



Interim report Q1 2021

- **Alm. Brand generated a pre-tax profit of DKK 137 million in Q1 2021, against a profit on continuing activities of DKK 41 million in Q1 2020. The profit reflected satisfactory financial performances in Non-life Insurance and Life Insurance, although COVID-19 put a dampener on growth. Overall, the Q1 profit, which comprises costs related to partnership agreements entered into, was satisfactory.**
- **During the quarter, there was – as expected – a lower claims frequency on a wide range of insurance products due to the partial lockdown of society triggered by COVID-19. Moreover, the quarter was characterised by a favourable experience for weather-related claims, but also by a higher-than-expected frequency of major claims.**
- **The full-year profit guidance is upgraded to DKK 650-700 million, against the previous guidance range of DKK 600-650 million, based on both a positive trend in insurance operations and a positive investment result in Q1 2021.**

CEO Rasmus Werner Nielsen:

“Overall, the performance was satisfactory in a period that was still marked by COVID-19 effects with fewer motor claims and fewer burglaries, but also by a certain guardedness among customers in terms of discussing their future insurance needs. As society gradually re-opens, we expect claims profiles to normalise, and we look forward to seeing a higher level of activity and to being able to interact with our customers again and discuss their insurance needs in a way that resembles what we were used to before COVID-19.”

“Over the past few months, we have laid the groundwork for our large partnerships, which we expect a lot from in the months and years ahead. From day one, the Sydbank partnership has generated a really strong flow of referrals, and the recent launch of our partnership with Volkswagen Semler Finans Danmark ensures that Danish car owners will have access to a ready-to-use, integrated motor insurance solution already when they leave the dealership in their new car.”

Alm. Brand generated a pre-tax profit of DKK 137 million in Q1 2021, against a pre-tax profit on continuing activities of DKK 41 million in the year-earlier period. The performance reflected developments in Non-life Insurance and Life Insurance which were overall better than expected, but also indicated a dampened trend in gross premiums as a result of effects related to COVID-19. The partnership with Sydbank contributed in line with expectations in Q1 and is expected to pick up even more speed in the upcoming quarters. Preparations for the initiation of the partnership with VW Semler Finans Danmark progressed as planned with launch taking place in early May.

Non-life Insurance reported a technical result of DKK 109 million in Q1 2021, against DKK 131 million in Q1 2020, reflecting a continued favourable trend in the underlying business and a better-than-expected claims experience on weather-related claims, but also a higher level of major claims and a lower run-off result than in the same period of last year. As was expected, non-life insurance activities were affected by COVID-19 and the lower level of activity in society, as a result of which expenses for minor claims came out slightly below the normal level, while new sales and,

consequently, premium growth were challenged by fewer face-to-face customer meetings. Gross premium income was up 0.5% to DKK 1,367 million, and the combined ratio excluding run-off gains was 92.2, against 92.3 in Q1 2020. This was a satisfactory performance.

Life Insurance generated a pre-tax profit of DKK 21 million in Q1 2021, against a pre-tax profit of DKK 32 million in Q1 2020, with total pension contributions amounting to DKK 425 million in Q1 2021, against DKK 424 million in the same period of last year, covering a largely unchanged level of regular premiums and single payments. This was a satisfactory performance.

Outlook for 2021

Alm. Brand's full-year profit guidance is upgraded by DKK 50 million to DKK 650-700 million before tax and excluding run-off gains and losses for the next nine months, against the previously guided range of DKK 600-650 million.

Non-life Insurance is now expected to post a pre-tax profit of DKK 625 million, against the previous guidance of a pre-tax profit of DKK 575 million. The upgrade is the result of a positive trend in the underlying insurance business in Q1 2021, including fewer weather-related claims than expected and a positive investment result for the quarter. The guidance for premium growth is maintained at more than 3% for 2021, and the expense ratio for the full year is also expected to be in line with the previously guided range of 17-17.5.

The combined ratio excluding run-offs is expected to be about 89 against the previous guidance of 90.

The guidance for Life Insurance is unchanged at a pre-tax profit of DKK 100 million and growth in regular premium payments of 3-4%.

Other activities are still expected to report a pre-tax loss of DKK 50 million, including a small positive contribution from the remaining mortgage deed and debt collection portfolio and the portfolio of unlisted shares.

The financial outlook is based on the assumption of continued low interest rates in 2021. The group has a substantial portfolio of investment assets, and a continued low interest rate level therefore affects all of the group's business areas.

Group targets for the period until 2022

Alm. Brand has defined a number of financial targets for the period until 2022. The ambition is to achieve the following targets by 2022:

- growth in regular gross premium income in Non-life Insurance of 5%;
- a combined ratio in Non-life Insurance of below 90;
- a gross expense ratio of Non-life Insurance of about 16;
- growth in regular premiums in Life Insurance of 4-5%.

In addition to the financial targets, Alm. Brand has defined non-financial targets in respect of customer and employee satisfaction. The target for customer satisfaction of 70 as expressed by the net promoter score and the target for employee satisfaction of a score of 80 are maintained.

Webcast and conference call

Alm. Brand will host a conference call (in English) for investors and analysts today, Thursday 6 May 2021 at 11:00 a.m. The conference call and presentation will be available from Alm. Brand's investor website, www.investorrelations.almbrand.dk.

Conference call dial-in numbers for investors and analysts:

Denmark: +45 7872 3251

United Kingdom: +44 333 300 9270

USA: +1 833 526 8383

Link to webcast: <https://almbrand/2021q1/>

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