



To NASDAQ Copenhagen

Announcement no. 07 – 2022
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Tryg A/S – Q1 report 2022

Tryg's Supervisory Board has today approved the interim report for Q1 2022.

Tryg stand-alone reported a premium growth of 5.1% (6.2% in Q1 2021) primarily driven by the Private and Commercial segments, a highest ever Q1 technical result of DKK 754m (DKK 751m) which was positively impacted by a positive top-line growth, improved underlying business, but partly offset by higher large and weather claims compared to the prior-year period.

The new Swedish business, Trygg-Hansa, whose results are booked under the investment income for the last time, has reported a premiums growth of approximately 3% and a highly satisfactory technical result of DKK 621m, driven by a combined ratio of 73.3, and a slightly improving underlying performance.

The investment result of DKK -284m included Tryg stand-alone investment result (DKK -124m) and the income from RSA Scandinavia (DKK -160m), which consist of both the technical result of DKK 627m as well as the result of the investments in the perimeter of DKK -599m. In particular, the bond portfolio of RSA Scandinavia reported mark-to-market losses driven by a spike in interest rates at the long-end of the curve.

Profit before tax of DKK 204m (DKK 1,022m) burdened by capital markets volatility that hit the overall investment result and to a lesser extent integration costs due to the RSA Scandinavia acquisition. Quarterly dividend of DKK 1,015m or DKK 1.55 per share, 45% higher than in Q1 2021, supporting TryghedsGruppen's member bonus. Solvency ratio of 184 at the end of Q1 2022, and the guidance for a solvency ratio between 195 and 205 as per H1 is confirmed.

Financial highlights Q1 2022

- Premium growth of 5.1% (6.2%) in local currencies
- Technical result of DKK 754m (DKK 751m)
- Combined ratio of 88.0 (87.1)
- Underlying claims ratio (Group) improved by 1.0
- Expense ratio of 14.1 (14.1)
- Investment return on Tryg's stand-alone portfolio of DKK -124m (DKK 343m)
- Income from RSA Scandinavia of DKK -160m
- Total Investment return of DKK -284m (DKK 343m)

- RSA related synergies of DKK 50m
- Profit before tax of DKK 204m (DKK 1,022m)
- Quarterly dividend of DKK 1,015m or DKK 1.55 per share
- Solvency ratio of 184

Customer highlights Q1 2022

- Customer satisfaction score of 85 (84 in Q1 2021)
- For the seventh year in a row, TryghedsGruppen decided to pay member bonus. For 2021, this amounts to 8% of premiums to be paid during the autumn

Statement by Group CEO Morten Hübbe:

In Q1 2022, Tryg reported positive developments in the core insurance business in terms of premiums growth and technical result. Tryg premiums growth was 5.1% and positively impacted by the profitable business segments in Private and Commercial. Growth was driven by cross-selling to existing customers, partner agreements and continued good sales from the direct channels. Tryg reported the highest ever Q1 technical result of DKK 754m mainly affected by the very positive top-line growth throughout 2021 and an improved underlying business.

Denmark and Norway have experienced an unusually high number of stormy days. 26 consecutive days of storm in Norway and two different storms in Denmark, left many of our customers dependent on our help. Our help was also needed when a large fire raged in Copenhagen, and our customers represented 50% of the people who were left homeless. It is when our customers need us the most, that we can make the biggest impact on their peace of mind. Tryg remains well prepared to handle quarters with extraordinary challenges, for both ourselves and our customers.

Q1 has been an extraordinary quarter for Tryg. Turbulence in the financial markets have had significant impact on our investment result and profit before tax. The negative investment result was characterized by mark-to-market losses in the RSA Scandinavia fixed income portfolio, which differs in duration and risk profile from Tryg. A process is well on its way to transfer all RSA Scandinavia assets to the current, low risk, assets mix of Tryg, and the process is expected to be finalised during the Autumn of 2022.

1 April 2022 marked the day of demerger, and the separation of Codan Denmark from Trygg-Hansa in Sweden and Codan in Norway was therefore completed. We will remember this day in Scandinavian insurance history as the day where Tryg, Trygg-Hansa and Codan Norway merged into one entity, and consequently became the largest non-life insurance company in Scandinavia. Now, the integration process can truly begin, and we look very much forward to share knowledge



and learn from each other. It is important to note that the new group (Tryg and Trygg-Hansa and Codan Norway) would have shown a technical result just below DKK 1.4bn in Q1 looking at fully consolidated figures. This underscores the very strong earnings power of the enlarged Group.

We are very pleased to see that TryghedsGruppen, has announced a member bonus of DKK 1.2bn to be paid in 2022 and equivalent to 8% of premiums paid in 2021 - up from 5% last year. It is the seventh year in a row that TryghedsGruppen has decided to pay out a member bonus to customers in Denmark and should be seen in connection with Tryg's dividend.

Finally, we are pleased to announce a quarterly dividend per share of DKK 1.55, up some 45% compared to prior year period. The increased dividend is mainly driven by higher insurance earnings in 2022, full consolidation of Trygg-Hansa and Codan Norway and expected delivery of DKK 350m in synergies in 2022 related to the RSA Scandinavia acquisition. The solvency ratio is expected to remain between 195 and 205 as per H1 2022, a very healthy level to start the new journey and ensure strong capital returns to our shareholders.

Conference call

Tryg hosts a conference call today at 10:00 CET. CEO Morten Hübbe, CFO Barbara Plucnar Jensen and CCO Johan Kirstein Brammer will present the results in brief followed by Q&As. The conference call will be held in English. An on-demand version will be available shortly after the conference call has ended.

Conference call details:

Danish participants: +45 78 15 01 07

UK participants: +44 (0) 333 300 9274

US participants: +1 631 913 1422 (PIN: 64161843#)

All Q1 material can be downloaded on tryg.com/en shortly after the time of release.

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