

EVERY

Digital
+advantage



ANNUAL REPORT 2016

Customer-centric
innovation

Customer-centric innovation

THE TITLE OF THIS YEAR'S ANNUAL REPORT points to the very core of our business strategy, which is that we strive to help our customers develop value-adding digital services - services that enable our customers to offer a better customer experience and so become more attractive and competitive. Our aim is to be one of the leading knowledge businesses in the Nordic region and to possess the insight, expertise and concepts needed to build a bridge between technology and business strategy.

FROM COST-EFFECTIVE CLOUD TECHNOLOGY to modernisation and innovation, EVRY seeks to be a catalyst for its customers' digital change journeys. We work with our customers to create digital advantages, and so our value proposition is "Digital Advantage".

THIS ANNUAL REPORT SETS out not only our strategy, organisational structure and financial results, but also other matters that are important to EVRY, from our effect on wider society to our business plan and internal matters. It consequently provides integrated reporting on sustainability and corporate social responsibility, and is intended to provide an overview of our business as it is today and to show where we are heading over the coming years.

This annual report is published in both Norwegian and English. In the event of any discrepancy between the two versions, the Norwegian version shall prevail.

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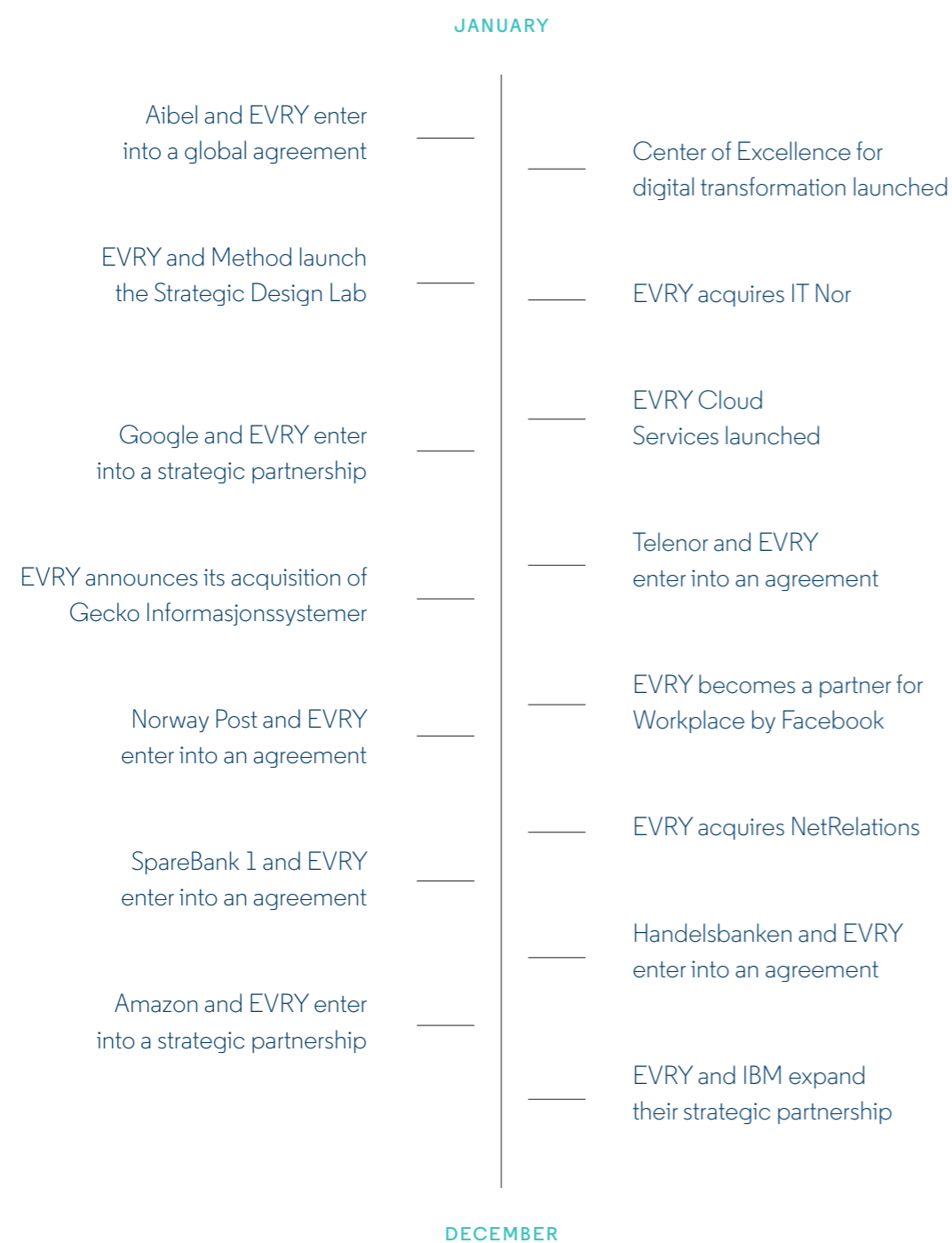
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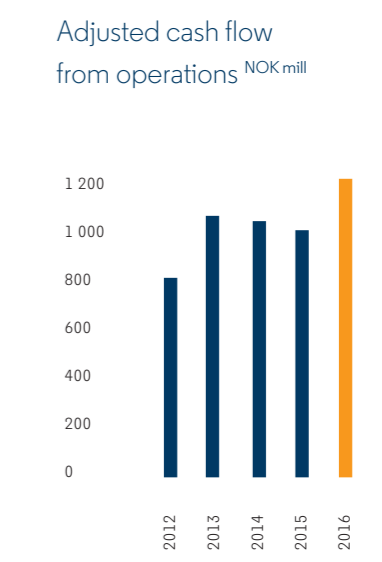
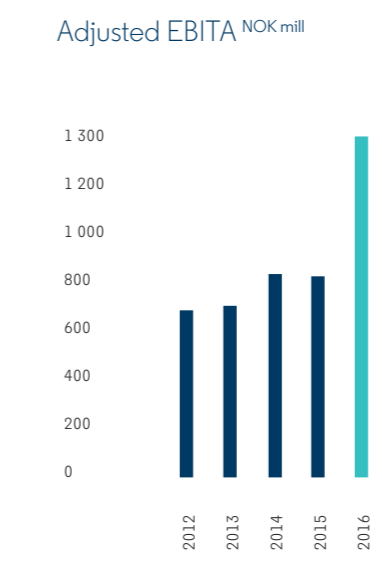
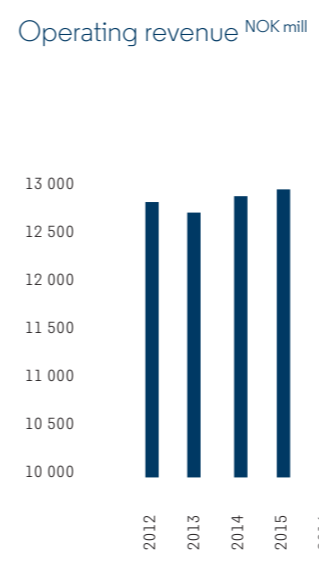
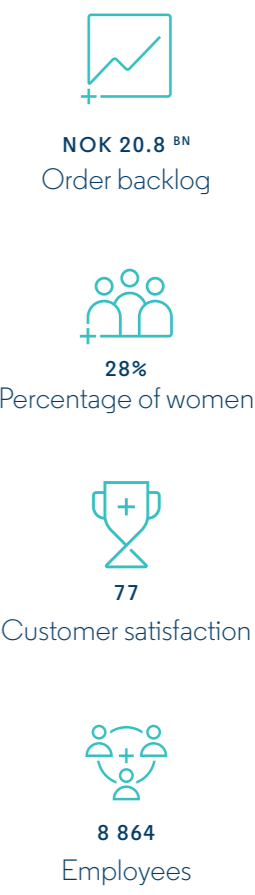
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Taking EVRY to the next level

Digital transformation is on the agenda in all industries and sectors. For EVRY, this means great opportunities for growth and development. Our challenge is to meet the market's requirements in terms of knowledge, insight and vision; in the future growth will not come from within traditional IT but from digital business development.

“Our goal is to be closer to our customers' customers”

Björn Ivroth
CHIEF EXECUTIVE OFFICER (CEO)

The opportunity space that exists can be illustrated by reference to innovation and the use of cognitive technologies. Research company Gartner predicts that in 2020 25% of service functions and customer support processes will be handled by virtual assistants. This would represent more than a tenfold increase in the space of five years. On a global basis, Gartner predicts the annual level of investment in introducing smart machines to increase from USD 1 billion in 2016 to USD 30 billion in 2021.

In order to respond to these technological developments, EVRY has undergone an extensive change process since 2015. One of the first areas that we addressed was our strategy in the infrastructure area. Developing technology in-house was demanding and risky, and was not making us sufficiently competitive. EVRY therefore chose partnerships as its main strategy, and we have entered into strategic collaboration agreements with IBM, Microsoft, Google and Amazon Web Services. This has reduced our risk exposure and we now offer world-leading technology as well as processes for transitioning to cloud-based solutions, which we combine with our local presence, our market understanding and storage solutions that are located in Norway and Sweden. In 2016 we set up a new unit, EVRY Cloud Services, to further strengthen our focus on cloud services.

EVRY's aim going forward is to help our customers transition to modern, scalable and efficient infrastructure platforms. This is a complicated operation for many organisations. It is consequently an advantage that EVRY knows the “old world” as well and is familiar with the steps required to ensure a successful transition.

“Our desire is to focus our resources on what creates customer value, and this has already had a positive impact in the form of improved operational quality, more major contracts, a significant increase in customer satisfaction and strong internal engagement.”

In the Financial Services segment, we have invested significant resources into developing a next-generation core banking solution, and have renewed and extended a range of customer contracts. We are building knowledge and insight in areas including blockchain, the EU’s Payment Services Directive 2, machine learning and automation, all of which will affect the banking sector in the years ahead. Our ambition is to expand our business and to become the leading player in fintech in the Nordic region.

As part of our change journey we have also improved the efficiency of how we operate, simplified our organisational structure and become more market and customer-oriented. Our desire is to focus our resources on what creates customer value, and this has already had a positive impact in the form of improved operational quality, more major contracts, a significant increase in customer satisfaction and strong internal engagement. Internal engagement is crucial as we will need to expand our expertise into new areas in the years ahead.

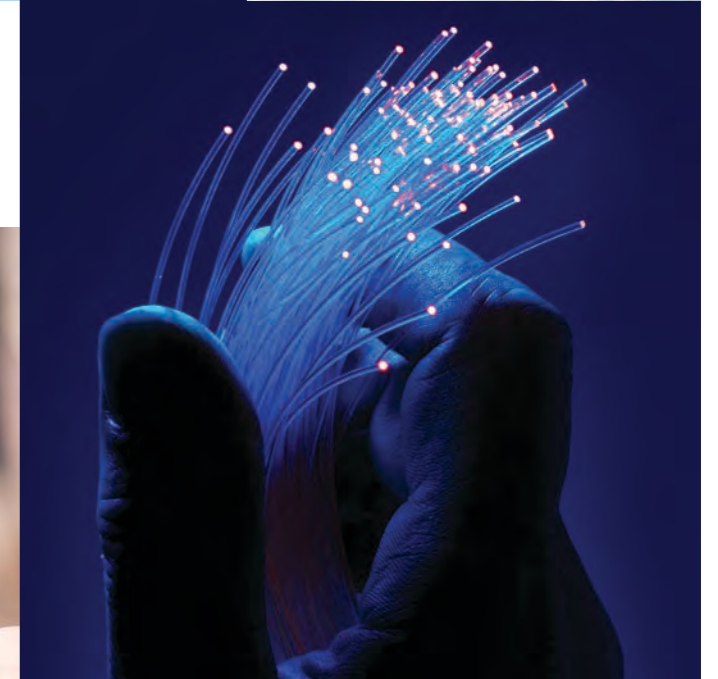
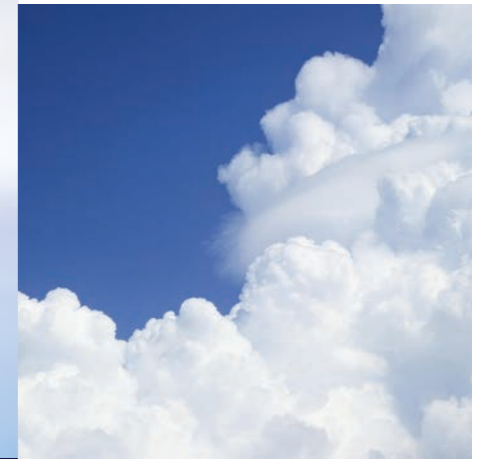
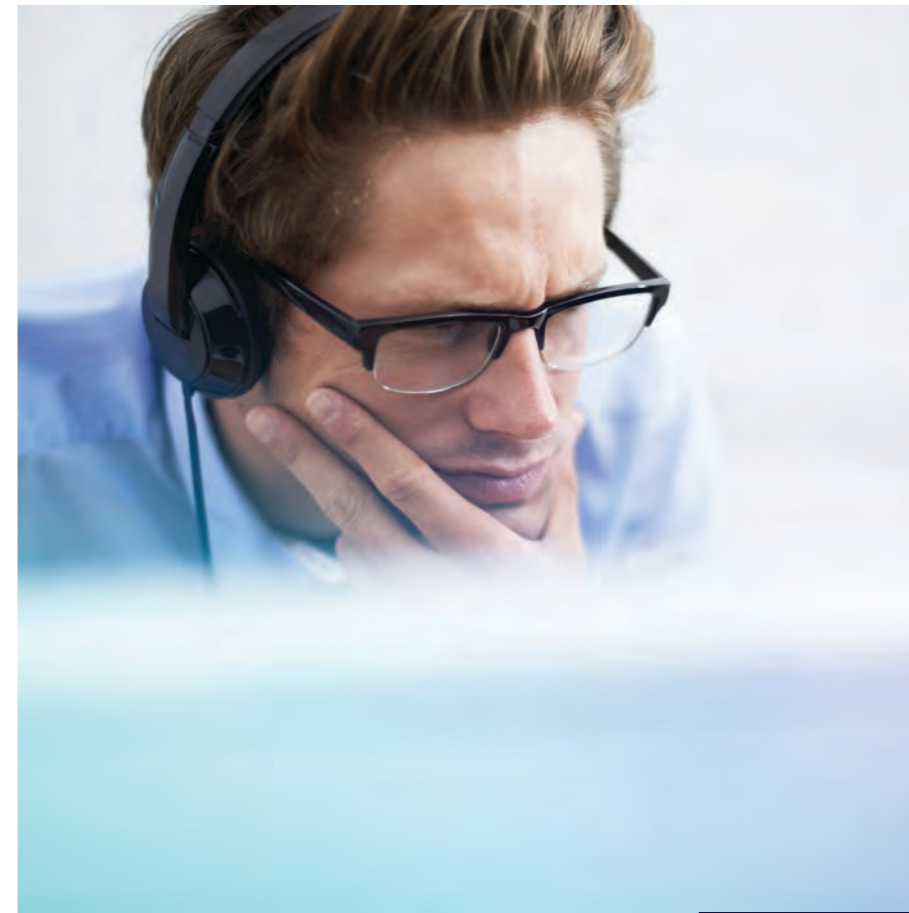
In short, 2016 was a very good year for EVRY. We need, however, to recognise that we need to aim even higher if we are to maintain and strengthen our position in what is a demanding market. Both the market and customers’ expectations change quickly. Customers used to come to us with clear requests, set needs and specific requirements. There is greater uncertainty today, and customers are to a much greater extent seeking advice on how digital solutions can create better services and increase their competitiveness.

EVRY possesses extensive technical knowledge, which we need to combine to an even greater extent with strategic understanding and insight. In 2016 we set up the EVRY Strategic Design Lab in collaboration with Method. The EVRY Strategic Design Lab combines technology, design thinking and strategic understanding in an entirely new way. Its approach is to start by looking at what is driving change at our customers’ customers and what strategic opportunities this is creating, and then to turn this insight into trial projects. In a rapidly changing world, the practical reality of every opportunity has to be assessed in order to discover whether it has real potential to add value and to exploit it if it does.

Our change journey will take EVRY to the next level. Operational excellence and the quality of our deliveries are fundamental elements in this, and growth and profitability are important measurement parameters, but the level we are striving towards is about becoming closer to our customers’ customers. We need to have in-depth understanding and to be a collaboration partner that helps improve customer satisfaction, value creation and competitiveness for our customers. This is what we mean when we say our value proposition is “Digital Advantage”.



Björn Ivroth
CHIEF EXECUTIVE OFFICER (CEO)



Vision, values and business goals



DIGITAL ADVANTAGE

BUSINESS CONCEPT

We bring information to life, creating value for our customers for the benefit of society.

VALUES

- Anticipate needs
- Go beyond expectations
- Perform together
- Empower and inspire

The starting point for EVRY's vision, values and business goals is its customers and how we can help them fulfil their ambitions. Our vision, which is "Embrace infinite opportunities", serves as a reminder that technology enlarges the opportunity space and describes how we go to great lengths to find solutions that benefit our customers; it is by leveraging this opportunity space that we create digital advantage for our customers. Our business concept, "We bring information to life, creating value for our customers for the benefit of society", refers to how we use digitalisation and smart solutions to create value for our customers and to contribute to society.

Our values, which are "Anticipate needs", "Go beyond expectations", "Perform together" and "Empower and inspire", stem from our closeness and dedication to our customers, and from how we work together with them to create the greatest possible customer value. EVRY's values are thoroughly embedded at the organisation. Work is continuously undertaken on developing the company's corporate culture, and as part of this there is a particular emphasis on performance and improvement. This work is an integral part of EVRY's program for new employees and also forms part of employees' annual appraisal meetings.

EVRY HAS THE FOLLOWING BUSINESS GOALS:



Continuously enhance and increase customer satisfaction across all business areas



Continue to increase profitability across all business areas by deploying best practices and exploiting innovations and new technologies



Leverage our extensive customer base and strong portfolio of products and services across all business areas to further accelerate organic growth



Attract, develop and retain the most highly motivated, committed and skilled employees in the industry

EVRY is working in a targeted way on achieving these business goals and made strong progress in 2016. Detailed information on the measures that have been implemented and EVRY's success at meeting its goals can be found in the "Business plan" chapter of this report.



When the customer's customer decides

Technology is developing rapidly. Virtual reality, augmented reality and artificial intelligence are areas of technology that most of us will become more familiar with over the next few years. At EVRY, our motivation is to develop solutions that make everyday life simpler for the public, enhance the ability of businesses to compete and improve society.

The internet, sensor technologies, mobile data communications and cloud services have developed in ways that mean we now have greater access to data, applications and processing power than ever before. The opportunities are virtually limitless. The challenge is to leverage the technology and to create solutions that deliver added value. At EVRY, we are passionately committed to high-quality solutions and therefore work very closely with our customers. Our ambition is to transform insight into ideas, and ideas into concrete solutions.

STRATEGIC PARTNERSHIPS

EVRY has entered into strategic partnerships with global companies such as IBM, Microsoft, Google, Amazon Web Services and Facebook. This gives us access to technology and specialist expertise and constitutes a platform for the solutions we deliver. We think that the cloud will be central to the solutions of tomorrow. Cloud services offer financial flexibility, scalable services, and access to the applications and computing power needed for even the most advanced solutions. Artificial intelligence is an example of an area in

which cloud services play a crucial role in terms of ensuring availability.

At the same time, we recognise that our customers operate in a range of different realities, have systems with varying levels of complexity, and are subject to different legal requirements in terms of security, data protection and data storage. We are consequently committed to optimising our customers' systems based on their needs and choices. Working closely with a wide range of leading global suppliers is therefore an important pillar in EVRY's strategy to deliver integrated solutions that are well-suited to each customer.

DIGITAL TRANSFORMATION

Digitalisation and digital business development represent a change journey that can affect every aspect of an organisation, from its business model and strategy to its employees, collaboration partners and customers. Companies that create high-quality dialogue with their customers, collate and process information, and tailor their offer and react quickly to the information available achieve a significant competitive advantage.

“At EVRY, we are passionately committed to high-quality solutions and therefore work very closely with our customers. Our ambition is to transform insight into ideas, and ideas into concrete solutions.”



DIGITAL ADVANTAGE SYMBOL

We have created a specially designed symbol for the Digital Advantage strategic message. The symbol represents the digital advantages that EVRY creates for its customers and also their customers.

Similarly, public sector organisations that manage to modernise, adapt and improve the efficiency of the services they offer can make significant savings and so free up valuable resources. Value-adding solutions all have one important thing in common: end-users see them as relevant and as adding value.

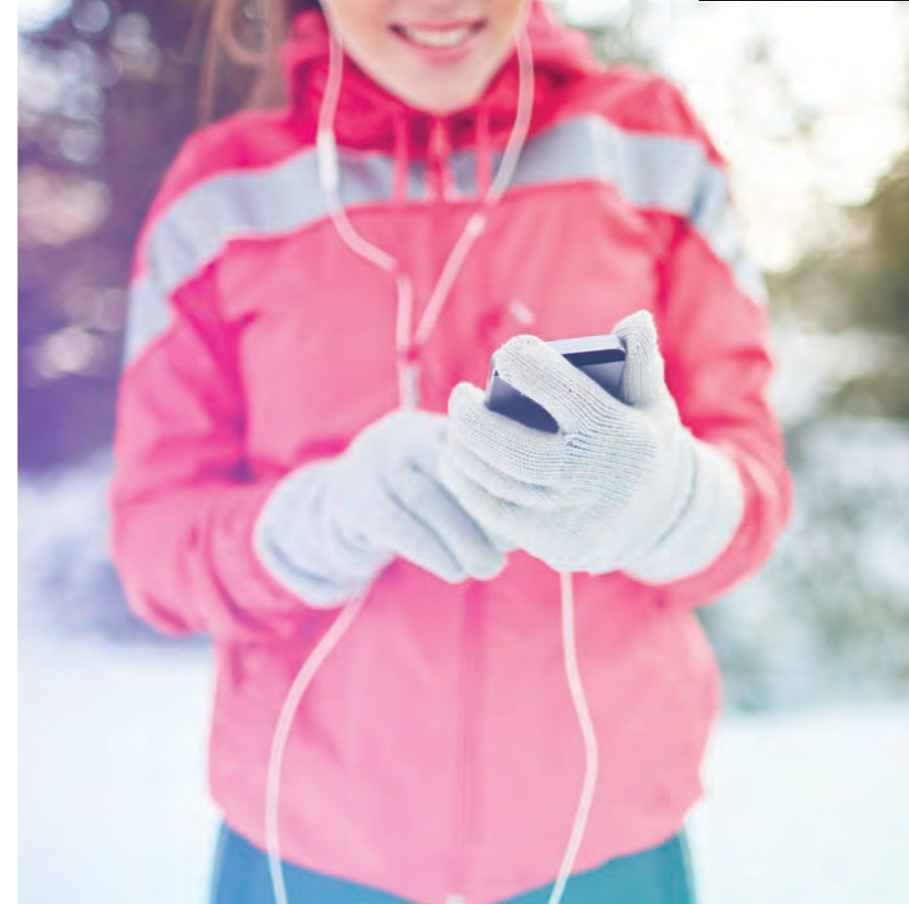
DESIGN THINKING

In 2016 EVRY entered into a partnership with Method Inc., one of the best-known companies in design thinking internationally. The reason for this was the recognition that more than just technical know-how is needed to create digital advantage for customers; doing so also requires an understanding of what solutions end-users, which is to say our customers' customers, want and see a need for now and in future. We work by acquiring insight into such questions and then building a bridge between strategic choices and the technological opportunity space. In 2016 we set up the EVRY Strategic Design Lab in collaboration with Method. This unit gives us the tools and methods with which to build bridges between research into ideas, strategy and technology. Trial projects and pilot testing are a key part of this methodology. We think that the winners of the future will be characterised by their ability and desire to test out ideas at an early stage. EVRY is seeking to be a partner that enables organisations to do this innovatively and with as little risk as possible.

During the course of 2016, the EVRY Strategic Design Lab welcomed a number of customers, and worked with them on topics that included the future of banks, the smart cities of tomorrow, and the future of retailing and customer service. We have been involved with both new and existing customers in stimulating discussions, ambitious projects and value-adding solutions.

DIGITAL ADVANTAGE THAT LEAVES ITS MARK

In the years ahead EVRY will strengthen its strategy of creating digital advantages that leave their mark. This will require big changes at EVRY. We need to dedicate significant resources to developing our expertise and also to work proactively on attracting new talent. We need to change the way we work and to improve the quality of the advice and solutions we offer our customers. 2016 was the year in which we put in place the partnerships and methodologies that will make us a more valuable collaboration partner. However, the final proof of this will as ever be in the quality and value contribution of the solutions we deliver. We need to always aim higher to earn our place as a digital solutions partner.



The banking services of the future, today

EVERY supports banks in their management of continuous change and facilitates the next generation of banking services.

PAYMENT – Maja, 18, buys a new dress. On the basis of data from the card transaction, she is informed that there are matching shoes for sale at a reduced price in the shop next door.



CHATBOT – Marit, 66, has her purse stolen. With the help of a chatbot, she gets her card blocked without having to make a call and to wait on hold.



MACHINE LEARNING – Bjørn, 53, buys a flight to Svalbard. His bank sees this and, with the help of machine learning, suggests buying a winter coat.



MORTGAGE – Vegard, 32, is viewing a property. He informs his mortgage broker that he is interested, and receives a mortgage offer and details of his application there and then.



SAVING – Tommy, 27, buys a frap-puccino and a muffin. He needs to save money to get a mortgage, and his savings app sends him a friendly reminder of this.



Proximity and security in a digital world



SpareBank 1 and EVRY extended their collaboration in 2016. With EVRY's assistance, the SpareBank 1 alliance, which consists of 14 independent savings banks, is building self-service solutions and new customised services to meet the needs of tomorrow.

The banking sector is going through a customer-driven digital transformation and is being significantly affected by the rapid pace of technological change. Bank customers are constantly demanding new, user-friendly services. In order to meet new customer requirements and ensure they are quick to market with new services, banks need a modern and flexible platform. Collaborating with EVRY will give SpareBank 1 banking services, core banking solutions and payment solutions that are next-generation.

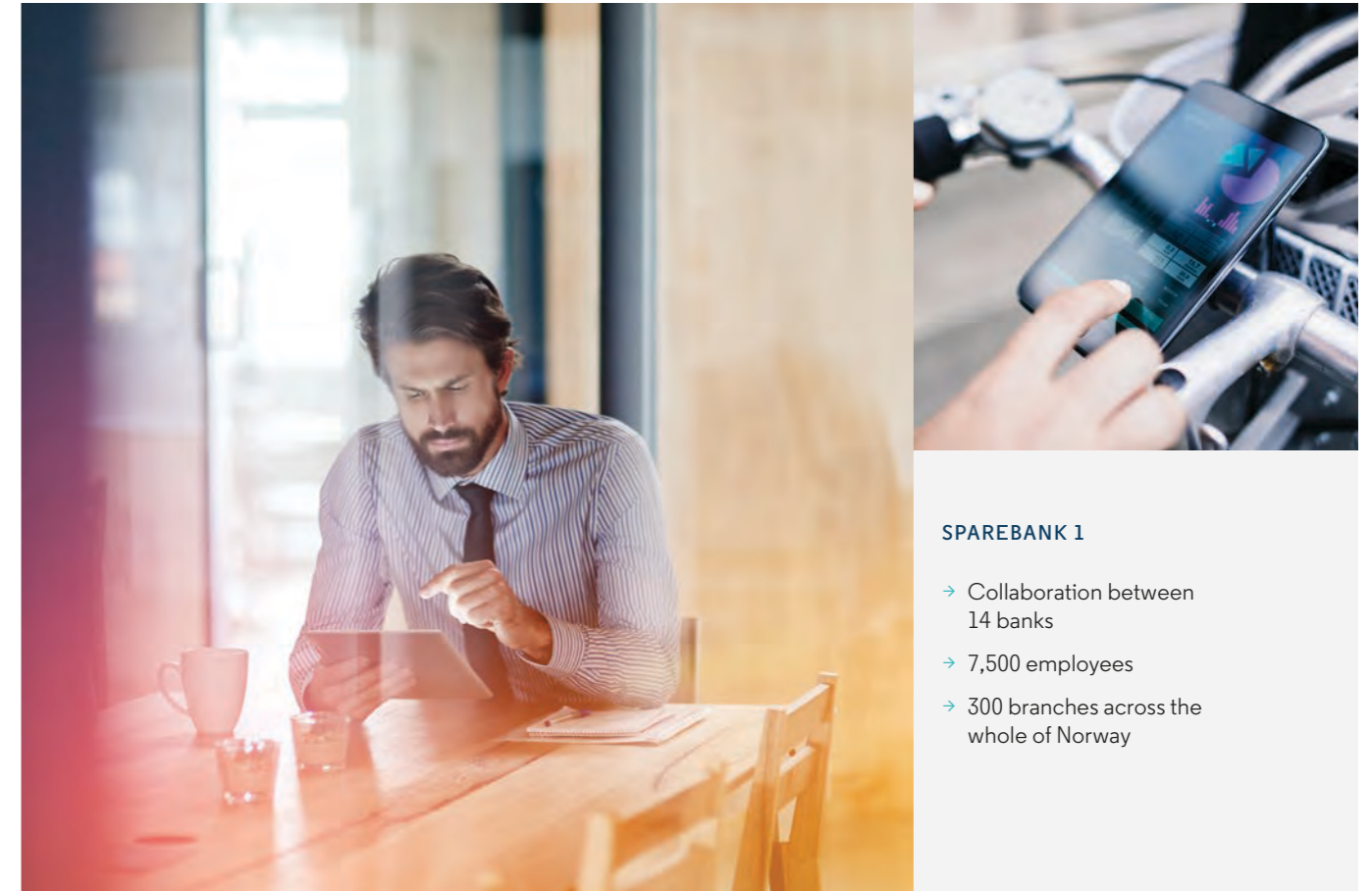
EQUIPPED TO MEET ITS CUSTOMERS' NEEDS

The use of digital services has exploded, and banks operate in a competitive market that requires them to be focused on costs. Banks need to become more competitive through a combination of simpler digital solutions for customers and automating their back-office processes.

"SpareBank 1's ability to adopt new technology is of crucial importance in order for us to be a leading banking alliance and to offer industry-leading services to our customers. Our values are based on closeness, local expertise and security in every-day digital life", comments Øyvind Aass, CEO of the SpareBank 1 alliance.

"In EVRY we have a collaboration partner that thinks long-term and that understands the mechanisms in the banking market and our needs. We are now well-equipped to meet our customers' requirements in the future as well."

Øyvind Aass – CEO OF THE SPAREBANK 1 ALLIANCE



SPAREBANK 1

- Collaboration between 14 banks
- 7,500 employees
- 300 branches across the whole of Norway

RELEVANT DIGITAL SERVICES

EVRY can offer assistance with thinking innovative thoughts and generating ideas that change how businesses operate and compete. SpareBank 1 is strongly committed to providing its customers with user-friendly and efficient digital services. Thanks to EVRY's assistance, SpareBank 1 now has more efficient systems of higher quality. This is helping to ensure its customers have simpler and more flexible solutions. EVRY is helping SpareBank 1 with its efforts to modernise, simplify and become more cost-efficient, and will also help make the bank even better equipped to respond to the market's demand for services that are more relevant and more personal in a digital world.

MORE USER-FRIENDLY FOR CUSTOMERS

Automated processes and digital solutions make better business models possible. Integration with Norway's public registers enables SpareBank 1 to make the lending process simpler for both customers and the banks in the alliance. Another example is digital electronic real estate transactions through collaboration between real estate agents and the banks, with electronic processing for real estate settlement. This enables faster settlement between buyers and sellers of real estate, while the banks benefit from a faster loan approval process with digital real estate settlement, based on the Norwegian Mapping Authority's digitalised solutions.

STANDARDISED SERVICE PLATFORM

EVRY is establishing its new core banking solution as a service platform using industry-standard components. EVRY's development strategy and implementation methodology are firmly based on the company's close collaboration with the Banking Industry Architecture Network (BIAN), of which EVRY is the only member that is a Nordic IT service provider. The use of modern architecture and standards ensures that EVRY's solutions are flexible, cost-effective and adapted to international requirements.

Solutions for a digital everyday life

EVERY is contributing to the digital transformation, which is providing better services that are more customised, relevant and competitive.

CATCH REPORTING – Per, 48, has landed a good catch of fish and reports his record catch of cod to the Norwegian Directorate of Fisheries via eCatch.



CUSTOMER SERVICE – Espen, 63, telephones his energy company, and its customer service desk automatically brings up all his customer data and previous correspondence in order to provide him with the best possible service.



INTERNET-CONNECTED CAR – Preben, 37, gets in his Tesla and goes online to check the local driving conditions.

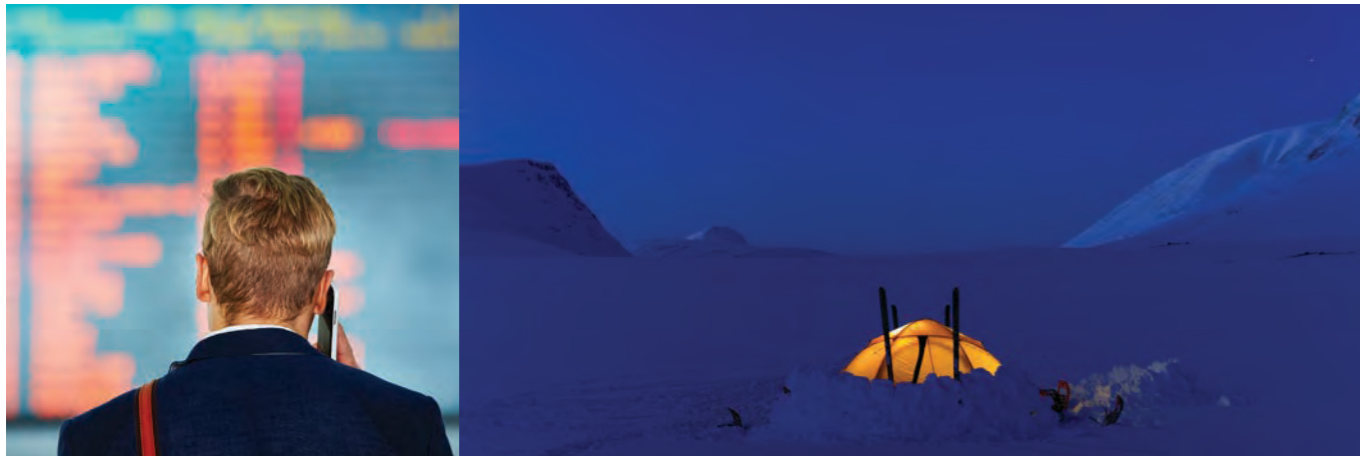


BILL OVERVIEW – Hanne, 24, uses her mobile to log into the 'My account' section of her telecom provider's website where she can view all her bills.



Telenor – Solutions for customers' digital day-to-day

Telenor's goal is to become its customers' preferred partner for their digital journeys. As a result, more and more is being asked of its systems for exchanging information and data in real time. As is the case for other companies, it is important for Telenor to have efficient and cost-optimal IT solutions that offer a high degree of availability, self-service and scalability. EVRY is an important service provider and collaboration partner in relation to improving the efficiency of and digitalising Telenor's interaction with its customers – and the IT systems that are needed to achieve this.



“The customer journey is important to Telenor, and the digitalisation and automation of business-critical processes is crucial to Telenor preserving its position in the market. It is important for us to ensure our suppliers support and help develop and deliver the customer journey.”

Berit Svendsen
CEO OF TELENOR NORWAY

EVRY has delivered services to Telenor Norway for many years, and is an important collaboration partner that is responsible for ensuring business-critical value chains are always available. It does so across applications, security and infrastructure, in a landscape that features a range of providers and official regulations in Norway and beyond.

DEDICATED CLOUD SERVICES

Telenor and EVRY entered into a new agreement in 2016 for EVRY to modernise Telenor's IT infrastructure in order to accelerate the company's digital

transformation. The agreement includes cloud services, infrastructure and data centre services. EVRY has delivered IT services to Telenor Norway for many years with a target of delivering continual cost reductions, high availability and operational stability. The new agreement is wider in scope and includes not only Telenor Norway but also Telenor in Sweden as well as other Telenor units in the Nordic region. The cloud service will support Telenor's security and scalability requirements, and will provide cost-effective production for the company's IT portfolio.



PRIMARY LOCATION IN FET

The primary location will be EVRY's new data centre in Fet outside Oslo, which uses leading cloud services, IT security and data storage technology. It also meets the requirement for data to be stored on Norwegian soil, which is a requirement set by the authorities in Norway. The data centre is world-class in terms of data security, and it also uses only half as much energy as a traditional data centre, due in part to an entirely new air-cooling system and modern, virtualised and energy-efficient servers

TECHNOLOGY THAT BENEFITS THE CUSTOMER


Telenor is a company capable of adopting new technology that delivers benefits for its customers. The new agreement will enable Telenor to offer its customers a more unified cross-Nordic platform with international capabilities and serves as a good example of how EVRY creates digital advantage for its customers through cost-effective, automated and flexible solutions.

TELENOR


- 4,000 employees in Norway, 33,000 globally
- 3 million subscribers in Norway
- 214 million subscribers in total

Smarter cities


EVERY develops and delivers IT services that make cities smarter and everyday life easier for residents.




DIGITAL BOOKING – Gustav, 19, uses his mobile to book his local sports hall for an upcoming floorball tournament on the way to a training session.




ELECTRONIC REPORTING – Robert, 51, uses his mobile to report how much water he has used in the most recent period.



ELECTRONIC PLANNING APPLICATION – Lisbeth, 47, submits a digital planning application for an extension to her house using her PC.



DIGITAL APPLICATION PROCESS – Adrian, 36, uses his tablet to apply for a school place for his five-year-old daughter. The process is very easy thanks to the new system.



E-HEALTH – Malin, 31, finds a new regular primary care doctor, as she has recently moved to the municipality.

A smarter municipality



In order to interact more closely with its residents, Nacka Municipality in Sweden has created a future-oriented, transparent and open web solution that is both an external website and an internal digital workplace.

While municipalities' websites are often simply channels for providing information, Nacka Municipality took the opposite approach, which is to say that its new website is an interactive channel that residents can use in order to interact directly with the municipality's services. The entire portal was built around the individual resident's journey through the municipality's services.

Nacka Municipality expects significant growth in its population in the coming years. Its ambition is for more digitalisation to help it to maintain and strengthen its service offering without it having to increase employee numbers.

AN OPEN DIGITAL PRESENCE

Nacka Municipality wanted to create an innovative digital experience for its own employees as well as the municipality's service users. It sought to engage in a process of continuous dialogue with both internal and external stakeholders to ensure the service was developed collaboratively. Its goal was to use modern service design in order to transition from operating a cumbersome patchwork of technologies to having an open digital presence. It was also important for Nacka Municipality to create a personalised and task-focused digital workplace, both to increase collaboration between its own employees and to ensure openness with the population.

"Building solutions of this type is not a question of being daring, but rather of fulfilling our vision of being open and diverse. This vision is even more important in today's network-based society in which fulfilling requirements and expectations regarding the openness and accessibility of businesses and organisations is crucial for credibility. As a municipality, our success depends on our residents trusting us."

Mats Bohman – ADMINISTRATIVE DIRECTOR, NACKA MUNICIPALITY, CITY EXECUTIVE OFFICE



NACKA MUNICIPALITY

- 99,000 residents
- One of the fastest growing municipalities in Sweden
- Population expected to exceed 113,000 in 2020
- 15–20 minutes from central Stockholm

DIGITAL COLLABORATION

The entirety of the solution is flexible and secure, and it means that Nacka Municipality is able to adopt new technology in order to create innovative solutions for interfacing with its residents, employees, and business and industry. What is at stake is the creation of one Nacka where residents, the municipality itself and other stakeholders can collaborate in order to create a successful municipality. The digital workplace facilitates the work of the municipality's employees and reflects their actual physical workplace. Employees are able to use the solution for everything they would otherwise do physically in terms of sharing knowledge with colleagues, accessing the tools they

need and viewing up-to-date information. The more internal parts of nacka.se have replaced the municipality's old intranet and are built around the tasks that the municipality's employees have to carry out. Taking employees' needs and work situations as the starting point ensured that they would be able to complete their tasks as efficiently and effectively as possible, even when working away from the office using a mobile device.

A set of principles was drawn up for the work on Nacka Municipality's digital presence, which was carried out by EVRY's subsidiary NetRelations. These were that the solution would:

- Have a common portal regardless of the type of user (resident, employee etc.)
- Create the conditions for everyone to make their own choices
- Signal openness, trust and long-term commitment to improvement
- Promote collaboration, knowledge sharing and dialogue
- Be the obvious access point for services and self-service



Intensified focus on cloud services

The market for cloud services is growing quickly and becoming more mature. EVRY looks back on 2016 as a year in which it intensified its focus on cloud computing, and it is well-equipped to meet the increased demand.

Today's companies and organisations need infrastructure services that are capable of supporting new technology and digital business processes. Those companies and organisations that transfer elements of their IT portfolios from their own servers to the cloud lay the foundation needed for them to innovate more and to have infrastructure that is more cost-efficient and scalable. EVRY offers consultancy, architecture, design, implementation and operations services for a range of cloud platforms using our certified consultants in Norway, Sweden and India.

NEW BUSINESS AREA

EVRY helps its customers to increase the efficiency of their operations, to innovate faster and so to create business value. Cloud services are flexible and scalable and offer quick access to innovative applications. Our recommendation is therefore that customers should move as much as possible to the cloud as quickly as possible. At the same time, we understand and have particular insight into the complexity associated with legacy systems, security, compliance and regulatory questions. EVRY collaborates with its customers to produce cloud strategies that cover all the steps involved in this process, from analysing all the cloud options available to them, through to solutions architecture, implementation,

migration and managing their cloud services on their behalf.

In order to capture the growth potential it sees in the Nordic market, EVRY set up the EVRY Cloud Services business area in the autumn of 2016. It is essential for EVRY to have market-leading knowledge and capacity in this area, and a large-scale recruitment process was launched to further develop EVRY's service offering and to help customers transition to the cloud. EVRY's ambition is to recruit 100 new cloud specialists during 2017.

EXPANDING ON THE IBM SUCCESS

EVRY and IBM entered into a long-term strategic collaboration for basic infrastructure services in 2015. This has been well-received by EVRY's customers. It has led to new world-class cloud solutions being set up in the Nordic market, and EVRY's largest customers are currently being moved to the cloud. EVRY's collaboration with IBM was expanded in 2016 so that all EVRY's customers will now be able to enjoy the benefits of modern cloud services. EVRY is continuing to lead the development of value-adding services, and it combines these with IBM's innovative cloud technology and global presence. This gives customers market-leading infrastructure, greater agility as they digitalise, and the ability to be quicker to market with new services.

The partnership between IBM and EVRY not only provides access to an industry-leading private cloud platform, it also offers direct access to the global IBM Bluemix platform – a platform that offers efficient implementation, secure availability and global scalability for any cloud architecture the customer may choose – on Nordic soil.

STRATEGIC COLLABORATION AGREEMENTS

In order to position itself as the leading cloud services provider in the Nordic region, EVRY has entered into strategic partnerships with IBM, Microsoft, Google and Amazon Web Services. As a result, EVRY has achieved its goal of being the leading Nordic cloud services provider in its capacity as an independent technology partner that is able to help customers take advantage of the best that the leading cloud providers have to offer. Customers wishing to use the cloud are able to do so via Microsoft, Amazon Web Services, Google and IBM. Customers that need to have private clouds can do so via dedicated data centres with either Microsoft Azure or IBM Bluemix.

EVRY also serves customers that need hybrid cloud solutions and customers that wish to migrate selected parts of their traditional IT set up to either private or public cloud services. With its Cloud Management Platform, EVRY is able to move its customers' solutions to the cloud efficiently.

A CATALYST FOR CUSTOMERS' INVESTMENT IN THE CLOUD

One of the biggest challenges EVRY's customers face is whether they are able to move their business applications to the cloud so they can make the most of the benefits offered by modern cloud services. DevOps methodology and containers are important tools for this type of task. EVRY has strengthened its expertise and delivery capabilities in this area by entering into a partnership with Rancher Labs, which is one of the world's leading suppliers in the area with its container management service. This service supports all the leading container platforms in the world. The collaboration puts customers in a better position with regard to using DevOps methodology as it enables cloud platforms from more than one provider to be combined, so that customers are not restricted to a single

provider. As part of this collaboration, EVRY will provide a distributed container service, which allows customers to administer containers in a single solution, regardless of the cloud platform.

STRONGLY POSITIONED

EVRY is already one of the largest Microsoft partners in the Nordic region today, and its target is to be one of the first companies in the Nordic region to deliver services on a Microsoft Azure stack. When this is seen in the context of EVRY's partnership with IBM, as well as EVRY's partnerships with Google and Amazon Web Services, it becomes clear that EVRY now has the most extensive and genuinely technology-independent cloud offer on the market. EVRY's partnership work and delivery model mean it is able to deliver the right platform for every organisation, regardless of type or size. The company's technology-independent approach means EVRY is able to provide high-quality advice on which solution best suits each of its customers' specific needs and requirements. EVRY is also able to administer hybrid or multi-cloud environments for its customers, and to take full responsibility for their IT services.

CUSTOMER CASE

The cloud making forestry operations more efficient

Eirik Wean, who is the IT Manager at ALLSKOG (a regional cooperative of forest owners), wanted to modernise the organisation's IT services, as its existing solutions required a lot of support and were tying up resources. A range of options were assessed before a cloud-based solution was finally chosen.

Like other industries, the forestry industry is changing quickly. In order to respond to these changes, it is important to be able to quickly provide services that increase productivity without the need for significant investment.

ALLSKOG evaluated the alternatives of continuing with outsourcing from an operating services partner, investing in its own solutions, or opting for a cloud-based solution. EVRY analysed the organisation's needs and the options available to it, and came to the same conclusion as ALLSKOG, which was that

a cloud-based solution from Microsoft Azure would be the best option.

EVRY's consultants ensured the migration process was carefully planned, and it was carried out with no impact on daily operations. ALLSKOG's existing operating environment was replaced with Azure-based services, including virtual machines and monitoring. At the same time the organisation went over to Office 365, which meant that some servers that had previously run email, SharePoint and Skype for Business became superfluous to requirements.

"Following the migration process, the majority of our business-critical IT solutions are on Azure. Office programs, SuperOffice, Visma, various mapping tools and other applications are easy to access wherever users are located. They are as quick and as stable, if not quicker and more stable, than before, and there is no longer any scepticism about having data in the cloud", comments Eirik Wean.



One of the most significant benefits is that the cloud-based solution frees up time that can be used to focus on development projects.

"We have now started developing new services, including an iPad-based contract solution for use out in forests, and we are also further developing our decision support systems and a new time-keeping system that will provide better oversight and control. We are also thinking about starting to use Microsoft PowerApps, which would enable entirely new ways of working out in the field", comments Eirik Wean.

CUSTOMER CASE

Cloud services making day-to-day life simpler for fishermen

Dualog has started a digital revolution in the fishing industry. Central to this work is its electronic system for gathering and distributing data from fishing vessels. EVRY assisted Dualog with cloud services from Google G Suite.

Masters of fishing vessels and fishing companies need a simple and efficient way of gathering data to generate the mandatory reports that have to be submitted to the Directorate of Fisheries as well as commercially useful information. Furthermore, the industry needs to be able to quickly have an overview of catches, what types of fish are being caught, and which fishing grounds are offering the best catch at any given time.

To address these needs Dualog developed eCatch.

This solution consists of an app that is installed on tablets for masters on board fishing vessels to use, and a portal, myecatch.com, which is used to submit data to the Directorate of Fisheries.

"We are sure that eCatch will simplify day-to-day life for fishermen, provide fishing companies with better management information, and simplify the process of reporting to the Norwegian Directorate of Fisheries", comments Silje Moan, Sales Director at Dualog.

"The Directorate of Fisheries uses the data it receives to monitor stocks and



to keep a check on the fishing fleet's catches and fishing activities. Masters of fishing vessels and fishing companies use the information that accumulates in the myecatch.com customer portal for the purposes of documentation, planning, sales and objections, and also to make better decisions more quickly", comments Silje Moan.



Position:

Strategic partnership with IBM, providing the only Nordic data centre based on the Bluemix platform

EVRY is one of the largest partners in the Nordics

EVRY is one of the largest partners in Norway

Global Channel Partner and Public Sector Partner

Ambition:

EVRY is the #1 partner in the Nordics, and will continue to develop this position

EVRY aims to be one of the first companies in the Nordics providing services on Azure Stack

EVRY aims to be one of the largest partners in the Nordics in 2017

EVRY aims to be amongst the top AWS consulting partners in the Nordics in 2017



ABOUT EVERY

Central provider for digital life

Over five million people in the Nordics use services delivered by EVERY every day. The company is the force behind a whole range of innovations that have transformed the way people access services. Through our insight, solutions and technology, we contribute to the development of the digital society of the future, for the benefit of our customers and society as a whole.



>10,000 customers



Offices in 9 countries

EVERY is a leading IT company in the Nordic region and has a strong local and regional presence. It delivers business-critical solutions to more than 10,000 customers in business and industry and the public sector. The company develops new customer-centric solutions that give our customers a digital advantage, modernise business processes and make IT operating services more efficient.

Every second, day and night, people are logging into their internet banking, retrieving important work documents, or just checking the time of the next train home. EVERY is the force behind services such as these that are of great value to society.

Our employees are highly qualified and have in-depth expertise and extensive experience. Making use of our strong local knowledge and drawing on our international resources has allowed us to develop a unique position in the Nordic market. We provide both industrialised IT services to organisations that need standard solutions as well as solutions that are adapted to meet industry-specific and regulatory requirements.

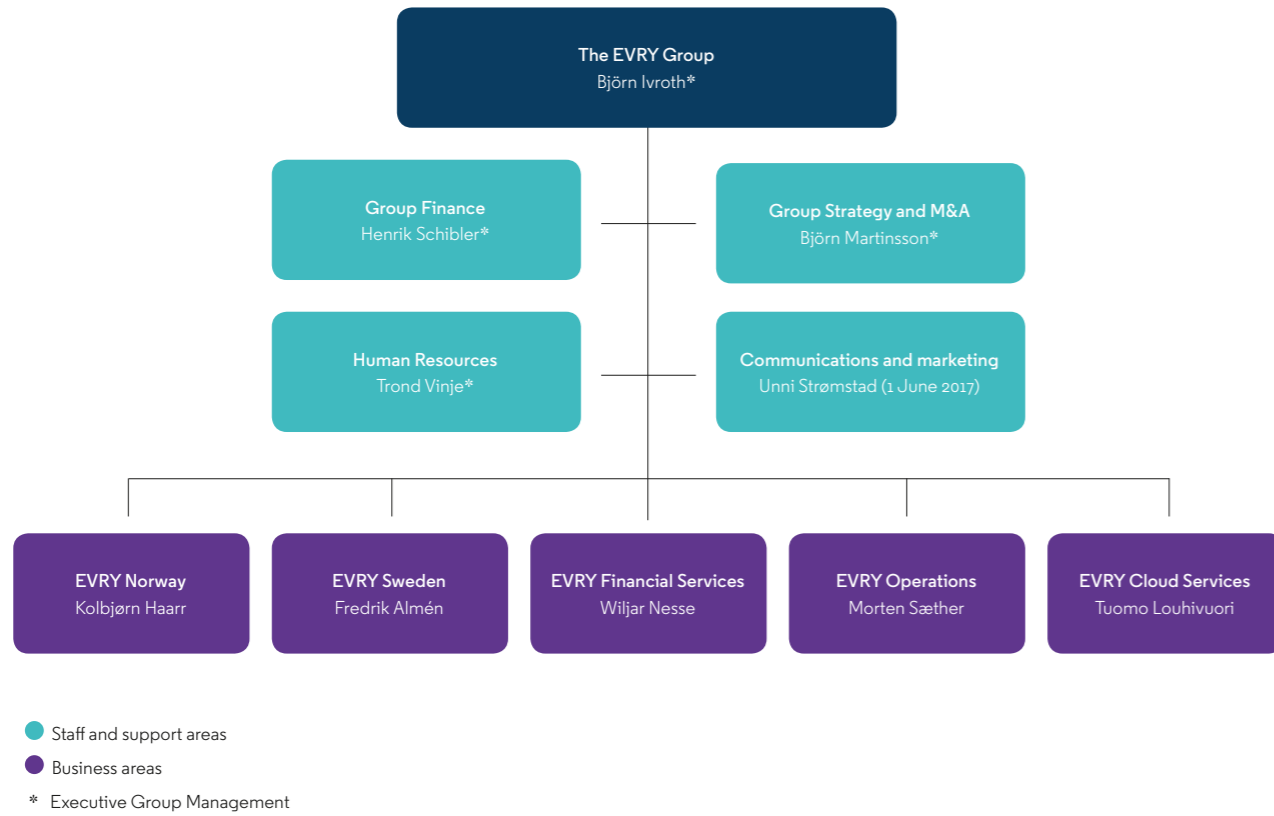
EVERY is divided into the following market segments: EVERY Financial Services,

EVERY Norway and EVERY Sweden. EVERY Financial Services delivers services to the banking and finance sector internationally, while EVERY Norway and EVERY Sweden serve all other sectors in their respective markets.

We offer our customers both local and global delivery models. The three market segments provide infrastructure and outsourcing services through Operations, which also has delivery capacity in the form of offshoring in India, nearshoring in Ukraine and first-line customer service in Latvia. Cloud Services develops concepts and provides advice on cloud services. As an integral part of its service offering EVERY has entered into strategic collaborations with leading global companies such as IBM, Microsoft, Google, Amazon, Apple, Facebook and Method. Digital Services offers specialist digital expertise to help customers develop new business models and innovative solutions for their end-users.

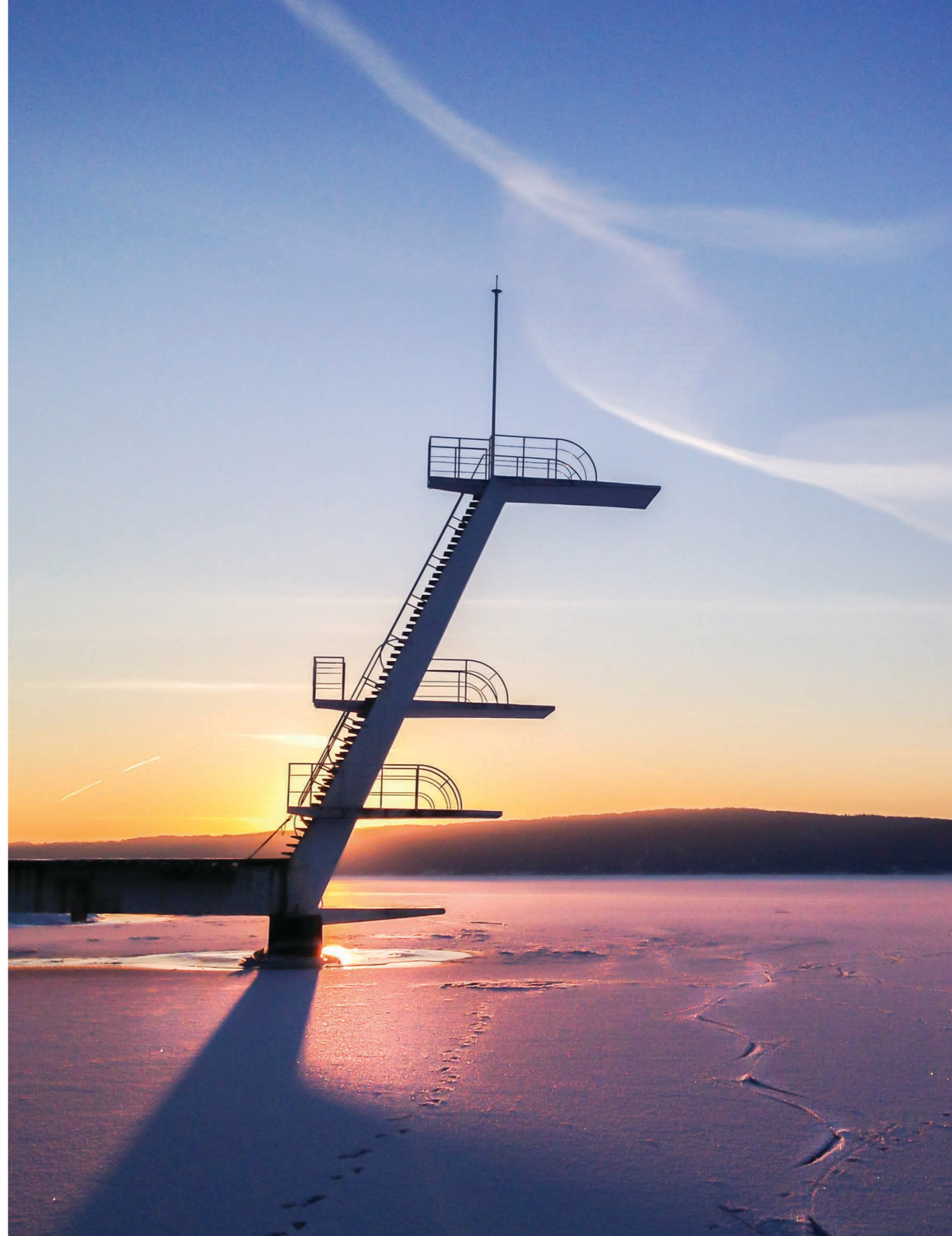
EVERY has 8,864 full-time employees located across Norway, Sweden, Denmark, Finland, India, Great Britain, Ukraine, Latvia and Bulgaria. EVERY's head office is located at Fornebu, outside Oslo.

Organisational structure



EVERY's organisational structure and operational structure are intended to ensure the Group is able to adapt quickly and efficiently to changes in the market and customer requirements. The company's staff and support areas are responsible for operational tasks and group services. The EVERY Financial Services, EVERY Norway and EVERY Sweden business areas are responsible for EVERY's relationships with its customers and for providing services to customers. Deliveries from EVERY Operations and EVERY Cloud Services form an integral part of the business areas' service offerings.

EVERY's executive management team meets once a month to discuss strategy and to make decisions regarding individual business areas. EGM (Executive Group Management), which consists of the CEO, the CFO and the executive vice presidents for strategy and business development and Human Resources, meet every fortnight and hold separate decision-making meetings about overall key initiatives for the business.



Executive management of EVRY



¹ Björn Ivroth
CHIEF EXECUTIVE OFFICER - CEO

Experience: Björn Ivroth has more than 30 years' experience from top management positions at CGI, IBM and Accenture and from having worked as a consultant at McKinsey. From 2012 to 2014 he was the Managing Director of CGI Sweden, where he led the company's business transformation.

Education: A Master's degree in Business Economics from the School of Business, Economics and Law at the University of Gothenburg.

² Henrik Schibler
CHIEF FINANCIAL OFFICER - CFO

Experience: Henrik Schibler has been CFO at ISS Norway, regional CFO at ISS Central Europe, and Finance Manager at ISS Group Operations. He has also worked at the FisherThermo Scientific/Nunc Group and at Egmont.

Education: A Master's degree in Economics and Business Administration from Copenhagen Business School, with specialisation in Management, Accounting and Control.

³ Björn Martinsson
EXECUTIVE VICE PRESIDENT,
HEAD OF GROUP STRATEGY AND M&A

Experience: Björn Martinsson has more than 16 years experience in investment banking across Europe and Asia, with particular knowledge of the technology sector, having advised numerous clients on strategic M&A, divestitures and capital raisings. Before joining EVRY, he was Executive Director of Nomura, Nordic Investment Banking / EMEA Software & IT Services.

Education: A Master's degree in Finance from the Stockholm School of Economics.

⁴ Wiljar Nesse
EXECUTIVE VICE PRESIDENT,
EVRY FINANCIAL SERVICES

Experience: Wiljar Nesse was previously Head of the Bank and Finance business area at EDB Business Partner. He has also worked at Elkem and AP Dow Jones, and as chief executive and part owner of Manamind AS.

Education: A Master's degree in Business Economics from the Norwegian School of Economics.

⁵ Kolbjørn Haarr
EXECUTIVE VICE PRESIDENT, EVRY NORWAY

Experience: Kolbjørn Haarr has been Executive Vice President for Central Europe, Russia and Norway at Tieto, Managing Director of Tieto Norway, and a member of the Tieto Corporate Management Team as Executive Vice President for Telecom, Media, Energy and New Markets. He has also held several senior positions at HP, including Director of HP Technology Services in Northern Europe and Director of HP Services in Norway.

Education: Trained as an engineer at the Stavanger College of Engineering.

⁶ Fredrik Almén
EXECUTIVE VICE PRESIDENT, EVRY SWEDEN

Experience: Fredrik Almén has been Vice President for Business Process Services and Software Business at CGI, COO at CGI Sweden, and Vice President for Business Consulting. He has also been CEO of Antula Healthcare International, COO of KIN Group, Procurement Director at Eniro and a Management Consultant at Accenture.

Education: A Master's degree in Finance and Business Administration from Stockholm University.

⁷ Tuomo Louhivuori
EXECUTIVE VICE PRESIDENT,
EVRY CLOUD SERVICES

Experience: Tuomo Louhivuori has been Vice President Sales at Tieto leading sales in the Telecom, Media and Energy industry group. At Tieto he had a number of other roles including leading strategic sales, establishing global service practice and business development.

Education: A Master's degree in Industrial Engineering and Management from Lappeenranta University of Technology, Finland.

⁸ Morten Sæther
EXECUTIVE VICE PRESIDENT,
EVRY OPERATIONS

Experience: Morten Sæther has held several senior management positions at Telenor. He joined EDB in 2004 and then started at ErgoGroup in 2005.

Education: A Bachelor's degree in Computer Science from Sør-Trøndelag University College.

⁹ Trond Vinje
EXECUTIVE VICE PRESIDENT,
HUMAN RESOURCES

Experience: Trond Vinje has been HR Director at CGI Norway, HR Director at Scandic Hotels, and HR Manager and Quality Manager at ISS Facility Services. He has also held senior management positions at Accenture and the Norwegian Tax Administration, and his background is as a consultant at the PA Consulting Group.

Education: A Master's degree in Political Science, specialising in Management and Organisation, from the University of Oslo and Manchester Metropolitan University.

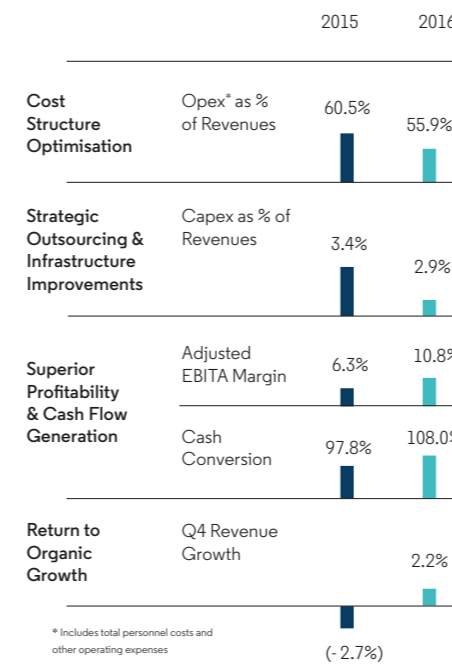


Accelerated organic growth

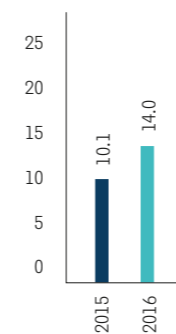
EVRY is working in a targeted way on becoming the leading IT company in the Nordic region. We made significant progress towards this in 2016.

Henrik Schibler
CHIEF FINANCIAL OFFICER (CFO)

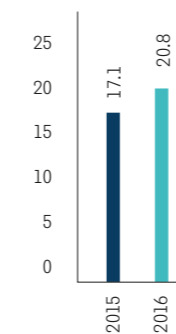
“Nothing is more natural in a performance culture than aiming higher”



Sales NOK BN



Order backlog NOK BN



A fundamental element in recent years has been optimising EVRY’s cost structure. Clear and targeted measures have been implemented to simplify EVRY’s organisational structure, cut its administrative costs and reduce its fixed costs in relation to its infrastructure business. The strategic partnerships we have entered into with several large technology companies, particularly IBM, have also enabled us to modernise our business cost-effectively, and have strengthened our focus on creating value-adding services. These strategic partnerships give EVRY access to first-class technology solutions, and enable it to offer competitive cloud services and hybrid solutions to small, medium and large organisations.

At EVRY there is a focus on ensuring responsibilities are clearly allocated and on creating a strong performance culture. After implementing numerous organisational measures in 2015, EVRY was able to focus on customers and the market to a much greater extent in 2016. Contracts totalling NOK 14.0 billion were signed during the course of the year, representing an increase of 40% from 2015. This record-high level of sales meant that EVRY ended 2016 with a record order backlog of NOK 20.8 billion, an increase of NOK 3.7 billion from the end of 2015.

EVRY has also worked systematically on delivering operational excellence across the business, particularly by optimising its resource use. The monthly billable utilisation rate increased to 82.4% in 2016 from 74.4% in 2015. In short, the improvement measures helped EVRY achieve an adjusted EBITA margin of 10.8% in 2016, up from 6.3% in 2015.

The challenge for EVRY in the years ahead will be to serve our shareholders by ensuring profitable growth. The company’s ability to manage change and its performance in 2016 give us grounds to believe that this is a realistic ambition. The numerous opportunities in the market and the company’s record-high order backlog, good cost structure and lower risk profile are important building blocks. EVRY reported organic growth of -0.9% in 2016, but we saw a clear positive trend through the year, with the company achieving organic growth of 1.5% in the second half of the year and 2.2% in the final three months.

EVRY also improved its position with its customers and employees well as other stakeholders in 2016, and we are achieving improved scores on both customer and employee satisfaction surveys. In 2017 we will take the next steps on our transformation journey, as nothing is more natural in a performance culture than aiming higher.

Key agreements in 2016

SpareBank 1
NOK 3,000 million

Telenor
NOK 1,190 million

Norway Post
NOK 810 million

Handelsbanken Norway
NOK 700 million

Greater Stockholm
Public Transport
NOK 320 million

Ellevio
NOK 240 million

Main features 2016

FIRST QUARTER: INNOVATION AND SALES

- At the start of January, Aibel extends and expands its agreement with EVRY, who is the operations partner, integrator and technical administrator for the company's IT services. EVRY's deliveries now cover all of Aibel's global activities.
- Nye Veier AS chooses EVRY for consultancy, operations and management for the company's IT portfolio, including its telephony service, operating platform, hardware and networks.
- The Norwegian State Railway's Passenger Train Division starts using a mobile ticket-sales solution from EVRY. Nearly 1,300 hand-held sales terminals with new software will make on-board ticket sales simpler and more efficient.
- EVRY launches a Center of Excellence for digital transformation, thereby investing further in realising its customers' digital opportunities.
- EVRY's comprehensive IT support agreement with Timrå Municipality in Sweden is extended.
- ONE Nordic extends its collaboration with EVRY. The new agreement will further modernise the company's IT environment.
- EVRY signs an agreement with Mälarenergi AB in Sweden for a comprehensive solution for customised invoicing and SMS services.

SECOND QUARTER: NEW PARTNERS AND LARGE CUSTOMERS

- EVRY enters into a collaboration with Method, and the EVRY Strategic Design Lab is set up.
- Västra Götaland Regional Council chooses EVRY and Orbit to operate a shared IT system for the region's hospitals.
- Ellevio, one of Sweden's largest electricity distribution companies, chooses EVRY as its main supplier of IT services.
- EVRY acquires IT Nor, strengthening the position of the company's ERP team as the market leader in Norway.
- Det Digitale Vest-Agder (an intermunicipal IT collaboration) chooses EVRY as its strategic collaboration partner for work on digitalisation.
- EVRY and mCASH launch a bill payment service for mobile devices that does away with the need for customer ID numbers.
- EVRY enters into an agreement with Sweden's Riksdag Administration to implement and deliver the Primula HR and payroll system.
- A comprehensive agreement is signed to provide IT operating services to the construction and real estate development company NCC.
- EVRY enters into an agreement with Holmgrens

Bil, one of the largest private car dealerships in Sweden. The agreement involves EVRY taking total responsibility for the company's IT operations, including Service Desk and its support function.

- EVRY becomes the first IT company in the Nordic region to launch "Workplace by Facebook", making internal communication at EVRY more transparent and dynamic.
- EVRY and Storebrand enter into a group-wide CaaS agreement – PCs as a service. The agreement involves EVRY administering and managing all Storebrand's laptops and desktop PCs, as well as user support.
- The Central Norway Regional Health Authority expands its portfolio of services from EVRY, and starts using EVRY Multichannel to simplify and digitise its interaction with the public and with business and industry.
- Sparebanken Vest, Sparebanken Møre and Sparebanken Sør enter into an agreement with EVRY covering the use of a payment app called SPING.
- EVRY is awarded second place in the "Consulting Services" category of the annual Radar survey, which ranks Sweden's IT providers for customer satisfaction and quality.
- Sweden's fastest growing company, Infrastructure Services Group, chooses EVRY as a cloud services provider.

THIRD QUARTER: LARGE CONTRACTS AND NEW VENTURES

- EVRY announces its acquisition of Gecko Informasjonssystemer AS. The acquisition forms part of EVRY's strategy to become a leading supplier of archiving and case management solutions to the public sector.
- The Norwegian Government Agency for Financial Management (DFØ) chooses EVRY as its partner for operating services for its SAP solution.
- EVRY launches EVRY Cloud Services in order to capture the growth potential in the market for cloud services.
- Byggmax in Sweden extends its collaboration with EVRY, signing a contract for operating services for Byggmax's applications and IT environment.
- Telenor chooses EVRY as its collaboration partner for its digital transformation. EVRY will now supply IT infrastructure and cloud services to Telenor throughout the Nordic region.
- EVRY launches new cloud solutions based on IBM Cloud that combine global capacity with secure data storage in Norway.
- Google and EVRY enter into an important strategic partnership to take advantage of the growth potential in the market for cloud services in the Nordic countries.

FOURTH QUARTER: GROWTH ACCELERATES

- Wilhelmsen IT Services extends its collaboration with EVRY. The contract is for

operations, monitoring and backup services for the company's IT platform.

- SINTEF and EVRY sign an agreement for EVRY to set up and operate world-leading cloud services with modern data storage technology and automated solutions. The agreement is intended to simplify day-to-day activities for SINTEF's researchers, and to provide quicker innovation processes.
- EVRY enters into a global partnership agreement with Facebook and "Workplace by Facebook".
- EVRY enters into a partnership agreement with the leading international technology provider Giesecke & Devrient in the area of mobile payment solutions.
- Sparebanken Sør launches a new mobile payment service for its customers. The new payment service is based on NFC and EVRY's mobile payment platform.
- Norway Post chooses EVRY as its supplier of IT infrastructure and cloud services in Norway.
- EVRY unites with the Swedish digital agency NetRelations to become one of the leading players in digital business in Sweden.
- SpareBank 1 extends its collaboration with EVRY in banking services and core banking and payment solutions.
- Frende Forsikring chooses EVRY as its strategic partner for its investment in a new core solution for group life and pension insurance solutions.
- Handelsbanken Norway and EVRY launch a bank card for contactless payments.
- Fredrikstad municipality launches a new digital solution for whistleblowing provided by EVRY.
- The Norwegian National Courts Administration signs an agreement with EVRY for operating services together with modernisation and digitalisation of the Administration's services.
- EVRY and New Wave launch a new digital web platform for creative solutions and visual profiling.
- EVRY expands its collaboration with Norway Post and will now develop cloud solutions for Digipost.
- EVRY and Handelsbanken Norway enter into a comprehensive strategic agreement for EVRY to deliver core banking and payment solutions.
- EVRY's successful collaboration with IBM for basic infrastructure services is expanded, allowing all customers to benefit from IBM's innovative cloud technology and EVRY's value-adding services.
- EVRY further strengthens its focus on cloud services by entering into a new collaboration with Amazon.
- EVRY and Fana Sparebank enter into a new agreement for banking and operations services, core banking and payment solutions, and new self-service solutions for the bank's customers.
- NordPool extends its agreement with EVRY for operating services for the company's IT platform.



A market leader and a motor for innovation

EVERY Financial Services is a complete industry vertical and is responsible for the Group’s deliveries to bank and finance customers. The business area offers a broad and comprehensive portfolio of solutions to support banks in their management of continuous change and to facilitate the next generation of banking services.



Wiljar Nesse
EXECUTIVE VICE PRESIDENT,
EVERY FINANCIAL SERVICES

“We are having a lot of success in the race to deliver next-generation core banking and payment solutions. The market offers continuing new opportunities, and we are well-positioned to capitalise on them”

The banking and finance industry is going through a significant transformation. New legislation and rules and increased digitalisation are putting pressure on banks. The market is becoming more and more competitive, and the fast pace of technological development is leading to end-customers having entirely new expectations. EVERY has the experience, resources and expertise that banks and financial institutions need to adapt to these changes. Through its in-depth industry knowledge, EVERY helps its customers to do things differently and to generate new ideas that change how they operate and compete, with its services ranging from developing the customer experience to modernising and simplifying key IT systems and improving an organisation’s cost efficiency by automating its processes.

EVERY Financial Services operates a delivery model that is fully integrated with the company’s global delivery unit in order to meet customer needs and adapt to market developments. An important element in EVERY Financial Services’ strategy is expanding and strengthening the business area’s geographic footprint in the Nordic market. We will also continue to expand outside the Nordic region in selected areas such as card services, fraud prevention, lending systems and ATM services.

SERVICE PLATFORM

It is crucial for banks to provide both their customers and employees with user-friendly banking services with state-of-the-art functionality. EVERY’s significant investment in next-generation banking and payment solutions is therefore strategically important for the company. EVERY has signed a number of important customer agreements, and its new core banking solutions are accordingly being established as an industrialised service platform. The use of modern architecture and standards ensures that EVERY’s solutions are flexible, cost-effective and adapted to international requirements. EVERY’s development strategy and implementation methodology are firmly based on the company’s close collaboration with the Banking Industry Architecture Network (BIAN), of which EVERY is the only member that is a Nordic IT service provider. The solutions can be delivered as SaaS services from EVERY, or as components installed at banks.

MARKET POSITION:



Number 1 in banking and finance solutions in the Nordic region



Number 1 in banking and finance solutions in Norway

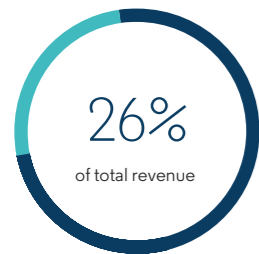


150 customers in 12 countries



Market leader in card services in the Nordic region

Operating revenue



SUCCESS IN THE MARKET

EVERY is having a good deal of success in the Norwegian market with its next-generation core banking and payment solutions, and has entered into extensive long-term delivery agreements with the SpareBank 1 Alliance, Handelsbanken, Sparebanken Sør, Sparebanken Sogn og Fjordane, Helgeland Sparebank, Gjensidige Bank, De Samarbeidende Sparebankene (an alliance of nine savings bank that have a joint collaboration agreement) and Sparebanken Møre. The EVERY Strategic Design Lab has been an important initiative for EVERY Financial Services and it is attracting a lot of interest from customers. EVERY's investment in it has helped EVERY to build closer relationships with board members and senior executives at its customers.

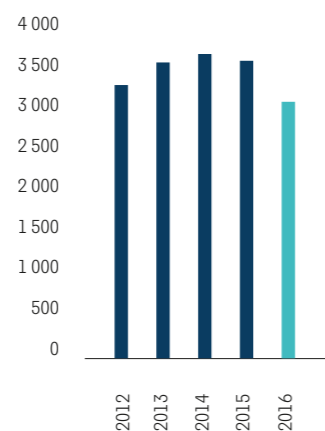
The market offers continuing new opportunities, and EVERY is well-positioned to capitalise on them. Gartner estimates that the Nordic market for IT services and software for banks will grow on average by 5.7% annually, taking it from NOK 33.7 billion in 2016 to NOK 42.0 billion in 2020.

EVERY Financial Services has 1,238 employees with in-depth insight into the opportunities and challenges that characterise the bank and finance market. EVERY Financial Services has significant experience from executing major and important projects, giving it the expertise and delivery capabilities needed to deliver on customer requirements.

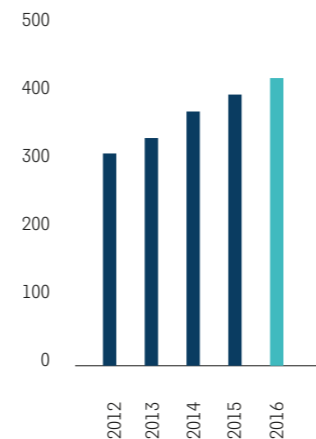
FOCUS AREAS IN FINANCIAL SERVICES:

- Next-generation core banking and payment solutions
- EVERY Strategic Design Lab
- Digital Design & Insight
- Financial Services Labs
- Open API Banking
- Card services and mobile payment
- Quality and continuity

Operating revenue ^{NOK millions}



Adjusted EBITA ^{NOK millions}





EVERY NORWAY

A market leader and a driver for digitalisation

EVERY delivers innovative and operationally critical solutions to the largest private sector businesses and public sector organisations in Norway, and is also a clear market leader in the SMB market. The business area is responsible for approximately one-third of all IT service deliveries in Norway.



Kolbjørn Haarr
EXECUTIVE VICE PRESIDENT, EVERY NORWAY

“We have built up a unique position in the Norwegian market, and we further strengthened our position in 2016. Our strengthened service offering and greater delivery capabilities provide fertile ground for growth and further development.”

EVERY has a flexible delivery model and is represented in over 20 Norwegian towns and cities. The company focuses on selected industries such as the public sector, the healthcare sector, insurance, telecoms and logistics, manufacturing companies, the energy industry, and trading companies. With a customer-centric approach in combination with extensive experience and a high level of expertise, EVERY achieves significant digital gains for its customers. EVERY modernises business processes and makes IT operations more efficient, and is the force behind a whole range of innovations that are shaping and developing Norwegian society every day.

In each industry EVERY is a full-service provider of IT services throughout the whole value chain, from infrastructure and operations services to business process systems, applications, consulting services, collaboration solutions and innovation support. EVERY has dedicated and highly-trained employees with in-depth technical insight and industry expertise. Over the last year EVERY has further strengthened its focus on consultancy services, particularly in digitalisation. It is no longer correct to label EVERY Norway as an operating services company; it now derives 40% of its revenue in Norway from infrastructure services.

THE DIGITAL SHIFT

Digitalisation is high on the agenda in the public sector, and EVERY is contributing to this with innovative services that automate and increase the efficiency of the sector. EVERY is helping most of Norway’s municipalities and county authorities to improve their service offering and to automate and simplify how they communicate with the local population, as well as with standardising and increasing the efficiency of their existing solutions. EVERY’s new solution that automates building applications is an example of this. This solution simplifies the process for residents, saves time for case managers and ensures everyone receives the same treatment – regardless of where they live. The solution’s value to society is enhanced by the fact that it is available to all municipalities, bringing public sector collaboration opportunities. It is also an example of how EVERY wishes to contribute to the digitalisation of the public sector for

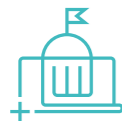
MARKET POSITION:



Number 1 in the overall IT services market



Number 1 in the SMB segment

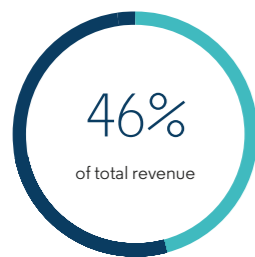


Market share of 29% in the local government market



Market share of 21% in healthcare

Operating revenue



the benefit of Norway, its municipalities and, not least, its population. This is how EVRY is helping to turn digitalisation into a genuine digital advantage for Norway.

RENEWED CONFIDENCE IN ALL SEGMENTS

In the SMB segment, EVRY delivers complete and cost-efficient solutions through its extensive local presence. The company has dedicated teams that know the opportunities and challenges facing local businesses. In addition, EVRY has a unique partner network that ensures its customers have access to leading technology and specialist expertise and the flexibility to choose the best solution for their organisation.

EVRY's reorganisation is delivering results; it is now a more proactive and relevant company, and it has entered into a range of new agreements. In 2016, agreements were signed with customers including Aibel, Nye Veier, Storebrand, the Central Norway Regional Health Authority, the Norwegian Government Agency for Financial Management, Telenor, Wilhelmsen IT Services, Norway Post, Frende forsikring, Digitale Vest-Agder (an IT collaboration), the municipality of Fredrikstad, the Norwegian Courts Administration and Nordpool.

NEW ACQUISITIONS

Two acquisitions were also made that further strengthen EVRY's position in the Norwegian market: IT Nor, which strengthens the position of the company's ERP team as a market leader, and Gecko Informasjonssystemer, which is part of EVRY's strategy to be the leading supplier of core systems (case management) to the public sector.

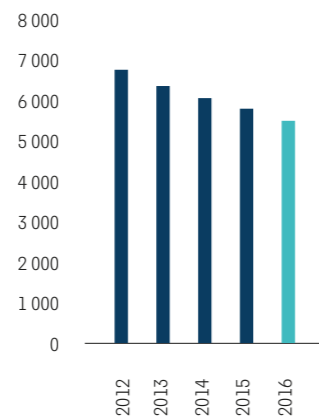
EVRY is well-positioned for organic growth. Forecasts by the market intelligence company IDC indicate that the market for IT services in Norway will grow by 1.9% annually, taking it from NOK 32.8 billion in 2016 to NOK 35.2 billion in 2020.

EVRY Norway has 2,361 employees with in-depth insight into the opportunities and challenges that characterise the Norwegian market. Thanks to its strong delivery capabilities and dedicated teams with extensive experience from large and complex projects, EVRY Norway is an attractive collaboration partner to customers in all the company's focus industries.

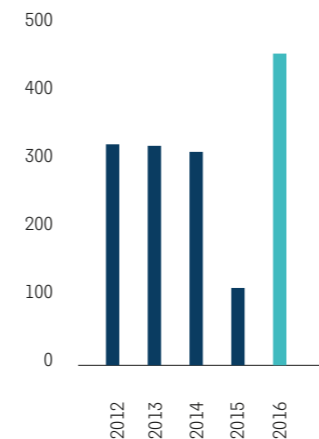
FOCUS AREAS IN THE NORWEGIAN MARKET:

- Insurance
- Healthcare
- Manufacturing industry
- Energy
- Oil and gas
- Retailing and logistics
- Local government
- National government

Operating revenue* NOK millions



Adjusted EBITA* NOK millions



* incl Global Delivery for the years 2012-2014





EVERY SWEDEN

Positioned for growth

EVERY is the largest supplier of IT services to the SMB segment in Sweden, and it also has a strong market position for large organisations in the private and public sectors. The business area offers its customers cloud services, business process modernisation services, and solutions that create digital advantage.



Fredrik Almén
EXECUTIVE VICE PRESIDENT, EVERY SWEDEN

“We have significantly strengthened our expertise and delivery capabilities for digital services, and we are well-positioned for growth.”

Swedish customers are demanding consultants who have technological and commercial expertise in their own industries and organisations. EVERY has in-depth business understanding and expertise in most industry verticals. With a range of industry-specific solutions and a broad spectrum of services, EVERY meets the market’s needs. EVERY Sweden intensified its focus on building strong industry-verticals in 2016. EVERY’s regional offices enable it to take full responsibility for its customers’ investment in IT, from identifying their needs to realising the benefits of their investment and following up on the results.

EVERY Sweden has a unique regional position and offers everything from strategic advice and consulting services through to complete solutions and IT operating services. EVERY Sweden operates from regional offices in 23 towns and cities, and has the delivery capabilities to serve small, medium-sized and large customers. Customers are demanding collaboration partners that have a high level of industry knowledge while also being competitive on price and quality, and EVERY meets their demands. Thanks to its experience and in-depth expertise in business-critical services, including in data storage, cloud services, applications operations, service desk and network operations with communications, EVERY is a reliable full service provider.

A MOTOR FOR DIGITAL TRANSFORMATION

Our customers are intensifying their focus on digitalisation and its impact on their businesses and applications. EVERY Sweden is active in all areas of interest to its customers namely cloud services, applications management, business process management solutions, analytics, automation, information logistics, the internet of things, security and mobility. Digitalisation is having a big impact on customers, and this is creating sizeable commercial opportunities in the Swedish market. EVERY is able to offer both efficient and reliable infrastructure services and value-adding services that support customers on their digital change journeys. Its intensified focus on cloud services and outsourcing is an integral part of this offering.

MARKET POSITION:



Number 1 in the SMB segment



Number 4 in the overall IT services market



Strong industry verticals in the public sector

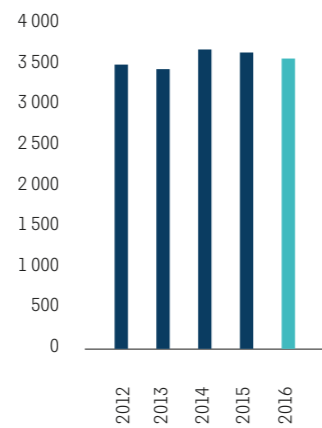


Strong specialist teams in areas such as security & mobility

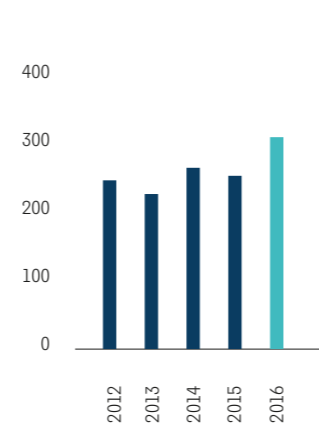
Operating revenue



Operating revenue NOK millions



Adjusted EBITA NOK millions



A DIGITAL POWERHOUSE

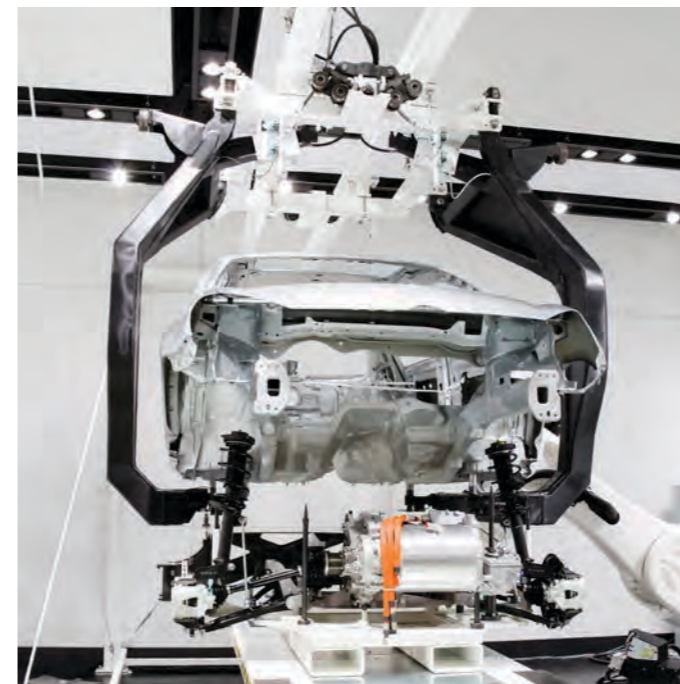
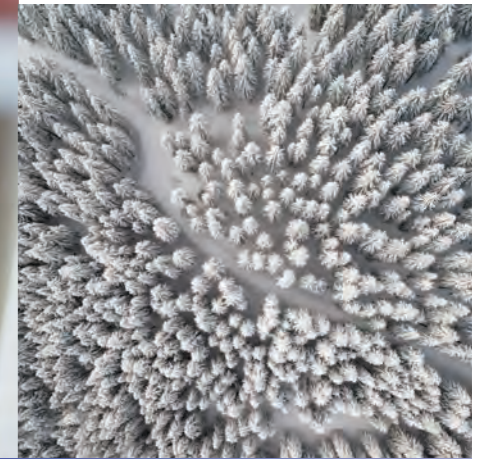
EVERY entered into a range of new agreements in 2016 with customers such as the construction and real estate development giant NCC, ONE Nordic, Storstockholms Lokaltrafik (Greater Stockholm Public Transport), Mälarenergi AB, Västra Götalandsregionen (the Västra Götaland Regional Council), Ellevio, Riksdagsförvaltningen (the Riksdag Administration) and Infrastructure Services Group. EVERY Sweden's acquisition of NetRelations, which took place in 2016, significantly strengthened its expertise in and delivery capabilities for digital services. EVERY is well-positioned for future growth in the Swedish market. Its greatest competitive advantage is its ability to combine its local knowledge and presence with EVERY's international resources for systems development.

Forecasts by the market intelligence company IDC indicate that the market for IT services in Sweden will grow by 2.2% annually, taking it from NOK 63 billion in 2016 to NOK 68.9 billion in 2020.

EVERY Sweden has 1,778 employees with in-depth insight into the opportunities and challenges that characterise the Swedish market. Thanks to its experience from a range of large and important projects, EVERY Sweden has strong expertise as well as the delivery capabilities required to meet the needs of the market it serves.

FOCUS AREAS IN THE SWEDISH MARKET:

- Public sector
- The healthcare sector
- Grocery retailing
- Primary industries
- Transportation and logistics
- The processing & manufacturing industry



Key figures

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Key figures by segment

NOK million	2016	2015	2014	2013	2012
EVRY FINANCIAL SERVICES					
Operating revenue	3 133	3 613	3 682	3 554	3 339
Adjusted EBITA	415	392	371	326	314
Adjusted EBITA-margin	13.2 %	10.9 %	10.1 %	9.2 %	9.4 %
Operational investments (CAPEX) incl in-house developed software	182	205	115	188	199
Number of employees	1 238	1 299	1 457	1 490	1 490
EVRY NORWAY*					
Operating revenue	5 669	5 761	6 093	6 180	6 607
Adjusted EBITA	430	111	322	359	356
Adjusted EBITA-margin	7.6 %	1.9 %	5.3 %	5.8 %	5.4 %
Operational investments (CAPEX) incl in-house developed software	64	130	255	334	209
Number of employees Norway	2 361	2 660	3 344	3 378	3 457
Number of employees Global Delivery			3 103	2 861	2 440
* incl Global Delivery for the years 2012–2014					
EVRY SWEDEN					
Operating revenue	3 245	3 430	3 472	3 293	3 307
Adjusted EBITA	305	232	255	213	234
Adjusted EBITA-margin	9.4 %	6.8 %	7.3 %	6.5 %	7.1 %
Operational investments (CAPEX) incl in-house developed software	53	65	80	66	61
Number of employees	1 778	1 939	2 218	2 308	2 305

Key figures for the Group

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	2016	2015	2014	2013*	2012**
KEY FIGURES (NOK MILLION)					
Operating revenue	12 246	12 860	12 773	12 600	12 731
EBITDA	1 217	-938	1 020	1 128	1 010
EBITDA margin	9.9 %	-7.3 %	8.0 %	8.9 %	7.9 %
Adjusted EBITDA	1 583	1 278	1 290	1 219	1 141
Adjusted EBITDA margin	12.9 %	9.9 %	10.1 %	9.7 %	9.0 %
EBITA	947	-1 405	543	673	484
EBITA margin	7.7 %	-10.9 %	4.2 %	5.3 %	3.8 %
Adjusted EBITA	1 322	811	813	764	691
Adjusted EBITA margin	10.8 %	6.3 %	6.4 %	6.1 %	5.4 %
Number of employees	8 864	9 422	10 350	10 323	9 873
Order backlog	20 800	17 100	18 000	16 600	15 300
KEY FIGURES PER SHARE (NOK)					
Earnings per share	1.12	-5.28	-3.26	-0.29	0.60
Adjusted earnings per share	2.18	1.15	1.85	1.49	1.16
Free cash flow per share	3.61	2.22	2.44	1.77	1.11
Book equity per share	0.73	8.03	16.02	20.04	20.46
Average number of shares outstanding	267 187 441	267 187 441	266 994 898	266 798 981	266 421 202
SOLVENCY					
Equity ratio	2 %	19 %	40 %	45 %	45 %
Gearing	31.17	1.87	0.60	0.55	0.55
Net interest-bearing liabilities (NOK million)	6 041	4 008	2 568	2 966	3 007
LIQUIDITY (NOK MILLION)					
Cash and bank deposits	990	900	616	683	561
Liquidity reserve	2 799	2 209	2 414	2 145	2 013
Cash flow from operations	306	217	973	1 027	723
Adjusted cash flow from operations	1 280	1 002	1 068	1 099	807
Investments in fixed assets	161	297	398	484	425
Investments in in-house developed software	189	147	93	143	86
Sale of tangible operating assets (sales proceeds)	35	34	75	-	1
Free cash flow	964	592	652	473	297
Cash conversion	108.0 %	97.8 %	93.9 %	104.5 %	88.9 %
Cash conversion ex CAPEX	88.0 %	65.8 %	61.7 %	53.2 %	44.2 %

* The financial figures for 2013 are restated due to implementation of IFRS 11 Joint Arrangements with effect from 1 January 2014 and the classification of EVRY Danmark A/S as discontinued operations.

** The financial figures for 2012 are restated due to implementation of IAS 19 Employee Benefits with effect from 1 January 2013.

Definitions of key figures

EBITDA

Earnings before interests and tax, and depreciation, amortisation and write-downs of tangible and intangible assets.

ADJUSTED EBITDA

EBITDA before other income and expenses.

EBITA

Earnings before interests and tax, and amortisation, and write-downs of intangible assets.

EQUITY RATIO

Total equity as a percentage of total equity and liabilities.

GEARING

Net interest-bearing liabilities divided by total book equity.

NET INTEREST-BEARING LIABILITIES

Total of current and non-current interest-bearing liabilities less liquid assets.

OPERATIONAL CASH FLOW

Cash flow from operational activities.

ADJUSTED OPERATIONAL CASH FLOW

Operational cash flow before other income and expenses.

FREE CASH FLOW

Adjusted operational cash flow less investment spending (CAPEX) (excl sales).

CASH CONVERSION

Adjusted operational cash flow (excl finance) divided by Adjusted EBITDA.

CASH CONVERSION EX CAPEX

Adjusted operational cash flow (excl interest payments) less CAPEX divided by Adjusted EBITDA.

CASH FLOW PER SHARE

Net cash flow from operations divided by average number of shares outstanding.

EARNINGS PER SHARE

Profit/-loss for the year attributable to shareholders (owners of the parent company) divided by the average number of shares outstanding over the year.

ADJUSTED EARNINGS PER SHARE

Profit/-loss for the year attributable to shareholders (owners of the parent company) adjusted for other income and expenses after tax divided by the average number of shares outstanding over the year.

Alternative performance measures

EVRY Group's financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition to the ordinary financial performance measures prepared in accordance with IFRS, it is management's intent to provide alternative performance measures to enhance the understanding of the Group's underlying performance. These alternative performance measures take into consideration other income and expenses, which are defined as items considered to be special due to their nature and include, inter alia, provisions for restructuring, write-downs, strategic processes and refinancing.

ORGANIC GROWTH

Organic growth is a measure of the company's ability to grow organically through additional net sales to existing and new customers as opposed to through acquired growth. Organic growth is defined as revenue adjusted for the effects of material acquisitions, divestments and foreign currency effects. Organic growth is an important key figure to EVRY and to the users of the financial statements as it illustrates the underlying operational growth by excluding effects not related to operations.

NOK million	2016	2015	Growth in %
Reported revenues	12 246.4	12 859.5	-4.8 %
Currency effects	-	51.4	0.4 %
Basis for organic growth	12 246.4	12 910.9	-4.4 %
Loss of DNB non-mainframe contract	-	-548.0	-3.5 %
Basis for organic growth adjusted for DNB	12 246.4	12 362.9	-0.9 %

NOK million	2015	2014	Growth in %
Reported revenues	12 859.5	12 773.0	0.7 %
Currency effect	-	140.5	-1.1 %
Basis for organic growth	12 859.5	12 913.5	-0.4 %

ADJUSTED EBITA AND EBITDA

Earnings before interest, tax and amortisation of customer contracts and write-downs of other intangible assets (EBITA) is an important performance measure for EVRY. EBITDA excludes depreciation and write-downs of tangible assets and in-house developed software. Adjusted EBITA/EBITDA is defined as EBITA/EBITDA less items defined as other income and expenses, which includes, inter alia, write-downs and restructuring. These performance measures are considered useful to the users of the financial statements when evaluating operational profitability on a more variable cost basis as they exclude amortisation and depreciation expense related to capital expenditure, and also items not considered to be part of ordinary operations.

NOK million	2016	2015
Adjusted EBITA	1 321.6	811.0
Provisions for restructuring	-77.9	-510.2
Provisions for premises	-	-100.2
Write-down of Future Proof	-	-156.8
Write-down of other balance sheet items/projects	-26.1	-87.0
IBM outsourcing agreement	-249.8	-1 234.2
Strategic processes/refinancing	-21.1	-128.1
Reported EBITA	946.7	-1 405.4

NOK million	2016	2015
Reported EBITA	946.7	-1 405.4
Depreciation and write-down of tangible assets and in-house developed software	270.3	467.4
Reported EBITDA	1 216.9	-938.1
Provisions for restructuring	77.9	510.2
Provisions for premises	-	100.2
Write-down of Future Proof	-	156.8
Write-down of other balance sheet items/projects	17.3	87.0
IBM outsourcing agreement	249.8	1 234.2
Strategic processes/refinancing	21.1	128.1
Adjusted EBITDA	1 583.0	1 278.3

ADJUSTED OPERATIONAL CASH FLOW

Adjusted operational cash flow is defined as cash flow from operating activities less the cash effect from other income and expenses. EVRY is of the opinion that this performance measure provides a better expression of the underlying cash flow from operations as it takes into consideration cash effects of items not directly related to its underlying operations, which will be useful to the users of the financial statements in analysing the company's operational profitability.

NOK million	2016	2015
Adjusted operational cash flow	1 280.2	1 002.1
Payments related to restructuring processes	-368.2	-231.4
Payments related to strategic processes/refinancing	-51.2	-180.3
Payments related to IBM outsourcing agreement	-594.9	-356.3
Cash flows from operations in discontinued operations	-0.8	-16.8
Effect of new companies acquired	40.7	-
Reported operational cash flow*	305.9	217.3

* Equals net cash flow from operations in the cash flow statement.

FREE CASH FLOW

Free cash flow represents the cash flow that EVRY is able to generate after the necessary investments have been made. Free cash flow is defined as operational cash flow adjusted for the cash effect of other income and expenses less investments in tangible operating assets and in-house developed software and sales of tangible assets.

NOK million	2016	2015
Adjusted operational cash flow	1 280.2	1 002.1
Investment in tangible operating assets	-161.1	-296.6
Investment in in-house developed software	-189.4	146.7
Sale of tangible operating assets	34.5	33.7
Free cash flow	964.2	592.5

CASH CONVERSION

Cash conversion measures how EBITDA is converted into cash and is defined as adjusted operational cash flow before interest payments divided by adjusted EBITDA. In addition, cash conversion is also calculated after investments in tangible operating assets and in-house developed software and sales of tangible assets.

NOK million	2016	2015
Adjusted operational cash flow	1 280.2	1 002.1
Paid interests	428.9	248.2
Adjusted EBITDA	1 583.0	1 278.3
Cash conversion (in percent)	108 %	98 %
Investment in tangible operating assets	-161.1	-296.6
Investment in in-house developed software	-189.4	-146.7
Sale of tangible operating assets	34.5	33.7
Cash conversion after capex (in percent)	88 %	66 %

ADJUSTED EARNINGS PER SHARE

Adjusted earnings per share is calculated as profit/-loss for the year attributable to shareholders (owners of the parent company) adjusted for other income and expenses after tax divided by the average number of shares outstanding over the year.

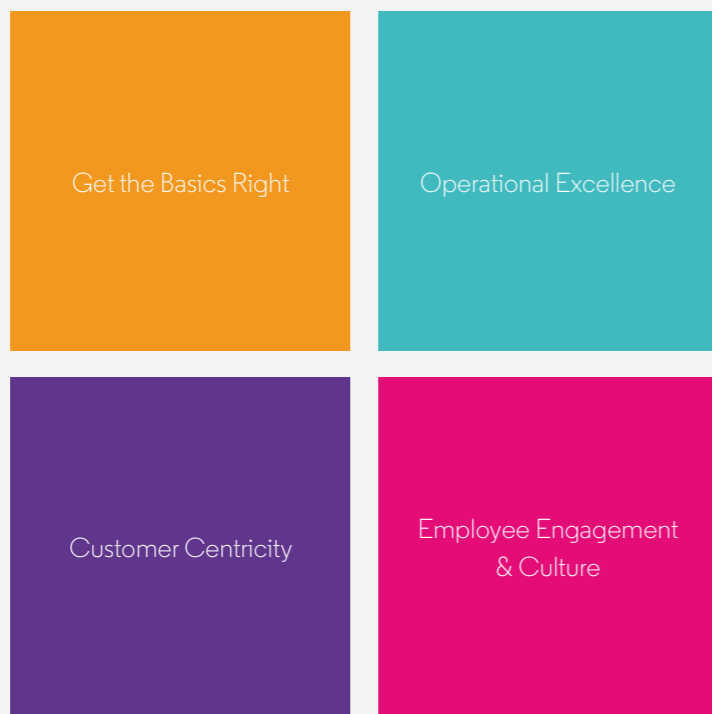
NOK million	2016	2015
Profit/-loss for the year attributable to shareholders (owners of the parent company)	300.1	-1 410.7
Other income and expenses (note 2)	374.9	2 352.3
Tax effect other income and expenses	-93.7	-635.1
Adjusted total profit/-loss for the year attributable to shareholders (owners of the parent company)	581.3	306.5
Average number of shares outstanding	267 187 441	267 187 441
Adjusted earnings per share	2.18	1.15



Business plan

Accelerated growth	66
Get the basics right	68
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Innovation & Quality



ACCELERATED GROWTH

High ambitions and efficient execution

EVERY was acquired by new owners in the first quarter of 2015, and a new CEO was appointed shortly after this change. A thorough review of the company was then initiated, which concluded that its costs and expenses were out of line with its market position and rate of growth. Also, its organisational model was unnecessarily complicated and its reporting lines were not sufficiently clear. At the same time, employee satisfaction was lower than was desirable and customer satisfaction levels were very variable. EVERY therefore implemented a turn-around to adapt the company to the market and ensure it was positioned

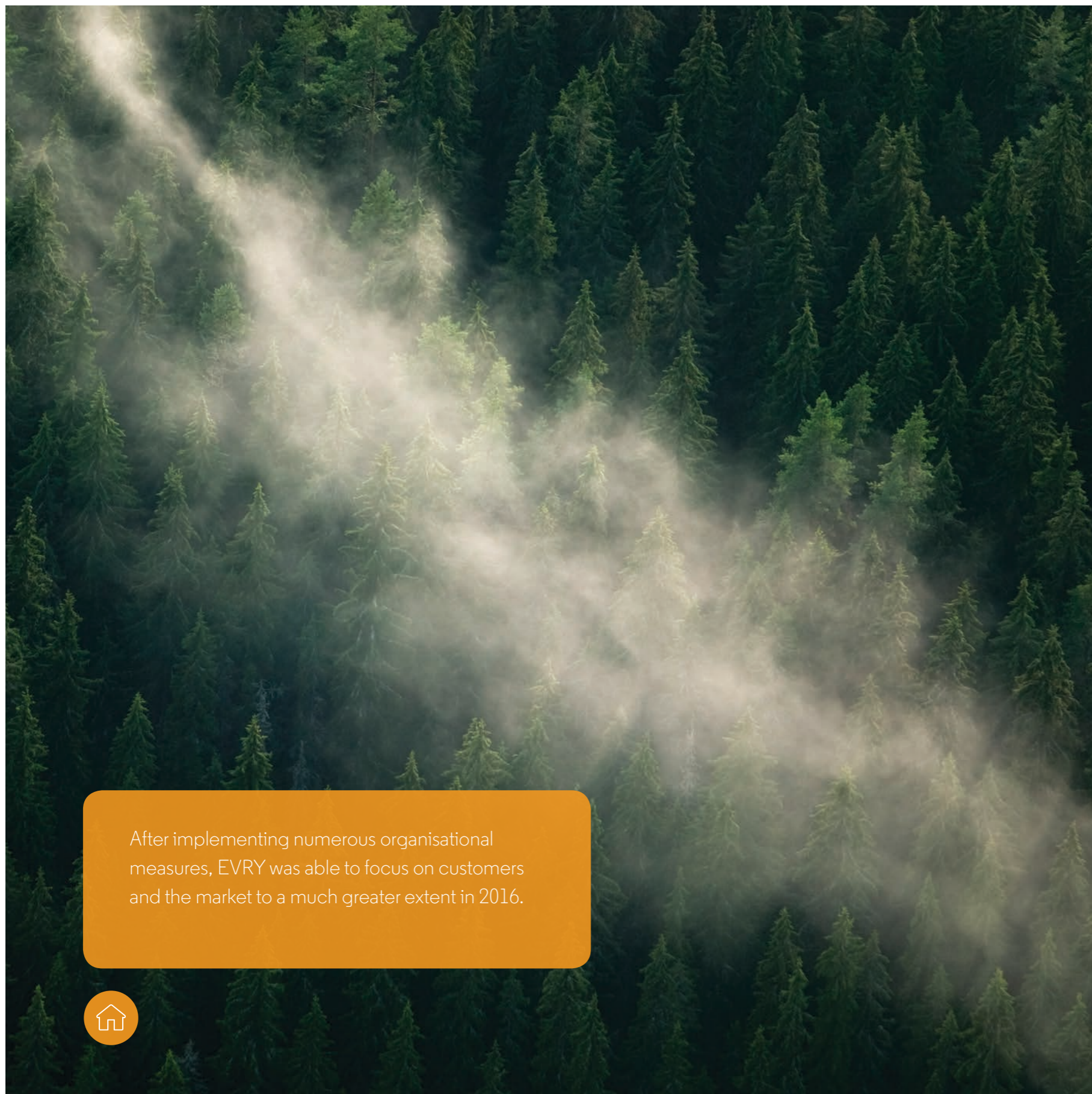
for growth and development. A range of improvement measures were implemented without delay, starting in the second quarter of 2015.

A new business plan was launched with four areas of action: Get the basics right, Operational excellence, Customer centricity, and Employee engagement and culture. There is also a fifth area, Innovation & Quality, which is an integral part of the other areas. We base our reporting on these areas of action.

EVERY worked in a targeted way on these areas in 2016, and achieved good results:

- Reaped the benefits of its new strategy and simplified operating model
- Accelerated the transformation of its infrastructure services based on its global partnership with IBM
- Secured operational stability with a more proactive focus on quality and deliveries
- Implemented cost reductions and signed major customer agreements
- Made strategic acquisitions that have strengthened EVERY's market position in Norway and Sweden
- Revitalised its focus on cloud services by setting up Cloud Services and global partnerships
- Launched a new growth initiative by setting up the Strategic Design Lab, which is helping to redefine customers' business processes, to create better customer experiences, and to increase innovation and competitiveness

BUSINESS GOALS	2015 RESULTS	2016 RESULTS
 <p>Continuously enhance and increase customer satisfaction across all business areas.</p>	Customer satisfaction 75	Customer satisfaction 77
 <p>Continue to increase profitability across all business areas by deploying best practices and exploiting innovations and new technologies.</p>	Order backlog NOK 17.1 ^{BN}	Order backlog NOK 20.8 ^{BN}
 <p>Leverage our extensive customer base and strong portfolio of products and services across all business areas to further accelerate organic growth.</p>	Adjusted EBITA margin 6.3 %	Adjusted EBITA margin 10.8 %
 <p>Attract, develop and retain the most highly motivated, committed and skilled employees in the industry.</p>	Employee satisfaction 75.4 points	Employee satisfaction 80.1 points



After implementing numerous organisational measures, EVRY was able to focus on customers and the market to a much greater extent in 2016.



Get the basics right

A range of initiatives were implemented in 2016 to strengthen EVRY's foundations. The most important measures were organisational in nature, and these have already had a positive effect.

A number of measures were taken to simplify EVRY's organisational structure in 2015. In 2016 EVRY worked on a range of growth initiatives, on building up its expertise, on focusing its resources and on further developing a culture of performance. Three key strategies were defined to ensure that the company delivers on its ambitious goals and is equipped for further organic growth:

- Set up a management team with a focus on commercial and operational capabilities
- Build a profitable, competitive and future-oriented infrastructure
- Modernise the company's core banking platform to create future growth potential

EVRY has delivered in all three areas: the company has a new executive management team, it has entered into important strategic partnerships that give it robust, future-oriented infrastructure solutions, and it has invested heavily to develop next-generation core banking and payment solutions. In order to be an attractive partner to our customers and to secure growth, EVRY also worked on attracting new talent, and a number of skilled employees at both the technology and management levels joined the company in 2016. Along with

optimising EVRY's cost structure, these measures have been a fundamental element in EVRY's business plan.

CLEAR RESPONSIBILITIES IN THE NEW STRUCTURE

Two very important measures were simplifying EVRY's organisational structure and increasing its efficiency by combining the Industries Norway and Regions Norway divisions. Synergies have also been achieved following the introduction of a new and simpler operating model in Sweden. One of the measures taken in Sweden in order to harmonise operations and increase efficiency was to reduce the number of legal entities in use. The company's sales and administrative costs have also been reduced by increasing the efficiency of staff and support functions at the Group and divisional levels.

EVRY has also streamlined its business model by reducing the number of market units to three (EVRY Financial Services, EVRY Norway and EVRY Sweden) and by making these responsible for customer dialogue and customer development. There has also been a focus throughout EVRY's transformation on ensuring there is a clear allocation of responsibilities and on creating a performance culture. After implementing numerous organisational measures in 2015,

EVERY IS CERTIFIED IN ACCORDANCE WITH THE FOLLOWING STANDARDS:

ISO 9001; 2015	EVERY Norway	2018 – 11
	EVERY Operations	2018 – 11
	EVERY Financial Services Operations	2019 – 11
ISO 27001; 2013	EVERY Norway	2018 – 11
	EVERY Operations	2018 – 11
	EVERY Financial Services Operations	2019 – 11
ISO 14001; 2015	EVERY IOS Enterprise, Sweden	2018 – 11
PCI DSS	EVERY Financial Services	2017

Continuous improvement is an important part of EVERY’s corporate management system. Customer feedback on quality is measured and monitored via dedicated customer surveys. EVERY also has a separate process for customer complaints, as part of which reports are produced for senior managers. In 2016, EVERY’s systematic quality work delivered good results, with a reduction seen in the total number of critical incidents.

EVERY was able to focus on customers and the market to a much greater extent in 2016. This resulted in clear improvements in profitability as well as in customer and employee satisfaction.

PARTNERSHIPS TO BOOST INNOVATION AND DEVELOPMENT

Technology is developing at a fast pace, and this makes in-house development a demanding and risky task. This, in combination with the fact that EVERY did not achieve sufficient competitiveness in the infrastructure area, led to the company adopting a partnership model as its principal strategy. EVERY has now set up strategic cloud collaboration agreements with IBM, Microsoft, Google and Amazon Web Services. This has reduced the company’s risk exposure. EVERY now offers its customers world-leading technology as well as processes that enable customers to transition to cloud-based solutions on their own terms. In 2016 EVERY also set up a new unit, EVERY Cloud Services, to further strengthen its focus on cloud services.

RISK-REDUCTION MEASURES

It is important for EVERY to have good oversight and control of risk exposure, as well as the ability to apply this when making management decisions. The overall objective of risk management at EVERY is to identify and quantify risks. This provides a basis for correct decision making. Carefully considering the company’s risk exposure during decision-making processes enables risk control and risk management to form part of value creation. Risk management is an integral part of the company’s management model and of its financial reporting. The key areas of risk that the business units consider to be material are monitored as part of the executive management’s routine supervision of the business areas and key financial metrics. In operational terms, the company’s objective is to integrate systematic risk management into the Group’s business processes, as well as to support its customers in the risk management they carry out in relation to their value chains and value constellations. EVERY has established

EVERY now offers its customers world-leading technology as well as processes that enable customers to transition to cloud-based solutions on their own terms.

a risk management system in order to support the risk management process and ensure traceability and aggregation of various risk exposures. In addition to producing aggregated risk reporting, this system provides detailed information on vulnerabilities, which risks the vulnerabilities affect and what measures the organisation has implemented to reduce unacceptable risk exposure. This helps line management to follow up on the status of measures that are implemented, with ready access to information on prioritised tasks.

ETHICS

EVERY’s Code of Conduct sets the framework for how each employee should relate to customers and business partners, work to create a good and inclusive working fellowship, ensure diversity and contribute to achieving high environmental standards. The Code of Conduct is available on the Group’s website and intranet. Managers and employees of all levels at the company read through the Code of Conduct each year in connection with their appraisal meetings.

ANTI-CORRUPTION

EVERY works actively to combat all forms of corruption. E-learning programs and training courses are organised to ensure employees are trained to act in accordance with the Group’s guidelines. This applies in relation to the guidelines on accepting gifts and on travel and other benefits or activities, with training also provided on how to distance oneself from all forms of bribery and corruption. The compliance unit at the company works proactively to increase awareness

and to develop the right attitudes among employees in order to ensure compliance. Employees in doubt about whether a particular situation or gift is permissible are also able to seek guidance from the company’s compliance unit. EVERY has well-established ‘whistle-blower’ arrangements as well as procedures for dealing with any suspicion of corruption at its businesses. EVERY received several whistle-blower notifications in 2016, none of which related to corruption.

RESPONSIBILITY AND SUSTAINABILITY IN THE SUPPLY CHAIN

EVERY requires its suppliers to act in accordance with high ethical standards and sets similarly high standards for its employees’ interaction with suppliers. The company’s procurement policy and processes are intended to ensure its employees adhere to the principles of equality, fair competition, anti-corruption and transparency when interfacing with suppliers. Those suppliers that form part of EVERY’s supply chain, both in Norway and internationally, have to undertake to comply with the guidelines set by the company in a number of areas, namely human rights, a responsible working environment as embodied in the International Labour Organisation’s declaration, HSE, work against human trafficking, anti-corruption, social responsibility and working for a sustainable environment. By signing the EVERY Supplier Conduct Principles, suppliers commit to complying with these principles and also to mirroring them to their sub-suppliers. In 2016 EVERY’s requirements led to large Norwegian businesses establishing comparable principles and mirroring these to

their own supply and distribution chains. EVERY has strict environmental requirements in relation to recycling, cleaning, low energy consumption and environmental certification. Environmental criteria are an important factor when contracts are being awarded. EVERY subscribes to an international database that requires suppliers to renew their qualifications every year by confirming in detail that their practices comply with and satisfy specific guidelines and principles. This is used to provide periodic reporting. Based on an assessment of the risk associated with the industry and the market or continent in which a company operates, EVERY has a mandate to carry out a more in-depth audit. Under EVERY’s contractual terms, serious breaches of its guidelines give it the right to terminate an agreement with a supplier.

INTELLECTUAL PROPERTY

EVERY’s intellectual property includes copyright-protected logos, brands, domain names, trade secrets, databases and proprietary source code. The company’s brands are registered with the Norwegian Industrial Patent Office and are thus protected in accordance with applicable copyright law. EVERY’s name and logo are registered in Norway, Sweden, Denmark, Finland, Great Britain, Latvia, Ukraine and India. The name of and logo for EVERY’s “Digital Advantage” value proposition are registered in Norway and have been submitted for registration in other jurisdictions where EVERY’s name is registered. EVERY also owns the Bekk Consulting brand. The Buypass brand is owned through a joint venture with Norsk Tipping.



EVERY's aim is to leverage its experience from the infrastructure area and to combine this with its deliveries of leading cloud service technology.



Operational excellence

EVERY looks back on 2016 as a year in which it made significant operational progress. From major organisational changes to smaller measures that oiled the machinery, the work that was carried out helped make the company significantly more profitable.

EVERY operates in a rapidly changing market segment and is obliged to adapt quickly to the fast pace of technological developments and changes in customer requirements. EVERY implemented a new operating model in 2016, which it will adjust yearly in order to adapt to changing market needs. EVERY's organisational structure has been significantly simplified as a result of Global Delivery being integrated into the EVERY Financial Services, EVERY Norway and EVERY Sweden business areas. The Swedish business area also became better adapted to the market in 2016, and its operating model has also been restructured to make it much less complicated. The Industries Norway and Regions Norway business areas were combined in 2015. This contributed to simplifications and synergies in Norway that had a positive impact in 2016.

INVESTMENT IN IMPORTANT AREAS OF FOCUS

In addition to simplifying its organisational structure, EVERY invested in several exciting areas of focus in 2016. Most organisations are considering transitioning to cloud services. To exploit the greater demand for consultancy and services in cloud computing, Cloud Services was set up in 2016. EVERY's aim is to leverage its experience from the infrastructure area and to combine this with its deliveries of leading cloud service technology. By intensifying its focus on this area, EVERY is ensuring it is positioned to help organisations

transition from traditional IT operating services to dynamic and scalable cloud services.

EVERY entered into a collaboration with Method in 2016. The purpose of this was to create a strategic design team, which we have called the EVERY Strategic Design Lab. This new unit brings together teams with expertise in management consultancy, service design, user experience and digital solutions. Its goal is to help organisations create better user experiences and to assist them with innovation and improving their competitiveness. The team also seeks to capture the growth opportunities associated with adapting products and services for the digital customer.

OPERATIONALISING EVERY'S COLLABORATION WITH IBM

As part of the company's partnership strategy, EVERY and IBM entered into a unique and long-term basic infrastructure services collaboration in 2015. The collaboration has led to new world-class cloud solutions being set up for the Nordic market. EVERY has significantly simplified its organisational structure and cost structure in connection with the collaboration. This has included consolidating EVERY's infrastructure activities in relation to both data centres and software.

The IBM agreement entered into force in December 2015 and was operationalised in 2016. It was well received by

EVRY has reduced its greenhouse gas emissions by 50% in five years; EVRY is below the 1.5 °C target

customers, and the collaboration is regarded as very successful. A methodology for migrating customers over to IBM has been set up with a separate governance structure. The agreement means that EVRY is moving away from being a provider of operations services, with its role instead consisting of monitoring the agreement with IBM and delivering value-adding services. In 2016 EVRY maintained and improved operations quality for its customers.

The IBM agreement originally only applied to EVRY's large customers, but in 2016 EVRY and IBM expanded it to include regional customers/SMB customers in the Nordic region as well.

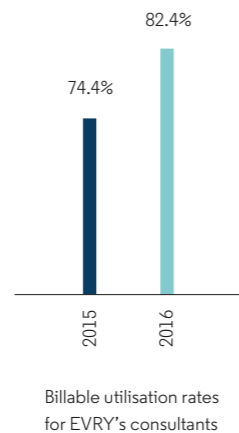
HIGHER BILLABLE UTILISATION RATES

The billable utilization rates for EVRY's consultants improved markedly between 2015 and 2016, from 74.4% to 82.4%. EVRY has adapted its organisation to the market and has focused on services for which there is a good level of demand. This increase in the billable utilization rate demonstrates that there is significant market demand for EVRY's expertise, and higher utilisation made a positive contribution to the company's profitability in 2016.

GREATER USE OF OFFSHORING

EVRY's global delivery centres have developed unique expertise and insight into the Nordic market as a result of the hundreds of assignments they have carried out. In addition, our global delivery centres in India and Ukraine have over 20 years of experience with both Fortune 100 and SMB customers in North America and in Europe. This experience is also leveraged into our

deliveries in the Nordic region. EVRY's global delivery centres thus provide customers with cost-efficient delivery models that allow them to be more agile in how they operate and also facilitate greater scalability. One of EVRY's targets has been to increase the use it makes of its offshoring services, and it was successful in this in 2016.



LOWER SG & A EXPENSES

EVRY operates in an international and competitive market in which there is significant downward pressure on prices. Therefore, to ensure it is profitable, it is crucial that it keeps the administrative part of its business simple and does not have too high staff costs. EVRY has made progress in becoming more market-oriented and focused on customers, and today it is a more streamlined and adaptable organisation than it was a few years ago. Its SG & A expenses as a percentage of total operating revenue were 1.2 percentage points lower in 2016 than in 2015. The decrease was achieved at both the central group staff and divisional levels.

INFORMATION SECURITY

The media reported on several serious security incidents in 2016. EVRY works to be at the forefront of developments and to implement preventive measures. In their threat assessments, the Norwegian National Security Authority and the Norwegian Police Security Service have highlighted computer network operations and cyber security threats as areas that could be used to cause significant harm. EVRY plays a significant role in terms of operating systems that are critical for society across all sectors. There is thus a clear expectation that we will deliver secure and stable operations, and EVRY works closely with suppliers and customers. Through systematic information security work EVRY has implemented the measures needed to protect the confidentiality, integrity and accessibility of data. Information security breaches can have significant consequences for both customers and EVRY. We are well-equipped to meet the constantly increasing threat level thanks to the systematic information security work we undertake in relation to customers as well as internally. EVRY recognises the importance of continuing to improve expertise in the information security area. We have a target of helping to improve expertise both internally and in society in general. To this end, we collaborate with educational institutions and specialist networks. EVRY collaborates extensively on security matters with national and international organisations and authorities in the information security area.

DATA PROTECTION

EVRY focuses on data protection in its capacity as a data processor for its customers and has started work on

complying with the EU's new General Data Protection Regulation (GDPR), which is due to enter into force on 25 May 2018. EVRY has appointed a separate Data Protection Officer, and it has drawn up a plan and is taking action in order to comply with the Regulation. We have also put data protection on the agenda at our customers through a special program that ensures customers and other stakeholders receive the help they need.

Our activities also mean that we have a significant responsibility to society in relation to information security and data protection. The ways in which we meet this responsibility include by organising talks, publishing articles and proactively engaging in dialogue with organisations from the information security area. EVRY is also one of the key collaboration partners for the HackCon IT security conference.

CLIMATE AND ENVIRONMENT

EVRY is committed to being an important part of the solution to the climate and environment challenges facing the world. Its objective is to contribute to the creation of a low-carbon society while also reducing its own greenhouse gas emissions. Over the last five years, EVRY has reduced its greenhouse gas emissions by 50%. Measures that are currently being implemented have a target of reducing EVRY's greenhouse gas emissions by a further 30%.

We work in a systematic and long-term way on reducing our impact on the environment to an absolute minimum. The most important measures we take internally are energy efficiency measures, digital collaboration solutions,

reducing business travel and rigorous procurement policies, as well as waste management with a high level of reuse and recycling.

In 2016 EVRY placed its work on CSR and the environment into a broader context. The UN has established 17 sustainable development goals. EVRY is helping to achieve these goals both through its own activities and its deliveries to customers. We are focusing in particular on the climate action and partnerships goals. Our greenhouse gas emissions have fallen continually in recent years. EVRY has now implemented measures that satisfy the 1.5 °C target agreed by the UN and world leaders.

EVRY is consolidating its data centre operations, which involves migrating from our older data centres to a new state-of-the-art data centre at Fet. This data centre uses an entirely new and innovative air cooling system to remove waste heat from hardware. The new world-class air cooling system, combined with EVRY's use of low-energy servers, make this one of the most energy efficient and sustainable data centres in the world. The efficiency of data centres is measured by reference to their PUE (Power Utilization Efficiency), and EVRY's new data centre has a PUE factor of 1.1. For comparison, traditional data centres typically have PUE factors of between 1.8 and 2.

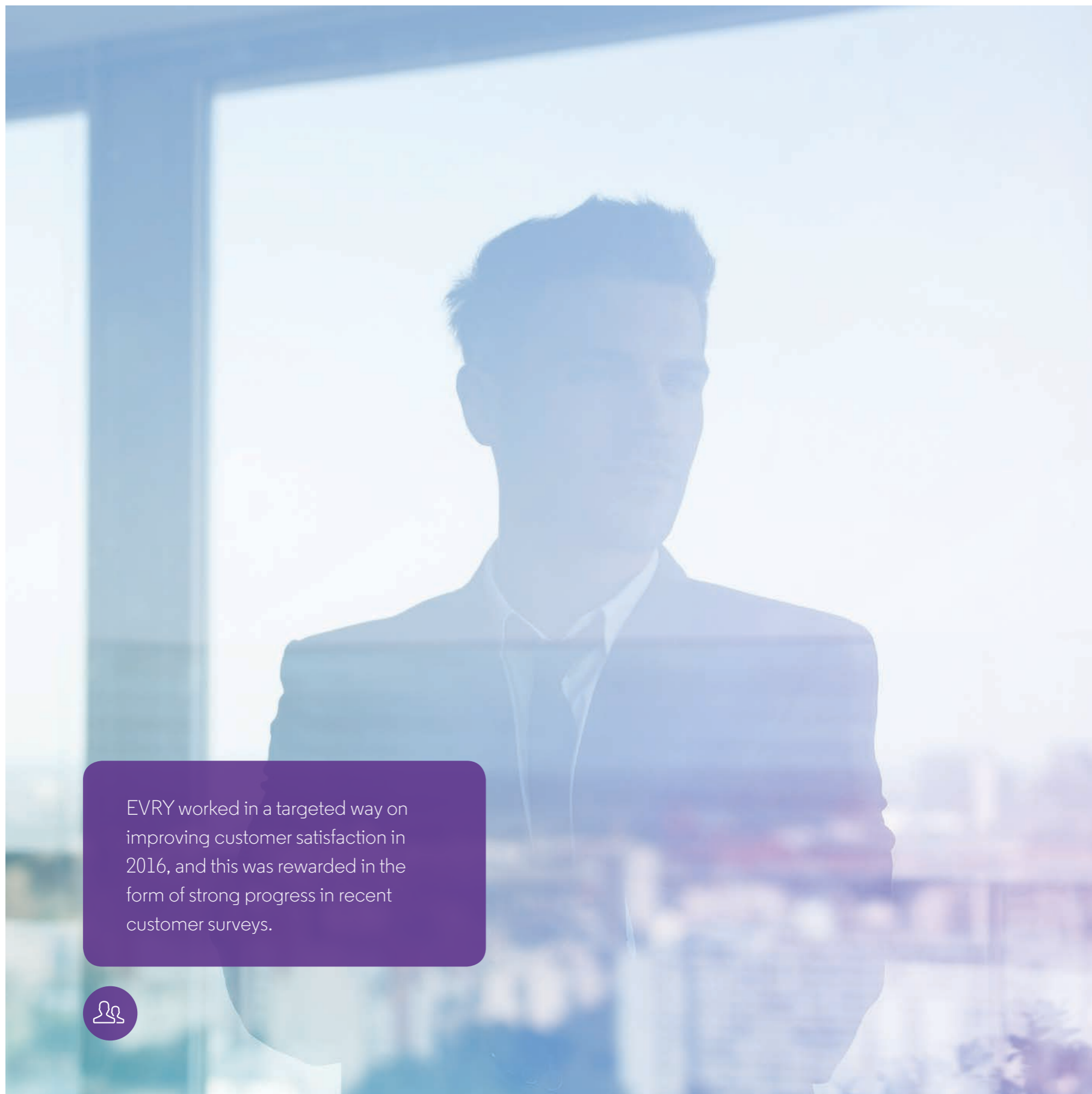
EVRY has produced and submitted climate reports to the investor-led Carbon Disclosure Project (CDP) since 2013. As a consequence, the company's reporting is of a far higher quality and is much more comprehensive. In the 2016 assessment EVRY received an A

rating, making it the only organisation in Norway to achieve the highest possible rating. Across the Nordic region, 14 companies received an A rating, while 193 did so globally. CDP describes what this rating means as follows: "A high score signals that a company is measuring, verifying and managing its carbon emissions, for example by achieving emissions reductions by implementing programs to reduce emissions in both its direct operations and its supply chain."

We are a global company and collaboration between specialist groups across international borders is important to EVRY's commercial success. EVRY ensures that this collaboration takes place digitally to a very large extent, with only occasional travel between EVRY's locations in exceptional circumstances.



EVRY received an A rating for 2016, making it the only organisation in Norway to achieve the highest possible rating. Across the Nordic region, 14 companies received an A rating, while 193 did so globally.



EVERY worked in a targeted way on improving customer satisfaction in 2016, and this was rewarded in the form of strong progress in recent customer surveys.



Customer centricity

One of EVERY's key strategies is to become a more customer-centric company. Organisational and market-related initiatives have been implemented to help achieve this, and these have had a sizeable impact in the form of new contracts and an improvement in customer satisfaction.

It is crucial for EVERY to be close to its customers. This is important to our ability to develop value-adding services that enable our customers to offer their customers more attractive products and services as well as a better user experience. EVERY is committed to focusing the company's resources on what creates customer value. The digital shift currently taking place is creating a whole range of opportunities. This is leaving many customers unsure about what they should and can do. Against this backdrop, EVERY wants to be a high-quality advisor. The company therefore needs to be at the forefront of technological developments and close to its customers. Historically, the IT industry has focused on its own products and services. EVERY is no exception to this, but it is now in the process of adopting the opposite way of thinking. This involves engaging customers in dialogue on their own terms, taking the digital opportunities that are available to them as the starting point.

In order to make a success of this approach, EVERY has introduced the three Cs: "Customer-centricity",

"Collaboration" and "Cultural change". The three Cs illustrate the change journey that is essential in order for EVERY to transition from being a traditional IT company to a digital transformation provider.

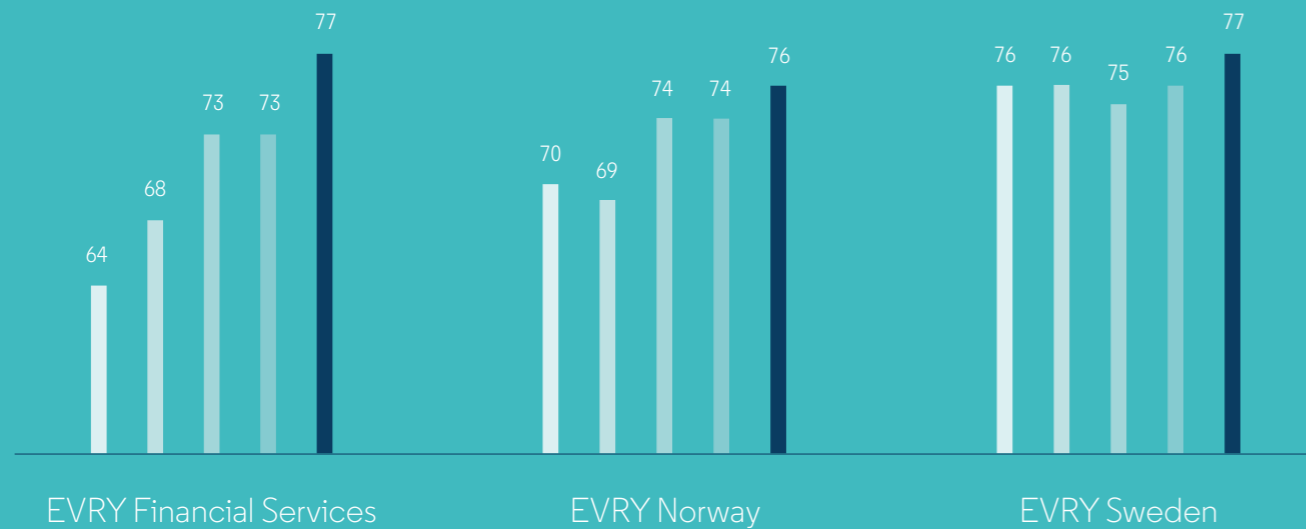
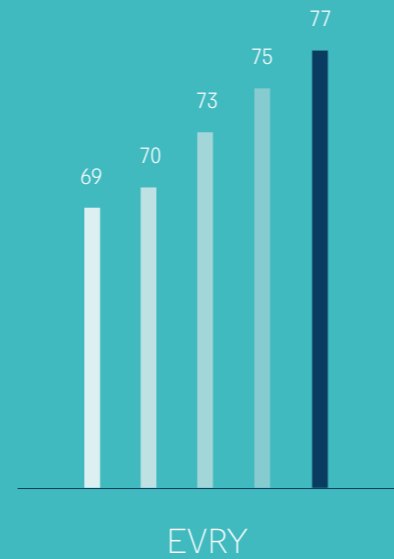
IMPROVED CUSTOMER SATISFACTION

EVERY worked in a targeted way on improving customer satisfaction in 2016, and this was rewarded in the form of strong progress in recent customer surveys. For the Group as a whole, customer satisfaction increased from 69 points in 2012 to 77 points in 2016. This is EVERY's best-ever result, and all business units made solid progress. EVERY Financial Services made particularly strong progress, with customer satisfaction rising from 73 in 2015 to 77 in 2016.

Customer feedback shows that EVERY also became more inspiring and even easier to collaborate with. As "Be inspiring" and "Collaborate" are two of EVERY's core values, this is a sign that EVERY is realising its values in a targeted way. EVERY's ability to inspire, to work closely with customers, to be

Customer satisfaction

■ 2016
■ 2015
■ 2014
■ 2013
■ 2012



Win rate



a reliable collaboration partner and to offer reliable services contributed to this progress. EVRY's ambition is to make additional progress and to further improve in these areas, and it regards taking a proactive approach and being as relevant as possible to customers as essential to this.

INDUSTRY EXPERTISE

EVRY has in-depth insight into its customers' industry segments. In 2016 it increased its focus on widening the range and depth of its industry expertise, and adopted a target of offering leading comprehensive solutions that are adapted to each industry. EVRY has taken those industry areas in which it is particularly skilled and has worked on further strengthening them. An example of this is case management and archiving for the public sector, where EVRY's acquisition of Gecko has further strengthened and modernised an area in which EVRY was already a leading supplier.

The organisational changes that EVRY has made have helped support its focus on industry verticals. EVRY is a market-leader in a range of industries and focuses particularly on segments including banking and finance, national government, local government, healthcare, insurance, manufacturing businesses, energy, oil and gas, retailing and logistics, grocery retailing, primary industries, and transport and logistics.

ACQUISITIONS TO STRENGTHEN EVRY'S CUSTOMER OFFERING

In 2016 EVRY acquired a number of

companies in order to strengthen its deliveries, provide more comprehensive services and offer greater customer value. EVRY's acquisition of IT Nor, which delivers the entire portfolio of UNIT4 products, including payroll and accounting services, strengthened the position of the company's ERP team as the market leader in Norway. Acquiring Gecko confirmed EVRY's position as the leading supplier of cloud-based case management systems in Norway. Case management is the process at the core of the public sector and, with around 30 new employees from Gecko, EVRY is able to offer its customers even better solutions than before.

EVRY also acquired NetRelations in 2016, and this significantly strengthened its expertise and delivery capabilities in digital services in Sweden. Following this acquisition, EVRY is a leader in an area of strategic importance to customers and has a dedicated team that consists of more than 400 employees who work together with EVRY's customers to develop innovative services that create high value. EVRY offers its customers in the Swedish market specialist expertise in digital business development, strategy, experience design and project management, as well as technical expertise in implementing solutions.

THE IMPORTANCE OF EVRY'S DELIVERIES TO SOCIETY

EVRY is the force behind a whole range of solutions that are critical to the operations of private sector companies and municipal and national public sector organisations. Over five million people

in the Nordics use services delivered by EVRY every day. With customer deliveries of such great importance to society, we depend on having close relationships with our customers and on operating reliable, high-quality systems and processes. EVRY pays great attention to its relationships with its customers, its role in society, the environment and its employees. EVRY's customers can be confident that the services they use are provided by a sustainable and reliable company.

MAKING CUSTOMERS MORE ENVIRONMENTALLY FRIENDLY

With the UN's sustainable development goals as its starting point, EVRY works in a targeted way on reducing the company's impact on the environment. EVRY's most important contribution to climate change is achieved when it digitalises and collaborates on projects at its customers. With around 10,000 customers in the Nordic region, the contribution it makes in this way is significant. EVRY digitalises its customers' business processes and provides environmentally friendly solutions that have a positive effect on its customers' impact on the environment. EVRY's contribution particularly relates to reducing paper usage and travel and transport.

In addition to solutions that help create a low-carbon society, EVRY delivers solutions that facilitate increased participation in democratic processes, promote inclusion, and help improve health.



Developing and retaining talent is essential to EVRY. The company has high ambitions for its customers, and this is also reflected in the company's internal ambitions.



Employee engagement and culture

Businesses need a high level of employee engagement to succeed. EVRY worked proactively on employee engagement in 2016 and made good progress throughout the year in terms of employee engagement and company performance. EVRY also worked actively on creating a more performance-based culture with greater proximity to customers and more collaboration.



EVRY launched a new value proposition "Shape the future today", for existing and potential employees in 2016 – and is succeeding in the battle for talent.

EVRY's corporate culture inspires its employees to be enterprising and to focus on ideas and innovation without being afraid of failure. We want to be a business partner that challenges its customers and brings ambitious but realistic ideas to the table. EVRY's transformation process has included a particular focus on creating a much more performance-based culture whose starting point is the creation of greater customer value and better commercial results.

ATTRACTIVE WORKING ENVIRONMENT FOR BOTH EXISTING EMPLOYEES AND NEW TALENT

Developing and retaining talent is critical to EVRY. The company has high ambitions for its customers, and this is also reflected in the company's internal ambitions. In addition to working on the company's vision and values, in 2016 EVRY also produced a new value proposition for all employees, which is "Shape the future today".

This new value proposition defines both EVRY as an organisation and what its employees actually do. It also defines important aspects of EVRY's corporate culture. Companies have no choice but to become digital if they are to maintain and strengthen their ability to compete; their future survival depends on their ability to shape the future today. This is where EVRY wants to be a key partner to its customers. EVRY needs to attract new expertise and talent, and its new value proposition is also intended to be relevant to this target audience, specifically to communicate how the company offers potential employees the opportunity to shape their career and future today.

WORKING ENVIRONMENT AND EMPLOYEE SATISFACTION

EVRY aims to be an attractive employer, and the Group's working environment is good. Employee satisfaction is surveyed quarterly. The results of each survey are discussed by

Norway's most attractive employers in 2016, according to a Universum survey:

IT PROFESSIONALS

1. Google
2. Microsoft
3. FINN.no
4. Telenor
5. DNB
6. BEKK*
7. EVRY
8. Norwegian Armed Forces
9. Knowit
10. Visma

IT STUDENTS

1. Google
2. Microsoft
3. BEKK*
4. Telenor
5. Norwegian Armed Forces
6. EVRY
7. Accenture
8. DNB
9. FINN.no
10. Sopra Steria

*Subsidiary of EVRY

Percentage of women

	2015	2016
Norway:	25%	25%
Sweden:	26%	28%
Nordic:	25%	26%
Group:	26%	28%

Percentage of women managers

	2015	2016
Norway:	24%	23%
Sweden:	27%	29%
Nordic:	25%	25%

Sick leave

	2015	2016
Norway:	3.4%	3.4%
Sweden:	3.0%	3.4%
Latvia:	3.1%	3.1%
India:	1.4%	2.0%
Ukraine:	1.2%	1.1%
Nordics:	3.3%	3.4%

Average age

	2015	2016
	39 years	39 years

all of EVRY's governing bodies as well as by its employee and management groups at all levels. The main topics assessed by the employee surveys are the Group's working environment, employee motivation, commitment, management, reputation and compliance with the company's values. The survey leads to the introduction of concrete improvement measures in EVRY's operating plans. EVRY worked in a targeted way on these areas in 2016, with good progress achieved despite 2016 being a year of significant change. The employee engagement survey for the final quarter of 2015 yielded a score of 75.3, which improved to a score of 80.1 in the final quarter of 2016. Improvements were seen in all assessment areas in 2016, with the score for employee pride increasing strongly from a less than desirable 66.4 in the final quarter of 2015 to 75.1 in the final quarter of 2016.

EMPLOYEE DEVELOPMENT

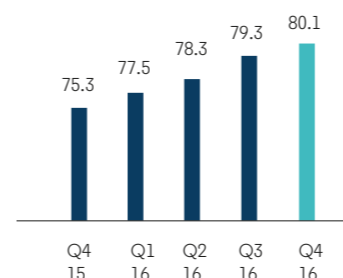
EVRY has well-established processes and systems for employee development. These form an annual cycle with employee appraisal meetings held in the first and third quarters. These meetings are held to address where employees are in relation to the company's career model, to set personal targets and to agree training requirements. In addition to the intensive training gained by completing demanding assignments and projects, more formal training and certification opportunities are provided by the EVRY Academy's extensive offering. The EVRY Academy organises classroom and e-learning courses for all employees, with some courses delivered by EVRY employees and others by external experts.

Our goal is to retain and develop our employees so they grow together with the business. We have set up processes to ensure this is a well-established part of the company's operating model. There is also an emphasis on ensuring EVRY has a culture in which all employees are trusted knowledge workers whose development and skills are material to EVRY's success, both internally and externally. We see our organisational culture as our primary competitive advantage, and this requires continual and systematic attention to ensure we are in front.

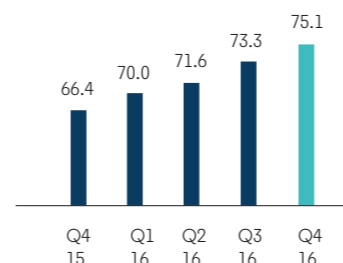
GENDER EQUALITY AND DEMOGRAPHICS

The EVRY group employs more than 2,500 women, which in total represents 28% of the workforce. Women represent 25% of EVRY's workforce in Norway and 28% in Sweden, making EVRY one of the largest employers of women in IT in the Nordic region. EVRY's male and female employees have equal access to all types of position. The distribution of genders is also reflected in management, where the proportions of women are 23% in Norway and 29% in Sweden. EVRY has well-established personnel guidelines that ensure there is no discrimination based on gender in matters such as salaries, promotion and recruitment. The average salary for women is slightly lower than that for men, with the annual salary for women representing 92.7% of men's. This reflects the fact that the average age, and accordingly the seniority, of women is somewhat lower. In the recruitment process, emphasis is placed on attracting highly qualified employees of both genders. The Group's employees have extensive experience, and their average age is 39.

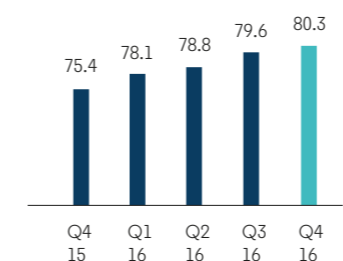
EVRY EMPLOYEE ENGAGEMENT SURVEY 2016



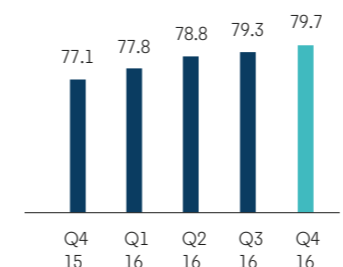
Overall score



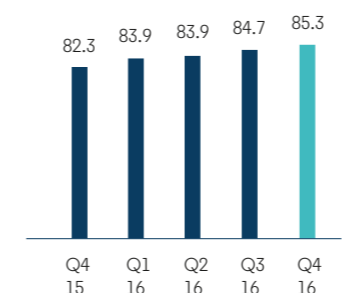
Pride



Commitment



Leadership



Execution capabilities

At the end of 2016, EVRY's executive management team tallied eleven people, two of whom were women. The proportion of women on the Board of Directors of EVRY AS was 30%.

ABSENCE DUE TO SICKNESS AND ACCIDENTS

EVRY works in a systematic and long-term way on health, safety and the working environment. The primary focus of the company's work in this area is on preventative measures to keep sick leave at the lowest possible level, to avoid risks to life and health, to minimise adverse effects on the environment and to prevent accidents and injuries. The risk of serious injuries and fires is considered to be extremely low. The preventative health measures include early intervention for health problems, encouraging a healthy diet in EVRY's canteens and organised sports activities.

INCLUSIVE WORKING ENVIRONMENT

EVRY focuses on encouraging a working environment that is free of discrimination, whether on grounds of religion, skin colour, gender, sexual orientation, age, functional disability, or national or ethnic origin. The Norwegian part of the Group has entered into an agreement for "Inclusive Working Environment" to strengthen the focus on working environment programs, measures to reduce absence due to sickness, and diversity. The Group collaborates with Telenor Open Mind and routinely offers work experience placements for individuals with disabilities.

HUMAN RIGHTS

The most important human right for EVRY's employees relates to data protection. EVRY focuses on this as the data controller for its own personal data. We have initiated work on complying with the EU's new General Data Protection Regulation (GDPR), which will enter into force on 25 May 2018. EVRY supports the United Nations Universal Declaration of Human Rights and related conventions. The company places particular emphasis on protecting the fundamental rights of employees as embodied in the ILO core conventions. EVRY's Code of Conduct is aligned with the UN's Global Compact, which was signed by CEO Björn Ivroth in 2016. This commits the company to following the 10 basic principles, which address labour rights and environmental and social responsibility issues. EVRY's suppliers have to satisfy the standards EVRY itself observes in all areas related to corporate social responsibility.

From the boardroom

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The Board of Directors of EVRY



¹ Salim Nathoo

CHAIRMAN OF THE BOARD

Experience: Salim Nathoo is a Partner in the Tech & Telco team at Apax Partners and is based in London. He joined Apax Partners in 1999 and specialises in the Tech and Telecom space. Prior to joining Apax, Salim Nathoo was a consultant at McKinsey where he specialised in advising clients in the telecom sector.

Education: An MBA from INSEAD and an MA in Mathematics from the University of Cambridge.

² Rohan Haldea

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Rohan Haldea is a Partner in the Tech & Telco team at Apax. He joined Apax Partners in 2007 and is based in London. Prior to joining Apax, he was an Associate at Bain Capital in their North American private equity division in New York, where he specialised in evaluating and executing transactions in the industrial, distribution and retail sectors. Haldea has also worked as a consultant at McKinsey in India.

Education: An MBA from Harvard Business School and a Bachelor of Technology in Manufacturing Sciences and Engineering from the Indian Institute of Technology, New Delhi.

³ Francisco Menjibar

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Francisco Menjibar is a Principal in the Tech and Telco team at Apax and is based in the London office, where he specialises in the technology and telecommunication sectors. He has previously worked at the private equity company Magnum Industrial Partners and the international consulting company Oliver Wyman.

Education: A Master's degree in Computer Science from the Centro Politécnico Superior de Zaragoza (Spain) and an MBA from The Wharton School of the University of Pennsylvania.

⁴ Ellen de Kreij

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Ellen de Kreij is a member of Apax Partners' Investor Relations team in London and focuses particularly on European investors. She is also responsible for the implementation of the Apax sustainability programme. She joined Apax Partners in 2002 as Director of Deal Generation and became a Director in the Investor Relations team in 2010.

Education: An MA in Dutch Civil Law from the University of Leiden and an MBA from Harvard Business School.

⁵ Louise Sondergaard

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Louise Sondergaard is a member of the Tech and Telco team at Apax Partners. She joined Apax in 2014 and is based in London. Prior to joining Apax Partners, Louise Sondergaard was an Associate at McKinsey & Company in London, where she primarily worked on restructuring, transformation and strategy topics.

Education: An MSc from London Business School (with distinction) and a BSc in International Business from Copenhagen Business School.

⁶ Göran Lindahl

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Göran Lindahl is Chairman of the Board of Directors of IKEA Greentech AB and of LivSafe Group, and a Board Member of INGKA Holding BV. He was the CEO and president of the global technology and engineering group ABB Ltd from 1997 to 2000, and spent more than 30 years in various positions in the ABB Group. Göran has also previously served on the Boards of Atlas Copco AB, El du Pont de Nemours and Company, the Sony Corporation, Ericsson and Saab. He has also worked as a special advisor to UN Secretary General Kofi Annan.

Education: A Master's degree in Electrical Engineering from Chalmers University of Technology in Gothenburg, Sweden.

⁷ Leif Teksum

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Extensive banking experience in specialist functions as well as Group Management in DNB over 23 years. International experience as responsible for all of DNB's business outside Norway. Industry knowledge within the Shipping, Oil & gas, Seafood, Manufacturing, Real Estate and Service sectors. Board member and Chairperson in a large number of corporations such as Yara International ASA (Chairman). Partner, Vest Corporate Advisors.

Education: Master in Economics, Norwegian School of Economics, Bergen.

⁸ Al-Noor Ramji

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: Al-Noor Ramji is Group Chief Digital Officer at Prudential, responsible for developing and executing an integrated, long-term digital strategy for the Group. Before joining Prudential, he worked at Northgate Capital, where he ran the technology-focused funds. He has also worked for Misys, the financial services software group, and held leading technology and innovation roles at BT Group, Qwest Communications, Dresdner Kleinwort Benson and Swiss Bank Corporation.

Education: CFA, BSc Electronics from the University of London.

⁹ Kristin Krohn Devold

BOARD MEMBER ELECTED BY SHAREHOLDERS

Experience: CEO of the Norwegian Hospitality Association (NHO Reiseliv), Norwegian Minister of Defense 2001 – 2005, Member of the Norwegian Parliament for the Conservative Party 1993-2005, General Secretary of The Norwegian Trekking Association 2006-2013.

Education: Master, Norwegian School of Economics and Business Administration, and Bachelor in sociology from the University in Bergen.

¹⁰ Eirik Bornø

BOARD MEMBER ELECTED BY EMPLOYEES

Experience: Eirik Bornø is currently employed as a Senior Employee Representative, Negotia in EVRY, and has many years of experience as a DB2 systems programmer. He has also been a premises manager in the company and is now second Vice President of the Federation Board of Negotia.

Education: Higher education qualifications in administrative data processing from Polytekniske høyskolen (now Westerdals Oslo School of Arts, Communication and Technology), and in human resource management and employment law from Buskerud University College.

¹¹ Ingrid Lund

BOARD MEMBER ELECTED BY EMPLOYEES

Experience: Ingrid Lund is employed as a Senior Consultant and has worked in the IT sector since 1985, holding various positions in both the private and public sectors. Her previous board appointments include membership of the Boards of EDB Norway and EDB ASA and as deputy representative on the Board of the Telenor Pension Fund.

Education: A foundation course in law and legal science.

¹² Jan Dahlström

BOARD MEMBER ELECTED BY EMPLOYEES

Experience: Jan Dahlström is a Senior Project Manager at EVRY. He has also held board appointments at various stock exchange listed companies in Sweden.

Education: Higher education qualifications in medicine from the University of Gothenburg and in business engineering from the IHM Business School.

¹³ Ola Hugo Jordhøy

BOARD MEMBER ELECTED BY EMPLOYEES

Experience: Ola Hugo Jordhøy is a Chief Consultant in Mobility and Communication at EVRY and has many years' experience in IT and telecommunications. Jordhøy is the head of Tekna's representation at EVRY.

Education: A Master's degree in Electrical Engineering from the Norwegian University of Science and Technology, and post-graduate teaching qualifications.



Corporate governance

EVERY is committed to healthy corporate governance that contributes to optimal value creation over time. The objective of corporate governance is to regulate the division of roles between shareholders, the Board of Directors and executive management.

Our principles are:

- EVERY will provide open, reliable and relevant communication to the outside world about the company's activities and its corporate governance
- EVERY's Board of Directors will be autonomous, and independent of the Group's executive management
- EVERY will pay particular attention to ensuring that there are no conflicts of interest between the interests of its shareholders, the members of its Board of Directors and its executive management
- EVERY will ensure a clear division of responsibility between the Board of Directors and the executive management
- EVERY will treat all shareholders equally

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

EVERY's Board of Directors (the "Board") has the ultimate responsibility for ensuring that the company practices good corporate governance. The Board and executive management carry out a review and evaluation of the principles for corporate governance on an annual basis.

EVERY AS is an unlisted Norwegian private limited company. The company was converted to a private limited company from a public limited company by an extraordinary general meeting on 22 February 2016.

Confidence in EVERY as a company and in its business activities as a whole

is essential for the Group's continuing competitiveness.

EVERY is committed to openness about its systems and procedures for the management of the Group. This strengthens value creation and builds internal and external confidence, while at the same time promoting an ethical and sustainable approach to business.

EVERY's website, www.every.com, provides more information about the company's corporate vision and business concept as well information on the company's policy for corporate social responsibility and its Code of Conduct.

The Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board (NCGB) does not apply to EVERY AS as it is an unlisted company.

2. BUSINESS

The business objective of EVERY AS is defined in Article 3 of the company's Articles of Association, which state that:

"The company's business is to develop, manage and operate its own and other parties' IT solutions, to sell services and consultancy and any activities related to the foregoing. These activities may be carried out by the company itself, by its subsidiaries or through participation in other companies and collaboration with other parties."

EVERY's Articles of Association are available on EVERY's website, www.evry.com. The Articles of Association were most recently updated on 3 May 2016.

3. EQUITY AND DIVIDEND POLICY

The book value of the Group's equity at 31 December 2016 was NOK 193.8 million, representing an equity ratio of 1.9%. The Group's capital adequacy is kept under constant review in relation to its objectives, strategy and risk profile.

The company's objective is to generate a return for its shareholders through dividends and increases in the share price that is at least in line with the return available on similar investment opportunities of comparable risk. The Board proposes a dividend if it is satisfied that this will not have an adverse effect on the company's future growth ambitions and capital structure. The company's dividend policy is to pay an annual dividend to shareholders equivalent to 20-50% of normalised post-tax profit. Extraordinary dividends may be distributed in particular circumstances, and will be evaluated on a case by case basis.

In connection with the company's refinancing in the spring of 2016, the Board approved an extraordinary dividend of NOK 7.13 per share, equivalent to NOK 1,906 million, pursuant to the mandate it was granted at the Annual General Meeting.

The Board did not hold any mandates in respect of increases in share capital or purchases of own shares at 31 December 2016.

EVERY AS did not carry out any capital transactions in 2016. The company did not hold any of its own shares at the end of 2016.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

EVERY has only one class of shares, and any purchases or sales of own shares are carried out via Verdipapirsentralen ASA (VPS). The Articles of Association do not impose any restrictions on voting rights and all shares have equal voting rights.

EVERY's Board and executive management are committed to treating all the company's shareholders equally. At the close of 2016, Lyngen Bidco AS held 88.0% of the share capital of EVERY AS. The remaining share capital is spread among 534 shareholders, of which one is a minority shareholder that controls approximately 11.8% of the share capital, with the others owning a total of 0.2%.

The Board will obtain independent valuations for any material transactions between the company and its shareholders, parent companies of its shareholders, members of the Board, executive personnel or any close associates of such parties.

The company has guidelines in place to ensure that members of the Board and executive personnel notify the Board if they have any material interest, directly or indirectly, in an agreement entered into by the company.

5. GENERAL MEETINGS

The Annual General Meeting ("AGM") is the company's ultimate corporate body. The Board strives to ensure that AGMs are an effective forum for communication between shareholders and the Board.

The AGM is usually held before 1 June each year, and in any case no later than 30 June, which is the latest date permitted by company law. The 2016 AGM was held on 3 May.

The notice calling the AGM and any Extraordinary General Meeting is made available on the company's website (www.evry.com) and with effect from February 2016 is sent to all shareholders no later than one week in advance of the meeting. Article 8 of EVERY's Articles of Association stipulates that the supporting documents dealing with matters to be considered at a meeting can be made available on the company's website rather than being sent to shareholders by post. However, shareholders are still entitled to receive the documents by post upon request if they so wish.

The supporting documentation provides sufficient information for shareholders to form a view on the matters to be considered. In accordance with the company's Articles of Association, shareholders wishing to attend a general meeting must notify the company by the deadline given in the notice calling the meeting, which can be no earlier than two days before the meeting.

Shareholders must give written notice of their intention to attend a general meeting, either by post, electronic registration or e-mail. Shareholders who are unable to attend a meeting are encouraged to appoint a proxy. The arrangements for appointing a proxy allow shareholders to specify how their proxy should vote on each matter to be considered. Representatives from the Board attend general meetings, and the auditor also attends the AGM. The executive management is represented at general meetings with, at a minimum, the CEO and the CFO attending.

The Board decides the agenda for general meetings. The main agenda items for the AGM are determined by the requirements of the Private Limited Liability Companies Act. Each general meeting appoints a chairperson for the meeting who is capable of paying due attention to shareholders' interests in accordance with legislation and the company's Articles of Association. The CEO gives a presentation of the Group at each AGM. The minutes from general meetings are published on the EVERY website at www.evry.com.

6. ELECTION COMMITTEE

EVERY has an Election Committee consisting of three members. The members of the Election Committee are elected by the AGM after considering proposals made by the current Election Committee. The members of the Election Committee serve for a two-year term of office.

The Election Committee's duties are to nominate candidates for consideration by the AGM for appointment as shareholder-elected members of the Board, including the Chairman, and any deputy

members for shareholder-elected members, and to nominate candidates for the members of the Election Committee. The mandate for the Election Committee includes guidance on selecting suitable candidates to ensure an appropriate composition of expertise on the Board. The Election Committee is also responsible for carrying out an annual review of the remuneration paid to the members and deputy members of the Board and submitting specific proposals in this respect to the AGM.

The 2015 AGM approved the election of the following as members of the Election Committee for a term of office of up to two years:

- Francisco Menjibar (Chair)
- Arthur Brothag
- Mark Richard

7. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board of Directors of EVERY is elected by the Annual General Meeting.

The Board of EVERY comprised 12 members at the end of 2016. Eight members of the Board were elected by shareholders. The shareholder-elected members represent varied and broad experience from relevant industries and areas of technical speciality, and the members bring experience from both Nordic and international businesses. Three shareholder-elected board members as at the end of 2016 are considered by the company to be independent of the company, its main shareholders and its material business contacts. The Board does not include any members from the company's executive personnel. Four members of the Board are elected by employees. The employee-elected members represent significant experience at the Group and contribute important perspectives for the Board's work. The employee-elected members have a solid foundation among the main trade unions. At an extraordinary general meeting held 28 February 2017, the Board was expanded with an additional shareholder-elected board member who is considered by

the company to be independent of the company, its main shareholders and its material business contacts.

EVERY believes that the Board as a whole represents the best interests of all the company's shareholders.

The Board has rules on conflicts of interest to ensure that any potential conflicts are identified and handled in a professional manner. The Board's guidelines require that members must notify the Chairman if the Board is to consider any matter in which they may have a financial interest or are otherwise involved. EVERY does not have a corporate assembly by agreement between the company's trade unions, Board and executive management.

An up-to-date overview of the members of the Board of EVERY AS is provided on the company's website at www.evry.com.

8. THE WORK OF THE BOARD

The Board has the ultimate responsibility for the management of the Group and for supervising its day-to-day management and activities in general. This includes developing the company's strategy and monitoring its implementation. In addition, the Board exercises supervision responsibilities to ensure that the company manages its business and assets and carries out risk management in a prudent and satisfactory manner.

The CEO is appointed by the Board of Directors. The Board issues a mandate for the work of the CEO. There is an appropriate division of responsibilities between the Board and the CEO. The CEO is responsible for the operational management of the Group.

The Board holds regular meetings, which are held as physical meetings. Extraordinary Board meetings are held between the ordinary meetings as and when required, and these are generally conducted as telephone conferences. In exceptional circumstances, Board decisions may be made on the basis of circulating documents. In addition, the Board has appointed an Audit Committee and a Compensation Committee to work on

matters in these areas. In 2016 the Board also had an ad hoc working group that was responsible for preparing issues for the Board in relation to repeated demands for extraordinary general meetings from a minority shareholder, as well as in relation to a number of lawsuits by the same minority shareholder against the company, none of which were successful.

Audit Committee

The Audit Committee is appointed by the Board, and its main responsibilities are to supervise the Group's systems for internal control, to ensure that the auditor is independent and to ensure that the annual accounts give a fair picture of the Group's financial results and financial condition in accordance with generally accepted accounting practice. The Audit Committee has reviewed the procedures for risk management and financial controls in the major areas of the Group's business activities. The Audit Committee receives reports on the work of the external auditor and the results of the audit. In addition, the company employs a head of Internal Audit, who is responsible for the internal audit function.

The members of the Audit Committee as of 31 December 2016 were:

- Salim Nathoo, Chair
- Rohan Haldea
- Eirik Bornø
- Leif Teksum

Compensation Committee

The Compensation Committee makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO and other executive personnel. These proposals are also relevant for other employees.

The members of the Compensation Committee as of 31 December 2016 were:

- Salim Nathoo, Chair
- Rohan Haldea
- Göran Lindahl

→ Ingrid Lund

→ Kristin Krohn Devold

9. RISK MANAGEMENT AND INTERNAL CONTROL

EVERY has a well-established internal control function, which is the foundation for the Group's internal control and risk management systems. EVERY's internal control and risk management systems consist of a set of policies, procedures and organisational structures, and are based on COSO's internal control framework. The internal control and risk management systems consist of processes for EVERY's strategy, operations, business ethics, legislative and regulatory compliance, and internal and external reporting.

Internal control over financial reporting at EVERY is documented in EVERY's Governance Risk Compliance (GRC) system. The controls are tested regularly, and continual improvement work is carried out to maintain quality.

EVERY operates a structured and well-organised risk management process that includes all categories of risk, including strategic risk, financial risk, reputational risk, technical risk, and legislative and regulatory compliance risk. EVERY's risk management process is built on ISO 31000:2009.

EVERY is not subject to direct supervision by Finanstilsynet (the Financial Supervisory Authority of Norway), but Finanstilsynet can exercise control over the Group through the banks that are customers of the company (the ICT Regulations).

Operational control

The CEO and CFO hold regular status meetings with each business area. These meetings review operational and commercial performance and implement and monitor appropriate follow-up measures.

Management system

EVERY's management system for internal control and risk management comprises all relevant governance documents at

EVERY, and is important in order for the Group to safeguard information and to monitor customer requirements and relevant legislation. It also documents which processes EVERY uses to maintain the quality of its deliveries. The management system covers processes including ethics, finance, sales, procurement, security, IT, quality, and strategy and business development.

EVERY operates a forum that consists of representatives from all its business areas and staff functions. This forum meets regularly to maintain the management system and to drive continual improvement work to ensure EVERY has an effective management model.

Business ethics

Compliance with EVERY's Code of Conduct is a key component of the Group's internal control system. EVERY's Code of Conduct is approved by the Board. The Group carries out annual processes to ensure all business areas are familiar with and comply with the Code. All employees, including employees of wholly owned subsidiary companies, are required to sign a declaration each year to confirm that they have read and understood the Code. All new employees are provided with an introduction to the Code as part of their training program and have to sign a declaration confirming they have read and understood it.

EVERY has a Compliance function, which is responsible for work on business ethics issues. The Compliance function consists of the Group Compliance Officer together with Compliance Managers who are assigned to the Group's different business areas and geographies.

EVERY operates whistle-blowing channels for employees to use in the event that they wish to report a circumstance that could be in contravention of EVERY's Code of Conduct, or if they require advice in relation to ethical matters. The whistle-blowing channels can be easily accessed by all employees via EVERY's intranet and email (compliance@evry.com). In 2016, the Compliance function also entered into an agreement with the accountancy and business advisory firm



EVERY set up a new whistleblowing channel through BDO in 2016 that is for use by employees, customers, suppliers and other third-parties and provides full anonymity.

BDO, which involves BDO managing a whistle-blowing channel for EVERY that offers full anonymity, and also allows users to enter into written dialogue and to exchange information without losing their anonymity. Employees, customers, suppliers and other third parties are all able to use the whistle-blowing channel anonymously.

Internal audit

The main purpose of Group Internal Audit (GIA) is to help ensure EVERY achieves its goals by evaluating EVERY's internal control and risk management systems. GIA does this by applying a structured working methodology that ensures objective assessment and by following up to check that areas for improvement in internal control and risk management are implemented. The methodology GIA uses is based on standards produced by the Institute of Internal Auditors. GIA's mandate is to audit all majority-owned companies in the EVERY Group.

GIA reports directly to the CFO and has a dotted reporting line to the Board via the Audit Committee. GIA's charter is approved by the Board. An audit plan is drawn up annually and approved by the CFO and the Audit Committee. GIA reports on the results of its audit activities to the Audit Committee twice a year, and it reports to the CFO on an ongoing basis.

Annual review by the Board

The Board receives regular reports on risk management at its meetings, through routine financial reporting and the executive management's reports on each business area.

10. REMUNERATION OF THE BOARD OF DIRECTORS AND THE ELECTION COMMITTEE

The remuneration paid to the members of the Board is decided by the AGM having considered proposals by the Election Committee.

The remuneration paid to the members of the Board is not dependent on the company's earnings. The notes to the accounts provide information on the remuneration paid to the Board in 2016.

11. AUDITOR

Ernst & Young is the auditor for EVERY.

The auditor attends at least one meeting each year with the Board at which the company's management is not represented. The auditor participates at meetings of the Board that consider the annual accounts and participates at all meetings of the Audit Committee.



Report from the Board of Directors 2016

EVERY reported increased profitability in 2016 and has strengthened its competitiveness, with strategic customers choosing to renew long-term contracts and new customers showing confidence in the company. At the start of 2017, EVERY's backlog was at an all-time high.

EVERY started 2016 with a lower cost base than the previous year. This was the result of a number of cost reduction measures that were implemented in 2015 in order to strengthen the Group's profitability and long-term competitiveness. EVERY's improved operational efficiency and lower cost base contributed to significant improvements in profitability being achieved at all business areas in 2016. In addition, EVERY's new organisational structure, greater focus on the market and clearer prioritisation of resources resulted in increased sales and several customer wins of long-term strategic importance.

The company continued in 2016 to focus on investing in cloud-based infrastructure solutions in order to offer its customers scalable, market-leading solutions on global platforms. The process of transferring EVERY's customers over to IBM's platform, which is an important part of the company's cloud strategy, is progressing in accordance with the plan. In addition, the Group entered into a number of strategic partnership agreements in 2016, including with Google, Microsoft, Amazon Web Services, Apple and Facebook. These partnerships will enable EVERY to offer its customers scalable and innovative solutions for increasing their competitiveness.

EVERY's consolidated operating revenue for 2016 was NOK 12,246.4 million compared to NOK 12,859.5 million in

2015, representing a decrease in organic revenue of 4.4%. After adjusting for the loss of revenue associated with the DNB non-mainframe contract, organic revenue was 0.9% lower than in 2015.

The Group's operating result before amortisation of customer contracts and write-downs of intangible assets and other income and expenses (adjusted EBITA) was a profit of NOK 1,321.6 million, as compared to a profit of NOK 811.0 million in 2015. The adjusted EBITA margin increased by 4.5 percentage points, from 6.3% in 2015 to 10.8% in 2016.

The Group's cash conversion ratio was 108.0% in 2016, an improvement of 10 percentage points from 2015. The Group's free cash flow (adjusted for other income and expenses) was NOK 964.0 million in 2016, as compared to NOK 592.0 million in 2015.

The Group's order backlog at the end of December 2016 was NOK 20.8 billion, of which NOK 7.6 billion is due for delivery in 2017.

Earnings per share for 2016 was NOK 1.12 compared to NOK -5.28 in 2015. Adjusted earnings per share for 2016 was NOK 2.18 compared to NOK 1.15 in 2015.

For more detailed information, see pages 58-63 Key figures and Alternative performance measures.

Financial statements

OPERATING REVENUE

EVERY's consolidated operating revenue in 2016 was NOK 12,246.4 million, as compared to NOK 12,859.5 million in 2015, representing a decrease in organic revenue of 4.4%. The decrease in operating revenue in 2016 was mainly due to the loss of the DNB non-mainframe contract and, after adjusting for this, organic revenue was 0.9% lower than in 2015. The Group achieved positive organic revenue growth in both the third and fourth quarters of 2016. This growth was mainly driven by the EVERY Financial Services segment, particularly in the Nordic card services market.

OPERATING RESULT BEFORE AMORTISATION OF CUSTOMER CONTRACTS AND WRITE-DOWNS OF INTANGIBLE ASSETS (EBITA)

The Group's operating result before amortisation of customer contracts and write-downs of intangible assets (EBITA) in 2016 was a profit of NOK 946.7 million, as compared to a loss of NOK 1,405.4 million in 2015. EBITA was negatively impacted in 2016 by other income and expenses totalling NOK 374.9 million, of which NOK 249.8 million relates to implementing the IBM agreement. In 2015, EBITA was negatively impacted by other income and expenses totalling NOK 2,216.4 million, of which NOK 1,234.2 million related to write-downs of balance sheet items and provisions related to entering into the operations agreement with IBM. In addition, costs totalling NOK 510.2 million were recognised in connection with restructuring measures, while balance sheet items related to the Future Proof program were written down by a total of NOK 292.7 million. See Note 2 to the consolidated accounts for a more detailed breakdown of other income and expenses.

After adjusting for other income and expenses, the Group reported an operating profit before amortisation and write-downs of intangible assets of NOK 1,321.6 million in 2016 as compared to NOK 811.0 million in 2015. Improvements in operational efficiency,

along with cost reduction initiatives implemented in 2015 and 2016, contributed to a significant improvement in profitability.

Depreciation of tangible assets and in-house developed software amounted to NOK 270.3 million in 2016, with depreciation of in-house developed software accounting for NOK 45.4 million of this amount. On a comparable basis, depreciation amounted to NOK 467.4 million in 2015, with depreciation of in-house developed software accounting for NOK 84.0 million of this amount.

The Group's operating result (EBIT) in 2016 was a profit of NOK 933.3 million, compared to a loss of NOK 1,566.0 million in 2015.

Amortisation of intangible assets amounted to NOK 13.4 million in 2016 as compared to NOK 24.6 million in 2015. Intangible assets were written down by NOK 135.9 million in 2015, all of which related to the Future Proof program.

NET FINANCIAL ITEMS AND RESULT FOR THE YEAR BEFORE AND AFTER TAX

The Group had net financial expenses of NOK 513.0 million in 2016, while the result before tax from continuing operations was a profit of NOK 420.4 million. The Group's tax expense for the year totalled NOK 119.9 million in 2016, and the result for the year from continuing operations was a profit of NOK 300.5 million. The result after tax from discontinued operations in 2016 was a profit of NOK 0.1 million.

On a comparable basis, the Group had net financial expenses of NOK 330.4 million in 2015, while the result before tax from continuing operations was a loss of NOK 1,896.4 million. The Group's tax expense for the year totalled NOK -455.4 million in 2015, and the result for the year from continuing operations was a loss of NOK 1,441.0 million. The result after tax from discontinued operations in 2015 was a profit of NOK 30.4 million.

CASH FLOW AND FINANCIAL POSITION

The Group's net cash flow from operations was NOK 305.9 million in 2016, compared

EVERY Financial Services 2016

Revenue	NOK 3,133 mill
Adjusted EBITA	NOK 415 mill
Number of employees	1,238

EVERY Norway 2016

Revenue	NOK 5,669 mill
Adjusted EBITA	NOK 430 mill
Number of employees	2,361

EVERY Sweden 2016

Revenue	NOK 3,245 mill
Adjusted EBITA	NOK 305 mill
Number of employees	1,778

to NOK 217.3 million in 2015. The increase in net cash flow from operations was largely due to the increase in the Group's operating result before depreciation, amortisation and write-downs (EBITDA). Interest payments on the Group's borrowing portfolio increased by NOK 180.7 million in 2016 compared to 2015. The change in the Group's working capital in 2016 was NOK -433.3 million, which was principally due to a reversal of provisions made in 2015 in relation to the IBM contract.

Investment in tangible assets totalled NOK 161.1 million in 2016, down from NOK 296.6 million in 2015. Investment in software developed in-house totalled NOK 189.4 million in 2016, compared to NOK 146.7 million in 2015. Investment by the EVERY Financial Services segment was higher in 2016 than in 2015, and principally related to the development of new core banking and payment solutions that are based on industry standards such as ISO 20022, SOA and BIAN and are suitable for the international market. No material costs were recognised in respect of research and development activities in 2016.

Net cash flow from financing activities was NOK 227.3 million in 2016. The Group refinanced parts of its borrowing portfolio in 2016 and, in connection with this, a dividend of NOK 1,906.1 million was paid to shareholders. Net new borrowing amounted to NOK 2,133.4 million in 2016. The Group reported liquidity reserves of NOK 2,799.2 million at the end of 2016, whereof NOK 990.2 million was bank deposits, compared to NOK 2,209.2 million at the end of 2015. The Group's liquidity situation is regarded as good.

The Group's total assets amounted to NOK 10,460.7 million at 31 December 2016, compared to NOK 11,077.5 million at 31 December 2015. Intangible assets were higher at year-end 2016 due to a higher level of investment in in-house developed software, while tangible assets were lower due to a lower level of investment in 2016 as well as sales of equipment in connection with the operations agreement with IBM

in December 2015. Total non-current assets amounted to NOK 7,180.4 million at 31 December 2016, of which goodwill accounted for 78%. At the end of 2015, non-current assets amounted to NOK 7,434.6 million, of which goodwill accounted for 76%.

The Group's equity was NOK 193.8 million at 31 December 2016, equivalent to an equity ratio of 1.9%. This represents a decrease from NOK 2,145.6 million at the end of 2015, which was equivalent to an equity ratio of 19.4%. The Board continuously evaluates the Group's equity position based on the underlying asset values and the liquidity situation. The Group's equity has been negatively impacted by currency fluctuations. The fair value of the Group's equity is considered satisfactory and liquidity is good.

Net interest-bearing debt was NOK 6,040.6 million at 31 December 2016, an increase of NOK 2,032.4 million from 31 December 2015. This represents a net debt ratio of 31.17 at the close of 2016 as compared with 1.87 at the close of 2015.

REPORTING SEGMENTS

The Group reported for three segments in 2016: EVERY Financial Services, EVERY Norway and EVERY Sweden. In 2016, the EVERY Financial Services Segment accounted for 26% of total revenues before internal netting, while the EVERY Sweden segment accounted for 26% and the EVERY Norway segment for 46%.

Note 2 of the consolidated accounts provides more detailed information on the Group's reporting segments.

EVERY FINANCIAL SERVICES SEGMENT

EVERY Financial Services offers a broad portfolio of solutions and services, and is a complete industry vertical responsible for all the company's deliveries to bank and finance customers. The solutions portfolio includes solutions for all core banking services, whether this relates to interfaces with end-customers or solutions to support a bank's internal processes and employees. The portfolio is module-based, and includes banking services, transactions systems, payment solutions and card services. The portfolio

also includes a unique value chain of card services that are delivered to banks in the Nordic countries and the United Kingdom.

The EVRY Financial Services segment reported operating revenue of NOK 3,133.4 million in 2016, representing a decrease in organic revenue of 13.4% from 2015. The decrease was due to a loss of revenue from DNB in the non-mainframe area. After adjusting for this, revenue was 2.0% higher than in 2015. The Nordic card services area continued to show strong growth in 2016. The EVRY Financial Services segment generated adjusted EBITA of NOK 414.5 million in 2016, compared to NOK 335.2 million in 2015. Adjusted EBITA margin for 2016 was 13.2% as compared to 9.3% in 2015.

The EVRY Financial Services segment's order backlog at 31 December 2016 was NOK 8.9 billion, of which NOK 2.9 billion is due for delivery in 2017. Several strategically important customer contracts were renewed in the EVRY Financial Services segment in 2016 (see customer case on page 20).

EVRY SWEDEN SEGMENT

The EVRY Sweden segment offers everything from strategic advice and consulting services through to solutions and IT operating services. EVRY Sweden offers a significant portfolio of industry vertical solutions that combine industry-specific insight and business understanding with technological expertise. EVRY Sweden also delivers specialist services independent of geographic location and sector based on strong specialist expertise, for example ERP solutions, mobility, cloud-based solutions and Business Intelligence. EVRY Sweden also has its own operating services organisation, which focuses on medium-sized businesses and entities in the private and public sectors.

A new simplified operating model was implemented in the EVRY Sweden segment in 2016 and the number of legal units has been reduced in order to harmonise operations, create synergies and increase efficiency.

The EVRY Sweden segment reported operating revenue of NOK 3,244.8 million in 2016, representing a 7.7% decrease in organic revenue. This was mainly due to lower revenue in the operating services area.

The EVRY Sweden segment generated adjusted EBITA in 2016 of NOK 304.9 million, representing an adjusted EBITA margin of 9.4%. Adjusted EBITA in 2015 was NOK 241.2 million, with an adjusted EBITA margin of 7.0%.

The EVRY Sweden segment's contractually agreed order backlog at 31 December 2016 was NOK 3.5 billion, of which NOK 1.5 billion is due for delivery in 2017.

EVRY NORWAY SEGMENT

The EVRY Norway segment offers consulting, infrastructure and operating services. EVRY Norway has a significant position in the local government and healthcare sectors, and is currently strengthening its position in other industries including retail, oil and gas, and insurance. Through its extensive activities, EVRY Norway has in-depth technical expertise in specialist services that are independent of geographic location and sector. This includes growth areas such as mobility, cloud-based solutions and Business Intelligence.

The EVRY Norway segment reported operating revenue of NOK 5,669.4 million in 2016, which is a decrease of NOK 1.6% compared to 2015.

The EVRY Norway segment generated adjusted EBITA of NOK 430.1 million in 2016, representing an adjusted EBITA margin of 7.6%. For comparison, adjusted EBITA was NOK 111.1 million in 2015, representing an adjusted EBITA margin of 1.9%.

The EVRY Norway segment's order backlog at 31 December 2016 was NOK 8.4 billion, of which NOK 3.3 billion is due for delivery in 2017.

OTHER

EVRY's Global Sourcing activities accounted for approximately 7% of the Group's revenue in 2016. Deliveries

from EVRY's companies in India, Ukraine and Latvia to the Group's Nordic organisation account for some 40% of total revenues for EVRY's Global Sourcing businesses. The other revenue relates to other customers, and this ensures that the Global Sourcing businesses have a profitable and scalable business model.

THE STRUCTURE OF EVRY IN 2016

EVRY AS is a private limited company and the company's head office is at Fornebu outside Oslo. The company was converted to a private limited company from a public limited company on 22 February 2016. The executive management team had eleven members in 2016 and was led by CEO Björn Ivroth.

The Group mainly carries out its activities through wholly-owned companies in Norway, Sweden, Denmark and Finland. The Group also operates businesses in Great Britain, India, Ukraine and Latvia.

EVRY sees the Nordic region as its natural home market. The company operates from locations in 50 Nordic towns and cities, principally in Norway and Sweden, providing the expertise to serve customers locally. The company is committed to operating with a decentralised organisational structure that is able to respond rapidly to customers, and has therefore ensured that decision-making authority is delegated appropriately. The company considers it very important to ensure that the local offices can draw upon the expertise and strengths that the Group as a whole represents. This is achieved through appropriate organisational and reporting arrangements and a group-wide program, as well as through arrangements for marketing and customer relationship management. In addition to its activities in the Nordic region, EVRY has wholly-owned companies in India and Ukraine that represent a major part of the company's overall delivery capacity. In order to make the best possible use of this competence base, these companies also have significant customer portfolios in addition to their deliveries to EVRY for its Nordic customers.

The overall Nordic IT services market is estimated to be worth around NOK 168 billion. Figures from the market intelligence firm IDC show that EVRY is currently the second largest vendor in the Nordic IT services market, the clear market leader in Norway and the fourth largest vendor in the Swedish market. The Group's market share is estimated to be 24.7% in Norway and 5.8% in Sweden.

CORPORATE GOVERNANCE

The Board of EVRY is committed to sound corporate governance practices, as this increases confidence in the company and contributes to the highest possible value creation over time. The objective of corporate governance is to regulate the division of roles between shareholders, the Board of Directors and executive management.

EVRY's general corporate governance principles are based on maintaining open and reliable lines of communication, having a Board that is autonomous and independent of the Group management, having a clear division of responsibility between the Board and the executive management, and treating all shareholders equally. Further information on the company's corporate bodies and their function and work can be found in the Corporate Governance report on page 88 of this annual report.

THE WORKING ENVIRONMENT, THE EXTERNAL ENVIRONMENT AND EQUALITY

Implicit in EVRY's new value proposition, "Shape the future today", is the belief that EVRY can help bring about positive change for the future. This applies to EVRY as a company, to its decision-making bodies and to managers and employees across the organisation. Social responsibility is achieved by group-wide targets, the commitment of individual employees, and close cooperation with customers. The task is to minimize EVRY's impact on the environment and to maximise the positive impact the company has on the environment, working conditions, equality, society, and customer satisfaction. EVRY makes its contribution to creating

a low-carbon society by implementing measures involving its own operations, but also most importantly by working in collaboration with customers on creating a sustainable future. Annual targets are set for these areas, with reports submitted to the executive management team.

See the "Business plan" section of this report (pages 64-83) for further information on the working environment, absence due to sickness and the external environment.

RISK EXPOSURE AND RISK MANAGEMENT

The overall objective of risk management at EVRY is to identify and quantify risks in order to provide a basis for decision making. In addition, risk management forms part of the process of value creation by ensuring that risk exposure is taken into account in the company's decision-making processes as well as ensuring compliance with relevant legislation and regulations.

Risk management is an integral part of the company's management model and of its financial reporting. The key areas of risk that the business units consider to be material are monitored as part of the executive management's routine supervision of the business areas and key financial metrics. In operational terms, the company's objective is to integrate systematic risk management into the Group's business processes, as well as to support our customers in the risk management they carry out in relation to their value chains.

EVRY has structured and organised its approach to risk management through Enterprise Risk Management (ERM), which embeds risk management into businesses as a normal and routine part of activities at every level. ERM ensures a shared understanding of the concept of risk, defines a group-wide methodology for identifying, assessing, managing and monitoring risks, and also stipulates risk acceptance criteria and frames for risk ownership.

Risk management includes all categories of risks such as strategic risk, financial

risk, reputational risk, operational risk, technical risk and compliance risk. EVRY is committed to making risk management an integral part of its corporate culture and ensuring it supports all critical business processes.

EVRY bases its ERM process on ISO 31000:2009. Risk assessment is the overall process of identifying, analysing and evaluating risk. The results of risk assessment are managed by the organisational structure, with risk exposure 'owned' in accordance with the appropriate legal structure.

EVRY operates established risk reporting procedures for the appropriate management groups to report to executive management, the Board and the Audit Committee, and this involves reporting all important and critical risk exposure and ensuring that the ownership of responsibility for the exposure is identified. EVRY has established a risk management system in order to support the risk management process and ensure traceability and aggregation of various risk exposures. In addition to producing aggregated risk reporting, this system provides detailed information on vulnerabilities, which risks the vulnerabilities affect and what measures the organisation has implemented to reduce unacceptable risk exposure. This helps line management to follow up on the status of measures that have been implemented, with ready access to information on prioritised tasks.

MARKET RISK ANALYSIS

Market risk is an expression of the risk of market prices and fundamental economic circumstances changing, such as interest rates and exchange rates. EVRY has established a strategy to manage its exposure to currency and interest rate risks arising from its international investments. The strategy is designed to ensure a high degree of predictability and the lowest possible volatility in annual currency gains/losses and interest costs.

EVRY is principally exposed to two types of currency risk: contractual purchases or sales denominated in foreign currency,

and foreign investments and future cash flows from these investments. EVRY has both revenue and costs denominated in foreign currencies, and this creates some degree of natural hedging between financial transactions denominated in foreign currency. The Group has also established an arrangement for multi-currency bank accounts for the Group, and these accounts are used to reduce exposure to currency risk at the Group level. The Group hedges future receipts and payments denominated in foreign currency where the amount is greater than the equivalent of NOK 50 million, by entering into forward contracts that mature on the settlement day for the payment. At the end of 2016, the Group had borrowed SEK 1,038 million to hedge its investment in Sweden. Some of the Group's debt financing is denominated in euros, and the Group has entered into currency exchange agreements for its euro-denominated debt to eliminate its exposure to the euro. Cross-currency swaps have been entered into for EURNOK and EURSEK.

EVRY has established subsidiaries in India and Ukraine, and the revenue of these two companies is principally denominated in euros and US dollars. The Group's currency risk principally relates to the Swedish krone, the euro and the US dollar.

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in the general level of interest rates. The Group's exposure to interest rate risk relates principally to interest-bearing liabilities on floating interest rate terms. The Group's borrowing agreement sets a requirement for 50% of its borrowings to be hedged at fixed rates until April 2017. Interest rate risk is managed by the use of financial hedging instruments such as interest rate swaps to manage the balance of fixed rate and floating interest rate borrowings.

Note 4 to the consolidated accounts provides more detailed information on interest rate hedging instruments, together with a sensitivity analysis of exposure to currency and interest rate movements.

The company follows the political situation in Ukraine closely and takes the measures

required to ensure the safety of its employees. The political situation has, however, had only a limited effect on the financial results reported by the Ukrainian operations for 2016. The Ukrainian authorities have ceased to allow money to be taken out of the country, which has made it impossible to use the liquid assets held by the Ukrainian company freely in the Group.

CREDIT RISK ANALYSIS

The Group's total exposure to credit risk at 31 December 2016 was NOK 1,641.0 million. This includes accounts receivable and other receivables. The Group's exposure to counterparty risk is moderated by the fact that it has a large number of customers and its major customers are judged to be very strong companies. No significant provisions were made for losses on accounts receivable in 2016.

LIQUIDITY RISK ANALYSIS

Liquidity risk arises if the cash flows generated by the Group are not sufficient to match its financial liabilities as they fall due. It is group policy to operate at all times with core long-term financing arrangements with its banks, in order to make it possible to use bank facilities to finance investments. The Group restricts its use of short-term interest-bearing debt, other than its credit facility, in order to reduce its exposure to refinancing risk. Financing for significant corporate acquisitions is evaluated on a case by case basis.

The Group monitors its liquidity daily, and produces rolling liquidity forecasts on a twelve-monthly basis in order to identify liquidity requirements in future periods.

MARKET OUTLOOK

Understanding how digital solutions, new delivery models and network effects can be used to engage with customers and can change behaviours is central to the digital transformation. Digitalisation and digital transformation are creating an increasing need for change and flexibility in both an organisational and technological sense. Companies that are able to create high-quality dialogue with their customers, to combine and process

information, and to tailor their offer and react quickly and agilely can achieve significant competitive advantages. Similarly, public sector organisations that are able to adapt, modernise and improve the efficiency of the services they offer, can make significant savings and free up valuable resources.

In the years ahead EVRY will strengthen its strategy of creating digital advantages that leave their mark. EVRY's constantly increasing competitiveness is a result of the company's ability to adapt and change in line with its customers' present and future needs. To build on this position, the company continues to dedicate significant resources to developing its expertise and to attracting new talent.

SHAREHOLDER INFORMATION

Lyngen Bidco AS, a company indirectly controlled by private equity funds managed by Apax Partners LLP, was the largest shareholder in the company at 31

December 2016, with 88.0% of the total share capital. There were 535 shareholders as of 31 December 2016. Further information is provided in Note 18 to the consolidated accounts.

ALLOCATION OF THE 2016 RESULT

The parent company recorded a loss for the year of NOK 112.3 million in 2016, which is allocated against other equity.

The company's dividend policy is to distribute a dividend equivalent to 20-50% of the Group's normalised profit. Extraordinary dividends may be distributed in particular circumstances, and will be evaluated on a case-by-case basis. In connection with the company's refinancing of parts its borrowing portfolio in June 2016, an extraordinary dividend of NOK 7.13 per share was paid out, equivalent to NOK 1,906.1 million, on the basis of the results for the 2015 financial year.

No dividend is proposed in respect of the 2016 financial year.

The Group has prepared its accounts on the going concern assumption, and the Board confirms in accordance with Section 3-3 of the Norwegian Accounting Act that the going concern assumption is applicable. The Group's reported results, its business strategy and its current budgets and financing, provide the basis for the going concern assumption.

BÆRUM, 30 MARCH 2017, BOARD OF DIRECTORS OF EVRY AS

Salim Nathoo
CHAIRMAN OF
THE BOARD

Rohan Haldea

Francisco Menjibar

Ellen de Kreij

Louise Sondergaard

Göran Lindahl

Leif Teksum

Al-Noor Ramji

Kristin Krohn Devold

Eirik Børne

Ingrid Lund

Jan Dahlström

Ola Hugo Jordhøy

Björn Ivroth
CEO

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GROUP

Consolidated statement of comprehensive income

1 January - 31 December

(NOK million)	Note	2016	2015
Operating revenue	2	12 246.4	12 859.5
Cost of goods sold	8	4 018.2	4 877.9
Salaries and personnel costs	6,7	5 624.6	7 097.6
Loss from sale of operating assets	13	23.7	98.1
Depreciation and write-down of tangible assets and in-house developed software ¹⁾	12,13,21	270.3	467.4
Other operating costs	8	1 363.0	1 724.0
Operating profit/-loss before depreciation of customer contracts and write-down of intangible assets (EBITA)		946.7	-1 405.4
Amortisation of customer contracts	12	13.4	24.6
Write-down of intangible assets	12	-	135.9
Operating profit/-loss (EBIT)		933.3	-1 566.0
Financial income	9,14	16.0	19.8
Financial expense	9,14	514.4	390.5
Net foreign exchange gain/-loss	9	-14.6	40.2
Net financial items		-513.0	-330.4
Profit/-loss before tax from continuing operations		420.4	-1 896.4
Taxes	10	119.9	-455.4
Profit/-loss for the year from continuing operations		300.5	-1 441.0
<i>Discontinued operations</i>			
Profit/-loss after tax for the year from discontinued operations	23	0.1	30.4
Profit/-loss for the year		300.6	-1 410.7
Comprehensive income			
<i>Items which will not be reclassified over profit and loss (after tax)</i>			
Actuarial gains/-losses on defined benefit pension plans		0.9	18.7
<i>Items which may be reclassified over profit and loss in subsequent periods (after tax)</i>			
Cash flow hedges		-186.7	138.2
Currency translation differences		-160.3	120.6
Total comprehensive income	11	-346.1	277.6
Total profit/-loss for the year		-45.5	-1 133.1
Profit/-loss for the year is allocated as follows			
Owners of the parent		300.1	-1 410.7
Non-controlling interests		0.5	-
		300.6	-1 410.7
Total profit/-loss for the year is allocated as follows:			
Owners of the parent		-46.0	-1 133.1
Non-controlling interests		0.5	-
		-45.5	-1 133.1
Earnings per share (basic and diluted)			
Earnings per share (NOK)	11	1.12	-5.28

1) Including amortisation other intangible assets with the exception of customer contracts.

GROUP

Consolidated statement of financial position

As of 31 December

(NOK million)	Note	31.12.2016	31.12.2015
Non-current assets			
Goodwill	12	5 577.7	5 665.0
Deferred tax assets	10	489.6	477.6
Other intangible assets	12	572.4	464.7
Total intangible assets		6 639.7	6 607.3
Leased premises	13	38.6	41.1
Machinery, equipment and fixtures	13,21	387.1	482.1
Total tangible assets		425.7	523.2
Investment in associated companies and joint ventures	14	60.9	54.0
Other shareholdings		1.5	1.6
Other financial assets	4	-	196.1
Other non-current receivables	16	52.5	52.3
Total non-current financial assets		115.0	304.1
Total non-current assets		7 180.4	7 434.6
Current assets			
Inventories		41.4	50.2
Accounts receivable	15	1 477.6	1 673.5
Other current receivables	16	771.1	1 018.9
Bank deposits	3,17	990.2	900.2
Total current assets		3 280.3	3 642.9
Total assets		10 460.7	11 077.5

GROUP

Consolidated statement of financial position

As of 31 December

(NOK million)	Note	31.12.2016	31.12.2015
Equity			
Share capital	18	467.8	467.8
Other paid-in capital		-	1 393.5
Other equity		-274.7	283.9
Non-controlling interests		0.6	0.3
Total equity and non-controlling interests		193.8	2 145.6
Liabilities			
Non-current interest bearing liabilities	3,4	6 808.1	4 779.6
Non-current non-interest bearing liabilities	4	174.9	323.6
Pension liabilities	7	217.6	211.6
Other provisions for liabilities	20	36.7	82.6
Total non-current liabilities		7 237.3	5 397.4
Accounts payable		877.7	577.3
Tax payable	10	52.6	94.2
Deductions and duties payable		897.8	1 053.3
Other current liabilities	2,21,22,23	1 201.5	1 809.8
Total current liabilities		3 029.6	3 534.5
Total liabilities		10 266.9	8 931.9
Total equity and liabilities		10 460.7	11 077.5

BÆRUM, 30 MARCH 2017, BOARD OF DIRECTORS OF EVRY AS

 Salim Nathoo CHAIRMAN OF THE BOARD	 Rohan Haldea	 Francisco Menjibar	 Ellen de Kreij	 Louise Sondergaard
 Göran Lindahl	 Leif Teksum	 Al-Noor Ramji	 Kristin Krohn Devold	 Eirik Bornø
 Ingrid Lund	 Jan Dahlström	 Ola Hugo Jordhøy	 Björn Ivroth CEO	

GROUP

Consolidated statement of cash flow

1 January - 31 December

(NOK million)	Note	2016	2015
Cash from/to operations:			
Profit/-loss before tax		420.5	-1 866.1
Gain/-loss on sale of tangible assets		23.7	98.1
Tax paid in the period		-80.0	-115.3
Depreciation/write-downs	12,13	283.6	627.9
Net financial items	9	513.0	330.4
Paid interests		-428.9	-248.2
Difference between pension cost and payments		7.4	-7.9
Change in working capital		-433.3	1 398.3
Net cash flow from operations		305.9	217.3
Cash from/to investments:			
Investment in tangible operating assets	13	-161.1	-296.6
Investment in in-house developed software	12	-189.4	-146.7
Sale of tangible operating assets (sales proceeds)		34.5	33.7
Investment in group companies		-88.3	3.6
Net cash flow from investments		-404.3	-406.0
Cash from/to financing:			
New borrowing		3 184.6	4 681.5
Borrowings repaid		-1 051.2	-3 233.7
Dividends paid		-1 906.1	-1 003.6
Purchase/sale of own shares	18	-	4.8
Net cash flow from financing		227.3	449.0
Net change in liquid assets over the year		128.8	260.3
Currency movement in liquid assets		-38.8	24.4
Bank deposits at 1 January		900.2	615.6
Bank deposits at 31 December		990.2	900.2
Whereof restricted cash 31 December		-	-

GROUP

Consolidated statement of changes in equity

1 January - 31 December

(NOK million)	Owners of the parent							Non-controlling interests	Total equity
	Share capital	Own shares	Other paid-in equity	Fair value reserves	Other equity	Translation differences	Total		
Equity at 1 January 2015	467.8	-0.5	3 369.4	-97.6	415.3	122.6	4 277.1	0.3	4 277.4
Purchase of own shares		0.5	4.3		-		4.8	-	4.8
Dividend					-1 003.6		-1 003.6	-	-1 003.6
Comprehensive income				138.2	18.7	120.6	277.6	-	277.6
Profit/-loss for the year 2015					-1 410.7		-1 410.7	-	-1 410.7
Allocation of equity			-1 980.2		1 980.2		-	-	-
Equity at 31 December 2015	467.8	-	1 393.5	40.6	-	243.2	2 145.2	0.3	2 145.6
Dividend					-1 906.1		-1 906.1	-	-1 906.1
Acquisition of shares from minority					-		-	-0.2	-0.2
Comprehensive income				-186.7	0.9	-160.3	-346.1	-	-346.1
Profit/-loss for the year 2016					300.1		300.1	0.5	300.6
Allocation of equity			-1 393.5		1 393.5		-	-	-
Equity at 31 December 2016	467.8	-	-	-146.1	-211.6	83.0	193.1	0.6	193.8

NOTE 1

ACCOUNTING PRINCIPLES

1. General information

EVERY AS is a Norwegian limited company, and is subject to the Limited Liability Companies Act. The company's registered office is at Snarøyveien 30A, NO- 1360 Fornebu. The company was converted from a public limited company to a limited company with effect from 22 February 2016. The company also changed its name from EVERY ASA to EVERY AS.

The main activities of the parent company EVERY AS and its subsidiaries (the 'Group') are the sale of software, IT solutions and consulting services, as well as the centralised and decentralised operation of computer systems. In addition, the Group offers outsourcing services and services related to data communication, data security and electronic publishing.

The consolidated accounts have been approved for issuance by the Board of Directors on 30 March 2017 and is subject to approval by the Annual General Meeting on 16 May 2017.

2. Significant accounting policies

2.1 Basis of presentation

The consolidated annual accounts of EVERY AS have been prepared in accordance with the International Financial Reporting Standards (IFRS) as published by IASB and approved by the EU.

The Group's business is, for internal reporting requirements, divided into three strategic segments, each of which is separately organised and managed. Financial information about the segments and geographic areas of activity is presented in note 2: Segment information.

In preparing the accounts for the 2016 financial year, the Group has implemented all the new and revised standards and interpretations issued by IASB and approved by the EU that are relevant to its activities and that were in force for the accounting year commencing on 1 January 2016:

- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. Thus, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The implementation of these amendments has changed the amortisation method for the company's own developed software from a cash flow based method to linear method based on expected useful life. The amendments have been implemented prospectively and the impact from this change on the consolidated accounts for 2016 is NOK 7.2 million in reduced amortisation expense.
- *IAS 1 Presentation of Financial Statements: Disclosure Initiative (Amendments to IAS 1)*
The amendments to IAS 1 further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements. The amendments have had no effect on the consolidated financial statements in 2016.
- *IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)*
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combinations accounting. The amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

The Group did not apply early adoption of any standards or interpretations for the accounting year 2016.

A review of the standards and interpretations that had not come into force for the 2016 financial year but that may be relevant for the Group is provided at the end of note 1.

2.2. Basis for consolidation

The consolidated accounts include the parent company EVERY AS and its subsidiaries as of 31 December 2016. Control is achieved when the Group is exposed or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Specifically, the Group controls a company if, and only if, the Group has:

- a) Power to govern the company (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the company
- c) The ability to use its power to govern the company to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power to govern an investee, including:

- a) The contractual arrangement with the other vote holders of the company
- b) Rights arising from other contractual arrangements
- c) The Group's voting rights and potential voting rights

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. If the Group ceases to have a controlling influence over a subsidiary, the subsidiary's assets, liabilities, non-controlling ownership interests and any accrued translation differences are reversed. The remaining investment at the time that the Group ceased to have a controlling influence is measured at fair value, and any gain or loss is recognised in the accounts.

The Group's comprehensive income is attributed to the parent company's owners and to the non-controlling interests, even where this causes non-controlling interests to be negative. At the time of acquisition, non-controlling ownership interests are calculated either as their portion of identified assets or to fair value. The choice of method is made at the date of acquisition for each business combination. The share of profits is calculated on the basis of the subsidiary's post-tax profit, as included in the consolidated accounts after internal netting.

All intra-group transactions and balances, purchases and sales between companies in the Group and unrealised internal gains are netted off in the accounts.

2.3 Summary of significant accounting policies

The material accounting principles used to prepare the annual accounts of EVERY AS are as follows:

Presentation and functional currency

The group presents its accounts in Norwegian kroner (NOK). This is also EVERY AS's functional currency. The figures presented in the annual accounts are in millions of Norwegian kroner unless otherwise stated. Rounding differences may mean that amounts and percentages reported do not necessarily add up to the total shown.

Business combination and goodwill

Subsidiaries are accounted for in accordance with the acquisition method, whereby the acquisition cost of the shares is offset against the subsidiary's equity at acquisition date. Any excess value resulting from this treatment at the time of purchase is allocated to identifiable assets and is depreciated over their expected life. Excess value that cannot be attributed to identifiable assets and liabilities in subsidiaries at the date of acquisition is recognised as goodwill in the statement of financial position. Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

Goodwill that arises as a result of a business combination is not amortised. Goodwill does not generate cash flows independently of other assets or groups of assets, and is assigned to the cash generating units that are expected to benefit from the synergy effects of the business combination that gave rise to the goodwill. Upon disposal of a business, the businesses proportion of goodwill based on fair value is taken into account in calculating the gain or loss on disposal.

The Group carries out goodwill impairment tests if there are any indications that suggest this is necessary, and in any case at least at the end of each year. If there are such indications, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Recoverable amount is defined as the higher of value in use and fair value less costs to sell. Value in use is calculated as net present value of future cash flow from continuing use, including cash flow arising from eventual disposal. A calculated Weighted Cost of Capital (WACC) is applied as the discount rate used to calculate net present value. Net sales value is calculated as the amount that the company would expect to obtain from the disposal of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

The smallest unit of a particular asset which can be separately assessed as a valuation unit for the purpose of determining whether there has been a fall in value is determined by the lowest level at which it is possible to identify incoming cash flow independent of cash flow from other groupings of the same class of asset. In most cases, the Group's business areas represent the smallest valuation unit for this purpose.

An asset is written down to the recoverable amount if the recoverable amount is less than the carrying value before write-down. The write-down is applied first to any goodwill and thereafter to the book value of the unit's other assets on a proportional basis relative to the book value of the unit's specific assets. Impairment losses are charged to profit and loss in the period the impairment loss is identified, and reduce the carrying value of the asset by an equivalent amount. Impairment of goodwill, may not subsequently be reversed, even though the reason for the impairment loss no longer applies.

Investments in associated companies and joint venture

An associate company is a company over whose financial and operating policy decisions the group has significant influence. Significant influence is normally deemed to exist where one entity has an ownership interest in another of between 20% and 50%.

A joint venture is a joint arrangement in which the parties who have joint control over the arrangement have rights to the net assets of the arrangement. 'Joint control' is the contractually agreed sharing of control over a joint arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associate companies and joint ventures are recognised in the Group's accounts using the equity method. When the equity method is used, the investment in the associate company or joint venture is recorded at cost, and the carrying amount is adjusted to recognise the Group's share of the profit or loss after the date of acquisition. The Group's share of the profit or loss of the company in which it has invested is recognised in the consolidated income statement. Distributions received by the Group reduce the carrying amount of the investment. Goodwill is included in the cost price of investments in associate companies or joint ventures.

Transactions in foreign currency

Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Currency gains/losses that arise as a result of changes in the exchange rate between the date of the transaction and the payment date are recognised to profit and loss.

Assets and liabilities of foreign subsidiaries that use a functional currency other than Norwegian kroner (NOK) are translated on the accounting period date at the exchange rate on the accounting period date, while profit and loss items are translated at the daily average exchange rate during the accounting period.

Upon disposal of a foreign subsidiary, the cumulative translation difference in respect of the subsidiary is recognised to profit and loss. If part of a receivable/liability that is treated as part of net investment in a foreign unit is realised, a proportionate share of the cumulative translation difference is recognised to profit and loss.

Recognition of revenue and costs

Where operating services are provided through volume-based contracts, revenue is recognised on the basis of the actual use of services by the customer, or on a linear basis over the period of the contract for term-based contracts. Sales of dialogue services are recognised as revenue on the basis of actual customer usage. Revenue from a transition project that is an integrated part of a subsequent operating services contract is recognised on a linear basis over the period of the operating services contract. Revenue from a transition project that is not related to an operating services contract is recognised on the basis of the degree of completion. The degree of completion is calculated on the basis of the number of hours of work delivered to date divided by the total number of hours estimated for the delivery in total.

Revenue from service and maintenance contracts, as well as the expenses involved in carrying out such contracts, is recognised in the accounts over the period of the contract.

Sales of goods are recognised as revenue at the time of delivery, i.e. when control and risk passes to the purchaser. Goods include both hardware and software.

Sales of licences and rights to use software are recognised at the date the contract is signed since this corresponds to the time at which the software is made available to and can be used by the customer. Revenue from sales of software is separated from maintenance revenue on the basis of a separate pricing model and contractual structure. Revenue from software developed specifically for customers is recognised over the development period in line with the degree of completion. The degree of completion is calculated on the basis of the number of hours of work delivered to date divided by the total number of hours estimated for the delivery in total.

Revenue from consulting services is recognised as the services are provided. Sales of services on a fixed fee basis are recognised in line with the degree of completion. The degree of completion is calculated on the basis of the number of hours of work delivered to date divided by the total number of hours estimated for the delivery in total.

Cost of goods sold comprises directly allocated costs related to the delivery of goods, including maintenance and operational leasing of hardware and software, as well as the cost of consulting services that are directly related to the turnover of the goods. The costs of employing external consultants that are used for the group's normal operations and that are re-charged to customers are classified as cost of goods sold.

Taxation

Tax payable in the financial statement is measured at the amount that the company expects to receive or pay to the tax authorities. With the exception of associated companies where the exemption method is applied, the value of deferred tax liabilities/deferred tax assets in the statement of financial position is calculated on the basis of all differences between accounting and taxation values of assets and liabilities (liability method). The amount provided includes all types of difference, and is calculated without being discounted to present value. Deferred tax liabilities and deferred tax assets are calculated based on approved tax rates at the time of reporting and netted to the extent that temporary timing differences can be reversed under the same tax system. The tax charge is made up of tax payable and changes in deferred tax liabilities/deferred tax assets.

Deferred tax asset is capitalised in the statement of financial position to the extent that it is considered likely that the company in question will have sufficient taxable profit in subsequent periods to make use of the deferred tax asset. At each year end, the Group carries out a review of deferred tax asset not capitalised to the statement of financial position and their accounting value. Deferred tax asset not previously capitalised to the statement of financial position is capitalised to the extent that it appears likely from the review that the company in question will be able to make use of the deferred tax asset. Similarly, companies will reduce the capitalised value of deferred tax asset to the extent that they are no longer able to use the tax asset in question.

Tax payable and deferred tax liabilities/deferred tax assets are applied directly to equity to the extent that they relate to items that are applied directly to equity. Items that are reported as "comprehensive income" are presented on a post-tax basis in the statement of comprehensive income.

Earnings per share

Earnings per share is calculated by dividing the parent company shareholders' share of the profit/loss for the year by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect.

Classification of current and non-current items

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Intangible assets with limited life

The Group's intangible assets with limited life largely consist of capitalised costs related to software developed in-house.

Expenses relating to development are capitalised if the following criteria are met in full:

- the product or process is clearly defined and its cost elements can be identified and measured reliably
- the technical solution for the product has been demonstrated
- the product or process will be sold or used in the company's operations
- the asset will generate future economic benefit; and
- sufficient technical, financial and other resources for completing the project are present.

When all the above criteria are met, the costs relating to development are capitalised. Costs that have been charged as expenses in previous accounting periods are not capitalised. The evaluation of future commercial benefit is based on the expected license revenue and/or reduction in operating costs that will be achieved by carrying out the project. When calculating the profitability of a project, the estimated future cash flows associated with the project are discounted to present value using a rate of return adjusted for the risk associated with the project in question.

Intangible assets with limited life are amortised over their expected useful life. The depreciation period used is between 1-4 years for intangible assets other than capitalised development costs. For capitalised development costs the depreciation period is 5-15 years depending on the product type developed. Investment in other intangible assets is normally depreciated on a linear basis.

The length of useful life remaining and the method of depreciation are subject to annual review that takes into account the commercial reality of the intangible asset in question. The Group does not have any intangible assets with unlimited life other than goodwill which is classified as intangible assets in the balance sheet.

At each reporting date the Group evaluates if there are identified indications that intangible assets may be impaired. If there are such indications, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment losses may subsequently be reversed to the extent that the reason for the impairment no longer applies.

Tangible assets

Tangible operating assets are carried in the statement of financial position at historic purchase price less accumulated ordinary depreciation and write-down. When tangible operational assets cease to be used, the historic purchase price and accumulated depreciation are removed from the accounts, and any gain or loss this causes are recognised to profit and loss. Depreciation is applied on a straight-line basis, after allowance for disposal value, over the following time periods:

- Leasehold improvements 5-10 years
- Machinery/equipment/fixtures 3-7 years
- Vehicles 5 years
- IT equipment 3-5 years

The economic life and depreciation method used are reviewed regularly to ensure that the method and depreciation period reflect the expected useful life of the assets in question. This also applies to disposal value. The depreciation period for leasehold improvements will at a maximum be the remaining lease period.

Tangible assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows. An impairment loss is the amount by which the carrying amount of the assets exceeds the recoverable amount.

The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset. Cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset. Technical goodwill as a result of deferred tax on excess values is tested as part of the cash generating unit.

Leasing

Leasing of assets where the lessor retains the major part of risk and control are classified as operational leases. Other leasing contracts are treated as financial leasing. The accounting principle describes situations where the Group is the lessee.

Operational leasing

The leasing costs of operational leases are allocated on a linear basis over the period of the lease, and are classified as cost of goods sold or other operating costs in the profit and loss account.

Financial leasing

Financial leasing contracts are capitalised as assets and liabilities in the statement of financial position in an amount equivalent to the operating asset's fair value at the time the leasing contract was entered into or, if lower, the net discounted value of the future minimum payments under the terms of the lease contract. The liability to the lessor is included in the statement of financial position as a financial lease liability. Lease payments are recognised in the accounts as interest expense and a reduction in the lease liability. Leased assets are depreciated over the expected useful life in accordance with the depreciation plan for owned assets. If it is not likely that the Group will take over the asset upon the expiry of the leasing contract, the asset is depreciated over the shorter of the life of the leasing contract and the depreciation period applied for equivalent assets owned by the Group.

Financial derivatives

The Group's financial derivatives consist almost entirely of hedging derivatives. All purchases and sales of financial instruments are recognised on the transaction date. Changes in fair value for derivatives that meet the requirements for cash flow hedging are reported in the statement of comprehensive income as "comprehensive income". The fair value changes are reclassified to profit or loss in the period where the hedged transactions affects profit or loss. Derivatives that are not classified as hedging instruments are classified as available for sale and valued at fair value. Changes in the fair value of such derivatives are presented as financial income/financial expense.

Hedging

The Group has established a strategy to hedge the currency and interest rate risks related to the exposure to foreign currency and investments. The strategy is designed to ensure a high degree of predictability in currency gains/losses and interest costs. Derivative contracts are recognised as hedging instruments if they satisfy the following criteria:

- a) hedging is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, with hedge effectiveness in the range 80-125 %,
- b) the effectiveness of the hedging can be reliably measured,
- c) there is adequate documentation on entry into the hedging to show that the hedging is highly effective,
- d) hedging is reviewed regularly and has proved effective throughout the reporting periods for which it was intended.

The Group has hedged (cash flow hedging) part of its net investment in Swedish kroner. The Group has also hedges changes in currency and interest on its loans through cross currency swaps and interest swaps. Changes in the value of derivatives classified as hedging instruments form part of comprehensive income.

The hedging instruments are recognised at fair value at the date of the financial position statement. If the hedging is evaluated as effective, the change in value is recognised as part of "comprehensive income". The fair value changes are reclassified to profit or loss in the period where the hedged transactions affects profit or loss. If the hedging is evaluated as not effective, the change in value is recognised as financial income/expense in the profit and loss account.

Hedging instruments are classified as non-interest bearing liabilities or receivables in the statement of financial position.

Inventories

Inventories are valued at the lower of purchase price and net realisable value. Net realisable value is defined as the expected sale price under normal commercial conditions with a deduction for sales costs. Purchase price is determined on the basis of average cost price.

Accounts receivable

Accounts receivable are recognised in the statement of financial position at nominal value after a deduction for possible losses. A provision for estimated losses is included in the presentation of comprehensive income when a loss causing event takes place and there is objective evidence that the value of the asset is impaired.

Equity

The nominal value of holdings of own shares is reported in the statement of financial position as a deduction to share capital. The purchase price in excess of nominal value is charged to share premium. Gains or losses on transactions in own shares are applied directly to equity. If own shares are sold at a price in excess of cost price, the surplus is recognised as other equity. Realised losses related to sales of own shares are recognised against other equity.

Transaction costs in relation to equity transactions are charged to equity after deducting tax.

The fair value reserve includes cumulative net changes in fair value of financial instruments until the investment is disposed of.

Liabilities

On initial recognition, liabilities are stated at fair value after deducting transaction costs, but thereafter liabilities are stated at amortised cost. When the liability is repaid, in whole or part, the difference between the book value of the liability and the amount repaid is recognised in the profit and loss account.

Pension liabilities

Liability in respect of contractual pension arrangements in the Group is valued as the present value of the future pension benefits for which entitlement has been earned at the date of the statement of financial position, and is calculated on the basis of assumptions about discount rates, the investment return on pension assets and expected growth in earnings and pensions. Pension calculations use the K2013 table for mortality risk. The risk table for disability, IR02, corresponds with the estimated risk of disability in the Group. Pension assets are valued at fair value on the accounting period date. Costs incurred in relation to the Group's pension arrangements are reported as salary costs in the accounts.

The starting point for calculating pension costs in respect of the Group pension schemes is linear application of pension entitlement earned against the likely accumulated pension liability at the time the pension is first drawn.

The cost of pensions is calculated on the basis of the discounted pension entitlement earned at the beginning and end of the year and the pension rights accrued during the year, less the return on the assets provided to fund pensions. Significant changes to the pension schemes, including scheme closures and changes that cause the issue of paid-up policies, are recognised in the accounts in the accounting period when such change takes place. The effect of any changes in the pension scheme that leads to the issue of fully paid-up policies is recognised in the period the change is made. The effect of other changes in the pension scheme is amortised over the expected average remaining service period. The effect of any changes in estimates, changes in assumptions and calculation are accounted for as "comprehensive income" in the period that they occur.

The Group has established a compensation scheme for employees in connection with the closure of a defined benefit pension scheme. The size of the compensation and the profile for its accrual are calculated on the basis of a standard set of calculation parameters at the time of the change to the pension arrangements. The accrual formula and profile for the compensation scheme are used as the basis to make provisions in the accounts so that the total compensation earned to date by employees at any time is provided for as a liability in the consolidated statement of financial position.

The majority of the employees in the Group's Norwegian companies are members of an early retirement scheme (AFP), which is a multi-company defined benefit scheme, and is financed by premium payments determined as a percentage of salary. There is no reliable measurement and allocation of liabilities and asset between the companies that participate in the scheme. The scheme is therefore treated for accounting purposes as a defined contribution pension scheme and the premiums paid are recognised as costs through profit and loss.

Provisions

A provision is recognised in the accounts only when the company is subject to a liability that is a consequence of an event that has already happened and where it is likely (more likely than not) that in order to reduce or discharge the liability the company will have to apply financially measurable resources, and the liability can be reasonably estimated. Provisions are evaluated at the end of each accounting period and adjusted to reflect the available information about the provision. Where the information available is insufficient, a best estimate is used. If the time period to the date at which the liability may lead to payment has a material effect on the calculation, the provision will represent the discounted present value of the future liability. Increases in liability caused solely by the lapse of time are reported as an interest expense.

Provisions for restructuring costs only include direct expenses linked to the restructuring which are both necessary for the implementation of the restructuring and which do not relate to the continuing ordinary activities of the company. Such provisions are recognised in the accounts when the company has a detailed plan for the restructuring in question that identifies which business areas will be affected, the locations affected, the functions and estimated number of employees due to receive termination payments, the costs that will be incurred and a time plan for implementation. There must be a real expectation by the parties affected that the company will implement the restructuring. This means either that implementation of the restructuring program has commenced or that the main elements have been disclosed to the affected parties.

Contingent assets and liabilities

A contingent asset is defined as a possible asset, that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the entity. Contingent assets are not included in the annual accounts, but information is provided if there is a reasonable certainty that the benefit in question will accrue to the Group.

Contingent liabilities comprise:

- a possible obligation arising as a result of past events where the obligation depends on some uncertain future event
- a present obligation that is not recognised in the accounts since it is not probable that the obligation will result in a payment being made
- liabilities that cannot be measured reliably

Contingent liabilities are not recognised in the accounts with the exception of contingent liabilities acquired as part of the purchase of a business. Contingent liabilities acquired as part of the purchase of a business are recognised in the accounts at fair value even if the liability is not likely to crystallise.

Cash flow statement

The cash flow statement is presented using the indirect method. The Group's activities are divided into operational, financing and investment activities. Investment in new business or sale of business is classified as cash from/to investments, in the cash flow statement, and amounts to the purchase price/sales price less transferred cash and cash deposits at the transaction date.

The cash flow statement includes businesses disposed of up to the date of disposal.

Discontinued operations

If a decision is taken to discontinue or to sell a major part of the Group's operations or if control/significant influence over a company is lost, the operations in question are presented as 'discontinued operations' in a separate line entry on the income statement and in the statement of financial position. 'Major' means a separate segment or a significant asset. This means all other figures presented are exclusive of 'discontinued operations'. The comparison figures in the income statement are correspondingly restated. The comparison figures in the statement of financial position and in the statement of cash flow are not restated.

3. Standards issued but not yet effective

The following paragraphs provide an overview of changes to IFRS/IAS standards that are relevant to the Group's activities, but have not yet come into effect. The Group intends to adopt these standards when they become effective.

IFRS 15 - Revenue from Contracts with Customers

The IASB has issued a new revenue recognition standard, IFRS 15 Revenue from Contracts with Customers. The standard replaces existing IFRS revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment).

The standard is effective for annual periods beginning on or after 1 January 2018 and either a full retrospective application or a modified retrospective application is required. Early adoption is permitted. The Group expects to apply IFRS 15 with effect from 1 January 2018, but has not yet decided on which implementation approach will be used.

During 2016, the Group has performed a preliminary assessment of IFRS 15 and the possible effects on the Groups revenue streams. The assessment is ongoing and a more detailed analysis will provide more information. Furthermore, the Group is considering the clarifications issued by the IASB in April 2016 and will monitor any further developments. At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements, but does not expect the implementation of IFRS 15 to have a significant impact on the financial statements. The Group has however identified the following areas that could be affected:

- Sale of licenses/right to use – IFRS 15 may result in revenue to be recognised over time instead of at a point in time
- Transition projects – Identification of performance obligations might affect the timing of the revenue recognition

IFRS 9 - Financial Instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 is effective from 1 January 2018, with early application permitted.

Except for hedge accounting, retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt IFRS 9 on the required effective date. During 2016, the Group has performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional information being made available to the Group in the future.

a) Classification and measurement

The Group does not expect any significant impact on its balance sheet or equity applying the classification and measurement requirements in IFRS 9. EVRY expects to continue to measuring at fair value its financial assets currently held at fair value.

b) Impairment

IFRS 9 requires the Group to record expected credit losses on all its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. However, the Group does not expect any significant impact on its equity due to the secure nature of its loans and receivables, but will need to perform further analysis, including forward-looking elements to determine the extent of the impact.

c) Hedge accounting

The Group believes that all existing hedge relationships that are currently designated in effective hedging relationships will still qualify for hedge accounting under IFRS 9. As IFRS 9 does not change the general principals of how an entity accounts for effective hedges, the Group does not expect a significant impact as a result of applying IFRS 9.

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 and SIC 15 and 27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for financial leases under IAS 17. The standard introduces two exemptions for lessees – leases of "low-value assets" and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date the lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard is not yet approved by the EU. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

In 2017, the Group plans to assess the potential effects of IFRS 16 on its consolidated financial statements.

NOTE 2

SEGMENT INFORMATION

The Group's activities are divided into three segments for the purpose of reporting in 2016. The allocation of activities to segments is based on the main markets served by the Group, and corresponds with the structures used for internal reporting to the executive management, which is the chief operating decision makers in the Group. The segment structure is unchanged from the 2015 reporting.

The EVRY Financial Services segment offers a broad portfolio of solutions and services, and is a complete industry vertical with responsibility for all the company's deliveries to bank and finance customers. The solutions portfolio includes solutions for all core banking services, whether this relates to interfaces with end-customers or solutions to support a bank's internal processes and employees. The portfolio is module-based, and includes banking services, transactions systems, payment solutions and card services. The portfolio also includes a unique value chain of card services that are delivered to banks in the Nordic countries and in the United Kingdom.

The EVRY Sweden segment offers everything from strategic advice and consulting services through to solutions and IT operating services. EVRY Sweden has a significant portfolio of industry vertical solutions that combine industry-specific insight and business understanding with technological expertise. EVRY Sweden also delivers services based on strong specialist expertise that are independent of geographic location and sector, for example ERP solutions, mobility, cloud-based solutions and Business Intelligence. EVRY Sweden also has its own operating services organisation, which focuses on medium-sized businesses and entities in the private and public sectors.

The EVRY Norway segment offers consulting, infrastructure and operating services. EVRY Norway has a long history with leading customers in the Norwegian public and private sectors, and holds strong positions in a number of industry verticals where it combines industry insight and business understanding with technological expertise. Customer deliveries cover a broad range of consulting and solutions services, as well as IT operating services. EVRY Norway has a significant position in the local government and healthcare sectors, and is currently strengthening its position in other verticals including retail, oil & gas and insurance. Through its extensive activities, EVRY Norway has in-depth technical expertise in specialist services that are independent of geographic location and sector. This includes growth areas such as mobility, cloud-based solutions and Business Intelligence.

The Group's other activities are shown in the presentation below as other. These activities include for reporting purposes the Group's Global delivery activities. In addition are financing and central group functions that are not allocated to the segments, included in the line other. Transactions between the business areas are based on market terms and conditions. The rental of software and other IT equipment is based on the cost from an external supplier plus a margin. The purchase and sale of consulting services between the segments is charged at an agreed price equivalent to the price achieved by the best customer. The operating profit/-loss before amortisation of customer contracts and write-down of intangible assets (EBITA) reported for each segment includes revenue and costs related to transactions with other segments of the Group. Eliminations between segments are included in the line other.

The Group's chief operating decision makers (executive management) follow up the operating profit (EBITA) of each segment on a regular basis and use this information to analyse the various segments' operational performance and to make decisions on resource allocation. The performance of each segment is evaluated on the basis of revenue growth and EBITA, and the measurement of revenue growth and EBITA is consistent with the consolidated revenue and EBITA figures reported for the Group as a whole. Management also monitors each segment in terms of other key figures such as EBITDA, operational investment spending, working capital and the customer credit-time. In addition to the financial information prepared in accordance with IFRS, management wants to provide alternative performance measures to enhance the understanding of the Group's underlying performance. Other income and expenses that are part of alternative performance measures are not distributed to the segments in accordance with the management reporting structure in the Group, and are reported as a separate line in the presentation below. Reference is made to the section key figures and definitions for further information on alternative performance measures.

Other income and expenses

(NOK million)	2016	2015
Provisions for restructuring	-77.9	-510.2
Provisions for premises	-	-100.2
Write-down of Future Proof	-	-292.7
Write-down of other balance sheet items	-26.1	-87.0
IBM outsourcing agreement	-249.8	-1 234.2
Strategic processes/refinancing	-21.1	-128.1
Total other income and expenses	-374.9	-2 352.3

In connection with the IBM agreement in 2015, significant costs were recognised as at 31 December 2015 in relation to the agreed transitions and customer transformations needed to convert to IBM's platform technology. In total approximately 200 customers are covered by the conversion to IBM's platform technology. In addition, the company's investment related to Future Proof was written down by NOK 292.7 million (including implementation projects), as the company will in the future be using IBM's infrastructure platforms for its basic operations services.

In 2016 a total of NOK 249.8 million has been expensed related to implementation of the IBM agreement and customer transformations.

Information about the Group's segments for reporting purposes is presented below:

2016

(NOK million)	Operating revenue	EBITDA	Depreciation and write downs	EBITA	CAPEX
EVERY Financial Services	3 133.4	497.5	83.0	414.5	182.2
EVERY Sweden	3 244.8	337.7	32.8	304.9	53.1
EVERY Norway	5 669.4	532.3	102.2	430.1	63.9
Other	198.8	215.4	43.3	172.1	51.1
Other income and expenses	-	-366.1	8.8	-374.9	-
Total	12 246.4	1 216.9	270.3	946.7	350.2

2015

(NOK million)	Operating revenue	EBITDA	Depreciation and write downs	EBITA	CAPEX
EVERY Financial Services	3 613.4	521.5	129.2	392.3	205.4
EVERY Sweden	3 429.9	288.3	56.7	231.6	64.7
EVERY Norway	5 761.2	327.9	216.8	111.1	129.9
Other	55.0	140.6	64.6	76.0	43.2
Other income and expenses	-	-2 216.4	-	-2 216.4	-
Total	12 859.5	-938.1	467.4	-1 405.4	443.3

There are no differences in the measurement methods applied at the segment level as compared to the methods used for the consolidated accounts.

Geographic segments

The Group's activities are divided between Norway, Sweden (incl Finland) and other countries.

Other countries are mainly related to USA and other European countries beside Norway, Sweden and Finland.

Operating revenues

(NOK million)	2016	2015
Norway	7 022.2	8 052.9
Sweden	4 417.9	4 125.2
Other countries	806.3	681.4
Total	12 246.4	12 859.5

The Group does not have any single customer that accounts for more than 10% of its consolidated revenue.

NOTE 3

MANAGEMENT OF CAPITAL STRUCTURE AND FINANCIAL RISK

1. Management of capital structure

EVERY's main objective for the management of its capital structure is to maximise value creation for shareholders, to while at the same time maintaining a sound financial position and a good credit rating. The objective is generate the best possible long-term return for its shareholders, through dividends paid or share price increases, match or exceed the return available on similar investment opportunities of comparable risk.

The Group monitors its capital structure in terms of its equity as a proportion of total assets (equity ratio) and net interest-bearing liabilities as a proportion of total equity (gearing).

The Board of directors is continuously monitoring the Group's equity situation and will initiate measures to strengthen the equity if deemed necessary. The fair value of the Group's equity is considered satisfactory and liquidity is good.

(NOK million)	31.12.2016	31.12.2015
Non-current interest bearing liabilities ¹⁾	7 027.6	4 905.5
Current interest bearing liabilities	3.1	3.0
Bank deposits	990.2	900.2
Net interest bearing liabilities	6 040.6	4 008.2
Equity	193.8	2 145.6
Total assets	10 460.7	11 077.5
Gearing	31.17	1.87
Equity ratio	1.9 %	19.4 %

1) Excluding arrangement fees

Subsidiary companies have only limited authority to establish independent financing arrangements, and are required to distribute their surplus capital to EVERY AS by means of dividend, repayment of financing or group contributions.

2. Management of financial risk

The Group's policies for the management of financial risk are determined by the Board of Directors of EVERY AS. The main objective of financial risk management is to identify, quantify and manage exposure to financial risks. Operational responsibility for monitoring and managing financial risk is the responsibility of EVERY's centralised treasury function.

Financial risk is normally divided into three groups:

1. Market risk
 - a. Interest rate risk
 - b. Currency risk
2. Credit risk
3. Liquidity risk

1. Market risk

The market risk is the risk of changes in market prices and changes in fundamental conditions in the economy, such as changes in interest rates, exchange rates, prices of inputs and the cost of capital.

1a. Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in the general level of interest rates. The Group's exposure to interest rate risk relates principally to interest-bearing liabilities on floating interest rate terms. The Group uses interest rate swaps to hedge against large fluctuations in cash flow.

See also Note 4 for more information on the Group's exposure to interest rate risk.

1b. Currency risk

The principal objective for EVRY's management of currency risk is to reduce the effect of changes in exchange rates on future cash flows and on the Group's financial condition. Currency risk can be divided into i) transaction risk, ii) translation risk and iii) strategic risk:

- i) Transaction risk represents the risk that future cash flows may fluctuate as the result of changes in exchange rates, and it arises as a result of financial transactions that involve agreement on future receivables or liabilities that are settled in a currency other than the Group's functional currency.

EVRY has both revenue and costs denominated in foreign currencies, accordingly it engages in some degree of routine activity to hedge the foreign currency component of financial transactions. The Group has also established an arrangement for multicurrency bank accounts for the Group, and these accounts are used to reduce exposure to currency risk at the group level. The Group hedges future receipts and payments denominated in foreign currency where the amount is greater than the equivalent of NOK 50 million by entering into forward contracts that mature on the settlement day for the payment.

- ii) Translation risk represents the risk that assets or liabilities may be exposed to changes on currency conversion as the result of changes in exchange rates.

Since the Group has a significant scale of activities in Sweden, it arranges for part of its borrowings to be denominated in Swedish kroner (net investment). The remaining part of the borrowings is in Euro. The Group has entered into cross currency swaps to eliminate all the Euro debt exposure, ref. note 4.

- iii) Strategic risk is a concept used to describe the long-term effects of changes in exchange rate, such as establishing business operations in low-cost countries, importing from countries with low commodity prices and other exposure to currency risk in relation to strategic decisions.

EVRY has established subsidiary companies in India and Ukraine. These two companies have income mainly in Euro and US dollar. The Group's exposure to currency risk relates principally to Swedish kroner (SEK), Euro (EUR) and US dollar (USD).

See also note 4 for more information on the Group's exposure to currency risk.

2. Credit risk

Credit risk relates to the risk that the Group's counterparties fail to make the payments to which they are committed, causing the Group to suffer a financial loss. The responsibility for credit control and collection of overdue amounts is centralised in a separate unit within the Group.

No significant provisions were required in 2016 for losses on receivables from customers. The Group's maximum exposure to credit risk at 31 December 2016 was NOK 1,641 million.

See also note 15 and note 16 for more information on the Group's exposure to credit risk.

3. Liquidity risk

Liquidity risk arises if the cash flows generated by the Group are not sufficient to match its financial liabilities as they fall due. It is Group policy to operate at all times with financing arrangements with its banks in order to make it possible to use bank facilities to finance investments. The Group restricts its current interest-bearing debt to a minimum in addition to the credit facility in order to ensure that the risk of refinancing are reduced. Financing for corporate acquisitions is evaluated independently.

The Group monitors its liquidity daily, and produces liquidity forecasts on a regular basis in order to identify liquidity requirements in future periods.

See also note 4 for more information on the Group's exposure to liquidity risk.

NOTE 4

FINANCIAL INSTRUMENTS

A) Non-current interest bearing liabilities and interest rate risk

Non-current interest bearing liabilities

(NOK million)	31.12.2016	31.12.2015
Financial lease	18.9	22.1
Liabilities to credit institution	7 008.8	4 883.4
Arrangement fee financing	-219.5	-125.8
Non-current interest bearing liabilities	6 808.1	4 779.6

In March 2015 EVRY entered into a new financing arrangement - Senior Facility Agreement - (SFA) with a syndicate of banks with DNB Bank, Nordea Bank, Bank of America Merrill Lynch, Credit Suisse and Mizuho Bank and as arrangers. In June 2016, the SFA was refinanced and in September parts of the SFA were repriced. The facilities are syndicated to a number of banks and financial institutions. The new financing consists of various tranches in different currencies (NOK/SEK/EUR) with an aggregate frame of NOK 7.9 billion, of which NOK 1.5 billion is undrawn. No installments are paid on the loans which all mature in 2022.

The new financing ensures that EVRY achieves financial headroom at market rates with initial margins in the range of 4 to 5%, with possibility for reduction given company performance. The covenants are based on gearing ratio (based on definitions of net interest bearing debt and adjusted EBITDA). The Group has throughout 2016 been in compliance with its financial covenants.

Commitment fees and loan setup fees are included in the amortised cost calculation. Of this amount, NOK 84 million was recognised as financial expense as of 31 December 2016.

In connection with the outsourcing agreement with IBM starting 1 December 2015, a vendor financing agreement was established with IBM Financing. The financing agreement has a duration of six years. By end of 2016 the non-current interest bearing liabilities to IBM Financing were NOK 667,5 million.

Interest rate swap agreements

In order to secure fixed interest rate terms, EVRY AS has entered into interest rate swap agreements for principal amounts of NOK 1,680 and SEK 700 million. As a result of these agreements, the Group pays fixed interest rates on 37% of its total borrowing portfolio under SFA. The interest rate swap agreements are structured in relation to specific borrowings in order that the quarterly rollover dates for the swap agreements correspond with the rollover dates for the borrowings. Hedge accounting is applied and changes in the market value of these swaps are recognised as part of comprehensive income.

Interest rate swaps 31 December 2016:

	Currency	Amount	Maturity date	Fixed interest rate	Mtm value
Interest rate swap Nordea	NOK	230	20.04.18	1.58 %	-1.5
Interest rate swap DNB	NOK	250	20.04.18	1.62 %	-1.8
Interest rate swap SEB	SEK	500	20.01.17	1.64 %	-0.6
Interest rate swap Nordea	NOK	300	21.01.19	2.64 %	-9.6
Interest rate swap Nordea	NOK	500	21.01.19	2.97 %	-19.3
Interest rate swap Nordea	SEK	200	21.01.19	1.26 %	-6.3
Interest rate swap Nordea	NOK	200	20.04.20	1.62 %	-2.8
Interest rate swap Nomura	NOK	200	20.04.20	1.61 %	-2.8

The average duration of interest rate swap agreements as at 31 December 2016 was 2.0 years.

Interest rate risk – sensitivity analysis

The Group's exposure to interest risk is dependent on the general level of market interest rates (Nibor/Stibor/Euribor). The company incurs significant interest costs on its borrowings, and a change in interest rates would represent a significant increase/decrease in the company's overall earnings.

The Group uses interest rate swaps to hedge against large fluctuations in cash flow. An increase in the general level of interest rates will cause an increase in interest expense, but the effect will be offset to some extent by interest rate swaps as the Group pays a fixed rate of interest on parts of the financing.

The Group calculates the valuation effects on its holdings of financial instruments by simulating a change in the yield curve. An increase in the general interest rate will increase the value of the Group's interest rate swaps (positive effect), while at the same time the Group's interest costs will rise as a result of higher interest rates payable on the part of its total borrowings that is subject to floating interest rates.

The table below shows the effect of an increase of 100 basis points in interest rates on the consolidated profit and loss account:

(NOK million)	2016	2015
Change in fair value interest rate swaps	38.2	54.6
Change in interest expenses after tax	-29.2	-15.6
Effect on total profit	9.0	39.0

B) Exchange rate risk and currency hedge

Financial items per currency 31 December 2016:

(NOK million)	SEK	USD	EUR	Other
Accounts receivable	470.8	68.0	69.1	14.1
Accounts payable	303.3	20.1	30.6	39.6
Bank deposits	236.1	45.1	152.4	74.0
Non-current liabilities	987.7			
Net exposure financial position	-584.1	93.0	190.8	48.4

At the end of 2016 the Group had borrowed SEK 1,038 million to hedge its investments in Sweden. Translation differences in respect of liabilities and receivables due from foreign activities are applied as comprehensive income. The translation difference recognised in 2016 amounted to NOK 57.2 million after tax for the Swedish investment.

Net exposure denominated in SEK amounted to NOK 36 million at 31 December 2016 after hedged amounts are deducted. Accordingly, a change in the SEK/NOK exchange rate of 100 basis points would cause a change in the book value of NOK 3,6 million.

Major parts of the Group long term financing agreement is debt in EUR, in total EUR 608.6 million. The Group has entered into cross currency swaps on this EUR debt with different banks, to eliminate the EUR exposure. Cross currency swaps have been entered into both in EURNOK and EURSEK for the total exposure and the hedges are due March 2020. Changes in the market value of hedging instruments are recognised as part of comprehensive income. The fair value changes are reclassified to profit or loss in the period where the hedged transactions affects profit or loss. The market values of these hedging instruments were NOK -90.8 million at year end 2016.

The company has no material balance sheet risk in relation to other currencies.

Exchange rates of relevance:

	2016 Average	2016 Spot	2015 Average	2015 Spot
SEK	0.9814	0.9512	0.9572	1.0475
EUR	9.2889	9.0863	8.9530	9.6190
USD	8.3993	8.6200	8.0739	8.8090
GBP	11.3698	10.6130	12.3415	13.072

C) Liquidity risk

(NOK million)	2016	2015
Liquidity reserve 31 December	2 799.2	2 209.2
Liquidity reserve/Revenues last 12 months	22.9 %	17.2 %

Maturity profile for financial liabilities:

(NOK million)	Total	0 - 1 year	1 - 5 year	More than 5 years
Accounts payable	877.7	877.7	-	-
Deductions and duties payable	897.8	897.8	-	-
Other current liabilities	973.2	973.2	-	-
Financial lease	18.9	-	12.6	6.3
Maturity credit facility	6 339.1	-	-	6 339.1
Non-current non-interest bearing liabilities	135.5	-	135.5	-
Other non-current provisions for liabilities	667.5	-	667.5	-
Interests ¹⁾	2 525.2	498.6	1 914.2	112.4
Total financial liabilities	12 434.9	3 247.3	2 729.8	6 457.8

1) Estimate based on current debt portfolio, current forward curve and current margins.

NOTE 5

USE OF ESTIMATES

A key accounting estimate is an estimate that is important for the presentation of the Group's financial position and profit, and that requires subjective and complex evaluation by the company's management, typically as the result of the need to determine such estimates based on assumptions about future outcomes that are subject to uncertainty. The Group keeps such estimates under constant review on the basis of historical results and experience, consultation with experts, trends, forecasts and other methods that the Group considers reasonable in specific circumstances including evaluating how such factors may change in the future.

Goodwill

The Group tests goodwill for impairment annually. The book value of goodwill in the Group's cash-generating units is measured against the value in use of goodwill in these units. The recoverable amount from cash generating units is determined through calculations of value in use. These calculations are based on discounted cash flows that involve uncertainty and require the use of estimates. A change in the yield requirement used for discounting future cash flows will affect the book value of goodwill. An increase in the yield requirement will, in isolation, cause a lower value in use which in turn will cause a fall in the value of goodwill. See note 12 for further information on assessment of goodwill.

Other intangible assets

Other intangible assets are tested for impairment if there are indications of a material loss of value, see section below regarding capitalisation of development projects. There were no indications of impairment at 31 December 2016 and no impairment test was performed.

Income recognition

Where operating services are provided through volume-based contracts, revenue is recognised on the basis of the actual use of services by the customer. If there is no reconciliation/account of actual use at the end of the accounting period, revenue for the period is estimated on the basis of historic figures, adjusted for any known events/information that have influenced usage during the period.

Where services are recognised to revenue on the basis of the degree of completion, revenue is estimated on the basis of the number of hours delivered as a proportion of the total estimated number of hours that will be required for the delivery.

There are no material estimates related to this as of 31 December 2016.

Capitalisation of development projects

When capitalising development costs that relate to the use of internal resources, costs are estimated using an hourly rate based on the direct costs per employee. In the event of any indication of the need for a write-down in respect of an individual development project, the recoverable amount is tested against the book value. The recoverable amount assigned to the development project is determined on the basis of calculations of value in use. These calculations are based on discounting future cash flows that involve uncertainty and require the use of estimates. A change in the forecast revenue or margin used when estimating future cash flows will affect the estimated value of the development project in question. There were no indications of the need for write-down at 31 December 2016 and no impairment test was therefore performed.

NOTE 6 SALARIES AND PERSONNEL COSTS

Salaries and personnel costs

(NOK million)	2016	2015
Salaries	4 004.1	5 340.3
Social security tax	768.7	850.9
Pension costs	357.5	420.4
Other benefits	494.2	485.9
Total salaries and personnel costs	5 624.6	7 097.6
Average number of employees	9 100	10 109
Average number of man years	8 814	9 931

Executive management remuneration

(NOK million)	2016	2015
Björn Ivroth (CEO):		
Salary	3.671	2.710
Bonus	2.678	-
Pension benefits earned through the year	0.740	0.518
Other remuneration	0.201	0.281

(NOK million)	2016	2015
Henrik Schibler (CFO):		
Salary	2.704	0.900
Bonus	2.066	-
Pension benefits earned through the year	0.468	0.156
Other remuneration	0.269	0.055

Björn Ivroth started as CEO on 24 March 2015 and his salary for 2015 comprise the period 24 March - 31 December.

Henrik Schibler started as CFO on 1 September 2015 and his salary for 2015 comprise the period 1 September - 31 December.

Other members of the executive management 2016

(NOK million)	Period	Salary	Bonus	Other remuneration	Pensions
Wiljar Nesse	1.1 - 31.12	2.528	1.013	0.259	0.433
Morten Sæther	1.1 - 31.12	1.947	0.539	0.151	0.213
Fredrik Almén	1.1 - 31.12	2.188	0.079	0.103	0.944
Trond Vinje	1.1 - 31.12	1.601	0.279	0.185	0.190
Kolbjørn Haarr	1.1 - 31.12	2.500	-	0.227	0.416
Janne Marie Log	1.1 - 31.12	1.504	0.253	0.131	0.155
Anne Ivanoff ¹⁾	1.5 - 31.12	0.992	-	0.001	-
Tuomo Louhivuori ¹⁾	1.9 - 31.12	1.025	-	0.080	0.079
Björn Martinsson ¹⁾	1.8 - 31.12	0.712	-	-	0.117

1) Remuneration figures are for the year as a whole, while the period refers to the period for which the employee was a member of the executive management team.

Other members of the executive management 2015

(NOK million)	Period	Salary	Bonus	Other remuneration	Pensions
Wiljar Nesse	1.1 - 31.12	2.284	1.822	0.199	0.350
Morten Sæther	15.9 - 31.12	1.639	0.438	0.101	0.111
Fredrik Almén	1.11 - 31.12	0.345	-	0.017	0.044
Trond Vinje	17.8 - 31.12	0.519	-	0.060	0.051
Janne Marie Log	1.9 - 31.12	1.441	0.262	0.131	0.062
Previous members of the executive management					
Knut E Røsjorde	1.1 - 31.8	1.491	2.134	3.404	0.042
Anne-Cecilie Fagerlie	1.1 - 31.8	1.662	1.513	2.431	0.042
Morten Søgård	1.1 - 15.9	2.101	1.521	0.198	0.392
Niclas Ekblad	1.1 - 30.11	3.679	2.570	0.143	1.149
Håvard Larsen	1.1 - 30.11	1.970	0.739	1.066	0.162
Kurt Helland	1.1 - 30.9	1.919	1.220	0.153	0.272

The total remuneration of the CEO and other members of the Executive Management consists of a fixed package of salary and benefits supplemented by performance-based bonuses, share-based long-term incentive schemes, pension and insurance arrangements and severance pay. The Board of EVRY AS has approved a bonus scheme for the CEO and members of the Executive Management, whereby bonuses will be paid based on the achievement of pre-determined targets. The maximum bonus entitlement for the CEO and CFO is 18 months' fixed salary, while the maximum bonus entitlement for the other members of the Executive Management is up to 12 months' fixed salary. The Board of Directors has established detailed guidelines to implement the above principles.

The Executive Management are members of a defined contribution pension scheme. They are additionally members of an uninsured defined benefit pension scheme for the portion of their salary that exceeds 12 times the national insurance base amount (G), cf. note 7 to the Annual Accounts. Rights accrued in respect of the defined benefit pension scheme will be paid from retirement age.

In 2015, a long-term investment program was established by Lyngen Topco AS, for some members of the Board of Directors of EVRY AS, the Executive Management and certain other key employees. Those included in the program have been given the opportunity to invest in shares in Lyngen Topco AS, which indirectly owns 88% of the shares in EVRY AS. See note 18 for further information on EVRY AS's ownership structure. Investment in shares have been made in 2015 and 2016. The shares are purchased at market prices.

The CEO has waived the redundancy rights provided by Chapter 15 of the Working Environment Act, cf. Section 15-16. He is entitled to receive salary for 3 months following the normal notice period of 9 months. The other members of the Executive Management are entitled to receive salary for periods of between 0 and 12 months following notice periods of between 6 and 12 months. Both the Chief Executive Officer and the other members of the Executive Management are subject to non-compete agreements.

No member of the Executive Management received any remuneration or other benefits from any other company in the Group other than as set out above. No additional payments were made for special services over and above an individual's normal management responsibilities.

Board of Directors

Remuneration to the Board of Directors in 2016 was paid out as follows:

(NOK million)	Remuneration
Göran Lindahl	0.328
Eirik Bornø ¹⁾	0.348
Ola Hugo Jordhøy ¹⁾	0.260
Jan Anders Dahlström ¹⁾	0.288
Ingrid Lund ¹⁾	0.328
Leif Teksum	0.144
Kristin Margrethe Krohn Devold	0.144
Anne Kathrine Haug Nordvang ²⁾	0.029
Total remuneration	1.869

1) Employee elected board members

2) Employee elected deputy board member

The remuneration to the Board of Directors are determined in advance and paid out every six month with one half each time. The employee elected board members receive the remuneration from the board in addition to ordinary salary from the company.

NOTE 7

PENSIONS

The Group provides pensions principally through insured collective schemes with life insurance companies. Pension arrangements related at 31 December 2016 to 5 698 active employee members of defined contribution pension schemes and 583 pensioners in insured defined benefit schemes. In addition the Group have various compensation- and uninsured pension plans that includes 1 582 employees. The presentation of pension costs and pension liabilities set out below aggregates the various pension arrangements provided by the Group. The figures therefore include a number of different defined benefit, defined contribution and multi-company pension schemes.

The Group's Norwegian companies operate a defined contribution pension scheme for employees. The annual contributions to this scheme are at the rates of 4 % for salaries between one and six times the social security base amount (G) and 8 % for salaries between 6 G and 12 G. From 1.1.2017 the break point is moved from 6 G to 7.1 G as a consequence of a change in the Defined-Contribution Pensions Act.

The majority of the employees of the Group's Norwegian companies is members of the common scheme of AFP early retirement pension arrangement. The scheme gives a lifelong supplement to the ordinary pension. Employees can choose whether to draw the new AFP pension from 62 years of age, even if they continue to work, and additional rights can be earned by working until 67 years of age. The scheme is a multi-company defined benefit scheme, and is financed by premium payments determined as a percentage of salary. There is as yet no reliable measurement and allocation of liabilities and assets between the companies that participate in the scheme. The new scheme is therefore treated for accounting purposes as a defined contribution pension scheme and the premiums paid are recognised as costs through profit and loss with no provision made in the accounts. The premiums paid in 2016 were set at 2.5% of total salary payments for salary payments to the employer's employees between the social security base amount (G) and 7.1 G. The equivalent premium rate for 2017 will be unchanged at 2.5%. The scheme is underfunded, and the administrator (Fellesordningen for AFP) assumes that premiums will have to increase over time in order to ensure sufficient buffer capital to cope with increased payments. Companies that participate in the AFP scheme are jointly and severally liable for two-thirds of the pension payments due to employees who satisfy the terms and conditions at any time. The liability applies both to shortfalls in premium payments and if the premium rate applied proves insufficient to meet the liabilities. In the event that the scheme is terminated, the participating companies have a duty to continue to make premium payments to provide for pension payments to employees who are members of the scheme or who satisfy the requirements of collective agreements for such pension arrangements at the date of termination.

Employees in the Group's Swedish companies are principally members of the ITP pension scheme. The ITP scheme is based on collective agreement between the Confederation of Swedish Enterprise and the Council for Negotiation and Co-operation representing salaried employees within the private sector. ITP came into operation on 1 July 2007, and applies to employees born in 1979 or later. All new employees become members of the scheme at 25 years of age. The ITP scheme is a defined contribution scheme, to which the employer contributes 4.5% of salary up to 7.5 times the "basic income amount" and 30% of salary over this amount. Employees born before 1979 are members of the old scheme, which is a combination of a defined contribution scheme and a defined benefit scheme (ITPK and ITP2 respectively). ITP2 is a multi-company scheme that provides a retirement pension calculated as 10% of final salary for salary up to 7.5 times the "basic income amount", 65% of final salary for salary between 7.5 times and 20 times the "basic income amount" and 32.5 % of final salary for salary between 20 times and 30 times the "basic income amount". Full pension entitlement is earned after 30 years of pensionable employment. There is no reliable measurement and allocation of the company's share of the overall assets and liabilities of the scheme. The scheme is therefore treated in the accounts as a defined contribution scheme. ITPK is a defined contribution scheme with a contribution rate of 2% with the possibility of additional contributions by agreement.

The members of executive management are members of a pension plan financed from operations. The operations pension plan is not subject to the legislation on defined contribution pensions or the legislation on enterprise pensions, and is not funded. The annual pension entitlement is calculated as 25 % of salaries exceeding 12 G for the Chief Executive Officer and the other members of executive management. The annual return shall at a minimum equal 12 months NIBOR as at 31 December of the previous year. The accumulated accrued entitlement, including investment return and employer's social security contributions, totalled NOK 21.9 million at 31 December 2016.

Pension costs

(NOK million)	2016	2015
Current value of pension entitlement accrued over the year	18.1	23.2
Net interest on pension liabilities	2.8	3.7
Curtailements and settlements	-	-4.4
Pension costs charged to profit and loss from defined benefit plans	21.0	22.5
Defined contribution schemes and early retirement plans	336.5	398.0
Pension costs charged to profit and loss	357.5	420.5

Change in calculated pension liabilities

(NOK million)	1.1 - 31.12.2016	1.1 - 31.12.2015
Defined benefit obligations 1 January	822.3	916.7
Current value of pension entitlement accrued over the year	18.1	23.2
Interest on pension liabilities	18.6	18.1
Actuarial gains and losses	3.7	-40.8
Acquisition/sale of business, curtailment and settlement	-	-48.8
Pension payments	-44.2	-45.9
Defined benefit obligations 31 December	818.6	822.3

Change in fair value of plan assets

(NOK million)	1.1 - 31.12.2016	1.1 - 31.12.2015
Fair value of plan assets 1 January	660.5	702.3
Actual return on plan assets	21.8	18.5
Curtailement and settlement	-	-34.7
Pension premium paid	5.1	11.3
Pension payments	-35.8	-36.9
Fair value of plan assets 31 December	651.6	660.5

Pension liabilities

(NOK million)	1.1 - 31.12.2016	1.1 - 31.12.2015
Gross liability to provide pensions (PBO)	818.6	822.3
Fair value of plan assets	651.6	660.5
Effect of asset ceiling	-50.6	-49.8
Net pension liability	217.6	211.6
Plan assets in the statement of financial position	-	-
Pension liabilities in the statement of financial position	217.6	211.6

Change in pension liabilities

(NOK million)	1.1 - 31.12.2016	1.1 - 31.12.2015
Pension liabilities 1 January	211.6	242.1
Pension costs	21.0	22.5
Effect of actuarial gains and losses recognised as comprehensive income	-1.4	-22.6
Premium payments	-5.1	-11.3
Acquisition/sale of business	-	-9.7
Benefits paid and Paid-up policies	-8.4	-9.4
Pension liabilities 31 December	217.6	211.6

The effect for the year of actuarial gains and losses recognised as other comprehensive income represented a decrease in pension liability of NOK 1.4 million, principally as the result of a reduction in members of the pension plans.

The summarised information presented is based on annual calculations carried out by an independent actuary.

The following assumptions are used in the actuarial calculations:

	2016	2015
Discount rate	2.60 %	2.70 %
Future salary inflation	2.50 %	2.50 %
Growth in the basic state pension (G)	2.25 %	2.25 %
Annual increase in pensions	0.00 %	0.00 %
Staff turnover	Own table	Own table
Mortality assumptions	K2013	K2013

The assumptions used for pension calculations follow the guidelines issued by the Norwegian Accounting Standards Board (NRS) as at 31 December 2016. Over recent years, the Norwegian market for covered bonds has grown strongly. NRS has therefore accepted the use of covered bond interest rates as the basis for the discount rate for pension calculations instead of using the interest rate on Norwegian government bonds. Based on its assessment of the depth in the Norwegian market for covered bonds, EVRY has for 2015 and 2016 applied the parameters recommended by the NRS 2015 guidelines, which includes using the covered bond interest rate as the basis for the discount rate.

Pension calculations use the K2013 table for mortality risk, which is based on the best estimate of the population in Norway. The risk table for disability, IR02, corresponds with the estimated risk of disability in the Group. Extracts of information from the risk tables are provided below. The table shows the likelihood of an employee in a specified age group for men and women becoming disabled or dying within 12 months, and also shows life expectancy.

Life expectancy

Age	Men	Women
20	88.6	92.4
40	87.0	90.6
60	86.0	89.4
80	89.3	91.6

Mortality expectancy

Age	Men	Women
20	0.02 %	0.01 %
40	0.06 %	0.04 %
60	0.46 %	0.31 %
80	4.65 %	3.18 %

Disability expectancy

Age	Men	Women
20	0.10 %	0.10 %
40	0.20 %	0.30 %
60	1.90 %	2.90 %

Uncertainty of estimates

Calculations of pension cost for the year and the book value of pension liability are based on the assumptions above. Considerable uncertainty attaches to the amounts calculated, which principally vary in pace with the level of interest rates in Norway.

The plan assets as of 31 December were invested as follows:

Investment category

	2016	2015
Bonds	65 %	62 %
Equity securities	26 %	29 %
Properties	6 %	8 %
Other	3 %	1 %
Total	100 %	100 %

Pension assets are invested in bonds issued by the Norwegian government, Norwegian municipalities, financial institutions and corporations. Bonds held in foreign currencies are to a large extent currency hedged. Pension assets are invested both in Norwegian and foreign equity securities. The currency hedging policy for foreign equity securities is evaluated on an individual investment basis. Pension assets are invested in accordance with the guidelines applying to life insurance companies.

The Group expects to pay approximately NOK 5.5 million in pension premiums to the Group's defined benefit plans in 2017.

The weighted average duration of the Group's pension liabilities as at 31 December 2016 was 11.7 years, and the maturity structure over the next 10 years is as follows:

(NOK million)	
Year 1	41.3
Year 2	41.8
Year 3	42.9
Year 4	43.3
Year 5	43.9
Year 6-10	228.6

Sensitivity analysis

The table below shows the estimated percentage change in pension liability and pension cost for the defined benefit pension schemes in Norway in the event of a one percentage point change in the most important parameters. This analysis has been carried out using a method that extrapolates the effect on pension liabilities of a change in the calculation parameters at the expiry of the reporting period.

	PBO	Pension costs
Discount rate -1 %	10.6 %	2.0 %
Discount rate +1 %	-8.8 %	-1.6 %
Future salary inflation -1 %	-0.4 %	-1.6 %
Future salary inflation +1 %	0.9 %	2.4 %
Growth in the basic state pension (G) -1 %	0.5 %	1.6 %
Growth in the basic state pension (G) +1 %	-0.4 %	-1.1 %
Annual growth in pensions +1 %	10.0 %	1.2 %

Risk assessment

The Group is exposed to various risks in relation to its defined benefit pension arrangements as a result of uncertainty in relation to the assumptions applied and future outcomes. The most important areas of risk relate to increasing life expectancy, the risk of a reduction in the actual return earned on pension assets, interest rate level in Norway and risks associated with higher inflation and salary increases. Changes of this nature would cause an increase in liability for the Group. However, risk exposure in this respect has been significantly reduced following the closure by the Group of a number of defined benefit pension schemes over recent years.

NOTE 8

COST OF GOODS SOLD AND OTHER OPERATING COSTS

Cost of goods sold comprise:

(NOK million)	2016	2015
Purchase and lease of software	412.3	1 066.1
Purchase and lease of hardware	112.3	237.0
Consulting services	556.9	415.9
Network capacity	244.9	286.1
Use of goods for resale	1 076.4	1 238.5
Other cost of goods sold	1 615.5	1 634.2
Total cost of goods sold	4 018.2	4 877.9

Other cost of goods sold are mainly related to the long-term partner agreement with IBM from 2015, where IBM operates EVRY's basis infrastructure platforms.

Other operating costs comprise:

(NOK million)	2016	2015
Premises rental and other premises costs	598.4	701.9
Consulting costs	259.7	441.3
Travel costs	135.4	178.7
Other operating costs	369.6	402.2
Total other operating costs	1 363.0	1 724.0

Consulting costs which are invoiced as a part of a customer contract are classified as cost of goods sold in the statement of comprehensive income. Other consulting costs are classified as other operating costs.

Auditor's remuneration

The following table shows remuneration to the Group's auditor, EY, in respect of audit services delivered, including the amounts invoiced in respect of audit-related and tax-related services. The amounts shown include both Norwegian and foreign subsidiaries, and are exclusive of value added tax.

(NOK million)	2016	2015
Audit fee	7.737	8.827
Fees for other assurance services	6.342	4.260
Other fees	2.835	1.162
Fees for tax services	2.463	0.891
Total remuneration	19.377	15.140

Fees for other assurance services includes attestation services related to ISAE 3402 and SAS 70. These expenses are mainly invoiced by the company.

NOTE 9

FINANCIAL ITEMS

(NOK million)	2016	2015
Interest income	15.1	18.4
Other financial income	0.9	1.5
Total financial income	16.0	19.8
Interest expenses	431.5	284.1
Other financial expenses	82.9	106.4
Total financial expense	514.4	390.5
Currency gains	227.4	537.3
Currency losses	242.0	497.1
Net foreign exchange gain/-loss	-14.6	40.2

Increased interest expenses are due to the new financing agreement with an increased gearing and higher interest margins. See note 3 in the group accounts for further information on the Group's financing agreements.

NOTE 10

TAXES

Deferred tax/tax asset is calculated on the basis of the differences which exist at year-end between accounting and taxation values.

Deferred tax/tax asset arises in respect of the following timing differences:

(NOK million)	31.12.2016	31.12.2015
Intangible assets	827.6	1 135.5
Tangible assets	-42.9	-447.5
Pension liabilities	-133.7	-129.0
Profit and loss account	53.1	66.4
Items recognised as "comprehensive income"	-146.4	98.4
Other timing differences	-365.6	-910.4
Gross timing differences	192.1	-186.6
Losses carried forward	-2 638.0	-2 131.4
Basis for deferred tax/-deferred tax asset	-2 445.9	-2 318.0
Deferred tax asset	489.6	477.6
Deferred tax	-	-

Taxation effects from items recognised as "Comprehensive income":

(NOK million)	2016	2015
Market value of financial derivatives	-59.3	48.1
Pension estimate changes	-	5.5
Translation differences	-16.5	-8.4
Total	-75.8	45.2

The Group had tax losses carried forward at 31 December 2016 totalling NOK 2,638.0 million, and the calculated deferred tax asset related to these losses amounted to NOK 626.6 million. The losses carried forward mainly relate to the operation of the Norwegian activities and there are no time limits to carrying forward these losses. Losses carried forward are partially netted against positive timing differences. Deferred tax assets totalling NOK 96.8 million relating to tax losses carried forward are not recognised in the accounts at 31 December 2016. Corresponding amount at 31 December 2015 was NOK 97.7 million.

Based on the Group's future budgets and estimates on earnings, it is expected that the losses carried forward will be utilised within 3-4 years.

(NOK million)	2016	2015
Changes in deferred tax		
Change in deferred tax to profit and loss	57.2	-542.6
Deferred tax from discontinued operations	-	-
Other changes in deferred tax not taken to profit and loss	-75.8	45.2
Change in deferred tax in the statement of financial position	-18.6	-497.4
Tax cost for the year comprises		
Tax payable	62.9	90.8
Change in deferred tax	57.2	-542.6
Under/over accrual of tax prior year	-0.1	-3.6
Total tax of the year from continuing operations	119.9	-455.4
Reconciliation of tax of the year		
25 % of profit before tax	105.1	-513.8
Expenses not deductible	4.9	5.0
Non-taxable income	-7.4	3.7
Losses/tax rate differences abroad	-4.5	3.0
Tax rate change in Norway	22.7	47.7
Under/over accrual of tax prior year	-0.1	-3.6
Other permanent differences	-0.7	2.5
Tax of the year from continuing operations	119.9	-455.4
Tax of the year from discontinued operations	-	-5.9
Effective tax rate	28.5 %	

NOTE 11

EARNINGS PER SHARE

Earnings per share is calculated as profit for the year attributable to shareholders (owners of the parent company) divided by the average weighted number of shares outstanding over the year. No shares have dilutive effect.

(NOK)	2016	2015
Profit for the year attributable to shareholders (owners of the parent)	-46 000 000	-1 133 100 000
Share of comprehensive income attributable to shareholders (owners of the parent)	346 100 000	-277 600 000
Total Profit for the year attributable to shareholders (owners of the parent)	300 100 000	-1 410 700 000
Average number of shares in the period	267 187 441	267 187 441
Earnings per share (NOK)	1.12	-5.28
Dividend proposed for approval by the Annual General Meeting (not recognised as a liability at 31 December)		
Proposed total dividend payment (NOK)	-	-
Proposed dividend per share (NOK)	-	-

NOTE 12 INTANGIBLE ASSETS

(NOK million)	Goodwill	In-house Developed Software	Other intangible assets	Customer contracts and other intangible assets allocated from acquisitions	Total
Book value at 1 January 2015	5 446.0	229.0	266.7	49.8	5 991.4
Additions in the year	10.7	146.7	51.1	4.2	212.6
Disposal/reclassification in the year	-	-	-	-	-
Depreciations	-	-84.0	-47.4	-24.6	-156.1
Write-downs	-	-	-135.9	-	-135.9
Translation differences	208.3	6.4	1.0	1.8	217.5
Book value at 31 December 2015	5 665.0	298.1	135.5	31.1	6 129.6
Additions in the year	155.2	189.4	34.2	-	378.8
Disposal/reclassification in the year	-	-	-9.9	-	-9.9
Depreciations	-	-45.4	-25.3	-13.4	-84.1
Write-downs	-	-	-10.0	-	-10.0
Translation differences	-242.5	-9.1	-0.9	-1.8	-254.3
Book value at 31 December 2016	5 577.7	433.0	123.6	16.0	6 150.1
Useful life	Yearly Assessment	5-15 years	2 - 10 years	4 - 10 years	
Method of depreciation		Linear	Linear	Linear	

The additions of goodwill in 2016 are mainly related to the acquisitions of IT Nor, EVRY Financing and NetRelations with NOK 67.2 million, NOK 20.6 million and NOK 64.1 million respectively. All excess values related to the acquisitions have been allocated to goodwill.

Costs of NOK 189.4 million in respect of in-house developed software were capitalised in 2016, of which NOK 139.6 million related to investments carried out in the Financial Services segment. These investments are mainly related to the development of a new core banking and payment solutions, built on industry standards such as ISO 20022, SOA and BIAN and adapted to an international market. Investments in customer contracts and other intangible assets totalled NOK 34.2 million in 2016. In 2016, intangible assets were written down by NOK 10 million. The Future Proof program was written down entirely in the accounts for 2015 of NOK 135.9 million as a consequence that the company in the future will deliver basic infrastructure services to the company's customers using IBM's technology (see also note 2).

Other development work carried out in the Group relates to customer-specific projects, where the income derived from these projects exceeds the development costs.

Allocation of goodwill to cash-generating units:

(NOK million)	31.12.2016	31.12.2015
Financial Services	1 612.7	1 612.7
Norway	1 776.5	1 685.3
Sweden	1 638.4	1 798.7
BEKK Consulting	381.8	381.8
Global Delivery	168.4	186.5
Total	5 577.7	5 665.0

The Group evaluates whether there are any indications of a possible impairment of goodwill on a quarterly basis. The Group also tests goodwill for impairment at other times if this becomes necessary as a result of indications of possible impairment, and such tests are always carried out at year-end. Goodwill is tested for impairment for each identified cash generating unit in the Group. A 'cash generating unit' represents the lowest identifiable group of assets that generates cash inflow while being for all practical purposes independent of cash inflow generated by other assets or groups of assets. The number of cash generating units in 2016 was five, in line with the Group's business structure.

For the 2016 financial year the Group has determined the value in use of its cash generating units using the discounted cash flow method. For the Bekk Consulting and Global Delivery cash generating units, fair value has been calculated using valuation multiples. For Bekk Consulting a multiple of 6 x EBITDA in 2016 has been assumed, while for Global Delivery a multiple of 5 x EBITDA has been assumed. Cash flows for after 2017 (terminal values) have been extrapolated from the cash flows for 2017, adjusted for the expected level of long-term revenue growth. Future cash flows have been determined on the basis of the Board-approved budget for 2017.

The impairment tests carried out at the end of 2016 do not show any need to write down the Group's goodwill. The Group has delivered financial results for 2016 that are in line with expectations and it has, together with the cost reduction measures that have been implemented and the outsourcing agreement entered into with IBM, created a sound foundation for strengthening its market position and growth rate going forward.

A reasonable change in the assumptions will not lead to a write down of goodwill.

The estimates used to determine future cash flows and the discount rate used when calculating value in use are subject to uncertainty. The assumptions applied are as follows:

Growth rate

Average rates of growth in operating revenue are based on management's expectations of future conditions in the markets in which the business operates. The assumed long-term growth rate beyond the budgets and strategic plans approved by the Board cannot be higher than the long-term rate of growth in the economy where the business operates.

EBITA margin

EBITA margins are based on the volume/margins achieved historically, adjusted for expected future developments in market conditions. Programs to improve efficiency that are approved and committed are taken into account in determining the expected future EBITA margins.

Investment (CAPEX)

Calculations of value in use assume a normalised relationship between investment and operating revenue. It is assumed that the operational investments and investments in software developed in-house that are necessary to achieve the expected growth in revenue will be carried out. The cash generating unit Financial Services is more capital intensive than the other cash generating units, and accordingly CAPEX for this unit is forecast at a higher percentage of revenue.

Discount rate

Future cash flows are discounted to present value using a discount rate based on a calculation of a weighted average cost of capital (WACC). For 2016, pre-tax WACC was assumed to be 7.3%. This is based on a risk-free interest rate of 1.53%, a gearing ratio of 20%, an equity market premium of 6.5% and equity beta of 1.0. The same WACC is applied for all cash generating units since differences in future uncertainty are reflected in the expected cash flows that form the basis for the calculation of future value in use. The observed level of risk expressed in terms of equity beta is also considered to be close to 1 for all segments in which the Group operates, indicating that the same WACC should apply to all cash generating units.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

(NOK million)	Improvements to leased premises ¹⁾	Machinery/ fixtures ¹⁾	Vehicles	IT equipment	Total
Acquisition cost at 1 January 2015	198.3	704.2	2.3	1 818.8	2 723.7
Reclassifications	-	-	-	-	-
Additions	2.6	46.2	-	198.3	247.1
Disposals	-4.9	-98.2	-	-857.0	-960.0
Translation differences	0.2	16.2	0.2	18.4	34.9
Acquisition cost at 31 December 2015	196.1	668.4	2.5	1 178.6	2 045.7
Reclassifications	6.7	-6.7	-	-	-
Additions	1.3	47.0	0.3	78.4	126.9
Additions through acquisitions	-	4.8	-	0.3	5.1
Disposals	-60.1	-137.1	-1.0	-276.7	-474.9
Translation differences	-0.1	-14.3	-0.2	-26.3	-40.9
Acquisition cost at 31 December 2016	143.9	562.1	1.7	954.3	1 661.9
Accumulated depreciation/write-down at 1 January 2015	148.1	437.0	0.9	1 302.2	1 888.1
Depreciations	11.6	87.7	0.4	231.2	330.9
Write-downs	-	-	-	5.6	5.6
Disposals	-4.8	-87.4	-	-639.4	-731.6
Translation differences	0.1	11.0	-0.2	18.5	29.5
Accumulated depreciation/write-down at 31 December 2015	155.0	448.3	1.1	918.1	1 522.5
Depreciations	8.1	64.4	0.3	116.0	188.8
Write-downs	-	0.8	-	-	0.8
Additions through acquisitions	-	-	-	3.4	3.4
Disposals	-57.8	-131.4	-0.5	-254.5	-444.3
Translation differences	-0.1	-11.4	-0.1	-23.4	-35.0
Accumulated depreciation/write-down at 31 December 2016	105.2	370.7	0.7	759.6	1 236.2
Depreciation rates ²⁾	10-20 %	15-30 %	20 %	20-33 %	
Depreciation method	Linear	Linear	Linear	Linear	
Book value					
At 31 December 2016	38.7	191.4	0.9	194.7	425.7
At 31 December 2015	41.1	220.2	1.5	260.4	523.2

1) Fixtures and fittings in leased premises are depreciated over the residual period of the lease if this is shorter than the normal depreciation period.
2) Depreciation rates stated are valid for both 2016 and 2015.

NOTE 14 INTERESTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES
Shares in subsidiaries owned by parent company

Company	Registered office	Ownership share	Voting share
EVERY Norge AS	Bærum	100 %	100 %
EVERY Sweden Holding AB	Stockholm, Sweden	100 %	100 %
EVERY Card Services AS	Mo i Rana	100 %	100 %
EVERY Danmark A/S	Viborg, Denmark	100 %	100 %
EVERY Økonomitjenester AS	Trondheim	100 %	100 %
Total			

EVERY Nordic Operations AS merged with EVERY Norge AS as acquiring company with accounting effect from 1 January 2016.

In addition to subsidiaries owned by the parent company, the following material companies are consolidated in the Group accounts in accordance with the past equity method:

Company	Registered office	Ownership share	Voting share
EVERY AB	Stockholm, Sweden	100 %	100 %
EVERY Card Services AB	Stockholm, Sweden	100 %	100 %
Infopulse Ukraina LLC	Kiev, Ukraina	100 %	100 %
EVERY India Private Limited	Bangalore, India	100 %	100 %
Span Systems Corporation Inc	New Jersey, USA	100 %	100 %
Eye-share AS	Stavanger	100 %	100 %
Bekk Consulting AS	Oslo	100 %	100 %
EVERY Sweden AB	Jönköping	100 %	100 %
EVERY Financing AS	Bærum	90.1 %	90.1 %

The subsidiary EVERY Financial Services UK Ltd has for 2016 used an exemption in the Companies Act (section 479A) relating to audit of the accounts. The company's financial statements for 2016 have thereby not been audited. There have been no operations in the company in 2016.

Shares in associated companies:

Company	Country	Ownership share	Book value (000 NOK)
Gecko Informasjonssystemer AS	Norway	34 %	2 586
			Gecko Informasjonssystemer AS
(NOK thousand)			
Book value at 1 January 2016			673
The Group's share of this years profit/-loss			-502
Adjustment of previous years' share of profit/-loss			2 415
Book value at 31 December 2016			2 586

The remaining shares in Gecko Informasjonssystemer AS were acquired in January 2017. The company will be merged with EVRY Norge AS in 2017.

Summarised financial information - Gecko Informasjonssystemer AS (000 NOK):

Company	Assets	Liabilities	Equity	Operating revenue	Loss for the year
Gecko Informasjonssystemer AS	15 919	10 330	5 590	25 816	-1 475

Shares in associated companies are recognized in the consolidated accounts in accordance with the equity method.

Interests in joint ventures:

The Group has a 50 % share in the joint venture Bypass AS. The other 50 % share is held by Norsk Tipping AS. The investment is recognised in the consolidated accounts in accordance with the equity method.

Company	Country	Ownership share	Book value (000 NOK)
Bypass AS	Norway	50 %	58 350
			Bypass AS
(NOK thousand)			
Book value at 1 January 2016			53 359
The Group's share of this years profit/-loss			14 991
Dividend			-10 000
Book value at 31 December 2016			58 350

Summarised financial information - Bypass AS (000 NOK):

Company	Assets	Liabilities	Equity	Operating revenue	Profit for the year
Bypass AS	300 552	201 514	99 037	212 739	30 562

NOTE 15

ACCOUNTS RECEIVABLE

Accounts receivable are recognised at their nominal value less a provision for losses.

(NOK million)	31.12.2016	31.12.2015
Gross outstanding	1 491.7	1 686.0
Provision for losses on receivables	-14.0	-12.4
Net accounts receivable	1 477.6	1 673.5
Loss on receivables to profit and loss	1.6	10.7

Age distribution accounts receivable

	Not overdue	Less than 30 days overdue	30 - 60 days overdue	61 - 90 days overdue	91 - 180 days	More than 180 days overdue
31 December 2016	78 %	14 %	3 %	1 %	2 %	2 %
31 December 2015	80 %	13 %	2 %	1 %	1 %	4 %

NOTE 16

OTHER RECEIVABLES

Other non-current receivables

(NOK million)	31.12.2016	31.12.2015
Implementation projects	19.7	29.2
Other non-current receivables	32.9	23.1
Total other non-current receivables	52.5	52.3

Andre kortsiktige fordringer

(NOK million)	31.12.2016	31.12.2015
Deferred income	163.5	238.7
Implementation projects	65.9	57.5
Prepaid costs	354.7	368.7
Advance income tax	77.2	135.6
Other current receivables	109.8	179.2
Total other current receivables	771.1	1 018.9

Implementation projects related to customer contracts which constitute an integral part of subsequent operations deliveries are capitalised on the balance sheet and allocated over the lifetime of the operations contract in question. Implementation projects are reported net in the statement of financial position. The proportion expected to be allocated over the following 12 months is classified as current, while the remaining amount is classified as long-term in the statement of financial position.

NOTE 17 BANK DEPOSITS/GUARANTEE LIABILITIES

EVRY has established a group bank account system in DNB Bank ASA whereby EVRY AS operates the group account, while other group companies are sub-account holders. The bank nets all balances and withdrawals to create a net position that represents the credit or debit balance between DNB Bank ASA and EVRY AS.

The Group has issued a guarantee in respect of tax deductions from salaries due to the tax authorities. The guarantee amount was NOK 197 million at 31 December 2016. Other bank guarantees amounted to NOK 168 million at 31 December 2016, including a guarantee of NOK 98 mill in favour of Norsk Tillitsmann Pensjon AS as collateral for employees' accrued compensation rights arising from the transition from defined benefit to defined contribution pension arrangements.

EVRY AS has issued parent company guarantees on behalf of its subsidiary companies amounting to NOK 465 million as of 31 December 2016.

The Group has no restricted deposits at 31 December 2016.

The Group has activity in Ukraine and the authorities have implemented restrictions for transfer of cash from the country. By end of 2016 this cash position amounted to NOK 124 million.

NOTE 18 SHARE CAPITAL, SHAREHOLDERS ETC.

The share capital of EVRY AS consists of:

	Number	Par value (NOK)	Book value (NOK)
Ordinary shares 1 January 2016	267 338 981	1.75	467 843 217
Ordinary shares 31 December 2016	267 338 981	1.75	467 843 217

The company has only one class of shares. All shares in the company have equal voting rights and equal rights to dividends.

In accordance with the company's Articles of Association, the number of shares is the same as the number of ordinary shares issued and fully paid-up.

The company had 535 shareholders at the end of 2016.

The largest shareholders at 31 December 2016 were as follows:

Shareholder	Interest
Lyngen Bidco AS ¹⁾	88.0 %
Polygon (PE) Holdings LTD	11.8 %
Other shareholders	<0.2%
Total	100.0 %

1) Lyngen Bidco AS is wholly-owned by Lyngen Midco AS, which is wholly-owned by Lyngen Topco AS. Lyngen Topco AS is controlled by private equity funds advised by Apax Partners LLP.

NOTE 19 OTHER CURRENT LIABILITIES

(NOK million)	31.12.2016	31.12.2015
Accrued expenses	776.3	1 048.4
Pre-invoiced to customers	228.3	267.7
Provisions (note 20)	169.9	449.0
Current liabilities financial lease	3.1	3.0
Other current liabilities	23.9	41.6
Total other current liabilities	1 201.5	1 809.8

The reduction in accrued expenses is mainly related to significant costs in 2015 related to agreed transition and customer transformations needed to convert to IBM's platform technology.

NOTE 20 PROVISIONS

(NOK million)	Onerous-contracts	Restructuring	Premises	Other provisions	Total
Book value 1 January 2015	25.8	100.4	6.5	8.2	140.9
Provisions made in the year	-	510.2	100.2	4.3	614.7
Provisions applied in the year	-6.0	-226.9	-6.2	-1.7	-240.7
Translation differences	-	15.8	-	1.2	16.9
Book value at 31 December 2015	19.8	399.5	100.5	12.0	531.8
Provisions made in the year	-	77.7	-	3.7	81.4
Additions through acquisitions	-	-	-	-	-
Provisions applied in the year	-6.0	-337.4	-43.7	-5.8	-392.9
Translation differences	-	-13.0	-	-0.6	-13.6
Book value at 31 December 2016	13.8	126.7	56.8	9.3	206.6
Current at 31 December 2016	13.8	126.7	29.4	-	169.9
Current at 31 December 2015	19.8	399.5	29.7	-	449.0
Non-current at 31 December 2016	-	-	27.4	9.3	36.7
Non-current at 31 December 2015	-	-	70.8	12.0	82.8

Onerous contracts

The provision at 31 December 2016 relates to the Group's DigOff solution. The Board of Directors of EVRY AS decided in 2012 that the DigOff solution would not be sold to additional customers, but that the company would continue to carry out the existing contracts for this solution. This decision was based on an overall evaluation of both risk and market prospects associated with additional sales of this solution.

Restructuring

In 2015 there was a thorough review of the Group's cost base. A range of cost reduction measures was implemented to strengthen the Group's profitability and long-term competitiveness. These measures affected all business areas and were intended to reduce the Group's cost base in 2016. The cost reduction measures have continued in 2016 and the Group has also reduced its sales and administrative costs by improving the efficiency of its staff and support functions at both the Group and divisional level.

Premises

Provision is made for premises leases where the premises are not used or are sub-let at a loss.

Group as lessee – financial leasing

The Group has entered into a financial agreement regarding lease of data center at Gjøvik. The lease expires at 31 December 2022. The Group has an option to acquire the building of NOK 1 after the expire of the lease period.

Assets leased under financial leasing contracts are as follows:

(NOK million)	2016	2015
Premises (data center)	23.7	27.9
Net book value	23.7	27.9

Future minimum financial lease payments:

(NOK million)	2016	2015
Up to 1 year	3.8	3.9
1 to 5 years	14.2	14.6
After 5 years	6.5	9.9
Total future minimum lease payments	24.5	28.4
Interest	-2.5	-3.2
Present value of future minimum lease payments	22.0	25.2
Of which:		
- current liabilities	3.1	3.0
- non current liabilities	18.9	22.0

These leasing contracts do not impose any restrictions on the company's dividend policy or financing arrangements.

Group as lessee – operational leasing

The Group has entered into a number of operational leasing contracts for software, IT equipment, office premises and other facilities. The majority of these leasing contracts include options to extend. There are no restrictions to the Group's dividend or financing opportunities related to these leasing contracts.

Leasing costs are made up as follows:

(NOK million)	2016	2015
Office premises	429.3	461.7
Software	412.3	1 105.9
IT equipment, vehicles and other	218.5	417.0
Network capacity	244.9	286.1
Total leasing costs	1 305.0	2 270.7

The minimum future operational lease payments in respect of contracts with no cancellation option fall due as follows:

(NOK million)	31.12.2016	31.12.2015
Up to 1 year	809.9	817.9
1 to 5 years	1 691.8	1 596.9
After 5 years	1 321.1	1 263.9
Total future minimum lease payments	3 822.8	3 678.7

Significant lease agreements**Premises lease - Skøyen, Oslo**

The lease expires in 2019 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 41 000 m², whereas 21 000 m² is subleased.

Premises lease - Fornebu, Bærum

The lease expires in 2023 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 27 000 m².

Premises lease - Solna, Stockholm

The lease expires in 2027 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 9 500 m².

Premises lease - Sandslimarka, Bergen

The lease expires in 2018 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 11 000 m².

Premises lease - Sluppen, Trondheim

The lease expires in 2023 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 6 000 m².

Premises lease - Maskinveien, Stavanger

The lease expires in 2020 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 5 900 m².

Premises Data center - Fet

The lease expires in 2035 and the rent is adjusted annually in line with CPI. Rental payments are based on total m². The tenant is responsible for maintaining the interior of the premises at the original standard. Total area of premises is 4 200 m².

Fair value hierarchy

Financial instruments that are valued at fair value in the statement of financial position are grouped on the basis of the following fair value hierarchy, which applies three levels/groups for financial instruments. The levels/groups reflect the information used for the determination of fair value.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Instruments for which observable information is available, but for which there is no active market.

Level 3: Instruments for which there is no observable market data and the determination of fair value accordingly uses company specific/subjective information.

For accounts receivable, accounts payable and other short-term items, fair values are considered to be equal to carrying values due to their short-term nature. Non-current interest bearing liabilities are measured at amortised cost.

As of 31 December 2016:

(NOK million)	Fair value level	Fair value through OCI	Fair value through profit and loss	Loans and Receivables	Available for sale	Other financial liabilities	Total book value	Fair value
Assets								
Other non current receivables		-	-	54.1	-	-	54.1	54.1
Accounts receivable		-	-	1 477.6	-	-	1 477.6	1 477.6
Other current receivables		-	-	771.1	-	-	771.1	771.1
Bank deposits		-	-	990.2	-	-	990.2	990.2
Total assets		-	-	3 292.9	-	-	3 292.9	3 292.9
Liabilities								
Non-current interest bearing liabilities		-	-	-	-	6 808.1	6 808.1	6 808.1
Non-current non-interest bearing liabilities	2	135.5	-	-	-	-	135.5	135.5
Accounts payable		-	-	-	-	877.7	877.7	877.7
Deductions and duties payable		-	-	-	-	897.8	897.8	897.8
Other current liabilities		-	-	-	-	1 201.6	1 201.6	1 201.6
Total liabilities		135.5	-	-	-	9 785.1	9 920.6	9 920.6

During the reporting period 1 January 2016 to 31 December 2016, there were no transfers between the levels in the fair value hierarchy.

As of 31 December 2015:

(NOK million)	Fair value level	Fair value through OCI	Fair value through profit and loss	Loans and Receivables	Available for sale	Other financial liabilities	Total book value	Fair value
Assets								
Other financial assets	2	196.1	-	-	-	-	196.1	196.1
Non-current interest bearing receivables		-	-	1.2	-	-	1.2	1.2
Other non-current receivables		-	-	51.1	-	-	51.1	51.1
Accounts receivable		-	-	1 673.5	-	-	1 673.5	1 673.5
Other current receivables		-	-	1 018.9	-	-	1 018.9	1 018.9
Bank deposits		-	-	900.2	-	-	900.2	900.2
Total assets		196.1	-	4 545.3	-	-	3 841.1	3 841.1
Liabilities								
Non-current interest bearing liabilities		-	-	-	-	4 779.6	4 779.6	4 779.6
Non-current non-interest bearing liabilities	2	90.1	-	-	-	-	90.1	90.1
Accounts payable		-	-	-	-	577.3	577.3	577.3
Deductions and duties payable		-	-	-	-	1 053.3	1 053.3	1 053.3
Other current liabilities		-	-	-	-	1 809.8	1 809.8	1 809.8
Total liabilities		90.1	-	-	-	8 220.1	8 310.2	8 310.2

During the reporting period 1 January 2015 to 31 December 2015, there were no transfers between the levels in the fair value hierarchy.

NOTE 23 DISCONTINUED OPERATIONS

It was at the end of December 2014 decided that the SAP operations of EVRY Denmark A/S would undergo controlled closure. Because of this, the operating result for the company has been stated separately in accordance with IFRS 5 and is shown as a separate line entry in the income statement: "Profit/-loss after tax for the year from discontinued operations". The operation is similarly no longer included as part of the EVRY Norway segment.

The result for EVRY Danmark A/S are presented below:

(NOK million)	2016	2015
Revenues	2.2	11.5
Expenses	2.1	26.0
Operating profit	0.2	-14.5
Net financial items	-	38.9
Profit/-loss before tax from discontinued operations	0.1	30.4

(NOK million)	31.12.2016	31.12.2015
Non-current assets	-	-
Current assets	0.1	-
Total assets	0.1	-
Equity	-1.6	-1.8
Non-current liabilities	-	-
Current liabilities	1.7	1.8
Total equity and liabilities	0.1	-

Cash flow

(NOK million)	2016	2015
Operating	-0.8	-16.8
Investing	-	5.5
Financing	-	39.6
Net cash flow	-0.8	28.3

NOTE 24 RELATED PARTIES

Lyngen Bidco AS controlled 88% of the shares in EVRY AS as of 31 December 2016. Lyngen Bidco AS is indirectly controlled by private equity funds advised by Apax Partners LLP. Until 16 March 2015, Posten Norge AS and Telenor Business Partner Invest AS owned 40.0% and 30.2% respectively of the shares of EVRY AS.

In the period that the Group was controlled by Posten and Telenor, the Group was party to agreements for the sale of services to a number of companies in both the Posten group and the Telenor group. Services delivered by the Group to companies in the Posten group and to companies in the Telenor group relate mainly to operating services for business critical IT systems, including mainframe, UNIX, networks solutions and office solutions platforms. Services purchased by the Group from companies in the Posten group mainly relate to freight and distribution. Services purchased by the EVRY group from companies in the Telenor group mainly relate to communication services, network services and telephony. All transactions with Posten group and with the Telenor group have been carried out on normal commercial terms. There are no guarantees for sales to any of the companies in either the Posten group or the Telenor group.

The Group has not had any significant transactions with Lyngen Bidco or any other indirect shareholders in the ownership period.

For information about remuneration to executive management and the board of directors, see note 6.

NOTE 25 DISPUTES AND OTHER LEGAL MATTERS

EVRY is from time to time involved in a number of disputes/legal proceedings in connection with deliveries of products and the interpretation of contracts. While the outcome of these matters is uncertain, management is of the opinion that, on the basis of the information currently available, these matters will be resolved without causing any material impairment to the Group's financial position, and no material provisions have therefore been made related to these cases as of 31 December 2016.

NOTE 26 EVENTS AFTER BALANCE SHEET DATE

There have been no events after 31 December that have a material effect on the financial statement for 2016.

EVRY AS

Statement of comprehensive income

1 January - 31 December

(NOK million)	Note	2016	2015
Operating revenue		-	-
Salaries and personnel costs	2	2.0	1.4
Other operating costs	4	17.0	103.9
Operating profit/-loss		-19.0	-105.3
Income from investment in subsidiaries	3	172.9	151.3
Other financial income	5	281.4	365.6
Financial expense	5	582.5	658.1
Net financial items		-128.2	-141.2
Profit/-loss before tax		-147.2	-246.5
Taxes	6	-34.9	-53.4
Profit/-loss for the year		-112.3	-193.2
Comprehensive income			
<i>Items which will not be reclassified over profit and loss (after tax)</i>			
Actuarial gains/-losses on defined benefit pension plans		-	-0.7
<i>Items which may be reclassified over profit and loss in subsequent periods (after tax)</i>			
Cash flow hedges		-186.7	138.2
Total comprehensive income		-186.7	137.6
Total profit/-loss for the year		-299.1	-55.6

EVRY AS

Statement of financial position

As of 31 December

(NOK million)	Note	31.12.2016	31.12.2015
Non-current assets			
Deferred tax asset	6	79.2	-
Total intangible assets		79.2	-
Shares in subsidiaries	8	5 965.7	5 965.7
Other financial assets		0.4	196.5
Non-current interest bearing receivables	9	1 390.5	1 401.9
Total financial non-current assets		7 356.7	7 564.1
Total non-current assets		7 435.9	7 564.1
Current assets			
Other current receivables	9	177.3	172.6
Total current assets		177.3	172.6
Total assets		7 613.1	7 736.7
Equity			
Share capital	10	467.8	467.8
Paid-in other equity		550.1	2 755.3
Total equity		1 017.9	3 223.1
Liabilities			
Non-current interest bearing liabilities	11	5 158.8	3 404.0
Non-current non-interest bearing liabilities		135.5	91.1
Deferred tax liabilities	6	-	16.1
Total non-current liabilities		5 294.3	3 511.2
Accounts payable		5.8	9.2
Tax payable	6	-	-
Deductions and duties payable		-0.2	0.1
Bank overdraft	7	1 217.7	892.7
Other current liabilities	9	77.6	100.4
Total current liabilities		1 300.9	1 002.4
Total liabilities		6 595.2	4 513.6
Total liabilities and equity		7 613.1	7 736.7

BÆRUM, 30 MARCH 2017, BOARD OF DIRECTORS OF EVRY AS

 Salim Nathoo CHAIRMAN OF THE BOARD	 Rohan Haldea	 Francisco Menjibar	 Ellen de Kreij	 Louise Sondergaard
 Göran Lindahl	 Leif Teksum	 Al-Noor Ramji	 Kristin Krohn Devold	 Eirik Børnø
 Ingrid Lund	 Jan Dahlström	 Ola Hugo Jordhøy	 Björn Ivroth CEO	

EVRY AS

Statement of cash flow

1 January - 31 December

(NOK million)	2016	2015
Cash from/to operations:		
Profit/-loss before tax	-147.2	-246.5
Share of profit/-loss in subsidiaries	-172.9	-151.3
Tax paid in the period	-	-
Write-down of shares in subsidiaries	-	-
Interest income/-expenses	301.1	292.5
Paid interests	-277.3	-144.6
Change in accounts payable	-3.4	-10.3
Change in other accruals	-44.2	-44.4
Net cash flow from operations	-343.8	-304.7
Cash from/to investments:		
Investment in group companies	-	-
Net cash flow from investments	-	-
Cash from/to financing:		
New borrowing (short and long-term)	2 720.2	3 450.3
Borrowings repaid	-958.7	-2 376.7
Dividends paid	-1 906.1	-1 003.6
Purchase/sale of own shares	-	4.8
Group contribution received/paid	137.2	-170.2
Net cash flow from financing	-7.4	-95.3
Net change in liquid assets over the year	-351.2	-400.0
Bank overdraft at 1.1.	-892.7	-454.9
Currency movements in liquid assets	26.2	-37.8
Bank deposits at 31.12.	-1 217.7	-892.7

EVRY AS

Statement of changes in equity

1 January - 31 December

(NOK million)	Share capital	Own shares	Paid-in other equity	Other equity	Total equity
Equity at 1 January 2015	467.8	-0.5	3 197.4	612.8	4 277.4
Purchase of own shares		0.5	4.3	-	4.8
Dividend				-1 003.6	-1 003.6
Comprehensive income				137.6	137.6
Profit/-loss for the year 2015				-193.2	-193.2
Allocation of equity			-446.4	446.4	-
Equity at 31 December 2015	467.8	-	2 755.3	-	3 223.1
Dividend				-1 906.1	-1 906.1
Comprehensive income				-186.7	-186.7
Profit/-loss for the year 2016				-112.3	-112.3
Allocation of equity			-2 205.2	2 205.2	-
Equity at 31 December 2016	467.8	-	550.1	-	1 017.9

NOTE 1 ACCOUNTING PRINCIPLES

The accounts of EVRY AS are prepared in accordance with the section 3-9 in the Norwegian Accounting Act and regulation on application of simplified IFRS (2014) as prescribed by the Ministry of Finance 3 November 2014. This means that the accounting principles follow the international accounting standards (IFRS) and presentation and the disclosures are in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

The financial statements are prepared using the historical cost principles, with the exception of the following items:

- Financial instruments at fair value through profit or loss and financial instruments available for sale are recognised at fair value

Shares in subsidiaries are recognised in the company's accounts in accordance with the cost method. Dividends and other profit distributions accrued for in these companies are recognised as financial income in the period to the extent that they result from profits earned during the period of ownership.

For information about accounting principles, see group accounts note 1.

NOTE 2 SALARIES AND PERSONNEL COSTS

(NOK million)	2016	2015
Salaries and remuneration to Board of Directors	1.4	0.4
Social security tax	-	0.1
Charged other companies	0.6	0.9
Total salaries and personnel costs	2.0	1.4

The company did not have any employees in 2016 nor in 2015 and the salaries and personnel costs relate to board fees.

See note 6 - Group regarding remuneration to executive management and Board of Directors.

NOTE 3 INCOME FROM INVESTMENT IN SUBSIDIARIES

Income from investment in subsidiaries in both 2016 and 2015 relates to received group contribution and dividends from equity accumulated during the period of ownership by the parent company.

NOTE 4 OTHER OPERATING COSTS

Other operating costs comprise:

(NOK million)	2016	2015
Consultant costs	17.0	101.9
Other operating costs	-	2.0
Total other operating costs	17.0	103.9

Auditor's remuneration

The following table shows remuneration to the Group's auditor, Ernst & Young AS, in respect of audit services delivered, including the amounts invoiced in respect of audit related and tax related services. The amounts shown are exclusive of value added tax.

(NOK million)	2016	2015
Audit fee	1.175	1.616
Other fees	2.412	0.746
Fees for other assurance services	4.628	4.001
Fees for tax services	0.659	0.582
Total auditor's remuneration	8.874	6.944

Fees for other assurance services includes attestation services related to ISAE 3402 and SAS 70. These expenses are mainly reinvoiced by the company.

NOTE 5 FINANCIAL ITEMS

(NOK million)	2016	2015
Intra-group interest income	74.2	78.7
External interest income	12.7	13.6
Currency gains	194.5	273.3
Total other financial income	281.4	365.6
Intra-group interest expense	8.9	13.9
External interest expenses	330.9	231.3
Currency losses	176.6	297.6
Write-down of shares in subsidiaries	-	53.0
Other	66.2	62.2
Total other financial expenses	582.5	658.1

NOTE 6

TAXES

Deferred tax/tax asset is calculated on the basis of the differences which exists at year-end between accounting and taxation values.

Deferred tax/tax asset arises in respect of the following differences as of 31 December:

(NOK million)	31.12.2016	31.12.2015
Provisions	0.1	-6.5
Financial instruments	-135.6	111.5
Non-current receivables/loans	21.3	32.7
Losses carried forward	-215.8	-73.4
Gross timing differences	-330.0	64.3
Deferred tax/-deferred tax asset	-79.2	16.1
Calculation of tax base for the year		
Profit before tax	-147.2	-246.5
Permanent differences	-	45.4
Change in timing differences to profit and loss	4.8	127.8
Losses carried forward	142.4	73.4
Basis for tax payable	-	-
Changes in deferred tax		
Change in deferred tax to profit and loss	-34.9	-53.4
Tax on equity transactions	-60.4	48.7
Change in deferred tax	-95.3	-4.6
Tax cost for the year comprises		
Tax payable	-	-
Change in deferred tax	-34.9	-53.4
Total tax cost	-34.9	-53.4
Effect of permanent differences		
25% of profit/-loss before tax (27% in 2015)	-36.8	-66.6
Tax rate change	1.9	0.9
Expenses not deductible	-	12.2
Tax for the year	-34.9	-53.4

NOTE 7

GUARANTEE LIABILITIES

EVERY AS has issued a guarantee of NOK 350 million for borrowings by subsidiaries as part of the group cash management account arrangement. In addition, the company has issued parent company guarantees on behalf of its subsidiaries amounting to NOK 465 million. Other bank guarantees amounted to NOK 29 million.

As of 31 December 2016 the company has no overdraft on the group cash management account arrangement.

See note 17 - Group for information about the group bank system.

NOTE 8

SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised in accordance with the cost method.

	Registered office	Share	Voting	Book value (NOK million)
EVERY Norge AS	Bærum	100 %	100 %	5 607.8
EVERY Sweden Holding AB	Stockholm, Sweden	100 %	100 %	111.5
EVERY Card Services AS	Mo i Rana	100 %	100 %	245.3
EVERY Danmark A/S	Viborg, Denmark	100 %	100 %	-
EVERY Økonomitjenester AS	Trondheim	100 %	100 %	1.1
Fellesdata AS	Bærum	100 %	100 %	-
Total				5 965.7

The wholly-owned subsidiary EVERY Nordic Operations AS merged with EVERY Norge AS with accounting effect from 1 January 2016.

NOTE 9

INTRA-GROUP ACCOUNTS RECEIVABLES AND LIABILITIES

(NOK million)	2016	2015
Receivables		
Non-current interest bearing receivables	1 390.5	1 401.9
Current non-interest bearing receivables	-	0.2
Group contribution	172.9	137.2
Total receivables	1 563.4	1 539.3
Liabilities		
Accounts payable	-	1.1
Other current non-interest bearing liabilities	-	42.3
Total liabilities	-	43.5

Non-current interest bearing receivables are due in 2019.

NOTE 10

SHARE CAPITAL, SHAREHOLDERS ETC.

See note 18 - Group for information about share capital, shareholders etc.

NOTE 11 FINANCIAL INSTRUMENTS

(NOK million)	31.12.2016	31.12.2015
Liabilities to credit institutions	5 351.4	3 500.0
Arrangement fee financing	-192.6	-96.0
Total non-current interest bearing liabilities	5 158.8	3 404.0

Parts of the financing agreement is debt in EUR, in total EUR 609 million. The company has entered into EURNOK and EURSEK cross currency swaps on this EUR debt to eliminated the EUR exposure. Changes in the market value of hedging instruments are recognised as part of comprehensive income. The market values of these hedging instruments were NOK -90.8 million at year end 2016.

See note 4 - Group for information about financial instruments.

NOTE 12 RELATED PARTIES

There have been no significant transactions with the shareholders in 2015 or 2016.

For information about remuneration to executive management and board of directors, see note 6 - Group.

See note 24 - Group related parties for further information.



Statsautoriserte revisorer
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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of EVRY AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of EVRY AS comprising the financial statements of the parent company and the Group. The financial statements of the parent company comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statements of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

The consolidated financial statements comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- ▶ the financial statements are prepared in accordance with the law and regulations;
- ▶ the financial statements present fairly, in all material respects, the financial position of the parent company as at 31 December 2016, and of its financial performance and its cash flows for the year ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;
- ▶ the consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Director (management) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young Assurance Tilsitt og revisor AS



Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the parent company and International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report - EVRY AS



Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 6 April 2017
ERNST & YOUNG AS

Asbjørn Ler
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

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