Dear GJF-analyst,
It is time to start preparing for Gjensidige's Q1'25 reporting.

<u>Key dates</u>

- **Q1'25 earnings release:** 29 April 2025
- **Start of silent period:** 1 April 2025
- **Pre-close call:** 26 March 2025, 14:00 CET

<u>Consensus estimates</u>

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.

- **Deadline for submitting your estimates to us:** 10 April 2025
- **Publication of consensus on Gjensidige's web site:** In the morning on 24 April 2025

<u>Reminders</u>

Weather: Due to seasonality, the winter quarters **Q1** and Q4 normally have higher claims ratios than the summer quarters Q2 and Q3.

We have had a normal winter in Norway so far this quarter, somewhat on the mild side. Varying temperatures and precipitation resulted in several days with slippery roads and challenging driving conditions. We had a flood and a winter storm during the quarter, primarily impacting the western coast and central region of Norway. Below are a few examples of press releases from Gjensidige and media coverage on the weather in Norway during the quarter:

300 på to uker: - Høye tall
Nærmer seg 300 flom- og vindskader etter uværet siste døgn | Gjensidige Forsikring ASA
Speilblanke veier flere steder – forsikringsselskap har fått over 1000 skademeldinger – Dagsavisen
Siste nytt fra Norge og utlandet - 1400 skademeldinger fra trafikken på én uke
Trøbbel i trafikken | Gjensidige Forsikring ASA

Denmark has had a normal/mild winter quarter so far in Q1.

For statistics and reports on weather, please refer to the links in the section General information at the very end of this document.

Q1 2024 results
Bear in mind the Q1 2024 results – below are extracts from the quarterly report:
Gjensidige Forsikring Group:

- *Heavy snowfall, high precipitation, low temperatures, and the storm 'Ingunn' resulted in significantly higher motor and property claims in the first quarter compared with the same quarter last year. Weather-related claims in Norway and Denmark, net of reinsurance are estimated at approximately NOK 577.1 million in the quarter, of which NOK 331.0 million mainly related to property claims, net of reinsurance, and were recognised as large losses in Private, Commercial and the Corporate Centre. The remaining NOK 246.0 million were related to motor claims and were recognised as frequency losses in Private, Commercial, and Sweden.*

- *On 5 April 2024, the Maritime and Commercial court in Denmark issued a unanimous ruling on 5 April in the case between the Consumer Ombudsmann and Tryg. The core of the case was the right to implement price increases without notifying customers in advance. Tryg has appealed the ruling. Gjensidige's assessment is that the company's communication with customers has been transparent, clearly stating prices before and after the increases. Gjensidige nevertheless considers that in the light of the ruling, if the decision is upheld, it can be argued that Gjensidige's contractual terms have also violated the relevant* *regulations. Gjensidige has therefore made a provision including expected administrative costs of DKK 80.0 million, (NOK 123.7 million) broken down as DKK 70.0 million (NOK 108.2 million) recognised as a premium reduction in the Corporate Centre and DKK 10.0 million (NOK 15.5 million) relating to expected administrative costs recognised under 'Other items'.*

Please refer to the Q1 2024 financial report and presentation for further details. For an overview of weather effects, please see pages 22-25 in the Q4 2024 presentation.

ADB Gjensidige (Gjensidige's operations in the Baltics): As communicated earlier, until completion of the transaction (expected at the latest in the beginning of 2026), the results for ADB Gjensidige will be presented separately in Gjensidige Forsikring Group's Consolidated income statement as 'Profit/loss from discontinued operations'. Please see note 9 in the Q4 2024 report for further details and the stock exchange release on 25 July 2024 for details on the sales agreement.

Dividend: The proposed dividend for 2024 of NOK 5bn in total was approved at the Annual General Meeting on 20 March and will be paid on 28 March.

Acquisition of insurance agent Buysure AS:
- Announced on 11 March 2025 (stock exchange release here: NewsWeb).
- Price up to approximately NOK 430 million, conditional upon final adjustments.
- Gjensidige expects the annual insurance revenue from home seller insurance distributed by the new real estate agents to amount to approximately NOK 500 million over time.
- Closing is expected to take place in April 2025. The acquisition will reduce the solvency ratio of Gjensidige Forsikring Group, according to the approved Partial Internal Model, by approximately 4 percentage points, based on the figures as at 31 December 2024.

Large losses: Our general expectation for normalised large losses in 2025, defined as losses above NOK 10 million, is approximately NOK 500 million per quarter (appx. NOK 2 billion FY2025). Please note that this estimate is an undiscounted figure. Large losses in our IFRS 17 accounts are recognised at discounted values.

Excess reserves: According to IFRS 17, it is not possible to retain identified excess reserves on the balance sheet. Going forward we will continue to set reserves according to our best estimate. However, bearing history in mind, we expect run-off gains and losses also in the future.

Inflation: We will provide an update at our Q1 2025 earnings call. For the most recent comments on this topic, please refer to slides 5 and 6 in the Q4 2024 presentation for details on claims and pricing for Private motor and property, in addition to page 24 in the Q4 2024 report (Strategy and Outlook section).

Solvency II (SII) calculations:
In general, the main items that explain quarterly changes in **eligible own funds** are as follows:
- Capital generation through SII operating earnings and return on the free portfolio. Usually more or less equivalent to profit after tax based on IFRS accounts. However, differences in valuation of assets and liabilities between IFRS accounts and SII calculations (although less after IFRS 17), mainly related to intangible assets and technical provisions, and the subsequent tax effects realised in the P&L.
  The effect of premium provisions is to some extent seasonal, reflecting the renewal pattern (usually a positive effect compared to IFRS results in Q1 and Q4, and a negative effect in Q2 and Q3). The effect of premium provisions is also driven by non-seasonal factors such as interest rates, currencies, profitability assumptions, product mix and maturity profiles.
- Subtraction of formulaic dividend (80 per cent of profit after tax – in accordance with our dividend policy). Replaced by actual proposed or declared dividend upon proposal/declaration.
- Regulatory/model changes, for example approval of internal model changes by the Norwegian FSA.
- Capital actions such as new loans or M&A-transactions (impact on eligible own funds dependent on intangible assets).

- **Please note:** Eligible own funds in the approved PIM as of 31/12/2024 included ~MNOK 250 of the tier 2 loan issued on 29 October 2024. The total issue amount was 900 million. Eligibility of tier 2 loans are restricted by the total capital requirement. We expect the eligible amount of the tier 2 loan to increase over time as SCR increases, driven by growth in the business.

The main items that explain the quarterly changes in **solvency capital requirement** are as follows:

- Growth - the components are non-life and health UW risk, life UW risk, market risk, counter-party risk, diversification, operational risk, adjustments related to loss-absorbing capacity of deferred tax and regulatory changes.
- Non-life and health underwriting risks are generally relatively stable over time, increasing with growth in exposure and may change if there are changes in product composition.
- Life underwriting risk primarily reflects lapse risk for unit-linked products. Lapse risk depends on the size of the unit-linked portfolio as it is related to loss of expected future profit. Risk depends on growth in exposure and capital market developments, impacting assets under management.
- Market risk variations are driven by changes in asset allocation and asset values.
- Counterparty risk is limited as we have limited exposure to counterparties.
- Diversification depends on the development in the risks above.
- Operational risk is calculated as a percentage of the size of the business, and it is expected to increase gradually with growth in business volume.
- Loss-absorbing capacity of deferred tax reduces capital requirement. It represents the tax relief that will occur after a loss. The development is quite stable measured in percentage of the sum of basic capital requirement and operational risk.
- Regulatory changes and management actions such as changing reinsurance program, issuing new loans or M&A-transactions may affect own funds and capital requirement from time to time.

Investment portfolio:

- Bear in mind that all bonds are recognised at fair value. While rising interest rates generate higher interest income over time, it is important to remember that rising rates have an immediate negative impact on the valuation of fixed-income assets. And of course, the impacts are opposite when interest rates decrease.

- Likewise, an increase in credit spreads has an immediate negative impact on the value of bonds with credit exposure, while a decrease in credit spreads will have a positive impact on bonds with a credit exposure. So far in Q1 25 (by mid-March), credit spreads in the Nordics are slightly wider compared with the average spreads in the fourth quarter 2024.

- As a reminder, please note that the net financial result for the Match portfolio consists of the return on the Match portfolio, minus unwinding and change in financial assumptions. The interest income from the Match portfolio is intended to equal interest expenses on liabilities over time. Hence, the net result on the Match portfolio, given a perfect match, should over time be zero, except for returns on credit exposure held in the Match portfolio. As commented earlier, the investments in the Match portfolio have an average credit spread of approximately 60 basis points.

- Bear in mind the presentation of the figures for ADB Gjensidige on a separate line as described above.

  For running yields and duration, please see extract from the Q4'24 financial report, page 22:

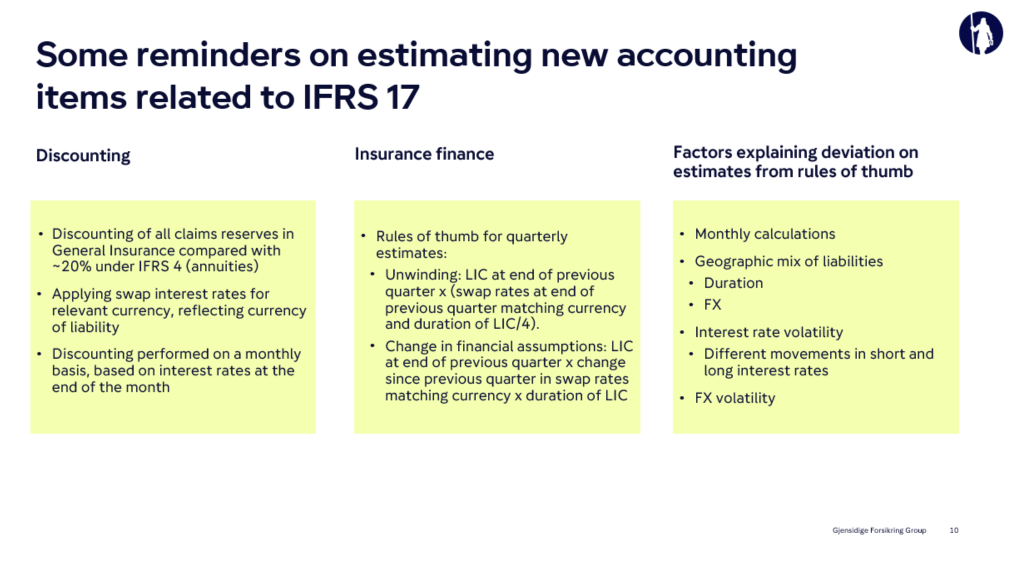
Yield and duration	Yield in per cent 31.12.2024	Duration in years 31.12.2024
Match portfolio		
Fixed-income NOK	4.9	2.2
Fixed-income DKK	2.3	4.2
Fixed-income other SEK	3.3	3.4
Match portfolio	3.9	2.9
Free portfolio	4.6	1.4
Insurance liabilities general		3.5

For details on relevant benchmarks for the Match and Free portfolios, please see list below:

Asset class	Benchmark
Match portfolio	
Fixed-income NOK	NBP Norwegian RM1-RM3 Duration 3Y Index - NORM123D3 (Alternatively: a Norwegian IG fund with 3 year duration)
Fixed-income DKK	Nykredit Constant Maturity Index Bullet Covered Bonds 5Y - NYKRCMB5 Index
Fixed-income other currencies	NASDAQ OMRX Mortgage Bond 3-5Y Index - OMRXMT35 Index
Free portfolio	
Fixed-income – short duration	NBP Norwegian Government Duration 0.25 Index - NOGOVD3M (Alternatively: I36032NO Index Bloomberg Barclays Norway T-Bills)
Global investment grade bonds	Bloomberg Global Agg Corp - Hedged to NOK - H09805NO Index
Global high yield bonds	Bloomberg Global HY- Hedged to NOK - H00039NO Index
Other bonds	NBP Norwegian Government Duration 0.25 Index - NOGOVD3M (Alternatively: I36032NO Index Bloomberg Barclays Norway T-Bills)
Listed equities	MSCI World – Local Currency - NDDLWI Index
Private Equity funds	Oslo Børs - OSEBX index

IFRS 9 & 17: Bear in mind relevant material published on our web site (Reports and presentations – Gjensidige.com), under Other documents for 2023 and 2024. A few reminders on some of the items:

- Unwinding is the expense arising from release of discount as time passes on liabilities for incurred claims (LIC).
- Change in financial assumptions is the impact of changes of financial assumptions on LIC, herein mainly interest rates.
- For rules of thumb and other reminders on estimating discounting and the insurance finance items, please see an example spread sheet on our web site here, under Other documents for 2024 (remember to make the necessary adjustments in the calculations due to the separate presentation of ADB Gjensidige's figures as explained above) and the slide from our 2023 Analyst Day below.



- Duration of total general insurance liabilities (LIC) at 31.12.2024: 3.5 years (page 22 in the Q4 2024 financial report and extract table inserted in section about investments above). Bear in mind the separate presentation of ADB Gjensidige's figures as explained above.

- LIC distribution per currency: Please see the extract below, from page 197 in Gjensidige Forsikring ASA's annual report for 2024:

Table 3 – Liabilities for incurred claims per country for general insurance

	Liabilities for incurred claims	
NOK millions	**2024**	**2023**
Norway	19,949.5	19,508.1
Denmark	9,892.1	8,701.3
Sweden	2,184.2	2,271.0
Baltic	785.0	749.2
Corporate Center/reinsurance	181.5	145.6
Total	**32,992.3**	**31,375.2**

Swap rate currency	Swap rate maturity	Swap rates			
		31.12.24	**31.01.25**	**28.02.25**	**21.03.25**
NOK	2 years	4.24%	4.03%	4.04%	4.35%
DKK	5 years	2.35%	2.44%	2.35%	2.59%
SEK	4 years	2.46%	2.25%	2.31%	2.67%
EUR	5 years	2.25%	2.31%	2.21%	2.45%

General information

Weather is one of the most important indicators for understanding the seasonality in our insurance service result. 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 https://www.met.no/publikasjoner/met-info
- www.varsom.no/en
- https://www.senorge.no/map
- Press releases from Finance Norway can be found here (in Norwegian only): https://www.finansnorge.no/aktuelt/nyheter/