



2022

Analyst Conference 2022

DFV Deutsche Familienversicherung AG
FRANKFURT/MAIN | 24th March 2022

Agenda

1. Welcome, highlights 2021 and outlook 2022

Stefan Knoll

2. Group result 2021

Karsten Paetzmann

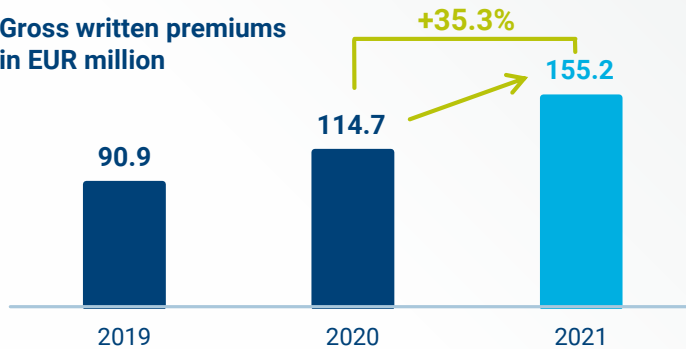
3. DFV-Strategy 2022

Stefan Knoll

Welcome, highlights 2021 and outlook 2022

Growth & Business Model

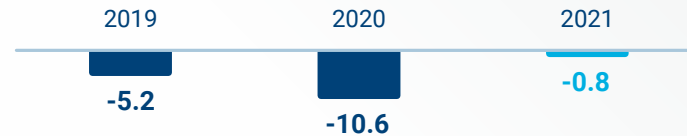
Gross written premiums
in EUR million



- Successful financial year 2021 with 35.3% growth (CAGR* 2018-2021: +33%)
- Market entry Austria, strong property insurance, entry into active reinsurance
- Anticipatory distribution costs continue to characterise the business model

Profitability & Professionalism

Group profit before tax in
EUR million



- Important levers of structural profitability identified and realised
- With the group profit before tax of € -0.8 million, the break-even point is within sight
- Increasing professionalism and use of economies of scale

Automation & Strategy



- Transformation projects launched - sales, customer service, claims/benefits
- More automation, more innovation, more growth, more customer service
- Five strategic core goals for 2022 defined and operationalised

* CAGR (Compound annual growth rate):
Annual average growth rate based on gross premiums written



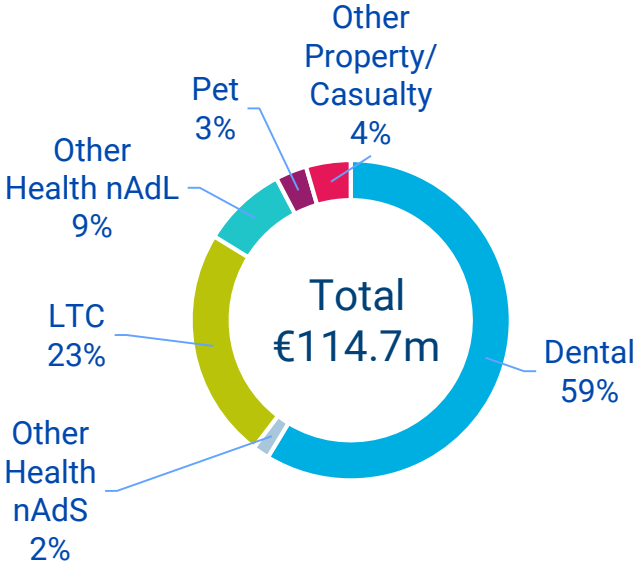
2. Group result 2021

Karsten Paetzmann
CFO

Group result 2021

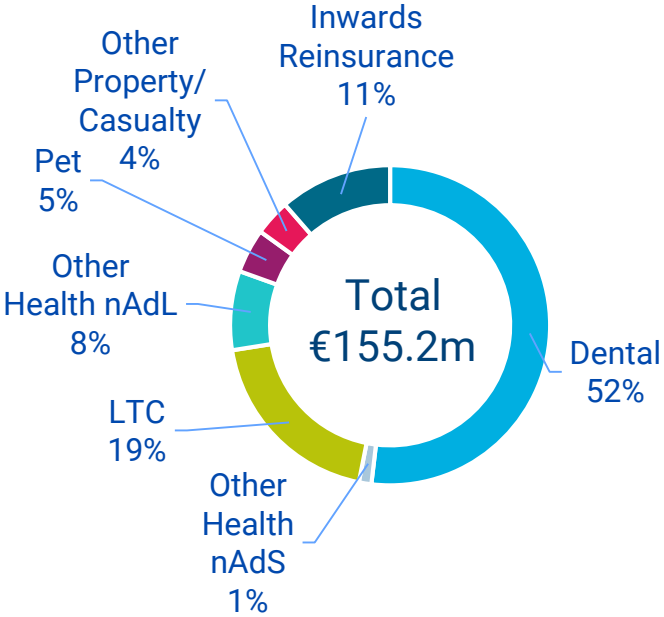
Product mix

Product mix 2020 Product mix 2021



Primary insurance:
Highest absolute growth in Dental, Pet, LTC (Long-term care)

Entry into Inwards Reinsurance as a complementary growth driver

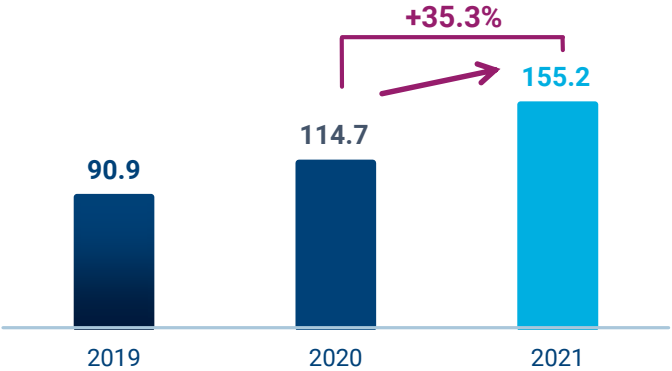


Based on gross written premiums (GWP)
 nAdL: nach Art der Lebensversicherung, calculated as life insurance
 nAdS: nach Art der Schadenversicherung, calculated as non-life insurance

Group result 2021

GWP, business volume and PBT

Gross written premiums (GWP) in € million



Profit before tax (PBT) in € million

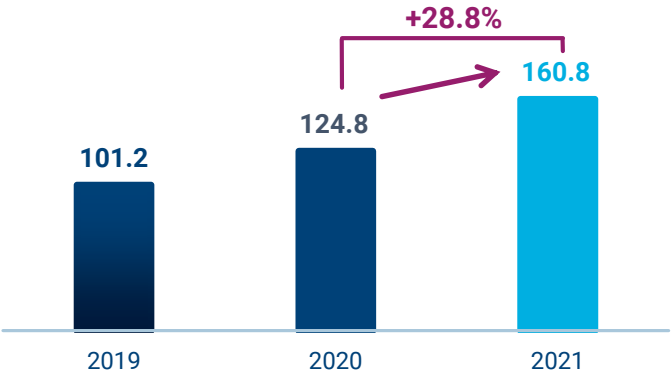


Continued stream of new business volume

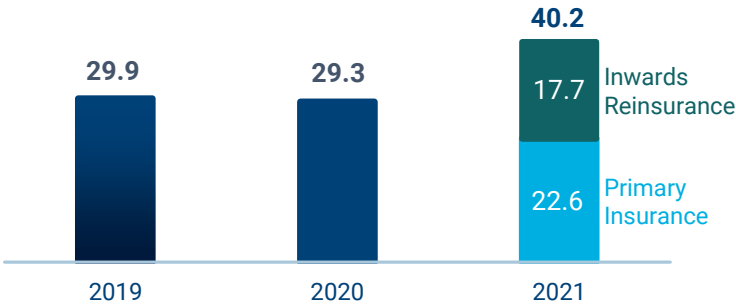
Enhanced cost discipline

Stabilisation measures directed towards structural profitability

Business volume in € million



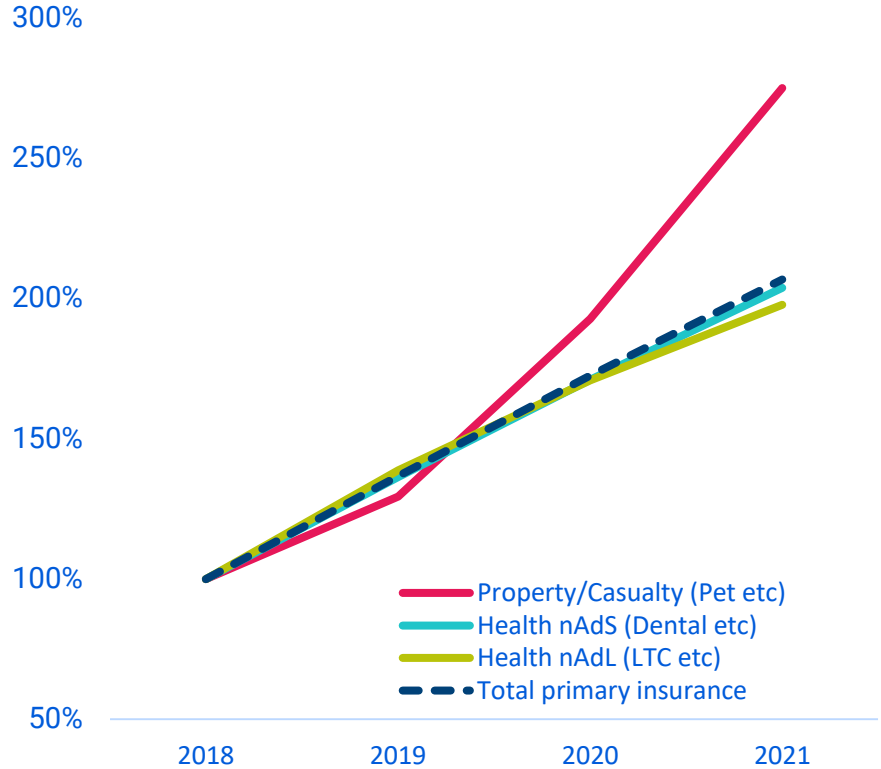
New business volume in € million



Group result 2021

Growth drivers in primary insurance

Growth by product group (indexed, 2018 = 100%)



- 1
CAGR
2018-2021:
+40%
1
Since its market launch in 2019, Pet has maintained its position as a growth driver in **Property/Casualty insurance**.

- 2
CAGR
2018-2021:
+27%
2
Health nAdS with the main product Dental shows continuous growth.

- 3
CAGR
2018-2021:
+26%
3
Health nAdL with the core product LTC (Long-term care) continues to grow favourably, driven by new business and, in part, by moderate premium adjustments in line with regulatory requirements.

For comparison:

- CAGR
2018-2021:
+27%
= Total primary insurance business

- CAGR
2018-2021:
+33%
= Total DFV incl. Inwards Reinsurance (not depicted in graph)

Based on gross written premiums (GWP)
 nAdL: nach Art der Lebensversicherung, calculated as life insurance
 nAdS: nach Art der Schadenversicherung, calculated as non-life insurance
 CAGR: Compound annual growth rate

Group result 2021

Financial performance overview

Statement of comprehensive income

€m	2020	2021	Delta
Gross written premiums (GWP)	114.7	155.2	+40.5
Net earned premiums (NEP)	61.9	87.4	+25.5
Income from capital investments	0.9	10.8	+10.0
Other revenue	0.3	1.0	+0.6
Insurance benefits	-39.5	-58.3	-18.8
Expenses from insurance operations	-30.2	-37.6	-7.4
Other expenses	-3.9	-4.1	-0.2
Operating income	-10.6	-0.8	+9.8
Financing expenses for leases	0.0	0.0	+0.0
Profit before tax	-10.6	-0.8	+9.8
Income taxes	3.1	-0.9	-4.0
Profit after tax	-7.4	-1.7	+5.7
Unrealised gains and losses from capital investments	2.2	-4.1	-6.3
Total comprehensive income	-5.2	-5.8	-0.6
<i>GWP per policy in € - annualised (primary insurance only)</i>	207	240	
<i>Average # of staff</i>	150	178	

1 Continued strong growth in 2021 of 35% (gross) and 41% (net).

2 Significantly improved income from capital investments.

3 Bridge from 2020 to 2021:

Insurance benefits (net) 2020	€-39.5m
Growth effect	€-16.3m
Higher net claims in Dental (e.g. Covid-19 hygiene flat rate, increase in fixed allowance, adjusted reserving policy)	€-3.9m
Other effects	€+1,4m
Insurance benefits (net) 2021	€-58.3m

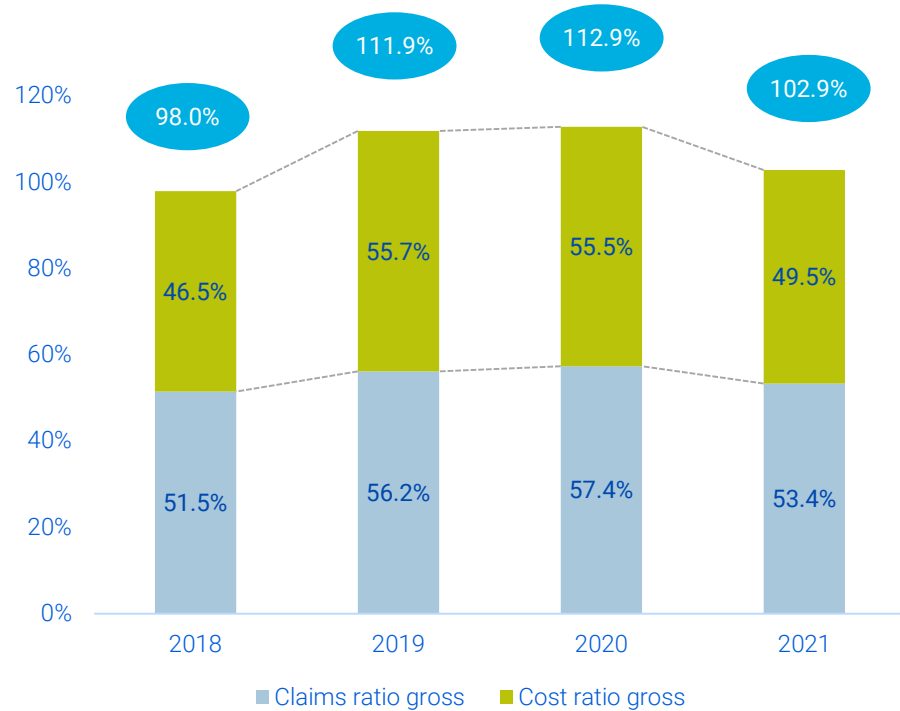
4 Expenses from insurance operations (net) increased by 25% in 2021, significantly below business volume growth of 41% (net) in the same period.

5 Average GWP per policy grew by 16% in 2021 (2019 for comparison: €177).

Group result 2021

Technical result: Property/Casualty, Health nAdS and Inwards Reinsurance

Technical ratios gross, 2018-2021



X.X% = Combined ratio gross

1 2021 vs. 2020: -6.0%

1 In 2021, the **cost ratio** decreased significantly by 6.0%:
 The expenses from insurance operations increased by 29%, compared with a 44% increase in earned premiums.

- Cost reduction measures
- Increased cost discipline
- Lower new business volume in primary insurance
- Scaling effects incl. entry into Inwards Reinsurance

2 2021 vs. 2020: -4.0%

2 Decrease of the **claims ratio** by 4.0% in 2021:
 Claims expenses show an increase of 34% compared to 2020, lower than the increase in earned premiums (+44%).

- Strong profitable growth in Pet
- Entry into Inwards Reinsurance
- Likewise, the claims ratio in Dental increased

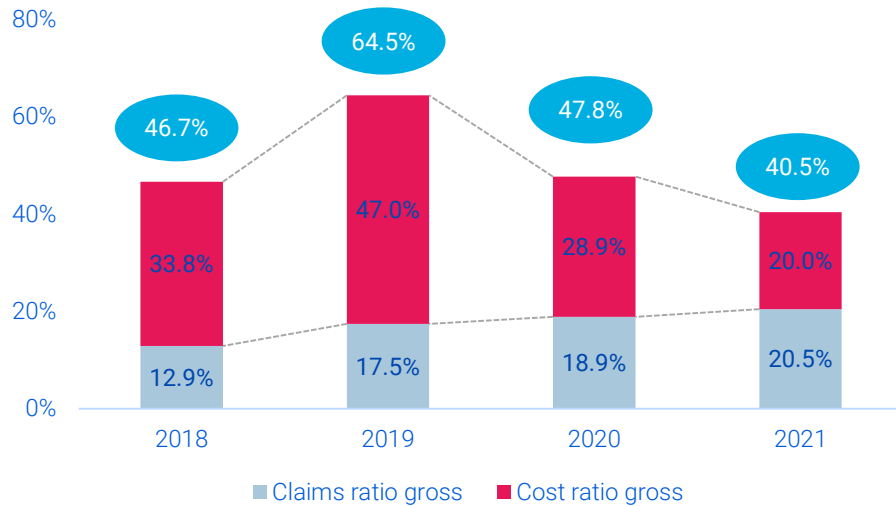
GROSS OF REINSURANCE CESSIONS

Claims ratio gross: Without allocation to the actuarial reserve
 nAdS: nach Art der Schadenversicherung, calculated as non-life insurance

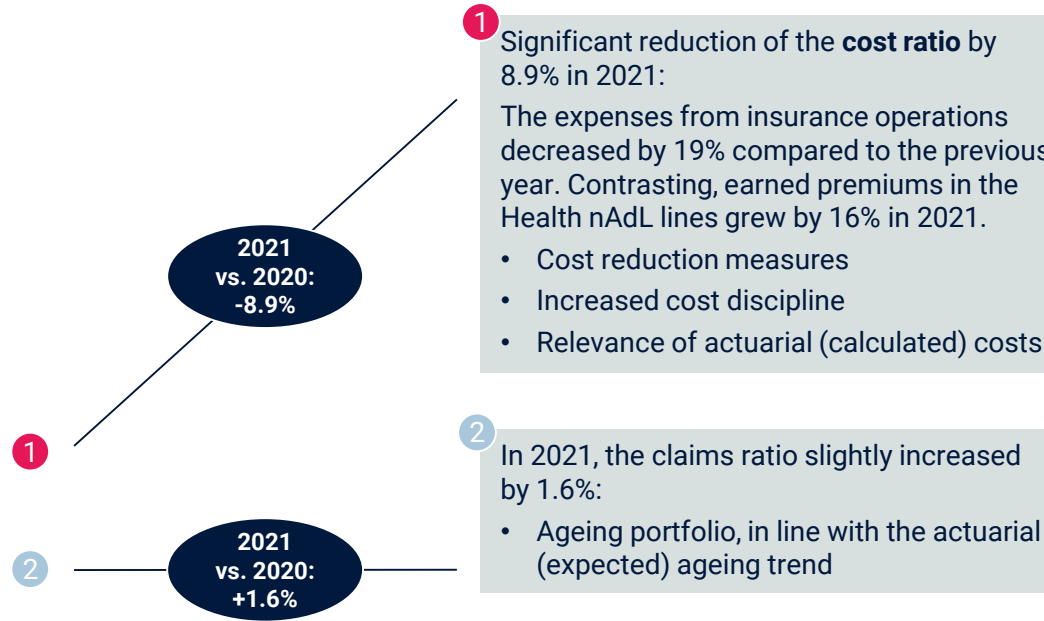
Group result 2021

Technical result: Health nAdL

Technical ratios gross, 2018-2021



X.X% = Combined ratio gross



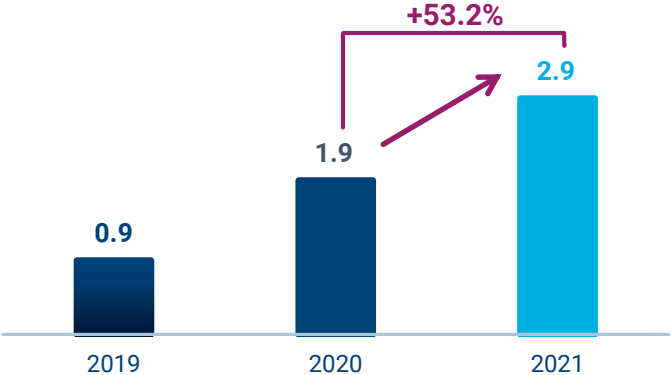
GROSS OF REINSURANCE CESSIONS

Claims ratio gross: Without allocation to the actuarial reserve and without allocation to the provision for premium refunds
nAdL: nach Art der Lebensversicherung, calculated as life insurance

Group result 2021

Income from capital investments

Current revenue from investments in € million



Asset allocation at the end of the period, 2020-2021



Focus on current revenue from investments: The asset allocations implemented in DFV's master funds focus on current revenue. The entry into real estate investments contributes to this.

Security assets Health nAdL (calculated as life insurance): The net interest on capital investments was 2.62% in 2021, compared to 2.50% in 2020.

Net interest on capital investments: Average interest rate acc. to Sec. 19 German Health Insurance Supervision Ordinance (Krankenversicherungsaufsichtsverordnung). Asset allocation: 2020 (inner ring) and 2021 (outer ring; with percentages)

Group result 2021

Financial position

Consolidated balance sheet

€m	2020	2021	Delta
Intangible assets	8.8	7.2	-1.7
Rights of use for property pursuant to IFRS 16	1.4	0.7	-0.6
Investments	135.1	180.8	+45.7 ¹
Deposits retained on assumed reinsurance business	0.0	4.9	+4.9
Receivables	4.1	8.2	+4.1
Current bank balances	37.8	4.3	-33.5 ²
Share of reinsurers in underwriting provisions	55.9	68.1	+12.3
Tax receivables	5.0	8.2	+3.2
Other assets	2.6	1.6	-1.0
Total assets	250.6	284.1	+33.4
Gross underwriting provisions	91.1	123.0	+32.0
Other provisions	3.4	2.1	-1.3
Liabilities	65.3	73.8	+8.5
Tax liabilities	0.0	0.0	+0.0
Total debt	159.8	198.9	+39.2
Equity	90.9	85.1	-5.7 ³

1 Set of measures for capital investments

- a. Implemented a second master fund;
- b. Defined and established strategic asset allocations;
- c. Integrated Real Estate as a supplementary asset class;
- d. Established in-house expertise (Head of Investments, since May 2021)

2 Re-allocated surplus funds to capital investments, based on a liquidity management implemented in the Finance Function.

3 Bridge from 2020 to 2021:

Equity 2020	€90.9m
Profit before taxes	€-0.8m
Income taxes	€-0.9m
Unrealised gains/losses from capital investments (OCI)	€-4.1m
Equity 2021	€85.1m

Group result 2021

The path of the Finance Function in 2021



Transformation

- Upscaled the Finance Function, incl. Investments, Controlling, Actuarial
- Developed further management information instruments
- Implemented an initial asset liability management (ALM) concept
- Decided on an IFRS 17/IFRS 9 transition plan

Regulatory

- Obtained independent confirmation on DFV's appropriate actuarial approach
- Aligned the investment strategy with relevant regulatory requirements
- Refined the process documentation in various areas
- Implemented an approach anticipating emerging regulatory issues

Group result 2021

Regulatory

EXEMPLARY

Shareholder Rights Directive II, transposed at national level (ARUG II)

- Objective: To improve the participation of shareholders.
- Material transactions of a listed company with its related parties (so called **Related Party Transactions**) require the prior consent of the supervisory board or a committee established for this purpose (Sec. 111b(1) AktG); in force since 2020.
- Listed companies are obliged to prepare a **remuneration report**, Sec. 162 AktG; for the first time for 2021.

OK

OK

German Act to Strengthen Financial Market Integrity (FISG)

- Objective: To strengthen confidence in the German financial market.
- Regulates the **composition of the supervisory board** of so called 'companies of public interest': At least one member of the supervisory board must have expertise in the field of accounting and auditing, respectively; applicable for new appointments as of 1 July 2021.
- Mandatory implementation of an **audit committee** for 'public interest entities'; effective from 1 January 2022.

OK

OK

Corporate Sustainability Reporting (CSR) Directive

- Objective: To contribute to the implementation of the 2015 Paris Climate Agreement.
- Proposal to amend the **CSR Directive** of April 2021 with an expanded group of reporting entities; integration into the Management Report (Lagebericht) with an audit requirement; expanded scope of application for the first time for 2023.
- The relevant **Taxonomy Regulation**, specified by delegated act in 2021, must also be taken into account.

OK

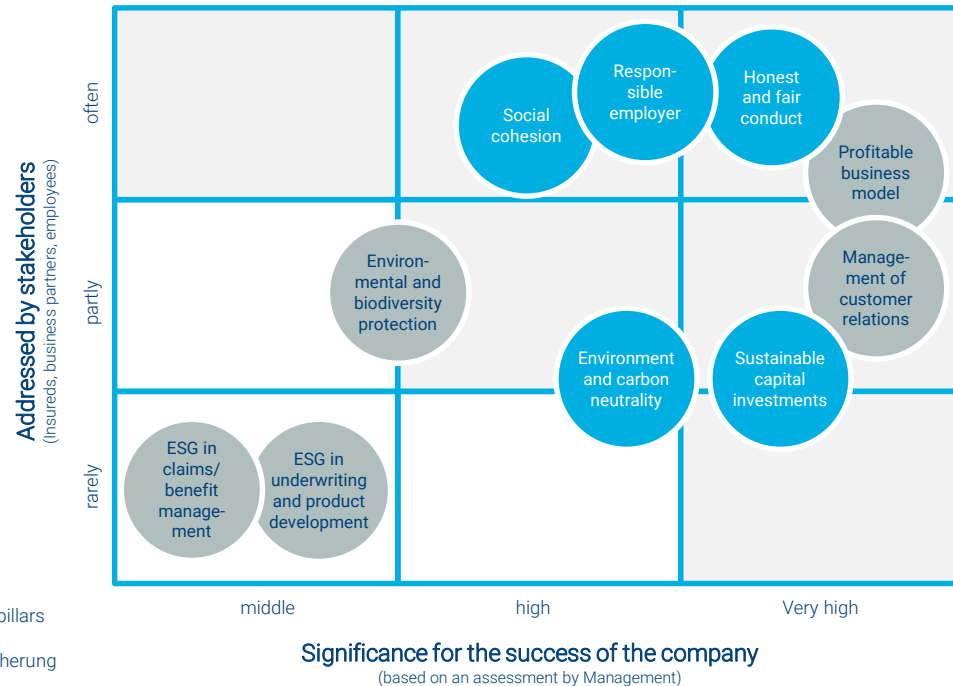
OK

 = Implemented by DFV

Group result 2021

Corporate sustainability reporting

Results of DFV's 2021 stakeholder survey



● Sustainability pillars of Deutsche Familienversicherung

● Further fields of action

ESG: Environmental, social, governance

- DFV conducted a **materiality analysis** for the first time in 2021:
 - Requirements of the future amended Corporate Social Responsibility (CSR) Directive
 - Based on the Global Reporting Initiative (GRI) standard
- Personal interviews and online survey of the stakeholder groups **insureds, business partners and employees**.
- Materiality of fields of action **with regard to DFV's business model**.
- Produced the first **DFV Sustainability Report**, integrated into the 2021 Group Annual Report.

First materiality analysis in 2021 by surveying DFV's relevant stakeholders:



Insureds

&



Business partners

&

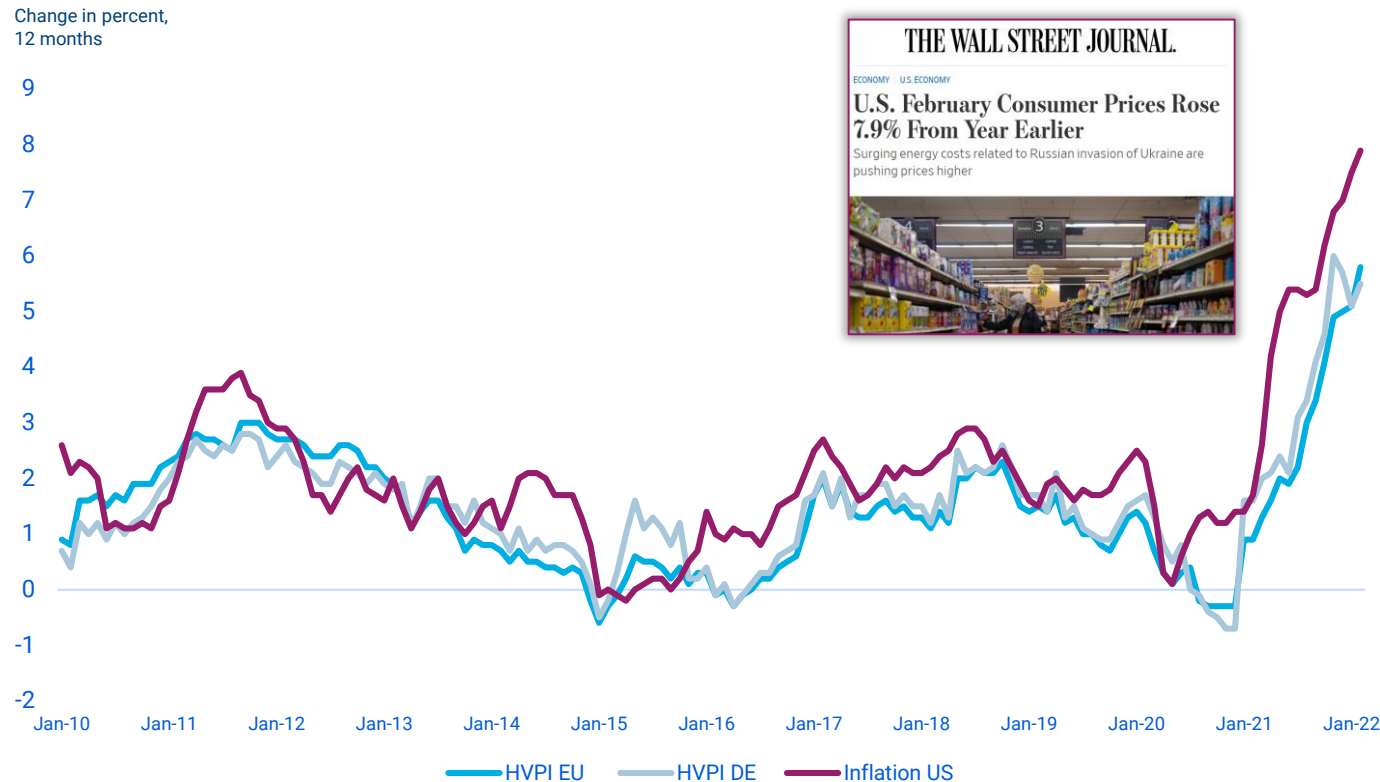


Employees

Group result 2021

Inflation & interest rates

Inflation in EU, DE and US since 2010

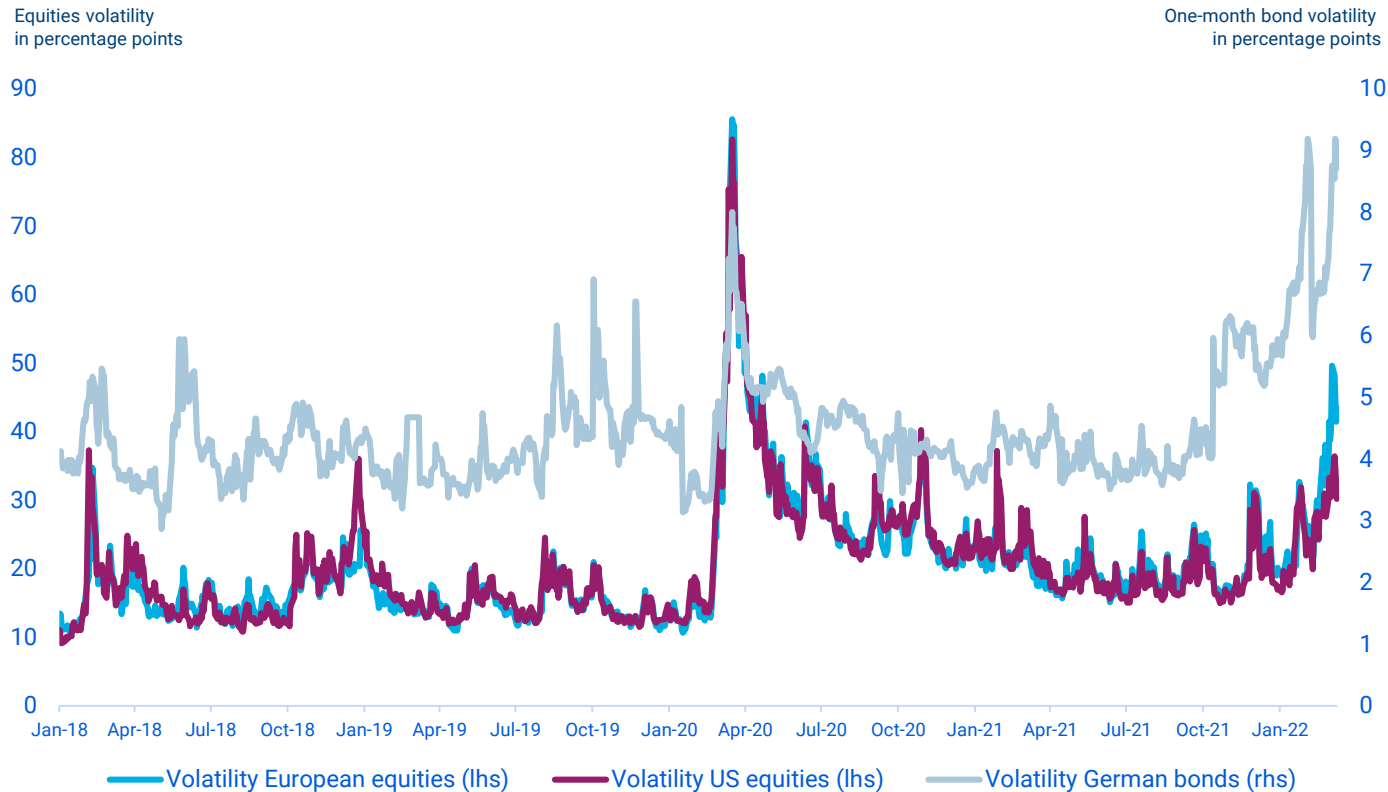


- Significantly **increased inflation rates**:
 - In operational business, potential impact on growth and policy cancellations as well as on claims/benefits level
 - Premium adjustments, prudent reserve policy
 - Stronger: Effect on investments, especially bonds
- Mitigating measures in the **investment portfolio** with respect to inflation and interest rate increases, incl.:
 - Investment in inflation-indexed bonds ('linkers')
 - Partial hedging of interest rate risk and equity risks via a tactical overlay
- In **new capital investments**, the initial yields increase – chances of an attractive portfolio return.

Group result 2021

Ukraine war

Historical volatility, equities and bonds, since 2018



lhs: Left-hand scale
rhs: Right-hand scale
SCR: Solvency capital requirement
Euro Stoxx 50 Volatility Index (European equities) ; Chicago Board Options Exchange Volatility Index (US equities); 50:50 mix of Historic Implied Call und Put 1 month delta 50 Volatility (Bund Future, bonds)
Source: Bloomberg

- So far **moderate impact** on DFV's financial position.
- **No direct exposure** to Russia/Ukraine.
- **Volatility** in the capital market increased significantly, especially for bonds.
 - Sovereign bonds: Moderate, unrealised market value declines due to interest rate rise, partially hedged
 - Corporate bonds: Slight spread widening, focus on investment grade
 - Equities: Value development due to hedging and tactical quota management with moderate declines
 - Real estate: So far no negative impacts, stabilising effect
- **Solvency position** is currently not critical, due to DFV's robust SCR coverage.

Group result 2021

Forecast 2022 and summary

- Various challenges mastered – 2021 was a **successful financial year** with **35% growth**.
- Important foundations laid for a **transformation** towards profitability, acknowledging the high degree of regulation in DFV's relevant market.
- DFV's competitive position benefits from the strong growth in Property/Casualty lines and the new Inwards Reinsurance, not giving up the high degree of **specialisation**.
- 2022 will be marked by further **automation initiatives** and a **repositioning of product distribution**.
- Significant further **growth potential** – underpinned by the **2022 forecast** with a planned group profit before taxes of €0-1 million.
- The Ukraine war represents a factor of increased uncertainty.



3. DFV-Strategy 2022

Stefan Knoll
CEO

Even if our share price does not express what we hoped for, we are the only listed InsurTech in Europe and as such the most successful one

Over the past 15 years, we have achieved the following:

- ✓ 155.2 million EUR gross written premiums
- ✓ 573,981 contracts
- ✓ Offer the best health, long-term care and property insurances
- ✓ Grow fast and above average
- ✓ Are structurally profitable

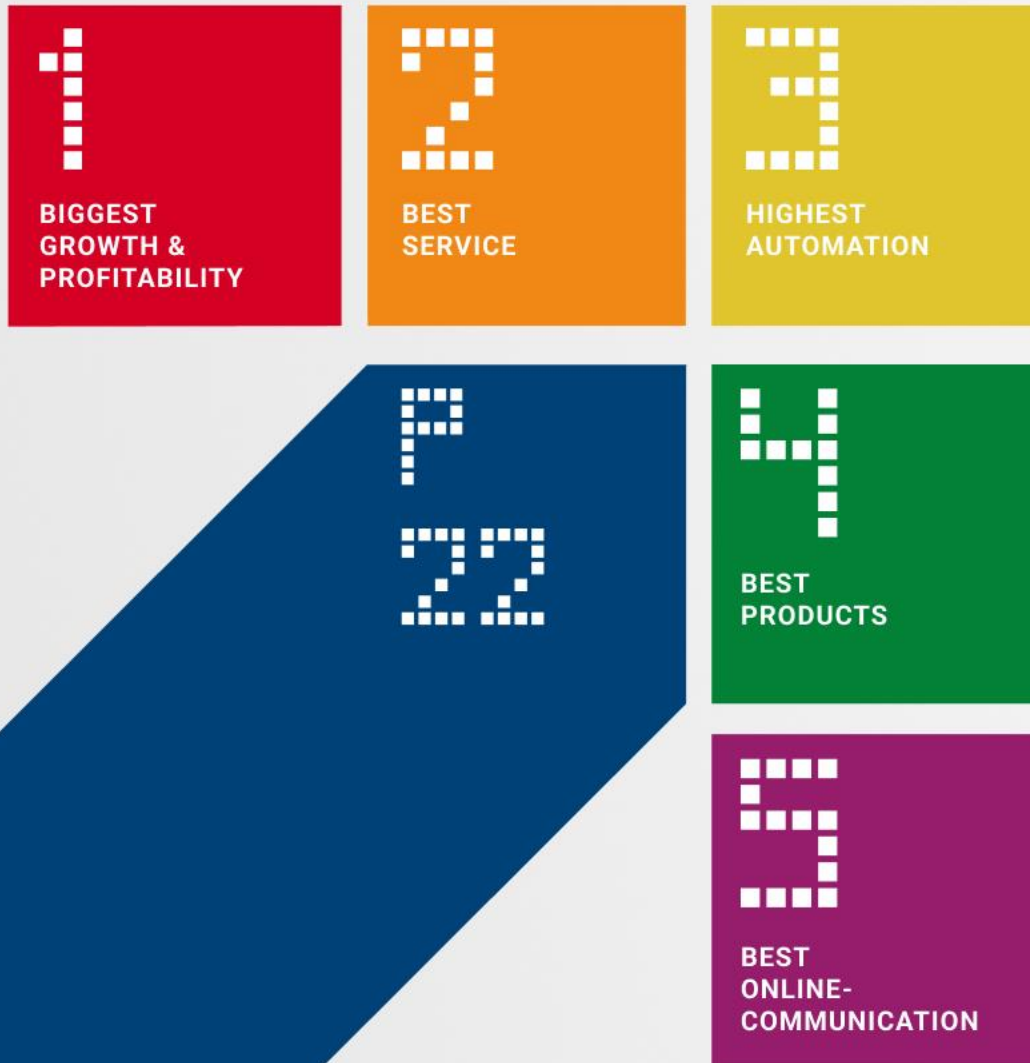
Strong growth requires permanent stabilisation of the foundation.



DFV as a profitable insurance company

Operating result according to IFRS

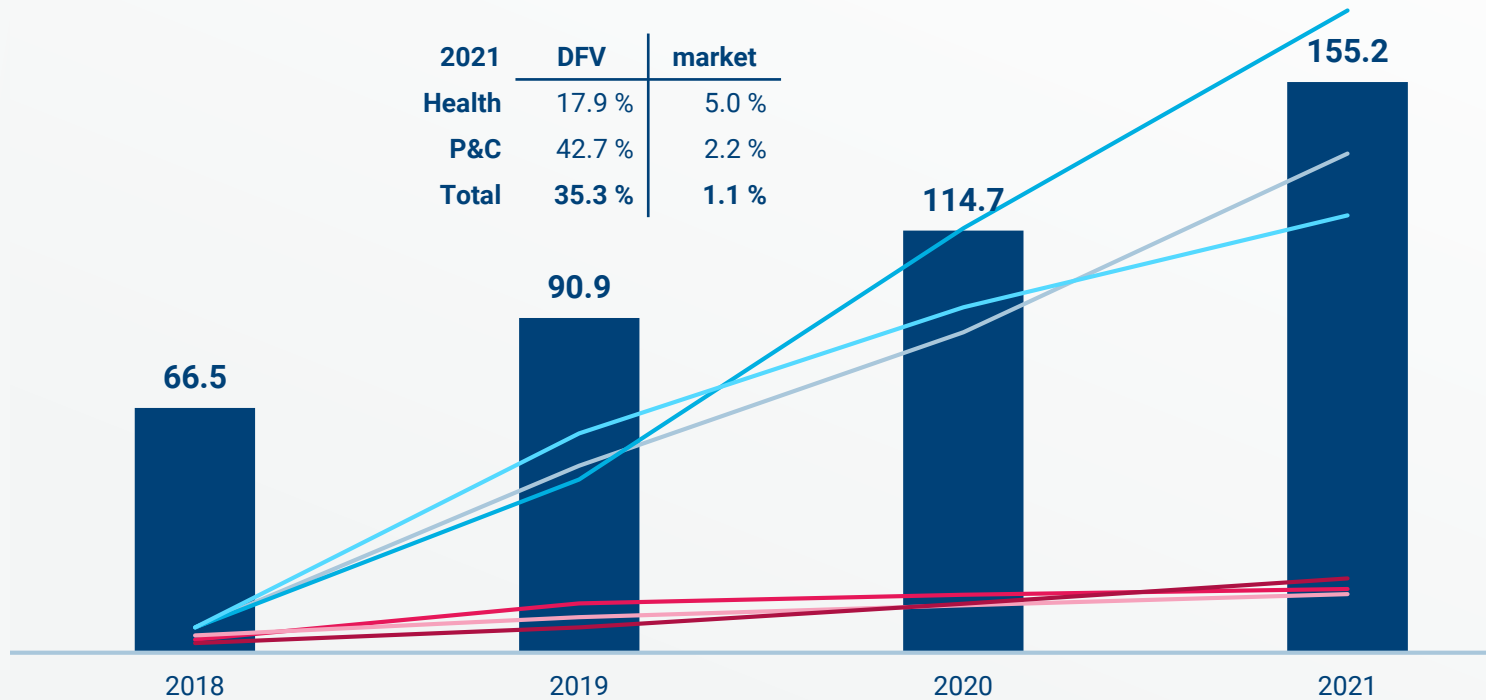
Figures in millions	FY 2021	
Gross written premiums	€ 155.2	Premiums from primary insurance and reinsurance business
Net earned premiums	€ 88.3	
Insurance benefits	€ -51.7	
Operating result I	€ 36.6	Structural profitability
Expenses	€ -17.3	
Operating result II	€ 19.3	Growth investments
Sales expenses	€ -30.9	
Operating result III	€ -11.6	Profit before taxes
Income from capital investments	€ 10.8	
Operating result IV	€ -0.8	



In order to further develop Deutsche Familienversicherung, we have launched Project 22 and have already been implementing it since calendar week 2.

The biggest growth in the industry

DFV has been growing far above the market average since the IPO



Focus on:

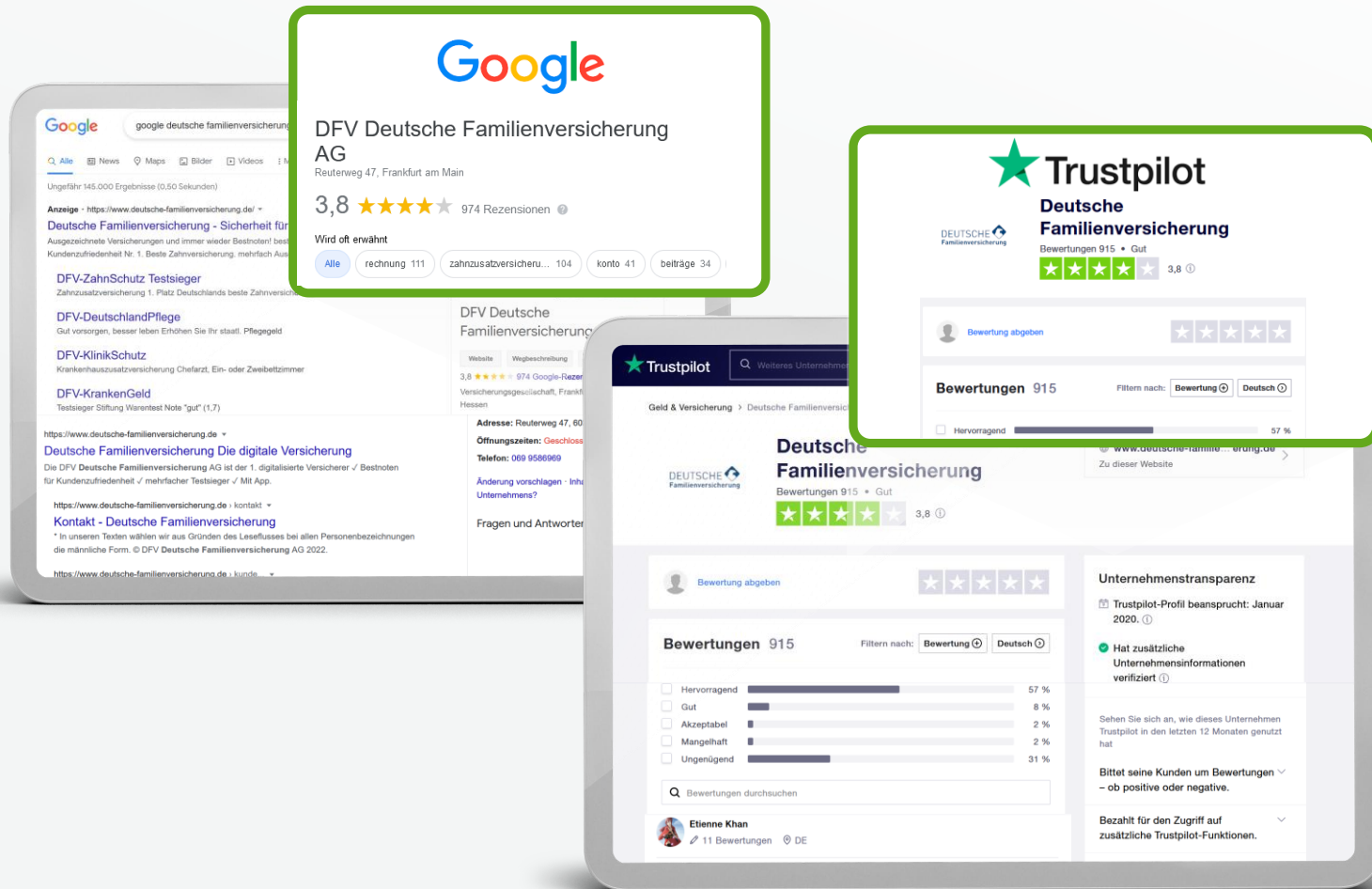
- Online sales,
 - DRTV and
 - Direct sales
- with cross- and up-selling potential

■ DFV: Gross written premiums in million EUR
— DFV: Annual growth rate in %
— DFV: Growth rate P&C insurance in %
— DFV: Growth rate in supplementary health insurance in %
— Market*: Annual growth rate in %
— Market: Growth rate P&C insurance in %
— Market: Growth rate supplementary health insurance in %

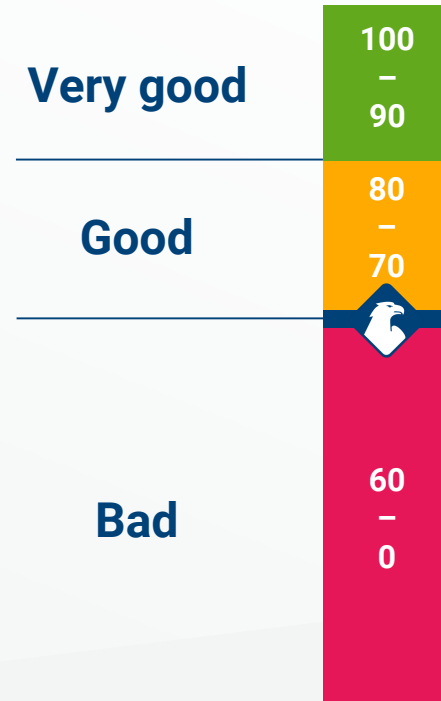
* Source: GDV preliminary business figures for 2021, 21.01.2022

The best customer service in the industry

Transparency in customer satisfaction through hard-hitting evaluations of our customers and not through soft seals



Net Promoter Score

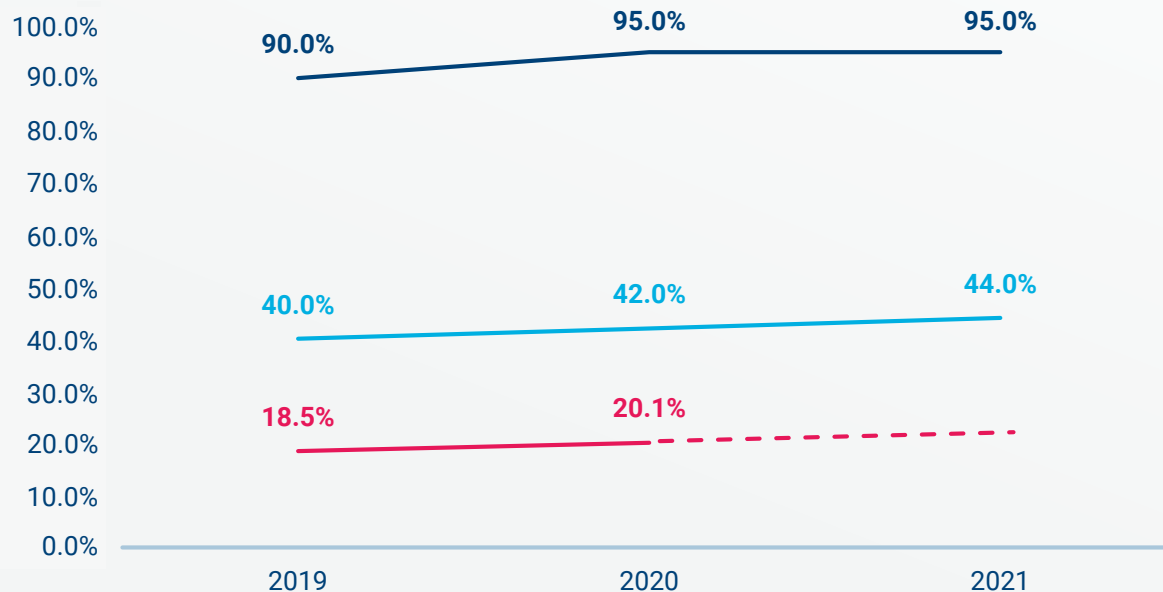


The highest automation rate in the industry*

One step ahead of the industry in automation - almost 100 percent automatic policing



Increasing automation rate of claims processing in supplementary health insurance - already at 55% for dental insurance



- DFV: Automation rate supplementary health insurance
- DFV: Automation rate policy insurance
- Market**: Automation rate health insurance

* In supplementary dental and animal health insurance

** Source: Industry data, GDV IT survey 2021



Prof. Dr. Knoll (TU Munich)

The best insurance products in the industry

Multiple test wins for excellent product quality and launch of new products in 2022



12 test wins at Stiftung Warentest in the past 10 years

<p>DFV-DentalCare</p>	<p>TESTSIEGER</p> <p>Stiftung Warentest Finanztest</p> <p>SEHR GUT (0,5)</p> <p><small>(ZahnSchutz Exklusiv 100)</small></p> <p>Im Test: 244 Zahnzusatzversicherungen</p> <p>Ausgabe 04/2021 www.test.de</p> <p>1</p> <p>6xtest winner</p>	<p>DFV-Long-TermCare</p>	<p>TESTSIEGER</p> <p>Stiftung Warentest Finanztest</p> <p>GUT (1,6)</p> <p><small>(DFV-DeutschlandPflege Flex)</small></p> <p>Im Test: 33 Pflegegeldtarife</p> <p>55-jähriger Modellkunde Modell 1</p> <p>Ausgabe 02/2020 www.test.de</p> <p>1</p> <p>3xtest winner</p>
<p>DFV-ClinicCare</p>	<p>TESTSIEGER</p> <p>Stiftung Warentest Finanztest</p> <p>SEHR GUT (0,8)</p> <p><small>Aktuelles Preis-Leistungs-Verhältnis (KlinikSchutz Premium)</small></p> <p>Im Test: 24 Zweibettzimmer tarife</p> <p>Ausgabe 07/2020 www.test.de</p> <p>1</p> <p>2xtest winner</p>	<p>DFV-Liability Protection</p>	<p>TESTSIEGER</p> <p>Stiftung Warentest Finanztest</p> <p>SEHR GUT (0,6)</p> <p><small>(DFV-HaftpflichtSchutz)</small></p> <p>Im Test: 363 Familientarife mit Privathaftpflichtschutz</p> <p>Ausgabe 10/2021 www.test.de</p> <p>1</p> <p>1xtest winner</p>

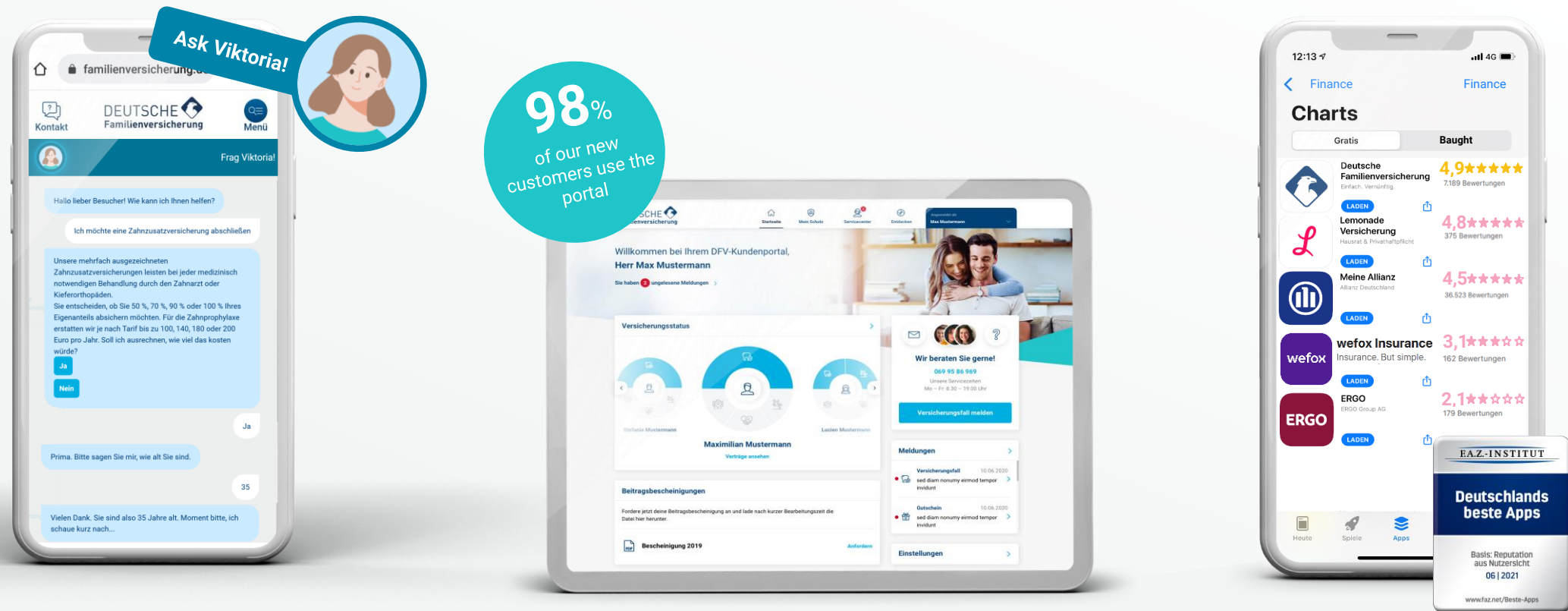
New products and product innovations at DFV 2022

<p>DFV-PetHealth Operation Protection</p>	<p>NEW</p>	<p>DFV-Accident Protection</p>	<ul style="list-style-type: none"> ✓ Simpler terms and conditions ✓ Recalculated product
<p>DFV-DentalCare</p>	<p>✓ Instant dental protection</p>	<p>DFV-Life with market entry as of 01.10.22</p>	<p>NEW</p>

The best online communication in the industry

Mobile First for real-time requests and 24/7 accessibility with the best chatbot* without paper and telephone as regular communication

BEST
ONLINE-
COMMUNICATION



* Study conducted by Aalen University: <https://www.hs-aalen.de/de/news/3623>

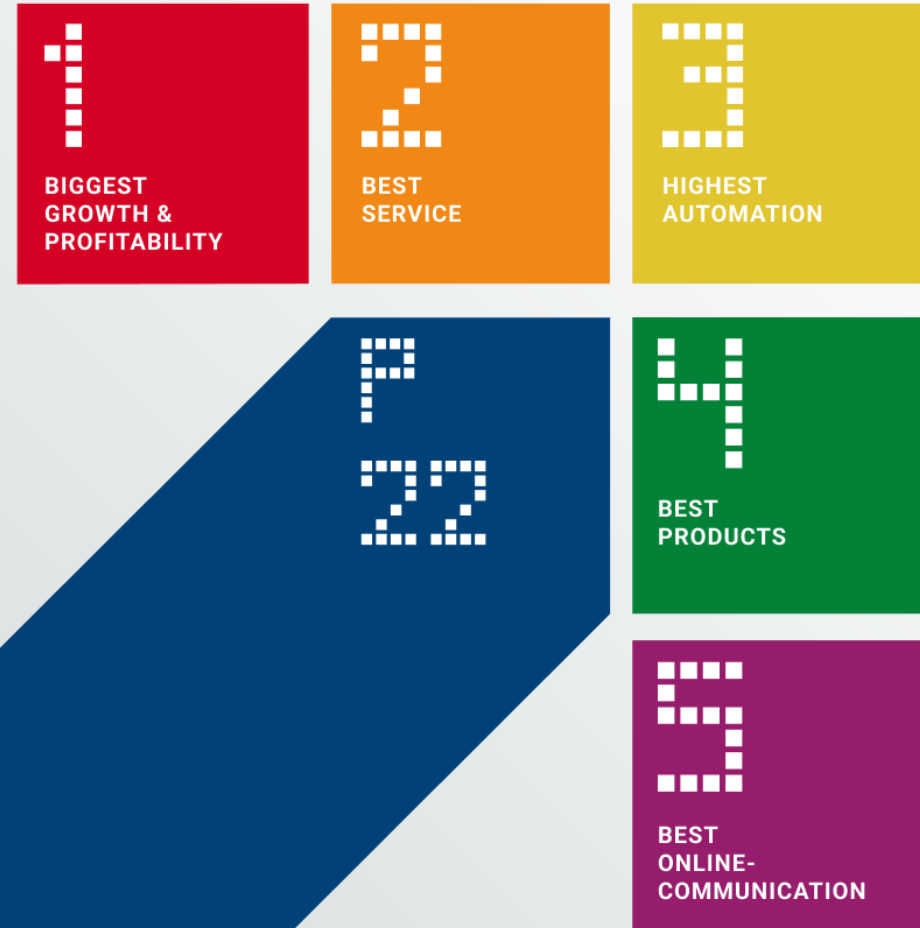
Summary

We are sticking to our goal of profitability!

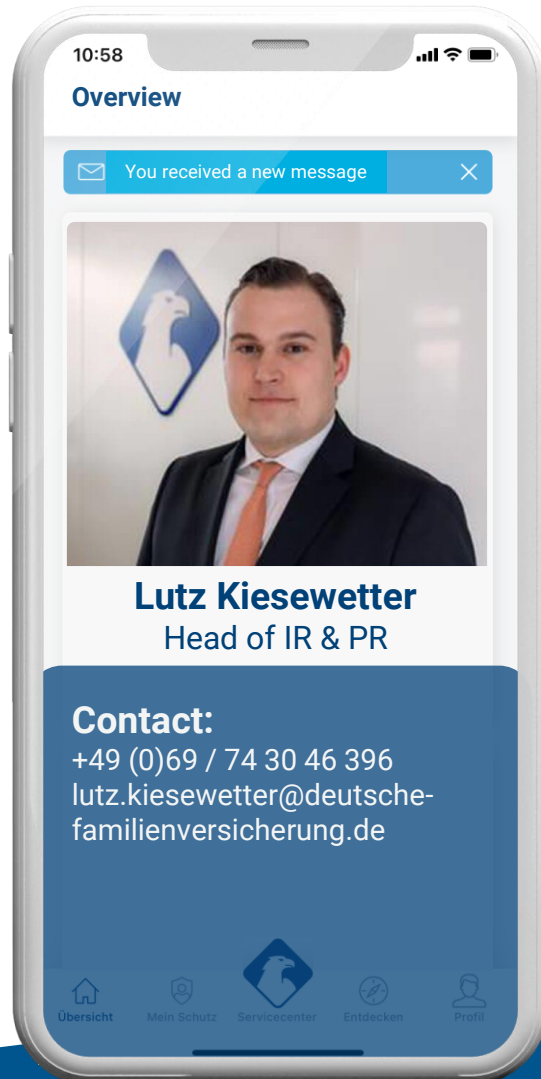
Otherwise, the following applies for the year 2022:

- ✓ Biggest growth
- ✓ Best customer service
- ✓ Highest automation
- ✓ Best Products
- ✓ Best online communication

We will be measured against this.



DFV remains exciting – Let's talk about it



Our next IR events

10 May 2022	Conference KBW InsurTech Day
18 May 2022	Webcast Publication quarterly financial report (Q1)
19 May 2022	Conference Stifel German SMID Cap Forum
25 May 2022	Virtual event Annual General Meeting

DEUTSCHE 
Familienversicherung