



FOURTH QUARTER AND PRELIMINARY 2019

INSR INSURANCE GROUP ASA

Q4 and Full year 2019 Highlights

12m Net Earned Premium Growth* Q4: 6% FY: 19%	Net Result (MNOK) Q4: -16.9 FY: -92.1 FY continued: -47.6	Solvency Ratio 147%
Gross Loss Ratio* Q4: 76% FY: 78%	Net Loss Ratio* Q4: 74% FY: 77%	Gross Combined Ratio* Q4: 106% FY: 104%

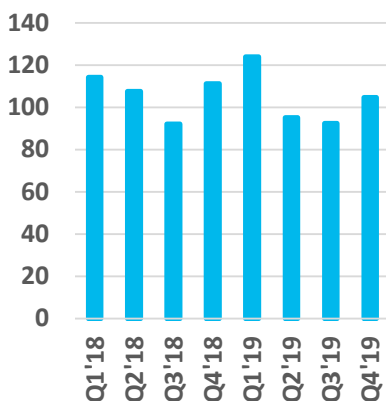
Positive Q4 result - excluding non-recurring NOK 18.1 million

Nemi franchise turnaround successfully completed

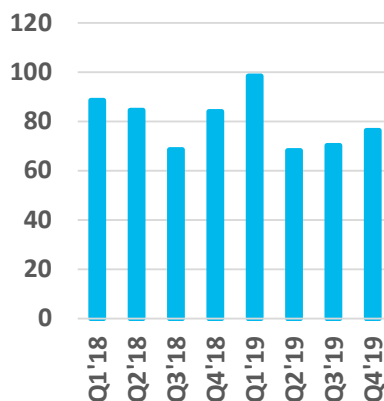
Several new customers signed, fuelling growth from 2021

Aiming for profitable 2020 following two years of strong actions

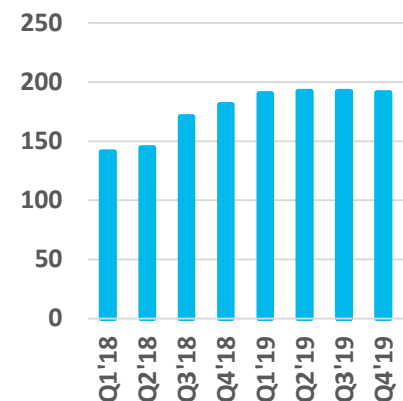
Gross Combined Ratio*



Gross Loss Ratio*



Net Earned Prem. (MNOK)*



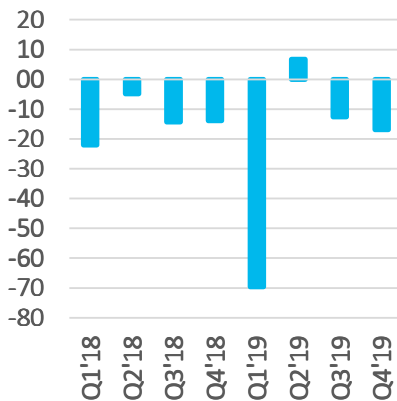
*) The report presents the continued business, segment Norway. Historic figures have been restated.

Consolidated Key Figures*

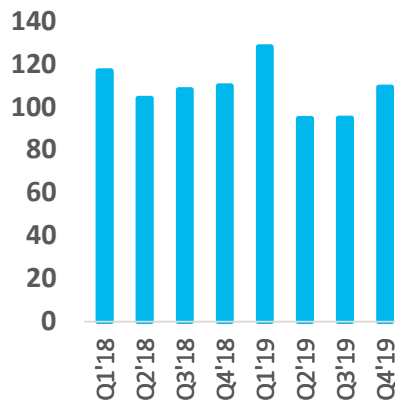
(MNOK except otherwise stated)	Q4 2019	Q4 2018	FY 2019	FY 2018
Gross premium earned ¹⁾	322,0	337,4	1.317,9	1.332,4
Gross claims incurred	(243,5)	(282,7)	(1.027,2)	(1.076,0)
Sales costs	(41,5)	(34,5)	(155,9)	(148,4)
Insurance-related administration costs	(52,9)	(56,5)	(185,2)	(197,1)
Gross underwriting result	(15,8)	(36,2)	(50,4)	(89,1)
Reinsurance result	1,5	19,5	6,4	28,4
Net earned premium ¹⁾	194,5	181,9	772,0	646,6
Net claims incurred	(141,8)	(145,1)	(589,2)	(520,6)
Net costs	(67,0)	(53,6)	(226,9)	(186,6)
Net underwriting result ²⁾	(14,3)	(16,8)	(44,0)	(60,7)
Investment income	0,9	5,5	9,5	9,4
Other items ³⁾	(3,6)	(1,9)	(13,1)	(5,1)
Net result from continued operations	(17,0)	(13,2)	(47,6)	(56,3)
Result from discontinued op's incl. OCI	0,1	(0,6)	(44,5)	(14,0)
Net result	(16,9)	(13,8)	(92,1)	(70,3)
Gross loss ratio	76,4%	84,0%	78,3%	81,0%
Gross sales ratio	13,0%	10,2%	11,9%	11,2%
Gross cost ratio	29,6%	27,0%	26,0%	26,0%
Gross combined ratio	105,9%	111,1%	104,3%	107,0%
Net loss ratio	74,2%	80,2%	77,0%	81,0%
Net cost ratio	35,0%	29,6%	29,6%	29,0%
Net combined ratio	109,2%	109,9%	106,6%	110,1%
Solvency ratio	147%	153%	147%	153%
Earnings per (diluted) share	(0,12)	(0,10)	(0,67)	(0,52)

*) Restated, excluding discontinued business in Denmark 1) Includes other insurance related income 2) Includes unexpired risk
3) Includes interest paid, currency effects, other income and costs, and other comprehensive income (OCI)

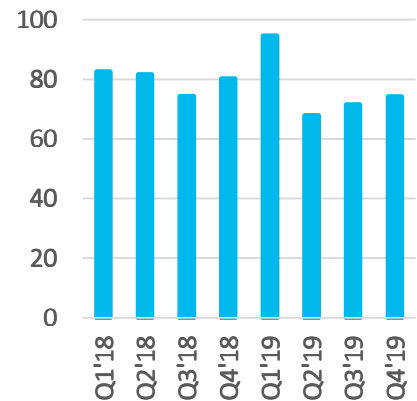
Total Net Result



Net Combined Ratio*



Net Loss Ratio*



Message from the CEO

Following significant non-recurring items affecting financial results for 2019, our top priority in 2020 is to achieve profitability. The ongoing price increases and pruning will contribute to an improved loss ratio. The cost ratio is also coming down as the restructuring phase is coming to an end.

Moreover, we have stopped the losses from the discontinued Danish business, which accounts for half the loss for the full year 2019. This close-down was an important element of streamlining and simplifying our business.

We did not grow our customer base in 2019, due to the consolidation and rightsizing of our business, but we did secure strong growth in retained revenues, due to the fact that we continued to reduce reinsurance and increase our exposure to insurance risk. This financial rightsizing of the balance sheet will be a key contributor to profitability in 2020 and the following years. We will start to grow again, both in the traditional Nemi franchise channel and in the partner business. Thus, we maintain our medium-term target of low double-digit growth.

Nemi price levels were increased already during 2018, resulting in a below 70% loss ratio for this

MNOK 900 million revenue business in 2019. Many franchisees have been replaced by new, agile entities, that are in the process of onboarding new sales staff. I am very excited about the growth potential stemming from this high-quality salesforce with proven ability to give insurance advisory and not just a low price. During fourth quarter we onboarded five new franchisees and twenty sales staff.

We have signed several partner agreements during the last few months. These agreements will need ramp-up time, but it is great to see the interest in our white label insurance solutions. Our dedicated sales team has built pipeline since 2017. Today, there are more than 100 active sales processes.

The five-year turnaround of the company originating from Vardia and Nemi has led to a focused, de-risked operation with a dedicated organization fit for profitable growth. I am truly excited about 2020.

Finally, to further strengthen our core insurance focus, I am happy to welcome Head of Claims Poyan Sinalipour and Head of Pricing Øystein Tråsdahl as new members of the group management team.



Chief Executive Officer

Fourth Quarter 2019 Results

General summary

Net earned premium in the quarter, including other insurance related income, was NOK 194.5 million (NOK 181.9 million). Net premium growth from fourth quarter last year was 6%.

Gross and net loss ratios were 76.4% and 74.2% respectively (84.0% and 80.2%). The loss ratio is somewhat above expectations, given the increased premium per policy. Our franchise and direct operation under the Nemi brand deliver at the medium-term target of 70%. The loss ratio still is higher for other partners, reflecting pruning and pricing actions lagging Nemi with one year.

The gross cost ratio was 29.6% (27.0%). This includes significant non-recurring items, further described below.

Gross combined ratio was 105.9% (111.1%). Net combined ratio was 109.2% (109.9%).

Discontinued business breaks even in the quarter. There are no longer sales costs in

Denmark, and expenses for the wind-up and administration are matched by earned premium from still active insurance contracts.

The result ceded to reinsurers is NOK 1.5 million this quarter (NOK 19.5 million).

Net underwriting result for the quarter was a loss of NOK 10.3 million (NOK 16.8 million loss).

The net result was a loss of NOK 16.9 million. This includes NOK 18.1 million non-recurring costs, split on accounting lines as shown in the table. Descriptions are included in the relevant sections below.

Non-recurring items in the quarter

Administration costs	5.6
Sales costs	3.3
Financial expenses	1.7
Discontinued business	7.5
Total non-recurring Q4 2019 (NOK million)	18.1

Premium

<i>(MNOK except otherwise stated)</i>	Q4 2019	Q4 2018	FY 2019	FY 2018
Gross written premium Norway	326,6	387,7	1.233,7	1.335,9
Gross earned premium Norway	318,7	336,3	1.311,3	1.328,2
Net earned premium Norway	191,2	180,9	765,4	642,4

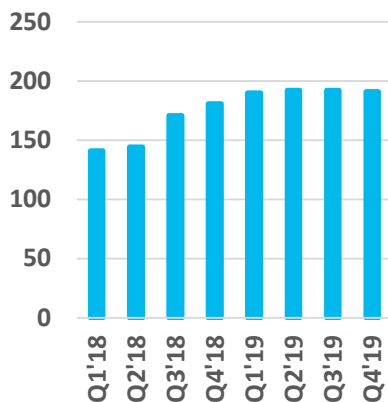
Net earned premium in the quarter was NOK 191.2 million (NOK 180.9 million). Growth in net earned premium continues in the continued segment Norway; 6% from same quarter last year.

Gross earned premium was NOK 318.7 million (NOK 336.3 million) and Gross written premium NOK 326.6 million (NOK 387.7 million). A strong focus on profitability has led to cancellation of some distribution partnerships and some intended churn. This reduces the top line but is part of the normal pruning activity in our business.

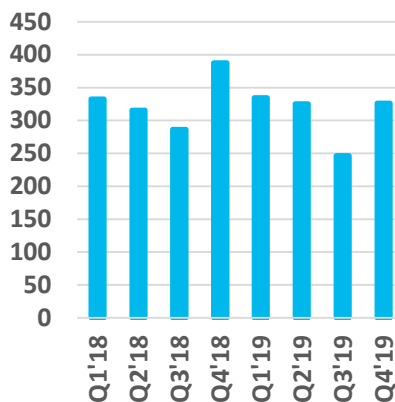
A project to improve the agents' sales pitch and ability to add value has been running through 2019. The Nemi sales force in the fourth quarter grew with 5 tied agents contributing around 20 new sales staff.

Price increases continue to contribute to premium growth. Insr is now the insurance company with the steepest price increases on private motor over the past two years. At 6.5% below market average, pricing is still attractive to end customers.

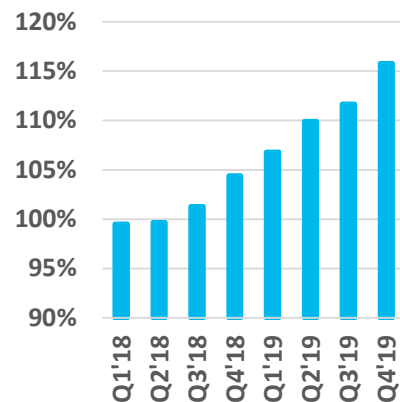
Net Earned Premium*



Gross Written Premium*



Insr Indexed Price Car¹



¹ Passenger car premium in Norway, both private and commercial customers, as reported to FNO, indexed to Q4 '17.

*) Restated, excluding discontinued business in Denmark

Claims

(MNOK except otherwise stated)

	Q4 2019	Q4 2018	FY 2019	FY 2018
Gross claims	(243,5)	(282,7)	(1.027,2)	(1.076,0)
Ceded claims	101,7	137,5	438,0	555,4
Net claims	(141,8)	(145,1)	(589,2)	(520,6)
Gross loss ratio	76,4%	84,0%	78,3%	81,0%
Ceded loss ratio	79,7%	88,5%	80,2%	81,0%
Net loss ratio	74,2%	80,2%	77,0%	81,0%

The gross loss ratio for continued business in the quarter was 76.4% (84.0%).

Run-off gains are small this quarter, as they were one year ago. The reserving policy is the same and reserves at the same level as one year ago.

The net loss ratio was better than the gross loss ratio at 74.2% (80.2%). The difference is primarily caused by the different quota cession levels between product groups with different claims ratios.

Sales and Administration Costs

Sales costs of NOK 41.5 million (NOK 34.5 million) give a sales cost ratio of 13.0% (10.2%). This includes a one-time settlement with a previous partner of NOK 3.3 million. Fourth quarter 2018 had unusually low sales costs due to performance-based commission adjustments on a contract.

Administration costs for Norway were NOK 52.9 million (NOK 56.5 million), giving a gross administration cost ratio of 16.6% (16.8%). The reduction comes despite NOK 6.0 million of non-recurring items. There were additional costs related to closing Denmark and dealing with the

cyber-attack. Estimated VAT in connection with a closed Swedish subsidiary for the years 2015-2019 gave a one-off expense of NOK 4.0 million.

Accelerated IT investments are primarily visible in the cash flow and solvency capital. Under IFRS, NOK 8.2 million in investments in a modernised IT infrastructure have been capitalised this quarter. The IT investments primarily improve IT security, the sales interface for tied agents, and future multi-brand capabilities.

Gross cost ratio was 29.6% (27.0%).

Investment income and Financial expenses

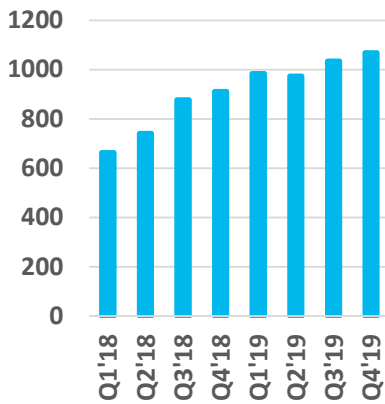
Net income from financial assets and interest income was NOK 0.9 million in the quarter (NOK 5.5. million). The investment result was negatively impacted by Danish covered bonds.

The investment portfolio, including cash in bank, is NOK 1069 million, significantly up from same

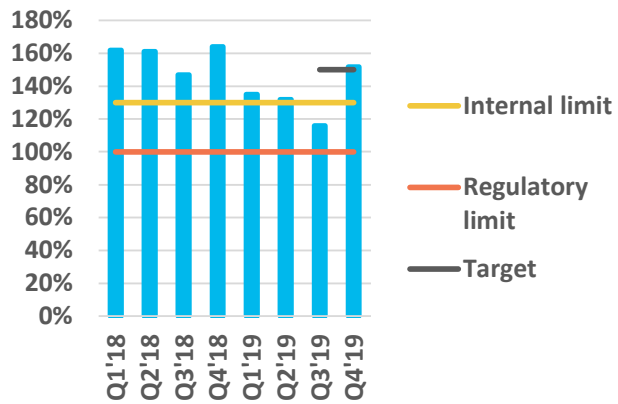
time last year of NOK 911 million.

Interest expense and other financial expenses was NOK 4.9 million (NOK 4.3 million). This includes NOK 1.7 million of non-recurring costs; primarily a correction of a subsidiary dividend.

Investment Portfolio incl. cash



Solvency Ratio



Preliminary Full Year 2019 Results

General summary

Net earned premium in the year, including other insurance related income was NOK 772.0 million (NOK 646.6 million); a growth year on year of 19.4%.

Gross and net loss ratios were 78.3% and 77.0% respectively (81.0% and 81.0%). Claims ratios improved, but are above the medium-term target, primarily due to poor motor results at the beginning of the year. A harsh winter caused high car insurance losses in the entire Norwegian insurance market.

The gross cost ratio remained 26.0%. Costs above the medium-term target are primarily due to administration costs. In the beginning of the year, continued clean-up in the accounting department required additional workhands and auditor efforts, and in the fall, closing Denmark and transferring related activities added workload.

Gross combined ratio improved to 104.3% (107.0%). Net combined ratio was 106.6% (110.1%). Net underwriting result for the continued business was a loss of NOK 44.0 million (loss of NOK 60.7 million).

Premium

Net earned premium in the year, including other insurance related income, was NOK 772.0 million (NOK 646.6 million), a growth year on year of 19.4%.

Gross earned premium was NOK 1 311.3 million (NOK 1 328.2 million). Gross written premium was NOK 1 233.7 million (NOK 1 335.9 million).

A strong focus on profitability has led to cancellation of some distribution partnerships and

The result ceded to reinsurers is NOK 6.4 million (NOK 28.4 million).

2019 was a year significantly impacted by non-recurring items. The net result for 2019 was a loss of NOK 92.1 million. Discontinued activities account for nearly half the loss in the year, NOK 44.5 million, primarily due to extraordinary items in both Sweden and Denmark. Continued business had a loss of NOK 47.6 million.

The table below describes the split between accounting categories for non-recurring items summing to NOK 40.4 million for the year.

Non-recurring items FY 2019

Administration costs	6.8
Sales costs	3.3
Financial expenses	4.9
Discontinued business	25.4
Total non-recurring Q4 2019 (NOK mn)	40.4

intended churn. This reduces the top line but is part of the normal pruning activity in our business. The sales force in Nemi grew substantially in the fourth quarter. The wholesale model gives volume fluctuations when customers join and leave, while the pipeline of interested potential customers continues to grow.

Price increases continue to contribute to premium growth.

Claims

The gross loss ratio improved to 78.3% from 81.0%, and the improvement would have been more pronounced with a milder winter at the beginning of 2019.

Gross claims results benefit from run-off gains of NOK 28 million in 2019 compared to NOK 41

million in 2018. The reserving policy is the same and reserves at the same level as in 2018.

The net loss ratio was somewhat better than the gross ratio at 77.0% (81.0%). The difference is primarily due to different reinsurance cessions and claims ratios for main product groups.

Sales and Administrative Costs

Gross cost ratio was 26.0%, the same as in 2018. This corresponds to gross operating expenses of NOK 341.1 million (NOK 345.4 million).

Sales costs were NOK 155.9 million (NOK 148.4 million) and administration costs were reduced NOK 185.2 million (NOK 197.1 million).

Costs remain above the medium-term target, primarily due to administration costs. In the beginning of the year, continued clean-up in the

accounting department required additional workhands and auditor efforts and aligning the organisation with the strategy resulted in some redundancy costs. In the fall, winding up and transferring activities from Denmark added workload and VAT due was re-estimated.

Sales costs of NOK 155.9 million (NOK 148.4 million) give a sales cost ratio of 11.9% (11.2%). This is in line with expectations and the medium-term target.

Investment income and Financial expenses

Net income from financial assets and interest income was NOK 9.5 million in 2019 (NOK 9.4 million). The average investment portfolio was up 30% in 2019 compared to 2018, and market results were more positive. However, the 2019 investment result includes a negative NOK 4.0 million revaluation of the investment in Tribe Holding AS and negative value development on Danish covered bonds in the second half of the year.

The investment portfolio, including cash in bank, passed NOK 1 bn during 2019. At NOK 1036 million, it is significantly up from same time last year of NOK 878 million.

Interest expense was NOK 14.2 million (NOK 8.2 million). The increase is due to the Tier 1 hybrid bond issued at the end of 2018 and increased 3-month NIBOR. Interest expenses for 2019 include NOK 1.6 million IFRS 16 lease-expenses.

Financial position and liquidity

Consolidated financial position and solvency capital

As of December 31st, 2019, total assets amounted to NOK 2 638.0 million (NOK 2 585.5 million one year ago). Total equity amounted to NOK 398.3 million (NOK 381.2 million). This includes NOK 101.2 million net proceeds from equity issued in October. The 2019 Annual General Meeting authorised issuing up to 10% additional equity. As the private placement was of limited size and done at a small discount to same day's closing price, a repair issue was not deemed necessary.

The solvency ratio at the end of the quarter was 147%, up from 116% at the end of second quarter, but down from pro forma 156% including the equity issue in October, and well above the regulatory requirement of 100%.

The Solvency Capital Requirement (SCR) as of December 31st was NOK 303 million, down NOK 12 million from third quarter (NOK 314 million, due to reduced insurance risk after exiting Denmark).

The Eligible Solvency II Capital is NOK 444 million, up from NOK 363 million at the end of third quarter due to additional equity issued, but down from the pro forma Q3 of NOK 490 million.

As shown in the table, the reduction is partly due to the loss in the quarter. In addition, Tier 1 capital falls due to Solvency II treating several balance sheet items differently to IFRS: Solvency II deducts NOK 8 million capitalised IT investments, the NOK 7 million gain on the natural perils pool is considered a Tier 2 capital increase, not Tier 1, and revising some assumptions underlying the Solvency II technical estimates reduced the solvency capital by NOK 6 million. When the core Tier 1 capital falls, less Tier 1 hybrid may be included, and this reduces eligible capital by NOK 8 million. Tier 2 and Tier 3 capital usage falls with NOK 6 million due to NOK 12 million lower SCR.

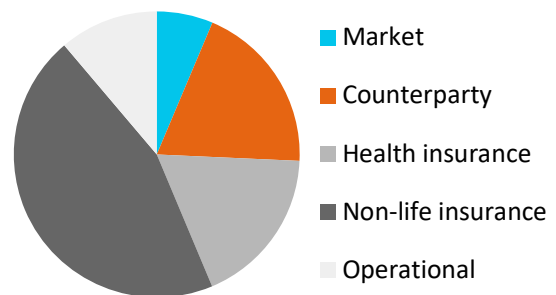
Eligible capital pro forma Q3 '19	490
Q4 Group result	-17
Difference ASA vs. Group results	+1
RDAC	+3
Capitalised IT investments	-8
Natural Perils Pool gain	-7
SII technical estimate assumptions	-6
Other B/S changes	+2
Tier 1 Hybrid	-8
SCR impact on Tier 2&3	-6
Eligible capital Q4 '19	444

SOLVENCY CAPITAL (MNOK)

Core Tier 1	234
Tier 1 Hybrid	59
Tier 2	131
Tier 3	20
Eligible capital	444

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

Solvency Capital Requirement 31 Dec 2019



Consolidated cash flow

Cash flow from operations in the fourth quarter was negative with NOK 61.1 million (negative NOK 19.1 million). This is due to fluctuations between quarters in most payment streams, including premium received, claims paid and settlements with reinsurers.

Capitalised IT investments were NOK 8.2 million in the quarter. The equity issue and IFRS 16 lease accounting give a cash inflow from financing activities of NOK 100.2 million.

The Group recorded cash and cash equivalents of NOK 201.3 million as of December 31st, 2019 (NOK 139.1 million).

The positive operating cash flow for the year 2019 of NOK 50.4 million and financial cash flow of NOK 97.0 million have been partly invested in fixed income funds with NOK 83.3 million and in IT development with NOK 10.1 million. The operating cash flow in 2018 was NOK 217.1 million.

Discontinued business

Taking into account a ruling by the Norwegian Financial Services Authority regarding conduct of cross border operations in Denmark, Insr initiated a windup of the Danish Business in the third quarter. At the time of publishing this report, all activities in Denmark have been transferred to Oslo.

In the fourth quarter, discontinued business had a minimal impact on the result. As there are no longer sales costs in Denmark and still insurance contracts running, discontinued business breaks even in the quarter.

As of the date of publication of this report, the

Danish runoff-operations have been taken over entirely by the Oslo office and the last Danish staff has left. The gross claims ratio in Denmark in Q4 was 79.8% and net premium earned NOK 42.6 million.

The Swedish business sold in 2016 had no impact on the results this quarter.

For the year 2019, discontinued business is responsible for nearly half of the total loss. This is due both to a combined ratio for Denmark above 100% and a NOK 14.9 million adjustment to reinsurance commission estimates related to the Swedish portfolio sold to Gjensidige in 2016.

Subsequent events

Renewed reinsurance programme

The reinsurance program in force from January 1st, 2020 was placed with an average cession of 29%, given current volume forecasts. The program covers insurance sold and renewed in 2020. The forecasted average reinsurance level for the accounting year 2020 is 33%. This is down from 41% in 2019. Terms are largely unchanged, which is a strong outcome, given the higher than expected loss ratio for the whole Norwegian market at the beginning of 2019, and its impact on reinsurers' results.

The chosen cession level is higher for property than motor, as property results are more volatile. The overall reduction in cessation level is in line with our strategy. At this reduced level and with

the terms achieved for 2020, the balance between risk transfer and cost makes reinsurance an efficient capital management tool, which will remain in Insr's toolbox. The cession will be further reduced in future years, but likely at a slower pace, and depending on top line development.

Our reinsurance panel is very strong. No reinsurer is rated below A- and the majority of the premium is ceded to reinsurers with an S&P rating of AA- or higher. The panel is stable, and Insr appreciates the sustained commitment to our business from this community of the most skilled insurance experts globally.

Outlook

We aim for profitability in 2020. The ongoing price increases and pruning will continue to improve the loss ratios. The re-structuring has created a leaner and more focused company, that we expect to perform well in the years to come.

Due to price actions and pruning during 2018 and 2019, we expect single-digit net earned premium growth in 2020, before returning to low double-digit growth from 2021. Gross volumes from the franchise concept under the Nemi brand is expected to be stable. New customers signed during the last few months are expected to add volume towards the end of 2020 and thereafter. The pipeline of potential customers with several prospects in all levels of maturity will continuously materialize in new business.

The risk appetite of Insr has been unchanged since Solvency II was introduced, stating that actions will be considered if the solvency ratio falls below 130%, Over time we intend to operate above 150%.

Insr is well positioned to handle insurance result volatility within its current capital base. The capital will grow with profit.

We will continue investing in the IT platform supporting a lean and swift implementation process for our partners. This will contribute to future strong partnerships that deliver excellent and innovative risk mitigation and services to the end customers of our partners.

Insr reiterates its medium-term targets of a gross combined ratio of 90-92% and low double-digit growth in net earned premium.

Oslo, February 27th, 2020

The Board of Directors
Insr Insurance Group ASA

Group Financial Statements

Condensed Consolidated Income Statement (NOK 1,000)

	Note	Q4 2019	Q4 2018	FY 2019	FY 2018
Premium income					
Gross premium earned	2	318.742	336.306	1.311.256	1.328.192
Reinsurance share of premium		(127.532)	(155.437)	(545.884)	(685.804)
Premium earned for own account		191.210	180.869	765.372	642.388
Other insurance-related income		3.291	1.048	6.659	4.165
Net premium incl. other insurance related income		194.501	181.917	772.031	646.553
Claims					
Gross claims incurred	2	(243.513)	(282.659)	(1.027.211)	(1.076.004)
Reinsurance share of gross claims incurred		101.685	137.525	438.048	555.379
Claims incurred for own account		(141.828)	(145.134)	(589.164)	(520.625)
Operating expenses					
Sales costs		(41.457)	(34.462)	(155.942)	(148.358)
Insurance-related administration costs	7	(52.877)	(56.468)	(185.169)	(197.075)
Commission received		27.368	37.373	114.243	158.829
Total operating expenses for own account		(66.965)	(53.557)	(226.868)	(186.604)
Unexpired risk		0	2.291	0	2.291
Technical result	2	(14.292)	(14.483)	(44.001)	(58.385)
Non-technical result					
Investment income		893	5.460	9.469	9.397
Interest income and other income	7	794	311	1.126	815
Interest expense and other expenses	7	(4.892)	(4.326)	(14.203)	(8.203)
Non-technical result		(3.205)	1.445	(3.608)	2.008
Result before tax		(17.497)	(13.038)	(47.609)	(56.377)
Tax		0	0	0	0
Net result from continued operations before OCI		(17.497)	(13.038)	(47.609)	(56.377)
Profit/Loss from discontinued operations	2	99	(637)	(44.549)	(13.961)
Net result from total operations before OCI		(17.398)	(13.675)	(92.158)	(70.339)
Currency translation effects		511	(127)	65	37
Total other comprehensive income (loss)		511	(127)	65	37
Total comprehensive income (loss)		(16.887)	(13.802)	(92.093)	(70.302)
Diluted weighted average number of shares	4	144.068	134.699	137.060	134.699
Diluted earnings (loss) per share	4	(0,12)	(0,10)	(0,67)	(0,52)

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

ASSETS	Note	31.12.2019	31.12.2018
Intangible assets			
Goodwill	3	219.352	219.372
Other intangible assets	3	57.404	69.035
Total intangible assets		276.755	288.407
Investments			
Investments in shares and parts	6	391	4.763
Bonds and other fixed-income securities	5, 6	867.491	767.299
Total investments		867.882	772.062
Reinsurance share of gross technical provisions			
Reinsurance share of gross premium provisions		269.061	326.859
Reinsurance share of gross claims provisions		389.956	427.729
Total reinsurance share of gross technical provisions		659.017	754.588
Receivables			
Receivables in connection with direct insurance and reinsurance	6	522.653	602.360
Receivables in connection with associates		0	0
Other receivables	6, 7	83.441	7.645
Total receivables		606.094	610.005
Other assets			
Cash and cash equivalents	6	201.254	139.118
Plant and equipment	7	13.138	11.035
Total other assets		214.393	150.153
Prepaid expenses and earned income not received			
Prepaid costs and earned income not received	6	13.850	10.291
Total prepaid expenses and earned income not received		13.850	10.291
Total assets		2.637.991	2.585.506

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

EQUITY AND LIABILITIES	Note	31.12.2019	31.12.2018
Paid-in equity			
Share capital		118.534	107.759
Share premium		1.542.267	1.449.333
Total paid-in equity		1.660.801	1.557.092
Other equity		(1.372.053)	(1.272.145)
Other reserves		9.076	11.088
Provision for Natural Perils Fund		38.686	26.052
Provision for Guarantee scheme		57.363	59.147
Total equity		393.873	381.234
Subordinated loans		151.323	151.120
Technical provisions			
Gross premium reserve		675.779	756.003
Unexpired risk reserve		0	0
Gross claims reserve		846.548	781.757
Total technical provisions		1.522.327	1.537.760
Premium deposits from reinsurance companies		0	8.968
Accrued liabilities			
Pension liabilities		3.013	3.013
Total Accrued liabilities		3.013	3.013
Financial liabilities			
Liabilities in connection with direct insurance and reinsurance	6	261.880	282.348
Other liabilities	6, 7	167.871	111.439
Total financial liabilities		429.751	393.787
Accrued costs and received unearned income	6	137.704	109.624
Total liabilities		2.244.118	2.204.272
Total equity and liabilities		2.637.991	2.585.506

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

	Share capital	Share premium	Other equity	Other reserves	Natural Perils Pool	Guarantee scheme	Total
Equity as at 1st January 2018	107.759	1.449.333	(1.199.306)	7.933	27.740	54.923	448.382
Changes in provisions			(2.536)		(1.688)	4.224	0
Option expenses				3.155			3.155
Profit before OCI			(70.341)				(70.341)
Other result components			38				38
Equity as at 31st December 2018	107.759	1.449.333	(1.272.145)	11.088	26.052	59.147	381.234
Equity as at 1st January 2019	107.759	1.449.333	(1.272.145)	11.088	26.052	59.147	381.234
Capital increase		92.934					92.934
Share issue expenses	10.775		(2.488)				8.287
Changes in provisions			(10.850)		12.634	(1.784)	0
Option expenses			5.860	(2.012)			3.848
Profit before OCI			(92.159)				(92.159)
Other changes			(334)				(334)
Other result components			65				65
Equity as at 31st December 2019	118.534	1.542.267	(1.372.051)	9.076	38.686	57.363	393.875

Condensed Consolidated Statement of Cash Flow (NOK 1,000)				
	Q4 2019	Q4 2018	FY 2019	FY 2018
Cash flow from operations				
Paid in premiums	392.475	339.444	1.583.188	1.469.680
Paid claims	(309.360)	(287.309)	(1.182.954)	(1.032.268)
Received from (Paid to) reinsurers	(45.710)	(136.645)	(54.064)	(43.636)
Paid operating expenses	(90.350)	(38.373)	(304.572)	(257.121)
Interest income /- expenses	(2.063)	6.814	(8.718)	5.657
Other including traffic insurance tax	(6.064)	96.959	17.475	74.765
Net cash flow from operations	(61.072)	(19.110)	50.355	217.077
Cash flow from investment activities				
Investments in fixed income funds		(89.437)	(83.325)	(335.308)
Acquisition of assets	(8.158)	(1.525)	(10.054)	(5.689)
Sale of assets			7.771	
Net cash flow from investment activities	(8.158)	(90.962)	(85.608)	(340.997)
Cash flow from financial activities				
Proceeds from subordinated loan		75.000		75.000
Repayment of lease liabilities	(1.912)		(7.541)	
Receipts of repayment on lease receivables	841		3.356	
Proceeds from issued capital	101.221		101.221	
Net cash flow from financing activities	100.150	75.000	97.036	75.000
Exchange rate differences on cash and cash equivalents	353	(2.865)	353	(2.865)
Net cash flow for the period	31.272	(37.937)	62.136	(51.785)
Cash and cash equivalents at the beginning of the period	169.982	177.055	139.118	190.903
Cash and cash equivalents at the end of the period	201.254	139.118	201.254	139.118
Net cash flow for the period	31.272	(37.937)	62.136	(51.785)
Specification of cash and cash equivalents				
Cash in bank	177.491	114.033	177.491	114.033
Restricted cash	23.763	25.085	23.763	25.085
Total cash and cash equivalents	201.254	139.118	201.254	139.118

Notes to the Financial Statements

NOTE 1 Accounting principles

These interim accounts have been prepared according to IFRS and IAS 34 Interim Reporting and are in line with the principles described in the annual report for 2018. For further information, please see the annual report.

Insr implemented IFRS 16 at January 1st, 2019 and there were implementation effects on the balance sheet and equity. Please refer to Note 7 for further details.

September 15th, 2019, the Board of Directors discontinued the business in Denmark. The Group's financial statements present the continued business, with discontinued business details to be found in the notes, in line with IFRS 5. Please refer to Note 2 for further details.

Starting from the fourth quarter 2019, reserves for Danish Worker's compensation insurance is using discounted cash flows, as claims under these policies often result in annuities. Other technical reserves still use undiscounted values.

NOTE 2 Discontinued operations

On September 18th, 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.

In the third quarter, head office administration costs related to Denmark were allocated to discontinued operations. The same adjustments were made to segment figures for the first half of 2019 and 2018.

Condensed Consolidated Income Statement						
(NOK 1,000)						
2019	NO Q4 2019	DK/SE Q4 2019	Total Q4 2019	NO FY 2019	DK/SE FY 2019	Total FY 2019
Premium income						
Gross premium earned	318.742	68.573	387.315	1.311.256	272.507	1.583.763
Reinsurance share of premium	(127.532)	(25.937)	(153.469)	(545.884)	(105.616)	(651.500)
Premium earned for own account	191.210	42.636	233.846	765.372	166.891	932.263
Other insurance-related income	3.291	0	3.291	6.659	0	6.659
Net premium incl. other insurance related income	194.501	42.636	237.136	772.031	166.891	938.922
Claims						
Gross claims incurred	(243.513)	(54.738)	(298.251)	(1.027.211)	(217.436)	(1.244.647)
Reinsurance share of gross claims incurred	101.685	24.075	125.760	438.048	89.418	527.466
Claims incurred for own account	(141.828)	(30.663)	(172.491)	(589.164)	(128.018)	(717.182)
Operating expenses						
Sales costs	(41.457)	(2.188)	(43.645)	(155.942)	(47.032)	(202.973)
Insurance-related administration costs	(52.877)	(8.490)	(61.366)	(185.169)	(38.072)	(223.241)
Commission received	27.368	6.210	33.578	114.243	20.618	134.861
Total operating expenses for own account	(66.965)	(4.468)	(71.433)	(226.868)	(64.486)	(291.354)
Unexpired risk	0	0	0	0	0	0
Technical result	(14.292)	7.505	(6.787)	(44.001)	(25.613)	(69.613)
Non-technical result						
Investment income	893	0	893	9.469	0	9.469
Interest income and other income	794	0	794	1.126	0	1.126
Interest expense and other expenses	(4.892)	(7.406)	(12.299)	(14.203)	(18.937)	(33.140)
Non-technical result	(3.205)	(7.406)	(10.611)	(3.608)	(18.937)	(22.545)
Result before tax	(17.497)	99	(17.398)	(47.609)	(44.549)	(92.158)
Tax	0	0	0	0	0	0
Net result from total operations before OCI	(17.497)	99	(17.398)	(47.609)	(44.549)	(92.158)
Currency translation effects	511	0	511	0	65	65
Total other comprehensive income (loss)	511	0	511	0	65	65
Total comprehensive income (loss)	(16.987)	99	(16.887)	(47.609)	(44.485)	(92.093)
Diluted weighted average number of shares	144.068	144.068	144.068	137.060	137.060	137.060
Diluted earnings (loss) per share	(0,12)	0,00	(0,12)	(0,35)	(0,32)	(0,67)
Gross claims ratio	76,40%	79,82%	77,00%	78,34%	79,79%	78,59%
Gross cost ratio	29,60%	15,57%	27,11%	26,01%	31,23%	26,91%
Net loss ratio	74,17%	71,92%	73,76%	76,98%	76,71%	76,93%
Net cost ratio	35,02%	10,48%	30,55%	29,64%	38,64%	31,25%

Condensed Consolidated Income Statement continued
(NOK 1,000)

2018	NO Q4 2018	DK/SE Q4 2018	Total Q4 2018	NO FY 2018	DK/SE FY 2018	Total FY 2018
Premium income						
Gross premium earned	336.306	46.549	382.855	1.328.192	123.405	1.451.597
Reinsurance share of premium	(155.437)	(24.400)	(179.837)	(685.804)	(61.999)	(747.803)
Premium earned for own account	180.869	22.149	203.018	642.388	61.406	703.793
Other insurance-related income	1.048	0	1.048	4.165	4	4.169
Net premium incl. other insurance related income	181.917	22.149	204.066	646.553	61.410	707.962
Claims						
Gross claims incurred	(282.659)	(35.709)	(318.368)	(1.076.004)	(98.998)	(1.175.002)
Reinsurance share of gross claims incurred	137.525	17.958	155.483	555.379	54.789	610.168
Claims incurred for own account	(145.134)	(17.751)	(162.885)	(520.626)	(44.210)	(564.835)
Operating expenses						
Sales costs	(34.462)	(6.104)	(40.566)	(148.358)	(27.195)	(175.553)
Insurance-related administration costs	(56.468)	(5.599)	(62.067)	(197.075)	(19.655)	(216.730)
Commission received	37.373	6.668	44.041	158.829	15.687	174.516
Total operating expenses for own account	(53.557)	(5.035)	(58.592)	(186.603)	(31.162)	(217.767)
Unexpired risk	2.291	0	2.291	2.291	0	2.291
Technical result	(14.483)	(637)	(15.120)	(58.385)	(13.962)	(72.349)
Non-technical result						
Investment income	5.460	0	5.460	9.397	0	9.397
Interest income and other income	311	0	311	815	0	815
Interest expense and other expenses	(4.326)	0	(4.326)	(8.203)	0	(8.203)
Non-technical result	0	0	0	0	0	0
Result before tax	(13.038)	(637)	(13.675)	(56.376)	(13.961)	(70.341)
Tax	0	0	0	0	0	0
Net result from total operations before OCI	(13.038)	(637)	(13.675)	(56.376)	(13.961)	(70.341)
Currency translation effects	(127)	0	(127)	37	0	37
Total other comprehensive income (loss)	(127)	0	(127)	37	0	37
Total comprehensive income (loss)	(13.165)	(637)	(13.802)	(56.339)	(13.961)	(70.304)
Diluted weighted average number of shares	134.699	134.699	134.699	134.699	134.699	134.699
Diluted earnings (loss) per share	(0,10)	(0,00)	(0,10)	(0,42)	(0,10)	(0,52)
Gross claims ratio	84,05%	76,71%	83,16%	81,01%	80,22%	80,95%
Gross cost ratio	27,04%	25,14%	26,81%	26,01%	37,96%	27,02%
Net loss ratio	80,24%	80,14%	80,23%	81,05%	72,00%	80,26%
Net cost ratio	29,61%	22,73%	28,86%	29,05%	50,75%	30,94%

NOTE 3 Intangible assets

Goodwill of NOK 219.4 million relates to the purchase of Vardia Norge and Nemi. An impairment test of goodwill has been carried out. The test concludes that the recoverable amount is higher than the book value of goodwill. Therefore, no impairment of goodwill is required. Intangible assets of NOK 57.4 million are mainly intangible assets added to the Group when purchasing Nemi, such as databases and customer relationships.

NOTE 4 Earnings (loss) per share

Earnings (loss) per share

Earnings (loss) per share is calculated by dividing the result from operations on a weighted average of outstanding ordinary shares through the quarter, own shares deducted.

The Group has one category of potential shares that can cause dilution, stock options. Antidilutive potential shares are disregarded in the calculation of diluted earnings (loss) per share. As the group reported a loss in the three- and nine-months periods ending December 31st, 2019, as well as for the same periods in 2018, there is no difference between basic and diluted numbers of shares.

A total of 6 190 000 options have been awarded to key personnel. None of these were in the money as of 31.12.2019.

(NOK 1,000)	Q4 2019	Q4 2018	FY 2019	FY 2018
Net result incl. comprehensive income	(16.887)	(13.802)	(92.093)	(70.302)
Basic and diluted earnings (loss) per share	(0,12)	(0,10)	(0,67)	(0,52)

(NOK 1,000)	Q4 2019	Q4 2018	FY 2019	FY 2018
Net result incl. comprehensive income	(16.887)	(13.802)	(92.093)	(70.302)
Basic and diluted earnings (loss) per share	(0,12)	(0,10)	(0,67)	(0,52)

NOTE 5 Bonds and other fixed-income securities

The value of the investment portfolio as of December 31st, 2019 was NOK 868 million, the majority (approximately 3/4) invested in Norwegian money market funds and a smaller portion (approximately 1/4) in Nordic investment grade bond funds. The funds are managed externally.

Note 6 Financial assets and liabilities

	Fair value level	Book value 31.12.2019	Market value 31.12.2019	Book value 31.12.2018	Market value 31.12.2018
Financial assets					
Investments in shares and parts	2	391	391	4.763	4.763
Bonds and other fixed-income securities	1	867.491	867.491	767.299	767.299
Other financial assets	2	0	0	0	0
Receivables in connection with direct insurance and reinsurance	2	522.653	522.653	602.360	602.360
Other receivables	2	83.441	83.441	83.441	83.441
Prepaid costs and earned income not received	2	13.850	13.850	13.850	13.850
Cash and cash equivalents	1	201.254	201.254	201.254	201.254
Total financial assets		1.689.080	1.689.080	1.672.967	1.672.967

	Fair value level	Book value 31.12.2019	Market value 31.12.2019	Book value 31.12.2018	Market value 31.12.2018
Financial liabilities					
Subordinated loans	2	151.323	151.323	151.120	151.852
Other liabilities	2	167.871	167.871	111.439	111.439
Premium deposits from reinsurance companies	2	-	-	8.968	8.968
Liabilities in connection with direct insurance and reinsurance	2	261.880	261.880	282.348	282.348
Accrued costs and received unearned income	2	137.704	137.704	109.624	109.624
Total financial liabilities		718.778	718.778	663.499	664.231

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 IFRS 16 leasing

IFRS 16 Lease accounting, implemented by Insr from January 1st, 2019, covers the recognition of leases in the financial statements, and replaces IAS 17 Leases. The new standard defines a lease as a contract that conveys the right to control the use of an asset for a period in exchange for a consideration.

IFRS 16 requires balance sheet recognition of each lease contract as a right-of-use asset and a lease liability. Lease payments are shown as interest expenses and a reduction of lease liabilities. The right-of-use assets are depreciated over the shorter of each contract's term and the asset's useful life. Lease payments are reclassified from operating activities to financing activities in the cash-flow.

The Group has chosen to apply the exemption rule for short-term leases up to 12 months' duration and leases for which the underlying asset is of low value. These contracts are expensed directly in the income statement.

Each lease liability is measured as the present value of future lease payments. Index or rate-adjusted payments are valued based on the circumstances at the recognition date. For leases that existed on January 1st, 2019, the discount rate used 300 bp above NIBOR as the estimated spread for a loan to purchase a similar office facility. Loan duration was set equal to the contract term as of January 1st, 2019.

The recognised value of the right-of-use assets was set equal to the equivalent value of the lease liability based on the opening balance on January 1st, 2019. When calculating the effects of the implementation, the Group used a modified retrospective method without recalculating comparative figures.

The Group has only leases of significant value related to rent of premises. The Group also has a sublet agreement for the previous office. This lease is therefore recognized as a financial lease and included as an investment.

The effect for operating leases as of 1.1.2019 and 31.12.2019 is as follows:

Leases in the balance sheet (NOK 1,000)	1.1.2019*	31.12.2019
Assets:		
Right - of- use assets	15.099	11.170
Net investment in lease	22.346	18.989
Liabilities:		
Lease liabilities	39.859	32.315
Leases in the income statement (NOK 1,000)	Q4 2019	FY 2019
Technical result		
Depreciation right-of-use assets	993	3.929
Loss on leases	0	2.414
Non-technical result		
Interest income on net investment in lease	417	886
Interest expense on lease liabilities	-744	-1.555

*) Figures have been updated since the Q1 2019 report due to an adjustment of prepaid rent.

Additional Financial Data

Insr ASA Unconsolidated²

Insr ASA Condensed Income Statement (NOK 1,000)				
	Q4 2019	Q4 2018	FY 2019	FY 2018
Premium income				
Gross premium earned	387.315	382.855	1.583.763	1.451.597
Reinsurance share of premium	(153.469)	(179.838)	(651.500)	(747.803)
Premium earned for own account	233.846	203.016	932.263	703.794
Other insurance-related income	1.193	1.047	4.561	4.169
Net premium incl. other insurance related income	235.038	204.063	936.824	707.963
Claims				
Gross claims incurred	(298.251)	(318.369)	(1.244.647)	(1.175.002)
Reinsurance share of gross claims incurred	125.760	155.483	527.466	610.168
Claims incurred for own account	(172.491)	(162.886)	(717.182)	(564.834)
Operating expenses				
Sales costs	(50.407)	(46.545)	(218.104)	(181.261)
Insurance-related administration costs	(51.688)	(56.312)	(199.805)	(213.090)
Commission received	33.578	48.540	134.861	174.516
Total operating expenses for own account	(68.517)	(54.317)	(283.049)	(219.835)
Unexpired risk	0	2.292	0	2.292
Technical result	(5.969)	(10.848)	(63.406)	(74.414)
Non-technical result				
Investment income	894	8.913	9.469	13.307
Interest income and other income	304	(1.354)	4.839	4.602
Interest expense and other expenses	(11.050)	(1.960)	(42.418)	(8.195)
Non-technical result	(9.852)	5.599	(28.110)	9.714
Result before tax	(15.821)	(5.249)	(91.517)	(64.700)
Tax	0	0	0	0
Net result	(15.821)	(5.249)	(91.517)	(64.700)

² These unconsolidated figures include both continued and discontinued operations.

Insr ASA Condensed Statement of Financial Position (NOK 1,000)		
ASSETS	31.12.2019	31.12.2018
Intangible assets		
Goodwill	205.709	205.709
Other intangible assets	57.404	65.443
Total intangible assets	263.113	271.152
Investments		
Investments in subsidiaries	5.500	10.600
Investments in shares and parts	235	4.557
Bonds and other fixed-income securities	867.491	767.299
Other financial assets	0	0
Total investments	873.226	782.456
Reinsurance share of gross technical provisions		
Reinsurance share of gross premium provisions	269.061	326.859
Reinsurance share of gross claims provisions	389.956	427.729
Total reinsurance share of gross technical provisions	659.017	754.588
Receivables		
Receivables in connection with direct insurance and reinsurance	518.399	602.360
Receivables in connection with associates	75.057	67.358
Other receivables	91.472	7.157
Total receivables	684.929	676.875
Cash and cash equivalents	199.407	135.397
Plant and equipment	13.098	10.584
Other assets	0	0
Total other assets	212.505	145.981
Prepaid expenses and earned income not received		
Prepaid costs and earned income not received	13.850	9.937
Total prepaid expenses and earned income not received	13.850	9.937
Total assets	2.706.640	2.640.989

Insr ASA Condensed Statement of Financial Position		
EQUITY AND LIABILITIES	31.12.2019	31.12.2018
Paid-in equity		
Share capital	118.534	107.759
Share premium	1.542.267	1.449.333
Total paid-in equity	1.660.801	1.557.091
Other equity	(1.302.488)	(1.203.492)
Other reserves	9.076	11.088
Provision for Natural Perils Fund	38.686	26.052
Provision for Guarantee scheme	57.363	59.147
Total equity	463.439	449.887
Subordinated loans	151.323	151.120
Technical provisions		
Gross premium reserve	675.779	756.003
Unexpired risk reserve	0	0
Gross claims reserve	846.548	781.757
Total technical provisions	1.522.327	1.537.760
Premium deposits from reinsurance companies	0	8.968
Accrued liabilities		
Pension liabilities	3.013	3.013
Total Accrued liabilities	3.013	3.013
Financial liabilities		
Liabilities in connection with direct insurance and reinsurance	261.880	282.348
Other liabilities	164.979	99.883
Total financial liabilities	426.859	382.231
Accrued costs and received unearned income	139.679	108.009
Total liabilities	2.243.201	2.191.102
Total equity and liabilities	2.706.640	2.640.989

Glossary

This report contains Alternative Performance Measures (APMs). A description of these, with reconciliation to the accounts, is published on the company web page www.insr.io/investor-relations.

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

Annual report 2019	<i>31.03.2020</i>
Q1 2020 results	<i>14.05.2020</i>
Ordinary General Meeting	<i>20.05.2020</i>
Capital Markets Day	<i>20.05.2020</i>
Q2 and half year 2020 results	<i>11.08.2020</i>
Q3 2020 results	<i>10.11.2020</i>

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