



Interim Report  
SECOND QUARTER and  
FIRST HALF 2021

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INSR INSURANCE GROUP ASA

## Q2 and H1 2021 Highlights

- Total insurance risk transfer agreed and signed in August conditional on approval from regulators
- Net result positive in Q2 at NOK 3.6 million. Negative at NOK 20.9 million in H1
- Portfolio transfer to Storebrand develops according to plan. Supports Q2 result with NOK 21.3 million and H1 result with NOK 32 million
- The Natural Peril Pool Fund transferred to Storebrand at 30.6
- Positive results in Denmark in Q2 at NOK 3.2 million. Negative at NOK 11.1 million in H1
- Solvency ratio at 123 %

## Consolidated Key Figures

<i>(MNOK except otherwise stated)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Gross premium earned	69,5	285,3	224,8	589,1	1 108,7
Other insurance-related income	0,7	0,3	0,7	0,4	4,9
Gross claims incurred	(60,1)	(196,9)	(181,6)	(448,6)	(791,1)
Sales costs	(2,9)	(28,2)	(5,5)	(55,4)	(99,8)
Insurance-related administration costs	(30,1)	(48,3)	(68,7)	(96,5)	(264,5)
<b>Gross underwriting result</b>	<b>(22,8)</b>	<b>12,2</b>	<b>(30,3)</b>	<b>(11,1)</b>	<b>(41,7)</b>
<b>Reinsurance result</b>	<b>8,2</b>	<b>(12,1)</b>	<b>1,5</b>	<b>(5,8)</b>	<b>(51,0)</b>
<b>Net underwriting result</b>	<b>(14,6)</b>	<b>0,0</b>	<b>(28,8)</b>	<b>(16,8)</b>	<b>(92,7)</b>
Income from portfolio transfer 1)	21,3	0,0	32,0	0,0	139,9
Asset write offs	0,0	(231,9)	0,0	(231,9)	(272,6)
Investment income	0,6	14,5	0,0	13,2	18,3
Other items 2)	(6,9)	(3,9)	(13,1)	(8,6)	(18,2)
<b>Net result Norway</b>	<b>0,4</b>	<b>(221,3)</b>	<b>(9,9)</b>	<b>(244,2)</b>	<b>(225,4)</b>
Run off result Denmark/Sweden	3,2	(56,1)	(11,1)	(59,8)	(80,5)
<b>Net result</b>	<b>3,6</b>	<b>(277,4)</b>	<b>(20,9)</b>	<b>(304,0)</b>	<b>(305,9)</b>
Gross loss ratio - Norway	86%	69%	81%	76%	71%
Net loss ratio - Norway	77%	68%	78%	75%	73%
<b>Solvency ratio</b>	<b>123 %</b>	<b>103 %</b>	<b>123 %</b>	<b>103 %</b>	<b>108 %</b>

1) Commissions from the portfolio transfer to Storebrand 2) Includes costs for stay-on packages and termination of IT contracts related to the wind down, interest paid, currency effects, other income and costs, and other comprehensive income (OCI)

# Message from the CEO

The most important information regarding Insr in this report is the agreements that Insr signed with DARAG on the 14<sup>th</sup> August. The first agreement, the LPT (Loss portfolio transfer) makes DARAG the reinsurer of all insurance risk in Insr from the 1<sup>st</sup> of April 2021. The second agreement, the PTA (Portfolio Transfer agreement), describes the transfer of all remaining insurance risk in Insr to DARAG. The PTA is subject to approval of the regulators in Norway and Germany, and there is a need to make some amendments to the existing agreement between Storebrand and Insr. Insr expects these processes to proceed well and that the PTA will be put into effect during 2021. As a whole, the LPT and the PTA mean that Insr has no practical insurance risk at the moment and no insurance risk at all when the PTA is in force. When that happens, Insr plans to hand back the insurance license to the NFSA.

When focusing on the Q2 result, that is heavily influenced by the process to wind down the insurance business, and the Gross Premium Earned was at 69.5 MNOK compared to 285.3 MNOK in Q2 2020. Despite a strong focus on reducing costs, the premium is not enough to carry the organisation needed to run and wind down the business, and thus the gross UW result was at -22.8 MNOK. In total, the Q2 result is positive by 3.6 MNOK impacted by contributions from commissions connected to the portfolio transfer to Storebrand and a positive reinsurance result

In Q2, Insr also transferred the company's share of the Norwegian Natural Perils pool to Storebrand.

This transfer is positive for the solvency ratio that was at 123% at the end of the quarter.

Despite that there now are solutions for the insurance risk in Insr and that the business is continuing to shrink, there are still important tasks ahead for the Insr organisation:

- In co-operation with DARAG, Insr will focus on making a successful transfer of the historical insurance business to DARAG in line with the LPT- and PTA-agreements
- The active insurance portfolio is still being transferred to Storebrand and that work will continue until the end of November
- Despite on a smaller scale, there is still operations that need to be run, not the least on financial reporting, IT, customer service and risk and compliance
- In connection to the winding down of the insurance business, there are also some contractual conflicts that will need to be closed.
- There will also be an evaluation if there is a possibility for further business within Insr and based on the outcome of that, there will be a need for important work to reach the chosen solution, be it continued business or a closure of the company.

Many people in and in connection with Insr have worked hard to make the agreement with DARAG possible, regardless if it has been work in direct contact to the transaction process, or taking care of parts of the business to secure that the company is in a position to make an agreement. I want to direct a warm thanks for all those efforts.



Chief Executive Officer

# Financial Results

## General summary

### Second quarter

The net result for the second quarter amounted to NOK 3.6 million (NOK -277.4 million, comparable period in brackets). The result in second quarter 2020 was significantly affected by write offs of intangibles, amounting to NOK 231.1 million, a consequence of the decision to wind down the insurance business.

Net result in Norway amounted to NOK 0.4 million (NOK -221.3 million). The portfolio transfer to Storebrand Forsikring AS and Storebrand Livsforsikring AS contributed positively with net NOK 21.3 million more than was booked as income 31.12.2020. Gross claims ratio in Norway was at 86% (69%). Net underwriting result amounted NOK -14.6 million (NOK 0 million) due to claims and administration costs relatively high due to decreasing income from premium due to the ongoing wind down.

The result in Denmark amounted to NOK 3.2 million (NOK -56.1 million) due to minor reserve adjustments.

### First half

The net result for the first half amounted to NOK -20.9 million (NOK -304.0 million).

Net result in Norway amounted to NOK -9.9 million (NOK -244.2 million). The portfolio transfer to Storebrand Forsikring AS and Storebrand Livsforsikring AS contributed positively with net NOK 32.0 million. Gross claims ratio in Norway was at 81% (76%). Net underwriting result amounted NOK -28.8 million (NOK -16.8 million) due to claims and administration costs relatively high due to decreasing income from premium.

The result in Denmark amounted to NOK -11.1 million (NOK -59.8 million) due to reserve strengthening.

## Premium

### Norway

<i>(MNOK except otherwise stated)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Gross earned premium Norway	69.5	285.3	224.8	589.1	1 108.7
Net earned premium Norway	49.2	184.5	156.3	372.4	715.2

Gross earned premium was NOK 69.5 million (NOK 285.3 million) in the second quarter and NOK 224.8 million (NOK 589.1 million) in the first half. Net earned premium was NOK 49.2 million (NOK

184.5 million) in the second quarter and NOK 156.3 million (NOK 372.4 million). The premium decrease is in line with expectations hence the ongoing wind down.

## Claims

### Norway

<i>(MNOK except otherwise stated)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Gross claims</b>	(60.1)	(196.9)	(181.6)	(448.6)	(791.1)
<b>Ceded claims</b>	22.3	71.6	59.3	169.5	267.9
<b>Net claims</b>	(37.7)	(125.3)	(122.3)	(279.1)	(523.2)
<b>Gross loss ratio</b>	86.4%	69.0%	80.8%	76.1%	71.4%
<b>Net loss ratio</b>	76,7%	67,9%	78,3%	75,0%	73,1%

The gross and net loss ratio for insurance risk in Norway was at 86.4% (69.0%) and 76.7% (67.9%) respectively in the second quarter and 80.8%

(76.1%) and 78.3% (75.0%) respectively in the first half.

## Sales and Administration Costs

Sales costs in 2021 consist mainly of fees and losses related to termination of agreements with distribution partners, amounting to NOK 2.9 million (NOK 28.2 million) in the second quarter and NOK 5.5 million (NOK 55.4 million) in the first half.

million (NOK 96.5 million) in the first half. The decrease reflects lower activity due to the ongoing wind down.

Administration costs were NOK 30.1 million (NOK 48.3 million) in the second quarter and NOK 68.7

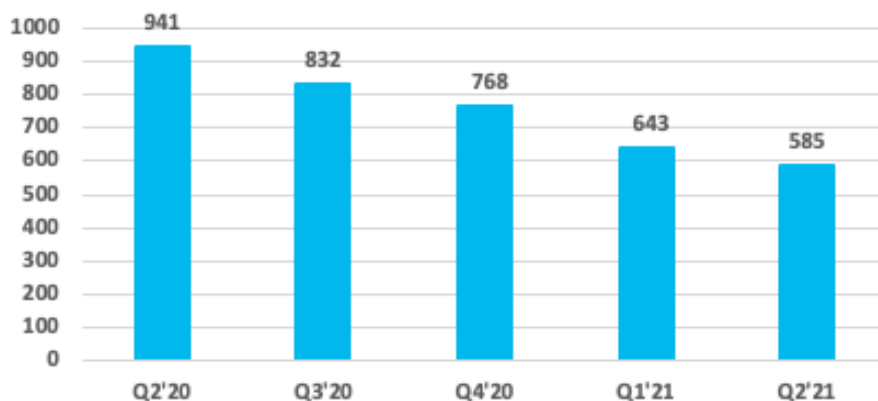
The amount of employees has decreased with 8 and 40 in second quarter and first half respectively. There are 37 employees at the end of June 2021.

## Investment result

Net investment return and interest income was NOK 0.6 million (NOK 14.5 million) in the second quarter and NOK 0 million (NOK 13.2 million) in the first half. The investment portfolio mainly consists of investments in funds with bonds.

The investment portfolio, including cash in bank, is decreasing to NOK 585 million at the end of Q2 2021.

### Investment Portfolio incl. cash (MNOK)



# Status wind-down

Based on the strategic review announced on June 29, 2020 the writing of new insurance premiums stopped 1 December 2020. Hence the main activity for the company is to manage a successful exit from insurance.

To ensure good progress and control of the operational and contractual risk, a wind-down project has been established and the

development is followed closely by the management, Board, and supervisory authorities. Key risks relate to contractual terms, complexity of transferring the reserve risk and future servicing of runoff portfolios, as well as loss of key staff.

## Norway

Insr has agreed to sell most of its Norwegian insurance portfolio to Storebrand. Policies are transferred to Storebrand when renewed or amended. The transfer process is expected to last until the end of 2021. Storebrand will pay Insr 20-30% for renewed written premium

Earned income from this agreement has increased with NOK 21.3 million in second quarter and NOK 32.0 million in first half amounting to NOK 172 million in total for 2020 and 2021.

An agreement to transfer the natural peril risk to Storebrand was signed in second quarter. This agreement has no material effect on profit or loss, but equity tied up for the Natural Peril Fund has been dissolved with positive effect on the solvency ratio calculation.

## Denmark

The business in Denmark was discontinued in 2019.

After a reserve strengthening in first quarter, the run off portfolio, mainly consisting of Danish

Workers Compensations, improved slightly in second quarter. The result amounted NOK 3.2 million (NOK -56.1 million) in second quarter and NOK -11.1 million (NOK -59.8 million) in first half.

# Financial position and Liquidity

## Consolidated financial position and solvency capital

As of June 30, 2021, total assets amounted to NOK 937.7 million (NOK 1 656.8 million at year end 2020). Total equity amounted to NOK 141.4 million (NOK 162.1 million at year end 2020).

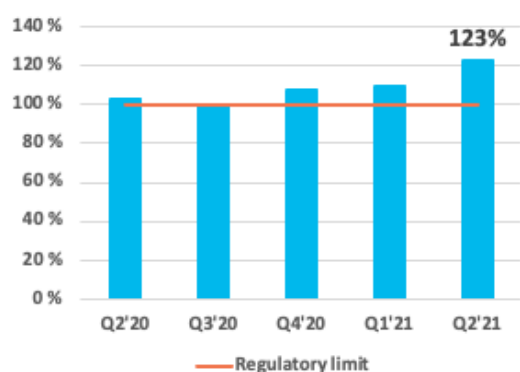
The solvency ratio at the end of the quarter was 122.5%, up from 107.9% at the end of 2020. The Solvency Capital Requirement (SCR) as of June 30 was NOK 120.6 million, down NOK 63.8 million from the year end 2020, mainly due to lower

insurance liabilities.

The Eligible Solvency II Capital is NOK 147.8 million, down from NOK 199 million at the end of year end 2020.

The Solvency II Minimum Capital Requirement (MCR) amounts to NOK 54.3 million at the end of June 2021.

## Solvency Ratio

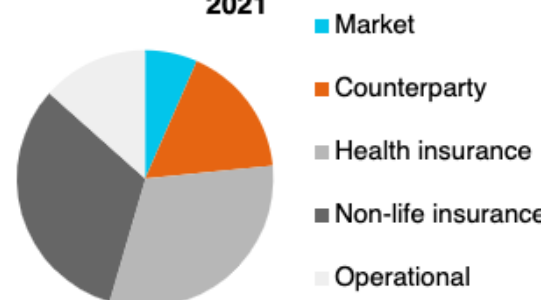


The solvency figures are as reported to the Norwegian FSA (NFSA) for Insr Insurance Group ASA unconsolidated.

## Split of eligible capital (MNOK)

Core Tier 1	88
Tier 1 Hybrid	0
Tier 2	60
Tier 3	0
<b>Eligible capital</b>	<b>148</b>

## Solvency Capital Requirement 30 June 2021



## Consolidated cash flow

Cash flow from operations was negative with NOK 56.9 million (negative NOK 48.2 million) in the second quarter and negative with NOK 176.7 million (negative NOK 132.8 million) in the first

half. The negative cashflow mainly stems from paid claims and operating costs. The Group recorded cash and cash equivalents of NOK 73.9 million as of June 30, 2021.

# Subsequent events

Insr has entered into a Loss Portfolio Transfer (LPT) followed by a Portfolio Transfer Agreement (PTA) with DARAG Deutschland AG (DARAG) signed August 14<sup>th</sup>, 2021.

All of Insr's remaining insurance business will form part of this proposed transaction.

The LPT is a reinsurance with effect from 1<sup>st</sup> April 2021. This makes DARAG the reinsurer of all insurance risk in Insr from that date. This will have the effect that the net profit from insurance risk accounted for in Q2 will be reversed. Hence any profit or loss arising from the insurance risk from

1<sup>st</sup> April 2021 do not have any effect on the result of the company going forward. The total cost of the agreement is expected to be between NOK 40 to 50 million.

The PTA transfer all legally obligations towards insurance customers to DARAG. This will remove all insurance related items from the balance sheet and make it possible to hand in the Insurance license. This agreement has to be approved by Norwegian and German regulators. There will not be additional cost related to this agreement other than transferring all necessary data and documentation to DARAG.



# Outlook

Winding down of the insurance activity is progressing well

Insr plans to gradually close the insurance operations during 2021, and no longer have any insurance contracts or insurance risk at the beginning of 2022. All Norwegian standard insurance policies are being renewed or amended in Storebrand. The transaction agreements that have been entered into with DARAG facilitate a transfer of the remaining parts of the Company's insurance portfolio including the Company's affinity business.

The Board aims to maximise shareholder value and seek the best solution for the company and its shareholders. The Board's immediate priority is still to ensure an orderly wind-down of the insurance activity. When this is done, the company can have value as foundation for renewed activity, most likely outside regulated insurance business. When the agreements to transfer insurance risk out from Insr now are in place, the strategic review can continue with the ambition to evaluate if there is a possibility for further business in Insr, a transaction with other parties, or if the company should be delisted and closed. There is still value in the company, even after the insurance business has been transferred.

It should however be noted that these values are insecure and may be challenging to realize.

The solvency ratio is 123 % at end of Q2 2021. As long as Insr carries insurance risk, that is until the PTA is in effect and the portfolio transfer to Storebrand is completed, there will be a need to follow and report on the solvency level. Until then, it is clear that the solvency situation will be challenging, not the least due to that small sums have a large impact on the solvency level.

As reported earlier, Insr is in a tight financial situation. The agreements with DARAG reduce the insecurity to a considerable extent, but they do not change the financial expectations for Insr in any material way compared to information given earlier. Thus, the expected end game is a small positive net equity, however still with a noticeable insecurity based on that small deviations have a significant impact on the outcome.

The Administration and the Board have a strong focus on handling the remaining tasks in a cost efficient way to be able to exit the insurance business with control of the solvency situation and to have good control of the financial situation in Insr.

Oslo, 16 August 2021

The Board of Directors  
Insr Insurance Group ASA

# Group Financial Statements

Condensed Consolidated Income Statement (NOK 1,000)						
	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Premium income</b>						
Gross premium earned	2. 3	69 515	285 284	224 756	589 120	1 108 704
Reinsurance share of premium		(20 348)	(100 828)	(68 471)	(216 759)	(393 457)
<b>Premium earned for own account</b>		<b>49 167</b>	<b>184 456</b>	<b>156 285</b>	<b>372 361</b>	<b>715 248</b>
Other insurance-related income	2	26 911	312	42 819	350	144 808
<b>Net premium incl. other insurance related income</b>		<b>76 078</b>	<b>184 768</b>	<b>199 104</b>	<b>372 711</b>	<b>860 056</b>
<b>Claims</b>						
Gross claims incurred	2. 3	(60 057)	(196 902)	(181 580)	(448 594)	(791 112)
Reinsurance share of gross claims incurred		22 349	71 643	59 260	169 486	267 929
<b>Claims incurred for own account</b>		<b>(37 708)</b>	<b>(125 259)</b>	<b>(122 320)</b>	<b>(279 108)</b>	<b>(523 183)</b>
<b>Operating expenses</b>						
Sales costs		(7 839)	(28 213)	(15 594)	(55 411)	(99 761)
Insurance-related administration costs		(30 070)	(48 304)	(68 655)	(96 532)	(264 485)
Commission received		6 214	17 034	10 693	41 493	74 547
<b>Total operating expenses for own account</b>		<b>(31 696)</b>	<b>(59 483)</b>	<b>(73 556)</b>	<b>(110 450)</b>	<b>(289 699)</b>
<b>Unexpired risk</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Technical result</b>	<b>2. 3</b>	<b>6 674</b>	<b>26</b>	<b>3 228</b>	<b>(16 847)</b>	<b>47 173</b>
<b>Non-technical result</b>						
Investment income		(326)	13 637	(853)	12 366	16 617
Interest income and other income	6	863	517	890	840	1 636
Interest expense and other expenses	6	(6 697)	(3 032)	(13 285)	(8 054)	(17 861)
Write-down of intangible assets		0	(231 933)	0	(231 933)	(272 600)
<b>Non-technical result</b>		<b>(6 160)</b>	<b>(220 811)</b>	<b>(13 248)</b>	<b>(226 781)</b>	<b>(272 207)</b>
<b>Result before tax</b>		<b>515</b>	<b>(220 785)</b>	<b>(10 020)</b>	<b>(243 628)</b>	<b>(225 033)</b>
Tax		0	0	0	0	0
<b>Net result from continued operations before OCI</b>		<b>515</b>	<b>(220 785)</b>	<b>(10 020)</b>	<b>(243 628)</b>	<b>(225 033)</b>
Profit/Loss from discontinued operations	3	3 224	(57 046)	(11 068)	(59 829)	(80 464)
<b>Net result from total operations before OCI</b>		<b>3 739</b>	<b>(277 831)</b>	<b>(21 088)</b>	<b>(303 457)</b>	<b>(305 497)</b>
Currency translation effects		(96)	399	166	(529)	(364)
<b>Total other comprehensive income (loss)</b>		<b>(96)</b>	<b>399</b>	<b>166</b>	<b>(529)</b>	<b>(364)</b>
<b>Total comprehensive income (loss)</b>		<b>3 643</b>	<b>(277 432)</b>	<b>(20 923)</b>	<b>(303 986)</b>	<b>(305 861)</b>
Diluted weighted average number of shares	4	148 167	148 167	148 167	148 167	148 167
<b>Diluted earnings (loss) per share</b>	<b>4</b>	<b>0,02</b>	<b>(1,87)</b>	<b>(0,14)</b>	<b>(2,05)</b>	<b>(2,06)</b>

**Condensed Consolidated Statement of Financial Position (NOK 1,000)**

<b>ASSETS</b>	<b>Note</b>	<b>30.06.2021</b>	<b>30.6.2020</b>	<b>31.12.2020</b>
<b>Intangible assets</b>				
Other intangible assets		0	54 181	0
<b>Total intangible assets</b>		<b>0</b>	<b>54 181</b>	<b>0</b>
<b>Investments</b>				
Investments in shares and parts	6	120	403	148
Bonds and other fixed-income securities	5, 6	510 883	840 237	631 572
<b>Total investments</b>		<b>511 003</b>	<b>840 640</b>	<b>631 720</b>
<b>Reinsurance share of gross technical provisions</b>				
Reinsurance share of gross premium provisions		9 312	184 680	102 441
Reinsurance share of gross claims provisions		266 434	365 027	292 439
<b>Total reinsurance share of gross technical provisions</b>		<b>275 746</b>	<b>549 707</b>	<b>394 881</b>
<b>Receivables</b>				
Receivables in connection with direct insurance and reinsurance	6	133 854	308 083	207 127
Receivables in connection with associates		26 702	162 587	103 325
Other receivables	2, 6	11 242	78 102	164 927
<b>Total receivables</b>		<b>171 798</b>	<b>548 772</b>	<b>475 379</b>
<b>Other assets</b>				
Cash and cash equivalents	6	73 868	100 969	136 188
Plant and equipment		0	10 896	0
<b>Total other assets</b>		<b>73 868</b>	<b>111 865</b>	<b>136 188</b>
<b>Prepaid expenses and earned income not received</b>				
Prepaid costs and earned income not received	6	6 753	21 857	18 592
<b>Total prepaid expenses and earned income not received</b>		<b>6 753</b>	<b>21 857</b>	<b>18 592</b>
<b>Total assets</b>		<b>1 039 167</b>	<b>2 127 021</b>	<b>1 656 760</b>

**Condensed Consolidated Statement of Financial Position (NOK 1,000)**

	Note	30.06.2021	30.6.2020	31.12.2020
<b>Paid-in equity</b>				
Share capital		118 534	118 534	118 534
Share premium		1 542 267	1 542 267	1 542 267
Sub.loan classified as equity		0	0	75 000
Other paid-in equity		75 000	0	0
<b>Total paid-in equity</b>		<b>1 735 801</b>	<b>1 660 801</b>	<b>1 735 801</b>
<b>Other equity</b>				
Other equity		(1 684 881)	-1 673 701	(1 665 170)
Other reserves		34 219	9 293	8 142
Provision for Natural Perils Fund		0	36 347	27 057
Provision for Guarantee scheme		56 227	57 363	56 227
<b>Total equity</b>		<b>141 367</b>	<b>90 103</b>	<b>162 056</b>
<b>Subordinated loans</b>				
		<b>75 818</b>	<b>151 093</b>	<b>75 773</b>
<b>Technical provisions</b>				
Gross premium reserve		39 096	599 782	385 433
Gross claims reserve		619 360	841 115	735 637
<b>Total technical provisions</b>		<b>658 456</b>	<b>1 440 897</b>	<b>1 121 070</b>
<b>Accrued liabilities</b>				
Pension liabilities		3 073	3 018	3 073
<b>Total Accrued liabilities</b>		<b>3 073</b>	<b>3 018</b>	<b>3 073</b>
<b>Financial liabilities</b>				
Liabilities in connection with direct insurance and reinsurance	6	95 717	170 391	96 793
Other liabilities	6	30 638	144 550	99 282
<b>Total financial liabilities</b>		<b>126 356</b>	<b>314 941</b>	<b>196 075</b>
<b>Accrued costs and received unearned income</b>				
	6	<b>34 097</b>	<b>126 968</b>	<b>98 713</b>
<b>Total liabilities</b>		<b>897 800</b>	<b>2 036 917</b>	<b>1 494 704</b>
<b>Total equity and liabilities</b>		<b>1 039 167</b>	<b>2 127 021</b>	<b>1 656 760</b>

**Condensed Consolidated Statement of Changes in Equity (NOK 1,000)**

	Subord.								
	Share capital	Share premium	Share loans class. as equity	Other paid in Equity	Other equity	Other reserves	Natural Perils Pool	Guarantee scheme	Total
<b>Equity as at 1st January 2020</b>	<b>118 534</b>	<b>1 542 267</b>	<b>75 000</b>	<b>0</b>	<b>(1 372 161)</b>	<b>9 185</b>	<b>38 686</b>	<b>57 363</b>	<b>468 873</b>
Changes in provisions					12 874	(108)	(11 630)	(1 136)	0
Option expenses					2 080	(935)			1 146
Result from continued operations					(225 033)				(225 033)
Result from disc. Operations					(80 464)				(80 464)
Other changes					(364)				(364)
Other result components					(2 101)				(2 101)
<b>Equity as at 31st December 2020</b>	<b>118 534</b>	<b>1 542 267</b>	<b>75 000</b>	<b>0</b>	<b>(1 665 169)</b>	<b>8 142</b>	<b>27 056</b>	<b>56 227</b>	<b>162 056</b>
<b>Equity as at 1st January 2021</b>	<b>118 534</b>	<b>1 542 267</b>	<b>75 000</b>	<b>0</b>	<b>(1 665 169)</b>	<b>8 142</b>	<b>27 056</b>	<b>56 227</b>	<b>162 056</b>
Changes in provisions					(7 163)	34 219	(27 056)		0
Option expenses					8 375	(8 142)			233
Profit before OCI					(21 088)				(21 088)
Other result components					166				166
Converting Tier 1 Loan to equity			(75 000)	75 000		0			0
<b>Equity as at 30th June 2021</b>	<b>118 534</b>	<b>1 542 267</b>	<b>0</b>	<b>75 000</b>	<b>(1 684 879)</b>	<b>34 219</b>	<b>0</b>	<b>56 227</b>	<b>141 368</b>

**Condensed Consolidated Statement of Cash Flow (NOK 1,000)**

	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Cash flow from operations</b>					
Paid in premiums	63 835	333 805	129 601	653 879	1 118 037
Paid claims	(140 746)	-264 504	(320 706)	(577 385)	(1 048 498)
Received from (Paid to) reinsurers	38 513	5 303	60 278	(15 459)	92 041
Paid operating expenses	(67 590)	-101 150	(144 293)	(176 406)	(425 966)
Interest income/-expense	(1 408)	-2 697	(2 785)	(5 149)	(7 061)
Other including traffic insurance tax	50 476	-18 936	101 169	(12 308)	(33 567)
<b>Net cash flow from operations</b>	<b>(56 920)</b>	<b>(48 180)</b>	<b>(176 736)</b>	<b>(132 828)</b>	<b>(305 014)</b>
<b>Cash flow from investment activities</b>					
Investments in assets	0	-8 879	0	(19 507)	260 100
Investments in fixed income funds	55 023	100 000	117 501	50 000	(19 507)
<b>Net cash flow from investment activities</b>	<b>55 023</b>	<b>91 121</b>	<b>117 501</b>	<b>30 493</b>	<b>240 593</b>
<b>Cash flow from financial activities</b>					
Repayment of lease liabilities	(11 625)	-1 215	(13 814)	(3 525)	(7 568)
Receipts of repayment on lease receivables	9 939	1 145	10 274	2 205	3 973
<b>Net cash flow from financing activities</b>	<b>(1 686)</b>	<b>(70)</b>	<b>(3 540)</b>	<b>(1 320)</b>	<b>(3 595)</b>
Exchange rate differences on cash and cash equivalents	472	-952	454	149	(272)
<b>Net cash flow for the period</b>	<b>(3 111)</b>	<b>41 919</b>	<b>(62 320)</b>	<b>(103 506)</b>	<b>(68 288)</b>
Cash and cash equivalents at the beginning of the period	76 978	59 048	136 188	204 475	204 475
Cash and cash equivalents at the end of the period	73 868	100 969	73 868	100 969	136 188
<b>Net cash flow for the period</b>	<b>(3 111)</b>	<b>41 919</b>	<b>(62 320)</b>	<b>(103 506)</b>	<b>(68 288)</b>
<b>Specification of cash and cash equivalents</b>					
Cash in bank	65 381	89 089	65 381	89 089	123 626
Restricted cash	8 486	11 880	8 486	11 880	12 562
<b>Total cash and cash equivalents</b>	<b>73 868</b>	<b>100 969</b>	<b>73 868</b>	<b>100 969</b>	<b>136 188</b>

# Notes to the Financial Statements

## NOTE 1 Accounting principles

These interim accounts have been prepared according to IFRS and IAS 34 Interim Financial Reporting, and are in line with the principles described in the annual report for 2020. For further information, please see the annual report.

There are no significant effects from adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard that has been issued but is not yet effective.

The interim financial statements are not audited.

## NOTE 2 Other insurance related income

Other insurance related income (NOK 1,000)	YTD 2021	YTD 2020
Gross gain from sale of customer portfolio *	42 130	139 854
Other insurance related income	689	4 954
<b>Total other insurance related income</b>	<b>42 819</b>	<b>144 808</b>

### \* Net gain from sale of customer portfolio:

Gross gain from sale of customer portfolio	42 130
Gains transferred to sales partners booked as sales cost	(10 093)
<b>Net gain from sale of customer portfolio</b>	<b>32 037</b>

Seller's credit on sale of customer portfolio (NOK 1,000)	30.06.21
Book value as at 31.12.2020	139 854
Commission invoiced Storebrand	(168 256)
Estimate change of income from transaction	28 649
<b>Book value as at 30.6.2021</b>	<b>247</b>

Income from the agreement with Storebrand for the sale of the substantial part of Insr Insurance Group's Norwegian insurance portfolio, was recognized in December 2020 as an estimate of the expected consideration from the transaction that is highly probable not to be reversed.

The set transaction price is reassessed each reporting period. Estimate changes is recognized as increase or decrease in revenue in the period.

After 6 months Insr has invoiced commission of MNOK 168.3, which is MNOK 28.4 higher than the estimated total by 31.12.20 of MNOK 139,9.

### NOTE 3 Discontinued operations

On September 18<sup>th</sup>, 2019, Insr announced that the company is no longer writing insurance in Denmark with immediate effect. The office in Denmark would be closed. The business redefined as discontinued operations represents the geographic area Denmark, defined earlier as an operating segment. Sweden was discontinued in 2016.

The results of these two foreign operations are presented as "discontinued operations" according to IFRS 5. Historic figures have been restated to present comparable figures for both continued and discontinued operations.

#### Condensed Consolidated Income Statement (NOK 1,000)

2021	Note	NO Q2 2021	DK/SE Q2 2021	Total Q2 2021	NO Q2 YTD 2021	DK/SE Q2 YTD 2021	Total YTD 2021
<b>Premium income</b>							
Gross premium earned	2	69 515	0	69 515	224 756	(1 122)	223 634
Reinsurance share of premium		(20 348)	0	(20 348)	(68 471)	487	(67 984)
<b>Premium earned for own account</b>		<b>49 167</b>	<b>0</b>	<b>49 167</b>	<b>156 285</b>	<b>(635)</b>	<b>155 651</b>
Other insurance-related income		26 911	0	26 911	42 819	0	42 819
<b>Net premium incl. other insurance related income</b>		<b>76 078</b>	<b>0</b>	<b>76 078</b>	<b>199 104</b>	<b>(635)</b>	<b>198 469</b>
<b>Claims</b>							
Gross claims incurred	2	(60 057)	(1 256)	(61 313)	(181 580)	(40 935)	(222 515)
Reinsurance share of gross claims incurred		22 349	8 110	30 459	59 260	32 875	92 135
<b>Claims incurred for own account</b>		<b>(37 708)</b>	<b>6 854</b>	<b>(30 854)</b>	<b>(122 320)</b>	<b>(8 060)</b>	<b>(130 381)</b>
<b>Operating expenses</b>							
Sales costs		(7 839)	0	(7 839)	(15 594)	0	(15 594)
Insurance-related administration costs		(30 070)	(910)	(30 980)	(68 655)	259	(68 396)
Commission received		6 214	(827)	5 387	10 693	(738)	9 954
<b>Total operating expenses for own account</b>		<b>(31 696)</b>	<b>(1 736)</b>	<b>(33 432)</b>	<b>(73 556)</b>	<b>(479)</b>	<b>(74 035)</b>
<b>Unexpired risk</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Technical result</b>	<b>2</b>	<b>6 674</b>	<b>5 118</b>	<b>11 792</b>	<b>3 228</b>	<b>(9 174)</b>	<b>(5 946)</b>
<b>Non-technical result</b>							
Investment income		(326)	0	(326)	(853)	0	(853)
Interest income and other income		863	0	863	890	0	890
Interest expense and other expenses		(6 697)	(1 893)	(8 590)	(13 285)	(1 894)	(15 179)
Write-down of intangible assets		0	0	0	0	0	0
<b>Non-technical result</b>		<b>(6 160)</b>	<b>(1 893)</b>	<b>(8 053)</b>	<b>(13 248)</b>	<b>(1 894)</b>	<b>(15 142)</b>
<b>Result before tax</b>		<b>515</b>	<b>3 224</b>	<b>3 739</b>	<b>(10 020)</b>	<b>(11 068)</b>	<b>(21 088)</b>
Tax		0	0	0	0	0	0
<b>Net result from total operations before OCI</b>		<b>515</b>	<b>3 224</b>	<b>3 739</b>	<b>(10 020)</b>	<b>(11 068)</b>	<b>(21 088)</b>
Currency translation effects		0	(96)	(96)	0	166	166
<b>Total other comprehensive income (loss)</b>		<b>0</b>	<b>(96)</b>	<b>(96)</b>	<b>0</b>	<b>166</b>	<b>166</b>
<b>Total comprehensive income (loss)</b>		<b>515</b>	<b>3 128</b>	<b>3 643</b>	<b>(10 020)</b>	<b>(10 902)</b>	<b>(20 923)</b>
Diluted weighted average number of shares	4	148 167	148 167	148 167	148 167	148 167	148 167
<b>Diluted earnings (loss) per share</b>	<b>4</b>	<b>0,00</b>	<b>0,02</b>	<b>0,02</b>	<b>(0,07)</b>	<b>(0,07)</b>	<b>(0,14)</b>

2021	NO Q2 2021	DK/SE Q2 2021	Total Q2 2021	NO Q2 YTD 2021	DK/SE Q2 YTD 2021	Total YTD 2021
Gross claims ratio	86,4%	-	88,2%	67,9%	-	83,5%
Gross cost ratio	54,5%	-	55,8%	31,5%	-	31,5%
Net loss ratio	76,7%	-	62,8%	61,4%	-	65,7%
Net cost ratio	64,5%	-	68,0%	30,4%	-	30,7%

## NOTE 4 Earnings (loss) per share

(NOK 1,000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net result incl. comprehensive income	3 643	(277 432)	(20 923)	(303 986)	(305 861)
<b>Basic earnings (loss) per share and diluted</b>	<b>0,02</b>	<b>(1,87)</b>	<b>(0,14)</b>	<b>(2,05)</b>	<b>(2,06)</b>

(NOK 1,000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
Net result incl. comprehensive income	3 643	(277 432)	(20 923)	(303 986)	(305 861)
Weighted average of ordinary shares (in 1,000)	148 167	148 167	148 167	148 167	148 167
Diluted weighted average of shares (in 1,000)	148 167	148 167	148 167	148 167	148 167
<b>Earnings (loss) per share diluted</b>	<b>0,02</b>	<b>(1,87)</b>	<b>(0,14)</b>	<b>(2,05)</b>	<b>(2,06)</b>

## NOTE 5 Bonds and other fixed-income securities

The value of the investment portfolio as of June 30th, 2021, was NOK 511 million, the majority (approx. 78%) invested in Norwegian money market funds and a smaller portion (approx. 22%) in Nordic investment grade bond funds. The funds are managed externally.

## Note 6 Financial assets and liabilities

	Fair value level	Book value 30.06.2021	Market value 30.06.2021	Book value 31.12.2020	Market value 31.12.2020
<b>Financial assets</b>					
Investments in shares and parts	2	120	120	148	148
Bonds and other fixed-income securities	1	510 883	510 883	631 572	631 572
Other financial assets	2	0	0	0	0
Receivables in connection with direct insurance and rein:	2	133 854	133 854	207 127	207 127
Other receivables	2	11 242	11 242	164 927	164 927
Prepaid costs and earned income not received	2	6 753	6 753	18 592	18 592
Cash and cash equivalents	1	73 868	73 868	136 188	136 188
<b>Total financial assets</b>		<b>736 719</b>	<b>736 719</b>	<b>1 158 554</b>	<b>1 158 554</b>

	Fair value level	Book value 30.06.2021	Market value 30.06.2021	Book value 31.12.2020	Market value 31.12.2020
<b>Financial liabilities</b>					
Subordinated loans	2	75 818	75 818	75 773	75 773
Other liabilities	2	30 638	30 638	99 282	99 282
Premium deposits from reinsurance companies	2	-	-	-	-
Liabilities in connection with direct insurance and reinsur	2	95 717	95 717	96 793	96 793
Accrued costs and received unearned income	2	34 097	34 097	98 713	98 713
<b>Total financial liabilities</b>		<b>236 271</b>	<b>236 271</b>	<b>370 561</b>	<b>370 561</b>

Investments in exchange traded funds (ETF) are valued based on quoted prices in active markets, classified as Level 1 in the valuation hierarchy. Other financial assets and liabilities are valued based on observable market data, classified as Level 2 in the valuation hierarchy. The Group has no financial assets or liabilities classified as Level 3 valuations, i.e., valued based on un-observable market data.



## Note 7 Subsequent Events

Insr has entered into a Loss Portfolio Transfer (LPT) followed by a Portfolio Transfer Agreement (PTA) with DARAG Deutschland AG (DARAG) signed August 14<sup>th</sup> 2021.

All of Insr's remaining insurance business will form part of this proposed transaction.

The LPT is a reinsurance with effect from 1<sup>st</sup> April 2021. This makes DARAG the reinsurer of all insurance risk in Insr from that date. This will have the effect that the net profit from insurance risk accounted for in Q2 will be reversed. Hence any profit or loss arising from the insurance risk from 1<sup>st</sup> April 2021 do not have any effect on the result of the company going forward. The total cost of the agreement is expected to be between NOK 40 to 50 million.

The PTA transfer all legally obligations towards insurance customers to DARAG. This will remove all insurance related items from the balance sheet and make it possible to hand in the Insurance license. This agreement has to be approved by Norwegian and German regulators. There will not be additional cost related to this agreement other than transferring all necessary data and documentation to DARAG.

# Additional Financial Data

## Insr ASA Unconsolidated<sup>1</sup>

Insr ASA Condensed Income Statement (NOK 1,000)					
	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<b>Premium income</b>					
Gross premium earned	69 515	297 181	223 634	628 761	1 153 653
Reinsurance share of premium	(20 348)	(108 408)	(67 984)	(234 039)	(412 774)
<b>Premium earned for own account</b>	<b>49 167</b>	<b>188 773</b>	<b>155 651</b>	<b>394 722</b>	<b>740 879</b>
Other insurance-related income	21 997	312	37 904	350	119 808
<b>Net premium incl. other insurance related income</b>	<b>71 164</b>	<b>189 085</b>	<b>193 555</b>	<b>395 072</b>	<b>860 687</b>
<b>Claims</b>					
Gross claims incurred	(61 313)	(230 202)	(222 515)	(511 424)	(883 427)
Reinsurance share of gross claims incurred	30 459	82 607	92 135	194 002	304 914
<b>Claims incurred for own account</b>	<b>(30 854)</b>	<b>(147 595)</b>	<b>(130 381)</b>	<b>(317 422)</b>	<b>(578 513)</b>
<b>Operating expenses</b>					
Sales costs	(7 839)	(31 655)	(15 594)	(66 326)	(124 293)
Insurance-related administration costs	(30 354)	(53 811)	(67 655)	(104 868)	(259 090)
Commission received	5 387	18 727	9 954	45 394	78 163
<b>Total operating expenses for own account</b>	<b>(32 806)</b>	<b>(66 739)</b>	<b>(73 294)</b>	<b>(125 800)</b>	<b>(305 220)</b>
<b>Unexpired risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Technical result</b>	<b>7 504</b>	<b>(25 249)</b>	<b>(10 120)</b>	<b>(48 150)</b>	<b>(23 046)</b>
<b>Non-technical result</b>					
Investment income	(326)	13 637	(853)	12 366	15 081
Interest income and other income	863	1 105	1 007	2 160	4 296
Interest expense and other expenses	(3 949)	(35 036)	(10 538)	(46 289)	(109 704)
Write-down of tangible and intangible assets	0	(218 290)	0	(218 290)	(258 957)
<b>Non-technical result</b>	<b>(3 412)</b>	<b>(238 584)</b>	<b>(10 383)</b>	<b>(250 053)</b>	<b>(349 284)</b>
<b>Result before tax</b>	<b>4 092</b>	<b>(263 833)</b>	<b>(20 503)</b>	<b>(298 203)</b>	<b>(372 330)</b>
Tax	0	0	0	0	0
<b>Net result</b>	<b>4 092</b>	<b>(263 833)</b>	<b>(20 503)</b>	<b>(298 203)</b>	<b>(372 330)</b>

<sup>1</sup> These unconsolidated figures include both continued and discontinued operations.

**Insr ASA Condensed Statement of Financial Position (NOK 1,000)**

<b>ASSETS</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
<b>Investments</b>		
Investments in shares and parts	120	148
Bonds and other fixed-income securities	510 883	631 572
<b>Total investments</b>	<b>511 003</b>	<b>631 720</b>
<b>Reinsurance share of gross technical provisions</b>		
Reinsurance share of gross premium provisions	9 312	102 441
Reinsurance share of gross claims provisions	266 434	292 439
<b>Total reinsurance share of gross technical provisions</b>	<b>275 746</b>	<b>394 881</b>
<b>Receivables</b>		
Receivables in connection with direct insurance and reinsurance	160 556	207 127
Receivables in connection with associates	10 308	103 325
Other receivables	8 277	174 220
<b>Total receivables</b>	<b>179 141</b>	<b>484 673</b>
Cash and cash equivalents	69 797	130 162
<b>Total other assets</b>	<b>69 797</b>	<b>130 162</b>
<b>Prepaid expenses and earned income not received</b>		
Prepaid costs and earned income not received	6 753	18 592
<b>Total prepaid expenses and earned income not received</b>	<b>6 753</b>	<b>18 592</b>
<b>Total assets</b>	<b>1 042 440</b>	<b>1 660 028</b>

**Insr ASA Condensed Statement of Financial Position**

<b>EQUITY AND LIABILITIES</b>	<b>30.06.2021</b>	<b>31.12.2020</b>
<b>Paid-in equity</b>		
Share capital	118 534	118 534
Share premium	1 542 267	1 542 267
Sub.loan classified as equity	0	75 000
Other paid-in equity	75 000	0
<b>Total paid-in equity</b>	<b>1 735 801</b>	<b>1 735 801</b>
Other equity	(1 681 364)	(1 662 073)
Other reserves	34 219	8 142
Provision for Natural Perils Fund	0	27 057
Provision for Guarantee scheme	56 227	56 227
<b>Total equity</b>	<b>144 883</b>	<b>165 153</b>
<b>Subordinated loans</b>	<b>75 818</b>	<b>75 773</b>
<b>Technical provisions</b>		
Gross premium reserve	39 096	385 433
Gross claims reserve	619 360	735 637
<b>Total technical provisions</b>	<b>658 456</b>	<b>1 121 070</b>
<b>Accrued liabilities</b>		
Pension liabilities	3 073	3 073
<b>Total Accrued liabilities</b>	<b>3 073</b>	<b>3 073</b>
<b>Financial liabilities</b>		
Liabilities in connection with direct insurance and reinsurance	95 717	96 793
Other liabilities	30 395	99 453
<b>Total financial liabilities</b>	<b>126 112</b>	<b>196 246</b>
<b>Accrued costs and received unearned income</b>	<b>34 098</b>	<b>98 713</b>
<b>Total liabilities</b>	<b>897 557</b>	<b>1 494 875</b>
<b>Total equity and liabilities</b>	<b>1 042 440</b>	<b>1 660 028</b>

# Insr Insurance Group ASA – Declaration by the members of the Board and the CEO

The presented set of condensed financial statements for the period 1 January to 30 June 2021 have been prepared and presented in accordance with IAS 34 Interim Financial Reporting as endorsed by the EU, and the additional requirements found in the Norwegian Securities Trading Act.

We confirm, to the best of our knowledge, that the information disclosed in the financial statements provides a true and fair view of the Group's assets, liabilities, financial position, and profit as a whole.

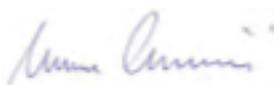
We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the presented set of financial statements. It also provides a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, 16 August 2021

Board of Directors and CEO of Insr Insurance Group ASA



Øystein Engebretsen  
Styreleder



Dr. Immo Querner  
Styremedlem



Marika Wærn  
Styremedlem



Stephanie Kleipass  
Styremedlem



Christoffer Rudbeck  
Styremedlem (ansattvalgt)



Niclas Ward,  
Konsernsjef

# Glossary

**Available capital:** Capital available for solvency purposes, determined under regulatory rules

**Solvency capital requirement (SCR):** The amount of capital the company is required to hold to fulfil regulatory requirements under Solvency II. The Standard formula is used to calculate SCR.

**Solvency ratio:** Available capital / Solvency capital requirement

**Vintages:** Policies written in prior underwriting years.

**Underwriting year:** The year commencing with the effective date of a policy or with the renewal date of that policy.

**Portfolio:** Sum of annualised premium for all insured as of given date

**Written premium:** Total premium on policies issued during a specific period

**Earned premium:** premium recorded during a specific period based on the ratio of the time passed on the policies to their coverage period

**Net / For own account (f.o.a.):** Net of reinsurance

**Net earned premium:** premium for own account, i.e. after deducting premium shared with reinsurers

**Technical result:** Result before return on investment, other income, other costs and taxes

**Gross underwriting result:**  $(1 - \text{Gross combined ratio}) * \text{Gross premium earned}$

**Net underwriting result:**  $(1 - \text{Net combined ratio}) * \text{Earned premium f.o.a.}$

**Gross loss ratio:** Gross claims incurred / Gross premium earned

**Gross cost ratio:** Sales and administration costs / Gross premium earned

**Gross combined ratio:** Gross loss ratio + Gross cost ratio

**Net Loss ratio / Loss ratio f.o.a.:** Claims incurred f.o.a. / Earned premium f.o.a.

**Net Cost ratio / Cost ratio f.o.a.:** Administration costs f.o.a. / Earned premium f.o.a.

**Net Combined ratio / Combined ratio f.o.a.:** Loss ratio f.o.a. + Cost ratio f.o.a.

**Unexpired risk (previously termed non-adjusted risk):** The excess risk, if expected claims and claims handling costs for future claims related to insurance contracts effective at the reporting date exceed the unearned premium reserves.

## Disclaimer

This report may contain forward-looking statements, which are based on our current expectations and projections about future events. The terms “anticipates”, “assumes”, “believes”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “should”, “projects”, “will”, “would” or, in each case, their negative, or other variations or comparable terminology are used to identify forward-looking statements. All statements other than statements of historical facts included in this report, including statements regarding our future financial position, risks and uncertainties related to our business, strategy and our plans and objectives for future operations, may be deemed to be forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guaranteeing future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this report, and we do not intend and do not assume any obligation to update any statements set forth in this report.

# Financial Calendar

**Third Quarter 2021 Results**

November 17, 2021

# Investor Contact

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