

Annual results 2020 and outlook

Deutsche Familienversicherung achieves growth targets in 2020 despite Corona pandemic and continues dynamic growth

- 2020: Ambitious growth targets for the 2020 financial year achieved despite pandemic
- 2020: Premium income increases above average by 26%, loss as expected
- 2021: Continuation of dynamic growth in the current business year through product and digitalisation innovations
- 2021: Above-average double-digit increase in premium volume and significant reduction in operating loss (EBIT)
- 2021: Expansion of the industry-wide role as pioneer in the area of digital competence

Frankfurt am Main, 18 March 2021 – DFV Deutsche Familienversicherung AG ("DFV", "Deutsche Familienversicherung"), the digital insurance company and a leading insurtech in Europe, was in line with the communicated guidance with its 2020 annual results published today. The negative impact of the COVID 19 pandemic on the international travel health insurance business was significantly outweighed by strong online sales performance in other product areas. Once again, DFV demonstrated its digital competence. The company is consistently continuing its dynamic growth course in 2021 and expects a further double-digit increase in premium income for the current financial year. In addition, Deutsche Familienversicherung aims to significantly reduce its operating loss.

„In a pandemic with two lockdowns, our sales have proven to be robust and crisis-proof. The forced exit from CareFlex is annoying, nevertheless we will implement our promises realised since the IPO in 2019 and 2020 also in 2021,“ comments Dr Stefan Knoll, CEO and founder of Deutsche Familienversicherung.

Strong new business despite impact of COVID 19 pandemic

New business again developed positively in the 2020 financial year. The contract portfolio grew by 7.7% to a good 550,000 contracts at the end of the year. This growth is all the more significant because there were no special effects. In this respect, the company's digital sales proved to be pleasingly robust – especially considering the economic slump as a result of the COVID 19 pandemic. The claims ratio (net) increased slightly from 60.6% to 63.0% in the 2020 financial year due to allocations to the ageing reserves.

With gross premiums written now at EUR 114.7 million (2019: EUR 90.9 million) and strong growth, particularly in the property insurance business, DFV is now more broadly positioned and well equipped to leverage further growth potential. In the area of digitalisation, DFV's unique selling propositions are now recognised in the market and lead to awards in comparative test in various product categories.

EBIT in line with expectations

The Group operating result (EBIT) amounted to EUR -10.6 million in the 2020 financial year (2019: EUR -5.2 million) and was thus within the communicated target range of EUR -9 million to EUR -11 million. EBIT changed only slightly compared to the preliminary figures of 21.01.2021. The decline in the result compared to the previous year is mainly due to the continuation of the high sales expenses, the COVID 19-related weaker investment result, an increase in personnel costs and the higher IT costs due to 'CareFlex Chemie'. Interest-related underwriting risks amounting to € 0.55 million were shielded as a precaution. On the other hand, the findings of the German Financial Reporting Enforcement Panel (DPR) on the 2018 consolidated financial statements had no impact on the earnings power in 2020.

According to the Solvency II Q4 2020 notification, the SCR coverage ratio of Deutsche Familienversicherung is 377% and thus significantly above the self-imposed long-term target corridor of 180% to 220%. The final coverage ratio as at 31 December 2020 will be published as part of the SFCR report in April.

High product quality and further expansion of digital competence

This week, DFV-ZahnSchutz was Stiftung Warentest's winner in the field of supplementary dental insurance for the sixth time, consistently since 2014. With the top mark of 0.5 (very good), the company's outstanding product quality was once again recognised by the independent foundation.

In the area of digitalisation, DFV is also consistently pursuing its course of further increasing the degree of digitalisation of all key business processes for the benefit of customers. One expression of this digital empowerment of the insurer is the DFV app, through which the company sells insurance products without incurring additional sales costs. At the same time, Deutsche Familienversicherung is the only provider that enables its customers to make situational changes to their respective accident insurance cover via app. The advantages for the user are not only the savings in time and money, but also the possibility of flexibly adapting the respective insurance cover to changing life situations. The app is rated 4.9 and 4.8 stars out of 5 in the Apple App Store and Google Play Store respectively. In addition, the insurtech is the only insurer to offer all products via the Amazon voice service "Alexa" and has been a pioneer in the field of digital competence of insurance companies since 2018. As part of the continuation of its digitalisation strategy, the company plans to sell annex insurance and other

insurance products from the low price segment via voice assistants in particular. With the implementation of its chatbot 'Viktoria', Deutsche Familienversicherung is successfully continuing the idea of voice assistance started with Alexa. Aalen University has rated DFV's chatbot as one of the best in the German insurance industry in 2020.

„Best insurance products that are understandable for everyone enable contactless sales and are the future, not only in times of a pandemic. No mere petitesse in this context is the fact that we can use 90% of our new customer base for cross-selling activities,“ comments Dr Stefan Knoll, Chairman of the Board and founder of Deutsche Familienversicherung.

Milestones 2021 - New structures, new products and expansion abroad

With the arrival of the new CFO Dr Karsten Paetzmann on 1 February 2021, DFV was able to decisively strengthen the Board of Management. Finance, accounting, controlling and capital investment will thus receive the quality standard that the company needs as a leading insurtech in Europe. In the second quarter, the finance department will be further strengthened, especially in the areas of capital investment, controlling and actuarial services. As part of its growth strategy, Deutsche Familienversicherung plans to implement various measures in the 2021 financial year. At the end of the second quarter, DFV will launch a new standard-setting 'combined product'. This will form the basis for the innovative Globalprodukt. Furthermore, as part of the planned internationalisation, DFV also intends to offer a selected product in Austria from the second quarter of 2021. DFV is on schedule in this regard.

Outlook 2021 - Continuation of strong growth

The outlook for the current financial year 2021 remains positive. Deutsche Familienversicherung plans to invest another EUR 30 million in sales activities and expects successful new business at the previous year's level, corresponding to around 100,000 new policies. The total portfolio volume, including the reinsurance volume, is expected to increase to around EUR 190 million. This is made up of the original business, which is to be increased by another EUR 25 million to around EUR 150 million in 2021, and a planned reinsurance contract between Barmenia and DFV of around EUR 40 million. This reinsurance contract is currently being negotiated on the basis of a letter of intent (LOI). In its original business, DFV aims to increase gross premiums written again by around 25 % and plans to reduce the operating loss for the year (EBIT) to approximately EUR 4 million. If the current business policy is continued, the company plans to break even in the 2022 financial year.

The Annual Report 2020 is available for download on our website under this [link](#).

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About DFV Deutsche Familienversicherung AG

DFV Deutsche Familienversicherung AG (ISIN DE000A0KPM74) is a fast-growing InsurTech company. As a digital insurance company, DFV covers the entire value chain with its own products. The company's goal is to offer insurance products that people really need and understand immediately ("Simple. Sensible."). DFV offers its customers multiple award-winning supplementary health insurance (dental, health, supplementary long-term care insurance) as well as accident and property insurance. Based on the state-of-the-art and scalable IT system developed in-house, the company is setting new standards in the insurance industry with digital product designs throughout as well as the option of taking out policies via digital voice assistants.

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