised from the sale of financial assets of €239,000;
- losses deriving from changes in the ECL provision of €38,000.

Operating expenses

Operating expenses	**31.12.2022**	**31.12.2021**	**Change**
Commissions and other acquisition expenses	-15,164	-1,116	-14,048
Investment management expenses	-172	-	-172
Other administrative expenses	-17,877	-12,651	-5,226
Total	**-33,213**	**-13,767**	**-19,446**

Total commissions and other acquisition expenses, net of commissions received from reinsurers, were €15,164,000 and break down as follows:

- acquisition commissions of €30,705,000, the increase in which compared with 31 December 2021 is in line with the strong growth in business (commissions as a percentage of gross premiums written was 23.3% in 2022, as in 2021);
- other acquisition expenses of €10,614,000, including indirectly attributable expenses of €9,483,000 and other directly attributable costs relating to the acquisition of insurance contracts of €1,131,000. The increase was essentially due to the higher cost of staff assigned to underwrite risk (35 new underwriters) of €4,460,000, partially offset by the decrease in agency settlement costs (€29,000 at 31 December 2022 compared with €985,000 in 2021);
- profit-sharing of €58,000 relating to contracts in the Marine and Aviation lines, which typically require a presence;
- commissions received from reinsurers of €26,197,000 (€18,732,000 at 31 December 2021).

Investment management expenses at 31 December 2022 amounted to €171,000, corresponding to indirectly attributable costs, mainly relating to staff assigned to investment management.

Other administrative expenses of €17,877,000 (€12,651,000 at 31 December 2021), the increase in which relates in particular to the increase in payroll expenses due to the recruitment plan for the launch of the Company's development project (an increase of €4,018,000), the costs of listing on the Euronext market of the Milan Stock Exchange and other one-off expenses of €2,864,000, consultancy costs of €1,226,000 (mainly related to the adoption of the new IFRS 17 accounting standard), additional costs for EDP (electronic data processing) services of €750,000 and other expenses of €1,464,000, due to the growth in business, as well as the various projects launched during the year (e.g. legal and notarial expenses, fees for Directors, Statutory Auditors and the External Auditor, advertising, telephone expenses, etc.). This item also includes €150,000 for the valuations of other long-term employee benefits pursuant to IAS 19 and €778,000 for LTI pursuant to IFRS 2.

Other costs

Other costs	31.12.2022	31.12.2021	Change
Other costs	-7,998	-1,406	-6,592
Total	**-7,998**	**-1,406**	**-6,592**

Other costs include:

- amortisation of the VoBA of €3,909,000 for the year;
- amortisation of other intangible assets of €1,415,000;
- amortisation of rights of use of €783,000;
- the adjustment of financial liabilities related to the IFRS 16 valuation by €136,000, particularly relating to the termination of the lease agreement, as of 30 April 2023, for the administrative headquarters at Via Mecenate 90, Milan;
- a positive adjustment of €842,000 in the agency severance indemnity valuation according to international standards;
- other expenses related to the insurance business, in particular cancellations of premiums for previous years and an allocation to the provision for write-downs of €1,366,000;
- cancellation of reinsurance commissions and estimated reinstatement premium on XL treaties totalling €762,000;
- €120,000 relating to provisions for insurance contingent liabilities relating to the Suretyship class, in respect of a court order relating to a counterfeit suretyship policy for which, as a precaution, a portion of the amount disputed was set aside;
- €200,000 relating to provisions for non-insurance contingent liabilities;
- €42,000 relating to foreign exchange differences.

Taxes

Taxes	**31.12.2022**	**31.12.2021**	**Change**
Taxes	103	-1,900	2,003
Total	**103**	**-1,900**	**2,003**

Taxes have been accounted for in accordance with current tax provisions on an accruals basis.
Prepaid taxes are duly adjusted taking into account the temporary differences between the recorded asset values and the corresponding values recognised for tax purposes.
The value at 31 December 2022, of €103,000, decreased compared with the same period a year earlier due to the negative result recorded at year-end by the Parent Company, which recorded a positive amount of €1,805,000 in taxes, and by the Subsidiary for an amount of €7,000, and was influenced by a tax effect of €1,709,000 resulting from the adjustments made in accordance with the IAS/IFRS conversion.
The following table sets out the reconciliation between the tax rate and the effective rate:

	Effect of increases or (decreases) compared with the ordinary rate			**31.12.2022**
	IRES			
a	Result before tax		5,213	
a'	IRES rate			24%
	Expected IRES for the current year			1,251
	Expected tax increase			
	Multi-year commissions	10,049		
	Change in net claims reserve	5,886		
	Allocation to productivity premium	1,620		
	Amortisation of goodwill	8,904		
	Other increases	1,115		
b	Total increase	27,574		
c	Total expected tax increase			6,618
	Expected tax decrease			
	Multi-year commissions	8,455		
	Change in net claims reserve	2,180		
	Other decreases	818		
d	Total decrease	11,453		
e	Total expected tax decrease			2,749
	Tax losses	5,678		
	ACE (Support for Economic Growth scheme)	871		
d’	Total other decreases	6,550		
e’	Total other decreases for IAS/IFRS adjustments	5,545		
	Total other expected tax decreases			2,903
f =a+b-d-d’-e’	IRES taxable base		9,238	
g=f x a'	IRES for the current year		2,217	
h= g/a	Effective IRES rate			42.53%
	IRAP			
i	Technical result		7,396	
i'	IRAP rate			6.82%
	Expected IRAP for the current year			504
	Expected tax increase			
	Non-deductible payroll costs	2,097		
	Other administrative expenses	1,741		
	other increases	157		
l	Total increase	3,994		
m	Total expected tax increase			272
	Expected tax decrease			

	Deduction for certain employees (employee tax wedge)			
	Amortisation of intangible operating assets	1,375		
	Other decreases	132		
n	Total decrease	1,507		
	Total other changes for IAS/IFRS adjustments	5,545		
o	Total expected tax decrease			481
p=i+l-n	IRAP tax base		4,338	
q=p x i'	IRAP for the current year		296	
r= q/i	Effective IRAP rate			4.00%
	Summary			
a	Result before tax		5,213	
s=g+q	IRES and IRAP for the current year		2513	
t=s/a	Total tax rate for the year (current IRES + IRAP)			48.21%
u=a'+i'	theoretical rate (IRES + IRAP)			30.82%
v	Prepaid taxes 2022			-5,577
v'	Prepaid taxes 2021			2,961
v'' (v-v')	Balance of prepaid taxes for temporary differences			-2,616
y=s+v''	Taxes for the year including prepaid tax effect			-103
z=y/a	Effective tax rate for the year (including previous prepaid tax effect)			-1.98%

The following table summarises the data relating to the deferred tax assets and liabilities recognised in the financial statements, based on the nature of the temporary differences that generated them:

		31.12.2022		
	Prepaid taxes	**Temporary differences**		**Tax effect**
IRES	Multi-year commissions	9,398		2,255
IRES	Change in net claims reserve	6,545		1,571
IRES	Costs deferred by one year only	756		181
IRES	Non-deductible portion of receivables write-downs	299		72
IRES	Productivity premium	1,620		389
IRES	REVO 2021 tax loss	5,171		1,241
IRES	Difference on valuation of ELBA securities due to merger	-878		-211
IRES	Valuation of securities under IFRS 9	-1234		296
IRES	Valuation of technical provisions under IFRS 4	11440	-	2,746
IRES	Valuation of leases under IFRS 16	-475		114
IRES	Valuation of severance indemnity and agency severance indemnity	-262		63
IRES	VoBA/Leasehold improvements	8835	-	2,120
IRES				
IRES	Total deferred tax assets - IRES	41,215		1,105
IRAP	Non-deductible portion of receivables write-downs	413		28
IRAP	Difference on valuation of ELBA securities due to merger	-878		-60
IRES	Valuation of securities under IFRS 9	-1234		84
IRAP	Valuation of technical provisions under IFRS 4	11440	-	780
IRAP	Valuation of leases under IFRS 16	-475		32
IRAP	Valuation of severance indemnity and agency severance indemnity	-262		18
IRAP	VoBA/Leasehold improvements	8835	-	603
IRAP	Total deferred tax assets - IRAP	17839		-1280
	Adjustment for prepaid taxes in previous years		-	161
	Total deferred tax assets - IRES and IRAP	**59,053**		**-336**

The temporary differences that generated the prepaid taxes, set out in the table above, are the same as those recorded in previous years, with the exception of the REVO tax loss and the difference on the valuation of ELBA securities.
Due to the reverse merger between REVO and ELBA, which had retroactive effect as of 1 January 2022, the latter's financial investments were revalued at market value on that date, generating a positive difference of €878,000 (higher values deriving from the allocation of the merger deficit).

This resulted in a mismatch between the carrying amount and the tax value of the securities. To avoid any difference between accounting and tax values, the Company has opted to apply the IRES and IRAP substitute tax, achieving tax recognition of the higher values recognised in the financial statements. To all intents and purposes, therefore, this is a substitute tax payable which can be paid through the tax return for fiscal year 2022.
With regard to the tax loss reported in the above table, please note that on 19 May 2022 the Company submitted an application to the Italian Revenue Agency specifically requesting the lifting of limits on the carry over of tax losses envisaged in Article 172, paragraph 7, of Presidential Decree No. 917 of 22 December 1986 ("TUIR"), in relation to the reverse merger for the incorporation of the parent company, Revo S.p.A., into Elba Assicurazioni S.p.A.
On 28 November 2022, the Italian Revenue Agency issued a favourable opinion.

Fair value measurement

The accounting standard IFRS 13 regulates the measurement of fair value and the related disclosure.
The breakdown of the measurement at fair value and the amount of financial investments and liabilities recorded in the financial statements is provided below.

	31.12.2022		**31.12.2021**	
Carrying amounts and fair values	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Investment property	-	-	-	-
Equity investments in subsidiaries, associates and joint ventures	-	-	1	1
Financial assets measured at amortised cost	4,016	4,016	8,000	8,000
Financial assets measured at FV through OCI	181,895	181,895	141,126	141,126
Financial assets measured at FV through profit or loss	2,620	2,620	37,667	37,667
Cash and cash equivalents	-	-	-	-
Total investments	**188,531**	**188,531**	**186,794**	**186,794**
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	16,048	16,048	2,568	2,568
Total financial liabilities	**16,048**	**16,048**	**2,568**	**2,568**

As can be seen from the table above, there are no financial investments or liabilities whose carrying amount differs from measurement at fair value.

Part F – Other information

Revenue or cost elements of exceptional size or impact

In accordance with Article 2427, paragraph 13 of the Italian Civil Code, as a result of the reverse merger of Elba Assicurazioni S.p.A. and the listing on the Euronext market of the Milan Stock Exchange, exceptional costs of €2,864,000 were incurred during the year.

Long-term incentives – LTI Plan

On 4 April 2022, the Company's Shareholders' Meeting also approved a performance share plan called the "2022-2024 Performance Share Plan" (hereinafter, the "Plan"), the rules of which were drawn up and approved by the Board of Directors of REVO Insurance S.p.A. on 26 May 2022.

The Plan is a valid tool for retaining and motivating individuals who play a key role in achieving the Group's objectives, and for aligning the interests of key company resources with those of other stakeholders, with a view to long-term sustainable development.

In particular, the Plan sets out the following main terms and conditions:

- it has a total duration of three years starting from 2022;
- beneficiaries will be allocated a number of rights to receive, free of charge, ordinary shares in the Parent Company, if the triggering condition is met and the predetermined performance targets and thresholds are achieved;
- the individual targets to which the allotment of shares is subject are defined by the Board of Directors and are based on the following parameters of performance and sustainability, which are objectively measurable and consistent with the business priorities: Adjusted Operating ROE, P/E (Price-to-Earnings) and ESG Objectives defined in the Business Plan;
- even if the performance targets are met, REVO Insurance S.p.A. may not allocate shares under the 2022-2024 Performance Share Plan if the Solvency II Ratio is lower than 130% (the gate);
- the maximum number of rights that can be allotted and shares that can be allotted to each beneficiary at the end of the three-year reference period is determined by the Board of Directors, with the Chief Executive Officer having the right to make changes both by reducing and, in certain justified cases, increasing the number of rights allotted to beneficiaries of the Plan, other than the CEO himself, for which the Board of Directors remains responsible, as identified, without prejudice to the overall maximum limit; all of this being in accordance with the procedural requirements for transactions with related parties;
- a three-year total vesting period has been established;
- the shares are allotted to each beneficiary at the end of the vesting period following an assessment of the performance objectives achieved and without prejudice to achievement of the Solvency II Ratio;
- *malus* and clawback mechanisms are in place in accordance with the Company's remuneration policies and hedging prohibitions.

Overall, the shares allotted and accruing to service the Plan amount to approximately 602,000, for a total value of €4,674,000, of which €779,000 has already been recognised in the income statement.

Contingent liabilities, purchase commitments, guarantees, pledged assets and collateral

At 31 December 2022, the Company did not record any contingent liabilities, purchase commitments or guarantees.

Although not reported in the statement of financial position, for some insurance contracts written by the Parent Company, collateral guarantees were obtained (mainly pledges on life policies and bank guarantees) to be used, in the event of enforcement of the policy, to ensure the recovery of any sums paid to policyholders.

Leases

Rights of use

The table below shows the carrying amount of right-of-use assets at year-end for each class of underlying asset.

Item	Amount
Property	12,440
Company cars	246
Total	**12,687**

Liabilities

Lease liabilities at 31 December 2022 amounted to xxx and are recognised under financial liabilities measured at amortised cost in the statement of financial position.

The table below sets out the breakdown of lease liabilities by maturity:

Maturity	Amount
maturing within one year	330
2-3 years	300
over 5 years	13,905
Total	**14,535**

Main costs deriving from lease agreements

Item	Amount
depreciation of rights of use	783
lease interest expense	62
other costs	137
Total	**981**

The “Other costs” item relates to the recalculation of the amounts relating to the leasing of Via Mecenate 90 in Milan, following the Parent Company's decision to move the operational headquarters to another location and the consequent termination of the lease agreement with effect from 30 April 2023.

Information relating to employees, directors and statutory auditors

In 2022 the average Group headcount was 128 (18 executives, 107 employees and 4 contractors), with a total cost of €13,418,000. In the previous year, the average headcount was 86 (10 executives, 74 employees and 2 contractors), with a total cost of €6,519,000.

At 31 December 2022, the Company’s Board of Directors consisted of a chairman, a chief executive officer and five directors. The remuneration payable for 2022 amounts to €512,000 (€570,000 at 31 December 2021).

The Company’s Board of Statutory Auditors consists of a chairman, three standing auditors and two alternate auditors; the fees payable for 2022 amount to €132,000 (€154,000 at 31 December 2021).

Fees for auditing and services other than auditing

The following table, pursuant to Article 149 of the Issuers’ Regulation, sets out the fees accrued during the year for services provided by the External Auditor and entities in its network (the amounts shown do not include expenses, Consob contributions and VAT):

Type of service	Company	Remuneration
Statutory audit	KPMG S.p.A.	194
Solvency II review	KPMG S.p.A.	65
Certification services	KPMG S.p.A.	18
Activities related to the listing:		
- Full audit	KPMG S.p.A.	87
- Limited audit	KPMG S.p.A.	23
- Comfort letters	KPMG S.p.A.	230

-			
-	Certification services	KPMG S.p.A.	5
-	Other services	KPMG S.p.A.	90
			712

Milan, 9th March 2023

REVO Insurance S.p.A.
Chief Executive Officer
(Alberto Minali)

Schedules attached to the notes to the financial statements

Schedules attached to the notes to the financial statements

Statement of financial position by business segment

		Non-life operations		Life operations		Equity interests		Other		Cross-sectoral eliminations		Total	
		Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021
1	INTANGIBLE ASSETS	92,116,507	90,599,696			0	20,696	11,231				92,127,738	90,620,392
2	TANGIBLE ASSETS	14,448,189	344,147			0	535	0				14,448,189	344,682
3	REINSURERS' SHARE OF TECHNICAL PROVISIONS	55,736,807	39,894,995			0	0	0				55,736,807	39,894,995
4	INVESTMENTS	188,530,889	122,342,623			0	64,451,774	0				188,530,889	186,794,397
4.1	Investment property	0	0			0	0	0				0	0
4.2	Equity investments in subsidiaries, associates and joint ventures	0	0			0	1,000	0				0	1,000
4.3	Financial assets measured at amortised cost	4,016,029	0			0	8,000,016	0				4,016,029	8,000,016
4.4	Financial assets measured at fair value through OCI	181,895,099	121,595,998				19,529,748	0				181,895,099	141,125,746
4.5	Financial assets measured at fair value through profit or loss	2,619,761	746,625			0	36,921,010	0				2,619,761	37,667,635
5	MISCELLANEOUS RECEIVABLES	52,930,836	21,978,306			0	3,241	-75,263		0		52,855,573	21,981,547
6	OTHER ASSETS	7,526,920	2,256,724				171,451	1,186				7,528,106	2,428,175
6.1	Deferred acquisition costs	0	0			0	0	0				0	0
6.2	Other assets	7,526,920	2,256,724				171,451	1,186				7,528,106	2,428,175
7	CASH AND CASH EQUIVALENTS	4,444,450	4,007,045			0	8,388,801	210,023				4,654,473	12,395,846
	TOTAL ASSETS	*415,734,598*	*281,423,230*			*0*	*73,036,498*	*147,177*		*0*		*415,881,775*	*354,459,728*
1	SHAREHOLDERS' EQUITY											216,631,562	218,477,836
2		3,175,588	4,700,710			0	0	0				3,175,588	4,700,710
3	TECHNICAL PROVISIONS	140,073,526	97,004,143			0	0	0				140,073,526	97,004,143
4	FINANCIAL LIABILITIES	16,047,787	2,567,991			0	0	0				16,047,787	2,567,991
4.1	Financial liabilities measured at fair value through profit or loss	0	0			0	0	0				0	0
4.2	Financial liabilities measured at amortised cost	16,047,787	2,567,991			0	0	0				16,047,787	2,567,991
5	PAYABLES	31,594,480	7,133,127			0	18,019,062	18,940		0		31,613,420	25,152,189
6	OTHER LIABILITIES	8,339,813	6,556,860				0	80				8,339,893	6,556,860
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES											**415,881,776**	**354,459,729**

Income statement by business segment

		Non-life operations		Life operations		Equity interests		Other		Cross-sectoral eliminations		Total	
		Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021
1.1	Net premiums	56,704,347	4,499,682			0	0	0				56,704,347	4,499,682
1.1.1	Gross premiums earned	98,516,646	7,102,713			0	0	0				98,516,646	7,102,713
1.1.2	Premiums ceded to reinsurance during the year	-41,812,299	-2,603,031			0	0	0				-41,812,299	-2,603,031
1.2	Commission income	0	0			0	0	0				0	0
1.3	Income and expenses deriving from financial instruments measured at fv through profit or loss	-171,676	543			0	-63,370	0				-171,676	-62,827
1.3bis	Reclassification according to the overlay approach (*)	0	0			0	0	0				0	0
1.4	Income deriving from equity investments in subsidiaries, associates and joint ventures	0	0			0	0	0				0	0
1.5	Income deriving from other financial instruments and investment property	3,720,495	40,367			0	1,143	0				3,720,495	41,510
1.6	Other revenues	2,046,593	1,740			0	1,241	-28,183		0		2,018,410	2,981
1	TOTAL REVENUES AND INCOME	62,299,759	4,542,332	0		0	-60,986	-28,183	0	0	0	62,271,576	4,481,346
2.1	Net claims-related expenses	-14,009,631	-983,805			0	0	0		0		-14,009,631	-983,805
2.1.1	Amounts paid and change in technical provisions	-20,395,208	-1,314,885			0	0	0				-20,395,208	-1,314,885
2.1.2	Reinsurers' share	6,385,577	331,080			0	0	0				6,385,577	331,080
2.2	Commission expenses	0	0			0	0	0				0	0
2.3	Expenses deriving from equity investments in subsidiaries, associates and j.v.	0	0			0	0	0				0	0
2.4	Expenses deriving from other financial instruments and investment property	-1,838,640	-249,175			0	-17,209	0				-1,838,640	-266,384
2.5	Operating expenses	-33,213,603	-2,421,324			0	-11,345,979	834		0		-33,212,769	-13,767,303
2.6	Other costs	-7,996,004	-637,116			0	-768,867	-1,815				-7,997,819	-1,405,983
2	TOTAL COSTS AND EXPENSES	-57,057,878	-4,291,420			0	-12,132,055	-981		0		-57,058,859	-16,423,475
	PROFIT (LOSS) FOR THE YEAR BEFORE TAX	5,241,881	250,912	0	0	0	-12,193,041	-29,164	0	0	0	5,212,717	-11,942,129

(*) Only for companies that decide to adopt the overlay approach pursuant to paragraph 35B of IFRS 4
(**) To be stated, including by adding several columns, in relation to the materiality of the activity carried out in the various sectors

Scope of consolidation

Name	Country of registered office	Country of operational headquarters (5)	Method (1)	Activity (2)	% Direct equity investment	% 100% interest (3)	% Availability of votes at the ordinary shareholders' meeting (4)	% consolidation
Revo Underwriting S.r.l.	ITALY	ITALY	F	11	100%	100%	100%	100%

(1) Consolidation method: Full consolidation=F, Proportional consolidation=P, Full consolidation with single management=U
(2) 1=Italian ins.; 2=EU ins.; 3=third-country ins.; 4=insurance holding companies; 4.1=mixed financial holding companies; 5=EU reins.; 6=third-country reins.; 7=banks; 8=asset management companies; 9=misc. holding companies; 10=property; 11=other
(3) is the product of investment relationships relating to all the companies that, located along the investment chain, may be interposed between the company that prepares the consolidated financial statements and the company in question. If the latter is directly owned by several subsidiaries, the individual products must be added
(4) total percentage availability of votes at ordinary shareholders' meetings if other than direct or indirect equity investment
(5) this information is required only if the country of the operational headquarters is not the same as the country of the registered office

Scope of consolidation: equity investments in companies with material non-controlling interests

					Summary financial data							
Name	% non-controlling interests	% availability of votes at the ordinary shareholders' meeting to non-controlling interests	Consolidated profit (loss) attributable to non-controlling interests	Shareholders' equity attributable to non-controlling interests	Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' equity	Profit (loss) for the year	Dividends distributed to non-controlling interests	Gross premiums written

Breakdown of non-consolidated equity investments

Name	Country of registered office	Country of operational headquarters (5)	Activity (1)	Type (2)	% Direct equity investment	% 100% interest (3)	% Availability of votes at the ordinary shareholders' meeting (4)	Carrying amount

(1) 1=Italian ins.; 2=EU ins.; 3=third-country ins.; 4=insurance holding companies; 4.1=mixed financial holding companies; 5=EU reins.; 6=third-country reins.; 7=banks; 8=asset management companies; 9=misc. holding companies; 10=property; 11=other
(2) a=subsidiaries (IFRS 10); b=associates (IAS28); c=joint ventures (IFRS 11); indicate with an asterisk (*) companies classified as held for sale in accordance with IFRS 5 and provide a legend at the end of the schedule
(3) is the product of investment relationships relating to all the companies that, located along the investment chain, may be interposed between the company that prepares the consolidated financial statements and the company in question. If the latter is directly owned by several subsidiaries, the individual products must be added
(4) total percentage availability of votes at ordinary shareholders' meetings if other than direct or indirect equity investment
(5) this information is required only if the country of the operational headquarters is not the same as the country of the registered office

Breakdown of tangible and intangible assets

	At cost	At restated value or fair value	Total carrying amount
Investment property			
Other property		13,972,722	13,972,722
Other tangible assets	475,467		475,467
Other intangible assets	17,805,028		17,805,028

Breakdown of reinsurers' share of technical provisions

	Direct business		Indirect business		Total carrying amount	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-life reserves	55,736,807	39,894,995	0	0	55,736,807	39,894,995
Premium reserve	43,152,350	30,367,105	0		43,152,350	30,367,105
Claims reserve	12,584,457	9,527,890			12,584,457	9,527,890
Other reserves					0	0
Life reserves	0	0	0	0	0	0
Reserve for amounts payable					0	0
Mathematical reserves					0	0
Technical provisions where the investment risk is borne by policyholders and reserves deriving from pension fund management					0	0
Other reserves					0	0
Total reinsurers' share of technical provisions	55,736,807	39,894,995	0	0	55,736,807	39,894,995

Breakdown of financial assets

	Financial assets measured at amortised cost		Financial assets measured at fair value through OCI		Financial assets measured at fair value through profit or loss						Total carrying amount	
					Financial assets held for trading		Financial assets designated at fair value		Other financial assets compulsorily measured at fair value			
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Equity securities			556,418								556,418	0
of which listed securities											0	0
Debt securities			181,338,681	141,125,746							181,338,681	141,125,746
of which listed securities			181,338,681	141,125,746							181,338,681	141,125,746
Units in UCIs									2,619,761	37,667,635	2,619,761	37,667,635
Loans and receivables from bank customers											0	0
Interbank loans and receivables											0	0
Deposits with ceding undertakings											0	0
Financial assets in insurance contracts											0	0
Other loans and receivables											0	0
Non-hedging derivatives											0	0
Hedging derivatives											0	0
Other financial investments	4,016,029	8,000,016									4,016,029	8,000,016
Total	4,016,029	8,000,016	181,895,099	141,125,746	0	0	0	0	2,619,761	37,667,635	188,530,889	186,793,397

Breakdown of technical provisions

	Direct business		Indirect business		Total carrying amount	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Non-life reserves	139,941,565	97,004,143	131,961	0	140,073,526	97,004,143
Premium reserve	107,330,032	74,453,175	131,961		107,461,993	74,453,175
Claims reserve	32,611,533	22,550,968			32,611,533	22,550,968
Other reserves					0	0
of which reserves allocated following a check on the adequacy of liabilities					0	0
Life reserves						
Reserve for amounts payable						
Mathematical reserves						
Technical provisions where the investment risk is borne by policyholders and reserves deriving from pension fund management						
Other reserves						
of which reserves allocated following a check on the adequacy of liabilities						
of which deferred liabilities to policyholders						
Total technical provisions	139,941,565	97,004,143	131,961	0	140,073,526	97,004,143

Breakdown of financial liabilities

	Financial liabilities measured at fair value through profit or loss				Financial liabilities measured at amortised cost		Total carrying amount	
	Financial liabilities held for trading		Financial liabilities designated at fair value					
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Participating financial instruments							0	0
Subordinated liabilities							0	0
Liabilities from financial contracts issued by insurance companies, deriving	0	0	0	0	0	0	0	0
From contracts where the investment risk is borne by policyholders							0	0
From pension fund management							0	0
From other contracts							0	0
Deposits received from reinsurers					1,599,677	1,251,518	1,599,677	1,251,518
Financial liabilities in insurance contracts							0	0
Debt securities issued							0	0
Payables to bank customers							0	0
Interbank payables							0	0
Other loans obtained							0	0
Non-hedging derivatives							0	0
Hedging derivatives							0	0
Misc. financial liabilities					14,448,110	1,316,473	14,448,110	1,316,473
Total	0	0	0	0	16,047,787	2,567,991	16,047,787	2,567,991

Breakdown of technical insurance items

		31.12.2022			31.12.2021	
	Gross amount	reinsurers' share	Net amount	Gross amount	reinsurers' share	Net amount
Non-life operations						
NET PREMIUMS	98,516,646	-41,812,299	56,704,347	7,102,714	-2,603,032	4,499,682
a Premiums written	131,388,093	-53,822,910	77,565,183	8,824,591	-3,210,183	5,614,408
b Change in premium reserve	-32,871,447	12,010,611	-20,860,836	-1,721,877	607,151	-1,114,726
NET CLAIMS-RELATED EXPENSES	-20,395,208	6,385,578	-14,009,630	-1,314,886	-331,081	-983,805
a Amounts paid	-16,170,285	6,223,088	-9,947,197	-1,814,314	-828,253	-986,061
b Change in the claims reserve	-11,754,723	3,906,304	-7,848,419	116,488	308,051	-191,563
c Change in recoveries	7,529,800	-3,743,814	3,785,986	382,940	189,121	193,819
d Change in other technical provisions	0	0	0	0	0	0
Life operations						
NET PREMIUMS						
NET CLAIMS-RELATED EXPENSES						
a Amounts paid						
b Change in reserve for amounts payable						
c Change in mathematical reserves						
d Change in technical provisions where the investment risk is borne by policyholders and deriving from pension fund management						
e Change in other technical provisions						

Financial income and expenses and income and expenses from investments

		Interest	Other income	Other expenses	Realised profit	Realised losses	Total income and realised expenses	Profit on valuation		Valuation losses		Total income and unrealised expenses	Total income and expenses 31.12. 2022	Total income and expenses 31.12. 2021
								Valuation gains	Write-backs	Valuation losses	Write-downs			
Investment result		1,839,303	0	0	304,084	-239,150	1,904,237	0	0	-171,676	-37,661	-209,337	1,694,900	-287,701
a	Deriving from investment property	-61,605					-61,605					0	-61,605	0
b	Deriving from equity investments in subsidiaries, associates and joint ventures						0					0	0	0
c	Deriving from financial assets measured at amortised cost						0					0	0	0
d	Deriving from financial assets measured at fair value through OCI	1,900,908			304,084	-239,150	1,965,842				-37,661	-37,661	1,928,181	-224,874
e	Deriving from financial assets held for trading						0					0	0	0
f	Deriving from financial assets designated at fair value						0					0	0	0
g	Deriving from other financial assets compulsorily measured at fair value						0			-171,676		-171,676	-171,676	-62,827
Result for misc. receivables		15,278					15,278					0	15,278	0
Result for cash and cash equivalents							0					0	0	0
Result for financial liabilities			0	0	0	0	0	0	0	0	0	0	0	0
a	Deriving from financial liabilities held for trading						0					0	0	0
b	Deriving from financial liabilities designated at fair value						0					0	0	0
C	Deriving from financial liabilities measured at amortised cost						0					0	0	0
Result for payables							0					0	0	0
Total		**1,854,582**	**0**	**0**	**304,084**	**-239,150**	**1,919,515**	**0**	**0**	**-171,676**	**-37,661**	**-209,337**	**1,710,178**	**-287,701**

Breakdown of insurance operating expenses

	Non-life operations		Life operations	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Gross commissions and other acquisition expenses	-41,361,042	-3,245,096		
a Acquisition commissions	-30,704,992	552,664		
b Other acquisition expenses	-10,656,050	-3,797,760		
c Change in deferred acquisition costs				
d Collection commissions				
Commissions and share of profits received from reinsurers	26,197,039	2,129,064		
Investment management expenses	-171,687	0		
Other administrative expenses	-17,877,079	-12,651,271		
Total	**-33,212,769**	**-13,767,303**		0

Breakdown of other comprehensive income

	Charges		Adjustments for reclassification to the income statement		Other changes		Total changes		Taxes		Balance	
	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021	Total 31.12.2022	Total 31.12.2021
Other income not reclassified to the income statement	1,018,861	-6,034,594			0	0	1,018,861	-6,034,594	-314,013	1,859,862	-3,469,884	-4,174,732
Reserve deriving from changes in shareholders' equity of investee companies							0	0	0	0	0	0
Revaluation reserve for intangible assets							0	0	0	0	0	0
Revaluation reserve for tangible assets							0	0	0	0	0	0
Income and expenses relating to non-current assets or disposal groups held for sale							0	0	0	0	0	0
Actuarial gains and losses and adjustments relating to defined benefit plans	1,018,861	-21,272					1,018,861	-21,272	-314,013	6,556	690,132	-14,716
Gains or losses on equity securities designated at fair value through OCI							0	0	0	0	0	0
Reserve deriving from changes in own creditworthiness on financial liabilities designated at fair value							0	0	0	0	0	0
Other elements		-6,013,322					0	-6,013,322	0	1,853,306	-4,160,016	-4,160,016
Other income to be reclassified to the income statement	-9,560,733	-96,995	-8,728	0	0	0	-9,569,461	-96,995	2,949,308	29,894	-6,687,254	-67,101
Reserve for net foreign exchange gains/losses							0	0	0	0	0	0
Gains or losses on financial assets (other than equity securities) measured at fair value through OCI	-9,560,733	-96,995	-8,728				-9,569,461	-96,995	2,949,308	29,894	-6,687,254	-67,101
Gains or losses on cash flow hedging instruments							0	0	0	0	0	0
Gains or losses on instruments hedging a net investment in a foreign operation							0	0	0	0	0	0
Reserve deriving from changes in shareholders' equity of investee companies							0	0	0	0	0	0
Income and expenses relating to non-current assets or disposal groups held for sale							0	0	0	0	0	0
Reclassification according to the overlay approach (*)							0	0	0	0	0	0
Other elements							0	0	0	0	0	0
TOTAL OTHER COMPREHENSIVE INCOME	**-8,541,872**	**-6,131,589**	**-8,728**	**0**	**0**	**0**	**-8,550,600**	**-6,131,589**	**2,635,295**	**1,889,756**	**-10,157,138**	**-4,241,833**

Breakdown of reclassified financial assets and effects on the income statement and overall profitability

Categories of financial assets subject to reclassification					Carrying amount 31-12-(n) of reclassified assets		Fair value 31-12-(n) of reclassified assets		Assets reclassified in year n		Assets reclassified in year n	
from	to	Type of asset	Reclassification date	Amount of assets reclassified in year n on the reclassification date	Assets reclassified in year n	Assets reclassified up to year n	Assets reclassified in year n	Assets reclassified up to year n	Profit or loss recognised in the income statement	Profit or loss recognised in other comprehensive income	Profit or loss that would have been recognised in the income statement in the absence of reclassification	Profit or loss that would have been recognised in other comprehensive income in the absence of reclassification
Total												

Assets and liabilities measured at fair value on a recurring and non-recurring basis: breakdown by fair value level

		Level 1		Level 2		Level 3		Total	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Assets and liabilities measured at fair value on a recurring basis									
Financial assets measured at fair value through OCI		181,338,681	141,125,746			556,418		181,895,099	141,125,746
Financial assets measured at fair value through profit or loss	Financial assets held for trading	0	0					0	0
	Financial assets designated at fair value	0	0					0	0
	Other financial assets compulsorily measured at fair value	0	37,667,635	2,619,761				2,619,761	37,667,635
Investment property								**0**	**0**
Tangible assets								0	0
Intangible assets									
Total assets measured at fair value on a recurring basis								*0*	*0*
Financial liabilities measured at fair value through profit or loss								**0**	**0**
	Financial liabilities held for trading	0	0	0	0	0	0	0	0
	Financial liabilities designated at fair value							0	0
Total liabilities measured at fair value on a recurring basis		181,338,681	178,793,381	2,619,761		556,418		184,514,860	178,793,381
Assets and liabilities measured at fair value on a non-recurring basis		0	0	0	0	0	0	0	0
Non-current assets or disposal groups held for sale									
Liabilities of disposal groups held for sale									

Breakdown of changes in Level 3 assets and liabilities measured at fair value on a recurring basis

		Financial assets measured at fair value through profit or loss						Financial liabilities measured at fair value through profit or loss	
	Financial assets measured at fair value through OCI	Financial assets held for trading	Financial assets designated at fair value	Other financial assets compulsorily measured at fair value	Investment property	Tangible assets	Intangible assets	Financial liabilities held for trading	Financial liabilities designated at fair value
Opening balance	0								
Purchases/issues	1,112,837								
Sales/repurchases									
Redemptions									
Profit or loss recognised in the income statement									
- of which valuation gains/losses									
Profit or loss recognised in other comprehensive income									
Level 3 transfers									
Transfers to other levels									
Other changes	-556,418								
Final balance	556,418								

Assets and liabilities not measured at fair value: breakdown by fair value level

	Carrying amount		Fair value							
			Level 1		Level 2		Level 3		Total	
	Year n	Year n-1	Year n	Year n-1	Year n	Year n-1	Year n	Year n-1	Year n	Year n-1
Assets										
Financial assets measured at amortised cost										
Equity investments in subsidiaries, associates and joint ventures										
Investment property										
Tangible assets										
Total assets										
Liabilities										
Financial liabilities measured at amortised cost										

Interests in non-consolidated structured entities

Name of structured entity	Revenues received by the structured entity in the reporting period	Carrying amount (as of transfer date) of assets transferred to the structured entity in the reporting period	Carrying amount of assets recognised in own financial statements that relate to the structured entity	Corresponding asset item in the statement of financial position	Carrying amount of liabilities recognised in own financial statements that relate to the structured entity	Corresponding liability item in the statement of financial position	Maximum exposure to loss risk

Certification of the consolidated financial statements pursuant to Article 81-*ter* of Consob Regulation 11971/1999 193

1. The undersigned, Alberto Minali, in his capacity as Chief Executive Officer, and Jacopo Tanaglia, in his capacity as Financial Reporting Officer of REVO Insurance S.p.A., hereby attest to, also taking account of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the Company; and
   - the effective application of administrative and accounting procedures for the preparation of the consolidated financial statements during financial year 2022.

2. We also certify that:
   - The consolidated financial statements as at 31 December 2022:
     - have been prepared in compliance with the international accounting standards recognised by the European Community pursuant to (EC) Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002, as well as applicable laws and regulations;
     - correspond to the accounting books and records;
     - are suitable to provide a true and fair representation of the financial position, cash flows and results of operations of the issuer and all the companies included within the scope of consolidation.
   - the report on operations includes a reliable analysis of the performance and operating results, as well as the situation, of the issuer and all the companies within the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

Mr Jacopo Tanaglia
Financial Reporting Officer
REVO Insurance S.p.A.

Mr Alberto Minali
Chief Executive Officer
REVO Insurance S.p.A.