

Insr: Q4 2019 results: Underlying on track

Oslo, February 28th, 2020

Insr Insurance Group ASA (OSE:INSR) announces results for fourth quarter 2019 and preliminary financial year 2019 results.

A presentation of the results by the Group's senior management will take place today at 08:30 CET - see details below.

The result in the fourth quarter, a loss of NOK 16.9 million, is pulled down by NOK 18.1 million non-recurring expenses. Without these, the quarter would have delivered a small profit, proving that the underlying insurance business is on track.

Of the financial year 2019 loss of NOK 92.1 million, nearly half relates to discontinued business. These losses have stopped. The close-down of Denmark was an important element of streamlining and simplifying our business.

Net premium growth since fourth quarter last year was 6%. Net premium in FY 2019 is 19% above FY 2018. 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.

Gross and net loss ratios in the quarter were 76% and 74% respectively, marginally above medium-term targets, taking into account seasonal variations. The financial year claims results suffered from a harsh winter at the beginning of the year. The ongoing price increases and pruning will continue to support the loss ratios.

Insr had, as already announced, a busy autumn with exit from Denmark, a ransomware attack and raising NOK 104 million of equity. The cost level in the quarter reflects additional costs related to this.

Insr aims for profitability in 2020. The ongoing price increases and pruning will continue to improve the loss ratios. The restructuring has created a leaner and more focused company, expected to perform well in the years to come.

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

Accelerated investments in an IT platform supporting a lean and swift implementation process for our partners was communicated as one reason for the capital issue in October. This is ongoing, NOK 8 mn of IT investments was capitalised in the quarter. Insr will continue investing in the IT platform. This will contribute to future strong partnerships that deliver excellent and innovative risk mitigation and services to the end customers of our partners.

Espen Husstad, CEO of Insr Insurance Group, comments: *"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."*

Q4 Financial Highlights:

(Figures are for continued operations, and figures in brackets for same period previous year, unless otherwise stated)

- Premium earned for own account (net) was NOK 194.5 million (NOK 181.9 million)
- Net result from operations was a loss of NOK 17.0 million (loss of NOK 13.2 million)
- Total result, incl. discontinued operations, was a loss of NOK 16.9 mn (loss of NOK 13.8 mn)
- Gross loss ratio was 76.4% (84.0%)
- Gross cost ratio was 29.6% (27.0%)
- Net combined ratio was 109.2% (109.9%) and gross combined ratio 105.9% (111.1%)
- The solvency ratio was 147%. At the end of Q3 '19, the pro forma solvency ratio including equity issued in October was 156%.

Preliminary FY 2019 Financial Highlights:

- Premium earned for own account (net) was NOK 772.0 million (NOK 646.6 million)
- Net result from operations was a loss of NOK 47.6 million (loss of NOK 56.3 million)
- Total result, incl. discontinued operations, was a loss of NOK 92.1 mn (loss of NOK 70.3 mn)
- Gross loss ratio was 78.3% (81.0%)
- Gross cost ratio was 26.0% (26.0%)
- Net combined ratio was 106.6% (110.1%) and gross combined ratio 104.3% (107.0%)
- The solvency ratio was 147%. It was 153% at the end of Q4 '18.

Presentation details

Espen Husstad (CEO) and Hans Petter Madsen (CFO) will present results on February 28th at 08:30 CET:

(1) Through participative webcast:

https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20200228_2

(2) In Vika Atrium Conference Centre, Munkedamsveien 45, Oslo.

The interim report and webcast presentation for the fourth quarter of 2019 are attached to this release. A spreadsheet explaining Alternative Performance Measures used in this stock exchange communication is available on the company webpage insr.io/investor-relations. The webcast presentation is not intended to be a stand-alone presentation and should be read in conjunction with management's comments and the quarterly report.

For further information, please contact:

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Insr Insurance Group ASA was established in 2009 and is an independent insurance group listed on the Oslo Stock Exchange, with headquarters in Oslo. The Company's main focus is on the market for property and casualty insurance for the retail and small enterprise segments in Norway. Insr distributes its products mainly through partners and insurance agents.