

Interim Statement 9M/Q3 2019

Deutsche Familienversicherung affirms its planned annual forecast following very good nine-month results

- Strong new business in first nine months: number of new policies up by +82.4%, or +100.8% measured in terms of premium volume
- Gross premiums written substantially higher by 37.9%, to reach EUR 65.7 million
- Existing premiums up by 26.6%, to EUR 95.8 million
- Management Board affirms forecast for 2019

Frankfurt/Main, November 15, 2019 – DFV Deutsche Familienversicherung AG (“DFV”, “Deutsche Familienversicherung”), a rapidly growing, leading insurtech company in Europe, affirms its forecast for the fiscal year 2019 communicated in the wake of very good business development recorded in the first nine months.

The volume of new business, amounting to 70,539 policies, has grown by a substantial 82.4% (9M 2018: 38,681 new policies). This increase was mainly attributable to the successful supplementary health insurance business, with 65,045 new policies written. In the property insurance segment, animal health insurance policies successfully marketed by ProSiebenSat1 Digital since mid-May have already contributed to the increase of 244.5%, to 5,494 policies written. At the end of the third quarter of 2019, DFV already had over 1,960 new policies with a premium volume of approx. EUR 900 k on its books.

The total newly generated premium volume rose by a disproportionately high 100.8%, to EUR 22.8 million (9M 2018: EUR 11.4 million). In the supplementary health insurance segment, growth measured in terms of premium volume was up by 90.3 %, and property insurance by as much as 569.6%. As at September 30, 2019, property insurance policies already accounted for 7% of new business measured by premium volume and approx. 8% (June 30, 2019: 5.9%) in contractual unit numbers.

Existing premiums already reach about EUR 95 million after first nine months

As a result of the strong level of new premium volume in the first nine months, the total underwriting portfolio as at September 30, 2019 was up by approx. 9%, to around 496 k policies (December 31, 2018: roughly 455 k policies). This includes about 46,700 policies belonging to the electronic equipment insurance segment, which is no longer part of DFV's core business. Adjusted for these technical insurance segments, the underwriting portfolio in core business was up by approx. 12.7% in the first nine months of 2019.

Existing premiums written increased by 26.6% as at September 30, 2019, to EUR 95.8 million (December 31, 2018: EUR 75.7 million). Gross premiums written were likewise up substantially by 37.9% in the first nine months year-on-year, to EUR 65.7 million. This reflects the sharp increase in the supplementary health insurance business, up by 36.6%, to reach EUR 61.3 million. In the property insurance segment (which also includes the new animal health insurance policies), gross premiums written increased by as much as 58.3%, to EUR 4.4 million.

“Our growth investments in combination with our products distinguished with numerous awards are proving to be effective. In terms of existing premiums written, we already were close to reaching our annual target of EUR 100 million as early as end-September. This motivates us to continue this strategy and to exploit the enormous market potential for digital insurance in Germany”, comments Dr Stefan Knoll, DFV's CEO and founder.

To achieve its rapid business growth, DFV invested substantially in sales. Due to increased distribution expenditure, for the first nine months of 2019 the combined ratio (of claims to expenses) amounted to 105.7%, as expected (9M 2018: 80.8%). For the first six months, this ratio had still amounted to 110%. The claims ratio increased to 61.2% year-on-year (9M 2018: 55.3%) and remained stable compared to the first half of 2019 (6M 2019: 60.5%).

Results developed as expected

After nine months, EBIT declined to -EUR 3.3 million, as expected (9M 2018: -EUR 0.8 million). This includes a positive non-recurring effect as part of the capital investment owing to the recovery of the global capital investment markets. The underwriting result thus amounted to -EUR 2.3 million. The result after taxes came to -EUR 2.9 million (9M 2018: -EUR 0.9 million).

The solvency ratio of Deutsche Familienversicherung declined to 248% in the first nine months of 2019 (December 31, 2018: 469%). This reflects the increased level of capital deployed to achieve this significant business growth. The ratio continues to exceed the regulatory requirements significantly, remaining at a very solid level.

Forecast for 2019 affirmed

The forecast presented by DFV remains unchanged: with new business estimated at 100,000 policies, the existing premiums in the year 2019 as a whole are to reach EUR 100 million. The further optimization of the existing portfolio due to the planned run-off in the electronic insurance segment was taken into account in this regard.

The operating result for 2019 will be affected by high growth investments in further extending the policy portfolio, expenditure on increasing digitization and the establishment and extension of new distribution channels. DFV therefore continues to anticipate a pre-tax loss of EUR 9 to 11 million.

About DFV Deutsche Familienversicherung AG

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

www.deutsche-familienversicherung.de

Press & Investor Relations Contact

Lutz Kiesewetter

Head of Corporate Communications & Investor Relations

Tel.: +49 69 74 30 46 396

E-mail: Lutz.Kiesewetter@deutsche-familienversicherung.de

DFV Group Key Financials 9M 2019:

in € thousand	9M 2019	9M 2018	Change in %
New business			
Policies (number)	70,539	38,681	82.4%
- Supplementary health insurance (number)	65,045	37,086	75.4%
- Property insurance (number)	5,494	1,595	244.5%
Premium volume	22,831	11,411	100.8%
- Supplementary health insurance	21,267	11,177	90.3%
- Property insurance	1,564	234	569.6%
Total gross premiums written			
Total	65,693	47,636	37.9%
Gross premiums written supplementary health insurance	61,288	44,853	36.6%
Gross premiums written property insurance	4,406	2,783	58.3%
Combined Ratio	105.7%	80.8%	24.9pp
Claims ratio	61.2%	55.3%	5.9pp
EBIT	-3,294	-752	337.9%
Net result	-2,869	-874	228.4%
Underwriting result	-2,308	5,060	N/A

in € thousand	30.09.2019	31.12.2018	Change in %
Total portfolio (number)			
Policies	495,972	454,964	9.0%
- Supplementary health insurance	393,943	344,473	14.4%
- Property insurance	102,029	110,491	-7.7%
Total existing premiums			
Premium volume	95,790	75,657	26.6%
Existing premiums supplementary health insurance	89,434	69,058	29.5%
Existing premiums property insurance	6,356	6,599	-3.7%
Equity	66,040	59,169	11.6%
Solvency ratio	248%	469%	-221pp
Employees (average)	116	111	4.5%