



Insr acquires Nemi Forsikring - Doubles in size

18 August 2017

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Highlights: Company transforming acquisition of Nemi Forsikring

- Excellent strategic fit
- Strong operational synergies
- Insr raising new equity capital
- Significant commitment in place



Insr in brief



Norwegian insurance company



Listed on the Oslo Stock Exchange



Currently operating in Denmark and Norway



Offering white labelled plug & play insurance solutions



Top line of MNOK 650



App. 100 colleagues

Q2'17 in numbers

GROSS COMBINED RATIO

97%

PORTFOLIO

MNOK 639

LOSS FROM OPERATIONS

MNOK 14.4

SOLVENCY RATIO

211%

Nemi Forsikring

- Norwegian P&C insurer focused on the private and SME segments
- Market share \approx 1.5%
- Strong development in portfolio quality and claims ratio
- Writes \approx NOK 700m premiums
- Significant use of reinsurance
- Owned by Danish specialty insurer Alpha Group

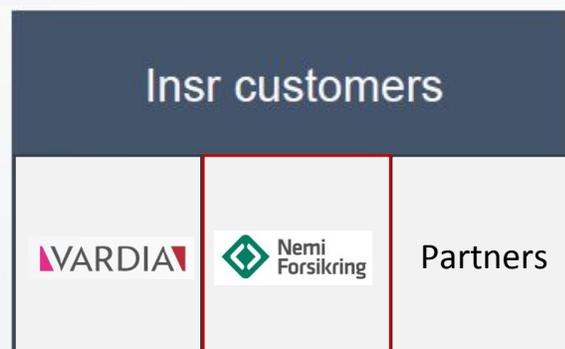
GROSS EARNED PREMIUM



GROSS COMBINED RATIO



Merger fits well with multi-brand strategy



- Focus on underwriting and risk assessment
- Plug and play insurance solutions

- Partners handle retail distribution

- **NEMI natural addition**
- **Strong player in tied agent market**

Strong strategic rationale

- Combined company well positioned for growth
 - Gain market share through flexible and attractive offering to white label partners and tied agents
 - Enhanced utilization of underwriting, claims and actuarial/analytics competence
 - Double size improves diversification & reduces volatility
 - Positioned to reduce reinsurance and improve terms
- Operational synergies
 - Reduced outsourcing
 - Personnel optimisation
 - IT rationalisation
 - Claims efficiency

Transaction structure and financing

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Attractive financial implications of the transaction

- Combination resulting in significant synergies on top of strategic benefits
 - Doubling of portfolio delivers immediate scale economics
 - Significant potential in net claims cost
 - Quicker utilisation of a large (NOK 1bn) combined deferred tax asset
- Target combined ratio (gross) in the level of 90-92% near term
 - Claims ratio ~70% in line with the overall market
 - Cost ratio ~20-22%
- Potential for approaching the ratios of a “normalized insurer” of below 90% through growth and a continued focus on cost efficiency

Transaction structure and financing

- Purchase Price NOK 320 mn
 - NOK 230 mn in cash
 - NOK 90 mn in new Insr shares
- Cash consideration financed by a private placement of around NOK 240 mn, with majority already committed
 - Investment AB Öresund
 - German insurance group HDI V.a.G
- Closing of transaction expected by year-end following approvals from Norwegian Financial Supervisory and Competition Authorities

Established player in an industry with high entry barriers and attractive dynamics

Flexible and agile business model supporting challenger position

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Management with proven track record and extensive insurance expertise

Financially and operationally restructured; ready for disciplined growth