

Dear GJF-analyst,

It is time to start preparing for Gjensidige's Q421 reporting.

- **Q421 reporting date:** 26 January 2022
- **Silent period:** starts on 1 January 2022
- **Availability for responding to questions:** 31 December 2021. Please send us an email to schedule a call. We will try to hold all calls by E.O.B. 23 December.

Consensus estimates

As always, we kindly ask you to forward to us your estimates, using the attached template. To be able to return to you and publish a consistent consensus for all lines, we kindly ask you to fill in all open (light blue) cells in the sheet.

Providing we receive a sufficient number of estimates on the solvency margins, we will publish these as part of the consensus figures.

- **Deadline for submitting your estimates to us:** 7 January 2022.
- **Re-distribution of consensus:** In response to suggestions from several of you, and thanks to speedy dispatch of your estimates, we will now start publishing consensus 5 days prior to the earnings release (changed from 2 days). Hence, we will publish the Q4'21 consensus figures in the morning on 21 January 2022.

Some reminders

Covid-19 pandemic: As communicated earlier this year, the claims impact from the pandemic is expected to be manageable and primarily related to travel insurance. Covid-19 restrictions in our region were further eased for most of the fourth quarter. However, due to the recent development in a new variant and spread of the virus, tighter restrictions have recently been imposed in our region. International travel activity by inhabitants in our region has continued to be lower than the pre pandemic level.

The impact on motor claims is dependent on usage of vehicles. You can find information on mobility i.a. here: <https://covid19.apple.com/mobility>. Motor claims are in general also impacted by other factors, including weather conditions and the development in repair cost.

Bear in mind that the Covid-19 pandemic had a positive impact on the Group's claims in Q420, primarily related to travel and motor insurance, partly offset by accident and health insurance products. Please refer to the table below and our Q420 financial report for more details.

Estimated Covid-19 impacts								
Claims, NOK millions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Corporate Centre, gross	-222	-38	-24	-20	-305	0	0	0
Corporate Centre, net of reinsurance	-60	-72	-31	-22	-184	0	0	0
Private	39	69	49	83	240	77	57	32
Commercial	30	25	17	47	119	14	16	9
Denmark	-12	108	7	22	124	34	41	21
Sweden	-2	-11	-5	-4	-23	2	3	3
Baltics	-1	14	3	3	20	3	2	
Total impact on claims, net of reinsurance	-6	132	41	129	296	130	119	64

- **Weather:** Due to seasonality, the winter quarters Q1 and Q4 normally have higher claims ratios than the summer quarters Q2 and Q3. There have been no significant natural perils events so far in the quarter. For weather statistics, see the links at the bottom of this page.

Bear in mind the landslide at Gjerdrum in Norway in December 2020, defined as a natural peril event, which increased the combined ratio by 2.9 percentage points in Q4'20. Gjensidige incurred a large loss of NOK 180.4 million net of reinsurance, of which NOK 150.4 million in the Corporate Centre and the rest in the Private and Commercial segments. The reinstatement premium on the reinsurance programme amounted to NOK 24.7 million, recorded in the Corporate Centre.

- Our communication on the **planned release of excess reserves** remains unchanged. We maintain our expectation of run-off gains of approximately NOK 250 million per quarter (approximately NOK 1 billion per year) through 2022.
- Our general expectation for **normalised large losses**, defined as losses above NOK 10 million, is approximately NOK 335 million per quarter (NOK 1.34 billion per year).
- The special dividend of NOK 4 per share, announced on 20 October, was paid on 16 November.
- As announced on 3 December, Gjensidige has divested its stake in Oslo Areal. Gjensidige will receive proceeds of approximately NOK 6.8 billion and record a gain of approximately NOK 2 billion. The transaction will have a positive impact of 13 percentage points on the Group's approved PIM, based on the figures as at 30 September 2021. Depending on the timing of the customary regulatory approval, the accounting effect of the sale will be included either in Q4 2021 or Q1 2022 for Gjensidige.

On the same date, we also announced acquisition of Falck RSA Nordic and Baltics for SEK 1.4 billion on a debt and cash free basis. Closing is expected to take place in Q1 2022, subject to customary regulatory approvals. The transaction will have a negative impact of 12 percentage points on the Group's approved PIM, based on the figures as at 30 September 2021.

- The **NEM and toll company** transactions were completed earlier this quarter. As mentioned at the Q321 results presentation on 20 October, the expected effect on the solvency ratio from these transactions once completed, based on the 30 September 2021 figures, is minus approximately five percentage points, all other things being equal.

NEM is consolidated in the Group figures, included in the underwriting results for the Group's Danish segment.

The results from the toll companies will be recorded as Other income in the Group income statement.

- Regarding **inflation**, these are the key points in our latest communication on the topic as explained at our Q321 results presentation on 20 October:
 - Claims inflation for private property in Norway expected to be around 5 - 6 per cent, and for motor at 4-6 per cent. We will not compromise on profitability, therefore we will put through necessary price increases. We will continue to raise prices for private property insurance in Norway well above expected claims inflation. For motor we will continue to raise prices at least in line with claims inflation. We expect claims inflation to rise in Denmark as well for the same reasons.
 - We cannot rule out that the current rate of claims inflation will pick up or last for a while. It can impact more than just materials, most importantly labour costs and claims for personal injuries. This would impact the whole industry. Thanks to our strong market position and agile capabilities, we expect to continue staying ahead of, and pricing at least in line with expected claims inflation.

General information

- For information on asset classes and relevant benchmarks for our Investment portfolio, please see slide no. 35 in our Q321 interim presentation:
<https://www.gjensidige.no/group/investor-relations/reports>
- Weather is one of the most important indicators for understanding the development and seasonality in our UW-results. Below are misc. sources for weather data and information in Norway. Bear in mind the complexity of several factors including duration and levels of precipitation, intra-quarter temperature variations, wind, geographical variations etc.
 - <https://www.met.no/en> and <http://met-xpprod.customer.enonic.io/publikasjoner/met-info>
 - www.varsom.no/en
 - www.senorge.no
- Press releases from Finance Norway can be found here (in Norwegian only):
<https://www.finansnorge.no/aktuelt/nyheter/>