



The leading digital insurance company

DFV Deutsche Familienversicherung AG
FRANKFURT/ MAIN | 18th of June 2020

Agenda

- **Who we are**
- **What makes us different**
- **Numbers Q1 2020**
- **Impact of COVID-19**
- **Where we want to go**

Who we are

The first digitalised insurer on the German market

& the first functioning InsurTech in Germany from Frankfurt/Main



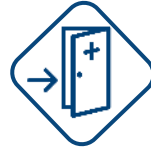
What makes us different

Easy, understandable products

Our 16x-matrix health



DFV-DentalCare



DFV-OutpatientCare



DFV-InpatientCare



DFV-LTC

	DFV-DentalCare	DFV-OutpatientCare	DFV-InpatientCare	DFV-LTC
★ Basis	50% Refund on all dental treatment	Precautionary consultations Refund of vaccinations and social co-payment	Diseases due to external influences (eg. accident)	25% of the governments monthly care allowance
★★ Komfort	70% Refund on all dental treatment	Precautionary consultations Refund of up to € 3,000 for particular illnesses	Diseases due to external influences and serious illnesses	50% of the governments monthly care allowance
★★★ Premium	90% Refund on all dental treatment	Precautionary consultations Refund of up to € 6,000 for particular illnesses	Health issues regardless of the cause	75% of the governments monthly care allowance
★★★★ Exklusiv	100% Refund on all dental treatment	Precautionary consultations Refund of up to € 12,000 for particular illnesses	+ exclusive assistance services	100% of the governments monthly care allowance

Easy, understandable products

Our 16x-matrix p & c



DFV-HouseholdProtect



DFV-LiabilityProtect



DFV-AccidentProtect



DFV-TrafficLegalProtect

★ Basis	€ 32,500 sum insured 50m²	€ 20 million sum insured single, € 300 excesses	€ 50,000 in case of total disability € 5,000 immediate benefits	€ 2 million sum insured single, € 300 excesses
★★ Komfort	€ 48,750 sum insured 75m²	€ 20 million sum insured family, 300 € excesses	€ 162,500 in case of total disability € 10,000 immediate benefits	€ 2 million sum insured family, € 300 excesses
★★★ Premium	€ 65,000 sum insured 100m²	€ 20 million sum insured single, without excesses	€ 337,500 in case of total disability € 15,000 immediate benefits	€ 2 million sum insured single, without excesses
★★★★ Exklusiv	€ 97,500 sum insured 150m²	€ 20 million sum insured family, without excesses	€ 600,000 in case of total disability € 20,000 immediate benefits	€ 2 million sum insured family, without excesses

Confirmation of our product quality by Stiftung Warentest

We achieved the development of 'very good' digital products in 2019 with only 122 employees.



For the 5th time in a row, we are the test winner in supplementary dental insurance with Stiftung Warentest.



We became the winner of the Stiftung Warentest test in the tariffs:

- DFV-Long-termCare,
- DFV-DentalCare,
- DFV-SickPayCare,
- DFV-InpatientCare.



Stiftung Warentest is the most well known, semi official, testing formation in Germany.



5th time in a row: test winner in supplementary dental insurance

For the 5th time in a row, DFV AG has been awarded the product 'DFV–DentalCare Exclusive 100' as test winner by Stiftung Warentest. We will continue to focus on excellent product quality in 2020.



A digital insurance platform for all needs

Business processing in real time

- We have developed a digital insurance platform that enables us to **process business transactions in real time**.
- For this purpose, we use **artificial intelligence** together with an **event-based process engine** and flexible interfaces.
- The result is the **optimal integration** of our **DFV insurance application** and our customer portal.
 - **For our customers this means:**
Contract adjustments and feedback in a simple way.
 - **For us this means:**
Fast product implementations on the market and the implementation of product changes within a few hours.



Java- and event-based core system

Easy, understandable products and smart processes need a powerful IT-system.
Therefore we developed the 'product module editor'.

Interfaces



Contract creation

Documents



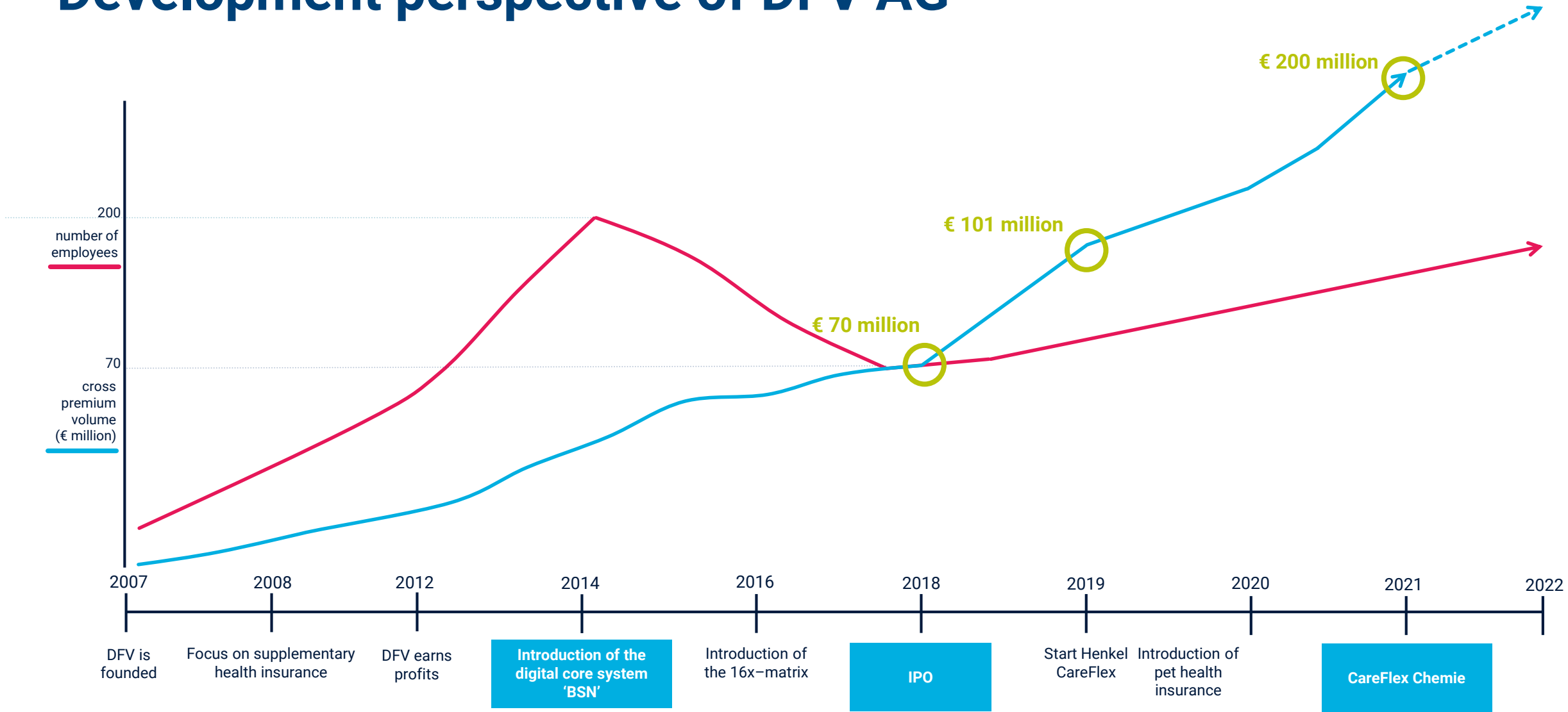
Claim service

Nr.	Produkt	Typ	Vorgabe	Status	Eingabe	Condition	VSKM	Rang
1	DFV-Sachversicherung							1
<input checked="" type="checkbox"/>	2	ZB332	ZB3		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10
<input checked="" type="checkbox"/>	3	ZB3	ZB3	2005	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12
<input checked="" type="checkbox"/>	4	ZB3	Test	2005-01	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13
<input checked="" type="checkbox"/>	5	Produktversicherung	Test		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14
<input checked="" type="checkbox"/>	6	DFV-Zurückzahlung	Test	DFV-Zurückzahlung	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	100
	7	Wohnungswende						10
<input checked="" type="checkbox"/>	8	Wohnungswende	ZB3	100	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1100
	14	Wohnungswende						10010
	17	Wohnungswende						10020
	18	Wohnungswende						10030
<input checked="" type="checkbox"/>	42	Produktversicherung	Autos	JK	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1200

All our insurance products cover more than 1,500 input options so that the entire user interface, correspondence and policies handling is controlled centrally.

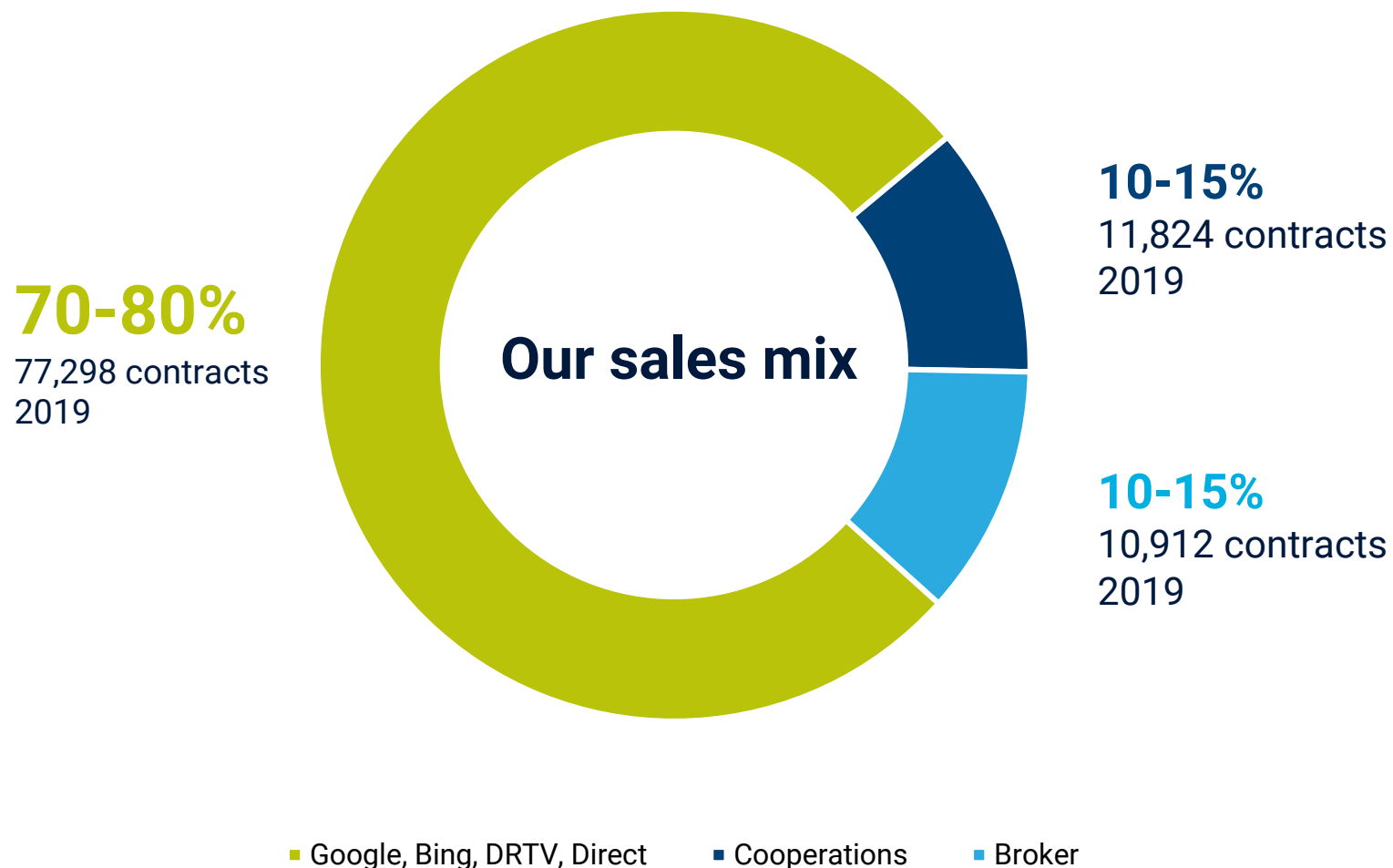
The core system was developed in-house and the source code belongs to DFV.

Development perspective of DFV AG



Innovative technology enables scalable growth!

Our multi-channel sales mix provides a solid foundation for our growth ambitions



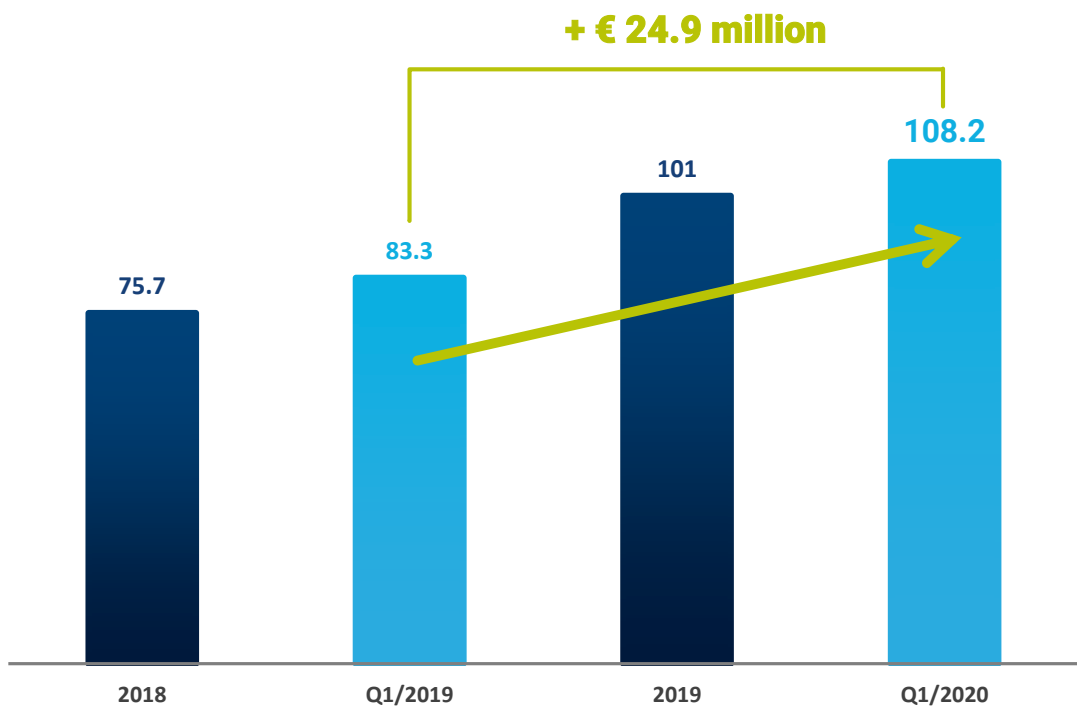
**In online sales (70-80%)
we are superior to all of them:**

- We do not need house calls.
- We do not infect anyone.
- We distribute through home offices.
- We offer insurance products that are easy to understand.

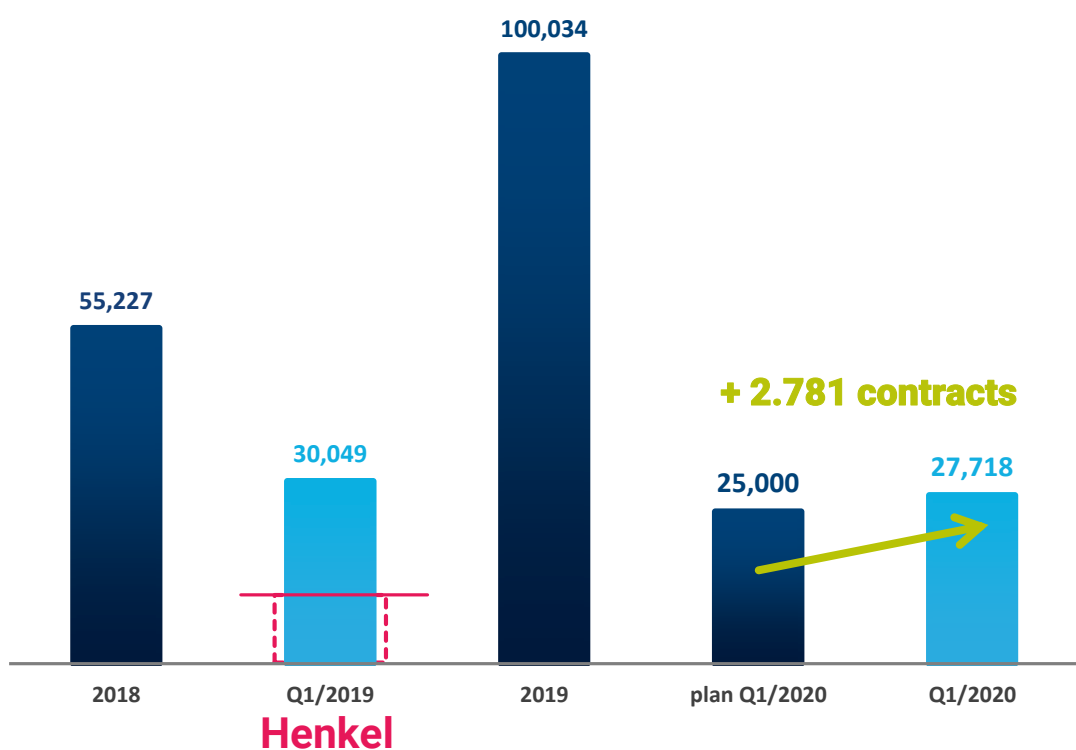
Numbers Q1 2020

Fullfilling our annual targets - Q1 2020 target growth

Premium volume in € million

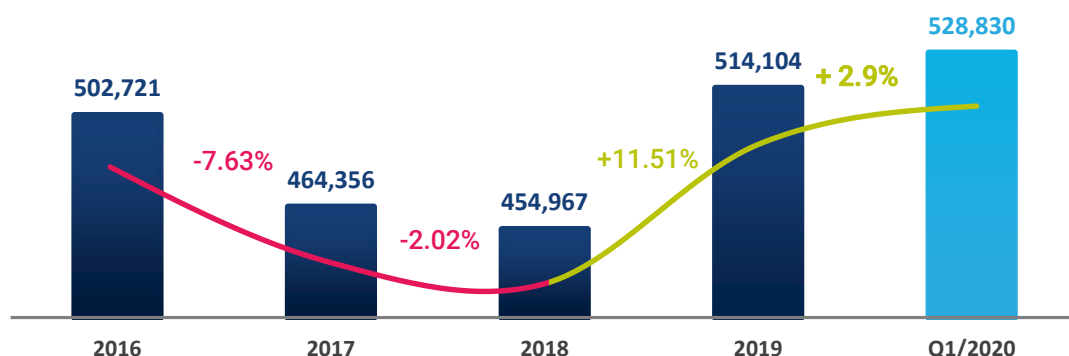


New business (numbers of contracts)

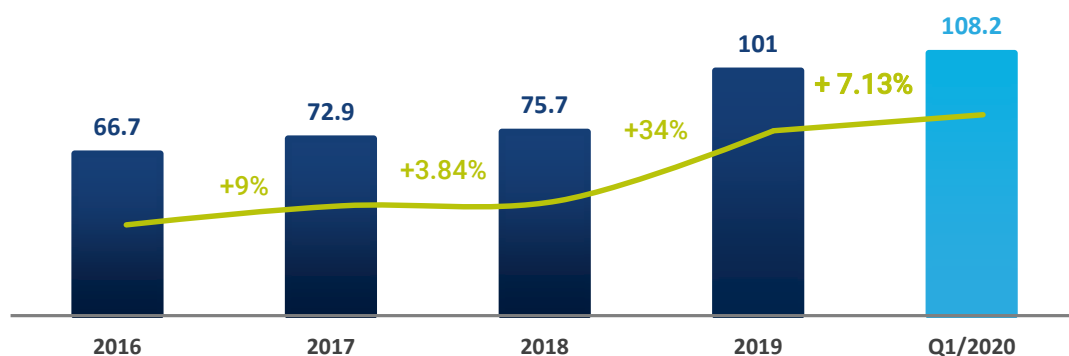


Development of existing business 2016 – Q1 2020

Contracts development (number of contracts)



Premium volume in € million



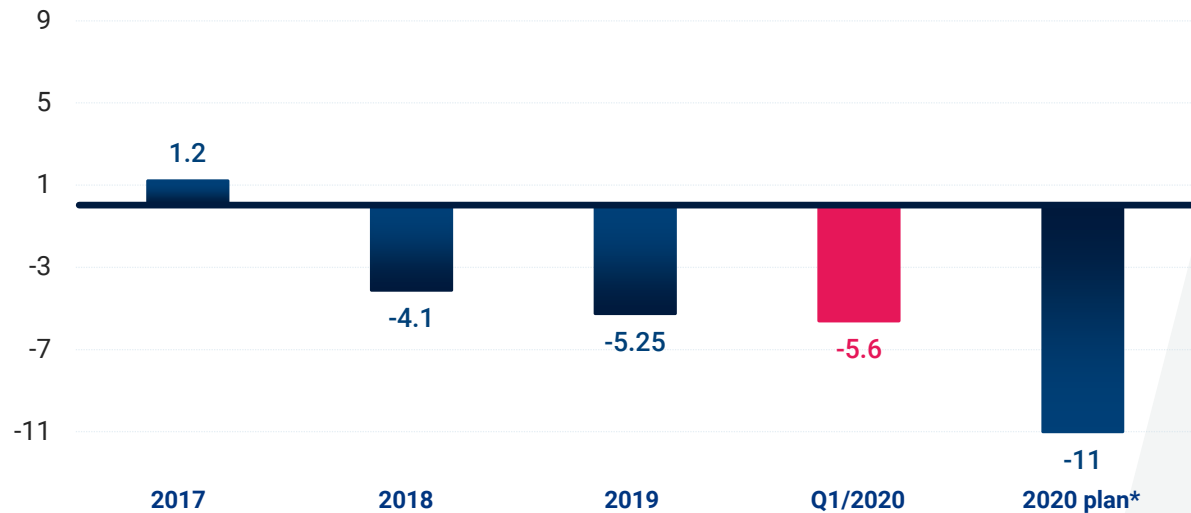
The reasons for the excellent development are:

- As a result of the successful new business **the contracts increased by 2.9 percent to about 529 thousand contracts at the end of Q1 2020** (31.12.2019: about 514 thousand contracts).
- In Q1 2020, **new business in the property insurance line increased significantly** (Q1 2020: 7,031 contracts, Q1 2019: 1,004 contracts). This was mainly due to the successful marketing of the pet insurance and revised liability insurance policies introduced in 2019.
- The newly generated premium volume totalled € 8.6 million** (Q1 2019: € 10.3 million). In percentage terms, the premium volume increased by 7.13% compared to 31.12.2019.

Q1 results 2020

Revenue development 2017 – Q1 2020

EBIT before taxes



As planned, Deutsche Familienversicherung closed the first quarter of 2020 with a loss.

* € -9–11 million

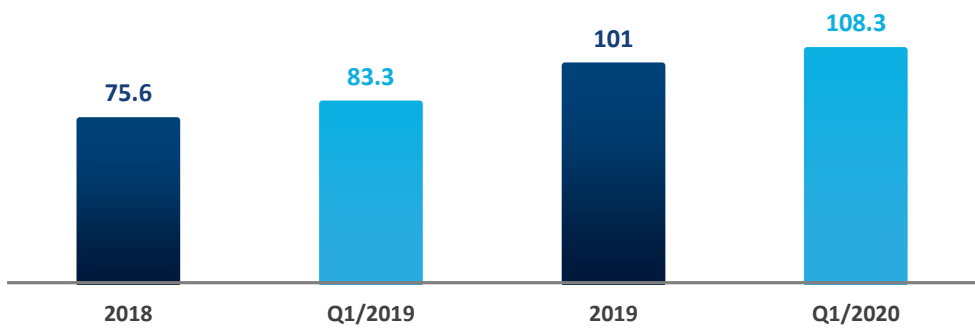
DFV closed Q1 2020 with a loss of € -5.6 million (IFRS). **The planned profit and loss account, loss according to IFRS before taxes, was € -2.5 million.**

The decline is mainly due to a realized loss of € 2.8 million from the

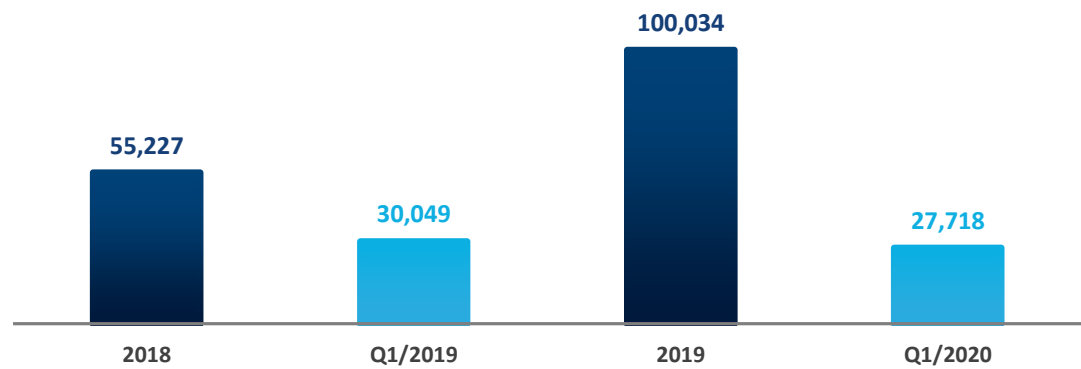
- distortions on the capital market as a result of the COVID19 turbulence and
- € 2.8 million net (gross € 9.4 million), which was not fully included in the plan for Q1 2020.

Financial key figures Q1 2020

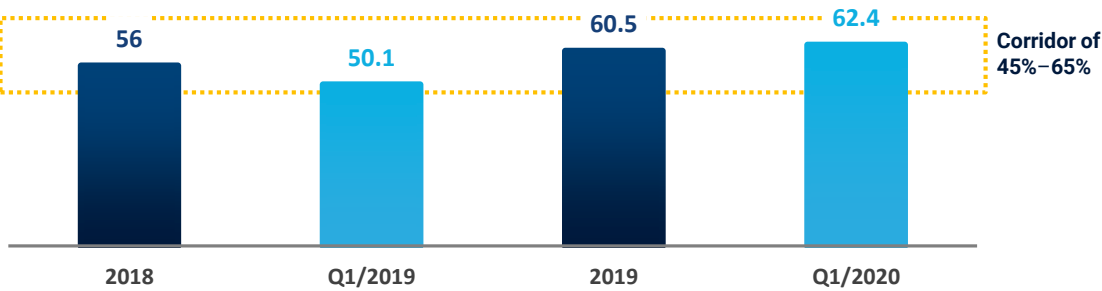
Premium volume in € million



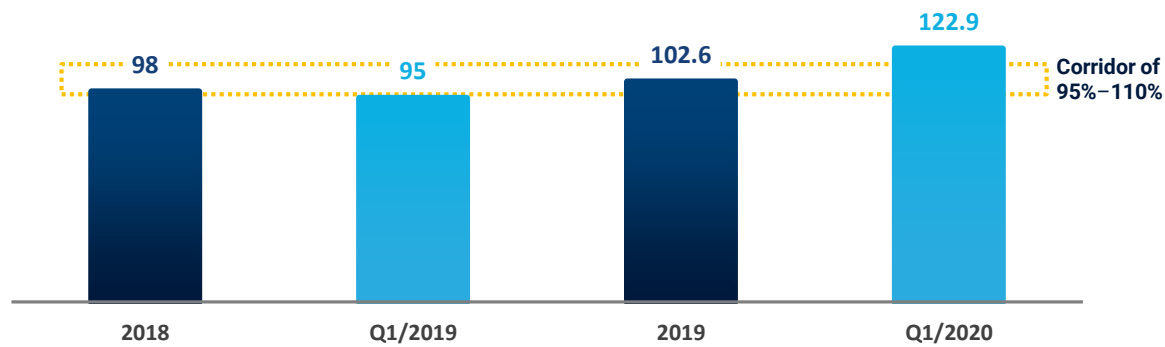
New business (number of contracts)



Claims ratio in %

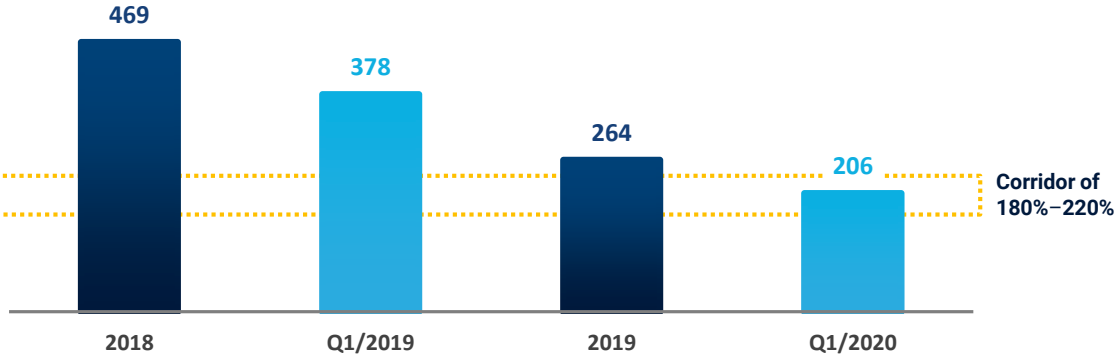


Combined ratio in %

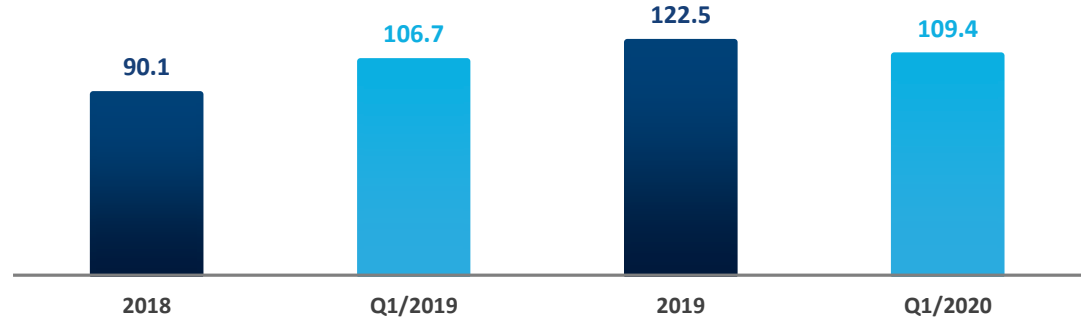


Financial key figures Q1 2020

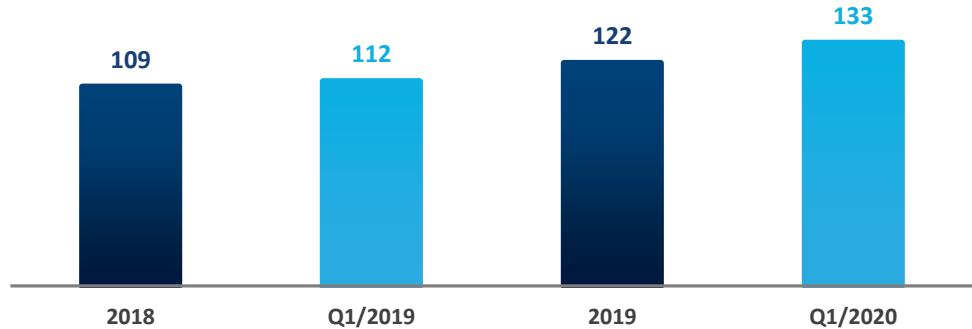
Solvency ratio in %



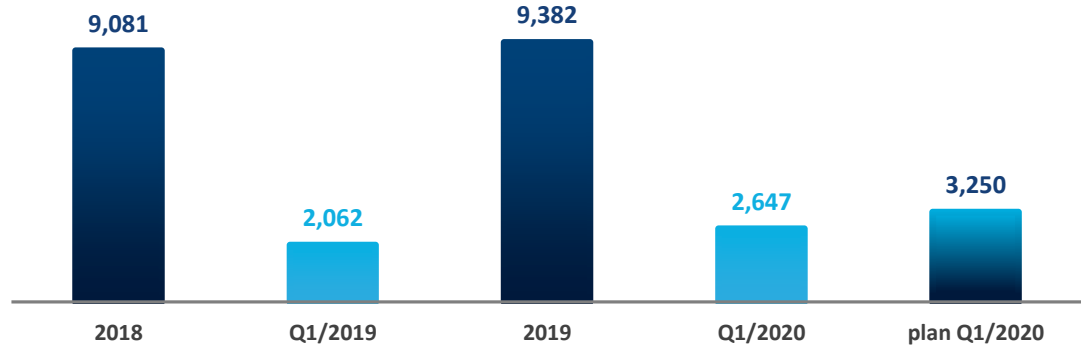
Financial investments in € million



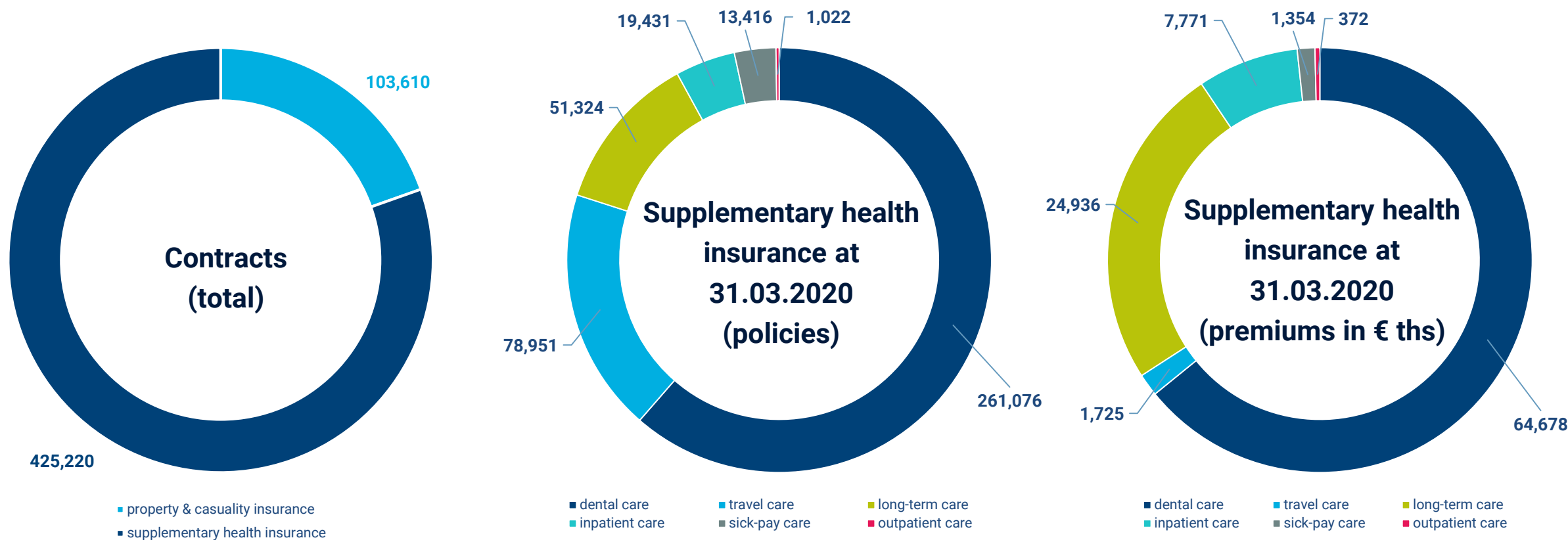
Employees



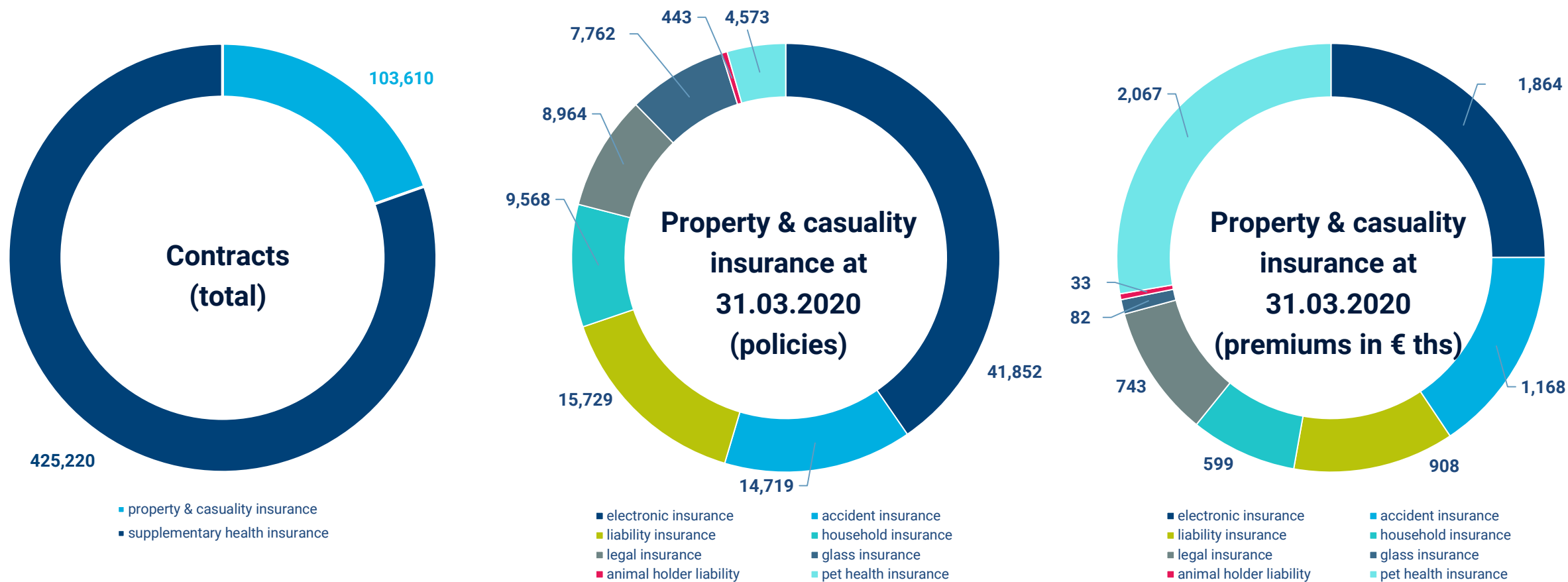
Salary costs in € thousands



Key financial figures Q1 2020 – Supplementary health insurance



Key financial figures Q1 2020 – Property & casualty insurance



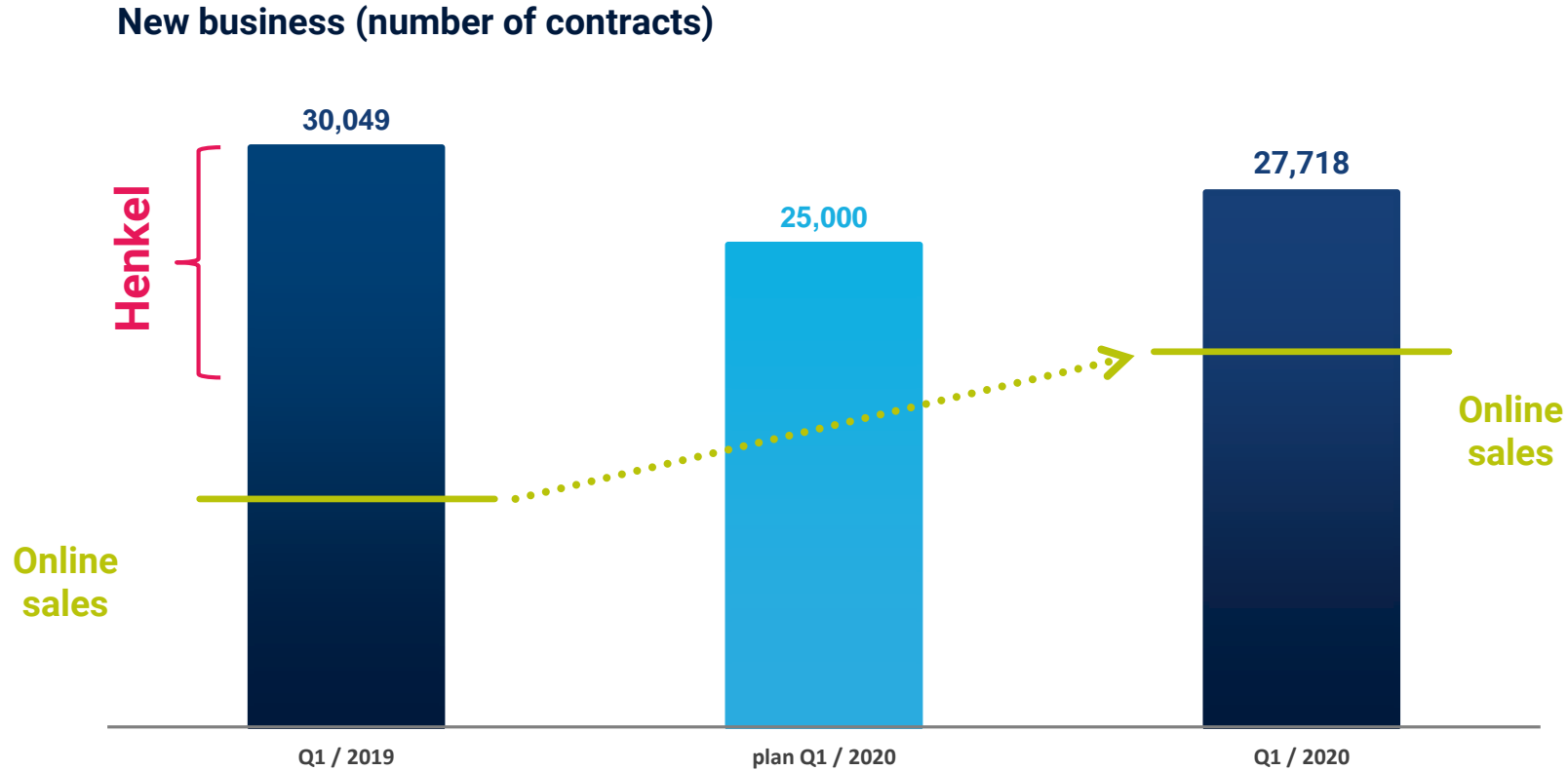
Impact of COVID-19

The Corona Pandemic affects Deutsche Familienversicherung in five areas:



Corona and sales

Compensation for Henkel new business



Increase in online sales by **+ 27%** compared to Q1 2019.

Corona and sales

- Whether the **annual target set for new business can be maintained** after the end of Q2 2020 **depends on the level of relaxation in the tourism sector and the economic recovery**.
- However, in view of the existing uncertainties, **DFV is sticking to its sales targets**. The company intends to **generate 100,000 new contracts** in the full year, **increase the premium volume between € 25 to 30 million** and raise **gross premiums written** by at least **30%**.
- Due to the **politically induced 'lockdown' of the economy**, the management team has observed a **decline in Google and Bing searches not initiated by Deutsche Familienversicherung** in the second half of March. In addition, sales of foreign travel health insurance have collapsed completely due to the worldwide travel warnings.

33,134

Despite COVID-19, we are still **on track** with **33,134 new contracts in April**.

Corona and operations

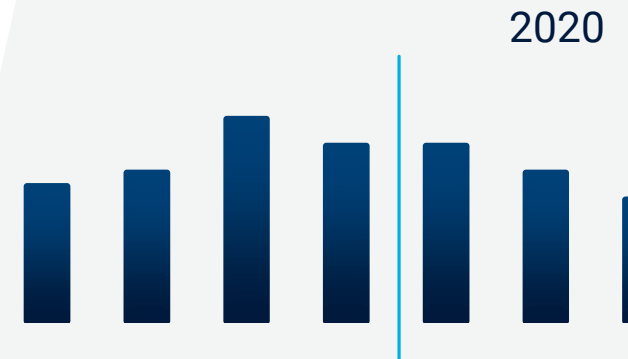
- In 2019, all employees were equipped with **a new generation of devices**. This included notebooks and mobile VPN connection options.
- **The entire value chain** at Deutsche Familienversicherung **can be carried out from the so-called home office without restriction** (exception: physical work, such as opening incoming paper mail).
- 80% of the employees use the home office option. At present, **there is no noticeable reduction in productivity**.



Corona and claim settlement

- Despite the higher premium volume in relation to the 2019 financial year, **a decline in claims**, particularly in supplementary dental insurance, can be observed.
- Other types of insurance have shown no signs of being impacted by the current COVID-19 situation.

The average number of claims is declining:



Corona and human resources

- The largest recruitment campaign of Deutsche Familienversicherung **COD** has reached its peak with **more than 3,900 applications** despite restrictions by the current COVID-19 situation.
- Deutsche Familienversicherung will fill all the open positions and will close the recruitment for 2020.

Corona and share price development

So far, the overall negative economic development caused by COVID-19 is only having a marginal impact on DFV AG.



+ ADD TO WATCHLIST
● MARKET OPEN
AS OF 09:00 AM EDT 06/17/2020 EDT

Key figures:

- Market cap:
~ € 228 million
- Average trading volume 2020:
13,368 shares / day
- Average share value 2019:
€ 11,31
- Average share value 2020:
€ 18,07



Quelle: bloomberg.com, accessed on 17 June

Where we want to go

Our targets until 2021



- ✓ **Customer base: 1,000,000 customers**
- ✓ **Premium volume: € 200 million**

The years 2020 and 2021 are defined by Care Flex

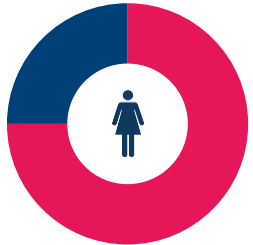
$$\begin{array}{ccccc} \sim 500,000 & + & \text{€ 70 million} & = & \frac{100\%}{\text{company's growth}} \\ \text{new customers} & & \text{premium volume} & & \end{array}$$

Care situation in Germany

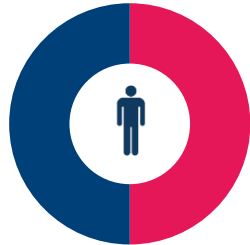
Care in Germany is a private matter

In **every family** there is a **long-term care case**.

50% **men** and 75% **women** are in need of care.



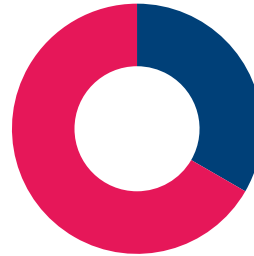
Women: 75%



Men: 50%

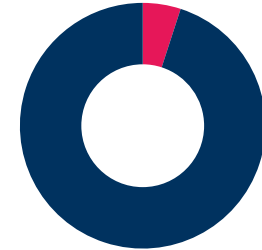
The state covers only **1/3 of the costs**.

2,000 € is the pension **gap that everyone has to cover** for their own inpatient contribution.



2,000 € from private funds

Only **5% of the Germans** have a long-term care insurance.



~ 2.25 mio. people*

*Range of 20-60 years old people in Germany.

The historical momentum of bargaining policy in Germany

On 21.11.2019, the IG BCE and the BAVC agreed on the following, among others:

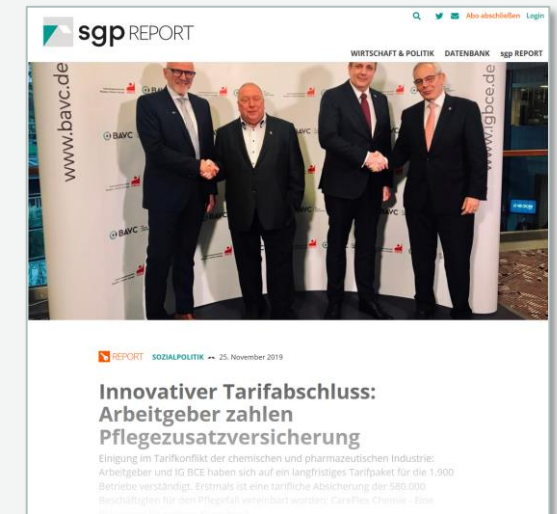
In the **pharmaceutical and chemical industry**, a total of

- **580,000 people**
- in **1,900 companies**
- with approx. **5,000 individual businesses**

are given the opportunity to take out employer-financed supplementary long-term care.

Of these, **400,000 employees are directly covered by the collective agreement**. In the case of 180,000 non-pay-scale employees, the individual employer decides.

Family members can optionally be included in the insurance cover.



The history of CareFlex

...an example of strategic business planning...



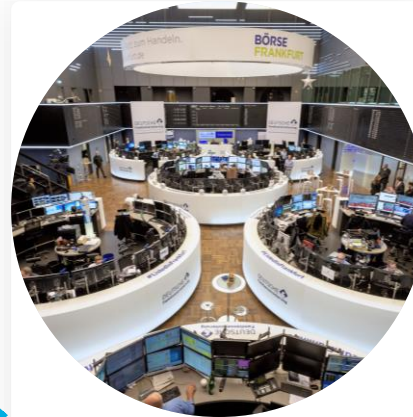
Since 2012

Focus on
supplementary long-
term care



**First presentation in
April 2018**

Digitization of DFV



IPO as InsurTech

IPO on 04.12.2018



CareFlex

**Implementation of
Henkel**

January 2019



CareFlex
Chemie

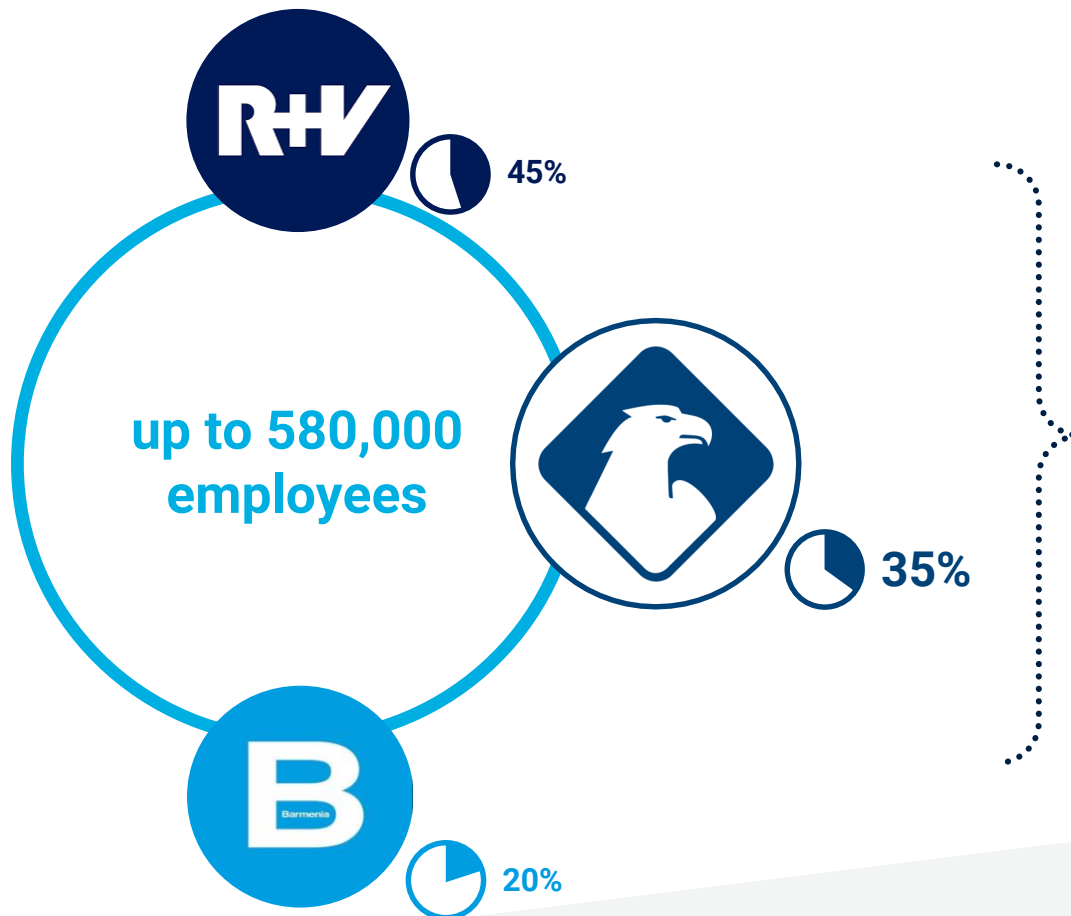
CareFlex

November 2019

What does CareFlex mean?

First industry solution in company health insurance:

First consortium to implement a nationwide employer-financed supplementary long-term care



The consortium offers:

- » financial stability
- » risk assumption
- » unique product

DFV AG performs:

- » product management
- » contract & customer management
- » customer service

What does CareFlex mean for us?

+ € 70 million

increase of premiums

After a successful planned premium volume growth of another € 25 million in 2020, CareFlex Chemie is expected to increase the premium volume by another € 70 million. This will result in a total premium volume of € 200 million in 2021.

+ 500,000

customers

From almost 514,000 customers in 2019 and about 550,000 customers in 2020, CareFlex Chemie is expected to gain up to 500,000 more new customers in 2021. From 2021, a total of over 1 million customers will be insured with DFV.

+ € 41 million

increase in financial investments

Financial investments will continue to rise. Starting from € 122.5 million in 2019, investments are estimated to increase by € 41 million in 2021 to a total of € 163.5 million in 2021.

For this we have to invest in 2020.

Possibly one could have doubts, because we are still a small insurance company, but we convince through:

✓ Growth

Our sales success and sales expenditure have paid off: with our growth course we have managed to catch up with the **top 3** insurance companies in the field of supplementary health insurance. We are consistently pursuing this course.

✓ Quality

We have the best products – according to Stiftung Warentest. More than 528,000 customers trust our excellent product quality.

✓ Innovative Technology

We are an almost completely digitalised insurance company. Artificial intelligence and automation prove technology to be essential for a scalable business model.

✓ Reliability

We keep our promises. Our target is to be profitable in 2021 and to manage € 200 million in premium volume and 1 million customers. We will succeed in achieving our targets.

Thank you very much for your attention!

Any questions?

Our next IR dates:

01/07	Equity Forum
13/08	H1 2020
20/08	HIT - Hamburg Investor Day

Company fundamentals

Number of shares	13.261.620
WKN	A2NBVD
ISIN	DE000A2NBVD5
Ticker symbol	DFV
Market segment	Prime Standard
Indices	CDAX, MSCI Micro Cap Index

Appendix

Targets 2020 and beyond

Loss due to unfavourable ratio of premium volume to new business investment

The ratio of existing premiums to new business investment in the case of the Deutsche Familienversicherung is just 2 : 1. This is in comparison to established competitors, some of whom have insurance portfolios of many hundreds of millions.

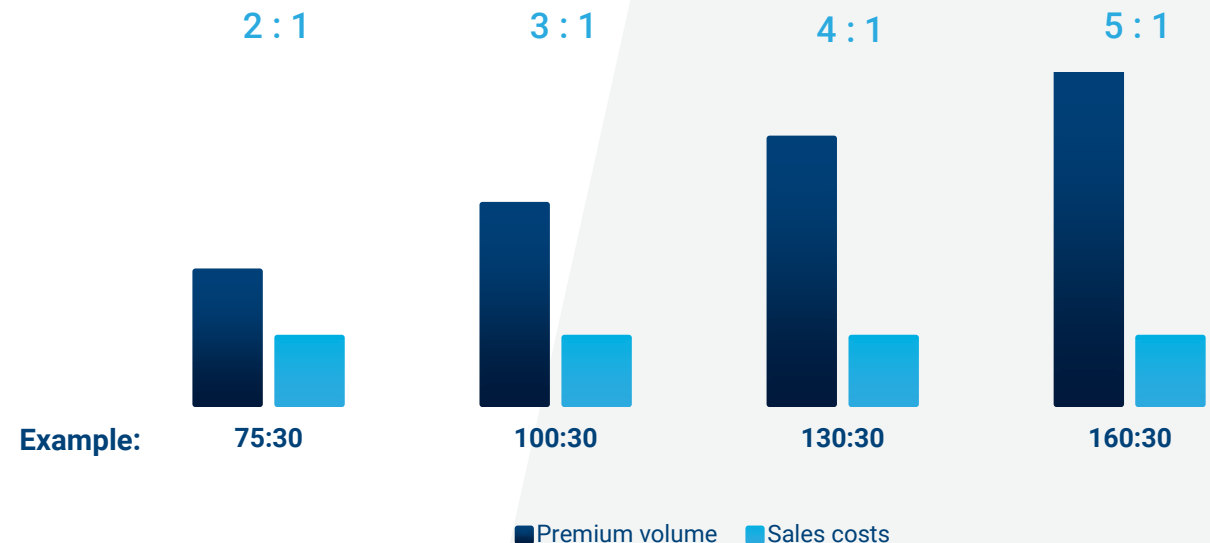
The new business planning of Deutsche Familienversicherung will lead to a gradual improvement of the ratio with a linear sales target.

Reaching the profit zone

From a ratio of 4 : 1 an insurance company may be expected to make a profit.

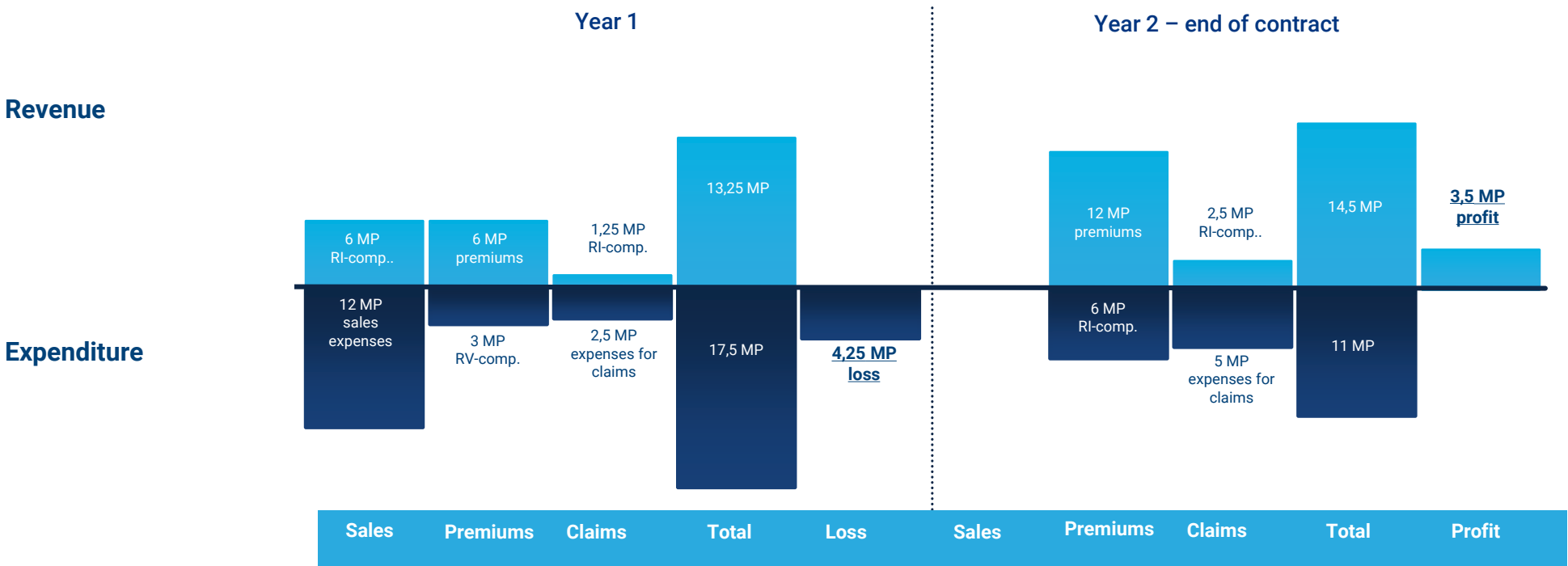


Premium volume to distribution costs (planning)



Reinsurance concept of Deutsche Familienversicherung

Pre-financing of sales



With the successful IPO, Deutsche Familienversicherung now has sufficient financial resources at its disposal to gradually dispense with this form of co-financing sales.

Ø Average customer retention: 10 years

DEUTSCHE 
Familienversicherung