

Baloise Innovation – Connecting the Dots.

Alexander Bockelmann, CTO

Berenberg InsurTech Virtual Trip – 1st December 2021



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scrollytelling-website
on innovation via

www.baloise.com/innovation-story



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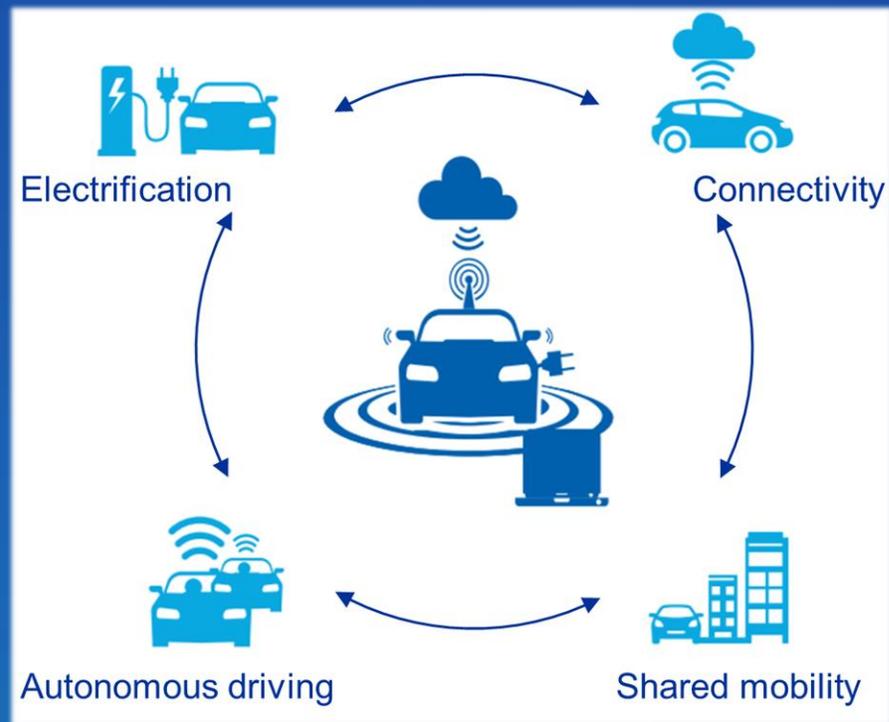
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Baloise Innovation - Why exactly are we doing this?

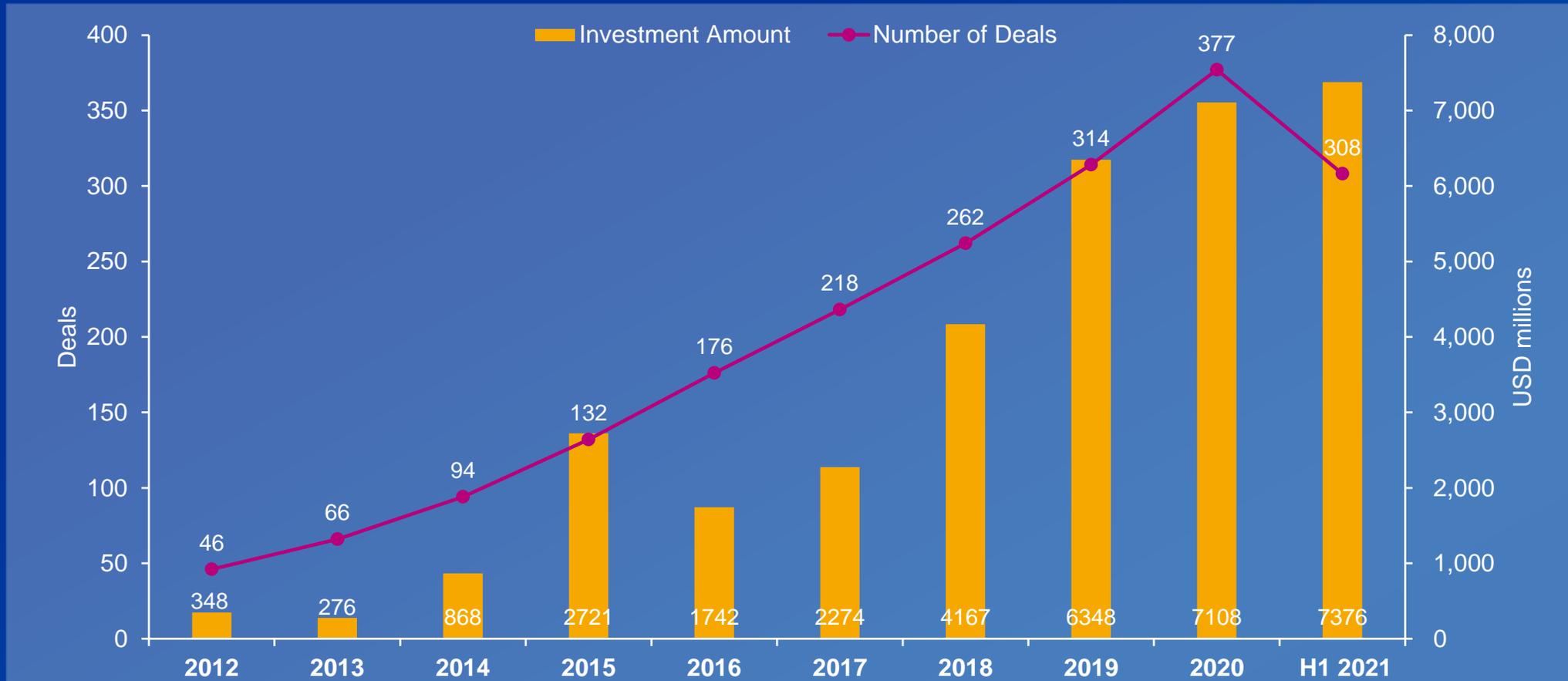
The world is changing rapidly

E.g. the mobility sector is driven by megatrends such as



Global InsurTech investments increase at a CAGR of 40% since 2012 reaching USD 7.4 bn in H1 2021

Annual InsurTech funding trends, including transaction volume and USD amount, 2012 – H1 2021



Source: Fintech Global, Crunchbase Insights, Refinitiv

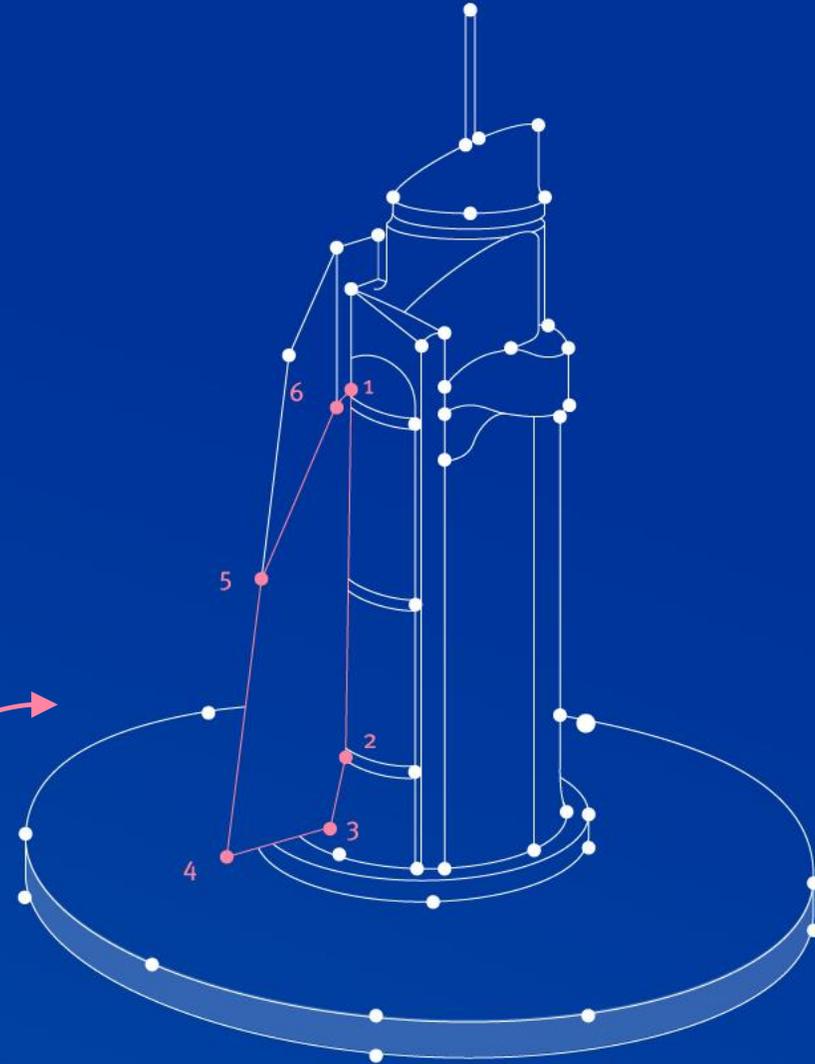
Connecting the dots.

This is how we understand and approach **Innovation at Baloise**

For us, the dots can be

**ideas, people, assets,
technology – even entire
organisations.**

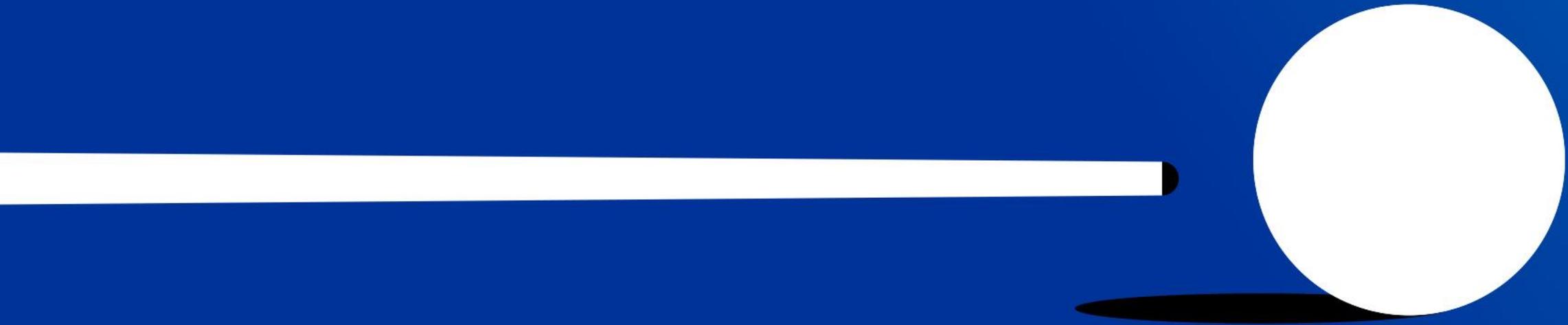
Connect the dots



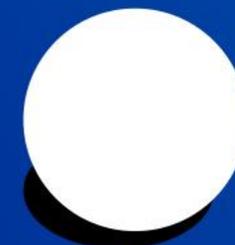
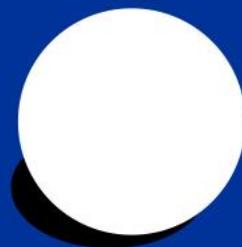
Baloise Innovation – Why?

We need to continuously defend our position
as **one of the safest and most profitable**
insurers in Europe

and continue performing strongly in our Core Business.



At the same time, we intend to remain one of the **most innovative insurance companies** in Europe.

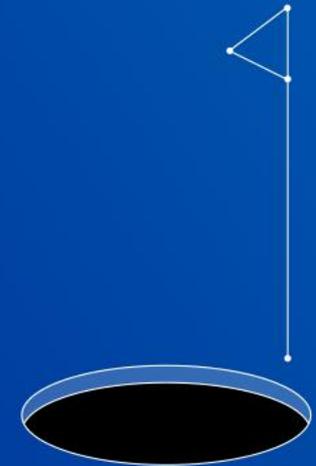


**And to diversify our
channels for**

... winning new
customers



... and generating
cash.





This two-pronged approach will...

help us to **reduce risks...**

by being more diversified,
more adaptable and more
focused on the demands of
the digital age

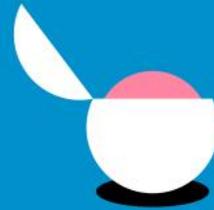
and to open up **new opportunities**

through an expanded
customer base, more
customer touchpoints and
higher customer lifetime
values.

Baloise Innovation – How?

To put us at the forefront of innovation and to keep us there, we have begun to systematically cultivate

an entrepreneurial mindset...



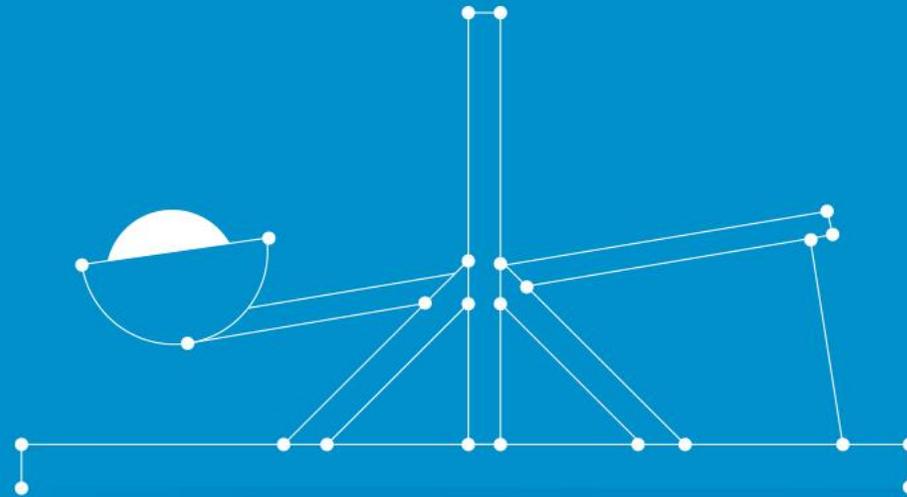
and a spirit of innovation.

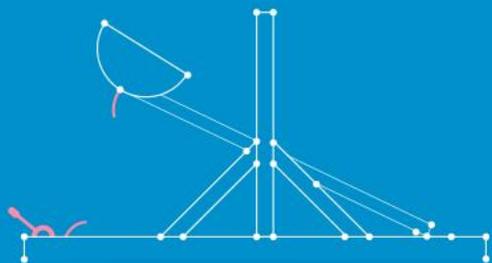
**Our unique culture,
our secret ingredient.**

The beginnings of this culture go back all the way to 2016,

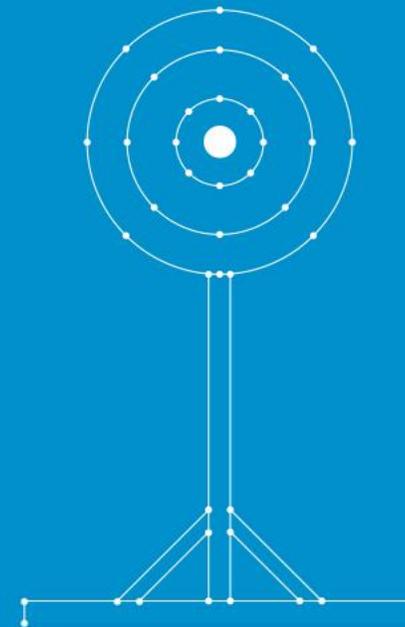
**when we made
innovation a key part
of our strategy with
the launch of Season
1 of Simply Safe.**

We have now set ourselves a specific target.





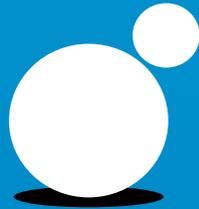
And that is for our innovation activities to be creating
CHF 1 Billion of value
by 2025.



We have defined five dimensions to achieve this

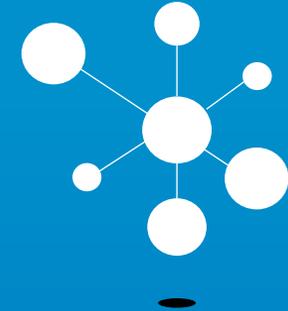
we incubate

with one of our hatchlings,
Berlin-based digital insurer FRIDAY, now going from strength to strength



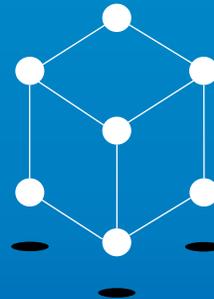
we partner

with startups, brokers and organisations



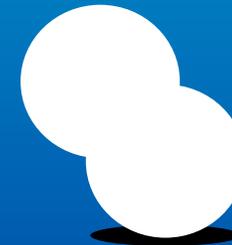
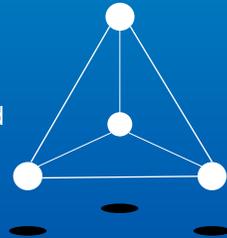
we develop

we explore, we validate, we scale and we grow ideas
into sustainable projects and new business models



we invest

for example together with the London-based
venture capital firm Anthemis



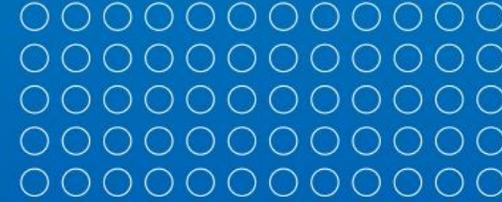
we acquire

or take a stake in promising start-ups

Baloise Innovation – What?

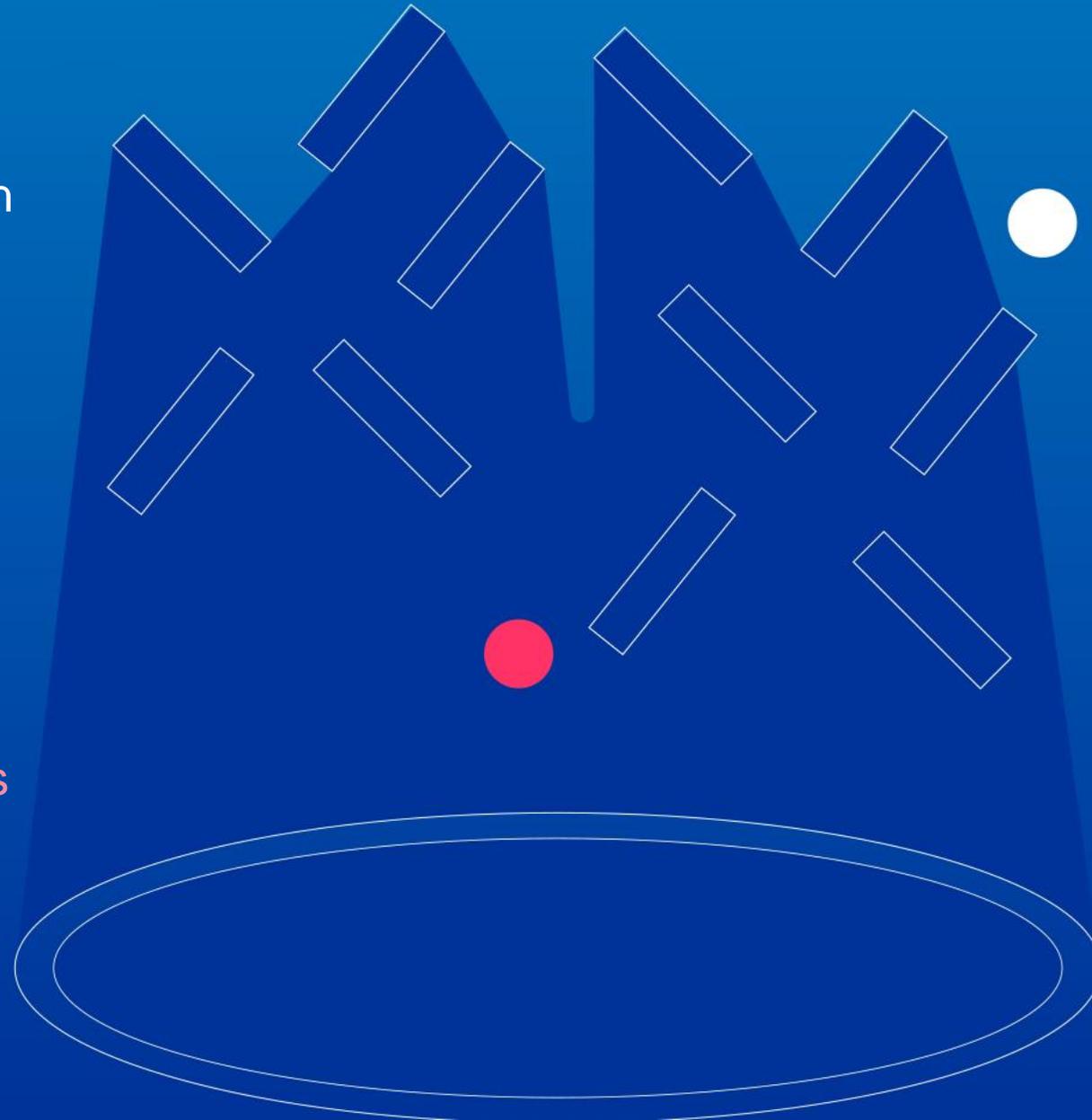
To coordinate and keep track of these activities, we have adopted a **structured, disciplined and value-driven approach**. It's called

**the Baloise
Open Innovation
Funnel.**



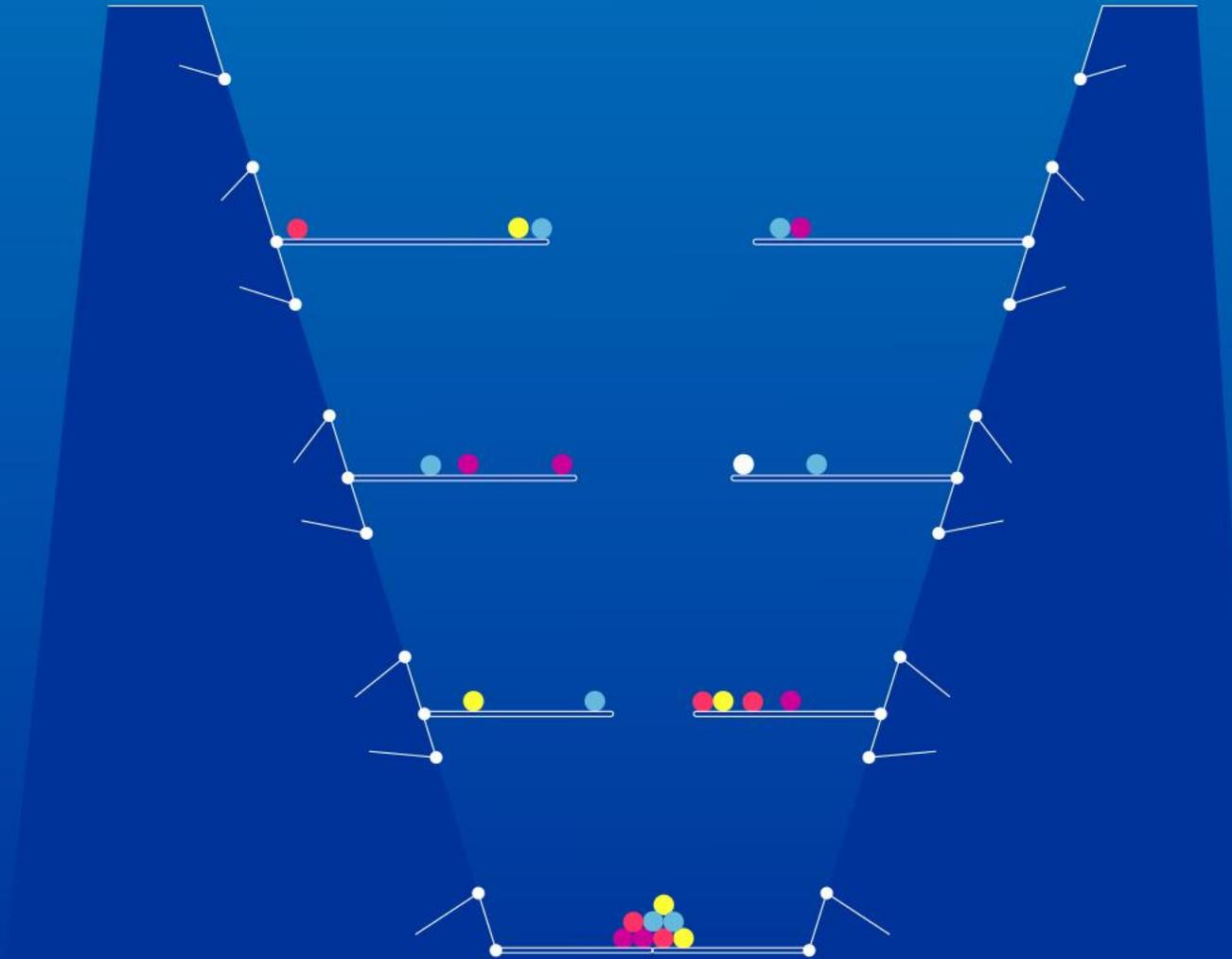
We are constantly on the lookout for innovative business opportunities.

Between 2017 and 2021, we screened a total of **7,500 ideas and start-ups,**



either internally through our innovation and strategy community or,

with external partners such as the London-based venture capital firm Anthemis.



Of the initiatives
1,556 examined in detail
and 1,460 rejected.

Currently around
100 active initiatives
in the funnel.

About 30 initiatives
already in the scale-up
phase.

Our innovation initiatives may be categorized into four domains



Some of the innovations have to do with financial services.

This is our Core Business – providing protection, safety, and financial security.



Core Business

Friday

Mobility

Home

Core Business

Main Messages

We retain our strong focus on the Core. In a world full of complexity we offer the simplicity that is needed.

Thanks to new cloud and digital IT capabilities we could generate additional revenue and facilitate new employee and customer experiences.

Adopting new ways of working has shortened our innovation cycles to 12 weeks or less (instead of years).

Innovation in the Core Business results in greater process automation and lower costs and will contribute to our ambition to leverage cost efficiencies of around CHF 200 million by 2025.

We leverage start-ups to improve our employee and customer experiences as well as to foster process efficiencies.

Core Business

Selected Case Studies

From a **wristwatch insurance** to our ecosystems
Home and Mobility



Baloise eSI – our app to simplify the work of our claims inspectors



EasyAsk – our fully digital communication tool for our customers



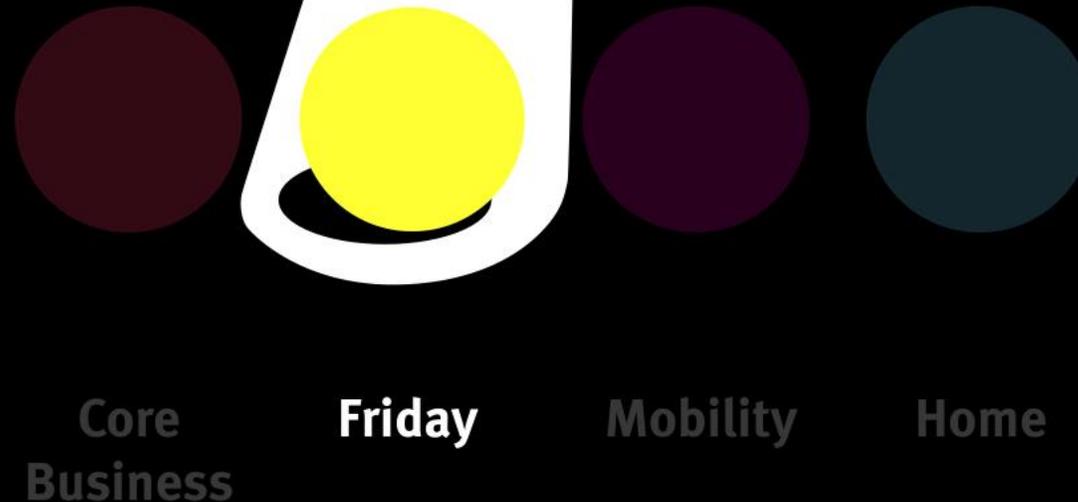
e.Baloise – our digital product and engagement platform



**Some of the
innovation
have to do with
financial
services.**

And this is our mobile insurer FRIDAY from Berlin

... the leading digital insurer in Germany, successfully launched in France and doubled its premiums year-on-year.



FRI:DAY

Main Messages

Friday has already attracted more than 120k active customers and increased gross written premiums to an expected value of more CHF 50mn in 2021.

Since inception, Friday's revenue has continuously doubled over the last years.

By providing an exceptional insurance experience, Friday has developed into one of the fastest growing insurance companies in Europe.

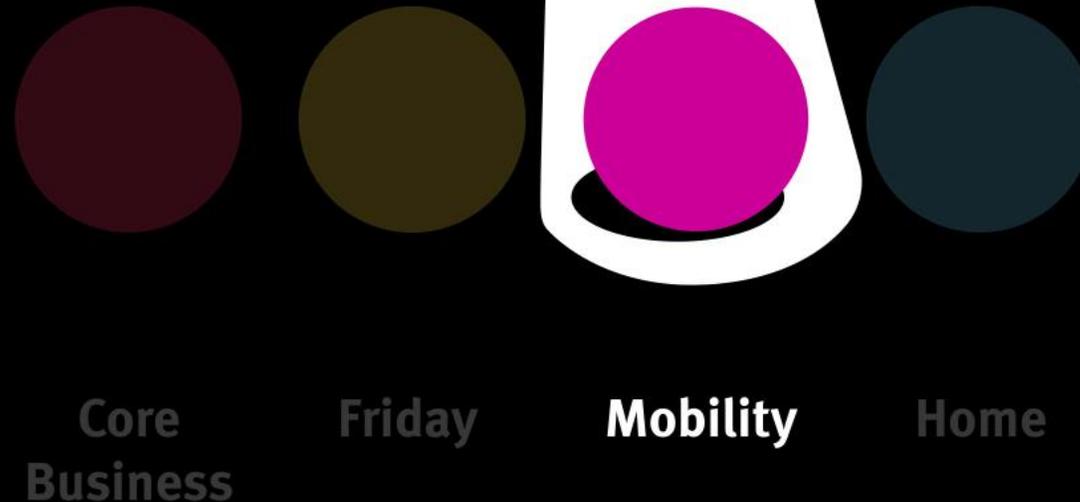
Friday has become the most popular digital insurer in Germany with a Net Promoter Score of > 50. Additionally, 1 of 8 people knows Friday.

Until 2025, Friday is committed to a 5x growth of 2020 GWP (> Eur 150 mn in 2025) and to reaching profitability in Germany, without any dilution of the insurance experience.

**Others go
beyond
traditional
insurance.**

First, our ventures in **Mobility**

... where we aim to evolve from a traditional motor insurance provider to a multinational service provider and take advantage of the new mobility economy.



Mobility

Main Initiatives and Ambition

GoMore is a carsharing platform operating in five European countries enabling private car rental, shareable leasing and ridesharing.

Parcandi offers parking spaces wherever there is a need for parking.

Ben is the tech-driven one-stop-shop service company for all fleet maintenance services.

Gowago is one of Switzerland's biggest online shops for cars at a monthly price.

aboDeinauto is the leading used car subscription platform in Germany.

By 2025, we aim to be generating revenues of CHF 100 million p.a. and attract 400k new customers.

Others go
beyond
traditional
insurance.



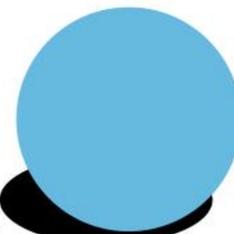
Core
Business



Friday



Mobility



Home

Secondly,
our ventures in **Home**

... where we aim to
bring together
insurance and
complementary
services that address
people's needs around
home with partners
such as UBS in
Switzerland.

Home

Country-specific Approaches and Ambitions

In **Switzerland**, we intend to create a comprehensive value proposition around home and living in close collaboration with our strategic partner UBS by adding touchpoints that complement our core financial services.

In **Belgium**, we aim to address the needs of homeowners, tenants and real estate professionals by offering them seamless access to ecosystems of (complementary) service providers and Baloise insurance.

By 2025, we aim to be generating **annual revenue of CHF 100 million** through new services and cross-selling and to have attracted **250k new customers**.

To sum up

- In 2017-2021, we have **invested about CHF 50 million per year** in our innovation funnel.
- We expect our innovations to have generated **annual revenue of more than CHF 70 million in 2021**, starting from zero in 2016.
- For the period up to 2025, the Baloise Group is aiming to generate CHF 2 billion in cash. **10-30%** of this will be made **available to reinvest in innovation** in our Core Business and beyond.
- With the aim of **creating CHF 1 billion value** for our innovation funnel by 2025

	Number of initiatives in scaling*	Total investment 2017–2021 (CHF million)	Average investment p.a. (CHF million)	Revenue for 2021E (CHF million)	Revenue target for 2025 (CHF million)
Total	18	251	50	>70	350
FRIDAY	1	150	30	>50	150
Home	8**	56	11	>10	100
Mobility	9	45	9	5–10	100

*incl. minority investments ** 3 in Belgium, 5 in Switzerland

These efforts will ensure the longterm success of Baloise and perfectly complement our strategic targets by 2025

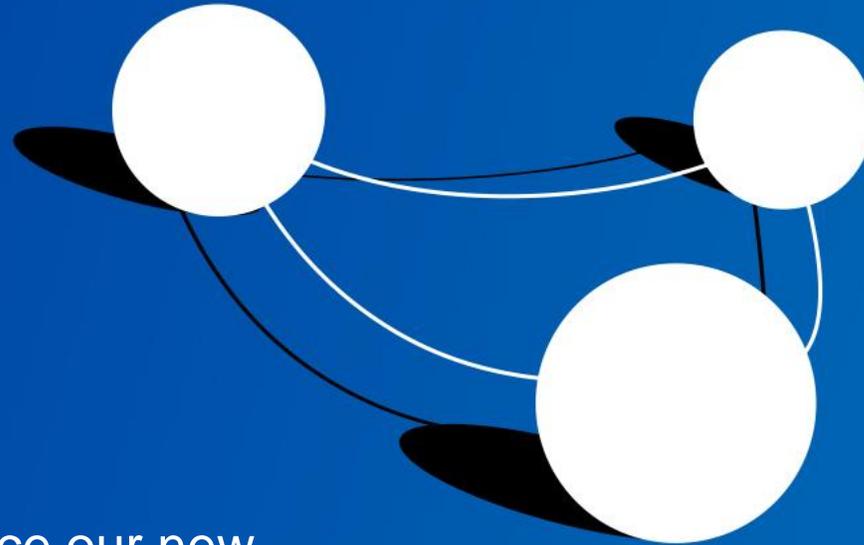


We want to become one of the top 5% employers in Europe,

to win 1.5 million new customers,

and to generate 25% more cash than in Simply Safe Season 1.

Thank you for your attention



Experience our new
scrollytelling-website
on innovation via

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