

## **Solid Försäkring intends to list its shares on Nasdaq Stockholm**

**Solid Försäkringsaktiebolag ("Solid Försäkring" or the "Company"), one of the leading niche insurance companies in the Nordics within non-life insurance, today announces the intention to list the Company's shares on Nasdaq Stockholm (the "Listing"). Solid Försäkring will thus become the only listed insurance company on Nasdaq Stockholm. The Listing is intended to be carried out after Resurs Holding AB ("Resurs") has distributed the shares in Solid Försäkring to Resurs' shareholders in accordance with the so-called Lex Asea rules. Nasdaq Stockholm AB has made the assessment that the Company fulfils the applicable listing requirements, provided that certain customary conditions are fulfilled.**

In recent years, Solid Försäkring has developed into a competitive and stable non-life insurance company with a diversified Nordic niche insurance portfolio, good solvency and a clear potential to further strengthen its growth. In order to create more favourable conditions for Solid Försäkring's continued development and growth, the Board of Directors of the parent company Resurs decided on 4 October 2021 to propose a distribution of the shares in Solid Försäkring to the shareholders in the parent company with the intention of listing Solid Försäkring on Nasdaq Stockholm. At an Extraordinary General Meeting on 2 November 2021, the shareholders in Resurs decided, in accordance with the Board of Directors' proposal, to distribute all shares in the wholly owned subsidiary Solid Försäkring to the shareholders in Resurs.

Solid Försäkring's Board of Directors believes that the separation of the Company from the parent company Resurs as well as the listing of the Company on Nasdaq Stockholm will raise the awareness of the Company's operations, strengthen Solid Försäkring's brand, both among partners and customers, and improve the ability to attract and retain qualified personnel and key employees. Furthermore, the Board of Directors of Solid Försäkring believes that the listing will entail an independent and more efficient capital allocation with direct access to the Swedish and international capital markets, including a broad and long-term ownership base, which is expected to support Solid Försäkring's continued growth and development. Overall, the Board of Directors of Solid Försäkring and the Board of Directors of the parent company Resurs, respectively, consider that the separation of the Company from the parent company and the listing on Nasdaq Stockholm will create the best preconditions for Solid Försäkring's continued development and growth and thus increased value for the shareholders.

Nasdaq Stockholm AB has made the assessment that Solid Försäkring fulfils the applicable listing requirements. Nasdaq Stockholm AB will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm provided that certain conditions are fulfilled, including that the Company submits such an application and fulfils the distribution

requirement. The Listing on Nasdaq Stockholm is expected to be completed during the fourth quarter of 2021. More information about the distribution of shares and the Listing will be included in the prospectus that will be published when the Board of Directors of Resurs has resolved on the record date for the distribution of shares.

*"In recent years, Solid Försäkring has been refined with focus on the core business in Sweden and expanded in the Nordics, through establishing local branches in Norway and Finland, developing existing and new partnerships and developing our end customer relationships and aftersales efforts, among other things. In parallel, we have strengthened our position through strategically important acquisitions in bicycle insurance and car warranties. Our strong market position, long and well-developed partnerships, stable organisation and efficient risk management create good preconditions for further growth. The separation from Resurs and the listing on Nasdaq Stockholm entails an autonomy and independence that, except an increased focus on Solid Försäkring's operations, enables an expanded market potential in the form of new opportunities to enter into partnerships, which further improves the preconditions for developing the business and thereby creating shareholder value for Resurs' existing shareholders and Solid Försäkring's new shareholders", says Marcus Tillberg, CEO of Solid Försäkring.*

### **About Solid Försäkring**

Solid Försäkring conducts non-life insurance operations in Sweden, Denmark, Norway and Finland, and to a lesser extent, also in certain other countries in Europe. The Company offers speciality insurance with a main focus on niche insurances in the Product, Personal Safety and Assistance segments. In the Product segment, Solid Försäkring offers all-risk coverage insurance and elimination of deductibles for a wide range of product categories both in the form of individual insurances as well as group insurances. The Personal Safety segment includes payment protection insurance (PPI), income insurance, ID theft insurance and accident insurance and in the Assistance segment Solid Försäkring offers roadside assistance, insurances associated with vehicle warranties and various insurance products for the travel industry.

The majority of Solid Försäkring's insurance products are distributed to customers through partners, the rest are distributed through Solid Försäkring's own sales channel directly to customers. Solid Försäkring's partners include, among others, retailers, banks, credit institutions, travel agencies and car dealers who offer the Company's non-life insurance for the products and services they offer. The business' partnerships are long-term. Over 75 per cent of Solid Försäkring's largest partners have collaborated with Solid Försäkring for more than five years. The Company has built up a customer base of 2.3 million private customers. The insurance portfolio, which has a good risk diversification, consists of many insurance contracts with low individual insurance values. The Company's asset management is a separate function and is responsible for all investment assets.

### **STRENGTHS AND COMPETITIVE ADVANTAGES**

#### *Operating in the attractive Nordic insurance market*

Solid Försäkring mainly operates in the Nordic non-life insurance market which, according to the Company, is characterised by a generally high propensity to take out insurance, high customer loyalty, generally low loss ratios and a high degree of digitalisation compared with other insurance markets. The Nordic non-life insurance markets have generally performed positively with relatively stable growth in premium income over time, with Sweden and Norway showing the highest growth rates.

#### *A leading market position in the niche insurance segment*

Solid Försäkring has a diversified range of insurance products with attractive positions in several carefully selected niches and has a particularly strong position in the Product segment with a market-leading position both in Sweden and in Norway in bicycle insurance and consumer electronics. To strengthen its market position, Solid Försäkring mainly focuses on; offering products that are easy for the end customer to understand, that Solid Försäkring's partners should gain a strengthened relationship with the end customer through offering Solid Försäkring's products, to offer a first-class support function in terms of availability and competence, and to be seen as a market player that helps its partners to sell more insurances linked to the products or services offered to the end customer.

#### *Business model with relatively low risk*

Solid Försäkring targets carefully selected niche insurance segments with stable underlying markets and relatively low claims ratios. The Company develops its business by increasing volumes, through broadening its product offering and entering into new partnerships, among other things, and at the same time maintaining low individual risks for each segment. In addition, Solid Försäkring's pricing models are applied based on a data-driven process with well-founded data on, among other things, historical claims ratios for each insurance product and segment.

#### *Proven financial development creates an attractive position for continued growth*

Through the historically successful risk-based business model with constant portfolio review, in combination with volume growth and cost control, Solid Försäkring has been able to demonstrate profitable growth, which in turn creates an interesting and attractive position for continued growth. Solid Försäkring's favourable position for continued growth is partly supported by diversification both in terms of numbers and in terms of type of partners, and partly by the industries to which the Company's insurance products are offered. Solid Försäkring has a broad partner base that represents a broad product offering across different industries, which means that Solid Försäkring considers itself resistant to a general decline in a specific industry. In addition, growth is supported by the Company's continuous work with streamlining and digitalisation, both internally and externally in the product offering, in order to streamline customer acquisition and customer interaction to further increase the volume in a cost-effective manner. Solid Försäkring has also identified an opportunity for recovery, and thereby increased demand for the Company's insurance products, in certain markets, such as the travel market, as restrictions related to the COVID-19 pandemic are lifted and the vaccination rate increases.

#### *Several attractive growth opportunities*

Solid Försäkring has identified several opportunities for future organic growth. Solid Försäkring's growth strategy is mainly directed at the markets where the Company is currently operating and at the niche segments where the Company sees an underlying growth. An important part of the growth strategy entails the opportunity to enter into new partnerships and increase the customer conversion rate. Furthermore, the Company has identified opportunities in certain markets to introduce insurance products which are already offered in other markets, and thus broaden the product offering in these markets. Solid Försäkring has also identified potential to expand the insurance operations both geographically and with more products by identifying and pursuing attractive acquisition opportunities in selected markets.

#### *Very experienced management team in the insurance industry*

Solid Försäkring's management team comprises seven persons with solid experience and expertise in the insurance industry. Solid Försäkring's management and other key personnel have a long-term commitment with a comprehensive understanding of the Company's business model and the character and dynamics of the niche insurance market. The management team and other key personnel in Solid Försäkring have a successful and proven

ability to drive profitable growth with increasing margins over time. Furthermore, Solid Försäkring has a dedicated and experienced Board with good insight into the Company's operations and key markets.

## Growth strategy

Solid Försäkring's primary growth strategy is based on the following four pillars:

- **Strengthened presence in the Nordics in the current product offering through new partnerships**

Solid Försäkring intends to strengthen its Nordic presence and expand its customer base in existing segments by entering into contracts with additional partners in selected markets. Solid Försäkring also intends to continue to develop and complement the product offering to make it as attractive as possible both for partners and for consumers.

- **Increase the conversion rate among current partner base**

A higher conversion rate means a higher share of customers who, after a purchase from one of the Company's agents, choose to take out insurance with the Company. The Company works continuously to increase the conversion rate by identifying and implementing improvements in existing business to make the process of signing and managing insurance policies as simple and efficient as possible both for partners and for customers. Solid Försäkring also works regularly on simplifying the process for the policyholder to pay for and extend a policy.

- **Increase the aftermarket potential through a focused value offer**

Aftermarket potential presents the possibility of convincing customers to continue to extend their existing insurance cover or to take out additional cover. This takes place partly by optimising the product offering by working on content, design and customer notifications, and by adapting communication based on the target group and product. Solid Försäkring also works with tools to analyse completed campaigns or targeted offers to customers. Furthermore, the Company intends to increase the aftermarket potential by continuing to focus on conversion-raising initiatives, such as extending the number of payment methods, increased digitalisation and continuing to clarify the offering.

- **Complete identified acquisition opportunities to increase upscaling of operations**

Solid Försäkring intends to evaluate attractive acquisition opportunities to accelerate growth. Such acquisition opportunities could aim to get access to new partners and customers, accelerate geographical expansion as well as complement and improve the product offering.

## Key financial information

	For the nine-month period ending 30 Sep		For the financial year ending 31 Dec		
(KSEK)	2021	2020	2020	2019	2018

Total premiums earned, net of reinsurance	722,805	681,101	912,654	898,481	828,678
Technical result, non-life insurance operations	86,505	81,206	116,920	103,676	88,475
Net profit for the period	94,651	61,497	43,372	49,455	14,335
Combined ratio	88.7%	88.7%	88.2%	89.6%	90.2%
SCR coverage ratio	169.9%	151.1%	148.4%	125.1%	142.9%

## Financial targets

Solid Försäkring has the following financial targets in the medium term:

- Annual growth in net earned premiums of 4-7 per cent. In addition, Solid Försäkring intends to grow through selective acquisitions.
- Maintain a combined ratio below 90 per cent.
- Achieve a return on RoNAV (2)[1] of more than 14 per cent.
- Maintain a Solvency Capital Requirement coverage ratio (SCR coverage ratio) of at least 150 per cent.

## Dividend policy

According to the dividend policy adopted by the Board of Directors, Solid Försäkring intends to pay an annual dividend corresponding to at least 50 per cent of net profit for the year as from and including the financial year 2022. The dividend policy is conditional upon the SCR coverage ratio target and that no potential major acquisitions are carried out.

## Advisors

ABG Sundal Collier is acting as financial advisor and Setterwalls Advokatbyrå is acting as legal advisor to the Company in connection with the Listing. Baker McKenzie Advokatbyrå is acting as legal advisor to ABG Sundal Collier in connection with the Listing.

## For further information, please contact:

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The information was submitted for publication, through the agency of the contact persons set out above, for publication at the time specified by the Company's news distributor Modular Finance at the time of publication of this press release.

[1] Net profit for the period (annualised) excluding amortisation of intangible assets adjusted for tax as a percentage of average adjusted equity excluding intangible assets. Adjusted equity includes the contingency reserve adjusted for tax.

## Attachments

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