

N O R D I C A D V I S O R S

Agent Presentation

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May 2017

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Mission

To create an innovative, technology-driven insurance company, which will act as a platform for small and mid-sized niche insurance opportunities in the non-life insurance market.

Executive Summary

The insurance industry is changing, driven by new client behaviours, disruptive technologies and increasing regulatory requirements. This trillion-dollar industry has, for decades, lived a quiet life and managed to remain relatively immune to new technology driven rivalry. The approach has become outdated and the status quo is beginning to change. Technology is poised to transform the insurance industry, driven by innovative FinTech intrusion backed by venture capital companies who want to be in the driving seat when it comes to disrupting the established patterns of this traditional insurance industry.

“90% of insurers fear they will lose business to a start-up as investment in ‘InsurTech’ increases fivefold.” (Source: PwC blog, June 13th 2016)

In short, the industry is ripe for disruption.

New Nordic Team



Nicolai Borch Hansen
CEO

A founder and CEO at New Nordic Advisors. Nicolai was responsible for founding Aros Capital Partners LLP in 2009 and brings many of this proven team together at what has now become New Nordic Advisors.

Nicolai has a straightforward and entrepreneurial approach to doing business and brings a wealth of management, structuring and investment experience to the team.



Peter Brink Madsen
Head of Asset Management

Peter is a founder and Head of Asset Management at New Nordic Advisors. Previously, Peter was responsible for co-founding Aros Capital in 2009 where he built a reputation as an investment professional with particular specialism in fixed income. Previously, Peter spent five years as Fund Manager at Formuepleje where he ran a \$12b book of Mortgage Bonds.



Jonathan Spry
Head of Insurance Strategies

Jonathan is a founder and Head of Insurance Strategies at New Nordic Advisors. Jonathan brings over 16 years of investment banking and insurance experience to New Nordic. Previously, Jonathan was Managing Director, Head of Insurance Solutions and Advisory at StormHarbour Securities and ran both Insurance Capital Management and UK Insurance Coverage at RBS.



George Taylor
Analyst

George joined the team as an Analyst in August 2016, having previously studied for his undergraduate degree at Imperial College London. George brings strong analytical skills honed during his degree in Biomedical Engineering. Prior to joining New Nordic Advisors, George worked within Charlotte Street Capital, a venture capital firm focused on technology start-ups.

Qudos Insurance - Background



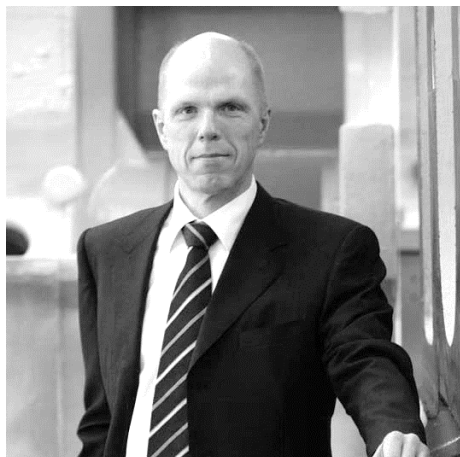
Qudos Insurance A/S was established in 2011 to serve the European broker community with dedication and professionalism.

Qudos Insurance A/S is owned by New Nordic Holding, an investment driven company focusing on insurance related opportunities. Through active ownership, New Nordic seek to be a transformational and relevant participant in the insurance industry.

Board of Directors

New Nordic has put into place a new Board of Directors, who embody a multi-faceted approach to doing business. The directors have a wealth of expertise from insurance, asset management, corporate law and management consulting.

Qudos Insurance – Board of Directors



Tage Reinert
Chairman

Tage has 4 years' experience as full time professional board member executing, three successful company exits.

Prior to his role as a board member, he has 20 years of proven success as CFO and CEO for international businesses within Industry, IT and Infrastructure.



Nicolai Borchers Hansen
Vice Chairman

Nicolai was responsible for founding Aros Capital Partners LLP in 2009 and brings many of this proven team together at what has now become New Nordic Advisors.

Nicolai has a straightforward and entrepreneurial approach to doing business and brings a wealth of management, structuring and investment experience to the team.



Niels-Ulrik Moustén
Board Member

Niels-Ulrik was, until March 2016, CEO of Danske Capital, the asset management division of Danske Bank. He brings over 35 years of capital markets experience to the board of Qudos Insurance. Prior to his position at Danske capital, Niels-Ulrik was head of SEB asset management and before that head of equities at Unibank investment management.



Anders Hansen
Board Member

Anders is senior partner at Danders & More and the head of the London office. Anders has vast international experience in a cross-border context. This experience also extends to business leadership, including as former chairman of a Pan-European law firm structured as a partnership of partnerships.

Qudos Insurance – Senior Management Team



Michel Trudeau
CEO

Michel is an insurance executive with over 35 years of international property & casualty insurance experience. Since September 2015, he has been Qudos' Chief Actuary and an important member of the Qudos Board of Management. In addition to his actuarial and pricing expertise, Michel also has significant experience in management, underwriting, claims and operations.



Robert Thornedahl
COO

Robert brings over 31 years of experience in insurance and corporate finance to the board of Qudos Insurance. He has held positions at Protector Forsikring ASA, MSC Scandinavia Holding A/S and Tryg.



Troels Risom
CUO

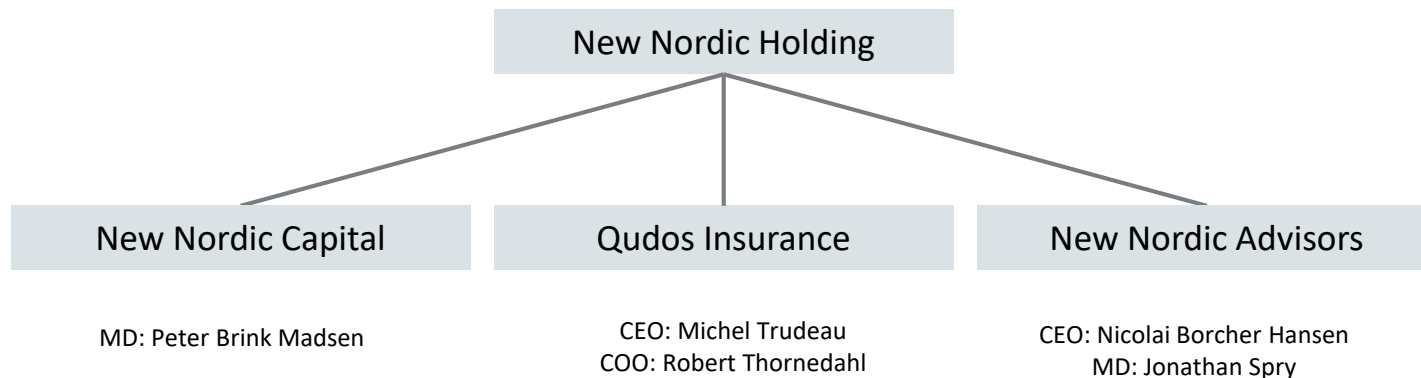
Troels has worked in the insurance industry for more than 17 years. Before Qudos Troels worked in the Reinsurance industry as an underwriter for a Lloyds Syndicate. His areas of expertise in Qudos are underwriting and reinsurance. Troels joined Qudos in January 2012.



Conor Dolan
Lead Actuary

Conor has over 20 years of experience as an actuary for property and casualty insurers, and has significant experience in enterprise risk management, reserving, pricing, capital management and reinsurance. Conor has been a Fellow of the Institute of Actuaries since 2000, and was awarded the Chartered Enterprise Risk Actuary designation in 2014.

New Nordic - Structure



New Nordic Holding

New Nordic Holding is an investment driven company focusing on insurance related opportunities. Through active ownership, we seek to be a transformational and relevant participant in the insurance industry.

New Nordic Capital

New Nordic Capital is the dedicated asset management arm of the New Nordic group. New Nordic Capital performs investment management for Qudos Insurance and other external clients.

New Nordic Capital specialises in Solvency II compatible investment strategies and solutions.

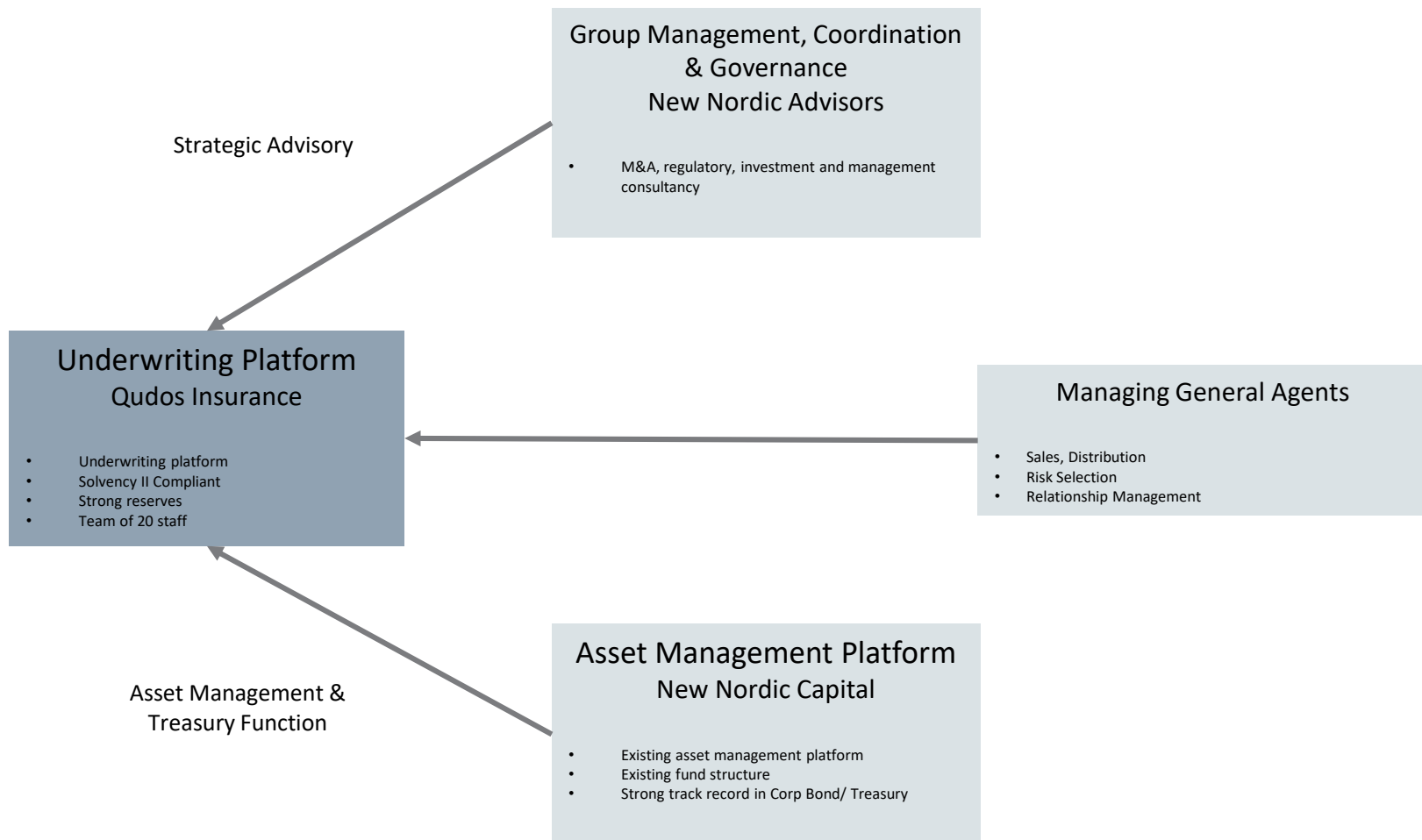
Qudos Insurance

Qudos is a specialty non-life insurance company operating in niche segments across Europe, particularly in Scandinavia and the UK. Qudos operates as an underwriting capacity provider, writing business exclusively through third party underwriting agencies (Managing General Agents). Qudos is domiciled in Denmark and was established in 2012.

New Nordic Advisors

New Nordic Advisors is the advisor to New Nordic Holding, which is a dedicated investment partnership focusing on insurance related investment opportunities. New Nordic Advisors undertake M&A, regulatory, investment and management consulting focused on business improvement and capital allocation within the insurance industry.

New Nordic - Structure



What will change?

Qudos 1.0

Volume driven business based on relationships rather than risk assessment

Qudos 1.5

Restructured business approach validating insurance programs based on explicit actuarial assessment and SCR


Qudos 2.0

Transition phase now under New Nordic. Focus on further value-chain optimisation and strengthen relationship with key partners

Qudos 3.0

Expand into distributing directly to end clients through white labelled partnerships


Explicit 2017 Actions – Transition Year




Continue further scrutiny of Agents and Brokers. In the last 9 Months, Qudos have cut down their active programs from 31 to 15.




Improve reporting across Risk, Finance and Investment exposure



Improve quality and speed of data exchange. Through optimisation of internal processes and increasing quality of data received from agents.



Optimise counterparty risk, exposures and inefficiencies leading to increased SCR



Implement underwriting framework based on Cost of Capital / Return of Capital



Implement SCR optimised Investment framework

Solvency and Recapitalisation

Solvency II has applied extra pressure to the insurance industry, especially for small to mid sized insurers

Historically, we believe Qudos was grown too fast, with not enough underwriting focus

New Nordic are intending to run Qudos at a solvency ratio of around **135%**

This will be achievable by the ongoing restructure and more focused underwriting strategy

New Nordic is backed by a number of HNW individuals and families. New Nordic are also open to expanding their capital stack in order to involve other capital providers, such as institutional investors.

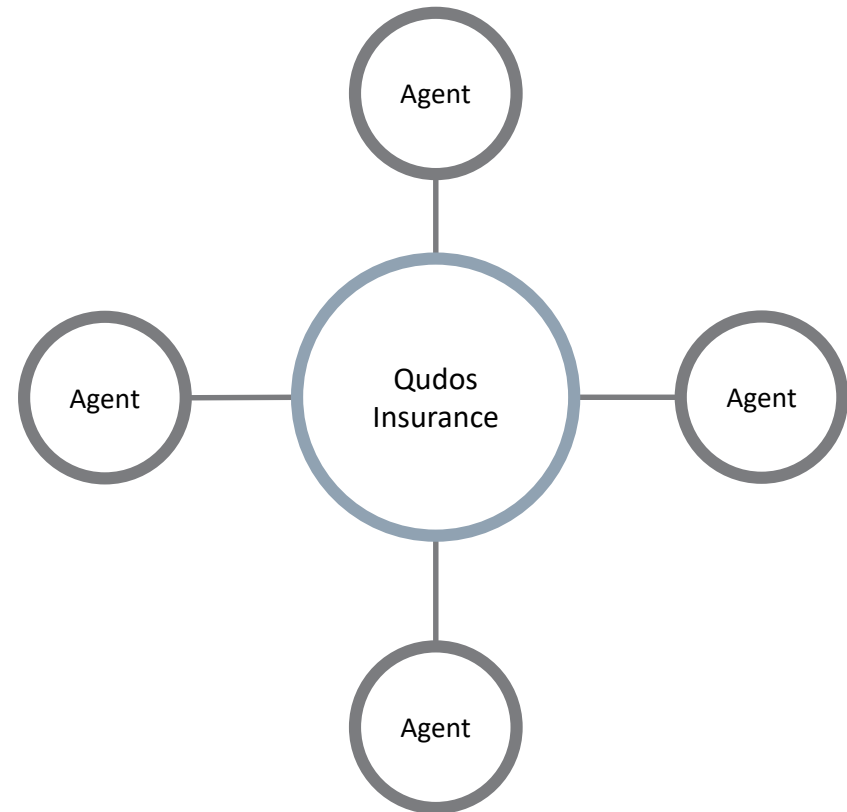
Qudos as a platform

Qudos

- Qudos can provide a platform a solvency II compatible insurance activities.
- Going forward, Qudos will look to support MGAs able to providing profitable business, with a focus on niche opportunities.

Agents

- All agents must fit a requirement on underwriting standard, business volatility and reporting quality
- New Nordic is especially interested in distributions that harness new technological developments.
- Areas of interest include the internet of things, gig economy workers and machine learning.



Malta as a platform: Dedicated Capacity

Overview

- Maltese laws and regulations offer an opportunity to create corporate structures to carry insurance activities.
- These can be either through a protected cell company (PCC) or an incorporated cell company (ICC)
- New Nordic Advisors have a wealth of experience and a proven track record of working within Maltese regulation

Benefits for Agents

- Dedicated, *durable* capacity
- Facilitates investment opportunity to align underwriting capital to distribution.

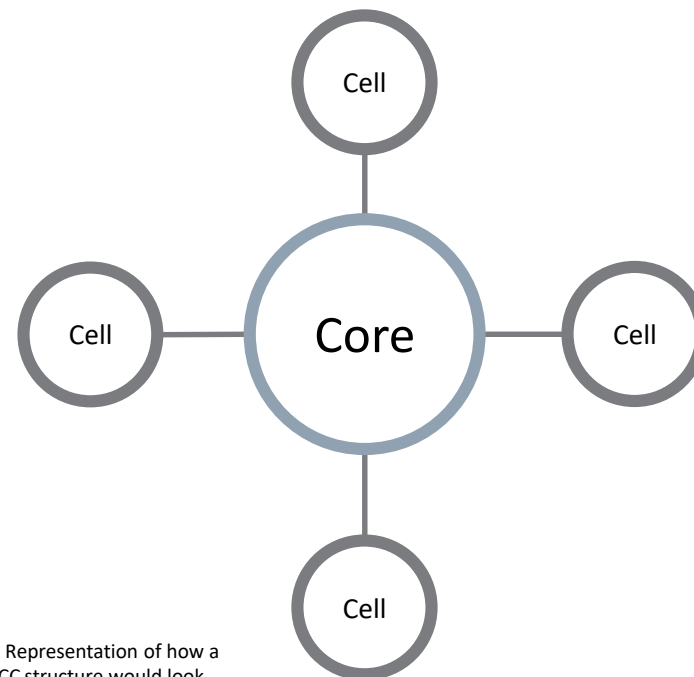
Advantages of cell companies

- Permit owners with varying interests to participate in one company through their individual segregated cells and the core
- Enable sharing of common costs, admin functions and regulatory requirements
- PCCs allow small to medium sized operators to establish their own 'mini' insurance vehicles with lower levels of capital, as MCR apply to PCC as a whole.
- ICC cells may transact with each other thereby permitting further control on the movement of capital, premia and other funds.
- Provides access to the reinsurance market.

Malta as a platform: Dedicated Capacity

Incorporated Cell Company

- A legal entity which consists of a core structure and a number of segregated cells.
- The ICC can be licensed as a insurer/reinsurer by the MFSA.
- The ICC structure provides for the segregation of the assets and liabilities
- Cells benefit from certain common resources provided by the ICC but each cell will constitute a separate legal entity.
- Cellular assets are ring fenced from claims of creditors of other cells
- Each cell of ICC will have a distinct legal personality, which permits each cell within an ICC to transact with one another.
- The ICC and each cell will their respective board be required to maintain their MCR and SCR.



Right: Representation of how a ICC/PCC structure would look.

Protected Cell Company

- Single legal entity, consisting of core structure and number of segregated parts
- PCC can be licensed as an insurer/reinsurer by the MFSA.
- The PCC will have a board of directors and it's own funds.
- The MCR and SCR will apply to the PCC as a single structure, even if each cell would require to have a notional SCR.
- The board of directors will be responsible for the governance of the PCC and associated cells.

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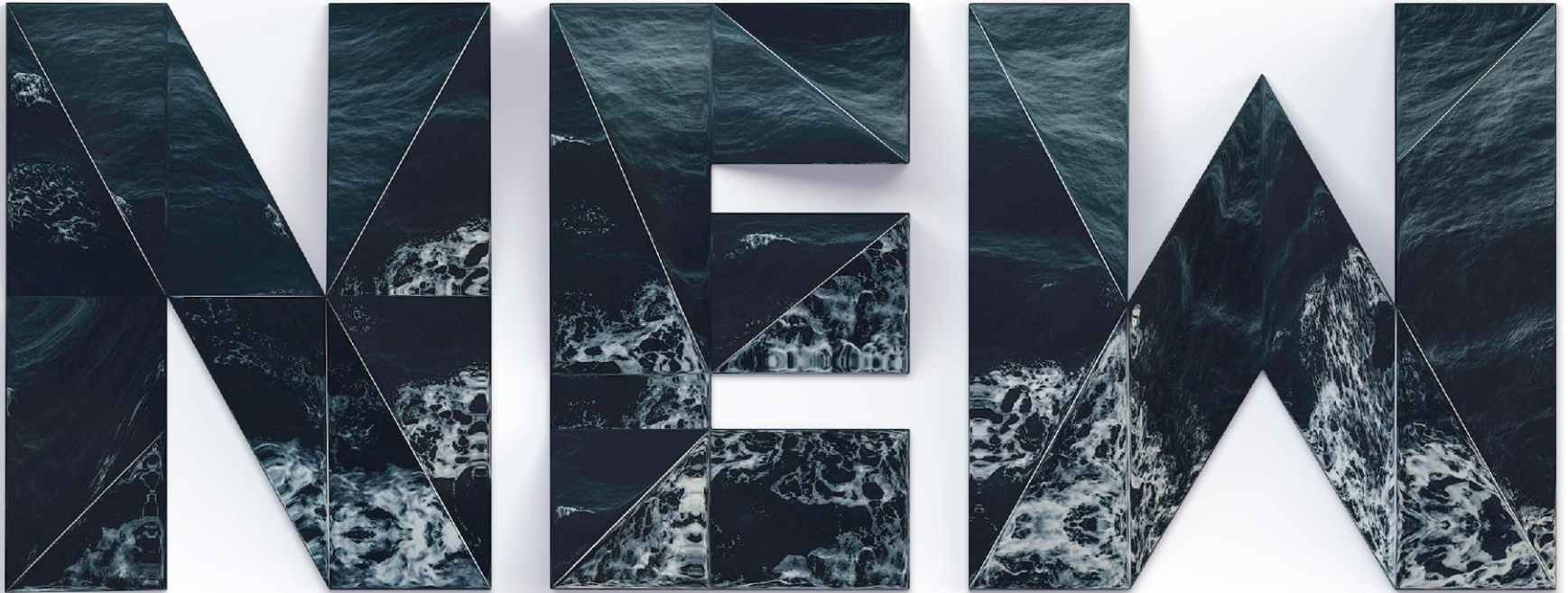
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