The leading InsurTech in Europe

DFV Deutsche Familienversicherung AG

FRANKFURT/MAIN | 01 September 2020

Equity Forum Fall Conference

The first digitalised insurer on the German market

- **A worldwide leading InsurTech**
- **Mixed property and health insurance company**
- **Listed on Frankfurt stock exchange (Prime Standard)**

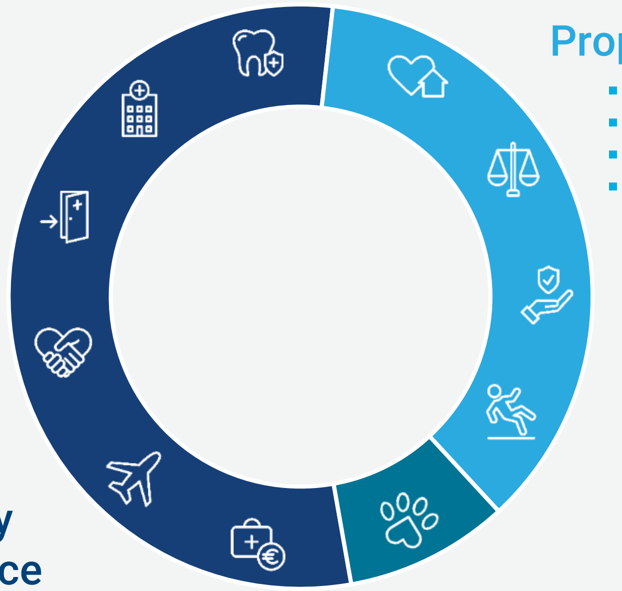
2007
Foundation

152
Employees HY/2020

> € 330m
Market capitalisation

> 535,000
Contracts HY/2020

€ 114.3m
Premium volume HY/2020



Property insurance

- *household insurance*
- *legal expenses insurance*
- *liability insurance*
- *accident insurance*

Supplementary health insurance

- *dental insurance*
- *inpatient insurance*
- *outpatient insurance*
- *long-term care insurance*
- *travel insurance*
- *sick pay insurance*

Pet insurance

- *dog health insurance*
- *cat health insurance*
- *dog owner liability insurance*

DFV growth history

We started as a P&C insurer and developed to a fully digitalised InsurTech with an ambitious growth strategy

Management team with 90 years insurance experience

Dr. Stefan Knoll
Founder, CEO & CFO

Assessor jur.
PhD in insurance law

Career
- 2007 | Deutsche Familienversicherung AG
- 2000 – 2005 | SNT Deutschland AG
- 1994 – 2000 | DIATEL DIREKT

Responsible for:
Finance, Corporate Communications, Investor Relations, Legal, Human Resources

Stephan Schinnenburg
CSO

Insurance salesman

Career
- 2014 – 2018 | Member of Board ERGO & ERGO Life
- 2010 – 2014 | Managing Director, Morgen & Morgen
- 2008 – 2009 | CEO & Principal Authorised Representative, Hartford Life Ltd.

Responsible for:
Sales, Product Development, Marketing, Customer Service, Operations

Marcus Wollny
CIO

Health insurance business economist

Career
- 2015 – 2018 | Principal Authorised Representative, Deutsche Familienversicherung
- 2013 – 2015 | Chief of staff, Deutsche Familienversicherung
- 2013 – 2015 | Head of Department, KKH Kaufmännische Krankenkasse

Responsible for:
IT-Infrastructure, IT-Applications, Claims and Benefits, Auditing

Leading InsurTech

Playing in the German champions league for new business

DFV AG in the top group for customer growth in 2019[1]				
Company	Customer growth	Employees	Customers	Foundation
R+V	95,000[2]	14,600	1,163,000	1922
Allianz	71,400	15,771	2,100,000	1890
DFV	**67,528[3]**	**122**	**514,000[4]**	**2007**
ERGO Direkt	52,300	./.	1,656,582	1984
Barmenia Versicherungen	43,000	1,914	1,292,000	1904
Gothaer	35,000	493	488,000	1820
ARAG	21,000	4,315	618,013	1935
Debeka	20,000	15,610	2,530,000	1905
HanseMerkur Versicherungsgruppe	14,191[5]	1,441[5]	1,238,369[5]	1875
DKV	10,800	./.	3,521,000	1927
AXA	- 5,200	9,038	928,000	1839
SIGNAL IDUNA	-9,500	7,329[5]	1,907,000	1907

One of the top 3 German insurance companies regarding new business in the supplementary health insurance market.

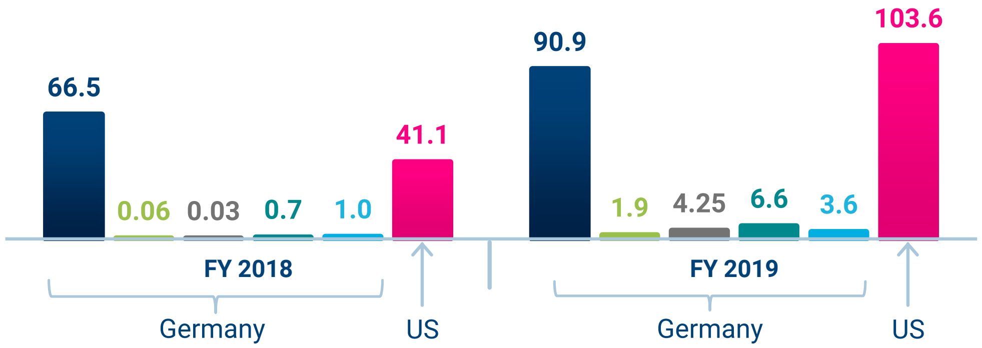
1: The figures are based on publicly available sources and reflect the lines of business of supplementary health insurance benefits. DFV AG has checked the sources for plausibility, but does not accept any responsibility for their accuracy and completeness.
2: These figures include an increase of 1.9% in the number of insured persons in full health insurance.
3: According to DFV Annual Financial Report 2019 (IFRS), p. 19
4: Including the property insurance contracts.
5: Figures refer to the year 2018.

Leading by existing business

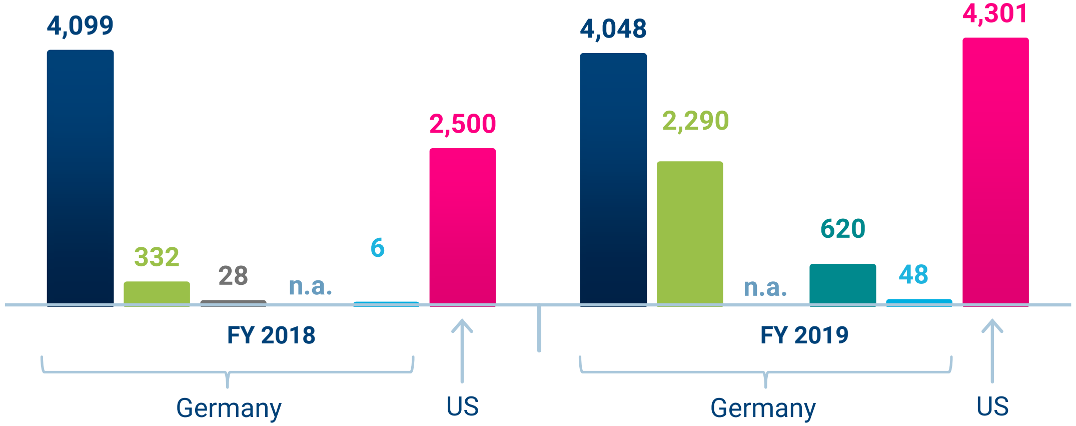
Leading almost all categories

DFV AG (listed) · Neodigital · Element · wefox group** · Ottonova · Lemonade (listed)

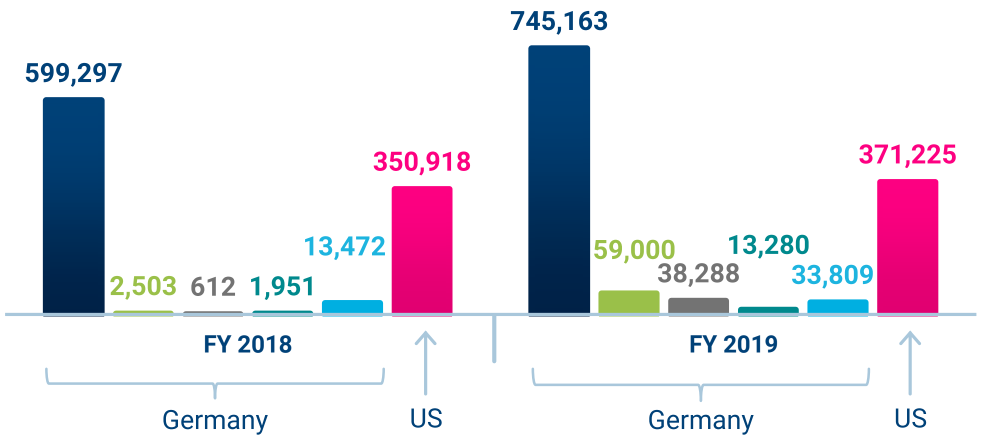
Gross premiums written in €m**



Contracts per employee**



Gross premiums written per employee in €**



* The figures based on publicly available sources believed to be reliable. DFV AG has checked the information for plausibility but not for accuracy or completeness.
** OneInsurance belongs to the wefox Group and has just 13 employees. The rates contracts per employee and gross written premium per employee take the numberof employees from wefox into account, because OneInsurance belongs to wefox group. Gross written premium and number of contracts refers to OneInsurance.

The first real comparison with a listed InsurTech peer

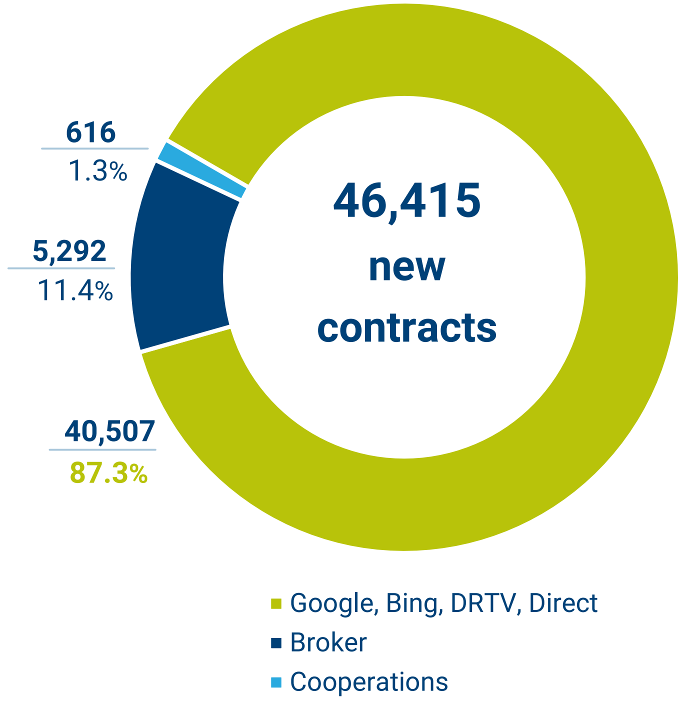
	DFV	Lemonade
Premium volume in €m	114.3	137.5
Customers growth FY 19 – HY 20	46,415*	171,042*
Net income in €m	-4.1	-51.1
Valuation in €m	~330	~3,154

* Growth in existing customers at Lemonade and new customers at DFV.
The reported figures are the HY 2020 results. Lemonade published its figures on 12th of August. They are available on:
https://s24.q4cdn.com/139015699/files/doc_downloads/2020/08/Lemonade_Quarterly_Investor_Metrics_Q2_20.pdf

Highly scalable multi-channel sales mix

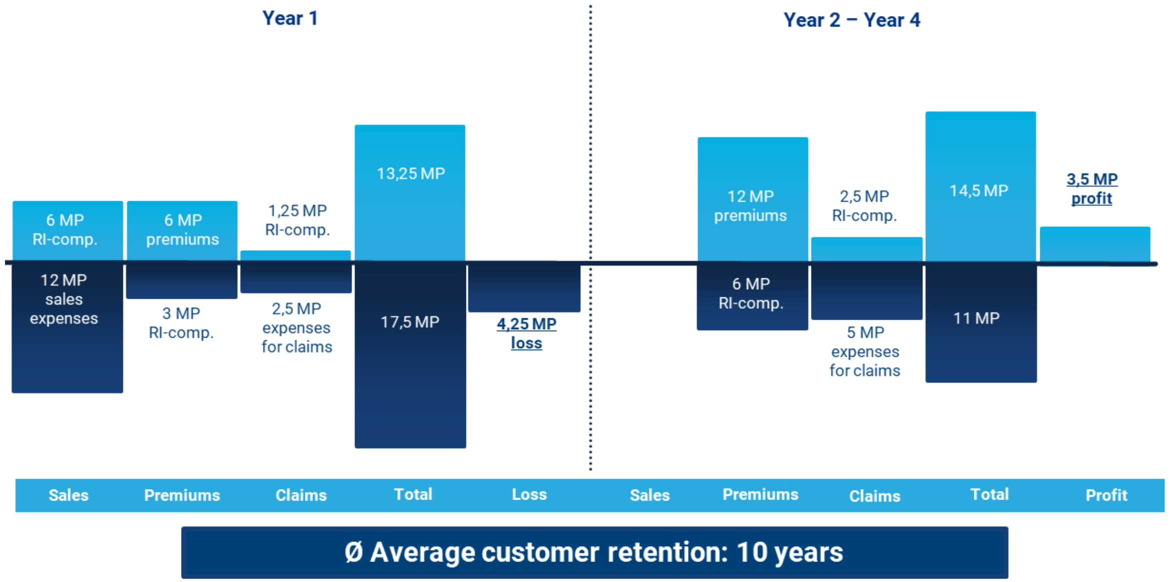
Our scalable sales channels enables planning ambitious growth

New business (contracts) by product category HY 2020



Increase in online sales by + 21.4% compared to HY 2019

Sales costs



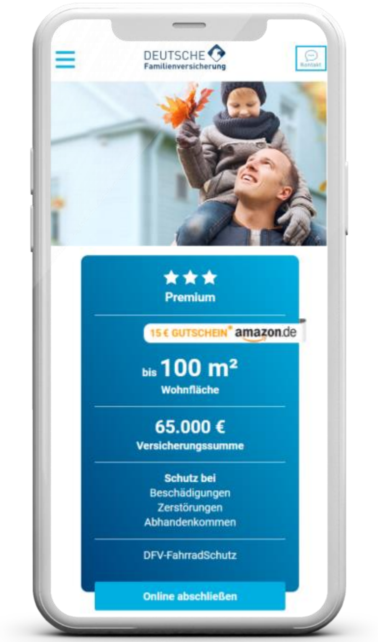
On average we need 12 months to equalise the average acquisition costs per customer in an amount about € 360. This are an average monthly premium of € 30.

Why is our (online) sales so unique?

Scalable and digital

Easy and understandable products

Fast transaction



Simple online payment

Login with Amazon

PayPal

amazon pay

Leading by product quality

Our leading products regularly best in class

DFV–SickPayCare

★

1st time

DFV–InpatientCare

★★

2nd time in a row

DFV–Long-TermCare

★★★

3rd time in a row

DFV–DentalCare

★★★★★

5th time in a row

Fully digital product development at DFV: Simple. Reasonable.

Easy product selection via our website

Only reloading the website takes longer

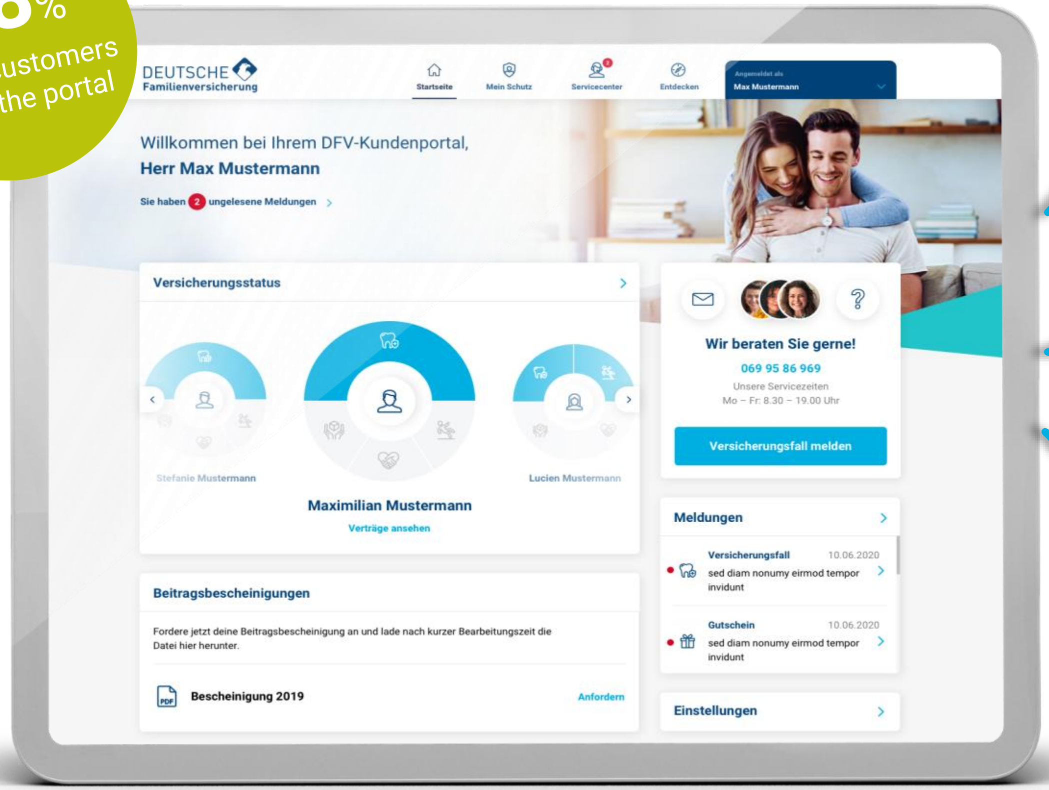
1. Enter your age

2. Select your product and tariff

Our customer portal – Simple.Reasonable.

Customer centricity at its best

98%
of our customers using the portal



yvonne pietsch
★★★★★ 24. July 2020
Fast, uncomplicated, reliable. I am 100% satisfied. Never had any problems.

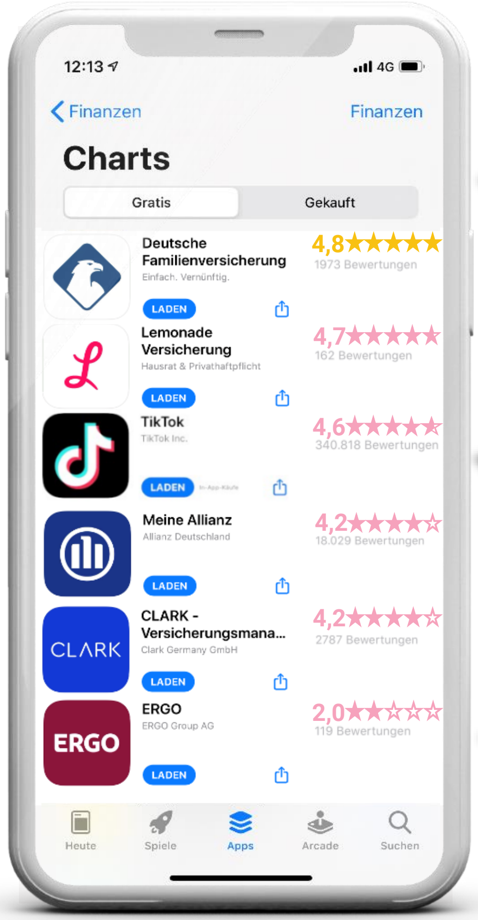
Stefan Bubel
★★★★ 28.July2020
Very simple and understandable for everyone. All his insurance policies under control.

Robert Schroeter
★★★★★ 13. May2020
Fast submission of the invoice, very good service, very good communication.

The ratings are comments from real users. They were translated into English for this presentation.

Best app – and also the most popular

Simply the best for our customers



Fast processing & simple operation 9. Apr.
★★★★★ weirdcatworld

I am mega satisfied with the service and everything around it. The processing is fast and also the operation via the app is super simple. I can only recommend it. 😊

Very good app! I am thrilled! Vor 1 J.
★★★★★ HI-DUS-85

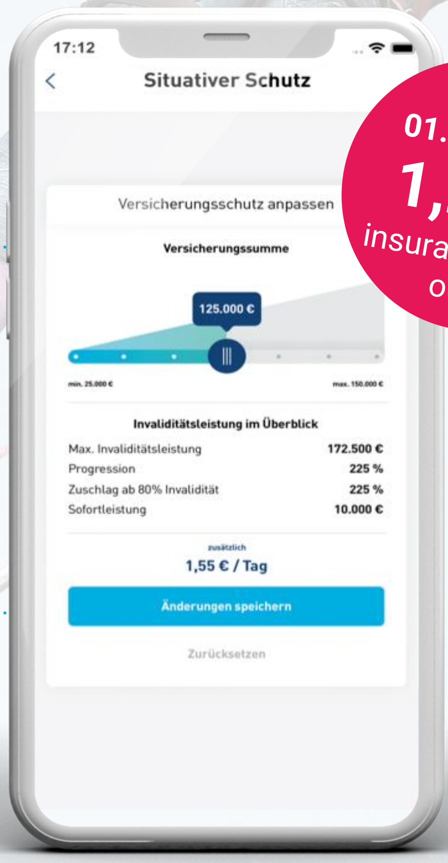
I am thrilled with the design and usability of this app. In my opinion, you can't design an app better. Submitting an invoice is now easier than I could have dreamed of before.

Top! Vor 1 J.
★★★★★ Tatiana-HH

I am simply thrilled how customer-friendly this app is. How fast and easy it is to submit an invoice. Thank you very much! 😚

Over 48,000 downloads
IOS: 27,000
Android: 21,000

Over 63,000 invoices
IOS: 32,000
Android: 31,000



Since 01.01.2020
1,200
insurance take outs

Highly rated App
App Store: 4.8 Stars
Google Play Store: 4.9 Stars

Rated with 4.9 stars in Google Play Store!

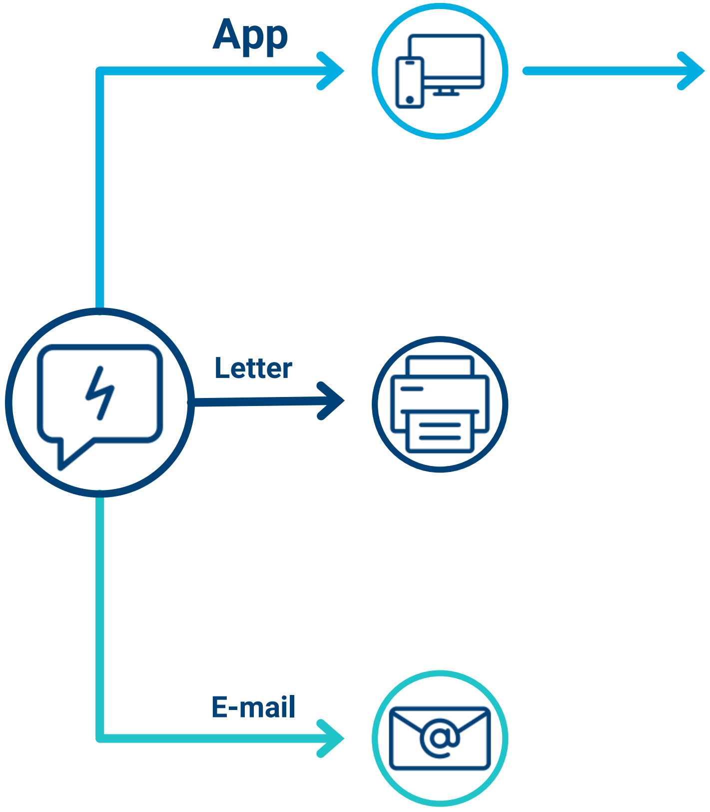
The ratings are comments from real users. They were translated into English for this presentation.

Easier than taking a selfie – our claim reporting via App

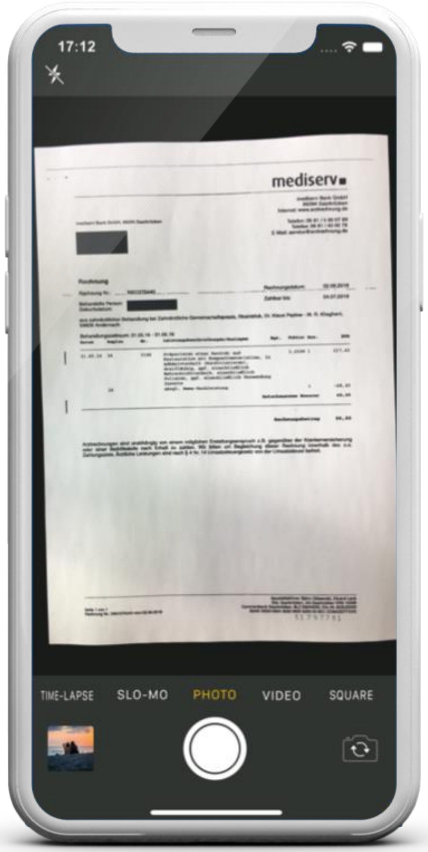
Increasing customer satisfaction by digitalisation

„I have a claim to report“

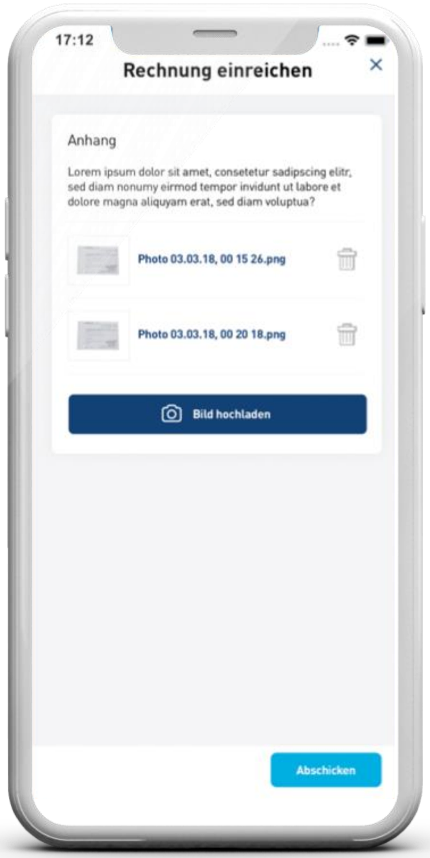
Three ways to report a claim at DFV



1. Take a picture of the invoice



2. Confirm



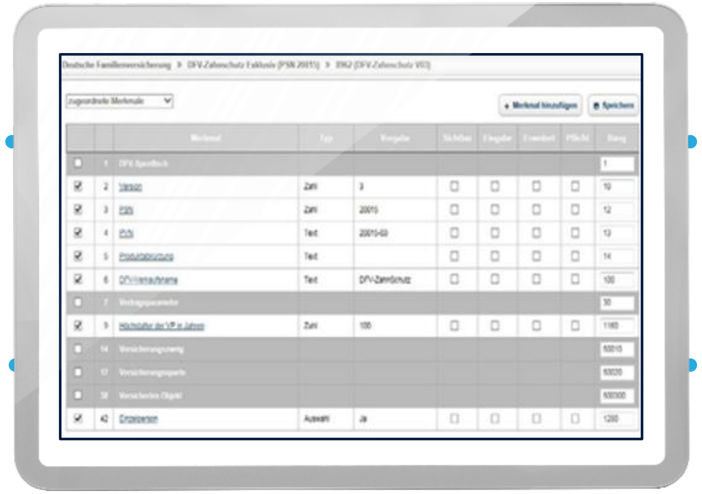
Leading by digitalisation

Java- and event-based Insurance Core System

We have developed a **powerful IT Insurance Core System** and the **„Product Module Editor"**. With over **1.500 input options** we can configure **products** so that the entire user interface, correspondence and contract processing are **controlled centrally**.

Interfaces

Documents



Contract creation

Claims service

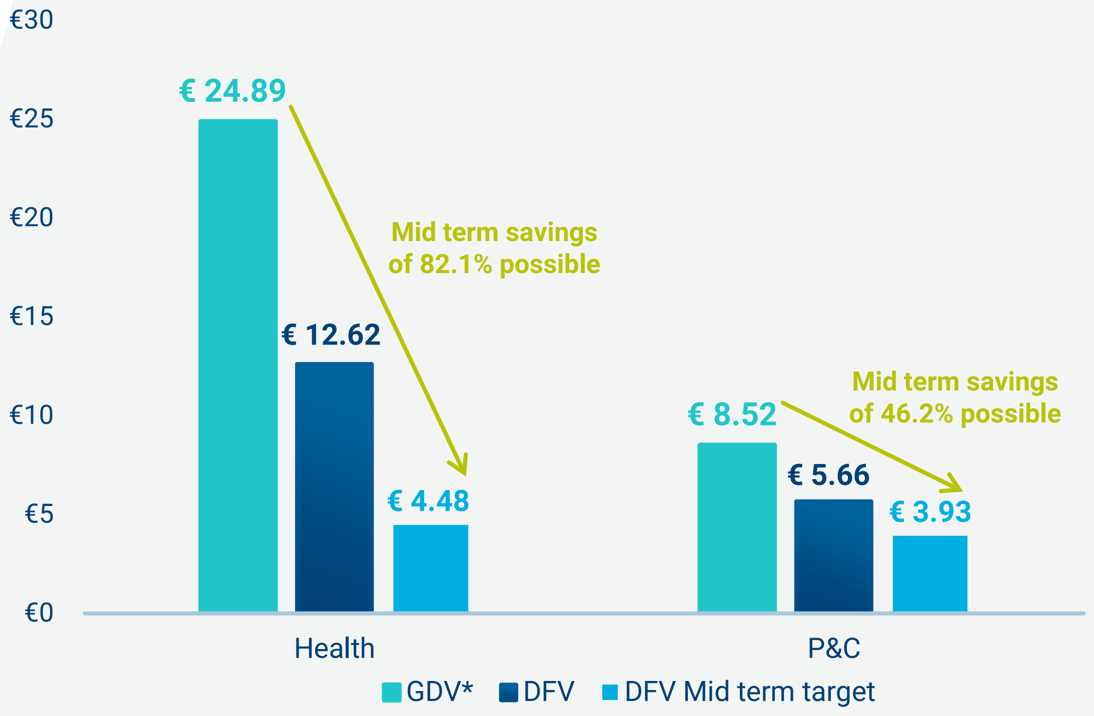
Configuration instead of programming

Cost-efficient and scalable growth thanks to our IT system

Declining IT costs and rising customer numbers

- On average, **our IT costs** per insured risk are **lower than in the insurance industry.** In the category Health, DFV is **50 % cheaper**.
- We **plan** to spend about **€ 8.5m on our IT**. If we **calculated our IT costs with the average values for the insurance industry** in Germany, **expenditure** in 2020 would be **around € 12.5m.**
- While our **customer numbers will increase** up to **2,000,000** in the mid term target, our **IT costs will decrease** to about € 4.48 per insured risk (health) and € 3.93 (P&C).

On average, our IT costs per insured risk are 50% cheaper than the insurance industry average



*Data for the FY 2019. GDV is the General Association of the German Insurance Industry with about 460 private insurer as their members.

Financials

Leading by growth – Financial figures HY 2020

We are on track despite COVID-19

+ 46,415
new contracts

€114.3m
premium volume

+ €15.4m
new premium volume

+ 28.8%
growth in gross premiums written

+330%
growth in P&C business line

218%
stable Solvency II ratio

€119.4m
balanced financial investments

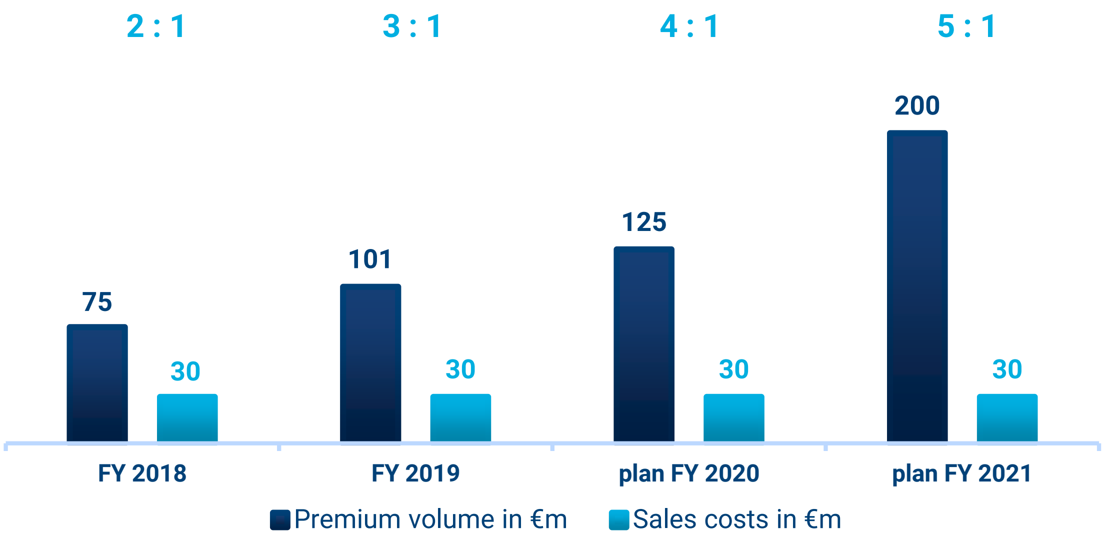
60.5%
low claims ratio

Investing in our growth, profitable in our core business

Underwriting result according to HGB

Premiums	HY 2020
Gross written premium	€ 53,620,661
Share of reinsurers	€ -24,965,943
Net earned premiums	**€ 28,654,718**
Claim payments to customers	
Gross	€ -32,119,093
Share of reinsurers	€ 14,185,408
Net claims	**€ -17,933,685**
Underwriting result I	
Gross	€ 21,501,568
Net	**€ 10,721,033**
Costs	
Costs (total, without claims settlement)	**€ -10,621,410**
Human Ressources	*€ -5,414,861*
IT	*€ -3,627,826*
Others	*€ -1,578,722*
Share of reinsurers	€ 5,847,477
Underwriting result II	
Gross	€ 10,880,158
Net	**€ 5,947,101**
Sales expenditures – DFVV	
Gross sales (total)	**€ -17,444,497**
Human Ressources	*€ -1,104,891*
Marketing	*€ -365,035*
Sales costs	*€ -15,974,571*
Share of reinsurers	€ 6,585,032
Net sales	€ -10,859,465
Underwriting result III	
Gross	€ -6,564,338
Net	**€ -4,912,364**
Financial investments	
Financial investments (after costs)	€ -398,085
Others	€ -416,037
Underwriting result IV	
Before taxes	**€ -5,726,486**

Premium volume to sales costs (planning)



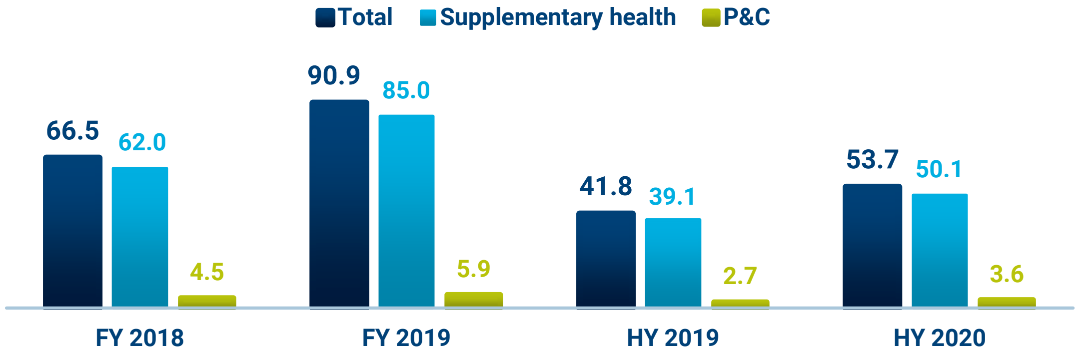
We are reaching the profit zone

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

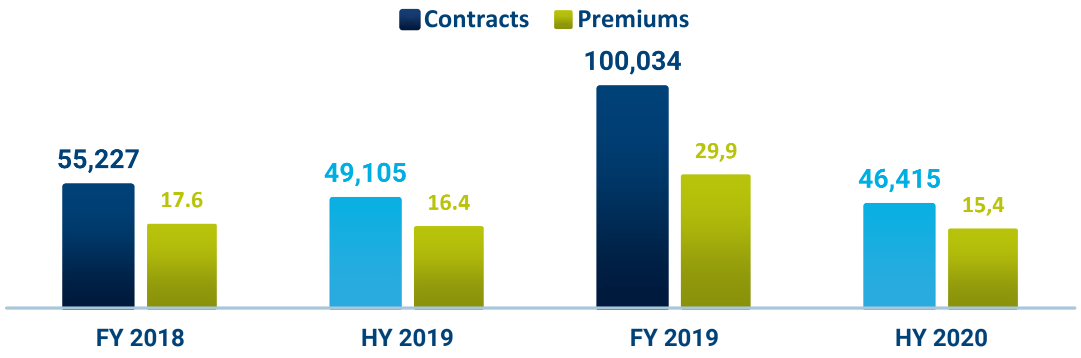
Gross premiums written increased by 28.8% in HY 2020

Fullfilling our promises

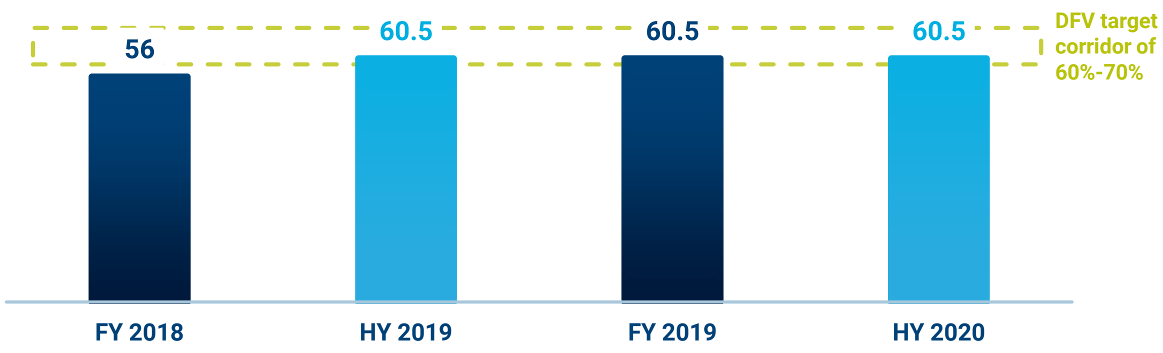
Gross premiums written in €m



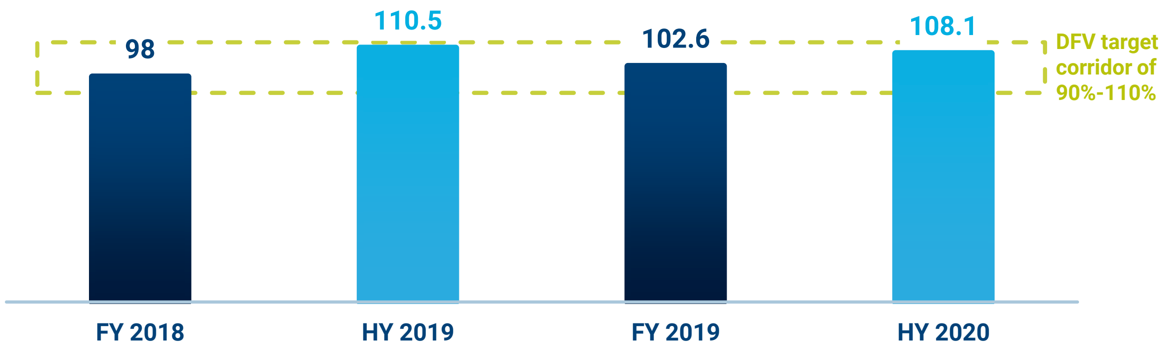
New business in contracts, premiums in €m



Claims ratio in %



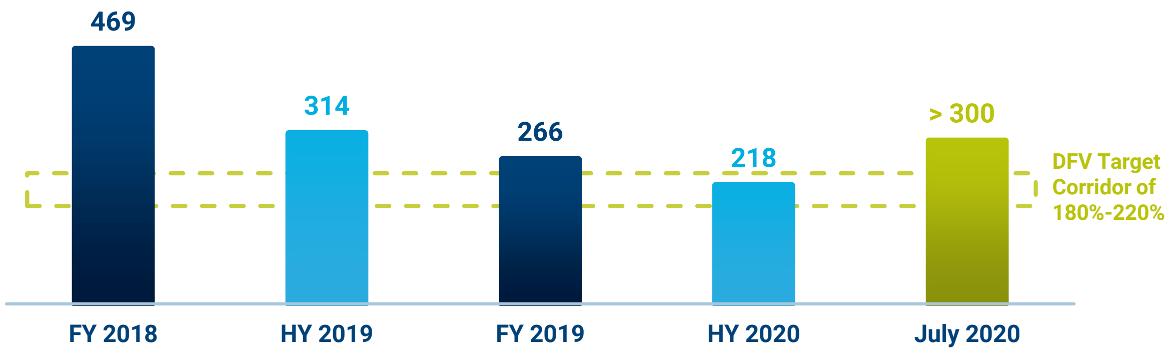
Combined ratio in %



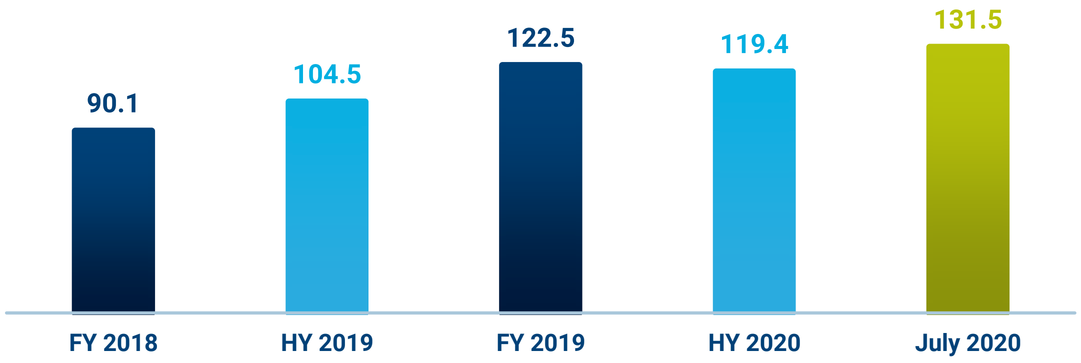
Full recovery of financial investments after COVID-19 shock

Successful restructuring leads to increasing of financial investments

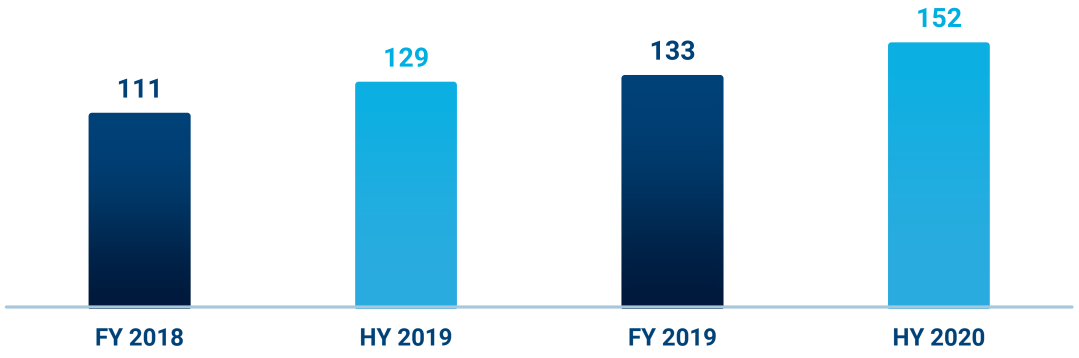
Solvency ratio in %



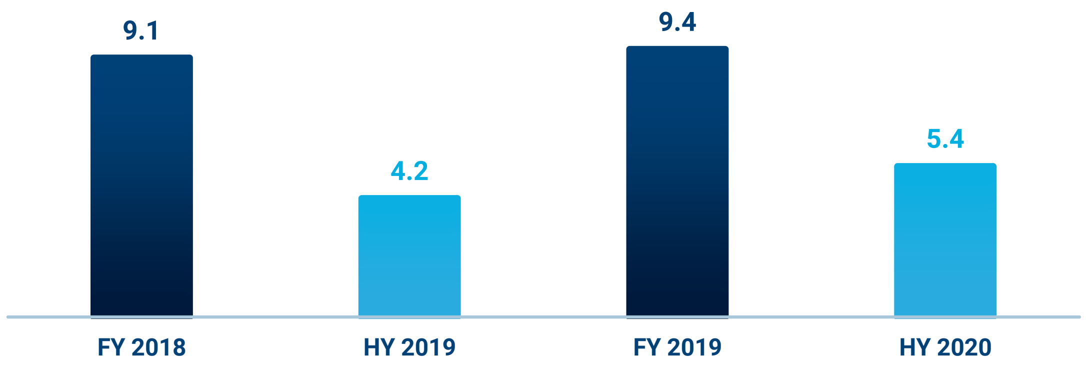
Financial investments in €m



Number of employees



Personnel costs in €m



Outlook

Entering a new dimension

Solid and guaranteed growth – Our strategy to profitability

CareFlex

New risk carriers

P&C

Health

Life

Europe

CareFlex: Germany's first mover

Unique in Germany and Europe

Normally we invest **€ 70,680,000** (12MP) to acquire **500,000 customers** with a **monthly premium of € 11.78 per customer**. In total CareFlex amounts a monthly premium of **€ 33.65 per customer**.

But CareFlex for us

= **€ 11.78 monthly premium per customer** ✓

= **€ 0.0 acquisition costs** ✓

= **100% company's growth** ✓

CareFlex is

the first industry solution for employer-financed supplementary long-term care insurance. Up to **580,000 employees** working for **1,900 companies** in the chemical industry benefit and have access to full cover for their families.

CareFlex results in:

1. **+ 500,000 new customers**
2. **+ € 70m premiums**
3. **+ € 41m financial investments**

An example of strategic business planning

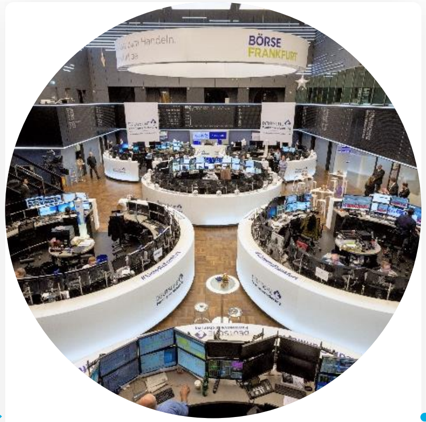
The history of CareFlex

Since 2012

Focus on supplementary long-term care

First presentation in April 2018

Digitalisation of DFV



IPO as insurtech

IPO on 04.12.2018

CareFlex

Implementation of Henkel

January 2019

CareFlex
Chemie

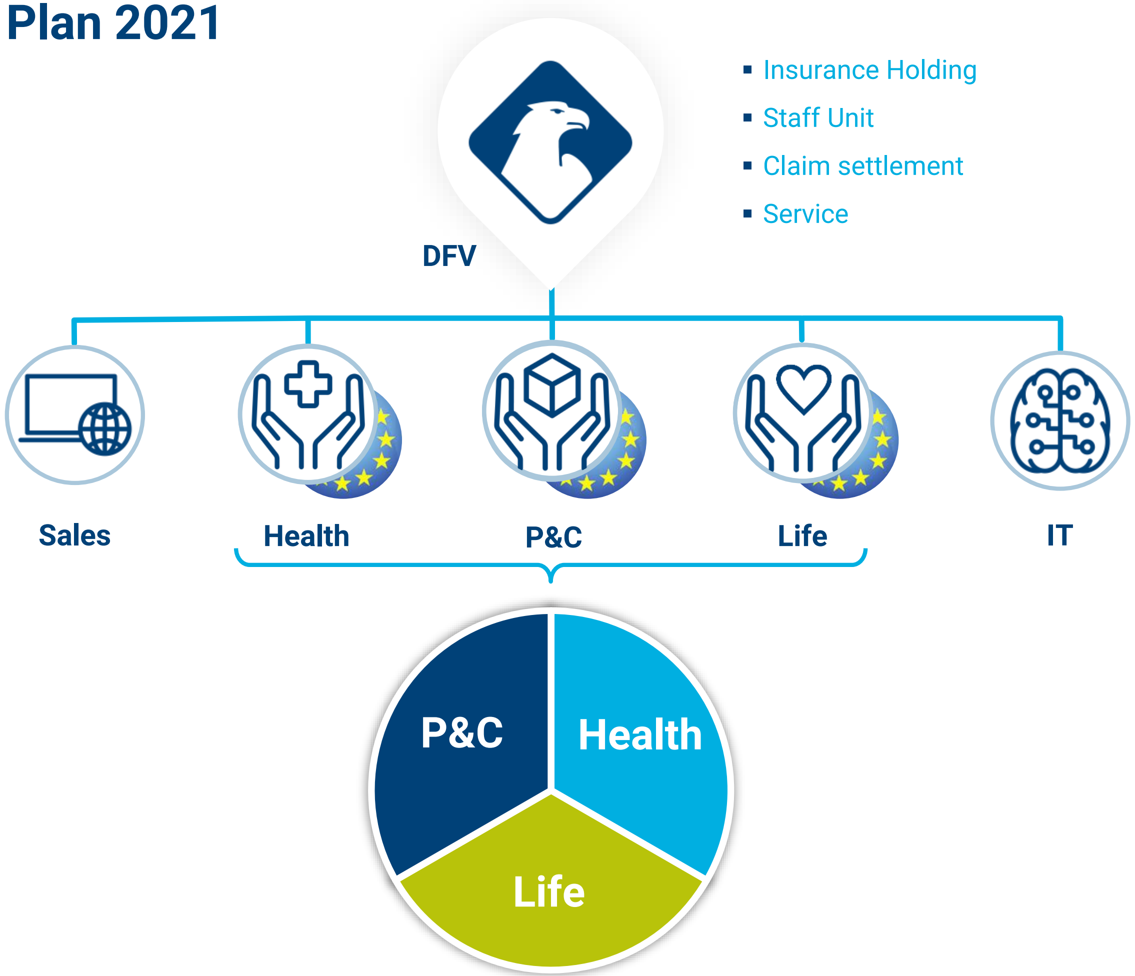
CareFlex

November 2019

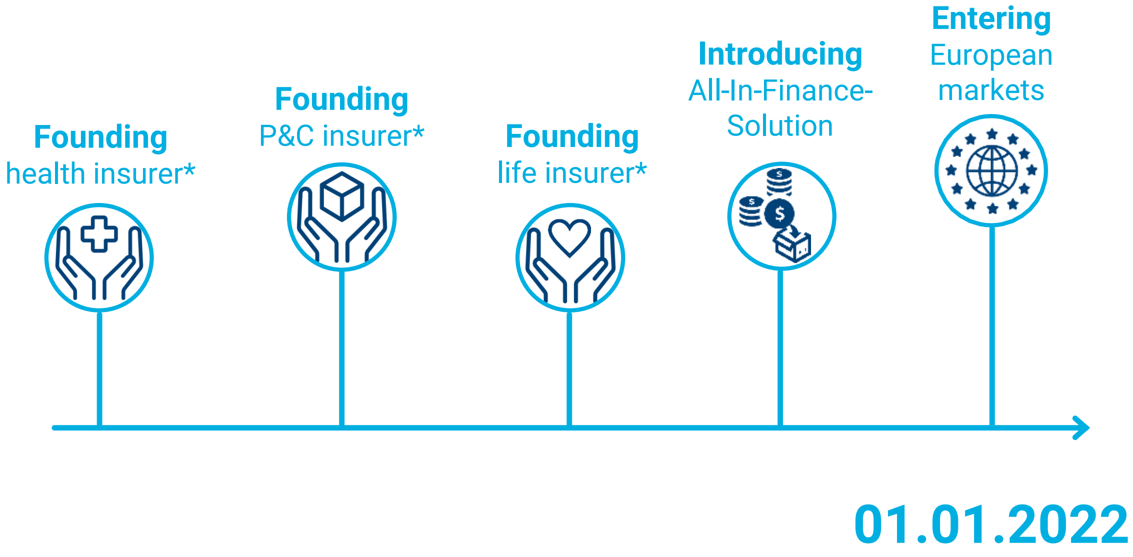
Founding new risk carriers

Our milestones to broaden product range and to enter European markets

Plan 2021



Our timeline



*Depends on BaFin approval

Outlook – Accelerated and profitable growth

	2019	Guidance 2020	Targets 2021	Mid-Term Targets
Customers/ Contracts	514,104	570,000	1,100,000	2,000,000
Premium volume	€ 101m	>€ 125m	>€ 200m	€ 500m
EBIT	€ -5.2m	€ -9m to € -11m	profitable	EBIT margin > 10%

Looking forward to your questions!

Dr Stefan M. Knoll
CEO & CFO

Your contact:
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Head of IR & PR
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lutz.kiesewetter@deutsche.familienversicherung.de

Our next IR dates:

21/09	Goldman Sachs/Berenberg Corporate Conference Germany
25/09	Baader Investment Conference
12/11	Quarterly statement on the 3rd quarter 2020

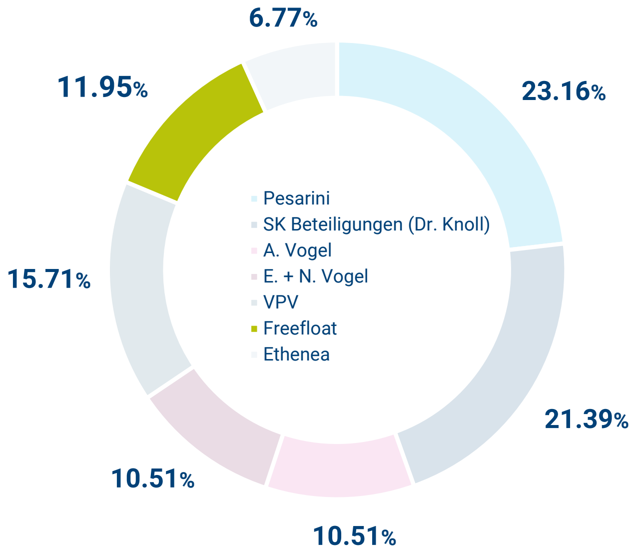
DEUTSCHE
Familienversicherung

Appendix

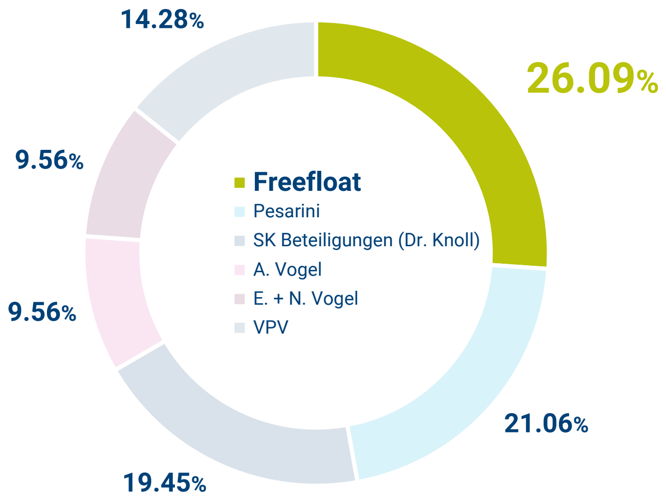
Successful capital increase

Despite COVID-19 crisis

Shareholder structure pre capital increase



Shareholder structure post capital increase



- **Capital increase within one day**
- **Gross proceeds of around € 32m**
- **No** correction of guidance **despite COVID-19** crisis
- **Increasing of Freefloat to 26.09%**

Group figures HY 2020 (IFRS)

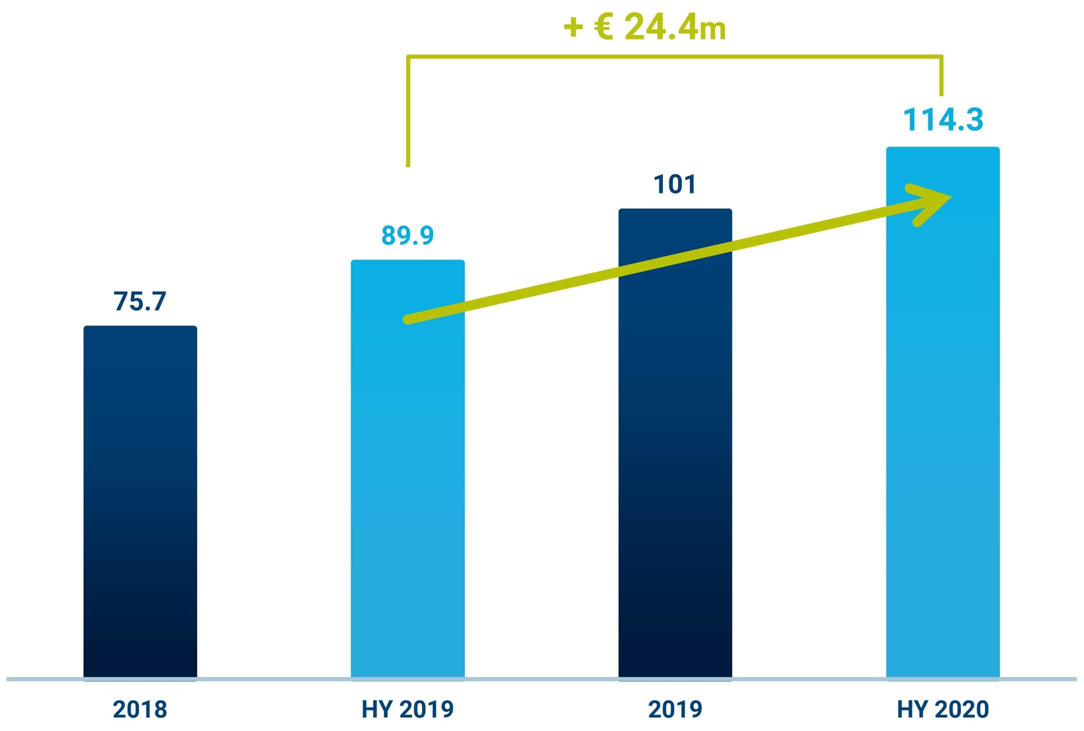
in € thousand	HY 2020	Q1 2020	FY 2019	Q3 2019	HY 2019	Q1 2019	FY 2018
New business							
Policies (number)	46,415	27,718	100,034	70,539	49,105	30,049	55,227
- Supplementary health insurance (number)	34,000	20,687	90,381	65,045	46,214	29,045	53,272
- Property insurance (number)	12,415	7,031	9,653	5,494	2,891	1,004	1,955
Premium volume	15,412	8,634	29,863	22,831	16,359	10,268	17,628
- Supplementary health insurance	11,740	6,849	27,513	21,267	15,601	10,100	17,329
- Property insurance	3,672	1,785	2,350	1,564	758	200	299
Gross premiums written							
Total	53,701	26,422	90,919	65,693	41,846	20,144	66,522
Gross premiums written supplementary health insurance	50,061	24,644	85,004	61,288	39,117	18,811	61,952
Gross premiums written property & casualty insurance	3,640	1,778	5,915	4,406	2,729	1,333	4,571
Combined ratio	108.1%	122.9%	102.6%	105.7%	110.5%	95%	98%
Claims ratio	60.5%	62.4%	60.5%	61.2%	60.5%	50.1%	56.0%
EBIT	-5,978	**-5,607**	**-5,203**	**-3,294**	**- 3,595**	**-1,026**	**-4,104**
Net result	-4,083	-3,819	-2,100	-2,869	- 2,756	-239	-3,338
Underwriting result	-3,304	**-1,816**	**-3,851**	**-2,308**	**- 2,961**	**555**	**-760**

in € thousand	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	31.12.2018
Total portfolio (number)							
Policies	535,830	528,830	514,104	495,972	484,995	474,432	454,964
- Supplementary health insurance	431,035	425,220	412,001	393,943	381,498	368,251	344,473
- Property & casuality insurance	104,795	103,610	102,103	102,029	103,497	106,181	110,491
Total existing premiums							
Premium volume	114,314	108,299	101,168	95,790	89,048	83,328	75,657
- Existing premiums supplementary health insurance	105,669	100,836	94,786	89,434	83,258	78,124	69,058
- Existing premiums property insurance	8,645	7,463	6,382	6,356	5,790	5,699	6,599
Equity capital	58,864	**55,011**	**64,496**	**66,040**	**64,766**	**66,991**	**59,169**
Solvency ratio	218%	206%	264%	248%	314%	378%	469%
Employees (on average)	152	133	122	116	116	112	111

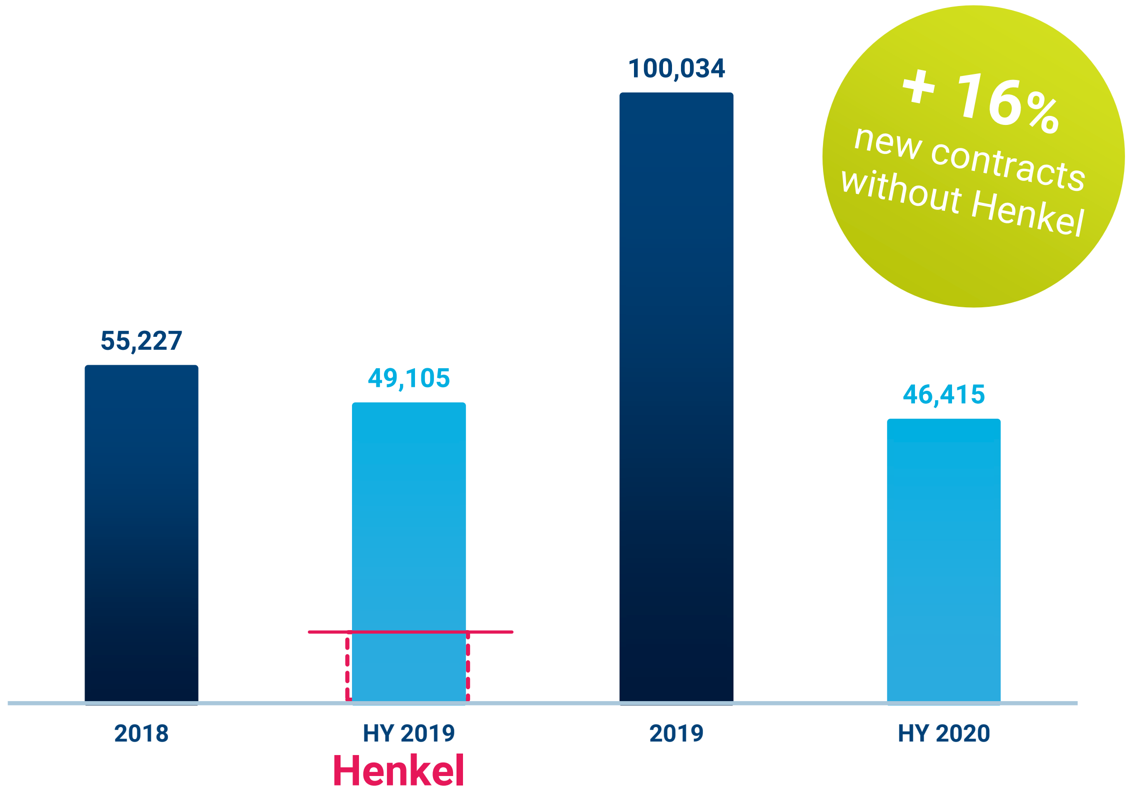
Premium volume increased by € 24.4m since HY 2019

Excellent new business despite COVID-19

Premium volume in €m



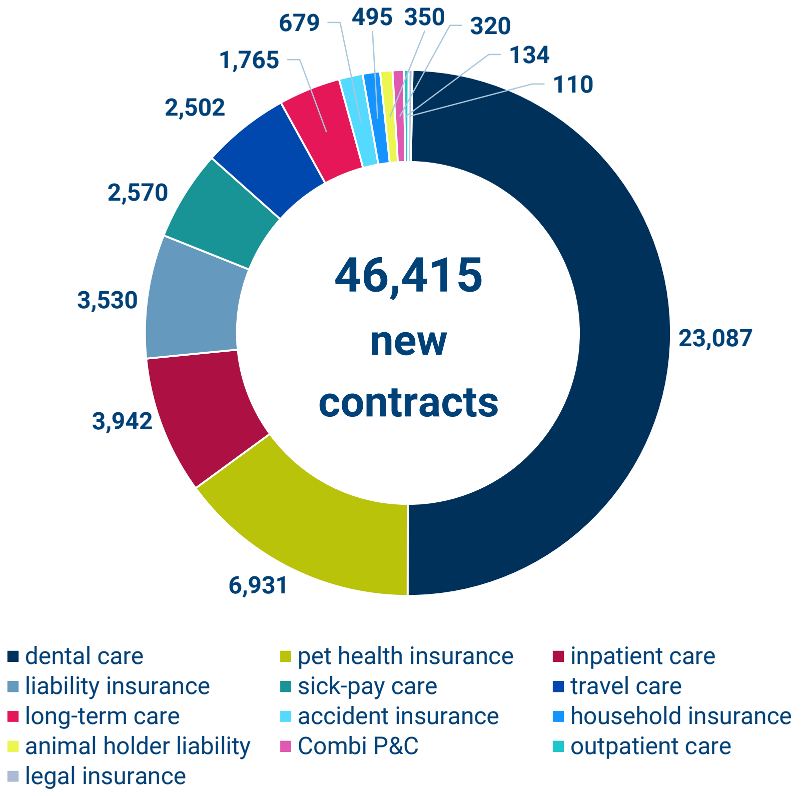
New business in contracts



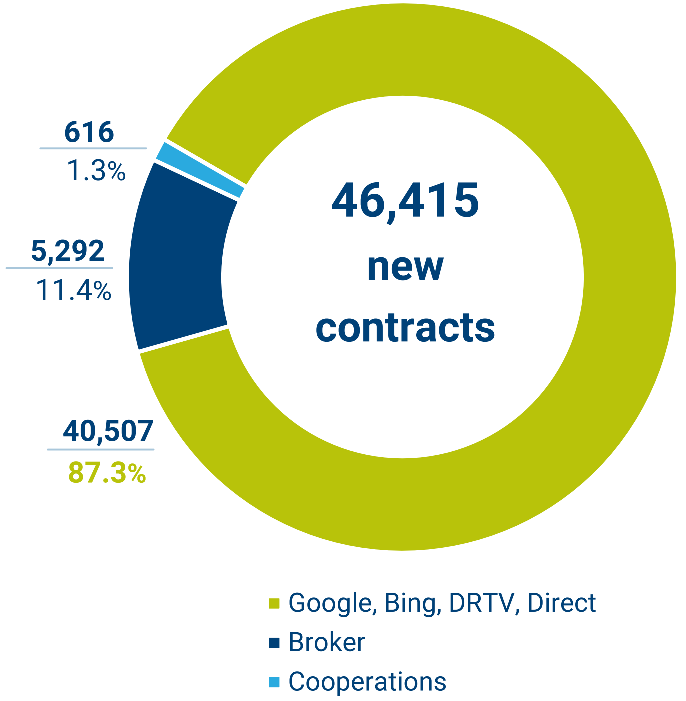
Direct sales accounted for 87.3% of new business

Outstanding performance because of our proven scalable sales channels

New business (contracts) by product category HY 2020



New business (contracts) by sales channel HY 2020



Increase in online sales by + 21.4% compared to HY 2019

Well-balanced investment portfolio worth € 119.4m

Full recovery within three months – Financial investments of DFV-Multi-Asset-Fonds in €

Asset classes	31.03.2020, in €	In %	30.06.2020, in €	In %	11.08.2020, in €	In %	Plan 2020, in €	In %
Guranteed assets	**61,447,453**	**56 %**	**69,766,229**	**58 %**	**71,833,709**	**54 %**	**99,829,892**	**64 %**
Government bonds	*6,044,235*	*10 %*	*16,155,749*	*23 %*	*0*	*0 %*	*0*	*0 %*
Corporate bonds	*48,027,208*	*78 %*	*49,875,023*	*71 %*	*53,506,906*	*74 %*	*53,506,906*	*54 %*
Equity	*0*	*0 %*	*0*	*0 %*	*15,659,340*	*22 %*	*15,659,340*	*16 %*
Real estate	*2,063,943*	*3 %*	*2,654,436*	*4 %*	*2,663,646*	*4 %*	*30,663,646*	*31 %*
Cash	*5,312,067*	*9 %*	*1,081,021*	*2 %*	*3,817*	*0 %*	*0*	*0 %*
Free assets	**47,947,412**	**44 %**	**49,596,018**	**42 %**	**60,615,655**	**46 %**	**55,953,203**	**36 %**
Government bonds	*20,180,195*	*42 %*	*16,098,745*	*32 %*	*14,070,995*	*23 %*	*14,070,995*	*25 %*
Corporate bonds	*30,521,623*	*64 %*	*33,072,426*	*67 %*	*41,882,208*	*69 %*	*41,882,208*	*75 %*
Equity	*0*	*0 %*	*0*	*0 %*	*0*	*0 %*	*0*	*0 %*
Real estate	*0*	*0 %*	*0*	*0 %*	*0*	*0 %*	*0*	*0 %*
Cash	*-2,754,406*	*-6 %*	*424,847*	*1 %*	*4,662,452*	*8 %*	*0*	*0 %*
Total assets	**109,394,865**	**100 %**	**119,362,247**	**100 %**	**132,449,365**	**100 %**	**155,783,095**	**100 %**
Bank balance	**839,195**		**3,464,064**		**31,625,753**		**7,625,753**	