

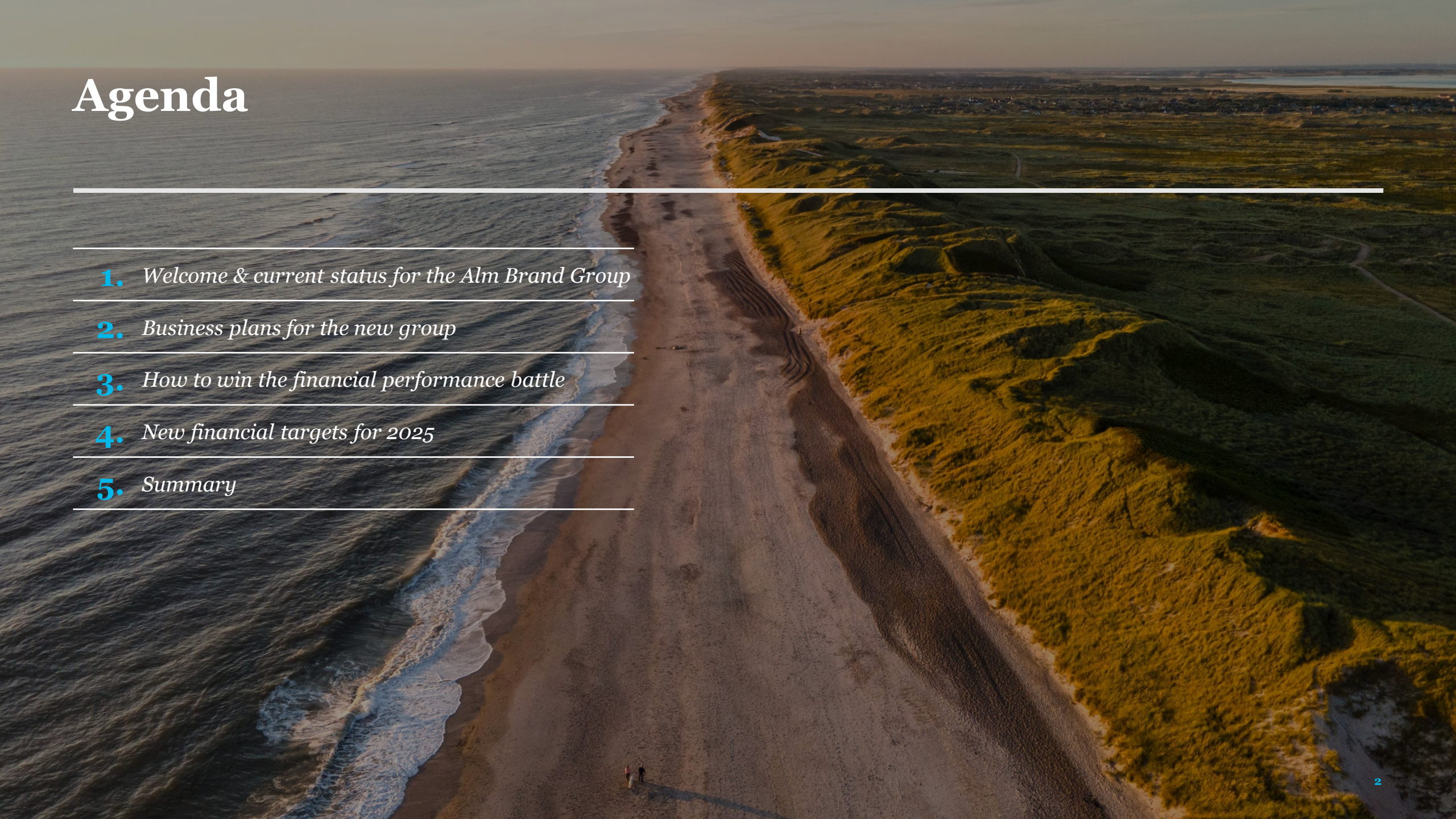
Alm Brand Group

Capital Market Update

22 November 2022

Agenda

1. *Welcome & current status for the Alm Brand Group*
2. *Business plans for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*



Today's speakers



Rasmus Werner Nielsen
CEO, ALM. BRAND GROUP



Andreas Ruben Madsen
CFO, ALM. BRAND GROUP



Henrik Hvid
HEAD OF STRATEGY

1.

Current status for the Alm. Brand Group

1. *Welcome & current status for the Alm Brand Group*
2. *Business plans for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*

Presenting a clear path to unlocking our value potential by 2025

Alm Brand Group

Key takeaways today

1. We transitioned into a multi-brand company

Alm Brand

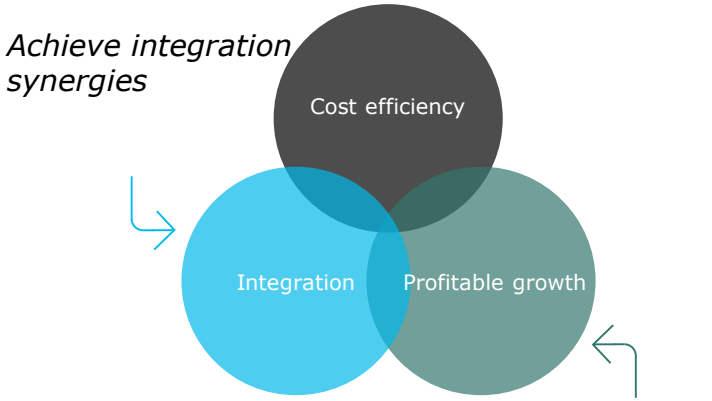
CODAN

privat SIKRING

erhvervs SIKRING

Alm Brand Group

2. Our business plans are key to achieving our financial targets for 2025



Double the technical result

3. We focus on high, stable profit & increased pay-out

Technical result DKKm

~2,100

Pay-out ratio

≥80%

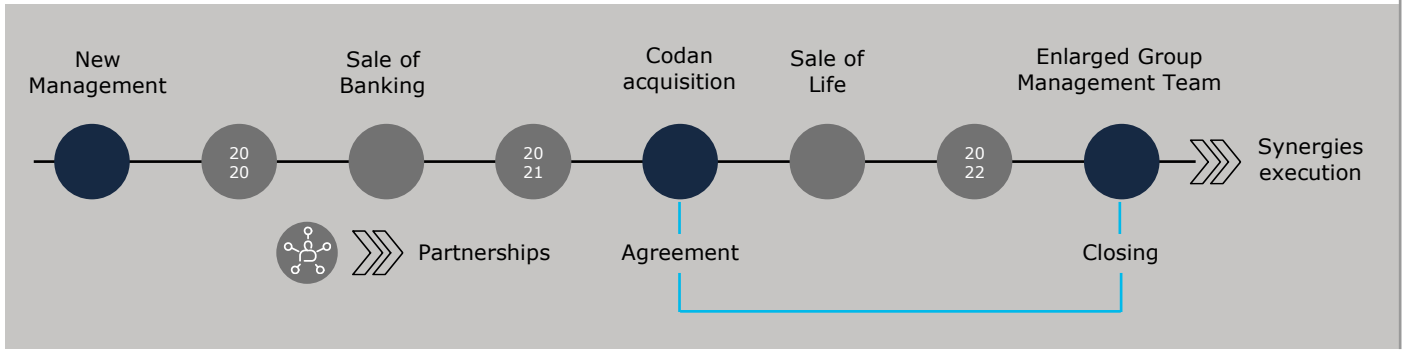
Alm. Brand Group – Denmark's *second-largest non-life insurance company*

Alm Brand Group

~700,000
HOUSEHOLDS AND COMMERCIAL CUSTOMERS

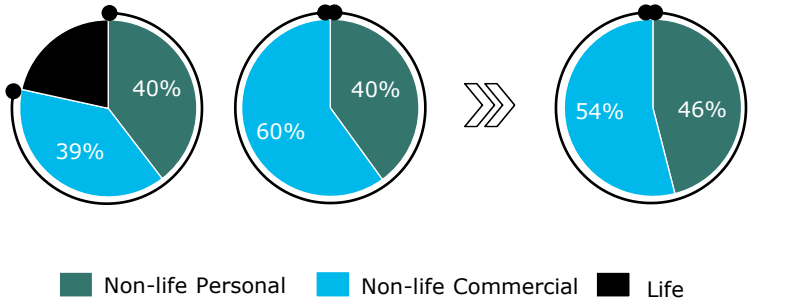
~17 %
MARKET SHARE

~2,400
EMPLOYEES

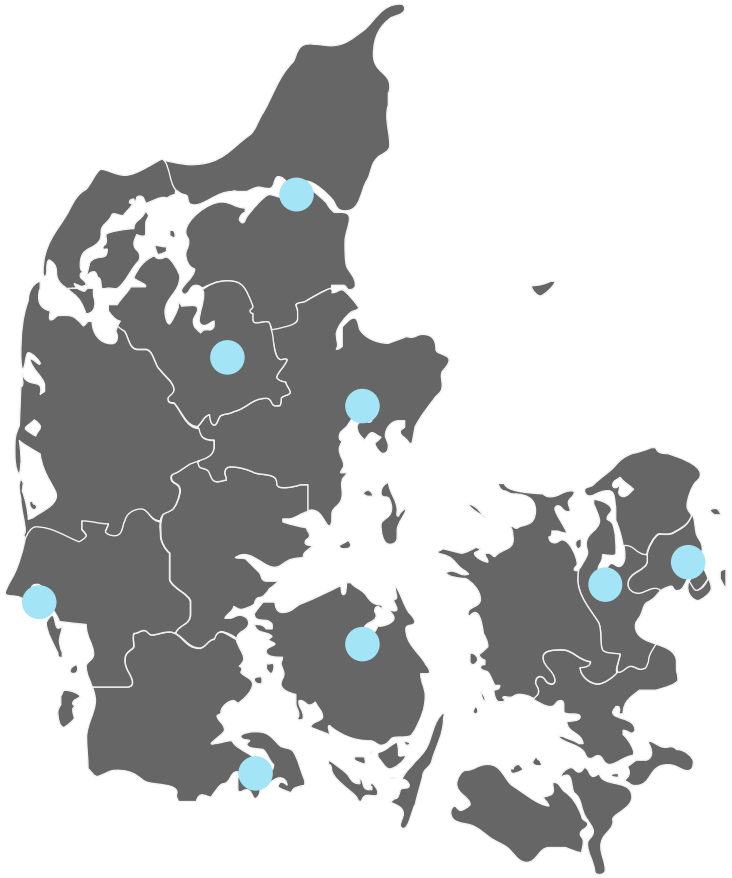


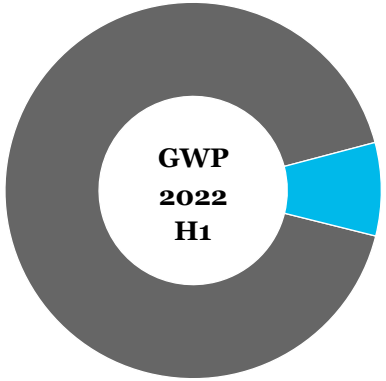
> *We have transformed into a strong pure play non-life insurer*

Alm Brand CODAN Alm Brand Group



Pure play Danish non-life insurance company…





Denmark ■ Rest of World

We offer our customers specialised insurance policies e.g., within renewables as well as our standard insurance policies internationally.

…who follows our Danish customers internationally

Selected customers we follow internationally

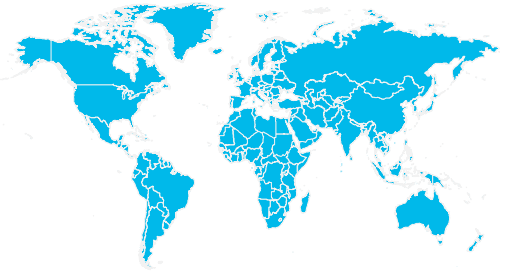
DFDS

Vestas

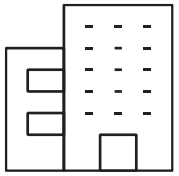
Ørsted

novo nordisk®

CIP
Copenhagen Infrastructure Partners



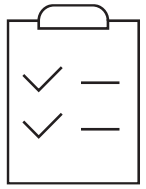
The Association wants to increase value and cash return



- Since 1792, the association has been an **active supporter of Alm. Brand**



- The **main purpose** is to enable Alm. Brand to be a competitive insurance company



- The association played a **key role in funding the acquisition** of Codan

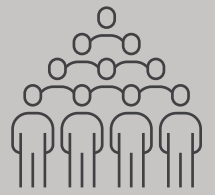
Facts about the Association

~47%

of the share capital is held by the Association

Intention to increase ownership

The Association intends to increase its ownership to **above 50%** over time



700,000 members

... all of whom are customers of the Alm. Brand Group



Brand position in the market

Multi-brand strategy wins market share

Our portfolio of brands ensures that we can win market share by differentiating our offerings and accommodating various customer needs

Alm Brand Group

By establishing the Alm. Brand Group we have increased our presence and relevance in the society we are part of

Size matters

Being the second-largest insurance player in Denmark provides us with a high degree of credibility and legitimacy from current and future customers

Thought leader

Greater ability to set the agenda and be trusted voice in the market and in society

CODAN | Alm Brand | privatsikring | erhvervssikring

Our multi-brand strategy makes it possible to differentiate our offerings and meet customer needs across segments

High awareness

Awareness is a key driver, and Alm. Brand and Codan are both among the most well-known and trusted brands in the industry

Complementary strengths

Alm. Brand and Codan have individual profiles and strengths in different key segments across B2B & B2C

Individual value propositions

With strong brand profiles, we can target our services, which creates vitality, novelty value and cost-effective lead generation

Clarity and distinctive

In a market that is homogenous in both offerings and communication, we will sharpen the profiles to stand out from our competitors and build long-term brand strengths

Strong distribution

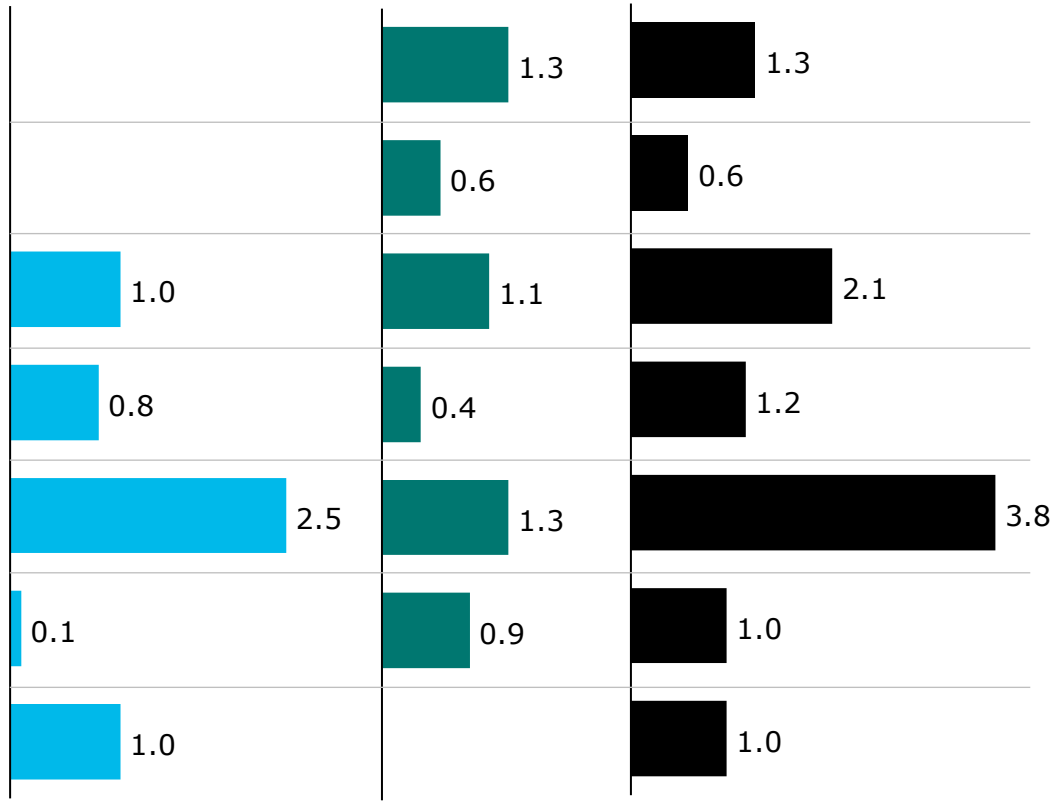
Our strong partnerships ensure us of a broad presence and distribution across segments

Codan means expanded branding opportunities for the Alm. Brand Group

Alm. Brand Group serves a full portfolio of customers

Premiums DDKbn (2021)

Brand	Segment	Description
CODAN	Energy & Marine	Wide range of highly specialised customers – e.g. Marine, Freight & Supply
CODAN	Large Corporations	Large corporate customers, including large international companies
Alm Brand / CODAN	Mid-sized Corporations	Mid-sized business customers (>5 FTE)
Alm Brand / CODAN	Small Corporations	Small business customers ex. Agriculture (<5 FTE)
Alm Brand / CODAN	Private	Private customers excl. Bancassurance
Alm Brand, erhvervsikring, privatsikring	Banc-Assurance	Retail customers through Bancassurance (only very few corporate customers)
Alm Brand	Agriculture	Both productive farming and recreational farming



Difference in Conzoom segments and demographics

Alm Brand ■ Group

Alm. Brand og Codan strongholds different Conzoom segments

Alm Brand	Well-founded homeowners	Comfort & 'hygge'	Life in the countryside	Provincial life	Seniors
CODAN	Wealthy people	Urban diversity	Knowledge & prosperity	Young people on the way	

Demographic differences in customer bases

- Large share of portfolio in West Denmark
- Living outside big cities, and in the countryside
- Overrepresentation amongst house owners

- Large share of portfolio in East Denmark
- Mainly in big cities
- Overrerepresentation around Apartment owners



Financial targets



Looking back, we have delivered on our financial targets for 2022

Alm Brand Group

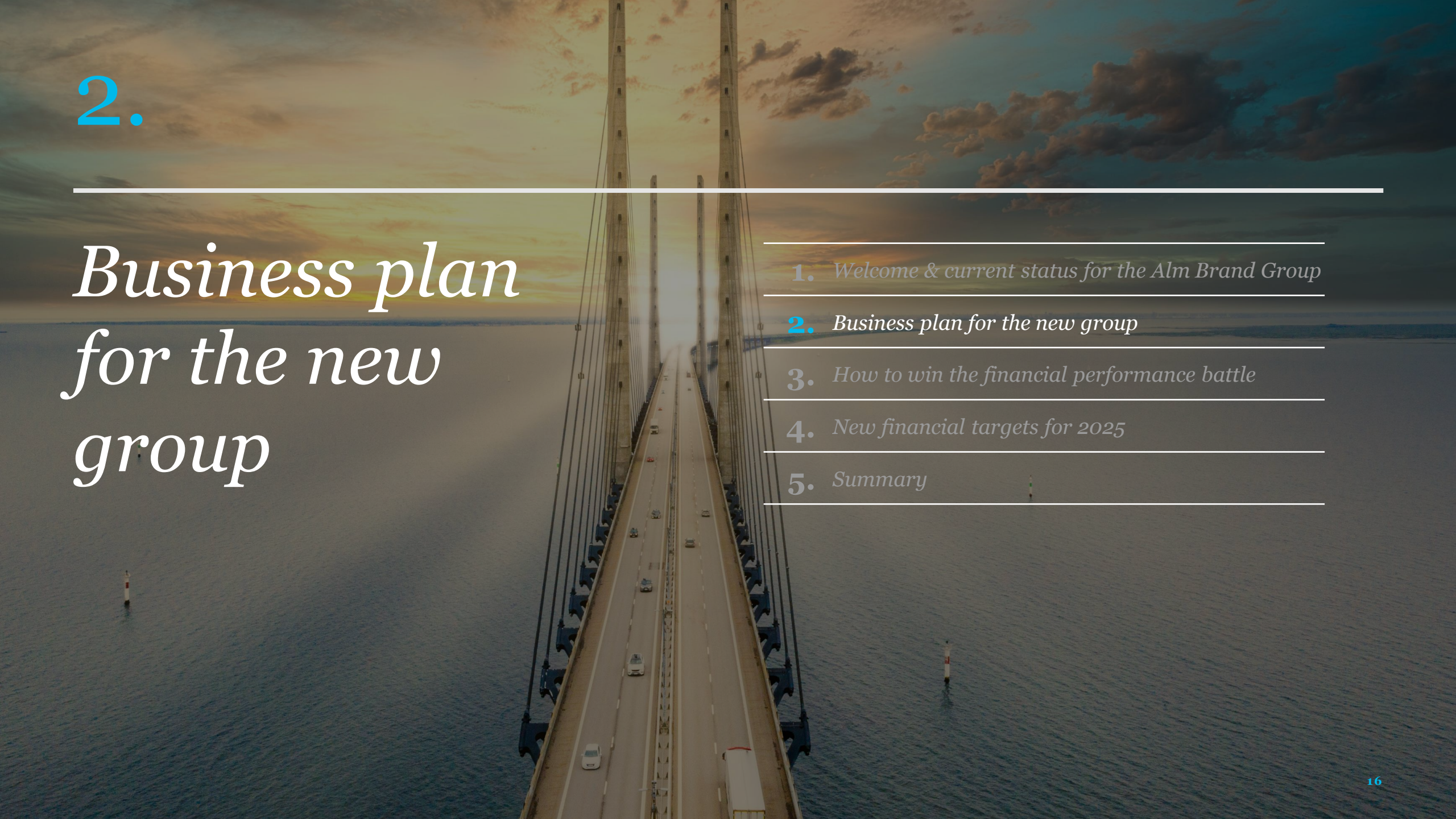
KPI	Growth in premiums	Combined ratio excl. run-offs	Expense ratio	Pay-out ratio	Growth in regular pension contributions	RoE excl. depreciation of customer relations and tax
Target	3%	<90	16%	70%	7%	10%
Realised Q3	5.1% ✓	82.2 ✓	14.8% ✓	(2021) 77% ✓	VALUE UN-LOCKED ✓	

Going forward, we strive to achieve new financial targets for 2025

Alm Brand Group

KPI	Technical result DKKm	Combined ratio incl. run-offs	Expense ratio	Synergies DKKm	RoTE	Pay-out ratio
Target 2025	~2,100	≤84	≤16%	600	≥50%	≥80%
Guidance 2022	~1,075	92*	18%	110	>20%	>70%

* Alm. Brand Group 2022-pro forma with Codan included for the full year



2.

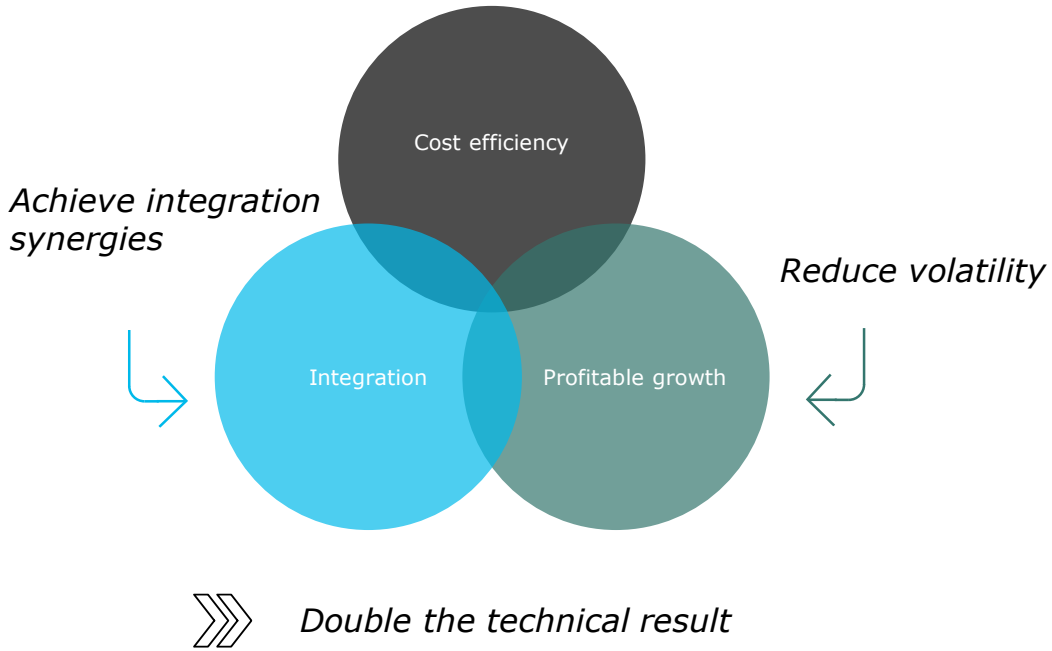
Business plan for the new group

1. *Welcome & current status for the Alm Brand Group*
2. *Business plan for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*

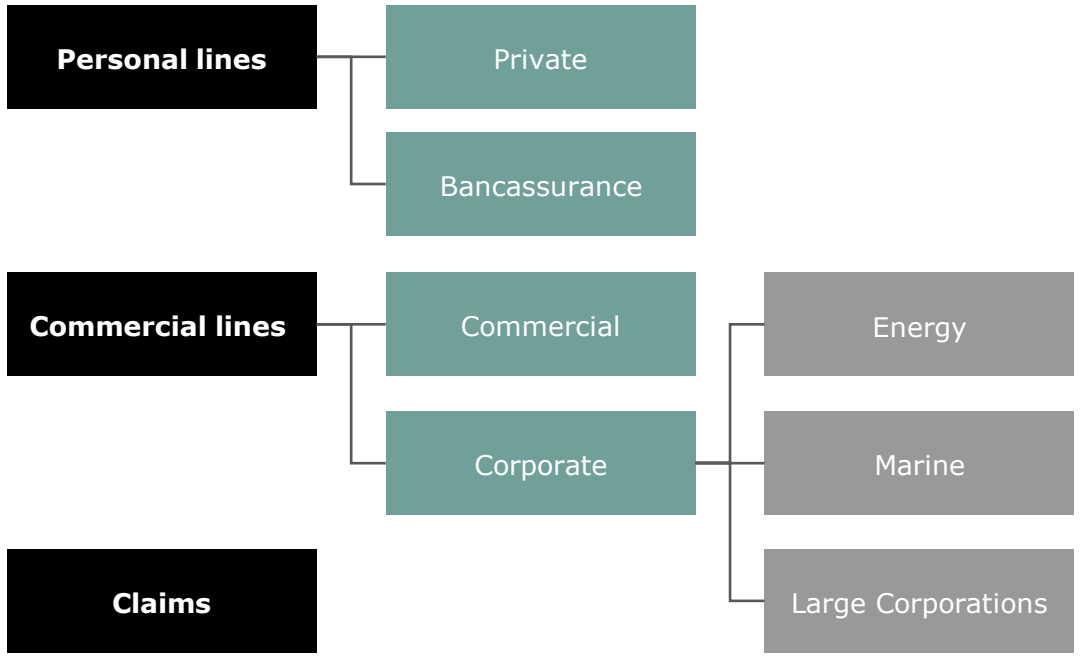
The financial targets for 2025 are based on our Business Plan

Alm Brand Group

Business plans evolves around three strategic objectives



Initiatives are structured according to our business lines



Common strategic framework to ensure clear directions and priorities

Alm Brand Group

Strategic direction	*Unlock our full potential as a group*		
Strategic Objectives	**1** **Cost efficiency**	**2** **Profitable growth**	**3** **Integration**
Strategic Levers	Customer relevance	Strong partnerships	Prevention & sustainability
Strategic enablers	Attractive workplace	Efficient processes & organisation	IT & Data driven organisation

Strategic goals 2025	Technical result	Combined ratio	Expense ratio	Synergies
	DKK ~2.1bn	≤84%	≤16%	DKK 600m

Personal Lines will drive growth while ensuring profitability

Alm Brand Group

	Sales channel strategy	Customer retention	Operational excellence	Partnership strategy
	"Integrated scalable channel mix"	*"Customer relevance by new customer concepts for multi brand strategy"*	*"One shared IT platform with new, improved processes and products"*	*"Close cooperation and strong value propositions"*
INITIATIVES	• New effective **distribution channel mix** after the merger • New structure for handling **lead management** • Develop our **digital sales channel**	• Develop **new products** to our multi-brand strategy • Improve **value proposition** with new customer concepts • Strengthened **retention concepts**	• Increase efficiency within **sales** and **customer centers** • **Data-driven customer insights** to provide relevant services & offerings • One **IT platform** with new product offerings	• **Strategic partnerships** in line with our brand position and customer value propositions • Develop **shared customer value propositions with partners** e.g benefit programs in bancassurance
	Profitable growth Integration	Profitable growth Integration	Cost efficiency Integration	Profitable growth Cost efficiency

We have several partnerships in Alm Brand Group

Bank partnerships

Nykredit

Spar Nord

LOKALE PENGEINSTITUTTER

Sparekassen DANMARK

SKJERN BANK

Sydbank

Frøs Sparekasse

vestjyskBANK

Other partnerships

SEMLER

Nybolig

G4S

ÆldreSagen

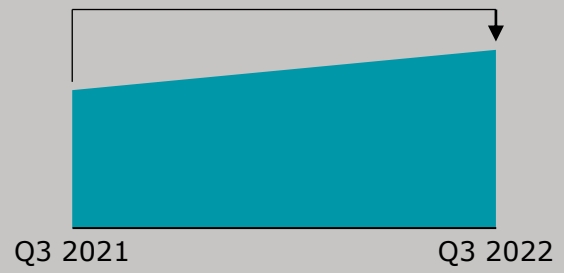
Bancassurance drives growth through strong partnerships

Alm Brand Group

Sales Channel Strategy | Customer retention | Operational Excellence | Partnership strategy

Partnership strategy

"Growth through closer cooperation with our partners"



Initiatives

- **Maintain existing** and **attract new** partnerships
- **Integration** with partners benefits programs
- **Digital customer journey** (integration in app)

"Efficiency via scalable partner setup"



Loyalty drives low customer churn and low loss ratio

~250 bank branches

Initiatives

- **New group organisation** for Bancassurance
- **Structured partnership** approach across brands
- **Loss and expense ratio** initiatives

"Extend product offerings within commercial and agriculture"

Alm Brand » erhvervssikring / privatsikring

Initiatives

- **Unlock potential in Erhvervssikring**, by using experiences from Sydbank
- **Launch of agriculture products within** Alm Brand/ erhvervssikring brands - utilize the strong competencies in Alm Brand

Commercial Lines secures profitability through targeting specific segments

Alm Brand Group

	The best SME & Agriculture offering	Next level UW	Win Brokers	Updated Corporate strategy
VISION	*"targeting specific segments creates higher customer relevance"*	*"ability to tailor customer solution with next level UW"*	*"targeting specific segments through improved service model"*	*"reduce volatility through selective growth"*
INITIATIVES	• Systematic setup for **choosing specific industry** and **segment solutions** • Continuously focus on **customer retention** • **Go-to-market strategy** and development of strong **customer value proposition**	• Next level underwriting processes with improved use **of internal and external data analysis** • Implement a shift from a **reactive** to a **proactive model** with focus on "predict and prevent"	• Main vision is to be the **brokers' preferred partner** • New **broker strategy** with strong value proposition • Improved **service models** targeting specific brokers	• **Reduce volatility** by strategic decisions on specific segment • **Portfolio strategies** and Strong **pipeline management** • **Underwriting** and **Claims excellence** • **Global Network** and **fronting**
OBJECTIVE	Profitable growth Cost efficiency	Profitable growth Integration	Profitable growth Integration	Profitable growth Integration

Corporates focus on reducing volatility through operational excellence

Alm Brand Group

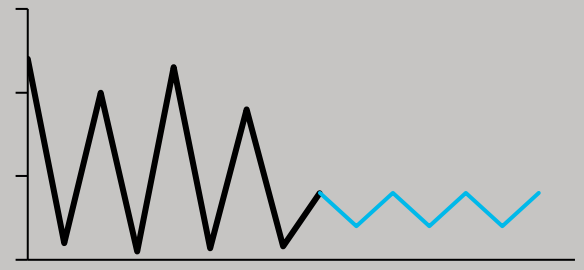
The best SME & Agriculture offering | Next level UW | Win Brokers | Updated Corporate strategy

Updated Corporate strategy

Volatility reduced by new strategic decisions

Initiatives

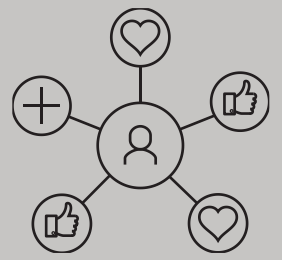
- Focus on profitable segments and pruning non-profitable segments
- Underwriting and claims excellence
- Go-to-market & portfolio strategies



Strong global network and reinsurance partners enables robust global position

Initiatives

- Maintain strategic partnership with RSA/Intact
- Professionalisation in underwriting
- Efficient contact process with Global Network



Continued focus on operational excellence

Initiatives

- Continue to improve pricing tools
- Further utilisation of data
- Enhance claims prevention
- Strong pipeline management
- Increase profitable clients and prune non-profitable clients
- Efficient processes with Reinsurance

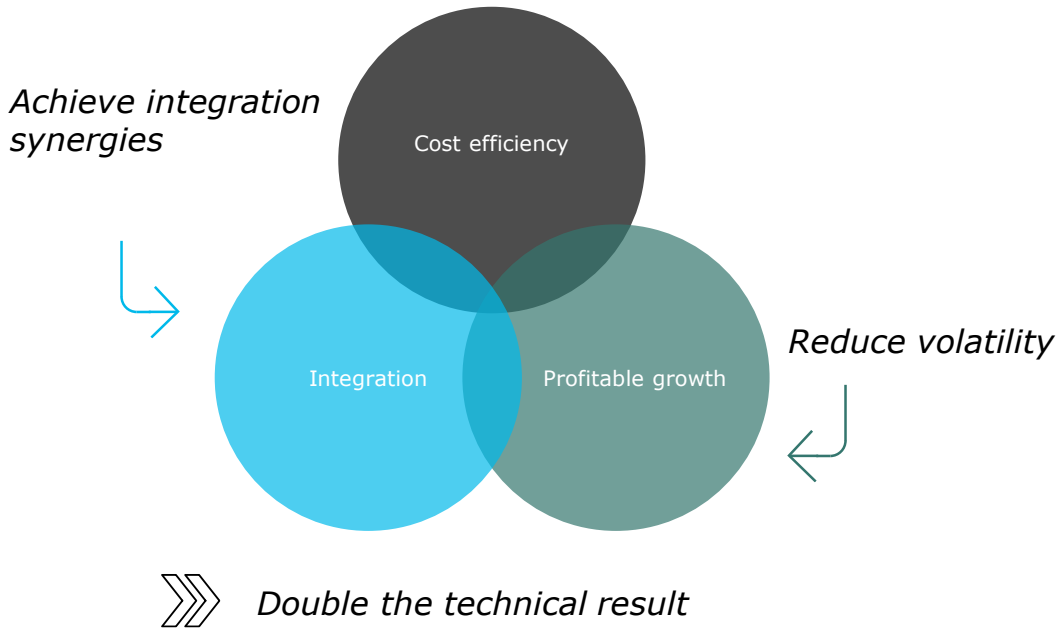
Claims is crucial for our achieving of integration and synergies

Alm Brand Group

	Integration	Procurement	Fraud detection	Prevention & Sustainability
VISION	*"Best of both worlds driving future Claims handling"*	*"Utilization of size to obtain procurement savings"*	*"fraud detection technology across all brands and products"*	*"implement reduce, reuse and recycle into claims handling"*
INITIATIVES	• Implement common **IT platform** • Process optimisation and STP to achieve **better customer service** • Develop one **claims data model** to support UW • Integrate **KPI models**	• Further develop **procurement strategy** • Utilisation of **economies of scale** regarding procurement savings • Contract **consolidations** • Supplier **KPI universe**	• Outlining of new **fraud strategy** • Implementation of **fraud detection technology** across all brands and products • Higher utilization of **digitally based follow-up** functionalities	• Improving **risk inspections** • Organised approach to **claims prevention** and built on what already exists • **Live stream inspections**
OBJECTIVE	● Cost efficiency ● Integration	● Profitable growth ● Integration	● Profitable growth ● Integration	● Profitable growth ● Cost efficiency

Summing up Business plans

Our business plans ensure the financial targets for 2025



The initiatives evolve around three strategic levers

1 Cost efficiency

Building an efficient sales channel strategy and strong partner strategy alongside the integrational focus on efficient processes will safeguard cost efficiency

2 Profitable growth

Partner and broker strategy, winning SME & Agriculture, and winning industry is our focus for profitable growth towards 2025

3 Integration

Initiatives to increase efficiency across all lines, migration to one shared IT-platform and to ensure efficient Claims handlings are fundamental for the integration

3.

How to win the financial performance battle

1. *Welcome & current status for Alm Brand Group*
2. *Business plans for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*

The financial performance battle evolves around the three strategic objectives

Alm Brand Group

This section dives into specific cases to shed some light on the financial aspects of the strategic objectives



Focus on reducing employee base and lowering cost ratio

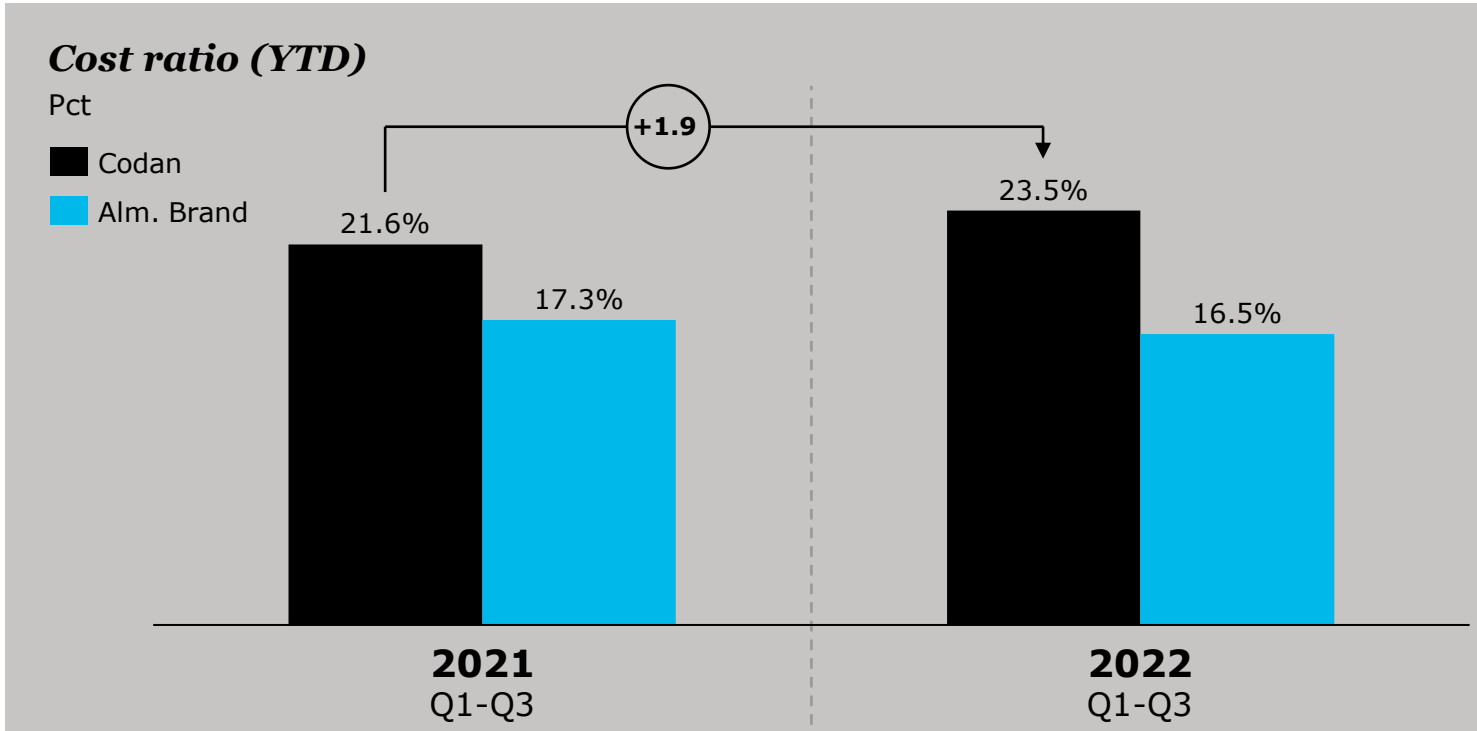


Energy as a case for building profitable growth (~83)



Focus on integration ensures synergies

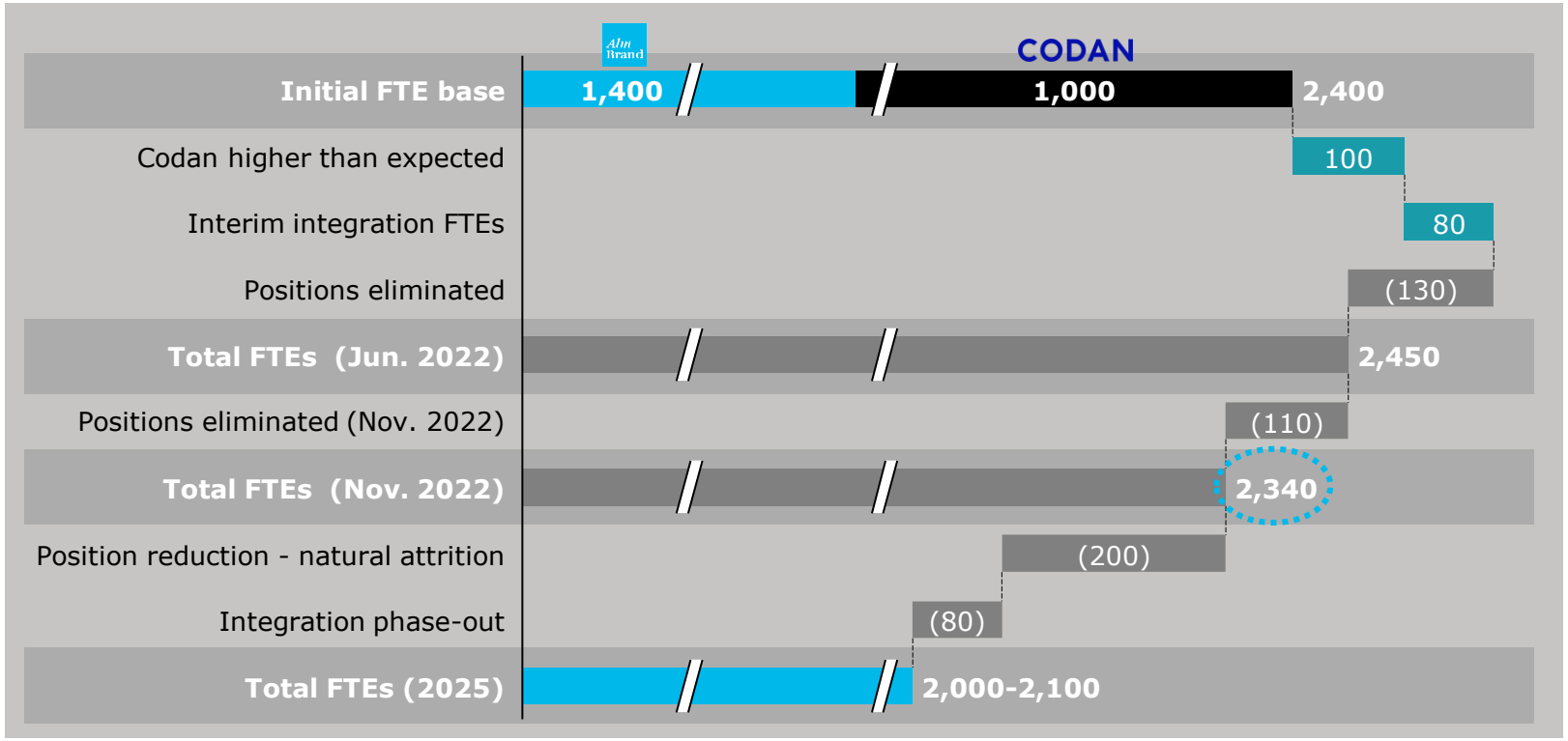
We safeguard our cost efficiency



- **Higher cost base in Codan than assumed** at takeover in May 2022
- Necessary action taken in November 2022 with **110 positions eliminated**
- Reducing the number of positions was **not a part of the synergy case**, but simply a necessary action in support of the business case

Necessary action taken when **110 positions were eliminated** in November 2022

Working towards a reduced employee base of 2,000 – 2,100 FTEs in 2025



FTE reduction ~300

Alm. Brand Group will reduce costs by eliminating **overlapping functions and interim integration positions**

Alm. Brand Group** will reduce costs by reducing the **employee base by ~300 FTEs



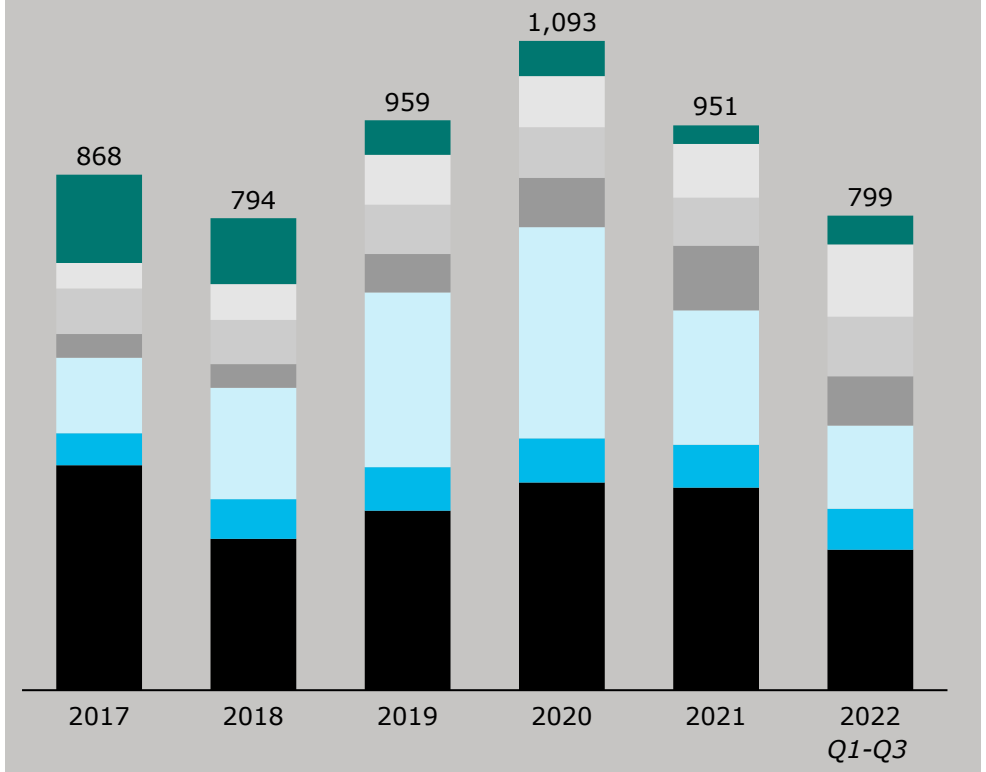
Energy – a profitable growth case

Focus on de-risking and securing profitable growth in the Energy segment

Alm Brand Group

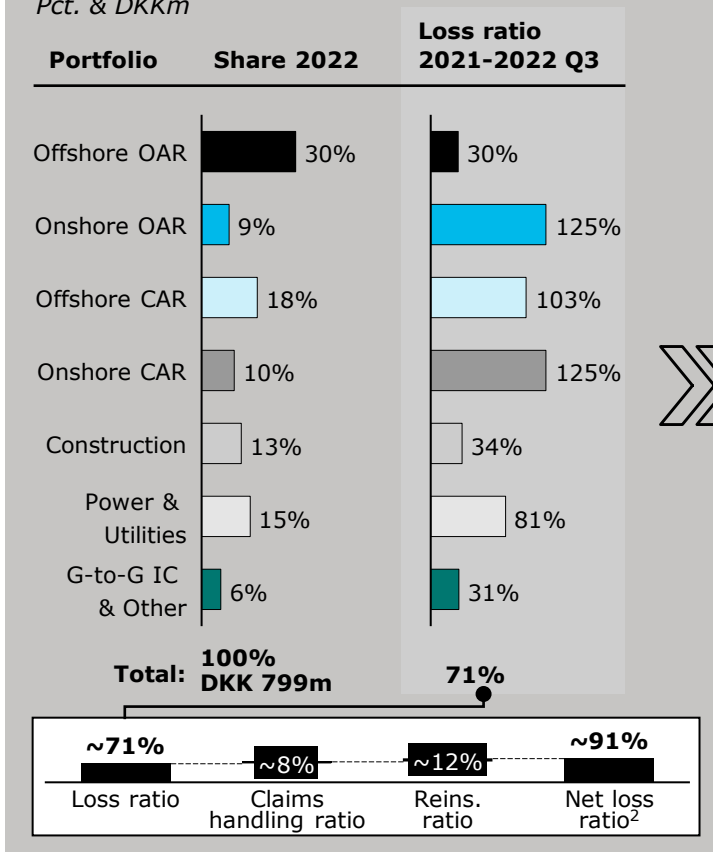
Portfolio mix, GWP[1]

DKKm



Financial performance & target[1]

Pct. & DKKm



Our toolbox

- Price increase
- Pruning
- Reduce line size
- Pro rata sharing
- Reinsurance
- Co-assurance
- Limit exposure

Decrease volatility & improve profitability

Total net loss ratio target[2]

68%

Total combined ratio target

83%

Legend: Offshore OAR | Onshore OAR | Offshore CAR | Onshore CAR | Construction | Power & Utilities | G-to-G IC & other

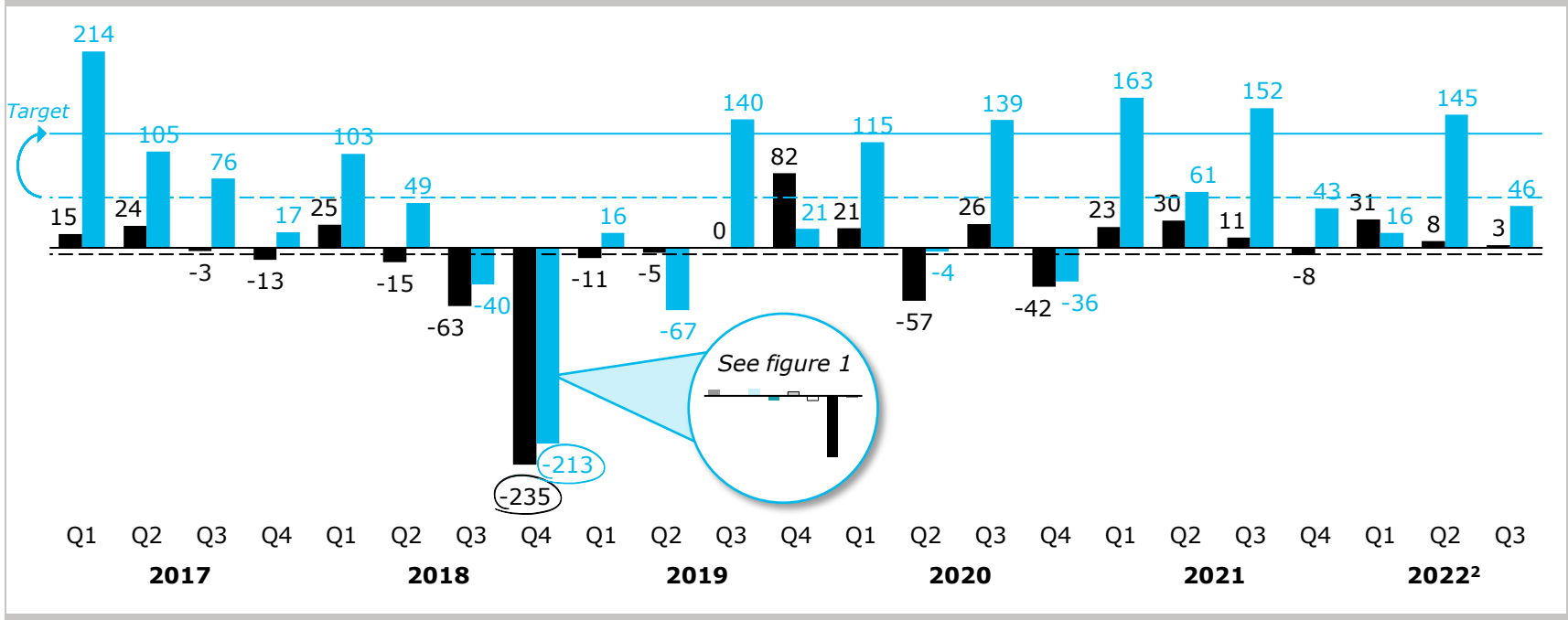
Note: 1) Figures are based on UK GAAP; 2) Net loss ratio = loss ratio + claims handling ratio + reinsurance ratio

Net results in G-to-G IC construction & the total Energy segment

Alm Brand Group

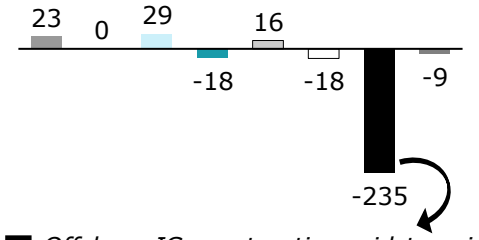
Net result[1] by quarter, 2017 – Q3 2022

DKKm



DKKm

Figure 1
Net result per segment Q4 2018



Offshore IC construction grid-to-grid

Historical quarterly net result average[3]

Grid-to-grid	Total Energy
DKK (7)m	DKK 55m

Total Energy net result[1] target
DKK 120m

Offshore IC construction grid-to-grid | Total Energy | Average since 2017 | Target | Worst quarter

Legend Figure 1: Offshore OAR | Onshore OAR | Offshore CAR | Onshore CAR | Construction | Power & Utilities | Offshore IC constrcution grid-to-grid | Other

Note: 1) Gross Earned Premiums minus Gross Claims incurred excl. claims handling cost (UK GAAP); 2) 2022 figures are based on DK GAAP; 3) From 2017 to 2022 Q3

Several actions taken and initiatives in place to improve loss ratio in Energy

Alm Brand Group

Offshore construction - Actions & initiatives

- *Reduce segment share from ~30% historically to ~20% of the Energy portfolio (DKK ~200m p.a.)*
- *Reduce line size of individual large projects*
- *Secure lead shares through selective underwriting and pipeline management*
- *Manage interconnector construction as run-off segment – no new risks*

Limit and transform

Offshore / onshore operational - Actions & initiatives

- *Enhance strong cross-selling from construction to operational*
- *Retain profitable clients and long-term agreements*
- *Build long-term relations to key market players*
- *Support client risk management and development (learning from claims)*

Retain and expand

Onshore construction - Actions & initiatives

- *Continue improved pricing and terms (significant improvement since 2019)*
- *Increased rating and general as well as specific risk deductibles*
- *Close co-operation with leading manufacturers on risks and issues*
- *Improve and develop claims prevention – such as lightning protection*

Improve profitability

Power Utilities & Engineering - Actions & initiatives

- *General rate increase and recalibration of tariffs in 2021*
- *Increased sums to reflect inflation (energy prices)*
- *Continue pruning and hike individual rates for loss-making clients*
- *Limit exposure through co-assurance*

Retain profitable clients & improve risk management



Integration ensures synergies

Update on synergies

	Synergy targets 2022		*Synergy targets 2023*		
DKKm	**2022 Target**	**P&L effect in 2022**	**Annual run rate into 2023**	**P&L effect in 2023**	**Annual run rate**
Administration	60	74	135	140	170
Claims	20	26	45	75	110
IT & Infra.	10	10	20	25	40
Total	90	110	200	240	320

2022 Synergy performance

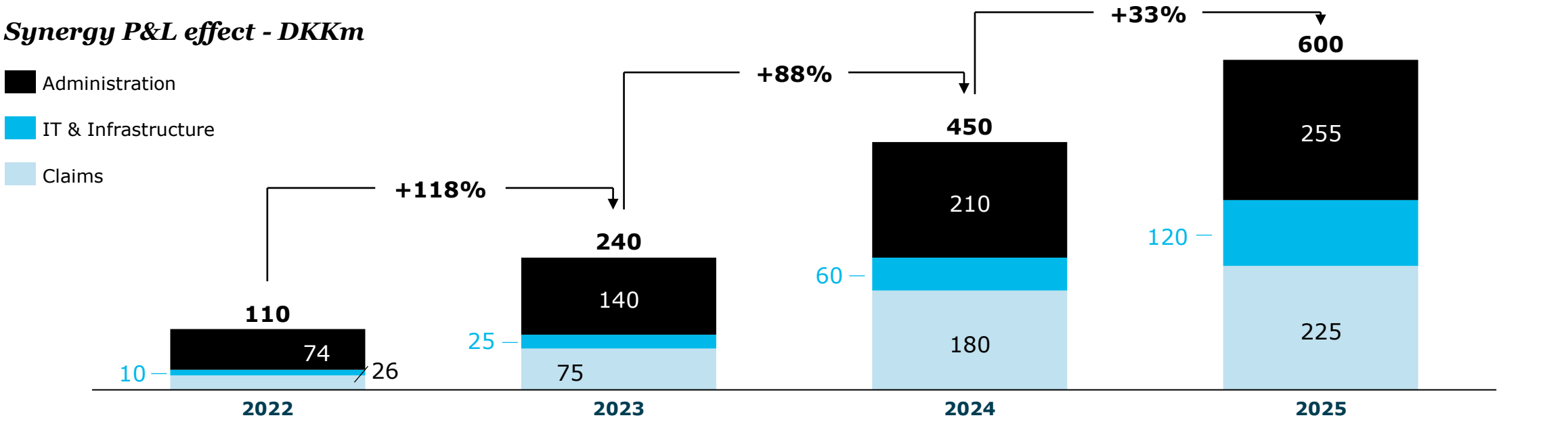
- Quick execution of synergy initiatives
- Eliminating duplicate functions
- Realising economies of scale in claims
- Office space savings following early exit from office space at Codan's former head office

2023 activities and expectations

- Focus on organisational optimisation across the Group
- Realising economies of scale in procurement
- Utilisation of best practices across all lines of business
- IT & Infrastructure integration and licence optimisation

Value capture breakdown until 2025

Synergy P&L effect - DKKm



Administration, incl. sales & marketing

- Eliminating duplicate functions
- Operations, sales channel and office space optimization
- Process excellence

IT and Infrastructure

- IT core platform (TIA) consolidation
- Alignment of front-end systems
- Licences reduction

Claims processing

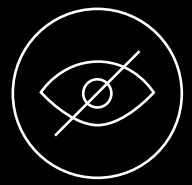
- Claims procurement and Claims handling process excellence
- Fraud detection
- Claims subrogation

We have several synergy levers

Examples of our synergy levers

Examples of synergy levers

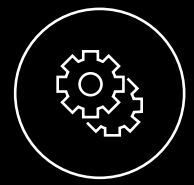




Fraud detection

DKK ~25m

Implementation of fraud detection technology across all brands and products



Process excellence

DKK ~47m

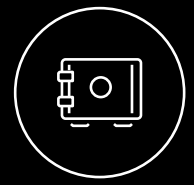
Best practice learning, sales channel optimisation and claims handling optimisation



IT systems

DKK ~45m

Consolidation of core IT infrastructure (Tia), legacy system shutdown and licence reductions



Procurement excellence

DKK ~48m

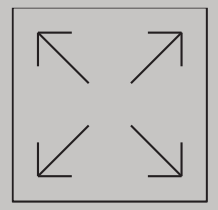
Utilisation of economics of scale and claims procurement network

Alm. Brand Group will continue to reduce fraud with fraud detection technology

Alm Brand Group

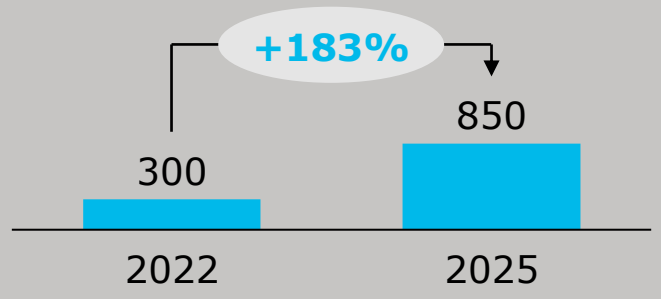
What are we doing

Expand our **Fraud Detection System** to entire Alm Brand Group and add additional products on current setup and adapt **the operational model** to handle it.



What do we want to achieve

1. Identify **additional fraud cases**
2. Prepare for a **more automated world**
3. Increased total number of claims with **fraud** detected by our system:



DKK

~25m

Implementation of our **fraud detection system** across all brands and products is estimated to produce cost savings of DKK 25m

***Alm. Brand Group** aims to harvest synergies by **reducing fraud** by implementing a new system on the Codan brand and to add additional products to existing solution*

Process Excellence –live streaming and use of digital media and automated decision-making

Alm Brand Group

What are we doing

Live streaming

Live streaming of claims incidents will help us:

- Be more dynamic and customer-facing in the claims handling process
- Being virtually present at the scene, will limit the extent of damage
- Virtual cooperation with suppliers and address generic ways of working
- Lower overall claims handling costs

Target is to reduce claims costs by DKK 17m

What do we want to achieve

Digital media and automated decision making

- Online claims reporting increases customer satisfaction, gives us correct documentation and means faster settlements for the customer
- Claims settlements → coverage – decisions regulated by rule engine leads to less manual work as well as process excellence

Target is to reduce claims costs by up to DKK 30m

DKK

~47m

These two specific **Process Excellence** examples are estimated to provide total savings of **DKK 47m**

Alm. Brand Group** wants to reduce claims by **best practice learning, digital technology** and **more automated claims handling processes

Procurement excellence - utilise supplier networks in Motor and Building

Alm Brand ■ Group

What are we doing

Building - network of craftsmen

- Purchasing power, beat market index
- Consolidate agreements and ensure best price and solution
- Lower average claims cost, increase digital processes and optimise processes with preferred suppliers
- Preferred suppliers will support our ESG agenda

Target is to reduce claims costs by DKK 30m

What do we want to achieve

Motor – preferred network of auto repair shops

- Purchasing power, beat marked index
- Consolidate agreements and increase steering rates to network
- Lower average claims cost, increase the digital processes and optimise processes with preferred suppliers
- Customer advantages - effortless setup

Target is to reduce claims costs by DKK 18m

DKK

~48m

Alm Brand Group takes utilisation of economics of scale and **claims procurement network**

Alm. Brand Group *wants to* utilise combined supplier networks to **reduce overall procurement costs**

IT Systems and Infrastructure consolidation to reduce IT costs

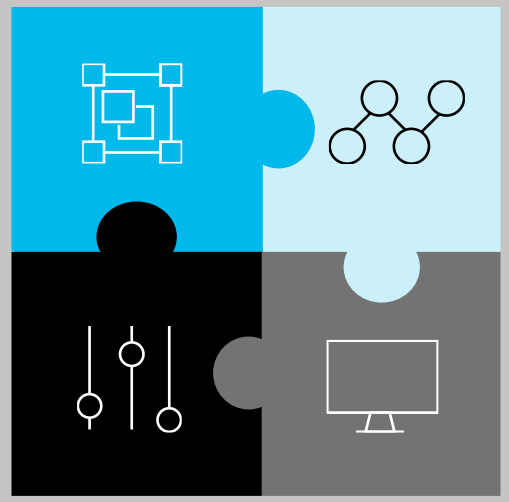
Alm Brand ■ Group

Consolidating IT systems

Alm. Brand aims to provide better IT services with a smaller energy footprint, increased security, and greater efficiency through consolidation and standardisation.

TIA Consolidation

Shared data platform



Decommission legacy system

Unified sales and service platform

Alm. Brand Group intends to **streamline and simplify IT** by **consolidating** infrastructure and systems

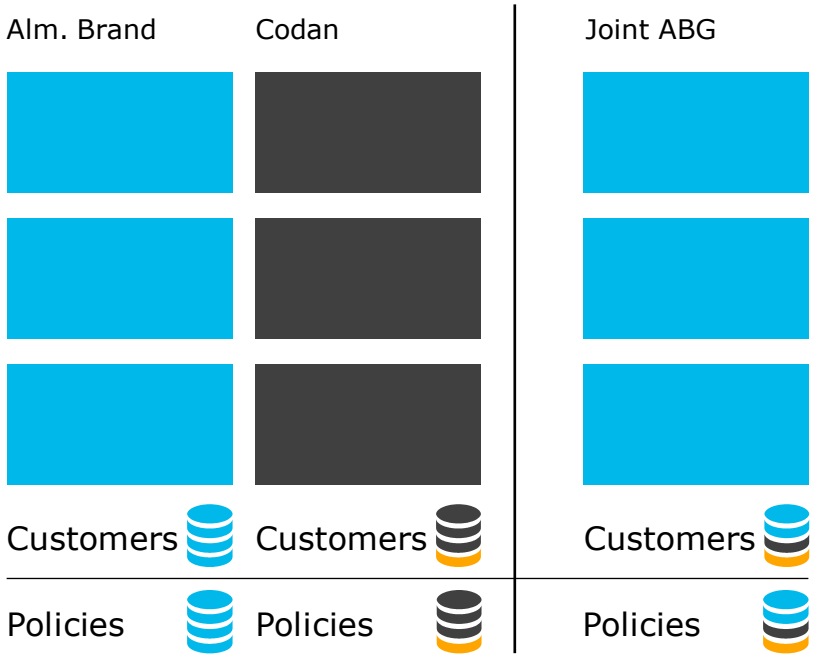
Alm. Brand Group *wants to* reduce costs by **consolidating IT infrastructure and systems**

Consolidating on one technology stack enables synergies

Alm Brand Group

From
two **separate** IT stacks

To
one **joint** IT stack



***Example IT initiatives**, non-exhaustive*	**Synergies**
Commercial Lines: consolidation of sales and service platforms Shutting down two large legacy systems – saving infrastructure, licences and maintenance	~25m
Single TIA platform with shared product portfolio Consolidate portfolio in Alm Brand's Tia to optimise capacity, licence and critical future costs (e.g. new products, compliance)	~20m

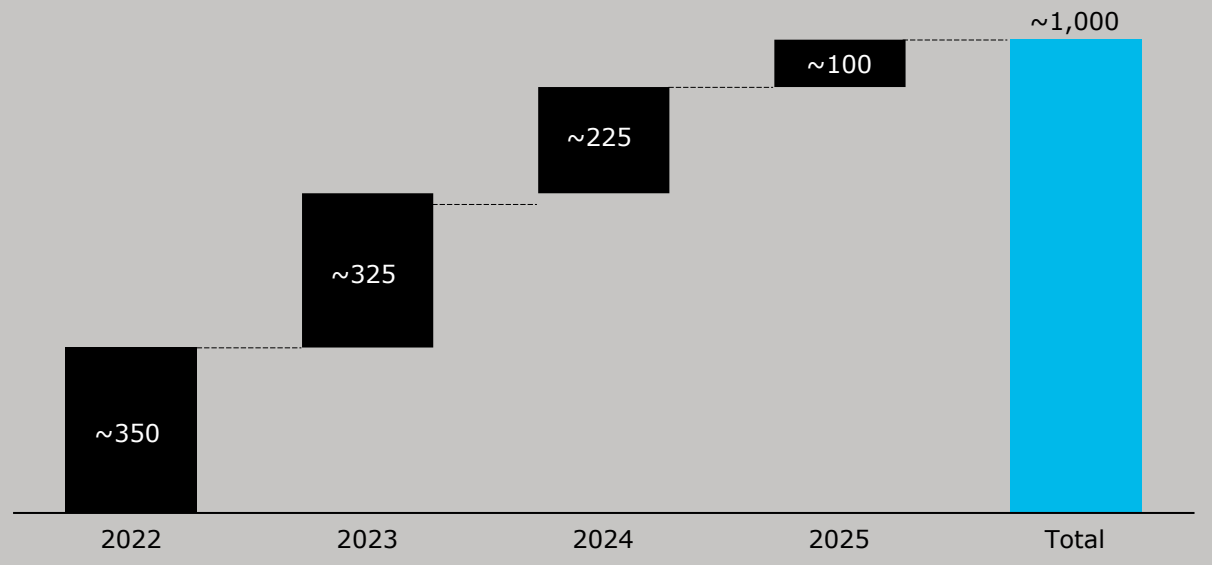
Consolidation to one technology stack enables:

- **IT- synergies** – half of systems/infrastructure to maintain/develop
- **Business benefits** – one set of products/processes to operate
- **Customer benefits** – consistent user experience and products

Integration costs still expected to reach DKK ~1bn

Budgeted integration costs

DKKm



Main restructuring cost drivers

IT integration

- Consolidation of IT systems
- Decommission legacy system
- IT development

Employee-related costs

- Front-end loaded HR costs
- Severance pay a key component
- Natural attrition ahead to limit severance costs 2023-2025

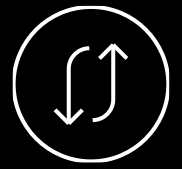
Alm. Brand Group is **on track** with restructuring plan & budgeted restructuring costs

4.

New financial targets for 2025

1. *Welcome & current status for Alm Brand Group*
2. *Business plans for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*

Clear path to unlocking our value potential

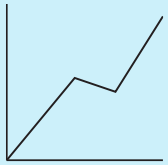
KPI	 Technical result DKKm	 Combined Ratio incl. run-offs	 Expense ratio	 Synergies DKKm	 RoTE	 Pay-out ratio
Target 2025	***~2,100***	***≤84***	***≤16%***	***600***	***≥50%***	***≥80%***
Guidance 2022	**~1,075**	**92***	**18%**	**110**	**>20%**	**>70%**

* Alm. Brand Group 2022-pro forma with Codan included for the full year

Investment return adds to total profit

Free portfolio

DKK 6.8 bn



Asset class	*Allocation DKK bn*	*Expected return %*	*DKKm*
Equities	0.5	0-5.5	20
Bonds	3.2	~3.0	100
Real estate and altern. credit	2.0	3.6-5.0	80
Cash	1.1		0
Total			200

Hedge portfolio
DKK 15.0 bn

Expected to balance return and value adjustment on technical profits

New financial targets for 2025 exceed previous targets

Alm Brand Group

DKKm	KPI	New 2025 target	Previous 2025 target[1]
Target 2025	*Technical result*	~2,100	1,985
	Horizontal investment result	200	75[2]
	Group costs	(60)	(60)
	Profit before tax and special items	2,240	2,000[3]

Effective tax rate 2025: ~26%

Notes: 1) Guided in June 2021; 2) Set as 3 x Alm. Brand stand-alone; 3) Specified as DKK 1.7-1.8bn excl. run-off gains

RoTE target

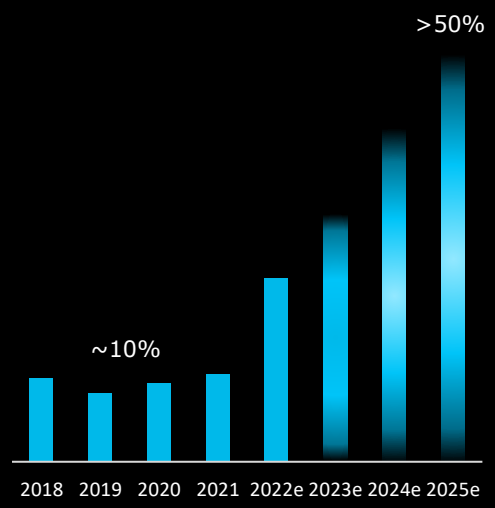
KPI	RoTE	Pay-out ratio
Target 2025	≥50%	≥80%
Implied 2022	>20%	>70%

"After the acquisition of Codan, RoTE has become a more relevant measurement of the profitability of the business

Return on tangible equity (RoTE) describes shareholder returns adjusted for intangible assets.

Intangible assets are not relevant for regulatory capital purposes, cash flows and dividends.

Improvements in RoTE will primarily be driven by increased net profit



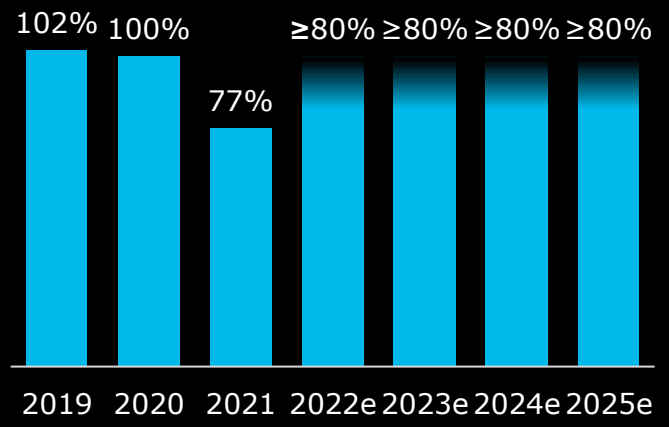
Pay-out policy



Pay-out ratio

KPI	Pay-out ratio
Target 2025	≥80%
Guidance 2022	>70%

"High pay-out capacity – dividends and share buy-backs



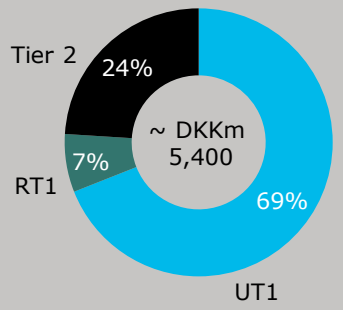
Deep dive into capacity for distribution

2025 net profit for distribution DKK 1.6bn
~ 80% pay-out ratio DKK 1.3bn

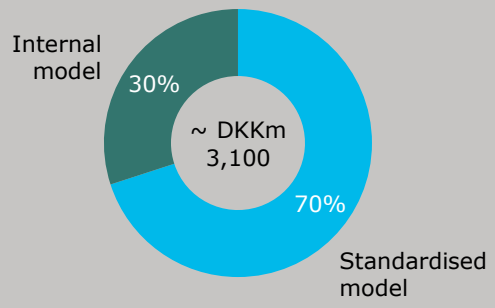
Dividend/buyback per share	DKK 0.84
Sensitivity:	
Increase of pre-tax profit by DKK 100m	DKK +0.04
Increase of pay-out ratio by 10 ppts	DKK +0.10

Only modest additional capital requirement to maintain SCR at 170% in scenario with 4-5% premiums growth, thus adding to capacity for distributions.

Total capital (target)



SCR (target)



Share information

No. of shares (of DKK 1 each)	1,541,140,000
Stock exchange	Nasdaq Copenhagen
Ticker	ALMB
ISIN	DK0015250344

Return on targeted capital*

2025 net profit for distribution	~ DKK 1.6bn
Return on targeted capital	~ 30%
Capital target up due to growth	~ 2%
Capacity for distribution	~ 90% pay-out or higher

- Alm. Brand intends to distribute dividends and make buybacks with a pay-out ratio of at least 80% of adjusted net profit.
- Alm. Brand targets a solvency coverage ratio of approx. 170%, this target is a top priority.
- The objective of Alm. Brand's pay-out policy is to distribute excess capital to its shareholders, and Alm. Brand aims to avoid accumulating unnecessary excess capital.

*Return on targeted capital is different from RoTE as capital components other than equity are taken into account; RoTC is appropriate for setting a minimum capacity for distributions

Minimum pay-out policy target moving closer to our capacity

Alm Brand Group

	Stable profit leads to stable pay-out	Pay-out ratio		Pay-out capacity
REASONING	Moving **pay-out ratio** closer to our capacity for distribution as we do not intend to hoard excess equity	***Pay-out policy before***	***New Target***	90%
	Focus on **cost efficiency**, **profitable growth** and **integration** will lead to higher financial performance, which will **benefit** the shareholders in the form of **higher stable pay-outs**	70%	≥80%	

Alm. Brand targets a solvency coverage ratio of approx. 170%, this target is a top priority

High profitability and stable capital requirements implies higher pay-outs ahead

7.

Summary



1. *Welcome & current status for Alm Brand Group*
2. *Business plans for the new group*
3. *How to win the financial performance battle*
4. *New financial targets for 2025*
5. *Summary*

Summing up:
A clear path to unlocking our value potential in 2025

Alm Brand ■ Group

Key takeaways presented today

1. We have transitioned into a multi-brand company

Alm Brand

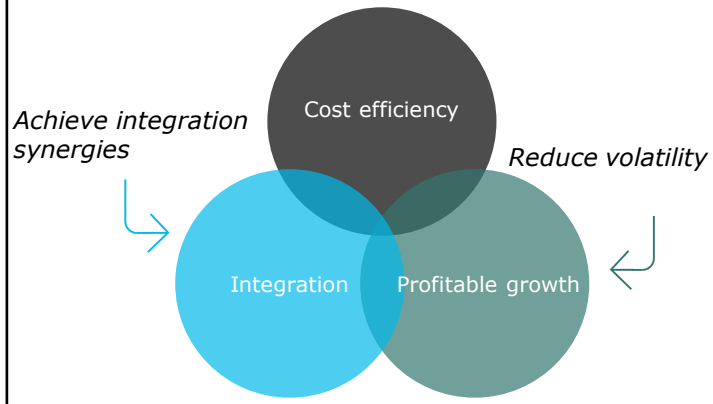
CODAN

privatsikring

erhvervssikring

Alm Brand ■ Group

2. Our business plans are key to achieving our financial targets for 2025



Double the technical result

3. We focus on high, stable profit and increased pay-out

Technical result DKKm

~2,100

Pay-out ratio

≥80%



Alm Brand Group

Capital Markets Update

22 November 2022