

Interim report

Q1-Q3 2022

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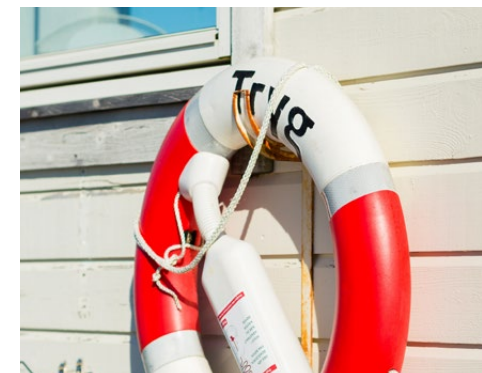
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Highlights



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Business initiatives



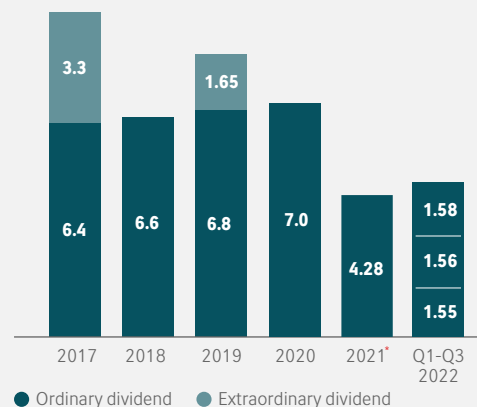
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Investment activities

Tryg aims to pay a nominal, stable and increasing ordinary dividend while maintaining stable results and a high level of return on capital employed.

Shareholder remuneration

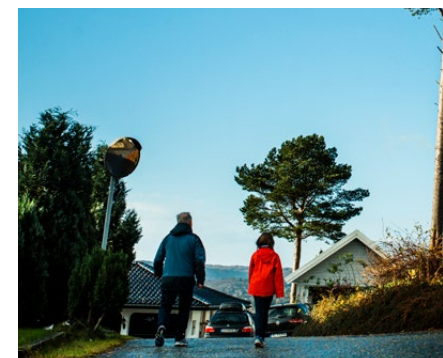
(DKK per share)



* Calculated on the new number of shares (653m) at the end of 2021 following the DKK 37bn rights issue to fund the RSA Scandinavia acquisition. Number of shares at the end of 2020 was 302m.

20

Financial outlook



Highlights

Financial Q3 2022

6.4%

Premium growth*
in local currencies
(4.8% excl. bonus and
premium rebates)

1,832m

Technical result
(DKK)

Q3 2021: 1,510m*

14.1

Expense ratio

Q3 2021: 13.6*

0.8

**Group
underlying claims
ratio improvement***
(percentage points)

81.1

Combined ratio

Q3 2021: 82.9*

-348m

**Total investment
return**
(DKK)

Q3 2021: 481m

964m

Profit before tax
(DKK)

Q3 2021: 1,201m

1.58

Dividend per share
(DKK)

Q3 2021: 1.07

198

Solvency ratio

Q3 2022: 195

* Comparison figures for premium growth and the insurance business are pro-forma Q3 2021

Premium growth of 6.4% in Q3, primarily driven by positive developments in the Private and Commercial segments. Technical result of DKK 1,832m (DKK 1,510m), showing an improvement of more than 20% against the Q3 2021 pro-forma figures and 85% compared to reported result in the corresponding

quarter last year. The result was supported by further positive developments in the core business (including the RSA Scandinavia synergies), increased level of interest rates (implying a higher discount rate for insurance liabilities and thereby lower claims level in Q3) and positive top-line development. The underlying

New reporting structure

In Q2 2022, Tryg started to fully consolidate Codan Norway and Trygg-Hansa. These businesses have been merged into the overall Private and Commercial organisations and reporting structure. Tryg is reporting its results through three divisions: Private, Commercial and Corporate, this is unchanged from previous practice. The old Sweden segment where Moderna Private was reported has been merged into

the Private segment. Tryg has been producing pro-forma* numbers for the enlarged Group from Q2 2021 to Q1 2022 to help comparability, these have been published on tryg.com. Tryg will also continue to publish the results by geographies in the notes of each quarterly report, with Denmark, Norway and Sweden primarily shown here. Codan Norway and Trygg-Hansa will also flow into the respective geographical results.

| Private | Q3 2022 | Q3 2021 pro-forma | Q3 2021 |
|----------------------|---------|-------------------|---------|
| Gross premium income | 6,107 | 5,739 | 3,927 |
| Technical result | 1,203 | 888 | 607 |
| Claims ratio | 67.1 | 71.3 | 70.3 |
| Expense ratio | 13.7 | 13.1 | 14.1 |
| Combined ratio | 80.9 | 84.5 | 84.4 |
| Commercial | Q3 2022 | Q3 2021 pro-forma | Q3 2021 |
| Gross premium income | 2,339 | 2,256 | 1,338 |
| Technical result | 501 | 519 | 278 |
| Claims ratio | 63.8 | 61.1 | 63.4 |
| Expense ratio | 15.5 | 15.8 | 15.7 |
| Combined ratio | 79.3 | 76.9 | 79.1 |
| Corporate | Q3 2022 | Q3 2021 pro-forma | Q3 2021 |
| Gross premium income | 917 | 869 | 869 |
| Technical result | 127 | 103 | 103 |
| Claims ratio | 74.4 | 76.6 | 76.6 |
| Expense ratio | 12.7 | 11.5 | 11.5 |
| Combined ratio | 87.1 | 88.0 | 88.0 |

* Pro-forma figures from Q2 2021 to Q1 2022 have been published on tryg.com to improve comparability. Pro-forma figures are shown including full consolidation of Codan Norway and Trygg-Hansa

claims ratio improved by 0.8 p.p. for the Group, while it was modestly negative for the Private segment. The investment result for Q3 was DKK -348m (DKK 481m), driven by highly volatile financial markets following continuously high geopolitical tensions as well as increased interest rates as central banks around the

world tried to tame pronounced inflationary pressures. Tryg's equity portfolio ended the quarter down 3% after notable intra-quarter movements, credit spreads generally widened and a higher level of interest rates was reported for the quarter.

Income overview

| DKK m | Q3 2022 | Q3 pro-forma 2021 | Q3 reported 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|--------------|----------------------|---------------------|---------------|---------------|---------------|
| Gross premium income | 9,363 | 8,864 | 6,133 | 24,896 | 18,096 | 24,137 |
| Gross claims | -6,038 | -5,868 | -4,039 | -16,432 | -12,045 | -16,275 |
| Total insurance operating costs | -1,316 | -1,209 | -863 | -3,491 | -2,548 | -3,394 |
| Profit/loss on gross business | 2,009 | 1,786 | 1,232 | 4,973 | 3,503 | 4,468 |
| Profit/loss on ceded business | -238 | -269 | -237 | -568 | -596 | -731 |
| Insurance technical interest, net of reinsurance | 61 | -7 | -7 | 82 | -23 | -29 |
| Technical result | 1,832 | 1,510 | 988 | 4,488 | 2,883 | 3,709 |
| Income from RSA Scandinavia | 0 | | 457 | 53 | 638 | 1,206 |
| Currency hedge related to RSA Scandinavia | 0 | | 0 | 0 | -1,035 | -1,035 |
| Investment return | -348 | | 24 | -1,563 | 464 | 699 |
| Investment return after insurance technical interest | -348 | | 481 | -1,510 | 67 | 870 |
| Other income and costs | -521 | | -267 | -1,304 | -453 | -624 |
| Profit/loss before tax | 964 | | 1,201 | 1,674 | 2,497 | 3,956 |
| Tax | -336 | | -165 | -508 | -710 | -795 |
| Profit/loss on continuing business | 628 | | 1,037 | 1,166 | 1,788 | 3,161 |
| Profit/loss on discontinued and divested business after tax | 0 | | 0 | 0 | 0 | -3 |
| Profit/loss | 628 | | 1,037 | 1,166 | 1,788 | 3,158 |
| Run-off gains/losses, net of reinsurance | 363 | 221 | 233 | 1,018 | 730 | 963 |
| Key figures and ratios | | | | | | |
| Total equity | 44,067 | | 48,292 | 44,067 | 48,292 | 49,008 |
| Return on Own funds | 14.6 | | 31.2 | 9.0 | 17.9 | 23.0 |
| Return on equity after tax (%) | 5.4 | | 13.7 | 3.3 | 6.4 | 7.8 |
| Return on Tangible Equity (%) | 9.1 | | 17.6 | 5.6 | 10.1 | 16.1 |
| Number of shares, end of period (1,000) | 640,690 | | 653,564 | 640,690 | 653,564 | 653,447 |
| Earnings per share | 0.97 | | 1.59 | 1.79 | 3.28 | 5.51 |
| Operating earnings per share (DKK) ^{a)} | 1.28 | | 1.63 | 2.45 | 3.42 | 5.70 |
| Ordinary dividend per share (DKK) | 1.58 | | 1.07 | 4.69 | 3.21 | 4.28 |
| Premium growth in local currencies | 6.4* | | 5.9 | 5.7* | 5.6 | 4.9 |
| Gross claims ratio | 64.5 | 66.2 | 65.8 | 66.0 | 66.6 | 67.4 |
| Net reinsurance ratio | 2.5 | 3.0 | 3.9 | 2.3 | 3.3 | 3.0 |
| Claims ratio, net of reinsurance | 67.0 | 69.2 | 69.7 | 68.3 | 69.9 | 70.5 |
| Gross expense ratio | 14.1 | 13.6 | 14.1 | 14.0 | 14.1 | 14.1 |
| Combined ratio | 81.1 | 82.9 | 83.8 | 82.3 | 83.9 | 84.5 |
| Run-off, net of reinsurance (%) | -3.9 | -2.5 | -3.8 | -4.1 | -4.0 | -4.0 |
| Large claims, net of reinsurance (%) | 4.2 | 0.8 | 0.7 | 3.4 | 1.5 | 1.8 |
| Weather claims, net of reinsurance (%) | 0.9 | 3.4 | 2.4 | 1.5 | 1.8 | 1.9 |
| Discounting (%) | 2.2 | 0.8 | 0.5 | 1.8 | 0.4 | 0.5 |
| COVID-19 claims, net of reinsurance (%) | 0.0 | -0.6 | -0.4 | 0.0 | -0.7 | -0.5 |
| Combined ratio on business areas | | | | | | |
| Private | 80.9 | 84.5 | 84.4 | 83.3 | 84.2 | 83.7 |
| Commercial | 79.3 | 76.9 | 79.1 | 80.3 | 81.0 | 83.8 |
| Corporate | 87.1 | 88.0 | 88.0 | 81.0 | 87.4 | 89.4 |

^{a)} Adjusted for depreciation on intangible assets related to Brands and Customer relations after tax

* Based on pro-forma figures

How to read this report

From Q2 2022, Tryg is fully consolidating Codan Norway and Trygg-Hansa. In the pro-forma figures for Q3 2021, Tryg included these businesses in the technical result to improve comparability. The third column shows the Q3 2021 results as reported. At that time, the new businesses were equity accounted and therefore the net profit for the quarter was included in the overall investment result.

The overall investment result of DKK -348m was primarily driven by a very volatile quarter for capital markets due to persisting geopolitical tensions and an inflationary environment that central banks are trying to tame by rapidly increasing interest rates. Tryg's equity portfolio returned -3%, the free portfolio rereported a DKK -233m result, the match portfolio reported a DKK 143m result.

Other income and costs include DKK 250m of restructuring/integration costs and DKK 218m of intangibles amortisation from the acquisition of RSA Scandinavia. As written previously, the annual intangibles amortisation from RSA Scandinavia is expected to be approximately DKK 900m.

Tryg is paying a Q3 DPS of 1.58, broadly in line with previous quarters, and reports a solvency ratio of 198, just above the Q2 level. The solvency position remains robust despite the extreme capital markets events of the past few quarters and as a new journey starts for the now enlarged Group.

Tryg published pro-forma figures for the last four quarters prior to full consolidation of the acquired businesses (Q2 2021-Q1 2022 both included), these figures are available on tryg.com.

Tryg's results

Tryg reported a Q3 technical result of DKK 1,832m (DKK 1,510m), driven by a positive top-line growth, particularly in the Private and Commercial segments, solid core business developments including the delivery of RSA Scandinavia synergies of DKK 97m in the quarter, and generally higher level of interest rates, which reduces claims reserves (all else being equal). The technical result in Q3 is up 85% against the reported level in Q3 2021, with Sweden contributing to top-line and technical result for 34% and 42%. The underlying claims ratio for the Group improved by 0.8 percentage points, while it deteriorated slightly for the Private segment. The combined ratio was 81.1 (82.9). The investment return for the quarter was DKK -348m (DKK 481m), primarily driven by a challenging macroeconomic situation that impacted returns in the free portfolio. The pre-tax result was DKK 964m (DKK 1,201m). A solvency ratio of 198, fully including the newly acquired businesses, was reported at the end of the quarter. Tryg reports a Q3 Operating EPS of 1.28 and pays a Q3 DPS of 1.58.

Results

Group premium growth was 6.4% in Q3, impacted primarily by a solid growth in the Private and Commercial segments. The combined ratio was 81.1 (82.9), driving a technical result of DKK 1,832m (DKK 1,510m). The higher technical result is primarily driven by a higher level of premiums, improved underlying performance, including the delivery of the RSA synergies and a generally higher level of interest rates. Weather claims were lower than for a normal Scandinavian autumn and accounted for 0.9% (3.4%).

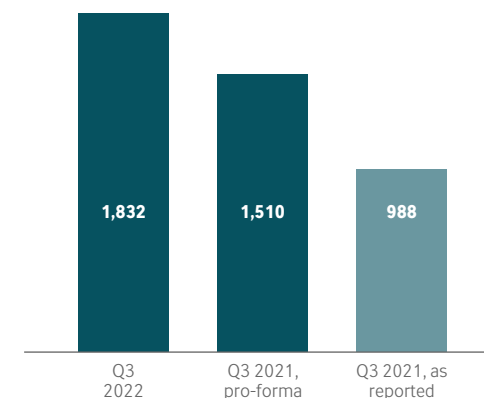
Throughout the report, Q3 2021 figures for the insurance business are pro-forma and include Trygg-Hansa and Codan Norway. These were published on tryg.com in June 2022.

Large claims were well above normal expectations at 4.2% (0.8%) for the quarter. The run-off result was 3.9% (2.5%). The Group's underlying claims ratio, adjusted for weather claims, large claims, run-offs, discount rate (to discount claims provisions) and COVID-19 impact, was 0.8 percentage points better than in Q3 2021 (pro-forma), as profitability initiatives in Commercial and particularly in Corporate improved results. The Private underlying claims ratio deteriorated slightly by 0.4 percentage points compared to Q3 2021 (pro-forma) as growth remained robust in the quarter, and a spike in travel insurance claims during the summer holidays was reported. Inflation has increased further in the past three months, which Tryg constantly monitors and adjusts prices accordingly, but it is important to remember that the full impact of the price

increases will only be visible in the P&L after 12-24 months. Longer term, the price increases will match claims inflation, but there may be some slightly more volatile developments in the short-term.

Profitability is generally somewhat lower for "new business" compared to "old" business due to an approximately 3% higher claims ratio and higher distribution costs. Hence, very strong growth levels usually result in the Private segment contributing less to the underlying development in the claims ratio. Given Tryg's long-term initiatives, Commercial and especially Corporate will ensure continuous improvement for the Group and more than offset developments in the Private segment. A higher share of premium income from the Private segment

Technical result (DKKm)



will be considered a key competitive advantage in the medium and long term. Tryg's Corporate business is actively increasing prices and reducing exposure to unprofitable segments, and expects profitability to improve in 2022 and subsequent years. It is important to note that the Trygg-Hansa business has now merged with Moderna, which therefore ceased to exist as a stand-alone entity. This makes the publication of separate results for Trygg-Hansa challenging. In the notes of the report it is possible to see that Sweden reported an overall combined ratio of 76.0, thus confirming the very strong profitability of the acquired business.

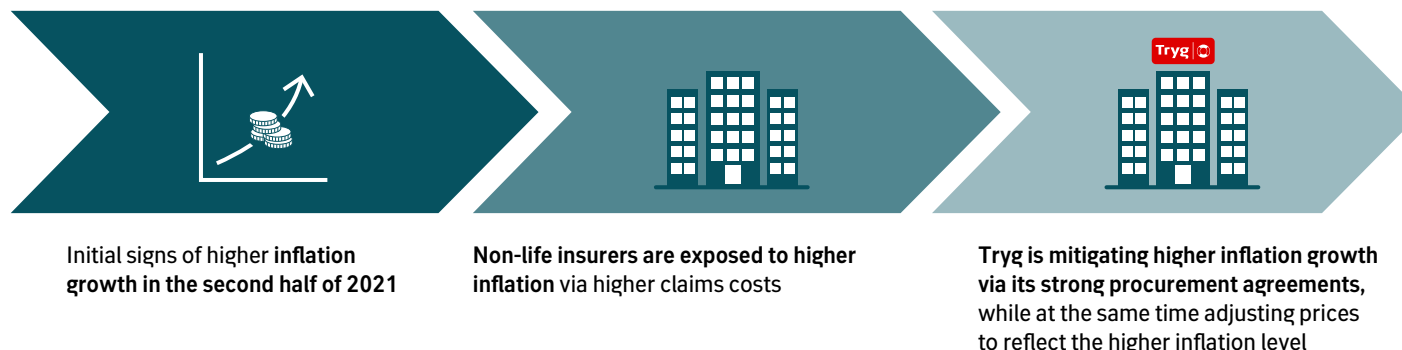
A customer satisfaction score of 85 was achieved in Q3 2022, which is in line with the score of 85 for the prior-year period.

Total investment return amounted to DKK -348m (DKK 481m), driven primarily by continuously high macro uncertainty. Inflation figures in virtually all advanced world economies are showing the highest levels in approximately 40 years, and central banks are rapidly increasing interest rates to try to tame this development. Hence, the past quarter has been very volatile for equity markets and increased interest rates. The sudden rise in interest rates is virtually unprecedented, it remains unclear how much is long-lasting and how much is temporary remains to be seen, especially considering the challenging macroeconomic outlook ahead. Tryg's equity portfolio reported a negative return of -3%, with equities posting an overall DKK -107m result. In the comparison period from 2021, Tryg included a full quarter of profit from Codan Norway, Trygg-Hansa and 50% of Codan Denmark in the investment return (equity accounting).

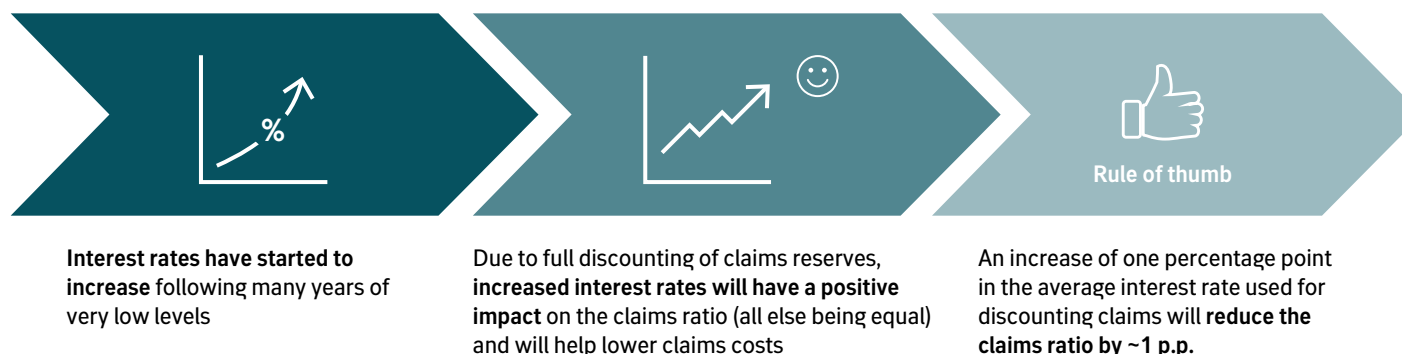
Tryg continues to pursue a relatively low-risk investment strategy with limited equity exposure and a conservative fixed-income profile (more than 90% of fixed-income securities are Nordic covered bonds). It should be remembered that Tryg mark-to-market both assets and liabilities (in accordance with Danish Financial Supervisory Authority rules), resulting in some P&L volatility in turbulent times. Other Nordic and European insurers, meanwhile, hold large parts of their fixed-income portfolios to maturity or book most of the asset moves to shareholders' equity. Asset allocation remained broadly unchanged during the period, while it is important to note that total invested assets are approximately DKK 67bn, with the free portfolio representing approximately DKK 18bn of this.

Inflation, interest rates and discounting

Inflation



Interest rates¹



¹ Tryg has published a newsletter on the sensitivity of earnings to interest rate movements. Read more on tryg.com/newsletters.

Premiums

Gross premium income was DKK 9,363m (DKK 8,864m), corresponding to a growth of 6.4% in local currencies (4.8% excluding bonus and premium rebates). The Private lines reported a growth of 7.3%, (4.7% excluding bonus and premium rebates). The premium development in Private lines was characterised by organic growth driven by a net inflow of new customers and up-selling to existing customers, additionally

inflation-mitigating initiatives have also helped the top-line development. Commercial lines reported an increase in premiums of 4.6%, Denmark and Sweden were characterised primarily by organic growth, while Norway was driven primarily by price adjustments. In Denmark, a net inflow of customers was reported, while in Sweden very strong growth was helped by online distribution. Commercial lines in Norway also reported a premium increase which was

characterised by inflation-mitigating initiatives. The Corporate segment continued its efforts to improve profitability by increasing prices and reducing exposure to international exposure, particularly to property and liability. The reported growth was primarily impacted by the transfer of customers from the Commercial area whose turnover increased and therefore were categorised (for reporting standards) as Corporate customers. Excluding the portfolio transfer,

the top-line development for the Corporate segment was negative.

Claims

The claims ratio net of ceded business was 67.0 (69.2). The underlying claims ratio for the Group, excluding large claims and weather claims, run-offs, discounting and COVID-19, was 68.1 (68.9), which was 0.8 percentage points better than the corresponding pro-forma quarter in 2021. The Private underlying claims ratio deteriorated modestly to 69.4 (69.0). The current strong level of growth in the Private segment is likely to impact the underlying claims ratio somewhat, as new business does not initially have the same profitability as old business. The claims ratio for new business is approximately 3% higher than existing business, primarily because new customers generally have a higher propensity to claim on their insurance more frequently in the first couple of years. Additionally, claims on the travel insurance product increased during the quarter as travel activity picked up post COVID-19.

Many households displayed a changed travel pattern, taking fewer but more expensive trips as opposed to more activity during the year. Tryg's improved coverage terms for COVID-19 also resulted in higher claims. Profitability initiatives in the Corporate segment should help sustain the improvement in the Group's underlying claims ratio. Tryg continues to expect an improvement in the underlying claims ratio for FY 2022.

Tryg has initially been working actively with procurement agreements to contain claims inflation, while price adjustments have also been pushed through. Inflation has increased further in the past three months and the economic environment has become more challenging. It is important to remember that the full impact of the price increases will only be visible in the P&L after 12-24 months. Longer term, the price increases will match claims inflation, but there may be some slightly more volatile developments in the short-term.

Tryg's procurement team constantly collaborates with the claims department to monitor and control claims inflation. Tryg has benefited from its tight focus on procurement in recent months, which has been characterised by increased prices for materials, especially (but not only) in the property segment. Tryg has a cooperative arrangement with craftsmen, and for example uses three-year agreements to keep costs under control. These agreements ensure a stable income for craftsmen and are highly appreciated by both parties. More broadly, Tryg's business is relatively short tail, with an average claims duration of four years, while the claims duration on most Private products is less than one year. Scandinavia experienced relatively mild weather this summer. Weather claims amounted to DKK 83m, or 0.9% (3.4%) of the claims ratio. The comparison figures were impacted by heavy rain in Sweden last summer, including a severe cloudburst that hit the city of Gävle. Large claims impacted the claims ratio negatively by 4.2% (0.8%) and amounted to DKK 392m, which is well above the expected quarterly average. For the full year, Tryg is assuming large claims (with no quarterly seasonality) of DKK 800m and weather claims (mainly in Q1 and Q4) of DKK 800m for the new Group, which includes Trygg-Hansa and Codan Norway.

Expenses

The expense ratio was 14.1 (13.6), influenced by good top-line growth and tight cost control. The expense ratio was lower in the pro-forma figures in the comparison period due to some periodisation effects. At the CMD in 2021, Tryg announced an expense ratio target for 2024 of around 14, as IT investments and an increase in employee numbers (especially in the short term) would be broadly offset by continuous efficiency improvements, driven primarily by lower distribution costs.

Investment return

Investment income was DKK -348m (DKK 481m). Financial markets developments remained challenging during the quarter. Rapidly increasing interest rates have hit equity valuations, credit spreads have widened and most assets classes (apart from properties) produced negative returns. Tryg's equity portfolio reported a -3% return which gave a result of DKK -107m. The free portfolio reported an overall result of DKK -233m (DKK 89m), while the match portfolio reported an overall result of DKK 143m (DKK 13m) and other financial income and expenses totalled DKK -259m (DKK -78m) including a negative value adjustment on the Swedish inflation swap of DKK 119m. More details around "other financial income and expenses" can be found in the investment activities section.

Other income and costs

Other income and costs were DKK -521m (DKK -267m). The item primarily encompasses restructuring and integration costs of DKK -250m and intangibles amortisation (customer relations) of DKK -218m from the RSA Scandinavia acquisition and DKK -32m from the Alka acquisition. Intangibles amortisation is a non-cash item and is expected to be approximately DKK -900m pre-tax per annum (or approximately DKK -225m per quarter, starting from Q2 2022) for the RSA Scandinavia assets and approximately DKK -30m per quarter from the acquisition of Alka.

Profit before and after tax

Profit before tax was DKK 964m (DKK 1,201m reported in Q3 2021), while profit after tax and discontinued activities was DKK 628m. Total tax paid was DKK 336m, equating to a tax rate of approximately 35%. The higher than normal tax rate includes approximately DKK 40m from deferred tax due to a new financial tax recently

Follow Tryg's free portfolio on tryg.com

Tryg publishes on a daily basis on Tryg.com the percentage return of the most volatile part of the investment income, the "so called" free portfolio (the NAV of the company). Tryg has published a **newsletter** in the past detailing the different building blocks of the investment result. The free portfolio as per Q3 2022 is approximately DKK 18bn and the size is broadly stable. The match portfolio is made up of primarily Nordic covered bonds and structured to report a result very close to zero, the portfolio

has been built to minimize capital consumption. Finally, the line "other financial income and expenses" has been previously guided to be slightly more negative than DKK -60m per quarter. Tryg tries to increase transparency all the time in different aspects of its financial reporting, in challenging financial markets it is worthwhile to remember that the most volatile part of the investment result is observable on a daily basis.

approved by the Danish government (so called "Arne-skat") and is also negatively impacted by capital markets movements (capital gains on equities are mostly tax free while the tax rate is higher when equity markets fall) and some periodization impact between quarters.

Dividend and solvency

Own funds were DKK 15,876m at the end of Q3, while the SCR was DKK 8,024m. Tryg reports a solvency ratio of 198. Tryg will be paying a Q3 dividend of DKK 1,034m or DKK 1.58 per share. The quarterly dividend is normally expected to be flat between quarters, but in 2022 it will benefit from a decreasing number of shares following the launch of the DKK 5bn share buyback programme. The buyback programme equalled approximately 5% of Tryg's market capitalisation at launch and was initiated on 3 May 2022. The programme is expected to run for a maximum of 14 months and, so far, Tryg has bought approximately 12.8m of shares for a total of approximately DKK 2.1bn at the end of Q3 2022.

Q1-Q3 2022 results

The Q1-Q3 technical result was DKK 4,488m, while the technical result in the comparable period in 2021 was DKK 2,883m but did not include Codan Norway and Trygg-Hansa, which were equity accounted. Tryg increased its technical result in Q1-Q3 2022 by consolidating Codan Norway and Trygg-Hansa from Q2 onwards, producing robust top line growth, improving underlying performance (also helped by the realisation of RSA synergies) and also by benefiting from increasing interest rates.

Tryg has paid a Q1 dividend per share of DKK 1.55, a Q2 dividend per share of 1.56 and will pay a Q3 dividend per share of DKK 1.58, bringing the total dividend per share for Q1-Q3 to DKK 4.69. The quarterly dividend in 2022 and the first part of 2023 will be positively impacted by the lower number of shares following the progress of the DKK 5bn share buyback programme.



Business initiatives

2022 marked the beginning of Tryg's new strategy period, which included the acquisition of Trygg-Hansa and Codan Norway. Tryg has set new and ambitious targets for 2024 under the headline "Growing a successful core while shaping the future". Tryg will continue growing its successful Private and SME segment by building on the foundation for customers and sales excellence while initiating structural changes in the Corporate segment. Specifically, in 2022, Tryg will have an enhanced focus on the B2B segment, and initiatives will be implemented to continue growth in the SME segment while increasing profitability in the Corporate business.

Private

In Private, Tryg continues to build on its strong foundation of innovative capabilities to deliver excellent customer experiences, new propositions to meet customer expectations and profitability.

Tryg Private in Norway renewed its partnership with one of the largest housing construction companies in Scandinavia in Q3. The partnership with OBOS is built on a solid foundation and going forward will have an enhanced focus on safety along the Norwegian coastline, which is a great addition to Tryg's 70-year history of providing lifebuoys.

In Sweden, Trygg-Hansa added a new product, pet insurance. The product is similar to ones offered by Tryg, so this is a good example of knowledge sharing and synergies. Furthermore,

Trygg-Hansa also renewed its partnership with Akademikerförsäkring, an organisation for lawyers and economists. Tryg's Swedish brand had a successful collaboration with Akademikerförsäkring for many years. Trygg-Hansa successfully renewed with Finansförbundet, which is the largest organisation for employees in the insurance and banking industries.

Business-to-business (B2B)

In the current strategy period, a key priority will be to grow the attractive and profitable SME segment while finding the right balance between risk and price among large Corporate customers. One way of stimulating growth in the small business segment is through tailoring products to accurately cover the needs of the smaller companies in the Commercial segment.

In Q3, Tryg launched an updated cyber insurance product, which can help Corporate and Commercial customers before, during and after a potential cyber-attack. With the new cyber insurance, Tryg offers an additional preventive IT service which includes protective software that shields the customer's IT systems and data.

At Trygg-Hansa, the rollout of the legal advice product, Juristhjälpen ('Lawyer help'), continued in Q3 as part of the partnership with HELPFörsäkring. The product is a legal advice service tailored to SMEs with a turnover below SEK 50m.

In Norway, a new partnership between Tryg and ABAX was announced this quarter. ABAX is a

large tracking and telematics company offering a product range that includes vehicle tracking, digital mileage capture and asset tracking. Going forward, Tryg will therefore have access to mobility data from the ABAX platform, enabling Tryg to develop new and improved solutions and insurance products and services.

Claims

The implementation of Guidewire (a new and more effective claims handling system) is progressing very well. The new claims handling system boosts the quality of the claims handling process by ensuring that all the correct information is collected, and that the customer receives payment as quickly as possible. Simple claims types, such as travel claims, are handled as "Straight Through Processing", which is fully automated claim handling. Other, more complex claims types are automated to the extent it is possible.

In Q3, pet insurance was added to the claims handling system in Denmark, and around 52% of all claims in Denmark are currently handled via Guidewire. Implementation in Norway is also running according to plan and currently 30% of all claims are handled via Guidewire.

In Sweden, a new fraud identification system is being developed and fine-tuned. Currently, the system is running according to plan and showing improved results identifying more fraud cases compared to previous years.

RSA synergies

Tryg communicated expected synergies of DKK 900m deliverable by 2024 in connection with the acquisition of RSA Scandinavia. In Q3, synergies of DKK 97m were realised, thus totalling DKK 302m for 2021 and to date 2022 against a target of DKK 350m. Synergies have mainly been achieved through a reduced marketing spend and administration initiatives, though lower claims costs through utilising Tryg's strong procurement power as well as reduced RSA group charges. Synergies of DKK 48m relating to administration and distribution were achieved, driven primarily by FTE reductions. DKK 18m was linked to commercial initiatives, DKK 18m from procurement and, finally, DKK 13m was related to claims costs.

Customer KPI

In 2021, Tryg introduced a new and even more actionable customer KPI that also enables internal benchmarking across business units. At the CMD in 2021, Tryg presented a target for customer satisfaction in 2024 of 88. In Q3 2022, a customer satisfaction score of 85 was achieved, which was in line with the score of 85 for the prior-year period.

An important initiative to help customers across Tryg was to offer free crises help following the tragic events (shooting) in the Copenhagen shopping mall, Field's, on 3 July. Tryg provided extended crisis assistance coverage to customers and their relatives, regardless of which insurance policies they may have at Tryg.

Corporate Responsibility/ESG

In 2021, Tryg launched its Corporate Responsibility strategy: "Driving sustainable impact". In addition to strengthening the anchoring of strong ESG practices across the organisation, the strategy also aims to support customers in the green transition by increasingly offering sustainable insurance products and sustainable claims handling. Tryg has included the activities of Trygg-Hansa and Codan Norway in its Corporate Responsibility targets, and hence has increased its level of ambition with regard to sustainable claims handling. Tryg has raised its target to increase the claims spend classified as sustainable by 80% in 2024 compared to 2020. The target is an important lever for achieving its target of a total CO₂ reduction of 20,000- 25,000 tonnes through more sustainable claims handling in 2024.

For 70 years, Tryg's lifebuoys have contributed to preventing drownings along Norway's coasts and seaside. In August, Tryg employees in Bergen spent part of a working day on the island of Bjorøy, close to open sea, cleaning up and removing plastic. Their goal was that the only plastic to be found along the coastline was Tryg's lifebuoys.

Within an hour, employees gathered almost 300 kilos of plastic; thousands of Q-tips, corks, string, rope, small pieces of plastic and Styrofoam. The plastic can be turned into a classic design developed by Vestre, one of Scandinavian's largest manufactures of sustainable furniture using circular business models.

In Q3, Tryg entered into an agreement with Ungdomsbyen, an educational centre and meeting place for young people in Copenhagen. Tryg offers around 40 courses to 15-year-old school children to strengthen the young people's financial literacy and their understanding of why it is important to be insured – even from an early age. The courses are hosted by Tryg's own employees and have proved a great success.



Private



Private encompasses the sale of insurance products to private individuals in Denmark, Sweden and Norway. Sales are distributed via multiple channels, e.g., call centres, the internet, Tryg's own agents, Alka (Denmark), franchisees (Norway), interest organisations, car dealers, estate agents and Danske Bank branches. The business area accounts for 65% of the Group's total premium income.

In general, all figures in brackets refer to pro-forma Q3 2021.

Results

Private reported a technical result of DKK 1,203m (DKK 888m) and a combined ratio of 80.9 (84.5). The higher premium level had a positive impact on the result together with synergies related to the RSA Scandinavia acquisition and a generally higher level of interest rates (improving the claims ratio via a higher discounting of liabilities). The underlying claims ratio developed slightly negatively, as a spike in travel insurance claims was reported for the quarter, while growth remains very healthy but dampens profitability slightly in the short-term.

Premiums

Gross premium income against pro-forma figures increased by 7.3% (4.7% excluding bonus and premium rebates), impacted by strong developments in all countries. Private Denmark maintained its high level of growth and was positively impacted by a lower level of bonus and premium rebates relative to 2021.

The development was positively impacted by further strong growth driven by partner agreements, cross-selling to existing customers and price adjustments to mitigate inflation, whereas lower sales of new cars continue to have a negative effect. Private Norway reported increased growth due to strong sales to partner agreements and the impact of price adjustments related to inflation, but also negatively impacted by lower sales of new cars. In Sweden, Trygg-Hansa saw improved growth compared to recent years, across all sale channels, though it was still negatively impacted by lower sales of new cars.

Claims

The claims ratio, net of ceded business, was 67.1% (71.3%), impacted by a lower level of weather claims at 1.2% (3.7%, primarily due to a cloudburst in Gävle, Sweden), significantly higher discounting impact at 2.0% (0.8%) and no COVID-19 impact (-0.3%).

Key figures – Private ^{a)}

| DKKm | Q3 2022 | Q3 pro- forma 2021 | Q3 re- ported 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|--------------|--------------------------|--------------------------|---------------|---------------|---------------|
| Gross premium income | 6,107 | 5,739 | 3,927 | 16,113 | 11,547 | 15,386 |
| Gross claims | -4,018 | -4,019 | -2,689 | -10,977 | -7,891 | -10,518 |
| Gross expenses | -837 | -753 | -554 | -2,193 | -1,623 | -2,087 |
| Profit/loss on gross business | 1,252 | 967 | 684 | 2,943 | 2,033 | 2,781 |
| Profit/loss on ceded business | -83 | -75 | -73 | -247 | -204 | -267 |
| Insurance technical interest, net of reinsurance | 34 | -4 | -4 | 45 | -14 | -18 |
| Technical result | 1,203 | 888 | 607 | 2,740 | 1,815 | 2,496 |
| Run-off gains/losses, net of reinsurance | 122 | -6 | 84 | 280 | 277 | 372 |
| Key ratios | | | | | | |
| Premium growth in local currencies (%) | 7.3* | | 7.4 | 6.0* | 6.4 | 5.5 |
| Gross claims ratio | 65.8 | 70.0 | 68.5 | 68.1 | 68.3 | 68.4 |
| Net reinsurance ratio | 1.4 | 1.3 | 1.8 | 1.5 | 1.8 | 1.7 |
| Claims ratio, net of reinsurance | 67.1 | 71.3 | 70.3 | 69.7 | 70.1 | 70.1 |
| Gross expense ratio | 13.7 | 13.1 | 14.1 | 13.6 | 14.1 | 13.6 |
| Combined ratio | 80.9 | 84.5 | 84.4 | 83.3 | 84.2 | 83.7 |
| Combined ratio exclusive of run-off | 82.9 | 84.3 | 86.6 | 85.0 | 86.6 | 86.1 |
| Run-off, net of reinsurance (%) | -2.0 | 0.1 | -2.1 | -1.7 | -2.4 | -2.4 |
| Large claims, net of reinsurance (%) | 0.5 | 0.1 | 0.1 | 0.8 | 0.2 | 0.1 |
| Weather claims, net of reinsurance (%) | 1.2 | 3.7 | 2.5 | 1.8 | 2.1 | 2.2 |

^{a)} From H1 2022, Tryg's operating Segments was reduced from four to three operating segments, with the segment previously reported as "Sweden" moved to the Segment "Private". Comparative figures are restated accordingly.

* Based on pro-forma figures.

Financial highlights Q3 2022

7.3%

Premium growth
(local currencies)

Based on
pro-forma figures

1,203m

Technical result
(DKK)

Q3 2021: 888m

80.9

Combined ratio

Q3 2021: 84.5

The underlying claims ratio deteriorated slightly by 0.4%, driven primarily by continued strong growth in the segment. Additionally, travel insurance claims increased during the quarter as travel activity picked up and many households displayed a changed travel pattern, with fewer but more expensive trips as opposed to more activity during the year. Many European airports were short-staffed during the summer, and luggage delivery descended into chaos at times, so related expenses here saw a big jump in July. Tryg's improved coverage for COVID-19 cancellations also resulted in higher claims. Inflation levels continued to increase during the quarter, which may result in slightly more volatility in the underlying claims ratio compared to recent developments. Claims costs increased most in Private property and motor, driven by higher building costs and higher prices on spare parts for cars. Tryg continuously monitors inflation and adjusts prices accordingly, which in periods with very high inflation might lead to a slightly higher underlying claims ratio in the initial period after adjusting prices.

Expenses

The expense ratio was 13.7% (13.1%), with the comparison figure including a very low number from Trygg-Hansa due to a lack of periodisation effect.

Q1-Q3 2022 results

The technical result was DKK 2,740m (DKK 1,815m), the comparison period did not include the Trygg-Hansa and Codan Norway businesses in the technical result (these results were equity accounted in the investment result from June 2021 until Q1 2022). Business generally developed positively with an adjusted growth rate of 6.0% and a claims ratio of 69.7, driven by noticeably higher level of interest rates, synergies from the RSA Scandinavia acquisition and also a marginally higher level of underlying claims.



Commercial



Commercial encompasses the sale of insurance products to small and medium-sized businesses in Denmark, Sweden and Norway and under the brand 'Tryg Garanti' (Tryg's credit & surety business) in selected European countries. Sales are distributed via Tryg's own sales force, brokers, Alka (Denmark), franchisees (Norway), online (particularly in Sweden), customer centres and Group agreements. The business area accounts for 25% of the Group's total premium income.

In general, all figures in brackets refer to pro-forma Q3 2021.

Results

Commercial posted a technical result of DKK 501m (DKK 519m) and a combined ratio of 79.3 (76.9). The results were positively impacted by higher premium income, an underlying claims ratio improvement and higher discounting impact. Pulling in the opposite direction, a higher level of large claims was reported overall. Tryg generally saw positive developments for Commercial, with Denmark showing growth in customer numbers due to a strong focus on smaller Commercial customers. Commercial in Sweden experienced good growth and maintained a high level of online sales. Norway saw growth founded on improving profitability through price adjustments.

Premiums

Gross premium income totalled DKK 2,339m (DKK 2,256m), representing a 4.6% increase (compared to pro-forma figures) in local currencies. In both Denmark, Sweden and Norway, Tryg saw solid premium growth, which was positively impacted in all countries by price adjustments to mitigate inflation. Both Denmark and Sweden experienced an organic development in customer numbers. In Norway, growth was primarily impacted by further price increases for unprofitable customers with a high level of acceptance rate. Growth was impacted by the transfer of customers from Commercial to Corporate in Norway, as a high proportion of customers in Codan Norway are registered as Corporate according to Tryg's definition. Tryg also reported healthy growth in the credit and surety business (Tryg Garanti).

Key figures – Commercial ^{a)}

| DKKm | Q3 2022 | Q3 pro-forma 2021 | Q3 re-reported 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|--------------|-------------------|---------------------|--------------|--------------|--------------|
| Gross premium income | 2,339 | 2,256 | 1,338 | 6,058 | 3,942 | 5,294 |
| Gross claims | -1,410 | -1,255 | -755 | -3,733 | -2,424 | -3,334 |
| Gross expenses | -362 | -357 | -210 | -976 | -646 | -913 |
| Profit/loss on gross business | 567 | 645 | 373 | 1,350 | 873 | 1,048 |
| Profit/loss on ceded business | -83 | -124 | -94 | -157 | -125 | -191 |
| Insurance technical interest, net of reinsurance | 18 | -2 | -2 | 25 | -6 | -7 |
| Technical result | 501 | 519 | 278 | 1,218 | 741 | 850 |
| Run-off gains/losses, net of reinsurance | 125 | 179 | 102 | 352 | 231 | 309 |
| Key ratios | | | | | | |
| Premium growth in local currencies (%) | 4.6* | | 6.2 | 5.6* | 6.5 | 6.1 |
| Gross claims ratio | 60.3 | 55.6 | 56.4 | 61.6 | 61.5 | 63.0 |
| Net reinsurance ratio | 3.6 | 5.5 | 7.0 | 2.6 | 3.2 | 3.6 |
| Claims ratio, net of reinsurance | 63.8 | 61.1 | 63.4 | 64.2 | 64.6 | 66.6 |
| Gross expense ratio | 15.5 | 15.8 | 15.7 | 16.1 | 16.4 | 17.2 |
| Combined ratio | 79.3 | 76.9 | 79.1 | 80.3 | 81.0 | 83.8 |
| Combined ratio exclusive of run-off | 84.7 | 84.9 | 86.7 | 86.1 | 86.9 | 89.6 |
| Run-off, net of reinsurance (%) | -5.4 | -7.9 | -7.6 | -5.8 | -5.9 | -5.8 |
| Large claims, net of reinsurance (%) | 8.1 | 2.8 | 2.3 | 6.7 | 2.7 | 3.4 |
| Weather claims, net of reinsurance (%) | 0.5 | 3.1 | 2.2 | 1.3 | 1.6 | 1.5 |

^{a)} From H1 2022, Tryg's operating Segments was reduced from four to three operating segments, with the segment previously reported as "Sweden" moved to the Segment "Private". Comparative figures are restated accordingly.

*Based on pro-forma figures.

Financial highlights Q3 2022

4.6%

Premium growth
(local currencies)

Based on
pro-forma figures

501m

Technical result
(DKK)

Q3 2021: 519m

79.3

Combined ratio

Q3 2021: 76.9



Claims

The claims ratio, net of ceded business, was 63.8 (61.1). The increase was primarily due to a higher level of large claims. On the positive side, an improved underlying claims level was reported together with generally higher level of interest rates. Claims were positively affected by profitability initiatives, particularly in Denmark and Norway, related to claims inflation as well as the general claims efficiency programme. Inflation levels continued to increase during the quarter, this may result in a slightly more volatility in the underlying claims ratio compared to recently. Tryg currently experiences the highest inflation in building and motor, driven by more expensive building materials and also spare parts.

Expenses

The expense ratio was slightly lower with 15.5 (15.8). In general, there has been a focus on lowering distribution costs through use of more efficient sales channels as for example independent sales agents in Denmark.

Q1-Q3 2022 results

The technical result was DKK 1,218m (DKK 741m), the comparison period did not include the Trygg-Hansa and Codan Norway businesses in the technical result (these results were equity accounted in the investment result from June 2021 until Q1 2022). The combined ratio was 80.3 (81.0) and was impacted by an improved underlying claims ratio and a higher level of large claims.

Corporate



Corporate sells insurance products to corporate customers under the brands 'Tryg' in Denmark and Norway, and 'Trygg-Hansa' in Sweden. Sales are effected both via Tryg's own sales force and via insurance brokers. Moreover, customers with international insurance needs are serviced by the RSA Global network (from 1 January 2023). The business area accounts for 10% of the Group's total premium income.

Results

The technical result amounted to DKK 127m (DKK 103m), with a combined ratio of 87.1 (88.0). The higher technical result is due to a significant underlying improvement in the claims ratio as a result of ongoing profitability initiatives.

Premiums

Gross premium income totalled DKK 917m (DKK 869m), representing 5.8% growth compared to the prior-year period when measured in local currencies. Premiums were impacted by profitability initiatives across Denmark, Norway and Sweden, with strong results delivered in all three countries. In Norway, Tryg continued to see a transfer of Commercial customers from Codan. Excluding these transfers, Corporate would have reported a negative growth around 1%.

Claims

The claims ratio, net of ceded business, was 74.4 (76.6) and was impacted by a much higher level of large claims, though this was offset by improved profitability, a higher discount rate and a better run-off result. The underlying claims level improved, primarily due to profitability initiatives across all countries, but also through measures to reduce international exposure, mainly to property and liability.

Expenses

The expense ratio was somewhat higher than last year at 12.7 (11.5), primarily driven by a periodisation effect. In general, a low expense ratio should be expected for Corporate because commissions for brokered business are paid by the customers.

Key figures – Corporate

| DKKm | Q3 2022 | Q3 pro- forma 2021 | Q3 re- ported 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|-------------|--------------------------|--------------------------|---------------|---------------|--------------|
| Gross premium income | 917 | 869 | 869 | 2,725 | 2,607 | 3,457 |
| Gross claims | -610 | -595 | -595 | -1,722 | -1,732 | -2,423 |
| Gross expenses | -116 | -99 | -99 | -322 | -280 | -396 |
| Profit/loss on gross business | 190 | 174 | 174 | 681 | 595 | 638 |
| Profit/loss on ceded business | -72 | -70 | -70 | -164 | -267 | -273 |
| Insurance technical interest, net of reinsurance | 9 | -1 | -1 | 13 | -3 | -4 |
| Technical result | 127 | 103 | 103 | 530 | 325 | 361 |
| Run-off gains/losses, net of reinsurance | 115 | 47 | 47 | 386 | 221 | 282 |
| Key ratios | | | | | | |
| Premium growth in local currencies (%) | 5.8 | | -0.7 | 4.2 | 1.2 | 0.3 |
| Gross claims ratio | 66.6 | 68.5 | 68.5 | 63.2 | 66.4 | 70.1 |
| Net reinsurance ratio | 7.8 | 8.1 | 8.1 | 6.0 | 10.3 | 7.9 |
| Claims ratio, net of reinsurance | 74.4 | 76.6 | 76.6 | 69.2 | 76.7 | 78.0 |
| Gross expense ratio | 12.7 | 11.5 | 11.5 | 11.8 | 10.7 | 11.4 |
| Combined ratio | 87.1 | 88.0 | 88.0 | 81.0 | 87.4 | 89.4 |
| Combined ratio exclusive of run-off | 99.7 | 93.5 | 93.5 | 95.2 | 95.9 | 97.6 |
| Run-off, net of reinsurance (%) | -12.6 | -5.5 | -5.5 | -14.2 | -8.5 | -8.2 |
| Large claims, net of reinsurance (%) | 18.5 | 0.5 | 0.5 | 11.8 | 5.4 | 6.6 |
| Weather claims, net of reinsurance (%) | 0.0 | 2.2 | 2.2 | 0.4 | 1.0 | 1.1 |

Financial highlights Q3 2022

5.8%

Premium growth
(local currencies)

127m

Technical result
(DKK)

Q3 2021: 103m

87.1

Combined ratio

Q3 2021: 88.0

Q1-Q3 2022 results

The technical result was DKK 530m, while the combined ratio was 81.0. The solid result was impacted by an improvement in underlying claims in all countries, driven by continued profitability initiatives and a reduction in the number of customers with international exposure, particularly to property and liability.



Investment activities

Tryg's investment activities since Q2 include the new assets coming from the RSA Scandinavia acquired perimeter, which means the free portfolio (the capital of the company) is now DKK 18bn, while the match portfolio (matching the liabilities and constructed to minimise capital consumption) is DKK 49bn.

The investment return for the quarter was DKK -348m (DKK 481m), driven by a negative return from the free portfolio (DKK -233m), a positive contribution from the match portfolio (DKK 143m) and other financial income and expenses of DKK -259m. The comparison period's investment result comprised the sum of the overall investment result of DKK 24m and the income from RSA Scandinavia of DKK 457m (equity accounting of the net profit for the period).

The free portfolio result of DKK -233m (DKK 89m) was primarily driven by highly challenging financial market conditions. Continued high geopolitical tensions, galloping inflation, increasing interest rates and falling equity markets all contributed negatively.

The total market value of Tryg's investment portfolio was DKK 67bn at 30 September 2022. The investment portfolio consists of a match portfolio of DKK 49bn and a free portfolio of DKK 18bn. The match portfolio is composed of low-risk, fixed-income assets that mirror the Group's insurance liabilities, so fluctuations resulting from interest rate changes are therefore offset to the greatest possible extent. The free portfolio reflects the Group's capital, it is invested in a global multi-asset, low-risk portfolio strategy, predominantly in fixed-income securities of short duration but also in equities and properties.

Return - free portfolio

| DKKm | Q3 2022 | Q3 2022(%) | Q3 2021 | Q3 2021(%) | Q1-Q3 2022 | Q1-Q3 2022(%) | Q1-Q3 2021 | Q1-Q3 2021 (%) | Investment assets | |
|---|-------------|-------------|-----------|------------|---------------|---------------|------------|----------------|-------------------|---------------|
| | | | | | | | | | 30.09.2022 | 31.12.2021 |
| Government and Covered Bonds | -167 | -2.7 | -13 | -0.3 | -508 | -9.1 | -28 | -0.7 | 5,764 | 3,896 |
| Corporate and Emerging Market Bonds | -110 | -3.6 | 2 | 0.1 | -516 | -19.2 | 16 | 0.8 | 2,925 | 2,154 |
| Investment grade credit | -42 | -3.5 | 1 | 0.1 | -189 | -19.2 | 9 | 1.2 | 1,156 | 784 |
| Emerging market bonds | -39 | -4.8 | 0 | 0.0 | -154 | -20.9 | 4 | 0.8 | 854 | 709 |
| High-yield bonds | -29 | -2.7 | 1 | 0.2 | -172 | -17.9 | 3 | 0.5 | 915 | 661 |
| Diversifying Alternatives ^{a)} | 6 | 0.4 | -2 | -0.2 | 24 | 2.0 | 6 | 0.7 | 1,257 | 1,021 |
| Equity | -107 | -3.0 | -10 | -0.4 | -741 | -22.0 | 349 | 13.0 | 3,151 | 2,710 |
| Real Estate | 145 | 3.3 | 112 | 3.7 | 592 | 13.8 | 251 | 8.8 | 4,474 | 3,232 |
| Total | -233 | -1.3 | 89 | 0.7 | -1,149 | -7.1 | 594 | 4.8 | 17,571 | 13,013 |

^{a)} Diversifying Alternatives consists of CAT Bonds and a tactical mandate including both bonds, interest based investment funds and equity based investment funds.

Return - Investments

| DKKm | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|-------------|------------|---------------|------------|------------|
| Free portfolio, gross return | -233 | 89 | -1,149 | 594 | 869 |
| Match portfolio, regulatory deviation and performance | 143 | 13 | -109 | 104 | 134 |
| Other financial income and expenses | -259 | -78 | -304 | -234 | -304 |
| Income from RSA Scandinavia | 0 | 457 | 53 | 638 | 1,206 |
| Currency hedge related to RSA Scandinavia | 0 | 0 | 0 | -1,035 | -1,035 |
| Total investment return | -348 | 481 | -1,510 | 67 | 870 |

Return - match portfolio

| DKKm | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|------------|-----------|-------------|------------|------------|
| Return, match portfolio | -638 | -63 | -2,870 | -285 | -332 |
| Value adjustments, changed discount rate | 1,095 | 90 | 3,329 | 424 | 528 |
| Transferred to insurance technical interest | -314 | -14 | -568 | -35 | -62 |
| Match, regulatory deviation and performance | 143 | 13 | -109 | 104 | 134 |
| Hereof: | | | | | |
| Match, regulatory deviation | 197 | 15 | 141 | 62 | 78 |
| Match, performance | -54 | -2 | -250 | 42 | 56 |

Free portfolio

The past few months have continued to be characterised by the highest geopolitical tensions in a long time. Russia's invasion of Ukraine after 2-year global health crisis with severe economic repercussions has resulted in deep divisions between the world's global powers. Inflation is soaring and all major central banks are trying to tame it via increasing interest rates, which has had a knock-on effect on most asset classes. Equities started the quarter on a positive note, but September was a highly challenging month that erased all previous gains. Tryg's equity portfolio returned -3% (-0.4% in the prior-year period) for the quarter. Interest rates have continued to move higher, driving a mark-to-market loss on the fixed-income portfolio, while credit spreads have widened. Properties generated a return of 3.3% (3.7%), led by price increases and higher rental income primarily driven by inflation. The outlook is becoming more challenging also for real estate asset classes. Tryg's free portfolio

reported a negative return of -1.3% (0.7%) in Q3 2022.

Match portfolio

The result of the match portfolio is the difference between the return on the match portfolio and the amount transferred to the technical result. The result can be split into a "regulatory deviation" and a "performance result". The "regulatory deviation" reported a positive contribution of DKK 197m (DKK 15m). The "performance" result represented a negative contribution of DKK -54m (DKK -2m) as covered bonds spreads widened in Q3 across all Nordic covered bonds. The regulatory deviation reported a positive contribution, driven by the yield spread between DKK-EUR that has narrowed slightly in the quarter.

Other financial income and expenses

Other financial income and expenses totalled DKK -259m (DKK -78m). Other financial income

and expenses include various items, the largest being the interest expenses associated with Tryg's loans (Tier 2 and Tier 1 loans), the hedging of foreign currency exposure, and expenses related to the investment management team. The Tier 1 and Tier 2 bonds issued were largely unchanged in the past quarter, as Tryg has not taken over any debt instruments as part of the acquisition of the RSA Scandinavia perimeter. In Q3, the market value of the inflation swap, a financial instrument that Tryg uses to protect the long-tailed reserves against inflation movements, has fallen driven by lowered inflations expectation in Sweden in particular during September. This change has resulted in a negative value adjustment of DKK 119m that in the long-run will be offset by an opposite move in the claims reserves.

Normalised expectations for "other financial income and expenses" remains between DKK -60 and DKK -70m as written previously.

Swedish inflation swap, 10 years rate, 2022 quarterly development

(%)



Source: Danske bank



Solvency and dividend

The reported solvency ratio (based on Tryg's partial internal model) was 198 at the end of Q3 compared to 195 at the end of Q2. The modest increase in the solvency ratio, after a quarter characterised by challenging capital markets conditions, is primarily driven by a fall in the SCR for the Group, while internal organic capital generation was somewhat lower than the dividend cost. Own funds totalled DKK 15,876m, and the solvency capital requirement was DKK 8,024m. Both figures include Codan Norway and Trygg-Hansa since Q2 2022. Tryg will pay a quarterly dividend of DKK 1.58 per share in Q3, corresponding to DKK 1,034m. That amount has already been deducted from the overall level of Own funds.

Own funds

Own funds amounted to DKK 15,876m at the end of Q3 2022 (DKK 15,902m at the end of Q2 2022). The shift in Own funds from Q2 to Q3 has primarily been driven by the difference in reported net profit and dividend paid (already deducted in Own funds almost entirely offset by currencies movements). The sale of Codan Denmark was closed at the beginning of May. Tryg received approximately DKK 6,3bn from Alm. Brand for its 50% ownership of Codan Denmark and launched a share buyback of DKK 5bn immediately thereafter. The entire DKK 5bn was fully deducted from Own funds in Q2. At the end of Q3, approximately 12.8m shares have been bought back for an approximate amount of DKK 2.1bn.

Tryg's Own funds predominantly consist of shareholders' equity and subordinated loans. These items should be adjusted for the total amount of intangibles on the balance sheet (fully deducted in Solvency 2).

Solvency capital requirement

Tryg calculates its individual solvency capital requirement based on a partial internal model in accordance with the Danish FSA's Executive Order on Solvency and Operating Plans for Insurance Companies. The model is based on the structure of the standard model. Tryg uses an internal model to evaluate insurance risk, while other risks are calculated using standard model components.

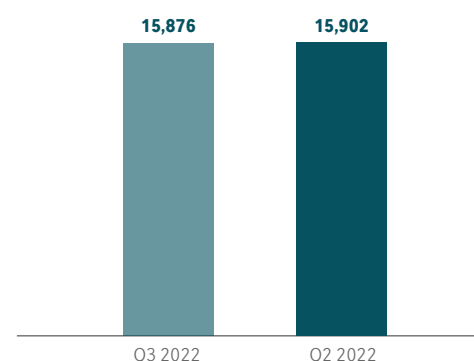
The solvency capital requirement, calculated using the partial internal model, was DKK 8,024m (DKK 8,171m at the end of Q2). The modest reduction in the solvency capital requirement is primarily driven by a lower market risk module given the drop in equity markets during the quarter and the fact that the capital charge backing equities is lower helped by the so-called "dampener". The asymmetric adjustment (or "dampener") is a mechanism that reduces the capital charge backing equities at times of falling equity markets and increases the capital charge backing equities at times of increasing equity markets. The SCR fell also because of a lower spread risk and lower currencies (SEK and NOK) levels.

Moody's rating

Tryg has an 'A1' (stable outlook) insurance financial strength rating (IFSR) from Moody's. The rating agency highlights Tryg's strong position in the Nordic P&C market, robust profitability, very good asset quality and relatively low financial leverage. Moody's also assigned an 'A3' rating to Tryg's subordinated debt and a 'Baa3' rating to the Tier 1 notes. All ratings were confirmed following the announcement of the RSA Scandinavia assets acquisition and the recent bond issues.

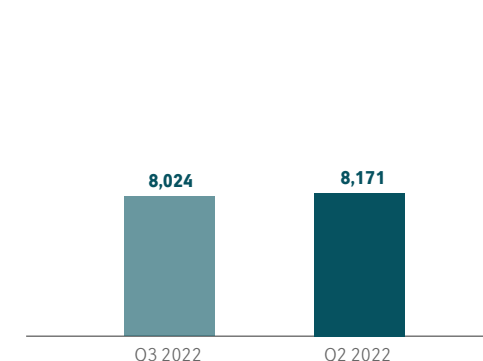
Own funds

(DKKm)



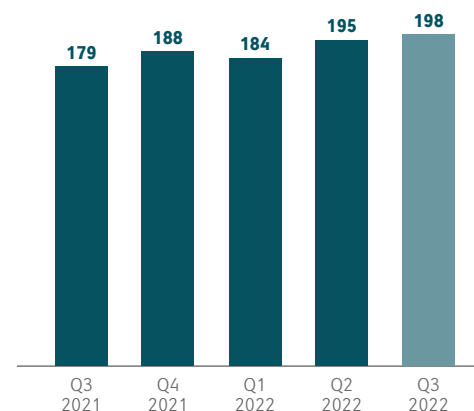
Solvency Capital Requirement

(DKKm)



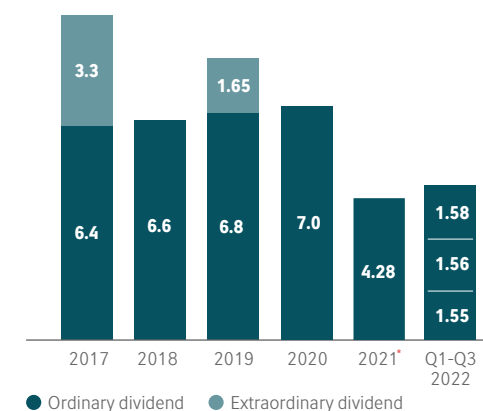
Solvency ratio development

(%)



Shareholder remuneration

(DKK per share)



* Calculated on the new number of shares (653m) at the end of 2021 following the DKK 37bn rights issue to fund the RSA Scandinavia acquisition. Number of shares at the end of 2020 was 302m.

Financial outlook

Tryg hosted a Capital Markets Day in London in November 2021 to launch its new strategy and updated financial targets for the new Group that includes Codan Norway and Trygg-Hansa. Tryg is targeting a technical result in 2024 of between DKK 7.0 and 7.4bn, driven by a combined ratio at or below 82 and an expense ratio around 14. The overall technical result target is underpinned by DKK 900m in synergies from the Codan Norway and Trygg-Hansa acquisition and by Tryg's 2024 strategy "Growing a successful core while shaping the future", with initiatives impacting the technical result by approximately DKK 1.6bn. Tryg also introduced a new profitability measure, return on own funds (ROOF), which is targeted at or above 25%, also in 2024.

2022 Outlook

In the first quarter of 2022, Codan Norway, Trygg-Hansa and 50% of Codan Denmark were reported as "equity accounting" and therefore the quarterly net profit was booked in Tryg's investment result. Tryg started to fully consolidate Codan Norway and Trygg-Hansa in Q2 2022.

Tryg has identified synergies from the acquisition of Codan Norway and Trygg-Hansa of DKK 350m in 2022, growing to DKK 650m in 2023 and DKK 900m in 2024. At the time of writing the Q3 2022 report, it is expected that part of the remaining DKK 700m (approximately) in integration costs relating to the Codan Norway and Trygg-Hansa acquisition will be booked in the first part of 2023 against the other income and costs line (as in 2021).

In Q2, Tryg started to book the intangibles amortisation of customer relations for Trygg-Hansa and Codan Norway in the other income and costs line. As previously disclosed, this will be approximately DKK 900m per annum. However, for 2022 the amount will only total approximately DKK 675m, given the ninth-month period (Q2-Q4 2022). Intangibles amortisation from the RSA Scandinavia acquisition was DKK 218m in Q3, while intangibles amortisation from Alka was DKK 32m. These are non-cash items that do not impact the dividend paying capacity of the company.

Tryg published new, consolidated figures for the enlarged Group (including Trygg-Hansa and Codan Norway) for the four quarters prior to Q2 2022, and these figures are available on Tryg.com. Additionally, a new Group underlying claims ratio and a new Private-segment-only underlying claims ratio have been published to allow capital markets participants to continue monitoring progress. Annual expectations for large and weather claims for the enlarged Group are both DKK 800m (up from DKK 550m for large claims and DKK 600m for weather claims). Tryg's reserves position remains strong. At the Capital Markets Day in November 2021, it was disclosed that run-off gains are expected to be between 3% and 5% in 2024. Tryg's systematic claims reserving approach still includes a margin of approximately 3% at best estimate. Claims inflation remains a key topic in capital markets discussions, and Tryg is adjusting prices accordingly in selected lines of business. Macroeconomic

uncertainty prevails and inflation levels are the highest in the last 40 years, this could result in some slightly increased volatility in the underlying claims ratio between quarters, while the long-term trends remain unchanged. Higher interest rates will generally help Tryg's financial results in the short to mid-term (all else being equal) via an increased discounting of claims reserves.

At the Capital Markets Day in November 2021, Tryg guided for an expected solvency ratio of between 195 and 205 as per Q2 2022 following the full consolidation of Codan Norway and Trygg-Hansa and the sale of Codan Denmark to Alm. Brand. As noted in the solvency and dividend section, Tryg is reporting a solvency ratio of 198 as per Q3, which is considered robust in light of capital markets developments year-to-

date. The overall tax rate for the FY is expected to higher than the previously guided 22-23%. Capital markets movement in 2022 (especially equity markets) have a negative impact on the tax rate, as capital gains on equities are tax free while losses on equities increase the tax rate (all else being equal). Additionally, as previously commented, the Q3 tax rate was also impacted by the inclusion of a DKK 40m deferred tax item related to a new Danish financial tax. The tax rate from 2023 onwards will be negatively impacted by the new Danish financial tax and positively impacted by the full inclusion of the Swedish earnings as Sweden has a lower corporate tax rate compared to Denmark and Norway. A more precise guidance for the tax rate will be published in the annual report.



2024 strategy and targets will ensure highly attractive shareholder returns

| Technical result | Combined ratio | Expense ratio | Return on Own Funds | Synergy realisation | Ordinary dividends and extraordinary buybacks |
|----------------------|----------------|------------------------|---------------------|---------------------|---|
| DKK 7.0-7.4bn | ≤ 82% | ~14% reaffirmed | ≥25% | DKK 900m | DKK ~17-19bn in 2022-2024 |

Financial calendar 2022/2023

14 Oct. 2022 Tryg shares are traded ex-dividend

18 Oct. 2022 Payment of Q3 dividend

26 Jan. 2023 Annual report 2022

30 Mar. 2023 Annual General Meeting

20 Apr. 2023 Interim report Q1

11 July 2023 Interim report Q2 and H1

13 Oct. 2023 Interim report Q3 and Q1-Q3



For further information

If you have questions about Tryg's activities, results, the share or other matters, please visit www.tryg.com or contact Investor Relations:



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Statement by the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board have today considered and adopted the interim report for Q1-Q3 2022 of Tryg A/S.

The report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 Interim Financial

Reporting, the Danish Financial Business Act and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

In our opinion, the report gives a true and fair view of the Group's assets, liabilities and finan-

cial position at 30 September 2022 and of the results of the Group's activities and cash flows for the period for the Group.

We are furthermore of the opinion that the management's review includes a fair review of the developments in the activities and financial

position of the Group, the results for the period and of the Group's financial position in general and describes the principal risks and uncertainties that the Group face.

Ballerup, 13 October 2022

Executive Board

Morten Hübbe
Group CEO

Barbara Plucnar Jensen
Group CFO

Lars Bonde
Group COO

Johan Kirstein Brammer
Group CCO

Supervisory Board

Jukka Pertola
Chairman

Torben Nielsen
Deputy Chairman

Mari Thjømøe

Thomas Peider Hofman-Bang

Carl-Viggo Östlund

Mengmeng Du

Claus Wistoft

Ida Sofie Jensen

Jørn Rise Andersen

Tina Snebjerg

Charlotte Dietzer

Elias Bakk

Mette Osvold

Lena Darin

Financial highlights

| DKK ^m | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|---------------|--------------|---------------|---------------|---------------|
| NOK/DKK, average rate for the period | 74.03 | 72.36 | 74.71 | 72.58 | 72.92 |
| SEK/DKK, average rate for the period | 70.21 | 73.24 | 71.04 | 73.37 | 73.39 |
| Gross premium income | 9,363 | 6,133 | 24,896 | 18,096 | 24,137 |
| Gross claims | -6,038 | -4,039 | -16,432 | -12,045 | -16,275 |
| Total insurance operating costs | -1,316 | -863 | -3,491 | -2,548 | -3,394 |
| Profit/loss on gross business | 2,009 | 1,232 | 4,973 | 3,503 | 4,468 |
| Profit/loss on ceded business | -238 | -237 | -568 | -596 | -731 |
| Insurance technical interest, net of reinsurance | 61 | -7 | 82 | -23 | -29 |
| Technical result | 1,832 | 988 | 4,488 | 2,883 | 3,709 |
| Investment return after insurance technical interest | -348 | 481 | -1,510 | 67 | 870 |
| Other income and costs | -521 | -267 | -1,304 | -453 | -624 |
| Profit/loss before tax | 964 | 1,201 | 1,674 | 2,497 | 3,956 |
| Tax | -336 | -165 | -508 | -710 | -795 |
| Profit/loss, continuing business | 628 | 1,037 | 1,166 | 1,788 | 3,161 |
| Profit/loss on discontinued and divested business after tax | 0 | 0 | 0 | 0 | -3 |
| Profit/loss for the period | 628 | 1,037 | 1,166 | 1,788 | 3,158 |
| Other comprehensive income | | | | | |
| Other comprehensive income which can subsequently be reclassified as profit or loss | -1,321 | -105 | -1,314 | -82 | -36 |
| Other comprehensive income | -1,321 | -105 | -1,314 | -82 | -36 |
| Comprehensive income | -693 | 931 | -147 | 1,705 | 3,122 |
| Run-off gains/losses, net of reinsurance | 363 | 233 | 1,018 | 730 | 963 |
| Run-off gains/losses, Gross | 357 | 233 | 1,052 | 714 | 949 |
| Statement of financial position | | | | | |
| Total provisions for insurance contracts | 51,416 | 34,654 | 51,416 | 34,654 | 33,588 |
| Total reinsurers' share of provisions for insurance contracts | 1,784 | 1,562 | 1,784 | 1,562 | 1,494 |
| Total equity | 44,067 | 48,292 | 44,067 | 48,292 | 49,008 |
| Total assets | 117,516 | 98,606 | 117,516 | 98,606 | 100,442 |
| Key ratios | | | | | |
| Gross claims ratio | 64.5 | 65.8 | 66.0 | 66.6 | 67.4 |
| Net reinsurance ratio | 2.5 | 3.9 | 2.3 | 3.3 | 3.0 |
| Claims ratio, net of reinsurance | 67.0 | 69.7 | 68.3 | 69.9 | 70.5 |
| Gross expense ratio | 14.1 | 14.1 | 14.0 | 14.1 | 14.1 |
| Combined ratio | 81.1 | 83.8 | 82.3 | 83.9 | 84.5 |

Following demerger 1 April 2022, Tryg has started fully consolidating Codan Norway and Trygg-Hansa.

Income statement

| DKKkm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|----------------|----------------|----------------|
| Notes General insurance | | | |
| Gross premiums written | 27,294 | 20,069 | 25,413 |
| Ceded insurance premiums | -1,366 | -1,284 | -1,564 |
| Change in premium provisions | -1,699 | -1,142 | -44 |
| Change in reinsurers' share of premium provisions | 125 | 80 | -37 |
| Premium income, net of reinsurance | 24,354 | 17,722 | 23,768 |
| Insurance technical interest, net of reinsurance | 82 | -23 | -29 |
| Claims paid | -15,633 | -11,298 | -15,497 |
| Reinsurance cover received | 385 | 378 | 471 |
| Change in claims provisions | -799 | -747 | -778 |
| Change in the reinsurers' share of claims provisions | 117 | 99 | 141 |
| Claims, net of reinsurance | -15,930 | -11,568 | -15,663 |
| Bonus and premium discounts | -699 | -831 | -1,232 |
| Acquisition costs | -2,701 | -2,033 | -2,655 |
| Administration expenses | -790 | -515 | -739 |
| Acquisition costs and administration expenses | -3,491 | -2,548 | -3,395 |
| Reinsurance commissions and profit participation from reinsurers | 172 | 131 | 258 |
| Insurance operating costs, net of reinsurance | -3,320 | -2,416 | -3,137 |
| 1 Technical result | 4,488 | 2,883 | 3,709 |

| DKKkm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|---------------|---------------|--------------|
| Notes Investment activities | | | |
| Income from associates | -2 | 602 | 1,161 |
| Income from investment property | 44 | 32 | 41 |
| Interest income and dividends | 636 | 388 | 538 |
| 2 Value adjustments | -1,407 | -661 | -472 |
| Interest expenses | -102 | -146 | -182 |
| Administration expenses in connection with investment activities | -112 | -113 | -153 |
| Total investment return | -941 | 102 | 932 |
| Return on insurance provisions | -568 | -35 | -62 |
| Total Investment return after insurance technical interest | -1,510 | 67 | 870 |
| 3 Other income | 118 | 65 | 139 |
| 3 Other costs | -1,422 | -518 | -763 |
| Profit/loss before tax | 1,674 | 2,497 | 3,955 |
| Tax | -508 | -710 | -795 |
| Profit/loss on continuing business | 1,166 | 1,788 | 3,161 |
| Profit/loss on discontinued and divested business | 0 | 0 | -3 |
| Profit/loss for the period | 1,166 | 1,788 | 3,158 |
| 4 Earnings/ diluted earnings per share | 1.79 | 3.28 | 5.51 |
| 4 Operating earnings per share | 2.45 | 3.42 | 5.70 |

Statement of comprehensive income

| DKKm | | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|-------|--|---------------|---------------|--------------|
| Notes | Profit/loss for the period | 1,166 | 1,788 | 3,158 |
| | Other comprehensive income which can subsequently be reclassified as profit or loss | | | |
| | Exchange rate adjustments of foreign entities | -1,649 | -32 | 93 |
| | Exchange rate adjustments of foreign material associates for the year | 0 | 0 | -52 |
| | Hedging of currency risk in foreign entities | 429 | -64 | -99 |
| | Tax on hedging of currency risk in foreign entities | -94 | 14 | 22 |
| | Total other comprehensive income | -1,314 | -82 | -36 |
| | Comprehensive income | -147 | 1,705 | 3,122 |

Statement of financial position

| DKKkm | 30.09.2022 | 30.09.2021 | 31.12.2021 |
|--|----------------|---------------|----------------|
| Notes | | | |
| Assets | | | |
| Intangible assets | 33,400 | 7,101 | 7,025 |
| Operating equipment | 176 | 145 | 158 |
| Group-occupied property | 679 | 560 | 604 |
| Total property, plant and equipment | 855 | 705 | 762 |
| Investment property | 1,061 | 1,003 | 1,040 |
| Equity investments in associates | 34 | 36,469 | 37,067 |
| Total investments in associates | 34 | 36,469 | 37,067 |
| Equity investments | 4,761 | 3,127 | 3,487 |
| Unit trust units | 7,813 | 6,792 | 8,231 |
| Bonds | 58,429 | 35,781 | 35,611 |
| Other lending | 75 | 75 | 75 |
| Derivative financial instruments | 2,029 | 1,016 | 913 |
| Reverse repurchase lending | 0 | 370 | 460 |
| Total other financial investment assets | 73,107 | 47,161 | 48,778 |
| 5 Total investment assets | 74,202 | 84,633 | 86,885 |
| Reinsurers' share of premium provisions | 397 | 375 | 262 |
| Reinsurers' share of claims provisions | 1,387 | 1,188 | 1,232 |
| Total reinsurers' share of provisions for insurance contracts | 1,784 | 1,562 | 1,494 |
| Receivables from policyholders | 3,089 | 1,798 | 1,678 |
| Total receivables in connection with direct insurance contracts | 3,089 | 1,798 | 1,678 |
| Receivables from insurance enterprises | 319 | 418 | 407 |
| Other receivables | 444 | 403 | 485 |
| Total receivables | 3,851 | 2,619 | 2,570 |
| Current tax assets | 661 | 47 | 315 |
| Cash at bank and in hand | 1,667 | 1,426 | 802 |
| Other | 1 | 1 | 1 |
| Total other assets | 2,329 | 1,474 | 1,118 |
| Interest and rent receivable | 206 | 123 | 134 |
| Other prepayments and accrued income | 888 | 387 | 453 |
| Total prepayments and accrued income | 1,094 | 510 | 588 |
| Total assets | 117,516 | 98,606 | 100,442 |

| DKKkm | 30.09.2022 | 30.09.2021 | 31.12.2021 |
|---|----------------|---------------|----------------|
| Notes | | | |
| Equity and liabilities | | | |
| Equity | 44,067 | 48,292 | 49,008 |
| Subordinated loan capital | 4,181 | 4,412 | 4,442 |
| Premium provisions | 9,690 | 7,253 | 6,183 |
| Claims provisions | 39,794 | 25,521 | 25,587 |
| Provisions for bonuses and premium discounts | 1,932 | 1,880 | 1,818 |
| Total provisions for insurance contracts | 51,416 | 34,654 | 33,588 |
| Pensions and similar liabilities | 64 | 127 | 108 |
| Deferred tax liability | 3,174 | 921 | 806 |
| Other provisions | 124 | 30 | 40 |
| Total provisions | 3,361 | 1,078 | 954 |
| Debt relating to direct insurance | 820 | 572 | 819 |
| Debt relating to reinsurance | 505 | 177 | 77 |
| Amounts owed to credit institutions | 7 | 949 | 835 |
| 5 Debt relating to repos | 2,495 | 398 | 2,417 |
| 5 Derivative financial instruments | 3,536 | 765 | 879 |
| Current tax liabilities | 607 | 766 | 268 |
| Other debt | 6,497 | 6,468 | 7,084 |
| Total debt | 14,467 | 10,096 | 12,379 |
| Accruals and deferred income | 25 | 75 | 71 |
| Total equity and liabilities | 117,516 | 98,606 | 100,442 |
| 6 Related parties | | | |
| 7 Contingent Liabilities | | | |
| 8 Accounting policies | | | |
| 9 Situation in Ukraine | | | |
| 10 Acquisition of activities | | | |

Statement of changes in equity

| DKK m | Share capital | Reserve for exchange rate adjustment | Other reserves ^{a)} | Retained earnings | Proposed dividend | Non-controlling interest | Total |
|--|---------------|--------------------------------------|------------------------------|-------------------|-------------------|--------------------------|---------------|
| Equity at 31 December 2021 | 3,273 | -11 | 1,735 | 43,309 | 700 | 1 | 49,008 |
| Q1-Q3 2022 | | | | | | | |
| Profit/loss for the period | | | 2,856 | -4,759 | 3,070 | | 1,166 |
| Other comprehensive income | | -1,314 | | | | | -1,314 |
| Total comprehensive income | 0 | -1,314 | 2,856 | -4,759 | 3,070 | 0 | -147 |
| Dividend paid | | | | | -2,736 | | -2,736 |
| Dividend, own shares | | | | 14 | | | 14 |
| Purchase and sale of own shares | | | | -2,118 | | | -2,118 |
| Share-based payment | | | | 45 | | | 45 |
| Total changes in equity in Q1-Q3 2022 | 0 | -1,314 | 2,856 | -6,818 | 334 | 0 | -4,941 |
| Equity at 30 September 2022 | 3,273 | -1,324 | 4,591 | 36,490 | 1,034 | 1 | 44,067 |
| Equity at 31 December 2020 | 1,511 | 25 | 1,706 | 8,492 | 529 | 1 | 12,264 |
| Q1-Q3 2021 | | | | | | | |
| Profit/loss for the period | | | 14 | -328 | 2,102 | | 1,788 |
| Other comprehensive income | | -82 | | | | | -82 |
| Total comprehensive income | 0 | -82 | 14 | -328 | 2,102 | 0 | 1,705 |
| Dividend paid | | | | | -1,930 | | -1,930 |
| Dividend, own shares | | | | 2 | | | 2 |
| Purchase and sale of own shares | | | | -120 | | | -120 |
| Issue of new shares ^{b)} | 1,763 | | | 34,557 | | | 36,320 |
| Share-based payment | | | | 52 | | | 52 |
| Total changes in equity in Q1-Q3 2021 | 1,763 | -82 | 14 | 34,162 | 172 | 0 | 36,028 |
| Equity at 30 September 2021 | 3,273 | -57 | 1,720 | 42,654 | 700 | 1 | 48,292 |

^{a)} Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions. The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and are not available for dividends.

^{b)} 352,505,989 new shares of nominal DKK 5 at a price of 105 per share were issued. Cost related to the issue of new shares are deducted in proceeds recognised in retained earnings with DKK 694m.

Statement of changes in equity

| DKK m | Share capital | Reserve for exchange rate adjustment | Other reserves ^{a)} | Retained earnings | Proposed dividend | Non-controlling interest | Total |
|--|---------------|--------------------------------------|------------------------------|-------------------|-------------------|--------------------------|---------------|
| Equity at 31 December 2020 | 1,511 | 25 | 1,706 | 8,492 | 529 | 1 | 12,264 |
| 2021 | | | | | | | |
| Profit/loss for the year | | | 29 | 327 | 2,802 | | 3,158 |
| Other comprehensive income | | -36 | | | | | -36 |
| Total comprehensive income | 0 | -36 | 29 | 327 | 2,802 | 0 | 3,122 |
| Dividend paid | | | | | -2,630 | | -2,630 |
| Dividend, own shares | | | | 3 | | | 3 |
| Purchase and sale of own shares | | | | -137 | | | -137 |
| Issue of new shares ^{b)} | 1,763 | | | 34,557 | | | 36,320 |
| Share-based payment | | | | 66 | | | 66 |
| Total changes in equity in 2021 | 1,763 | -36 | 29 | 34,817 | 172 | 0 | 36,744 |
| Equity at 31 December 2021 | 3,273 | -11 | 1,735 | 43,309 | 700 | 1 | 49,008 |

^{a)} Other reserves contains Norwegian Natural Perils Pool and contingency fund provisions. The provisions can be used to cover losses in connection with the settlement of insurance provisions or otherwise for the benefit of the insured and are not available for dividends.

^{b)} 352,505,989 new shares of nominal DKK 5 at a price of 105 per share were issued. Cost related to the issue of new shares are deducted in proceeds recognised in retained earnings with DKK 694m.

Cash flow statement

| DKKkm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|---------------|----------------|----------------|
| Cash from operating activities | | | |
| Premiums | 24,129 | 19,578 | 24,605 |
| Claims | -19,609 | -11,540 | -14,597 |
| Ceded business | -340 | -750 | -906 |
| Costs | -2,806 | -2,526 | -3,296 |
| Change in other debt and other amounts receivable | 6,476 | 182 | -686 |
| Cash flow from insurance activities | 7,851 | 4,943 | 5,120 |
| Interest income | 378 | 207 | 311 |
| Interest expenses | -102 | -146 | -182 |
| Dividend received | 119 | 75 | 112 |
| Taxes | -352 | -232 | -1,200 |
| Other income and costs | -1,167 | -351 | -490 |
| Total cash flow from operating activities | 6,728 | 4,496 | 3,670 |
| Cash flow from investment activities | | | |
| Sale of property | 0 | 12 | 160 |
| Purchase/sale of equity investments and unit trust units (net) | 679 | 542 | -891 |
| Purchase/sale of bonds (net) | -3,023 | -4,780 | -2,501 |
| Purchase/sale of operating equipment (net) | -39 | -17 | -22 |
| Acquisition of intangible assets | -28,360 | 0 | 0 |
| Acquisition of subsidiaries, additional shares | 29,966 | 0 | 0 |
| Acquisition of associate | 0 | -36,357 | -36,357 |
| Hedging of currency risk | 429 | -82 | -36 |
| Total cash flow from investment activities | -348 | -40,683 | -39,647 |

| DKKkm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|---------------|---------------|---------------|
| Cash flow from financing activities | | | |
| Issue of new shares | 0 | 36,320 | 36,320 |
| Purchase and sale of own shares (net) | -2,118 | -120 | -137 |
| Dividend paid | -2,736 | -1,930 | -2,630 |
| Subordinated loan capital | 0 | 2,297 | 2,297 |
| Change in lease liabilities | -137 | -102 | -137 |
| Change in amounts owed to credit institutions | -840 | -242 | -356 |
| Cash flow from financing activities | -5,829 | 36,222 | 35,357 |
| Change in cash and cash equivalents, net | 551 | 36 | -620 |
| Additions relating to purchase of subsidiary | 323 | 0 | 0 |
| Exchange rate adjustment of cash and cash equivalents, 1 January | -9 | 0 | 32 |
| Change in cash and cash equivalents, gross | 865 | 36 | -588 |
| Cash and cash equivalents, beginning of year | 802 | 1,390 | 1,390 |
| Cash and cash equivalents, end of period | 1,667 | 1,426 | 802 |

Notes

| DKKmn | Private ^{a)} | Commercial | Corporate | Other | Group |
|--|-----------------------|--------------|--------------|--------|----------------|
| 1 Operating segments | | | | | |
| Q1-Q3 2022 | | | | | |
| Gross premium income | 16,113 | 6,058 | 2,725 | | 24,896 |
| Gross claims | -10,977 | -3,733 | -1,722 | | -16,432 |
| Gross operating expenses ^{b)} | -2,193 | -976 | -322 | | -3,491 |
| Profit/loss on ceded business | -247 | -157 | -164 | | -568 |
| Insurance technical interest, net of reinsurance | 45 | 25 | 13 | | 82 |
| Technical result | 2,740 | 1,218 | 530 | | 4,488 |
| Investment return and Other income and costs | | | | | -2,814 |
| Profit/loss before tax | | | | | 1,674 |
| Tax | | | | | -508 |
| Profit/loss | | | | | 1,166 |
| Run-off gains/losses, net of reinsurance | 280 | 352 | 386 | | 1,018 |
| Intangible assets | 29,427 | 2,922 | | 1,051 | 33,400 |
| Equity investments in associates | | | | 34 | 34 |
| Reinsurers' share of premium provisions | 108 | 89 | 200 | | 397 |
| Reinsurers' share of claims provisions | 26 | 489 | 872 | | 1,387 |
| Other assets | | | | 82,298 | 82,298 |
| Total assets | | | | | 117,516 |
| Premium provisions | 5,543 | 2,751 | 1,396 | | 9,690 |
| Claims provisions | 22,512 | 9,819 | 7,463 | | 39,794 |
| Provisions for bonuses and premium discounts | 1,810 | 121 | | | 1,932 |
| Other liabilities | | | | 22,033 | 22,033 |
| Total liabilities | | | | | 73,449 |

^{a)} From H1 2022 Tryg's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" and comparative figures are restated accordingly.

^{b)} Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Notes

| DKKmn | Private ^{a)} | Commercial | Corporate | Other | Group |
|--|-----------------------|--------------|--------------|----------|---------------|
| 1 Operating segments (continued) | | | | | |
| Q1-Q3 2021 | | | | | |
| Gross premium income | 11,547 | 3,942 | 2,607 | | 18,096 |
| Gross claims | -7,891 | -2,424 | -1,732 | 1 | -12,045 |
| Gross operating expenses ^{b)} | -1,623 | -646 | -280 | 1 | -2,548 |
| Profit/loss on ceded business | -204 | -125 | -267 | | -596 |
| Insurance technical interest, net of reinsurance | -14 | -6 | -3 | | -23 |
| Technical result | 1,815 | 741 | 325 | 2 | 2,883 |
| Investment return and Other income and costs | | | | | -386 |
| Profit/loss before tax | | | | | 2,497 |
| Tax | | | | | -710 |
| Profit/loss | | | | | 1,788 |
| Run-off gains/losses, net of reinsurance | 277 | 231 | 221 | 1 | 730 |
| Intangible assets | 5,580 | 60 | | 1,461 | 7,101 |
| Equity investments in associates | | | | 36,469 | 36,469 |
| Reinsurers' share of premium provisions | 97 | 66 | 212 | | 375 |
| Reinsurers' share of claims provisions | 46 | 419 | 722 | | 1,188 |
| Other assets | | | | 53,473 | 53,473 |
| Total assets | | | | | 98,606 |
| Premium provisions | 4,186 | 1,742 | 1,325 | | 7,253 |
| Claims provisions | 9,890 | 7,385 | 8,246 | | 25,521 |
| Provisions for bonuses and premium discounts | 1,762 | 117 | 1 | | 1,880 |
| Other liabilities | | | | 15,660 | 15,660 |
| Total liabilities | | | | | 50,314 |

^{a)} From H1 2022 Tryg's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" Comparative figures are restated accordingly.

^{b)} Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Notes

| DKKmn | Private ^{a)} | Commercial | Corporate | Other | Group |
|--|-----------------------|--------------|--------------|----------|----------------|
| 1 Operating segments (continued) | | | | | |
| 2021 | | | | | |
| Gross premium income | 15,386 | 5,294 | 3,457 | | 24,137 |
| Gross claims | -10,518 | -3,334 | -2,423 | 1 | -16,275 |
| Gross operating expenses ^{b)} | -2,087 | -913 | -396 | 1 | -3,395 |
| Profit/loss on ceded business | -267 | -191 | -273 | | -731 |
| Insurance technical interest, net of reinsurance | -18 | -7 | -4 | | -29 |
| Technical result | 2,496 | 850 | 361 | 2 | 3,709 |
| Investment return and Other income and costs | | | | | 247 |
| Profit/loss before tax | | | | | 3,955 |
| Tax | | | | | -798 |
| Profit/loss | | | | | 3,158 |
| Run-off gains/losses, net of reinsurance | 372 | 309 | 282 | 1 | 963 |
| Intangible assets | 6,070 | 60 | | 895 | 7,025 |
| Equity investments in associates | | | | 37,067 | 37,067 |
| Reinsurers' share of premium provisions | 55 | 33 | 174 | | 262 |
| Reinsurers' share of claims provisions | 48 | 377 | 806 | | 1,232 |
| Other assets | | | | 54,855 | 54,855 |
| Total assets | | | | | 100,442 |
| Premium provisions | 3,743 | 1,451 | 990 | | 6,183 |
| Claims provisions | 9,766 | 7,573 | 8,249 | | 25,587 |
| Provisions for bonuses and premium discounts | 1,712 | 102 | 4 | | 1,818 |
| Other liabilities | | | | 17,846 | 17,846 |
| Total liabilities | | | | | 51,434 |

^{a)} From H1 2022 Tryg's Operating segments are reduced from four to three operating segments, with the segment previously reported as "Sweden" is moved to the Segment "Private" Comparative figures are restated accordingly.

^{b)} Costs are allocated according to specific keys, which are believed to provide the best estimate of assessed resource consumption.

Notes

| DKKm | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|-------------|-------------|---------------|---------------|-------------|
| 1 Geographical segments | | | | | |
| Danish general insurance | | | | | |
| Gross premium income | 3,961 | 3,615 | 11,662 | 10,804 | 14,326 |
| Technical result | 617 | 599 | 1,940 | 1,948 | 2,448 |
| Run-off gains/losses, net of reinsurance | 177 | 177 | 535 | 511 | 644 |
| Key ratios | | | | | |
| Gross claims ratio | 69.4 | 65.0 | 67.4 | 65.7 | 66.2 |
| Net reinsurance ratio | 1.1 | 3.2 | 1.6 | 1.6 | 2.0 |
| Claims ratio, net of reinsurance | 70.5 | 68.3 | 69.0 | 67.3 | 68.2 |
| Gross expense ratio | 14.4 | 14.9 | 14.5 | 14.4 | 14.4 |
| Combined ratio | 84.9 | 83.2 | 83.5 | 81.7 | 82.7 |
| Run-off, net of reinsurance (%) | -4.5 | -4.9 | -4.6 | -4.7 | -4.5 |
| Number of full-time employees, end of period | | | 3,307 | 3,006 | 3,062 |
| Norwegian general insurance | | | | | |
| Gross premium income | 2,179 | 1,827 | 6,271 | 5,374 | 7,263 |
| Technical result | 426 | 321 | 994 | 759 | 938 |
| Run-off gains/losses, net of reinsurance | 84 | 37 | 225 | 185 | 215 |
| Key ratios | | | | | |
| Gross claims ratio | 62.5 | 65.2 | 67.1 | 66.9 | 69.1 |
| Net reinsurance ratio | 5.7 | 5.0 | 4.5 | 5.9 | 5.0 |
| Claims ratio, net of reinsurance | 68.1 | 70.2 | 71.6 | 72.8 | 74.1 |
| Gross expense ratio | 13.1 | 12.4 | 13.1 | 13.2 | 13.1 |
| Combined ratio | 81.2 | 82.6 | 84.7 | 86.0 | 87.2 |
| Run-off, net of reinsurance (%) | -3.8 | -2.0 | -3.6 | -3.4 | -3.0 |
| Number of full-time employees, end of period | | | 1,341 | 1,130 | 1,139 |

Notes

| DKK m | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|-------------|-------------|---------------|---------------|-------------|
| 1 Geographical segments (continued) | | | | | |
| Swedish general insurance | | | | | |
| Gross premium income | 3,168 | 649 | 6,809 | 1,805 | 2,390 |
| Technical result | 784 | 61 | 1,544 | 169 | 279 |
| Run-off gains/losses, net of reinsurance | 102 | 18 | 234 | 42 | 113 |
| Key ratios | | | | | |
| Gross claims ratio | 60.6 | 76.0 | 63.4 | 72.7 | 71.4 |
| Net reinsurance ratio | 1.3 | 0.7 | 0.5 | 3.3 | 2.2 |
| Claims ratio, net of reinsurance | 61.9 | 76.7 | 63.9 | 76.0 | 73.6 |
| Gross expense ratio | 14.2 | 13.9 | 13.9 | 14.6 | 14.6 |
| Combined ratio | 76.0 | 90.6 | 77.9 | 90.6 | 88.3 |
| Run-off, net of reinsurance (%) | -3.2 | -2.8 | -3.4 | -2.3 | -4.7 |
| Number of full-time employees, end of period | | | 1,776 | 439 | 431 |
| Other^{a)} | | | | | |
| Gross premium income | 55 | 42 | 154 | 113 | 159 |
| Technical result | 5 | 8 | 9 | 7 | 43 |
| Run-off gains/losses, net of reinsurance | 1 | 1 | 24 | -7 | -8 |
| Number of full-time employees, end of period | | | 51 | 40 | 42 |

^{a)} Comprises Finnish, Dutch, Austrian, Swiss, Belgian and German credit and surety business (Tryg Garanti) and amounts relating to one-off items.

Notes

| DKKm | Q3 2022 | Q3 2021 | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|--------------|--------------|---------------|---------------|---------------|
| 1 Geographical segments (continued) | | | | | |
| Tryg | | | | | |
| Gross premium income | 9,363 | 6,133 | 24,896 | 18,096 | 24,137 |
| Technical result | 1,832 | 988 | 4,488 | 2,883 | 3,709 |
| Investment return activities | -348 | 481 | -1,510 | 67 | 870 |
| Other income and costs | -521 | -267 | -1,304 | -453 | -624 |
| Profit/loss before tax | 964 | 1,201 | 1,674 | 2,497 | 3,956 |
| Run-off gains/losses, net of reinsurance | 363 | 233 | 1,018 | 730 | 963 |
| Key ratios | | | | | |
| Gross claims ratio | 64.5 | 65.8 | 66.0 | 66.6 | 67.4 |
| Net reinsurance ratio | 2.5 | 3.9 | 2.3 | 3.3 | 3.0 |
| Claims ratio, net of reinsurance | 67.0 | 69.7 | 68.3 | 69.9 | 70.5 |
| Gross expense ratio | 14.1 | 14.1 | 14.0 | 14.1 | 14.1 |
| Combined ratio | 81.1 | 83.8 | 82.3 | 83.9 | 84.5 |
| Run-off, net of reinsurance (%) | -3.9 | -3.8 | -4.1 | -4.0 | -4.0 |
| Number of full-time employees, end of period | | | 6,475 | 4,615 | 4,674 |

Notes

| DKKm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|---------------|---------------|--------|
| 2 Value adjustments | | | |
| Value adjustments concerning financial assets or liabilities at fair value with value adjustment in the income statement: | | | |
| Equity investments | 538 | 213 | 269 |
| Unit trust units | -695 | 780 | 1,095 |
| Bonds | -2,402 | -254 | -312 |
| Derivatives (equity, interest, currency) ^{a)} | -1,322 | -1,691 | -1,750 |
| | -3,882 | -953 | -698 |
| <i>Value adjustments concerning assets or liabilities that cannot be attributed to IAS 39:</i> | | | |
| Investment property | 51 | 37 | 64 |
| Discounting | 3,329 | 424 | 527 |
| Other statement of financial position items | -905 | -170 | -365 |
| | 2,475 | 292 | 226 |
| | -1,407 | -661 | -472 |

^{a)} Hereof value adjustment of DCF DKK 1,035m for Q1-Q3 2021 and FY 2021 related to the acquisition of RSA Scandinavia.

3 Other income and costs

Include income and costs which cannot be directly ascribed to the insurance portfolio or investment assets

| | | | |
|--|--------|------|------|
| Other income | | | |
| Income related to the sale of pension products and car care | 93 | 82 | 108 |
| Other income | 25 | 4 | 31 |
| | 118 | 86 | 139 |
| Other costs | | | |
| Costs related to the sale of pension products and car care | -68 | -79 | -102 |
| Depreciations of customer relations and trademarks | -541 | -102 | -136 |
| Integration and restructuring costs related to RSA acquisition | -618 | -227 | -349 |
| Other costs ^{a)} | -194 | -132 | -176 |
| | -1,422 | -539 | -763 |
| | -1,303 | -453 | -624 |

^{a)} Hereof DKK 50m related to bankruptcy of Gefion in 2022.

| DKKm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|--|---------------|---------------|---------|
| 4 Earnings per share | | | |
| Profit/loss from continuing business | 1,166 | 1,788 | 3,161 |
| Profit/loss on discontinued and divested business | 0 | 0 | -3 |
| Profit/loss for the year | 1,166 | 1,788 | 3,158 |
| Depreciation on intangible assets related to Brands and Customer relations after tax | 428 | 79 | 106 |
| Operating Profit/loss for the year | 1,595 | 1,867 | 3,263 |
| Average number of shares (1,000) | 650,169 | 545,461 | 572,688 |
| Diluted number of shares (1,000) | 650,169 | 545,461 | 572,688 |
| Earnings per share, continuing business | 1.79 | 3.28 | 5.52 |
| Diluted earnings per share, continuing business | 1.79 | 3.28 | 5.52 |
| <i>Earnings per share</i> | 1.79 | 3.28 | 5.51 |
| Diluted earnings per share | 1.79 | 3.28 | 5.51 |
| Operating earnings per share | 2.45 | 3.42 | 5.70 |

| DKKm | Q1-Q3 2022 | Q1-Q3 2021 | 2021 |
|---|---------------|---------------|---------|
| 5 Tryg's investment portfolio | | | |
| Total investment assets | 74,202 | 84,633 | 86,885 |
| Other, hereof financial instrument in liabilities ^{a)} | -5,850 | -601 | -3,094 |
| External customers | -1,983 | -2,637 | -4,052 |
| Tryg's investment portfolio ^{b)} | 66,369 | 81,395 | 79,739 |
| Match portfolio | 48,798 | -31,874 | -29,674 |
| RSA Scandinavia | 0 | -36,449 | -37,052 |
| Tryg's investment portfolio ^{b)} | 17,571 | 13,072 | 13,013 |

^{a)} Primarily debt relating to repos and derivatives.

^{b)} The setup of Tryg Invest is impacting Tryg's balance sheet as external customers investments are booked under "Total other financial investments" with opposing liabilities entries such as "Debt to group undertakings" and "Other debt"

Notes

6 Related parties

In Q1-Q3 2022, dividends for Q4 2021 and Q1 and Q2 2022 – total DKK 2,736m – were paid to shareholders of which 45% has been paid to TryghedsGruppen SMBA.

There have been no other significant transactions.

7 Contingent Liabilities

Price adjustments 2016-2020

At the end of October (2020) Tryg received the Forbrugerombudsmand's (FO or Consumer Ombudsman) assessment of the case. In FO's opinion Tryg was not complying with regulations on price adjustments for residential customers when increasing prices above indexation between March 2016 and February 2020. The case is related to a part of the private portfolio in Denmark. Based on this assessment the FO is concluding that certain customers may have a recovery claim against Tryg. Tryg does not agree with the FO's assessment as the company believes it has followed the guidelines stated by the Danish FSA in terms of price increases. The FO has now decided that the case should be decided in court. Management has decided not to disclose an estimated amount but this is deemed immaterial.

Other

Companies in the Tryg Group are party to a number of other disputes in Denmark, Norway and Sweden, which management believes will not affect the Group's financial position significantly beyond the obligations recognized in the statement of financial position at 30 September 2022.

8 Accounting policies

Tryg's interim report for Q1-Q3 2022 is presented in accordance with IAS 34 Interim Financial Reporting and the requirements of the NASDAQ Copenhagen for the presentation of financial statements of listed companies.

The application of IAS 34 means that the report is limited relative to the presentation of a full annual report and that the valuation principles are in accordance with International Financial Reporting Standards (IFRS).

Changes in accounting policies

There have been no changes to the accounting policies or accounting estimates in Q1-Q3 2022.

8 Accounting policies (continued)

Accounting regulation applicable from 1. January 2023

IFRS 9 / IFRS 17

In July 2014, the IASB issued the final IFRS 9 "Financial Instruments".

The standard includes new provisions governing "classification and measurement of financial assets", impairment of financial assets and "hedge accounting".

IFRS 9 entered into force for the accounting year commencing 1 January 2018

- Insurance companies are allowed to postpone the implementation to 1 January 2023.

The implementation of IFRS 9 "financial instruments" is not expected to significantly change the Tryg Group's financial position.

Regarding IFRS 9 the assessment of no significant impact on the statement of financial position or profit and loss is based on the assumption that Tryg already carry substantially all financial instruments at fair value through profit and loss. The implementation of IFRS 9, will not affect Tryg's recognition and measurement. Tryg has postponed the implementation of IFRS 9 to 1 January 2023 when IFRS 17 Insurance Contracts will be applicable. Tryg can postpone IFRS 9 due to the fact that our activities are predominantly connected with insurance and that our liabilities connected with insurance is relatively greater than 80 per cent of the total liabilities.

IFRS 17 replaces IFRS 4 Insurance Contracts for reporting periods beginning on or after 1 January 2023. The adoption of IFRS 17 will not change the classification of the Company's insurance contracts.

The impact of IFRS 17 (Insurance Contracts) is currently being assessed in a structured and formal manner and is expected to be concluded in due course ahead of the implementation date. Whilst the Tryg Group anticipates minor changes in certain of its key figures, such as premiums growth and claims ratio as a result of changes to the definitions of premiums and costs under IFRS 17 (Insurance Contracts), Tryg Group currently expects that the implementation of IFRS 17 (Insurance Contracts) will not significantly change the Tryg Group's financial position.

Notes

8 Accounting policies (continued)

Under IFRS 17 the Group's insurance contracts issued and reinsurance contracts held are eligible to be measured using the simplification, Premium Allocation Approach (PAA).

As the current accounting principles apply PAA presentation will be the major change.

"Insurance revenue" will replace "Gross premium income" with the following changes:

- "Bonus and premium discounts" will not be offset in revenue; also

"Insurance service expense" will comprise "Claims expense", "Acquisition costs" and

"Administration expenses":

- Effects of inflation-SWAP will be included in "Investment activities", while
- "Bonus and premium discounts" will be included in "Claims expenses"; and
- "Onerous contracts" being contracts underwritten with a loss are reported as "claims expenses". Under current accounting the "Unexpired risk" is reported as Gross earned premium.

Result of reinsurance contracts will be reported in a single line, "Net expenses from reinsurance contracts".

Expenses not attributable to the insurance contract boundaries will not be reported as "Insurance service expenses" but as "Other operating expenses".

This will not influence the total result.

The changes will be implemented going forward from the effective date.

Classification error

A classification error has been found in the annual report 2021. The classification error does not affect profit for the year or Equity. It affects the line item "Tax" which should have been less negative with DKK 138m and the line item "Value adjustment" which is part of "Total investment return" should have been lower with the same amount.

The comparative figures for 2021 have been restated accordingly.

Other

The amounts in the report are disclosed in whole numbers of DKKm, unless otherwise stated.

The amounts have been rounded and consequently the sum of the rounded amounts and totals may differ slightly.

9 Situation in Ukraine

International tensions have increased since the beginning of 2022 and escalated dramatically after mid-February following Russia's invasion of Ukraine. These events have created some turmoil and heightened volatility in capital markets. Tryg has a very modest (i.e. negligible) exposure to the region both in terms of assets and liabilities. The exposure to Russia/Ukraine equities or bonds is extremely low while also the business exposure is insignificant. Financial impact on Tryg's result is expected to be isolated to the effect on investment results following from the general turmoil in financial markets. The solvency ratio of Tryg is impacted slightly by the market volatility but it is only modestly down compared to the levels shown at year-end 2021.

Valuation of investment assets

Investment assets are measured at fair value with value adjustment in the income statement. Listed bonds and shares, parts of unit trusts as well as derivative financial instruments are measured at the quoted price at the balance sheet date.

The valuation of the investment assets can be distributed in the fair value hierarchy model, which is determined in accordance with IFRS 13. The model distributes the total investments assets based on the price at which the investment assets are set. Reference is made to the annual report 2021, note 15, for further description of the fair value hierarchy.

The main part of Tryg's investment assets are classified as level 1 and 2 and are valued based on listed prices. This involves the bond portfolio, the main part of shares and unit trust units as well as the statement of financial instruments. Assets, which can be classified as level 3, can be attributed to unlisted assets, specific unlisted Unit trusts and investment property.

As these investment assets are not valued based on observable input, there will be a discretionary element in this hierarchy.

On 30 September 2022, the value amounts to DKK 1,203m (DKK 1,114m on 31 December 2021).

Claims provisions

Tryg has no direct exposure to Russia, Belarus and Ukraine, and the reserving risk associated with the current conflict is therefore of more general nature associated with the macro economic and inflationary effects triggered by the conflict.

Notes

9 Situation in Ukraine (continued)

Exchange rates

Tryg has business in three different Nordic countries and Tryg is exposed to fluctuations in the local currencies (NOK and SEK) in regard to the financial results. Tryg has chosen to implement a currency hedge strategy that focuses on mitigating the currencies impact on the financial results. This means that the impact on the P/L of changes in local currencies are limited. Own funds, due to the currency hedge strategy, is not sensitive to changes in the local currencies.

10 Acquisition of activities

RSA Scandinavia (Trygg-Hansa and Codan Norway)

1 June 2021 Investment in associate

On 1 June 2021, all regulatory and legal approvals regarding the acquisition of RSA Insurance Group plc were obtained. Tryg acquired RSA's Swedish and Norwegian businesses (Trygg-Hansa and Codan Norway), and a 50%-stake in RSA's Danish business (Codan Denmark). The transaction was conducted together with Intact Financial Corporation.

Tryg did not have control of any of the businesses until the separation, which happened on 1 April 2022, but the company had significant influence over the entire Scandinavian business. Accordingly, the investment was classified as an investment in associates and accounted for by applying the equity method, whereby Trygs shares of the current profit/loss was recognised in the investment activities as profit/loss from associates from 1 June until 1 April 2022.

Tryg's purchase price amounted to £4.2 billion and did not include any contingent elements. The Group has incurred transaction and advisory costs of DKK 780m in connection with the investment.

1 April 2022 Demerger

Upon separation of the businesses, which happened through a demerger on 1 April 2022, Tryg obtained control of the Swedish and Norwegian businesses and started full consolidation in the Group's financial statements on a line-by-line basis from 1 April 2022.

A preliminary estimate of the fair value of the assets and liabilities of the acquired activities in Sweden and Norway is outlined below.

Tryg is currently working on the system integration of the acquired activities. The system integration has not yet been concluded. We expect this process to be concluded by end-2022. IFRS 3 furthermore stipulates that the pre-acquisition balance sheet in some instances may be adjusted for a period of up to 12 months after the date of acquisition. At the date of presentation of the Q3 Interim Report, no areas have been identified that may significantly affect the balance sheet.

10 Acquisition of activities (continued)

**30 september
2022**

DKKbn

Net assets acquired

Assets

| | |
|--|------|
| Intangible assets | 11.3 |
| Tangible assets | 0.2 |
| Financial assets | 23.9 |
| Total reinsurance of provisions | 0.1 |
| Receivables, other assets and accrued income | 4.6 |

Liabilities

| | |
|--|------|
| Total provisions for insurance contracts | 19.8 |
| Debt and accruals and deferred income | 7.4 |

| | |
|---|-------------|
| Total identifiable net assets acquired | 12.9 |
|---|-------------|

| | |
|---|-------------|
| Purchase price (Shares in Tryg Forsikring A/S) | 29.9 |
|---|-------------|

| | |
|-----------------|-------------|
| Goodwill | 17.0 |
|-----------------|-------------|

The measurement at fair value of identifiable acquired assets and liabilities at the acquisition date, including intangible assets (customer relations and brands) and provisions for insurance contracts, results in a goodwill of DKK 17.0bn. This goodwill relates to expected synergies between the acquired activities and the Group's existing activities. The goodwill acquired is not tax deductible.

The fair value measurements have been based on the actual purchase price paid to the shareholders of RSA on 1 June 2021. The purchase price have been adjusted for the income from RSA Scandinavia from 1 June 2021 until demerger 1 April 2022 and the sale of Codan DK to Alm. Brand.

As the acquisition date was 1 April 2022, the acquired businesses have not impacted the Group's premium income or net income for the first quarter of 2022 as the profit/loss was recognized in the investment result. If the acquisition date was 1 January 2022 the premium income of the Group would have been DKK 27.5bn and net income of the Group would have been DKK 1.2bn. The figures are preliminary. The determination of these pro forma amounts for premium income and net income for the period to the acquisition is based on the following significant assumptions:

- Premiums and claims have been calculated on the basis of the fair values determined in the acquisition balance sheets for premium and claims provisions, rather than the original carrying amounts.
- Other costs, including amortisation of intangible assets, have been calculated on the basis of the fair values determined in the acquisition balance sheets, rather than the original carrying amounts.

On 11 June 2021, it was announced that Codan DK was acquired by Alm. Brand for a total cash consideration of DKK 12.6bn. Tryg receives 50% of the sales proceeds amounting to approximately DKK 6.3bn. The sale was completed on 2 May 2022.

Following the demerger of Trygg-Hansa and Codan Norway and the sale of Codan DK to Alm. Brand Tryg has recorded a net profit of 0.2bn

Trygs share of the sale proceeds is not final but subject to minor adjustments.

Quarterly outline

| DKKkm | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|
| Private^{a)} | | | | | | | | | |
| Gross premium income | 6,107 | 6,020 | 3,985 | 3,840 | 3,927 | 3,877 | 3,743 | 3,638 | 3,610 |
| Technical result | 1,203 | 1,200 | 336 | 681 | 607 | 729 | 479 | 633 | 657 |
| Key ratios | | | | | | | | | |
| Gross claims ratio | 65.8 | 65.5 | 75.7 | 68.4 | 68.5 | 65.1 | 71.5 | 67.3 | 66.9 |
| Net reinsurance ratio | 1.4 | 1.4 | 2.0 | 1.7 | 1.8 | 1.9 | 1.5 | 2.2 | 0.4 |
| Claims ratio, net of reinsurance | 67.1 | 66.9 | 77.7 | 70.1 | 70.3 | 67.0 | 73.1 | 69.6 | 67.3 |
| Gross expense ratio | 13.7 | 13.4 | 13.8 | 12.1 | 14.1 | 14.1 | 14.0 | 12.9 | 14.4 |
| Combined ratio | 80.9 | 80.3 | 91.5 | 82.2 | 84.4 | 81.1 | 87.1 | 82.5 | 81.7 |
| Combined ratio exclusive of run-off | 82.9 | 81.9 | 93.0 | 84.6 | 86.6 | 83.3 | 90.0 | 85.1 | 84.1 |
| Commercial | | | | | | | | | |
| Gross premium income | 2,339 | 2,305 | 1,415 | 1,352 | 1,338 | 1,316 | 1,288 | 1,261 | 1,248 |
| Technical result | 501 | 435 | 281 | 109 | 278 | 241 | 222 | 179 | 253 |
| Key ratios | | | | | | | | | |
| Gross claims ratio | 60.3 | 66.7 | 55.5 | 67.3 | 56.4 | 65.7 | 62.4 | 61.9 | 55.5 |
| Net reinsurance ratio | 3.6 | -1.6 | 7.9 | 4.9 | 7.0 | -0.8 | 3.2 | 5.4 | 7.9 |
| Claims ratio, net of reinsurance | 63.8 | 65.1 | 63.4 | 72.2 | 63.4 | 64.9 | 65.6 | 67.3 | 63.4 |
| Gross expense ratio | 15.5 | 16.4 | 16.7 | 19.7 | 15.7 | 16.6 | 16.9 | 18.4 | 16.1 |
| Combined ratio | 79.3 | 81.4 | 80.1 | 91.9 | 79.1 | 81.5 | 82.5 | 85.7 | 79.6 |
| Combined ratio exclusive of run-off | 84.7 | 86.6 | 87.8 | 97.6 | 86.7 | 87.4 | 86.6 | 96.6 | 85.3 |
| Corporate | | | | | | | | | |
| Gross premium income | 917 | 932 | 876 | 850 | 869 | 864 | 875 | 844 | 860 |
| Technical result | 127 | 266 | 136 | 36 | 103 | 174 | 47 | -32 | 70 |
| Key ratios | | | | | | | | | |
| Gross claims ratio | 66.6 | 53.1 | 70.4 | 81.4 | 68.5 | 55.1 | 75.6 | 86.7 | 59.8 |
| Net reinsurance ratio | 7.8 | 7.4 | 2.6 | 0.6 | 8.1 | 14.1 | 8.5 | 4.5 | 21.9 |
| Claims ratio, net of reinsurance | 74.4 | 60.5 | 73.0 | 82.0 | 76.6 | 69.2 | 84.2 | 91.2 | 81.7 |
| Gross expense ratio | 12.7 | 11.4 | 11.4 | 13.7 | 11.5 | 10.5 | 10.2 | 12.5 | 10.0 |
| Combined ratio | 87.1 | 71.9 | 84.4 | 95.7 | 88.0 | 79.7 | 94.4 | 103.7 | 91.7 |
| Combined ratio exclusive of run-off | 99.7 | 85.3 | 101.1 | 102.8 | 93.5 | 89.0 | 105.1 | 113.1 | 104.7 |

A further detailed version of the presentation can be downloaded from

[Tryg.com/en/downloads-2022](https://tryg.com/en/downloads-2022)

^{a)} From H1 2022, Tryg's operating segments are reduced from four to three operating segments, with the segment previous reported as "Sweden" is moved to the Segment "Private". Comparative figures are restated accordingly.

Quarterly outline

| DKKkm | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Other^{a)} | | | | | | | | | |
| Gross premium income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technical result | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 |
| Tryg | | | | | | | | | |
| Gross premium income | 9,363 | 9,257 | 6,276 | 6,041 | 6,133 | 6,057 | 5,906 | 5,744 | 5,719 |
| Technical result | 1,832 | 1,902 | 754 | 826 | 988 | 1,144 | 751 | 780 | 980 |
| Investment return | -348 | -878 | -284 | 941 | 481 | -757 | 343 | 513 | 237 |
| Profit/loss before tax | 964 | 508 | 204 | 1,596 | 1,201 | 274 | 1,022 | 1,223 | 1,150 |
| Profit/loss | 628 | 430 | 109 | 1,370 | 1,037 | -63 | 814 | 1,038 | 930 |
| Key ratios | | | | | | | | | |
| Gross claims ratio | 64.5 | 64.5 | 70.4 | 70.0 | 65.8 | 63.8 | 70.1 | 69.0 | 63.4 |
| Net reinsurance ratio | 2.5 | 1.3 | 3.4 | 2.2 | 3.9 | 3.1 | 2.9 | 3.3 | 5.2 |
| Claims ratio, net of reinsurance | 67.0 | 65.8 | 73.8 | 72.2 | 69.7 | 66.9 | 73.1 | 72.3 | 68.6 |
| Gross expense ratio | 14.1 | 13.9 | 14.1 | 14.0 | 14.1 | 14.1 | 14.1 | 14.0 | 14.1 |
| Combined ratio | 81.1 | 79.7 | 87.9 | 86.2 | 83.8 | 81.0 | 87.1 | 86.3 | 82.7 |
| Combined ratio exclusive of run-off | 85.0 | 83.4 | 93.0 | 90.1 | 87.6 | 85.0 | 91.5 | 91.8 | 87.4 |

^{a)} Amounts relating to one-off items are included under 'Other'.

Disclaimer

Certain statements in this financial report are based on the beliefs of our management as well as assumptions made by and information currently available to management. Statements regarding Tryg's future operating results, financial position, cash flows, business strategy, plans and future objectives other than statements of historical fact can generally be identified by the use of words such as 'targets', 'believes', 'expects', 'aims', 'intends', 'plans', 'seeks', 'will', 'may', 'anticipates', 'would', 'could', 'continues' or similar expressions.

A number of different factors may cause the actual performance to deviate significantly from the forward-looking statements in this financial report, including but not limited to general economic developments, changes in the competitive environment, developments in the financial markets, extraordinary events such as natural disasters or terrorist attacks, changes in legislation or case law and reinsurance.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, Tryg's actual financial condition or results of operations could materially differ from that described herein as anticipated, believed, estimated or expected. Tryg is not under any duty to update any of the forward-looking statements or to conform such statements to actual results, except as may be required by law.



Read more in the chapter Capital and risk management on **pages 37-38**, and in Note 1 on **page 67**, in the Annual report 2021, for a description of some of the factors which may affect the Group's performance or the insurance industry.

