



# INTERIM FULL YEAR and FOURTH QUARTER 2018

INSR INSURANCE GROUP ASA

# Fourth Quarter & FY 2018 Highlights

## Portfolio Growth

Q4: 2.1%  
FY: 15.1%

## Net Profit/Loss (MNOK)

Q4: -13.9  
FY: -70.4

## Solvency Ratio

164%

## Gross Loss Ratio

Q4: 83.2%  
FY: 80.9%

## Net Loss Ratio

Q4: 80.2%  
FY: 80.3%

## Gross Combined Ratio

Q4: 111.1%  
FY: 108.3%

Nemi integration completed

15% growth in 2018

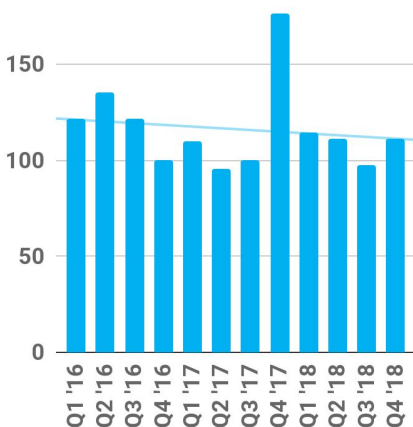
On track to medium term targets for costs and claims

Positive operating cash-flow FY. No capital erosion in Q4

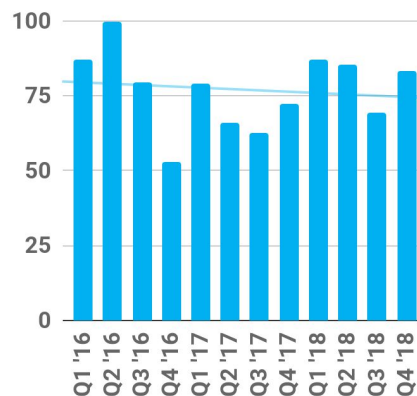
Placed NOK 75 million Tier 1 bond

Quota share reinsurance reduced to 40% from 01.01.2019

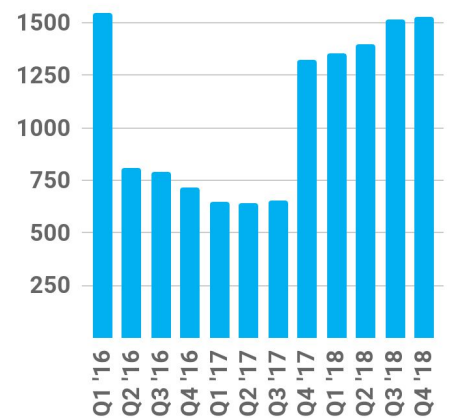
Gross Combined Ratio



Gross Loss Ratio



Portfolio (MNOK)



# Consolidated Key Figures

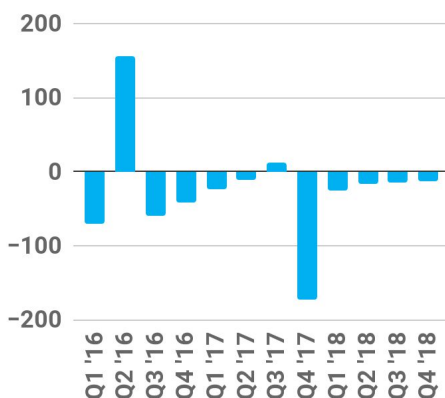
<i>(MNOK except otherwise stated)</i>	Q4 2018	Q4 2017	Proforma Q4 2017	FY 2018	FY 2017	Proforma FY 2017
Gross premium earned <sup>1)</sup>	383,9	228,8	340,1	1 455,8	716,4	1 341,0
Gross claims incurred	(318,4)	(162,7)	(259,1)	(1 175,0)	(499,6)	(946,7)
Sales costs	(45,1)	(65,4)	(80,1)	(180,1)	(136,0)	(194,3)
Administration costs	(62,1)	(142,3)	(171,0)	(216,7)	(230,8)	(353,7)
<b>Gross underwriting result</b>	<b>(41,6)</b>	<b>(141,6)</b>	<b>(170,2)</b>	<b>(116,0)</b>	<b>(149,9)</b>	<b>(153,7)</b>
Reinsurance share of premium	(179,8)	(134,3)	(215,8)	(747,8)	(461,0)	(922,6)
Reinsurance share of claims	155,5	100,7	163,5	610,2	315,4	618,2
Commissions received	48,5	25,7	46,3	179,0	87,0	212,4
<b>Reinsurance result</b>	<b>24,2</b>	<b>(7,9)</b>	<b>(6,0)</b>	<b>41,4</b>	<b>(58,6)</b>	<b>(92,0)</b>
<b>Net underwriting result</b>	<b>(17,4)</b>	<b>(149,5)</b>	<b>(176,2)</b>	<b>(74,6)</b>	<b>(208,5)</b>	<b>(246,6)</b>
Investment Return	5,0	0,5	(0,2)	10,1	3,2	5,0
Other items <sup>2)</sup>	(3,8)	3,2	(37,8)	(8,2)	(5,3)	(35,8)
<b>Net result</b>	<b>(13,9)</b>	<b>(145,9)</b>	<b>(173,5)</b>	<b>(70,4)</b>	<b>(211,6)</b>	<b>(277,4)</b>
Gross loss ratio	83,2%	71,4%	76,6%	80,9%	69,9%	70,9%
Gross sales ratio	11,8%	28,7%	22,7%	12,4%	19,0%	14,6%
Gross cost ratio	28,0%	91,1%	74,4%	27,3%	51,4%	41,1%
Gross combined ratio	111,1%	162,6%	151,0%	108,3%	121,3%	112,0%
Net loss ratio	80,2%	66,2%	78,1%	80,3%	72,7%	79,7%
Net cost ratio	28,9%	194,5%	167,9%	30,9%	110,5%	81,5%
Net combined ratio	109,1%	260,7%	246,0%	111,2%	183,2%	161,2%
<b>Solvency ratio</b>	<b>164%</b>	<b>185%</b>				
<b>Earnings per (diluted) shares</b>	<b>(0,10)</b>	<b>(1,67)</b>		<b>(0,52)</b>	<b>(3,06)</b>	

1) Includes other insurance related income 2) Includes interest paid, currency effects, unexpired risk, other income and costs

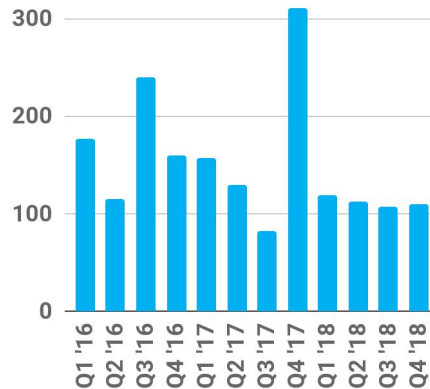
3) Pro forma calculated as sum of Nemi Forsikring AS and Insr for given period. Nemi's financial reports are available here:

<https://www.nemiforsikring.no/om-nemi-forsikring/finansiert-informasjon/> Nemi's sales cost figures and deferred tax treatment have been updated to reflect Insr's accounting principles.

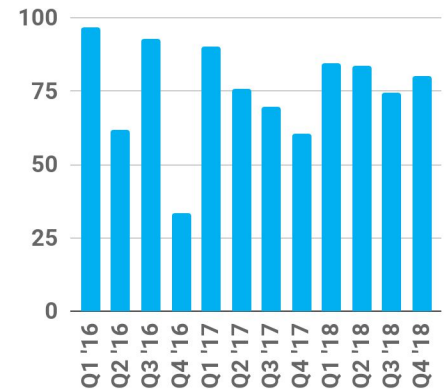
## Net Result



## Net Combined Ratio



## Net Loss Ratio



## Message from the CEO

In the fourth quarter, the integration of Nemi was completed. The insurance portfolio was successfully migrated into one system. The focus can now turn to building growth in cooperation with our partners, and further strengthening of the organisation.

The full year growth was stronger than we expected for this integration year, justifying our confidence in the wholesale model. Integration costs were as expected; the company is on track to delivering on the medium term cost targets.

The underlying loss frequency for fourth quarter was fairly benign for a winter quarter,

but there was some negative impact from large losses. The full year loss ratio has developed in line with the market, and significant measures have been successfully implemented to secure improved underwriting performance going forward.

NOK 75 million of Tier 1 hybrid capital was raised on attractive terms in Q4. The solvency margin is strong at 164%, despite a further reduction of the reinsurance quota cession to 40% from 01.01.2019.



**Chief Executive Officer**

# Fourth Quarter 2018 Results

*(Figures in brackets in this section are pro forma figures for same period prior year unless otherwise stated.)*

## General summary

Net result for the quarter, including other comprehensive income, was a loss of NOK 13.9 million (loss of NOK 173.5 million), a loss per share of NOK 0.10.

Gross combined ratio was 111.1% (151.0%). Net combined ratio was somewhat lower than the gross ratio at 109.1% (246.0%).

Net loss ratio was below gross due to reinsurers picking up most of two large reserve increases on claims from 2014 and 2015.

Costs remained higher than they will be going forward, as substantial extra efforts were required to migrate and still run two business processes. This keeps the gross cost ratio above the reinsurance commission, which worsens the cost ratio for own account.

Net underwriting result for the quarter was a loss of NOK 17.4 million (loss of NOK 176.2 million).

## Premium

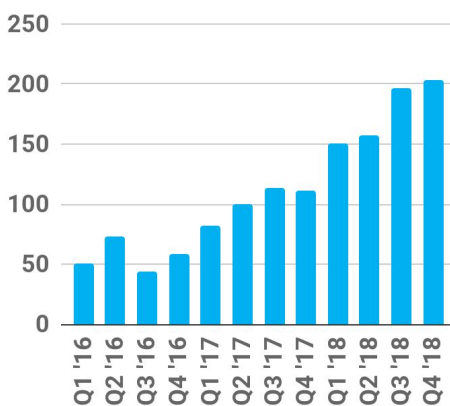
<i>(MNOK except otherwise stated)</i>	<b>Q4 2018</b>	Q4 2017	Pro forma Q4 2017	<b>2018</b>	Pro forma 2017
Gross premium written	417,0	260,8	391,0	1 486,2	1 339,6
Norway	387,7	249,2	378,9	1 335,9	1 302,1
Denmark	29,3	11,6	12,1	150,3	37,5
Net premium earned	203,0	93,6	122,4	703,8	412,0
Norway	180,9	88,7	117,4	642,4	400,8
Denmark	22,1	4,8	5,0	61,4	11,2
Portfolio <sup>2</sup>	1 527,3	1 354,5	1 354,5		
Norway	1 309,5	1 304,9	1 304,9		
Denmark	217,8	49,6	49,6		

Gross premium written amounted to NOK 417.0 million (NOK 391.0 million) during the fourth quarter, which is 8.8% higher in Q4 than in the third quarter.

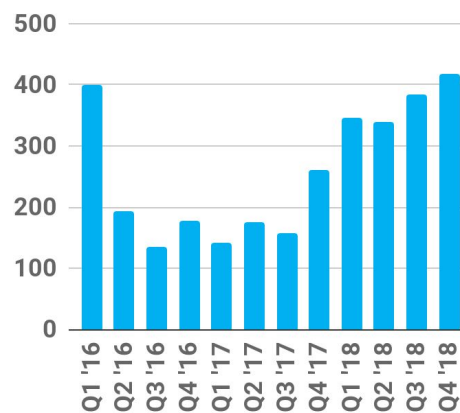
Net premium earned for own account of NOK 203.0 million is 3.6% up from third quarter and 66% higher than Q4 2017 (NOK 122.4 million).

The portfolio<sup>2</sup> as of December 31<sup>st</sup>, 2018 was NOK 1 527 million (NOK 1 327 million). After unusually strong growth in the third quarter, growth quarter on quarter was more muted in Q4 at 0.53%, corresponding to an annualized growth rate of 2.1%.

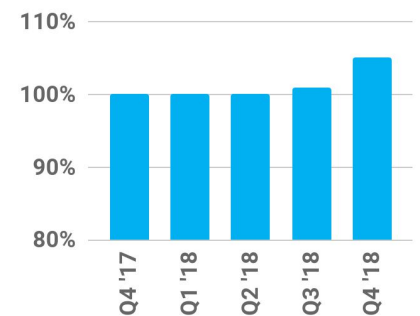
### Net Earned Premium



### Gross Written Premium



### Insr Indexed Price Car<sup>1</sup>



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

<sup>2</sup> There was a discrepancy between portfolio size reported in the third quarter 2018 interim presentations and report. NOK 1 519 million used in the presentations was correct. Nemi is included from December '17.

## Claims

<i>(MNOK except otherwise stated)</i>	<b>Q4 2018</b>	Q4 2017	Pro forma Q4 2017	<b>2018</b>	Pro forma 2017
Gross claims	318,4	162,7	259,1	1 175,0	946,6
Ceded claims	155,5	100,7	163,5	610,2	618,3
Net claims	162,9	62,0	95,6	564,8	328,4

Insr Insurance Group ASA (Insr) reported a gross loss ratio for the fourth quarter of 83.2% compared to a pro forma loss ratio fourth quarter 2017 of 76.6%.

Net loss ratio was somewhat better, 80.2% (78.1%), as two old legal disputes worsening the gross loss ratio by 4.8 %-points have limited

impact on the net loss result (0.6 %-points). Retained risk was low when these losses occurred.

Insr's significant ongoing pricing measures will gradually improve claims ratios into, and throughout, 2019.

## Sales and Administrative Costs

Gross cost ratio was 28.0%, compared to pro forma 74.4% for the fourth quarter of 2017, corresponding to gross operating expenses of NOK 107.1 million (NOK 251.1 million).

Costs remained high through the quarter, as portfolio migration took place at the end of November, and post-migration work continued into December.

In addition, NOK 5.6 million of intangible assets in Insr's daughter Vardia IT AB, primarily related

to Swedish internet sales before 2016, were completely written off. This write-off, which adds 1.5 %-points to the gross cost ratio, does not erode solvency capital.

Sales costs of NOK 45.1 million (NOK 80.1 million) gives a sales cost ratio of 11.8%. This is below the ratio earlier in the year, reflecting muted growth in the quarter.

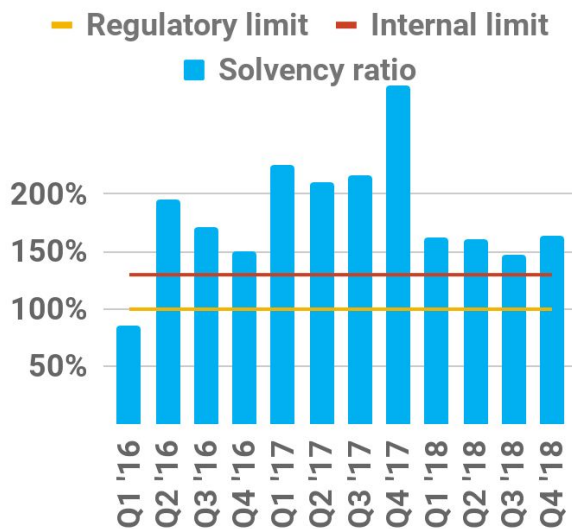
## Investment income and Financial expenses

Net income from financial assets amounted to NOK 5.0 million (loss of NOK 0.2 million); an annualised return of 2.2% in the quarter.

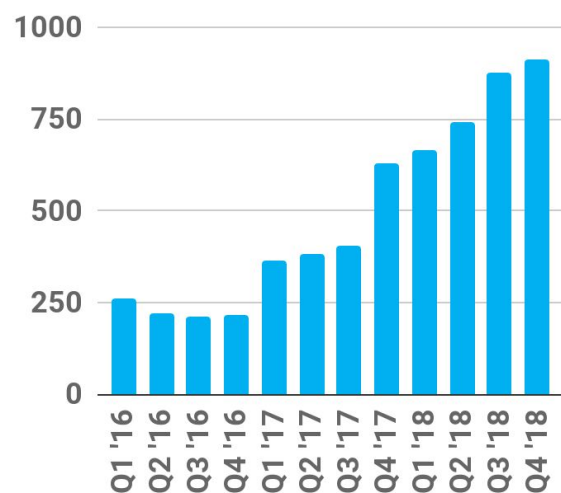
The investment portfolio growth continues. The portfolio, including cash in bank, was NOK 911 million 31.12.2018 (NOK 628 million in Insr 31.12.2017).

Net interest paid was NOK 2.3 million (NOK 1.2 million for Insr Q4 2017). After issuing the NOK 75 million Tier 1 bond, at current NIBOR levels, quarterly interest payments on the two bonds are NOK 2.4 million.

### Solvency Ratio



### Investment Portfolio including cash





# Financial position and liquidity

(Figures in brackets in this section are figures for Insr only for same period prior year unless otherwise stated.)

## Consolidated financial position and solvency capital

As of December 31<sup>st</sup>, 2018, total assets amounted to NOK 2 571.4 million (NOK 2 471.5 million). Total equity amounted to NOK 409.7 million (NOK 476.8 million).

The solvency ratio at the end of the quarter was 164%, up from third quarter's 147%, and well above the regulatory requirement of 100%.

The Solvency Capital Requirement (SCR) as of December 31<sup>st</sup> was NOK 291 million (third quarter NOK 273 million). The majority of the increase is related to increased insurance risk, as expected with growth and reduced quota cession.

The split on risk types is similar to third quarter; the trend towards insurance risk taking a larger share continues. Market risk is somewhat reduced, despite an increased investment portfolio, primarily due to improved asset and liability matching, which reduces interest rate exposure.

The Available Capital is NOK 480 million (Q3' 18: NOK 400 million), a surplus of NOK 189 million above the SCR. The Available Capital increase stems from the NOK 75 million Tier 1 bond issued, as well as much of the quarter's loss coming from intangible write-offs with no solvency effect. From a solvency capital perspective, the operation delivers a small positive result for the quarter.

Of the Tier 1 bond, NOK 67 million may be used

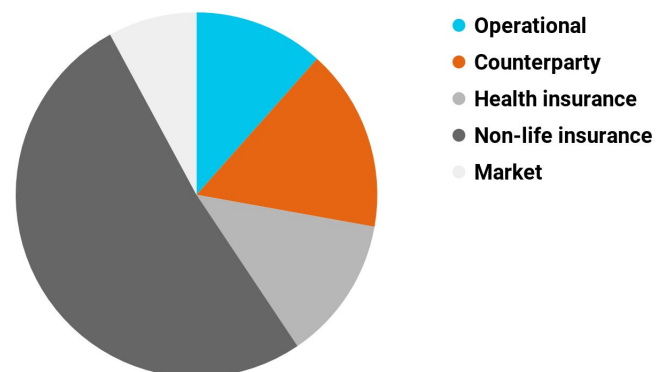
as Tier 1 capital, due to restrictions on hybrid capital within the Tier 1 capital. The surplus is used as Tier 2 capital.

### SOLVENCY CAPITAL (MNOK)

Tier 1	336
Tier 2	110
Tier 3	34
<b>Available capital</b>	<b>480</b>

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

### Solvency Capital Requirement as of 31 December 2018



## Consolidated cash flow

Cash flow from operations in the quarter was NOK -22.4 million. This compares to an operating cash flow for fourth quarter 2017 for Insr, not including Nemi, of NOK -90.8 million.

The negative cash flow in Q4 is due to fluctuations between quarters, especially on payments of traffic tax. In Q3 '18, Insr had an unusually high cash inflow from operations. The business is operating cash flow positive when averaging over the quarters.

NOK 89 million were invested in money market funds and NOK 1 million capitalised IT expenditures.

Cash flow from financing activities was NOK 75 million of Tier 1 bond issuance.

The Group recorded cash and cash equivalents of NOK 139.1 million as of December 31<sup>st</sup>, 2018 (NOK 190.9 million).

## Reinsurance renewal

Insr successfully renewed the reinsurance contracts valid from January 1<sup>st</sup>, 2019. In line with the strategy laid out in 2016, Insr has reduced its reinsurance purchasing further. Approximately 40% of the total premium will be reinsured through quota share agreements. This reinsurance cession was chosen to allow continued premium growth while keeping the solvency ratio above 130%.

The terms obtained were slightly improved compared to the 2018 agreement.

For the non-proportional contracts, such as excess of loss agreements, Insr largely maintained the structure from 2018.

The panel of reinsurers is stable; Insr continues to have a broad panel of financially strong reinsurers.

## Bård Standal appointed Deputy CEO

Insr's CFO, Bård Standal, has been appointed Deputy CEO. As Deputy CEO, Standal will take on the responsibility for building the Insr digital platform and future partner ecosystem. This work will be instrumental in the further development of Insr's successful wholesale and ecosystem strategy.

Standal will stay on as CFO, combining the two roles, pending successful recruitment of a successor. Insr has appointed an advisor to assist with the recruitment.

# Preliminary Full Year 2018

*(Figures in brackets in this section are pro forma figures for same period prior year unless otherwise stated.)*

Net underwriting result for 2018 was a loss of NOK 74.6 million (loss of NOK 246.6 million pro forma 2017). Both loss ratio and cost ratio were above the medium term targets. Continuing motor claims inflation and the harsh and long winter worsened the loss ratio. Costs were in line with the administration's expectations for a year merging the even-sized operations of Nemi and Insr.

The total loss was NOK 70.4 million (loss of NOK 277.4 million).

## Claims ratio

2018 claims ratio was 80.9% (70.9%) gross and 80.3% net (79.7%). Gross claims results were negatively impacted by a harsh and long winter at the start of the year, in addition to inflation on motor repair costs. Significant price increases implemented from May will not have full effect until mid-2019.

Gross premium written was NOK 1 486.2 million (NOK 1 339.6 million), gross premium earned NOK 1 455.8 million (NOK 1 341.0 million), and net premium earned NOK 708.0 million (NOK 418.4 million). (Earned premium includes other insurance-related income).

The 15% portfolio growth through 2018 is very satisfactory given the organisation's focus on integration. The reduced reinsurance cession allows a 66% net premium growth over pro forma retained premium 2017.

The gross and net claims ratio being approximately equal reflects effective reinsurance programs.

## Sales and Administrative Costs

Gross cost ratio was 27.3%, compared to pro forma 41.1% in 2017, corresponding to gross operating expenses of NOK 396.8 million (NOK 548.0 million).

Costs remained high through the year, as portfolio migration took place at the end of November, and post-migration work continued into December.

Several cost elements are not expected to be repeated in future years: (i) IT migration costs have accumulated throughout 2018. NOK 11 million were provisioned for in 2017, and an additional NOK 12 million were expensed in 2018, bringing the total project cost to NOK 23 million. (ii) In addition, double work processes required additional staff. (iii) Restructuring and improvement of work processes in the Finance Department, reported for 2017, continued in 2018. In total, NOK 40 million of expenses relating to these processes are included in the 2018 accounts. The work has been completed, and no further charges are expected.

NOK 5.6 million of immaterial assets in Insr's daughter Vardia IT AB, primarily related to Swedish internet sales before 2016, were completely written off. This and other write-offs of immaterial assets sum to NOK 28.6 million. Only 5.2 million was capitalised in the year. The net, NOK 23.4 million, corresponds to 1.6%-points of the gross cost ratio which do not erode solvency capital.

As the gross cost ratio is above the reinsurance provision, the net cost ratio is higher than the gross cost ratio; 30.9% (81.5).

Sales costs of NOK 180.1 million (NOK 194.3 million) gives a sales cost ratio of 12.4% for the year. This is close to the medium term target of 10-12%, higher primarily due to the 11% growth in written premium.

## Financial position and liquidity

The investment portfolio, including cash, has grown 45% through the year. Full year investment income was NOK 10.1 million, a return of 1.3%.

The operating cash flow was NOK 213.7 million. This is the first year in the company's history the operation generated cash. Comparable number for 2017 was (NOK -32.7 million), and earlier years were significantly worse.

NOK 335.3 million have been invested in low risk interest rate funds, and NOK 5.2 million in capitalised IT development.

NOK 75 million of Tier 1 capital was raised to ensure an efficient capital mix and future growth flexibility.

This gives a total cash flow for the year of NOK -51.8 million (NOK -89.2 million).

## Strategic update & Outlook

The medium term target of low double digit growth was reached already for 2018, despite the focus for the year being laying the foundation for future profitable growth. Solid growth is expected for 2019.

After fully integrating Nemi into Insr, in Norway, the whole Insr organisation now runs on one IT platform in one office. Further work to make the platform more efficient will continue into 2019. Cost synergies will gradually materialize in the financials and allow a sustainable cost level.

Insr will continue building strong partnerships to deliver excellent and innovative risk mitigation and services to the insured. Going forward, we will also focus on further

developing the Insr insurance ecosystem, where interactions, not only between Insr and partners, but also between the partners, are designed to create value.

The ongoing price increases will improve loss ratios into 2019. Insr is all set for profitability in 2019.

Insr targets a gross combined ratio in the medium term of 90-92%, and aims for low double digit portfolio growth.

The company will optimize capital management with a sustainable solvency margin above 130% going forward.

Oslo, February 26<sup>th</sup>, 2019

The Board of Directors  
Insr Insurance Group ASA

# Group Financial Statements

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

	Note	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>Premium income</b>					
Gross premium earned	2	382 855	227 846	1 451 597	714 219
Reinsurance share		(179 838)	(134 289)	(747 803)	(461 034)
<b>Premium earned for own account</b>		<b>203 017</b>	<b>93 557</b>	<b>703 793</b>	<b>253 185</b>
Other insurance-related income		1 047	935	4 169	2 207
<b>Net premium incl. other insurance related income</b>		<b>204 064</b>	<b>94 492</b>	<b>707 962</b>	<b>255 392</b>
<b>Claims</b>					
Gross claims incurred	2	(318 369)	(162 697)	(1 175 002)	(499 561)
Reinsurance share of gross claims incurred		155 483	100 737	610 168	315 414
<b>Claims incurred for own account</b>		<b>(162 886)</b>	<b>(61 960)</b>	<b>(564 835)</b>	<b>(184 147)</b>
<b>Operating expenses</b>					
Sales costs		(45 066)	(65 419)	(180 053)	(135 978)
Insurance-related administration costs		(62 067)	(142 258)	(216 730)	(230 784)
Commission received		48 540	25 694	179 016	87 011
<b>Total operating expenses for own account</b>		<b>(58 592)</b>	<b>(181 983)</b>	<b>(217 767)</b>	<b>(279 751)</b>
Unexpired risk		2 292	(100)	2 291	(1 041)
<b>Technical result</b>	2	<b>(15 122)</b>	<b>(149 552)</b>	<b>(72 348)</b>	<b>(209 547)</b>
<b>Non-technical result</b>					
<b>Investment income</b>		5 008	463	10 128	3 189
Interest paid		(2 302)	(1 153)	(6 008)	(5 403)
Other financial items and foreign exchange gain (loss), net		(2 112)	5 800	(2 112)	5 800
<b>Non-technical result</b>		<b>594</b>	<b>5 110</b>	<b>2 008</b>	<b>3 587</b>
<b>Result before tax</b>		<b>(14 528)</b>	<b>(144 442)</b>	<b>(70 341)</b>	<b>(205 960)</b>
Tax		0	0	0	0
<b>Net result before comprehensive income and expenses</b>		<b>(14 528)</b>	<b>(144 442)</b>	<b>(70 341)</b>	<b>(205 960)</b>
Currency translation effects		643	(1 467)	(44)	122
<b>Total other comprehensive income (loss)</b>		<b>643</b>	<b>(1 467)</b>	<b>(44)</b>	<b>122</b>
<b>Total comprehensive income (loss)</b>		<b>(13 885)</b>	<b>(145 909)</b>	<b>(70 385)</b>	<b>(205 838)</b>
<b>Basic and diluted weighted average number of shares</b>	4	<b>134 699</b>	<b>87 422</b>	<b>134 699</b>	<b>69 309</b>
<b>Basic and diluted earnings (loss) per share</b>	4	<b>(0,10)</b>	<b>(1,67)</b>	<b>(0,52)</b>	<b>(3,06)</b>

Nemi is included in the figures from December 1<sup>st</sup> 2017, as the purchase closed 30<sup>th</sup> November.

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

ASSETS	Note	31.12.2018	31.12.2017
<b>Intangible assets</b>			
Goodwill	3	219 372	219 432
Other intangible assets	3	69 035	96 197
<b>Total intangible assets</b>		<b>288 407</b>	<b>315 629</b>
<b>Investments</b>			
Investments in shares and parts		4 763	2 607
Bonds and other fixed-income securities		767 299	425 911
Other financial assets		0	8 480
<b>Total investments</b>		<b>772 062</b>	<b>436 998</b>
<b>Reinsurance share of gross technical provisions</b>			
Reinsurance share of gross premium provisions		326 859	437 395
Reinsurance share of non-adjusted risk		0	2 379
Reinsurance share of gross claims provisions		427 729	430 766
<b>Total reinsurance share of gross technical provisions</b>		<b>754 588</b>	<b>870 540</b>
<b>Receivables</b>			
Receivables in connection with direct insurance and reinsurance		588 232	578 685
Other receivables		7 645	55 253
<b>Total receivables</b>		<b>595 877</b>	<b>633 938</b>
<b>Other assets</b>			
Plant and equipment		2 924	5 262
Cash and cash equivalents		139 118	190 903
Other assets		8 111	5 911
<b>Total other assets</b>		<b>150 153</b>	<b>202 075</b>
<b>Prepaid expenses and earned income not received</b>			
Prepaid costs and earned income not received		10 291	12 293
<b>Total prepaid expenses and earned income not received</b>		<b>10 291</b>	<b>12 293</b>
<b>Total assets</b>		<b>2 571 378</b>	<b>2 471 473</b>

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

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Paid-in equity</b>			
Share capital		107 759	107 759
Share premium		1 449 333	1 449 333
<b>Total paid-in equity</b>		<b>1 557 092</b>	<b>1 557 092</b>
Provision for Natural Perils Fund		26 052	27 740
Provision for Guarantee scheme		59 147	54 923
Other equity		(1 243 683)	(1 170 843)
Other reserves		11 088	7 933
<b>Total equity</b>		<b>409 696</b>	<b>476 844</b>
<b>Subordinated loan</b>		<b>151 120</b>	<b>74 156</b>
<b>Technical provisions</b>			
Gross premium reserve		756 003	719 613
Unexpired risk reserve		0	4 671
Gross claims reserve		781 757	665 667
<b>Total technical provisions</b>		<b>1 537 760</b>	<b>1 389 951</b>
<b>Financial liabilities</b>			
Pension liabilities		3 013	2 939
Other liabilities		111 439	115 915
Liabilities in connection with direct insurance and reinsurance		239 758	240 972
<b>Total financial liabilities</b>		<b>354 210</b>	<b>359 826</b>
<b>Premium deposits from reinsurance companies</b>		<b>8 968</b>	<b>7 290</b>
<b>Accrued costs and received unearned income</b>		<b>109 624</b>	<b>163 407</b>
<b>Total liabilities</b>		<b>2 161 682</b>	<b>1 994 629</b>
<b>Total equity and liabilities</b>		<b>2 571 378</b>	<b>2 471 473</b>



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

	Q4 2018	Q4 2017	2018	2017
<b>Cash flow from operations</b>				
Paid in premiums	346 448	198 290	1 476 684	655 457
Paid claims	(287 309)	(203 364)	(1 032 268)	(513 241)
Received from (Paid to) reinsurers	(153 927)	(71 402)	(50 640)	68 160
Paid operating expenses	(59 231)	(17 982)	(288 257)	(237 647)
Interest income /- expenses	6 460	(954)	5 303	(5 403)
Other	125 080	4 658	102 886	0
<b>Net cash flow from operations</b>	<b>(22 479)</b>	<b>(90 754)</b>	<b>213 708</b>	<b>(32 674)</b>
<b>Cash flow from investment activities</b>				
Acquisition of assets	(1 021)	0	(5 185)	(1 894)
Investments in money market funds	(89 437)	(93 581)	(335 308)	(171 303)
Acquisition of subsidiaries	0	(248 748)	0	(248 748)
<b>Net cash flow from investment activities</b>	<b>(90 457)</b>	<b>(342 329)</b>	<b>(340 492)</b>	<b>(421 945)</b>
<b>Cash flow from financial activities</b>				
Proceeds from subordinated loan	75 000	0	75 000	0
Proceeds from issued capital	0	397 164	0	523 928
<b>Net cash flow from financing activities</b>	<b>75 000</b>	<b>397 164</b>	<b>75 000</b>	<b>523 928</b>
Cash acquired in acquisition	0	14 051	0	14 051
<b>Net cash flow for the period</b>	<b>(37 936)</b>	<b>(21 868)</b>	<b>(51 784)</b>	<b>83 360</b>
Cash and cash equivalents at the beginning of the period	177 055	206 961	190 903	101 732
Cash and cash equivalents at the end of the period	139 119	190 903	139 119	190 903
<b>Net cash flow for the period</b>	<b>(37 936)</b>	<b>(21 868)</b>	<b>(51 784)</b>	<b>(89 171)</b>
<b>Specification of cash and cash equivalents</b>				
Cash in bank	114 033	165 422	114 033	165 422
Restricted cash	25 085	25 481	25 085	25 481
<b>Total cash and cash equivalents</b>	<b>139 118</b>	<b>190 903</b>	<b>139 118</b>	<b>190 903</b>

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

	Share capital	Share premium	Other equity	Other reserves	Natural Perils Pool	Guarantee scheme	Total
<b>Equity as at 1st January 2017</b>	<b>35 829</b>	<b>907 334</b>	<b>(904 310)</b>	<b>5 536</b>	<b>0</b>	<b>21 966</b>	<b>66 355</b>
Increase in equity	71 930						71 930
Subscribed equity		557 453					557 453
Cost related to capital issue		(15 455)					(15 455)
Changes in provisions			(60 697)		27 740	32 957	0
Profit before OCI			(205 960)				(205 960)
Other result components (net of tax)			122				122
Option expenses				2 398			2 398
<b>Equity as at 31st December 2017</b>	<b>107 759</b>	<b>1 449 332</b>	<b>(1 170 843)</b>	<b>7 934</b>	<b>27 740</b>	<b>54 923</b>	<b>476 844</b>
<b>Equity as at 1st January 2018</b>	<b>107 759</b>	<b>1 449 332</b>	<b>-1 170 843</b>	<b>7 934</b>	<b>27 740</b>	<b>54 923</b>	<b>476 844</b>
Changes in provisions			-2 536		-1 688	4 224	0
Profit before OCI			-70 341				-70 341
Other result components (net of tax)			-44				-44
Option expenses				3 155			3 155
Other			82				82
<b>Equity as at 31st December 2018</b>	<b>107 759</b>	<b>1 449 332</b>	<b>-1 243 682</b>	<b>11 089</b>	<b>26 052</b>	<b>59 147</b>	<b>409 696</b>

# 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 2017. For further information, please see the annual report and Note 7.

## NOTE 2 Segment information

Norway (NOK 1,000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Gross premium earned	336 306	216 271	1 328 192	665 890
Premium earned f.o.a.	180 868	88 708	642 387	237 153
Other income	1 048	835	4 169	1 166
Incurring claims and operating expenses f.o.a.	(200 259)	(238 645)	(714 499)	(438 152)
<b>Technical result</b>	<b>(18 343)</b>	<b>(149 102)</b>	<b>(67 943)</b>	<b>(199 833)</b>

Cost ratio f.o.a.	32,6%	205,0%	30,5%	113,3%
Loss ratio f.o.a.	79,4%	64,0%	81,1%	71,5%
<b>Net combined ratio</b>	<b>112,0%</b>	<b>269,0%</b>	<b>111,6%</b>	<b>184,8%</b>

Denmark (NOK 1,000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Gross premium earned	46 549	11 575	123 405	48 329
Premium earned f.o.a.	22 149	4 849	61 406	16 032
Other income	0	0	0	0
Incurring claims and operating expenses f.o.a.	(18 926)	(5 299)	(65 811)	(25 746)
<b>Technical result</b>	<b>3 223</b>	<b>(450)</b>	<b>(4 405)</b>	<b>(9 714)</b>

Cost ratio f.o.a.	8,6%	1,9%	35,2%	69,2%
Loss ratio f.o.a.	76,9%	107,4%	72,0%	91,4%
<b>Net combined ratio</b>	<b>85,4%</b>	<b>109,3%</b>	<b>107,2%</b>	<b>160,6%</b>

Total (NOK 1,000)	Q4 2018	Q4 2017	FY 2018	FY 2017
Gross premium earned	382 855	227 846	1 451 597	714 219
Premium earned f.o.a.	203 017	93 557	703 793	253 185
Other income	1 047	835	4 169	1 166
Incurring claims and operating expenses f.o.a.	(219 186)	(243 944)	(780 310)	(463 898)
<b>Technical result</b>	<b>(15 122)</b>	<b>(149 552)</b>	<b>(72 348)</b>	<b>(209 547)</b>

Cost ratio f.o.a.	30,0%	194,5%	30,9%	110,5%
Loss ratio f.o.a.	79,1%	66,2%	80,3%	72,8%
<b>Net combined ratio</b>	<b>109,1%</b>	<b>260,7%</b>	<b>111,2%</b>	<b>183,3%</b>

### NOTE 3 Intangible assets

Goodwill of NOK 219.4 million relates to the purchase of Vardia Norge and Nemi. Intangible assets of NOK 69.0 are mainly intangible assets added to the Group when purchasing Nemi, such as databases and customer relationships, as well as capitalised IT investments.

### 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 periods ending December 31<sup>st</sup> both in 2018 and 2017, there is no difference between basic and diluted weighted average number of shares.

In 2018, 2 050 000 at-the-money options were awarded to Group management. In line with previous option programmes, the awarded American options vest equally over three years, with expiry end of 2022.

<b>(NOK 1,000)</b>	<b>Q4 2018</b>	<b>Q4 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Result from operations	(13 885)	(145 908)	(70 385)	(211 760)
Weighted average of ordinary shares (in 1,000)	134 699	87 422	134 699	69 309
Diluted weighted average of shares (in 1,000)	134 699	87 422	134 699	69 309
<b>Earnings (loss) per share diluted</b>	<b>(0,10)</b>	<b>(1,67)</b>	<b>(0,52)</b>	<b>(3,06)</b>

### NOTE 5 Bonds and other fixed-income securities

The value of the investment portfolio by December 31<sup>th</sup>, 2018 was NOK 767.3 million, the majority invested in Norwegian money market funds and a small portion in Nordic investment grade bond funds with low interest duration. The funds are managed externally.

### NOTE 6 Transactions with related parties

A large investor in the Group, Investment AB Öresund, guaranteed the privately placed Tier 1 bond issue, and was allocated the entire issue. ABG Sundal Collier acted as manager for the placement.

## Note 7 IFRS 16 leasing

IFRS 16 Leases, which will be implemented by Insr from January 1<sup>st</sup>, 2019, covers the recognition of leases and related disclosures in the financial statements, and will replace IAS 17 Leases. The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

In the financial statement of lessees, IFRS 16 requires balance sheet recognition of each contract meeting the definition of a lease as a right-of-use (RoU) asset and a lease liability. Lease payments are to be reflected as interest expense and a reduction of lease liabilities. The right-of-use assets are to be depreciated over the shorter of each contract's term and the assets' useful life. IFRS 16 will also lead to changes in the classification of lease-related payments in the cash flow statement, where down-payments of lease liabilities will be classified as financing cash flows.

The standard implies a significant change in lessees' accounting for leases currently defined as operating leases under IAS 17. The Group primarily has such leases related to rent of premises and IT agreements.

# Additional Financial Data

## Insr ASA Unconsolidated

### Insr ASA Condensed Income Statement (NOK 1,000)

	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>Premium income</b>				
Gross premium earned	382 855	172 176	1 451 597	658 549
Reinsurance share	(179 838)	(93 161)	(747 803)	(419 906)
<b>Premium earned for own account</b>	<b>203 017</b>	<b>79 015</b>	<b>703 793</b>	<b>238 643</b>
<b>Other insurance-related income</b>	<b>1 047</b>	<b>470</b>	<b>4 169</b>	<b>1 741</b>
<b>Claims</b>				
Gross claims incurred	(318 369)	(124 901)	(1 175 002)	(461 764)
Reinsurance share of gross claims incurred	155 483	77 187	610 168	291 864
<b>Claims incurred for own account</b>	<b>(162 886)</b>	<b>(47 714)</b>	<b>(564 835)</b>	<b>(169 900)</b>
<b>Operating expenses</b>				
Sales costs	(46 545)	(59 513)	(185 761)	(130 071)
Insurance-related administration costs	(56 312)	(134 786)	(213 090)	(212 982)
Commission received	48 540	(18 492)	179 016	78 691
<b>Total operating expenses for own account</b>	<b>(54 317)</b>	<b>(212 791)</b>	<b>(219 835)</b>	<b>(264 362)</b>
<b>Net non-adjusted risk</b>	<b>2 292</b>	<b>0</b>	<b>2 292</b>	<b>(1 041)</b>
<b>Technical result</b>	<b>(10 847)</b>	<b>(181 020)</b>	<b>(74 417)</b>	<b>(194 919)</b>
<b>Non-technical result</b>				
Investment income	8 913	463	14 024	3 189
Interest paid	(1 354)	(771)	(2 351)	(3 947)
Other financial items and foreign exchange gain (loss), net	(1 960)	4 175	(1 960)	5 800
<b>Non-technical result</b>	<b>6 016</b>	<b>3 867</b>	<b>9 713</b>	<b>5 042</b>
<b>Result before tax</b>	<b>(4 831)</b>	<b>(177 153)</b>	<b>(64 704)</b>	<b>(189 877)</b>
Tax	0	0	0	0
<b>Net result</b>	<b>(4 831)</b>	<b>(177 153)</b>	<b>(64 704)</b>	<b>(189 877)</b>

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

<b>ASSETS</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Intangible assets</b>		
Goodwill	205 709	0
Other intangible assets	65 443	0
<b>Total intangible assets</b>	<b>271 152</b>	<b>0</b>
<b>Investments</b>		
Investments in associates and joint ventures	10 600	2 000
Investments in shares and parts	15 157	349 348
Bonds and other fixed-income securities	767 299	300 170
<b>Total investments</b>	<b>782 455</b>	<b>651 518</b>
<b>Reinsurance share of gross technical provisions</b>		
Reinsurance share of gross premium provisions	326 859	175 921
Reinsurance share of non-adjusted risk	0	2 379
Reinsurance share of gross claims provisions	427 729	276 817
<b>Total reinsurance share of gross technical provisions</b>	<b>754 588</b>	<b>455 117</b>
<b>Receivables</b>		
Receivables in connection with direct insurance and reinsurance	588 232	299 344
Receivables in connection with associates	67 358	72 249
Other receivables	7 157	49 639
<b>Total receivables</b>	<b>662 747</b>	<b>421 232</b>
<b>Other assets</b>		
Plant and equipment	2 473	856
Cash and cash equivalents	135 397	151 203
Other assets	8 111	0
<b>Total other assets</b>	<b>145 981</b>	<b>152 059</b>
<b>Prepaid expenses and earned income not received</b>		
Prepaid costs and earned income not received	9 937	5 516
<b>Total prepaid expenses and earned income not received</b>	<b>9 937</b>	<b>5 516</b>
<b>Total assets</b>	<b>2 626 860</b>	<b>1 685 442</b>

**Insr ASA Condensed Statement of Financial Position**

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Paid-in equity</b>		
Share capital	107 759	107 759
Share premium	1 449 333	1 449 333
Total paid-in equity	1 568 179	1 557 092
Provision for Natural Perils Fund	26 052	0
Provision for Guarantee scheme	59 147	27 933
Other equity	(1 175 030)	(1 038 208)
Other reserves	11 088	7 933
<b>Total equity</b>	<b>478 349</b>	<b>554 750</b>
<b>Subordinated loan</b>	<b>151 120</b>	<b>74 156</b>
<b>Technical provisions</b>		
Gross premium reserve	756 003	358 977
Unexpired risk reserve	0	4 671
Gross claims reserve	781 757	388 638
<b>Total technical provisions</b>	<b>1 537 760</b>	<b>752 286</b>
<b>Financial liabilities</b>		
Pension liabilities	3 013	0
Other liabilities	99 883	95 556
Liabilities in connection with direct insurance and reinsurance	239 758	170 705
<b>Total financial liabilities</b>	<b>342 654</b>	<b>266 261</b>
<b>Premium deposits from reinsurance companies</b>	<b>8 968</b>	<b>0</b>
<b>Accrued costs and received unearned income</b>	<b>108 009</b>	<b>37 989</b>
<b>Total liabilities</b>	<b>2 148 511</b>	<b>1 130 692</b>
<b>Total equity and liabilities</b>	<b>2 626 860</b>	<b>1 685 442</b>



# 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

**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

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

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

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

**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 guarantees of 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

<b>2018 Annual Report</b>	<b>29.03.2019</b>
<b>Q1 2019 results</b>	<b>15.05.2019</b>
<b>Q2 and Half year 2019 results</b>	<b>14.08.2019</b>
<b>Q3 2019 results</b>	<b>13.11.2019</b>
<b>Annual General Meeting</b>	<b>22.05.2019</b>
<b>Deadline for Proposals to the Nomination Committee</b>	<b>01.04.2019</b>

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