

PRESS RELEASE - Results at 31 December 2021

GROUP NET PROFIT OF €96M (+163.2% COMPARED WITH €36M AT FY2020)

STRONG GROWTH IN TOTAL PREMIUM INCOME TO €5.2BN (+9.8%) WITH AN OPTIMUM MIX

CATTOLICA'S SOLVENCY RATIO AT 203%

- **PREMIUM INCOME INCREASES IN BOTH DIRECT NON-LIFE PREMIUMS (+1.4%) AND LIFE PREMIUMS (+16.6%)¹ - UNIT-LINKED PRODUCTS REPRESENT MORE THAN 50% OF NEW BUSINESS**
- **COMBINED RATIO AGAIN AT AN OPTIMUM LEVEL (89.1%, +2.3 p.p.)**
- **OPERATING PROFIT OF €300M (-14.7%) ABOVE GUIDANCE (RANGE OF €265M TO €290M)**
- **SHARP INCREASE IN ADJUSTED PROFIT TO €253M (+31.7%) PARTLY DUE TO CAPITAL GAINS ON DISPOSAL**
- **PROPOSED DIVIDEND OF €0.15 PER SHARE**

INTEGRATION ACTIVITIES CONTINUE WITH THE GENERALI GROUP IN ORDER TO COMPLETE SYNERGIES

Verona, 14 March 2022. The Board of Directors of Cattolica Assicurazioni, company of the Generali Group, met today in Verona, chaired by Davide Croff, to approve the results at 31 December 2021.

Carlo Ferraresi, Chief Executive Officer of Cattolica Assicurazioni, commented: *"The results we are presenting today confirm Cattolica's position as a key player in the sector and confirm the high quality of the work done by management, employees and the distribution networks. Despite a complex and challenging environment, premium income grew considerably to €5.2 billion, increasing in both business lines and in Life in particular. The confidence the market has in us, the effectiveness of our sales activities and a strong focus on results have enabled us to beat our guidance on operating profit, which*

¹ Changes calculated on a like-for-like basis.

stands at €300 million, and increase Group profit to €96 million, while strengthening our solidity, confirmed by a solvency ratio of 203%. The level of technical excellence was also excellent, with a combined ratio of 89.1%, one of the many challenges overcome in 2021.

On the basis of these results, the Board of Directors will propose a dividend of €0.15 per share to the Shareholders' Meeting".

As of 5 November 2021, thanks to the success of the public tender offer, Assicurazioni Generali controls Società Cattolica and its subsidiaries. The consolidated results of the sub-group consisting of Cattolica Assicurazioni and its subsidiaries are presented in this press release.

Following this event, there was no longer a regulatory requirement to calculate a Group Solvency II ratio. The ratio shown here therefore refers exclusively to Cattolica Assicurazioni.

The income statement data of Lombarda Vita (disposed of on 12 April 2021) at 31 December 2020 and 2021 have been reclassified to specific "discontinued" items pursuant to IFRS 5. The data commented on here are therefore shown like for like, without the contribution of Lombarda Vita, which is synthetically represented in profit from discontinued operations together with capital gains on disposal.

Total premium income from direct and indirect business, both Non-Life and Life,² grew by 9.8% to €5,166 million. In the Life segment, there was a 16.6% increase due to the growth in unit-linked products (+152.3%). Premiums from the direct Non-Life business also increased by 1.4% due to Non-Motor premiums.

At 89.1%, the **combined ratio** remains at an optimum level, although it increased by 2.3 percentage points compared with FY2020. It will be recalled that the previous financial year had benefited from a sharp drop in claims frequency as a result of the very strict lockdown.

The **operating result**³ decreased by 14.7% to €300 million. Both the result of the Non-Life segment (€248 million vs. €276 million in the previous year) and that of the Life segment (€55 million vs. €79 million) were down. The Non-Life result, while excellent, has been affected by the recovery in Motor claims frequency, while provisions for "dormant" policies and other one-off factors linked to interest rates have affected the Life result. The **operating RoE**⁴ was therefore 7.3%.

² This figure includes the insurance premiums and investment contracts of the Life classes as defined in IFRS 4.

³ See the Glossary

⁴ Operating RoE is calculated as the operating result, less the cost of employees, taxes and minority interests, over the Group's average shareholders' equity (excluding the AFS reserve).

Adjusted profit⁵ grew strongly to €253 million in FY2021 compared with €192 million in FY2020. This KPI includes the capital gain of €104 million from the disposal of Lombarda Vita. The **net profit**⁶ of €96 million (€36 million in FY2020) is a marked improvement on the previous year, even taking €164 million of write-downs into account (of which €145 million relates to write-downs of goodwill of joint ventures with the BancoBPM Group).

Non-Life business

Premium income from direct business increased by 1.4% to €2,134 million. The **Non-Motor segment** contributed €1,129 million to the result, with premium income up on the previous year (+5.4%). Premiums in the **Motor segment** amounted to €1,005 million, down compared with FY2020 (-2.7%): this change is due to the decrease in average premium due to the current competitive pressure on the market and the moderate decrease in Motor Vehicle Liability policies (of approximately 61,500 in 2021). The proportion of the Non-Motor classes reached 53% in accordance with the Company's strategic guidelines. The **combined ratio**⁷ was 89.1% (+2.3 p.p.), an excellent result that benefits from the positive performance of both Motor and Non-Motor segments. The claims ratio for retained business increased to 57.7% (+2.8 p.p.) due to the recovery in Motor claims frequency. The expense ratio worsened slightly to 29.9% (+0.8 p.p.) due to the increase in acquisition costs, while the G&A expense ratio fell slightly (-0.3p.p. to 7.6%) despite extraordinary expenses related to the remedial plan agreed with the supervisory authorities and to company transactions. The component of other technical items on premiums decreased from 2.8 to 1.5 p.p.: it will be recalled that last year the Motor Vehicle Liability voucher had an effect of 0.7 p.p.

Life business

In the Life segment, **premium income from direct business** grew strongly, with premiums of €3,008 million (+16.6%). In addition, there was a significant increase in unit-linked products in the business mix (+152.3%), which accounted for more than 50% of new business.

The with-profits component of new Life policies with a minimum guaranteed rate of zero drove a gradual decline in the Group's average guaranteed minimum reserves to 0.57% (-3 bps compared with FY2020). In addition, the new traditional policies written are characterised by low capital absorption overall due to their limited risk profile.

With regard to the Life operating result of €55 million, the decision to set aside a provision for risks of €7 million for potential claims related to the "dormant policies" reported by IVASS had a negative effect. In addition to this, there are negative impacts deriving from the business mix (some unit-linked lines show lower revenues in the year of issue compared with a higher margin in

⁵ Defined as the measure of Group profit minus the amortisation of the VOBA (value of business acquired, net of the related tax effects and for the Group's share) and goodwill impairment, which are relevant to the Group's profit but do not affect the Solvency position.

⁶ Net of the minority-interest share.

⁷ Combined ratio for retained business: 1-(Technical balance/net premiums), inclusive of the other technical items.

subsequent years) and the increase in reserves relating to the particularly low level of interest rates.

Financial management and financial position

Investment income⁸ amounted to €310 million (€298 million in FY2020), with a marked increase in the ordinary Non-Life component (+8.0%).

Investments amounted to €25,388 million. The **gross technical provisions of the Non-Life classes** amounted to €3,412 million (€3,496 million in FY2020) and the **provisions of the Life classes**, including financial liabilities from investment contracts, amounted to €19,580 million (€19,123 million in FY2020).

The figures at 31 December 2021 indicate continuing capital solidity, with **consolidated shareholders' equity** of €2,841 million, an increase on FY2020 (€2,613 million).

The Solvency II ratio of Cattolica Assicurazioni at 31 December 2021 was 203% inclusive of the dividend effect. The ratio is calculated according to the Standard Formula using the Undertaking Specific Parameters (USPs) authorised by the supervisory authority. The ratio recovered compared with FY2020 (188%). Following the acquisition of control of the Company by Assicurazioni Generali, Cattolica Assicurazioni no longer calculates a Group Solvency II ratio.

Distribution network

At 31 December 2021, the agency network consisted of 1,326 agencies and there were 5,314 bank branches distributing products issued by Cattolica and its subsidiaries.

Cattolica Assicurazioni

Cattolica Assicurazioni's gross premiums written for direct business reached €2,211 million (-2.0%; €2,255 million in FY20), comprising €1,690 million for Non-Life direct business (-0.6%; €1,701 million in FY20) and €521 million for Life direct business (-6.1%; €554 million in FY20). On the basis of Italian GAAP, net profit amounted to €7 million.

Shareholder remuneration

The Board of Directors will propose the distribution of a single dividend of €0.15 per share to the Shareholders' Meeting. The proposed dividend will be payable as of 25 May 2022, with the coupon detachment date on 23 May 2022 and the record date on 24 May 2022, in accordance with the Borsa Italiana calendar.

Integration into the Generali Group

Following the entry of Cattolica and its subsidiaries into the Generali Group perimeter, since last November, work sites have been set up to develop synergies in the respective business areas in order to move swiftly towards

⁸ Financial assets, excluding investments whose risk is borne by the policyholders, before tax.

operational integration between the parties and the definition of common and synergic work processes. At present, all the sites are proceeding according to the timetable. It is recalled that, under the partnership agreement of June 2020, some industrial initiatives had already been activated with Generali in 4 strategic business areas: Asset Management, Reinsurance, IoT and Health. The project streams developed in line with the planned timeline, generating value for clients, distribution networks and stakeholders. The new Motor telematics product *Active Live*, the result of the combination of the Company's specific Motor skills and the technological innovation skills of Generali Jeniot, generated an excellent customer reaction, with a penetration of around 34% of the new subscriptions of individual Motor policies on the Cattolica agency network. With regard to the Health business, the *Active Benessere* product, the innovative health product developed in collaboration with Generali Welion also active in the event of epidemics or pandemics, was completed and made available at the end of the first half of the year. New premiums for this product reached € 3.5 million. As envisaged by the partnership agreement, the reinsurance of part of the premiums continued as planned, while within the scope of Asset Management, the delegation of part of the portfolio was completed, which coincided with greater investment by Cattolica in so-called "alternative" securities, the incidence of which on the total, with respect to the end of 2020, rose by almost 2 p.p. during the last financial year.

The Covid-19 emergency

To address the health and economic crisis caused by the pandemic, business continuity and workforce protection have been ensured through the immediate adoption of home working mode for all Group employees. In September 2020, the activities necessary for a safe return to the operational premises had already been carried out and from October to December 2021, there was a partial return to work in person, on a voluntary basis and always with a view to maintaining protective measures, limiting simultaneous access to the offices to a maximum of 25% of employees. Due to the wide spread of the new variant of the virus, since the second half of December the Group has returned to an emphasis on full home working mode.

The same tools as those prepared in 2020 (remote payments, Motor and Life remote sales) remain available to cover and safeguard customers, while with regard to the Motor Voucher granted in 2020, at the end of the year of validity at the end of May 2021, for customers who benefited from this discount, it was not completely reabsorbed on policy renewal in 2021. Following the government's extension in 2021 of the "Superbonus 110%", which was initially part of the measures promulgated in May 2020 to support the economic recovery, Cattolica promoted the initiative whereby customers are offered the service of purchasing the tax credit under favourable conditions, combined with the option of a series of specifically targeted insurance cover options.

With regard to the implications for the Group's business, compared with 2020, when the business was materially affected by the contingency:

- New business levels in the first half of 2021 were not materially affected by the partial lockdown imposed in the first few months of the year;
- the average number of weekly surrenders in 2021 was essentially in line with that of the second half of 2020 and in any case lower than in the pre-Covid period;
- 2021, only partly affected by lockdown, did not record the same decreases in claims in the Non-Life classes, while the decrease relating to management in the Motor Vehicle Liability class continued, albeit to a lesser extent;
- no particularly significant claims emerged as a result of the pandemic in either the Non-Life or Life businesses. The only Non-Life class affected was Miscellaneous Financial Loss, due to business interruptions and income reimbursement in 2020.

Guidance for the first few months of 2022

In 2022, the companies in the Cattolica Assicurazioni sub-group will undertake the first phase of operational integration with the companies of the parent company, Assicurazioni Generali.

Integration could result in the emergence of the first synergies, as well as one-off costs incurred to carry it out.

In business terms and net of the above effects, it is expected that changes in the economic scenario, including due to the future slowing of the Covid-19 crisis, will result in a recovery in claims frequency, particularly in the Motor segment. Combined with competitiveness on motor tariffs, this phenomenon should result in a material decline in the Non-Life operating result. This decrease should be partly offset by the improvement in the Life operating result due to the growth of assets and the improvement in the business mix achieved in recent years, as well as the absence of some of the negative entries recorded for the segment in 2021.

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

Please be advised that the separate financial statements, the consolidated financial statements, the consolidated non-financial statement at 31 December 2021 and the Report on Corporate Governance and Ownership Structure can be obtained by the general public from the Company's registered office, on its website at www.cattolica.it and from the "eMarket STORAGE" storage facility authorised by Consob, which is managed by Spafid Connect S.p.A. and can be accessed from the www.emarketstorage.com website in the manner and within the time limits set out in the applicable laws and regulations.

The results at 31 December 2021 will be presented to the financial community at 09:30 hours tomorrow, 15 March 2022, in a conference call (with Italian, English and original audio). The numbers to be called are: + 39 02 805 88 11 from Italy, + 44 1 212818003 from the United Kingdom and +1 718 7058794 from the United States. Journalists may follow the event by calling +39 02 805 88 27 (listen-only mode). The results presentation will be available in the Investor Relations section of the homepage of the website at www.cattolica.it.

The reclassified schedules as at 31 December 2021 of the consolidated statement of financial position and the consolidated income statement and of the Parent Company are appended. Please be advised that the relevant documents have not yet been certified by the independent auditors. The same applies to the Solvency II data pursuant to IVASS Regulation no. 42 of 2 August 2018. In these appended schedules, it should be noted that the figures for Lombarda Vita have been reclassified under the appropriate "discontinued" items pursuant to IFRS 5.

SOCIETÀ CATTOLICA DI ASSICURAZIONE

Cattolica Assicurazioni, a Generali Group company, is one of the main players on the Italian insurance market and has been listed on the Milan Stock Exchange since 2000. With approximately 3.5 million customers who rely on its insurance solutions and products, Cattolica and its subsidiaries have 1,326 agencies in large cities and smaller towns throughout Italy and a network of 1,826 agents. Cattolica promotes insurance protection for individuals, families and businesses, with a particular focus on the local community and the social and economic contexts in which they operate.

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Glossary

Operating result: the operating result does not include the more volatile components (realised gains, write-downs and other one-off items). In detail, the Non-Life operating result is defined as the sum of the technical balance, net of reinsurance, ordinary financial revenues and other non-technical net charges (depreciation, amortisation and write-downs of insurance receivables, etc.). The operating result does not include financial gains and losses on disposals, write-downs of other assets, the cost of financial debt (subordinated debt), amortisation of the value of business acquired (VOBA), voluntary redundancy incentives, the staff severance indemnity and other one-off items. The Life operating result is defined in a similar way, with the difference that all financial income contributing to the return of securities pertaining to separate accounts and those classified as class D is considered part of the operating result.

Cattolica Group - Consolidated financial statements as at 31 December 2021

(prepared in accordance with international accounting standards)

Reclassified statement of financial position (amounts in millions)	2021	2020	Mandatory schedule items (*)
Assets			
Real estate and securities investments	1.153	1.176	4.1 + 2.1
Equity investments in subsidiaries, associates and joint ventures	179	174	4.2
Loans and receivables	1.033	1.194	4.4
Investments held to maturity	100	184	4.3
Available-for-sale financial assets	17.218	17.147	4.5
Financial assets at fair value through profit or loss	5.306	4.221	4.6
Cash and cash equivalents	399	360	7
Investments	25.388	24.456	
Intangible assets	515	705	1
Reinsurers' share of technical provisions	558	580	3
Other assets net of other liabilities	553	830	(**)
<i>of which assets of disposal groups held for sale</i>	9	9.363	
<i>of which liabilities of disposal groups held for sale</i>	0	-9.132	
ASSETS	27.014	26.571	
Shareholders' equity and liabilities			
Group capital and reserves	2.312	2.104	
Group result	96	36	1.1.9
Shareholders' equity attributable to the Group	2.408	2.140	1.1
Shareholders' equity attributable to minority interests	433	473	1.2
Consolidated shareholders' equity	2.841	2.613	1
Premium provision	886	892	
Claims provision	2.526	2.604	
Non-Life gross technical provisions	3.412	3.496	3
Life gross technical provisions	19.368	18.771	3
Other Non-Life gross technical provisions	3	3	3
Other Life gross technical provisions	362	425	3
Financial liabilities	1.028	1.263	4
<i>of which deposits to policyholders</i>	212	352	
SHAREHOLDERS' EQUITY AND LIABILITIES	27.014	26.571	

Reclassified income statement (amounts in millions)	2021	2020	Mandatory schedule items (*)
Revenues and income			
Net premiums	4.891	4.405	1.1
Commission income	0	2	1.2
Income and expenses from financial instruments at fair value through profit or loss	236	66	1.3
<i>Financial income from Class D</i>	231	69	
Income from equity investments in subsidiaries, associates and joint ventures	8	5	1.4
Income from other financial instruments and investment property	573	618	1.5
<i>of which change in other financial liabilities</i>	0	0	
Other revenues	191	113	1.6
Total revenues and income	5.899	5.209	
Costs and expenses			
Net claims-related expenses	-4.297	-3.618	2.1
Commission expense	-2	-4	2.2
Expenses from equity investments in subsidiaries, associates and joint ventures	-4	-18	2.3
Expenses from other financial instruments and investment property	-217	-256	2.4
Operating expenses	-813	-745	2.5
<i>Commissions and other acquisition expenses</i>	-555	-497	
<i>Investment management expenses</i>	-53	-48	
<i>Other administrative expenses</i>	-205	-200	
Other costs	-472	-455	2.6
Total costs and expenses	-5.805	-5.096	
Result for the period before taxes	94	113	
Taxes	-94	-103	3
Result for the period after taxes	0	10	
Result of discontinued operations	108	61	4
CONSOLIDATED RESULT FOR THE PERIOD	108	71	
Result attributable to minority interests	12	35	
RESULT ATTRIBUTABLE TO THE GROUP	96	36	

(*) The items in the consolidated financial statements pursuant to ISVAP Regulation No. 7 of 13 July 2007 are shown.

(**) Other receivables, other assets and other tangible assets (statement of financial position asset items = 5 + 6 + 2.2) net of provisions, payables and other liabilities (statement of financial position liability items = 2 + 5 + 6).

Cattolica Assicurazioni S.p.A. - Separate financial statements
(prepared according to Italian GAAP)

Reclassified statement of financial position (amounts in millions)	2021 ⁽¹⁾	2020	Mandatory schedule items
Assets			
Land and buildings	66	84	C.I
Shares and quotas	1.235	1.719	C.II.1 + C.III.1
Bonds and other fixed-income securities	6.392	5.781	C.II.2 + C.III.3
Investment fund units	1.570	1.444	C.III.2
Loans and other investments	67	68	C.II.3 + C.III.4 + C.III.6 + C.III.7
Deposits with ceding undertakings	9	9	C.IV
Class D investments	724	570	D
Cash and cash equivalents	81	53	F.II
Investments	10.144	9.728	
Intangible assets	99	111	B
Reinsurers' share of technical provisions	458	438	D.bis
Other receivables and other assets net of other payables and other liabilities	8	-28	(2)
ASSETS	10.709	10.249	
Shareholders' equity and liabilities			
Share capital and capital reserves	2.182	1.992	
Result for the year	7	4	
Shareholders' equity	2.189	1.996	A
Non-Life gross technical provisions (premiums and claims)	2.882	2.984	C.I.1 + C.I.2
Life gross technical provisions (mathematical and Class D)	5.484	5.107	C.II.1 + D
Other Non-Life gross technical provisions	17	16	C.I.3 + C.I.4 + C.I.5
Other Life gross technical provisions	137	146	(3)
SHAREHOLDERS' EQUITY AND LIABILITIES	10.709	10.249	

Reclassified income statement (amounts in millions)	2021 ⁽¹⁾	2020	Mandatory schedule items
Earned premiums	2.006	2.042	I.1 + II.1
Claims accrued and change in technical provisions	1.521	1.462	I.4 + II.5 + II.6
Operating expenses	505	506	I.7 + II.8
Other technical items	-28	-56	(4)
Net income from Class C investments	41	91	II.2 - II.9 + III.3 - III.5
Net income from Class D investments	61	24	II.3 - II.10
Other income net of other expenses	-62	-72	III.7 - III.8
RESULT FROM ORDINARY OPERATIONS	-8	61	III.9
Result from extraordinary operations	71	-3	III.12
RESULT FOR THE PERIOD BEFORE TAXES	63	58	III.13
Income tax for the year	56	54	III.14
RESULT FOR THE YEAR	7	4	III.15

(1) Data as of 31.12.2021 includes balances arising from the merger by incorporation of ABC Assicura and Berica Vita, recorded for accounting purposes as of 1 January 2021.

(2) Other receivables and other assets (statement of financial position asset items = E + F.I + F.IV + G) net of other payables and other liabilities (statement of financial position liability items = B + E + F + G + H)

(3) Other Life gross technical provisions (statement of financial position items = C.II.2 + C.II.3 + C.II.4 + C.II.5)

(4) Other technical items (income statement items = I.3 + I.5 + I.6 + I.8 + I.9 + II.4 + II.7 + II.11)