

## Insr: Q3 2020 results – Preserving Remaining Value

Oslo, November 10<sup>th</sup>, 2020

Insr Insurance Group ASA (OSE: INSR) announces results for third quarter 2020.

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

All necessary approvals have been received for transferring most of the insurance portfolio to Storebrand from December 1<sup>st</sup>, as previously announced. The preparation for the portfolio transfer is progressing well, with a good co-operation between Storebrand and Insr. In parallel with this transfer, Insr will wind down its insurance operations. Insr plans to gradually close the insurance operation during the remainder of 2020 and 2021, and no longer have any insurance contracts or insurance risk by the end of 2021.

The underlying insurance business is sound with a gross combined ratio for the quarter of 96.9%. This quarter's claims result is helped by a run-off gain. There are additional costs related to exiting the insurance activity. Since the positive claims result is shared with the reinsurers and the additional costs remain within the company, the technical result is a loss. There are also losses in Denmark, giving a total loss for the quarter of NOK 17.4 million. The company remains solvent with a solvency ratio of 100.2%.

The fourth quarter will be transformational, as the company basically stops taking insurance risk. During 2021, the remaining organization will continue working on a secure customer transfer and support customers not yet moved to Storebrand. Remaining company value is linked to the wind down of the current balance sheet and income under the Storebrand agreement.

The Board aim to maximise shareholder value and seek the best solution for the company and its shareholders. The Board's immediate priority is to ensure an orderly wind-down of the insurance activity. Going forward, the Board will look for opportunities to extract further value from the company. In the strategic review during summer, no bids were received for the company. The risks to a potential acquirer are significantly reduced when the insurance risk has been transferred and most of the staff is with Storebrand or Sedgwick. A bid for the entire company is still possible. The Board will also evaluate new internal activities. There is still substantial expertise and knowledge in the company. Any fundamental strategic changes will have to be decided by the shareholders and be in line with guidance from the Norwegian FSA.

The solvency ratio is at 100.2%. The company has a hybrid loan of NOK 75 million that will support the solvency ratio should results develop adversely going forward, and the Board aim for Insr to stay solvent during the remainder of 2020 and 2021. The solvency capital requirement will be gradually reduced with the reduction in insurance risk.

Niclas Ward, CEO, comments: *"I am very happy that about half of Insr's competent staff already have a new employer and that they are continuing to service Insr's customers from Storebrand or Sedgwick. We who continue in Insr now have as our main focus to wind down the insurance business. I feel a strong ownership to doing this in an orderly manner in the best interest of all stakeholders, together with the rest of the organisation."*

### **Q3 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 189 million (NOK 192 million)
- Net result from operations was a loss of NOK 11 million (profit of NOK 11 million)
- Total result, incl. discontinued operations, was a loss of NOK 17 mn (loss of NOK 12 mn)
- Gross loss ratio was 62.8% (70.2%)
- Gross cost ratio was 34.1% (22.1%)
- Net combined ratio was 105.8% (94.8%) and gross combined ratio 96.9% (92.4%)
- The solvency ratio was 100.2%. At the end of Q2, the solvency ratio was 102.8%.

### **Presentation details**

Niclas Ward (CEO) and Hans Petter Madsen (CFO) will present results on November 10<sup>th</sup> at 08:30 CET through participative webcast only

[https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20201110\\_1](https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20201110_1)

The interim report and webcast presentation for the third quarter of 2020 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](http://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. Insr is regulated by the Norwegian FSA (Finanstilsynet) and has a license for all groups of non-life insurance, except for credit and guarantee insurance.*