

## Q4 2020 Earnings Call

### Company Participants

- Brett Shirreffs, Head of Investor Relations
- Jay S. Bullock, Executive Vice President and Chief Financial Officer
- Kevin J. Rehnberg, Chief Executive Officer

### Other Participants

- Bob Farnam
- Greg Peters

### Presentation

#### Operator

Good day, and welcome to the Argo Group Fourth Quarter 2020 Earnings Conference Call. All participants will be in a listen-only mode. (Operator Instructions). After today's presentation, there will be an opportunity to ask questions. (Operator Instructions). Please note, this event is being recorded.

I would now like to turn the conference over to Brett Shirreffs. Please go ahead, sir.

#### **Brett Shirreffs** {BIO 15817618 <GO>}

Thanks, and good morning. Welcome to Argo Group's conference call for the fourth quarter of 2020. After the market closed last night, we issued a press release on our earnings, which is available in the Investors section of our website at [www.argogroup.com](http://www.argogroup.com) and was filed with the SEC.

Presenting on today's call is Kevin Rehnberg, Chief Executive Officer; and Jay Bullock, Chief Financial Officer. As the operator mentioned, this call is being recorded. As a result of this conference call, Argo management may make comments that reflect their intentions, beliefs and expectations for the future. Such forward-looking statements are qualified by the inherent risks and uncertainties surrounding future expectations, generally, and may materially differ from actual future results involving any one or more of such statements. Argo Group undertakes no obligation to publicly update forward-looking statements as a result of events or developments subsequent to this call. For a more detailed discussion of such risks and uncertainties, please see Argo Group's filings with the SEC. Also note that we will be referring to certain non-GAAP financial information. More information regarding the non-GAAP financial measures are provided within our earnings release.

I will now turn the call over to Kevin Rehnberg, Chief Executive Officer of Argo Group.

## **Kevin J. Rehnberg** {BIO 3832713 <GO>}

Good morning, and thank you for the introduction, Brett. Welcome to everyone on the call. The last 12 months have been a period of dramatic change for all of us as we have had to adapt to new ways of working and living. This has created a number of challenges and opportunities as we manage through this period.

Despite these challenges and by embracing these opportunities, I'm proud of the Argo teams continued effective engagement with customers and producers, reinforcing our position as a go-to-specialty insurer. These challenges have not impacted our strategic focus or impeded progress as we have advanced on a number of our key objectives over the last 12 months.

First, we streamlined and refreshed the senior leadership team with a number of new hires and internal promotions. This work was capped off with Scott Kirk joining the team last week to take over the reins of CFO. We're excited about the experiences, perspective and leadership he will bring to Argo.

The leadership team today is better positioned than ever to serve the business, under our refocused strategy and is simpler as we have been able to eliminate certain senior positions along with streamlining our strategy. The team is energized and we are excited about the opportunity we have for profitable growth in the current market environment.

Second, we executed on a number of transactions to exit underperforming or non-strategic businesses and have focused our go forward strategy on our primary strength U.S.-focused specialty insurance. These actions demonstrate our emphasis on deploying our time; resources and capital to businesses that we believe can have strong returns and can meaningfully contribute to our bottom line. While there will be some lingering costs associated with these exits and transactions, these are necessary steps to achieve our desired outcome, which we believe will benefit our shareholders over time.

Third, we announced the formal expense initiative with targets over the next two years designed to drive a more efficient organization and expand underwriting margin. We plan to continue to invest in better systems and technology that will reduce manual processes and allow reducing staffing costs. We've already made progress on removing expenses, and this is an area where Scott has valuable experience. So we're very excited for him to bring those best practices to Argo.

Lastly, the reconstituted Board of Directors is highly engaged in providing invaluable counsel to the leadership team. In addition, there have been a number of governance, policy and compensation enhancements led by the Board, all to ensure our goals and targets are closely aligned with enhancing value for shareholders.

These positive steps shouldn't be overshadowed by the impact COVID and a highly active catastrophe season had on our financial results for the year. We did not achieve our

FINAL

Bloomberg Transcript

financial targets in 2020, but I'm pleased with the underlying strength in our underwriting results and confident in how we are positioned for the future. Our talent underwriting expertise and outstanding service will allow us to capitalize on the many market opportunities we are seeing today.

During the fourth quarter, we continued to push for improved rate terms and conditions. For the third quarter in a row, we achieved double-digit rate increases and pricing was above 10% in both our U.S. and international segments. And while terms and conditions are improving, we were able to reduce our average limits exposed in several business lines.

For example, in commercial D&O, we reduced our average limit exposed by approximately 15% in 2020 versus 2019. The reduction was even more dramatic in our U.S. and Bermuda excess casualty books, where average limits were down approximately 20% and 30%, respectively during 2020. The combination of these actions by our underwriters will lead to more premiums with less exposure at risk. We expect this to produce better loss ratios as these changes earn through our results over the next several quarters and as claims are paid over the next few years.

Importantly, market conditions have not shown any signs of cooling. The macro environment, including the pressure that lower interest rates is having on investment income, suggests that this momentum should continue and we plan to deploy our capital where we find the best underwriting opportunities.

In terms of growth, our top line in the quarter continued to reflect our focus on strategic growth areas. Overall, gross premiums were up about 1% in the quarter. U.S. growth was 6.6%, while international declined 10.4%. In international the top line result primarily reflects underwriting actions that have been underway for the past 12 to 18 months or longer. We're carefully growing where we have confidence in our results and pulling back or exiting in other areas.

Excluding these businesses, such as the grocery and retail business in the U.S., our growth in the U.S. was over 10% in the fourth quarter, which we feel very good about. We achieved strong growth in lines where we have been adding talent and investing in underwriting tools, such as Casualty, Inland Marine and Argo Pro. Premiums in all of these businesses were up by more than 20% in the fourth quarter and in some cases well above that.

We also saw encouraging submission trends in some of our focused growth areas. For example, Casualty submissions were up 25% in the fourth quarter. And Inland Marine submissions were up more than 50%. Construction submission growth was also positive and had pockets of strength in the high-single-digits. These trends give us confidence in our growth outlook for 2021.

As I mentioned, our financial results for the quarter were impacted by several natural catastrophe events, namely U.S. wind storms and wildfires as well as additional catastrophe losses associated with COVID. No single natural catastrophe event was a

surprise to us, but the frequency of events was significant. According to Swiss Re, 2020 was the fifth costliest year on record for the industry, including a record number of named storms in the U.S.

One of our key initiatives in 2021 and beyond is to reduce our aggregate catastrophe exposure. This started with our sale of Ariel Re and will continue with actions on our insurance portfolio as well. We are reducing property line sizes as well as exiting large property accounts in certain wildfire-prone areas. Our goal is to reduce the volatility of our underwriting results and allocate our capital to businesses with more stable returns. This will be a gradual process as we see the impact of the actions over the next 18 to 24 months.

The impact of catastrophes pushed us to an underwriting loss for the quarter and the year. However, on an underlying basis, there were some very positive signs, our current accident year, and ex-CAT loss ratio, improved by more than 7 points from the prior year quarter. The fourth quarter of 2019 included some current accident year strengthening. So the full-year comparison is more representative of the improvement at 3.4 points. The better result, which was seen in both the U.S. and International segments, was primarily related to rate and underwriting actions I spoke about a minute ago.

The expense ratio improved 2.2 points in the fourth quarter to 40.1%. As we noted in our earnings release, there were a number of items related to strategic actions and other nonrecurring items that added approximately 3 points to the expense ratio for the quarter and about 1 point for the full-year. This total includes professional fees for transactions we announced during the quarter and severance costs to rightsize some of our infrastructure platforms. These costs are part of our expense initiative we have discussed and are expected to lead to future savings as we continue to make progress on our expense targets.

Some of the actions we took in the fourth quarter are important steps towards continued expense ratio improvement. We exited several businesses during the quarter, including the sale of Ariel Re, pending sale of our Italian business, the runoff operations in Malta, and our U.S. grocery and retail business. These decisions will allow us to exit certain high-cost areas and focus our resources on better returning businesses. As I mentioned last quarter, our expense improvement will not be linear due to some of the extraordinary costs associated with our actions.

Last week, we announced that we are hosting a virtual investor event on March 12. We plan to use the time to dive deeper into our go-forward strategy and highlight certain businesses in a form where we are not also trying to explain the movement of a single quarter. We look forward to clarifying what Argo looks like as we trade forward after a number of changes we have announced in the recent months. We will also give you some more detail on where we're heading with expenses and introduce additional members of the team. So please join us if you can.

I'll now turn the call over to Jay to discuss our results in more detail.

## Jay S. Bullock {BIO 3644311 <GO>}

Thanks, Kevin. I'll spend a few minutes going over our results, and then we'll take your questions. For the fourth quarter of 2020, Argo reported a net operating loss to common shareholders of \$18.2 million or \$0.52 per share, an improvement from last year's result of a loss of \$2.15 per share. For the full-year, our operating loss was \$0.64 per share compared to a loss of \$0.90 per share in 2019.

The factors driving our financial results in each period are much different, with 2020 being driven by external factors, namely significant natural catastrophe activity and COVID-related losses and materially lower investment yields, while 2019 reflected a number of internal challenges.

Importantly, the issues we faced in 2019 have not resurfaced this year as reserve development was very modest at less than 0.5 point in 2020. The underlying results for 2020 provide a lot of optimism for the future and with a more focused strategy, there should be a renewed confidence in Argo's outlook.

First, on the top-line, we reported gross premiums written of \$718 million in the fourth quarter. This was up approximately 1% from the prior year quarter. As has been the story for much of the year, we have seen good growth in our targeted areas, primarily in the U.S., which is being offset by business that we have been pulling back from for some time, primarily in areas in our International segment. There's also been a negative impact in certain lines from lower insured exposures and payrolls as a result of the pandemic.

In the quarter -- in the fourth quarter, U.S. gross premiums were up just under 7%, with the strongest growth in professional lines. This is a line that continues to benefit from favorable market conditions as rates were up approximately 20% for the third consecutive quarter. Rates on average across the U.S. segment were up just over 10%, with Professional Lines, Casualty and Property, continuing to lead the way.

Growth in net written and net earned premiums in the U.S. was strong at approximately 15% and 12%, respectively, and is amplified by an adjustment to ceded premium that impacted the prior year quarter. On a gross net and earned basis, the full-year growth figures present a more representative pattern.

On the International side, gross premiums declined 10.4% in the fourth quarter. The decline was primarily in Specialty and Property lines, partially offset by growth in liability. Rates on average across the International segment were up in the high teens and strength -- this strength was broad-based.

Our combined ratio in the quarter was 110% compared to 126.7% in the prior year period. The 2020 results included 11.1 points of catastrophe losses, which drove us to an underwriting loss for the quarter. About 75% of the catastrophe total was related to natural catastrophes, and the balance was from COVID-related losses.

FINAL

Bloomberg Transcript

FINAL

I would note that a portion of our natural catastrophe losses in the fourth quarter reflect updated loss estimates related to events that occurred late in September, most notably Hurricane Sally and certain wildfires. The timing and nature of these events and the nature of the losses made the initial estimation process difficult for everyone, but we believe we have fully captured these now.

Our COVID-related losses were \$12.7 million in the fourth quarter and were primarily related to event cancellation exposures in our international operations. Throughout the year, our losses from COVID have declined in magnitude and we expect this pattern will continue into next year with a much lower level of losses anticipated in subsequent quarters. With regards to prior year development, overall, we're very pleased that the fourth quarter in a row -- that for the fourth quarter in a row, net prior year reserve movements have been modest.

On an underlying basis, excluding catastrophes and prior year development, our loss ratio and combined ratio showed strong year-over-year improvement. Our ex-CAT accident year loss ratio improved 7.2 points from the 2019 fourth quarter.

As Kevin mentioned, the year-to-date improvement of 3.4 points is a better marker of our performance and profitability improvement during the year. As you'll recall in the fourth quarter of 2019, we adjusted some of our accident year ratios in International to reflect pressure from recent accident years. Additionally, as noted previously, we completed a reinsurance to close transaction in 2017 and prior years in our Lloyd's insurance operation, giving us reasons for confidence in 2018 and forward.

Our expense ratio in the fourth quarter was 40.1%, an improvement of 2.2 points from the fourth quarter of last year. For the full-year, our expense ratio was roughly flat at 38.3%. As Kevin mentioned, during the quarter, we incurred costs related to some of our strategic transactions, personnel and severance expenses, and the early exit of certain office facilities. These and other nonrecurring costs negatively impacted the expense ratio by roughly 3 points during the quarter and 1 point for the full-year. The nonrecurring expenses impacted each segment but primarily reside in the international and corporate segments.

One final thought on the consolidated operating results. At the beginning of last year, we established a combined ratio target for the business of 96% to 98% for 2020. No doubt it was a challenging and most unusual year, and we missed this range due to much higher-than-anticipated catastrophes, both natural and COVID-related.

However, if you remove the COVID losses and adjust for what might be an expected year of natural catastrophes and take out the nonrecurring costs related to certain transaction and other expense initiatives, the business was performing in that range. We are pleased with our underlying performance and feel even better today than we did 12 months ago about our underwriting prospects and profitability potential.

Turning now for a moment to our segments, despite the heightened catastrophe activity, we reported a small underwriting profit in our U.S. operations with a combined ratio of

99.3%. International fell to an underwriting loss and reported a combined ratio of 122.1%. In both segments, underwriting results improved from the prior year period as higher catastrophe losses were offset by relatively small prior year reserve movements compared to some significant prior year strengthening in the fourth quarter of last year. And on a year-to-date basis, the international segment has reported favorable development.

In the U.S., our ex-CAT accident year loss ratio was 60.3%, improved 1 point -- 9 points from the fourth quarter. Included in this are two large -- excuse me, improved 1.9 points during the fourth quarter. Including in this result are two large losses that added approximately 3 points to the ratio. One, a large property account we've already non-renewed and the other, a larger-than-expected liability loss in our public entity business.

In International, we reported an ex-CAT accident year loss ratio of 55% for the fourth quarter and 54.4% for the full-year, both strong improvements from 2019 levels. Overall, we're encouraged by what we're seeing in terms of underlying margin trends, particularly as market conditions appear to have strong momentum for some time to come.

Turning to investments, our total investment income was down just 1.5% to \$33.7 million in the fourth quarter. This reflected strong performance from our reduced private equity and hedge fund investments, offset by continued pressure on our fixed income portfolio.

Our core portfolio continues to reflect lower yields and tighter new issue credit spreads. Investment income, excluding alternatives was down approximately 30% from the prior year to \$23.5 million. Part of this decline also reflects repositioning decisions we made in the last 12 months as we continue to focus our capital deployment on attractive underwriting opportunities.

Note for the year, there was a sizable foreign exchange loss as throughout each quarter of the year we've seen deterioration in the U.S. dollar against several other currencies. A portion of this is offset by gains in the value of assets held in these currencies which are accounted for through book value.

Finally, on capital, we continue to be active during 2020, completing the \$150 million preference share refinancing in the second half of the year. Overall, we remain well capitalized to take advantage of the market conditions and continue to grow the portfolio.

Book value per share ended the year at \$49.39. This was roughly flat with the -- with September 30 when adjusting for dividends paid. While on a tangible basis, we saw an increase of almost \$1, as a result -- dollar per share as a result of the Ariel sale.

In closing, I'd like to say thanks for all the support from my friends at Argo. I wish everyone the best and expect good things to come.

Operator, that concludes our prepared remarks, and we're now ready to take questions.

## Questions And Answers

### Operator

Question And Answer

Thank you. We will now begin the question-and-answer session. (Operator Instructions)  
And the first question will come from Greg Peters with Raymond James. Please go ahead.

### Q - Greg Peters {BIO 3111497 <GO>}

Good morning, everyone. I guess, before I launch on to a couple of questions, I should just wish you the best Jay. You've done a good job on behalf of the company. I know it's been tough times. And good luck in your future.

### A - Jay S. Bullock {BIO 3644311 <GO>}

Thanks, I appreciate that.

### Q - Greg Peters {BIO 3111497 <GO>}

So the first question is going to be a tough question, and your Board is not going to be happy with this. But I know you said upfront Kevin, that the Board is actively engaged. You guys are resetting everything. One of the observations I have is that the Argo Board's compensation seems to be running at a much higher level than many of its peers. And I'm not sure I've seen anything out of the board looking at that, I don't know what you can comment on that or not, but I just wanted to make that statement to see if there's any feedback.

### A - Kevin J. Rehnberg {BIO 3832713 <GO>}

Well, good morning, Greg and I always expect the tough question to come from you, so that's fine. We have engaged independent third parties to do an overall review of the compensation for the Board and they looked at it on a relative basis with our peers, and that's where the compensation was reset. So we used independents and advisers for best practices.

### Q - Greg Peters {BIO 3111497 <GO>}

I see. And okay, so I don't need to -- so there's been a reset there. And so I guess that's a good thing. Then pivoting, it's a lot of moving parts. You've announced disposals, you've announced reinsurance transactions. If I just look at your full year '20 numbers, so let's look at US first, \$1.994 billion of gross written premium, \$1.223 billion of net written premium. If I -- you talked about the grocery business. How would that -- how would the 2020 results look on a pro forma basis with all the changes you've made or is this kind of what we see is what we get for US?

And the same question, of course would then I would apply to the international. \$1.2 billion of gross, \$585 million net, you've announced several transactions in that market. If I look



at 2020, how do these numbers look with all these adjustments? So I can use that as sort of a base just on top line to think about '21 and 22.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

Yes. That is a good question. And we will certainly come back with more detail on that in the Investor Day. But I can tell you that some of the places where we're out of in terms of the size of those books, so if you think about cyber which we were moving out of, right, we ended the year at \$6.8 million there. In -- let's see. Retail and Grocery business, we ended the year at \$30.1 million, right? But some of these things aren't going to -- the earned premium will be there. And the ability to get off some of these things is not always as easy as one thinks, right? We didn't sell the book. So there may be some more written premium in there. But you think about it as a baseline of \$30 million is going away there.

**Q - Greg Peters** {BIO 3111497 <GO>}

Okay.

**A - Jay S. Bullock** {BIO 3644311 <GO>}

And then there's also Greg there's always re-underwriting that goes on. So last year we did a big re-underwriting of the property book. And to shrink the P&L which obviously helped but hurt us as well with what we still have left. And we don't -- but we're still in the property business, right? And it's hard to quantify exactly how much of that went away as we write new stuff and get rates. So I'm going to take that question on Board, and we'll come back with some specificity in a couple of weeks later.

**Q - Greg Peters** {BIO 3111497 <GO>}

Got it. And then on the international side, do you have any -- do you want to give us any markers there or...

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

Yes. I don't have the color right here for that, but we'll make sure we get that out. Thank you.

**Q - Greg Peters** {BIO 3111497 <GO>}

Okay. And then I guess the final question.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

Although, Greg, we did highlight in the third quarter call the amount of gross and net premium that was coming out of the businesses that we were exiting.

**Q - Greg Peters** {BIO 3111497 <GO>}

Right.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

So if you go back to that, the -- it gives a sense of what those things were on an annual basis. And again, there'll be some that carries forward as we work our way out just due to timing where Ariel Re will be a little bit easier to figure out.

**Q - Greg Peters {BIO 3111497 <GO>}**

So my second question and then I'll -- I guess I'll let others ask questions, but just be on the international and the expense ratio in international. Clearly, our US operations are chugging along at reasonable expense ratios. But you look at -- like for the full year international, the 43.4, and it's just -- it's just border line obscene how high these expense ratios are. I'm sure it's driving crazy. But when they think about maybe not '21, do you want to think about '22, '23, what do you think the expense ratio on international should look like, when you get finished with all the changes that you're going through?

**A - Kevin J. Rehnberg {BIO 3832713 <GO>}**

Yes. Again, I think we'll give more clarity on that on the 12th. But I will say that the expense ratio, where it is right now there were on the international segment almost half of that \$14 million came out of stuff that was related to actions we took there. So -- and some of the things we got out of were more some -- consumed more overall expense in the organization. So some of the expense savings we'll see out of there are coming in a couple of years' time. So we'll see some of the benefit in this year, but the majority would be in 2022 as that goes away. And again, we'll give you some good clarity on that on the 12th.

**Q - Greg Peters {BIO 3111497 <GO>}**

Got it. And I guess I can't -- I want to throw a question at Jay here. When you think about the capital structure of the company, you mentioned the offering in the second half of last year, your top line is not growing, can you give us a sense of where -- what the excess capital looks like for the consolidated company? And how you think about that at least where we are based on how the numbers closed out the year-end?

**A - Jay S. Bullock {BIO 3644311 <GO>}**

Well Greg that too is a challenging question. And the reason it's a challenging question is excess capital is what I would call in the eye of the beholder, right? So we pay a lot of attention to capital ratios as defined by the rating agencies, and as defined by our regulators and try to maintain what we would consider strong levels of capital against those ratios. And that I think it -- was more important -- even more important as we moved through 2019 and through 2020 because of some of the external things that we were dealing with.

I guess the simple way to put it is, we look at our plans over the next several years and through both the capital that we have today and the capital that we generate internally, and we've got the capital to meet the market opportunities that we see. I don't think I want to quantify what would be an arbitrary -- my word, an arbitrary measure of excess capital.

**Q - Greg Peters** {BIO 3111497 <GO>}

Okay. Well, I thought I'd try and get an answer. So anyway, best of luck.

**A - Jay S. Bullock** {BIO 3644311 <GO>}

Thanks.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

Thanks, Greg.

**Operator**

(Operator Instructions) And our next question will come from Bob Farnam with Boenning and Scattergood, please go ahead.

**Q - Bob Farnam** {BIO 15005467 <GO>}

Yes. Hey there, good morning. I know Kevin, you mentioned, with the expenses; you're still going to have some lingering costs. Can you quantify how much going forward do you think that the expense ratio might still be higher than expected because of non-continuing expenses?

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

Okay. So let me sort of dissect the question. I guess it's -- you're wondering, in 2021, what it might be if we're looking at a targeted end of 30 -- 2022 to end at 36? Is that roughly it?

**Q - Bob Farnam** {BIO 15005467 <GO>}

Yes. I'm just trying to think -- I know you say it's not going to be linear, but I'm just still kind of curious, how much of these costs might still get out there. So you have...

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

I think it's fair to think about it being in sort of the mid 37 to 38 range for the full year this year.

**Q - Bob Farnam** {BIO 15005467 <GO>}

Okay.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

But don't just -- we'll get there, right? It's -- some of these things that come up, there may be lease buyouts, there's other things that occur that are worth it over the two year period to do, but they may in a particular quarter be expensive or look expensive right?

**Q - Bob Farnam** {BIO 15005467 <GO>}

FINAL

Right. Okay. And Jay, I'm not sure if this is a detail that you have, but you mentioned there were some CAT losses that were related to development from the third quarter. Could you have an idea of how much of the fourth quarter's numbers came from the third quarter.

**A - Jay S. Bullock** {BIO 3644311 <GO>}

Yes. On the natural catastrophes, Bob, about half were incurred in the fourth quarter and half were literally right at the end of the third quarter. That's on the natural catastrophes.

**Q - Bob Farnam** {BIO 15005467 <GO>}

Right. Okay. That's it for me. Same as Peter, Peter, just -- or Greg, I should say, best of luck, Jay.

**A - Jay S. Bullock** {BIO 3644311 <GO>}

Yes. Thanks Bob. I appreciate it.

## Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Kevin Rehnberg for any closing remarks. Please go ahead, sir.

**A - Kevin J. Rehnberg** {BIO 3832713 <GO>}

I would personally like to thank Jay, this is his last call as everybody knows, but we wish him well in his new endeavours, and I appreciate the counsel and advice and partnership we've had as we worked together. I want to use the time to welcome Scott again, and he will be at some of the conferences that are occurring over the next couple of weeks, so people get a chance to interact with him. Thank the investors for your interest and continued support, and all of our employees and all the other interested parties. So thank you very much. Have a good day.

## Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

*This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily*

*reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.*

FINAL

Bloomberg Transcript