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# About EVERY

EVERY is one of the leading IT service and software providers in the Nordic region and has around 10,000 customers across the private and public sectors. Every day more than five million people in the Nordic region use solutions delivered by EVERY. Through its strong local presence and in-depth technological and commercial insight, EVERY is a driving force for innovation and modernisation at its customers. EVERY reported turnover of NOK 12.2 billion in 2016 and has 8,500 employees across nine countries. Its headquarters are located at Fornebu just outside Oslo, and the company is listed on the Oslo Stock Exchange.

[www.evry.com](http://www.evry.com)

# Financial Highlights

Continuing positive organic growth and strong year-on-year margin improvements

- Total revenue of NOK 2,917 million in Q3 2017, compared to NOK 2,841 million in Q3 2016. After adjusting for foreign currency effects, this represents organic growth of 2.6% (0.8% in Q3 2016).
- Adjusted EBITDA increased 17.8% to NOK 472 million in Q3 2017 (NOK 401 million in Q3 2016), representing an adjusted EBITDA margin of 16.2% (14.1% in Q3 2016).
- Adjusted EBITA increased 18.7% to NOK 408 million in Q3 2017 (NOK 344 million in Q3 2016), representing an adjusted EBITA margin of 14.0% (12.1% in Q3 2016).
- Last twelve months (LTM) cash conversion at 30 September 2017 of 84.1%, a decrease of 19.1 percentage points from LTM cash conversion at 30 September 2016.
- Strong backlog maintained which totalled NOK 17.9 billion at 30 September 2017.

Björn Ivroth, Group CEO of EVRY ASA commented:

“We are pleased to announce both revenue growth and higher margins in the third quarter of 2017 relative to the same quarter last year. This is the fifth consecutive quarter in which EVRY has achieved organic revenue growth. Demand for the services we provide to the financial sector is increasing, and we are happy to see that new market entrances in financial services are also choosing EVRY as a vendor for creating digital advantage.

There is similarly an increasing need for services to be digitalized and processes to be automated in the public and healthcare sectors. We not only help our customers to choose the right IT systems or applications for them, but also to create a vision for and to plan the digitalisation of their business.”

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# Key Figures and Financial Ratios

This interim report relates to EVRY's performance in the third quarter of 2017 relative to the third quarter of 2016. All figures are in NOK millions unless otherwise stated. All comments regarding EBITDA and EBITA exclude other income and expenses and is referred to as adjusted EBITDA and adjusted EBITA. Please refer to page 20 for a description of the alternative performance measures used in this report.

(NOK million)	Q3 2017	Q3 2016	1.1.–30.9 2017	1.1.–30.9 2016	2016
<b>Income statement</b>					
Operating revenue	2 917	2 841	9 183	9 008	12 246
EBITDA	259	314	332	928	1 217
Adjusted EBITDA	472	401	1 264	1 119	1 583
Adjusted EBITDA margin (%)	16.2 %	14.1 %	13.8 %	12.4 %	12.9 %
EBITA	194	257	119	727	947
Adjusted EBITA	408	344	1 073	918	1 322
Adjusted EBITA margin (%)	14.0 %	12.1 %	11.7 %	10.2 %	10.8 %
Other income and expenses	213	87	954	191	375
Operating profit (EBIT)	192	253	108	716	933
Net financial items	-42	-164	-638	-371	-513
Profit/-loss for the period	115	69	-399	264	301
<b>Cash flow</b>					
Adjusted operational cash flow	60	145	204	509	1 280
Net operational investments (CAPEX)	-90	-83	-237	-199	-316
Free cash flow	-29	62	-33	310	964
Cash conversion (LTM)			84.1 %	103.2 %	108.0 %
<b>Financial position (end of period)</b>					
Total assets			10 801	10 187	10 461
Goodwill			5 675	5 461	5 578
Total equity			3 096	49	193
Equity ratio			28.7 %	0.5 %	1.8 %
Net interest-bearing liabilities (NIBD)			4 413	6 487	6 041
<b>Employees</b>					
Number of employees end of period			8 515	8 946	8 864
Global Delivery in percent of total employees			35.8 %	35.6 %	35.4 %
Full-time employees (FTEs) (in percent)			97.3 %	97.0 %	97.3 %
<b>Growth/Sales</b>					
Total revenue growth <sup>1)</sup>	2.7 %	0.0 %	1.9 %	-0.5 %	-0.5 %
Currency impact	-0.1 %	0.8 %	1.3 %	-1.5 %	-0.4 %
Acquisition and Divestment impact <sup>2)</sup>	-	-	-	-	-
Organic growth	2.6 %	0.8 %	3.2 %	-2.0 %	-0.9 %
Backlog (end of period) (NOK billion) <sup>3)</sup>			17.9	17.8	20.8
<b>Stock market ratios</b>					
Earnings per share (NOK)	0.31	0.26	-1.25	0.99	1.12
Diluted earnings per share (NOK)	0.31	0.26	-1.25	0.99	1.12
Adjusted earnings per share (NOK)	0.75	0.50	2.00	1.53	2.18
Number of shares issued	370 806 077	267 338 981	370 806 077	267 338 981	267 338 981
Number of treasury shares	-	-	-	-	-
Average number of shares	370 806 077	267 338 981	319 072 529	267 338 981	267 338 981
Average number of shares (diluted)	370 806 077	267 338 981	319 072 529	267 338 981	267 338 981

1) Revenue growth in 2016 is adjusted for loss of DNB non-mainframe contract

2) Organic growth is adjusted for acquisitions and divestment above a defined threshold of NOK 100 million in revenues

3) Excluding the Stockholm Stad contract

# Group Performance

## SUMMARY OF THE THIRD QUARTER OF 2017

The Group reported operating revenue for the third quarter of 2017 of NOK 2,917 million as compared to NOK 2,841 million in the third quarter of 2016, which is equivalent to organic growth of 2.6% relative to the third quarter of 2016.

Consolidated adjusted EBITDA for the third quarter of 2017 was NOK 472 million as compared to NOK 401 million in the third quarter of 2016. Consolidated EBITDA for the third quarter of 2017 was NOK 259 million as compared to NOK 314 million in the third quarter of 2016. Depreciation and write-down of tangible assets and in-house developed software amounted to NOK 64 million in the third quarter of 2017 as compared to NOK 57 million in the third quarter of 2016.

Consolidated adjusted EBITA in the third quarter of 2017 was NOK 408 million as compared to NOK 344 million in the third quarter of 2016. The adjusted EBITA margin was 14.0% in the third quarter of 2017, compared to 12.1% in the third quarter of 2016. Consolidated EBITA for the third quarter of 2017 was NOK 194 million as compared to NOK 257 million in the third quarter of 2016.

Other income and expenses totalled NOK 213 million in the third quarter of 2017, which mainly relates to the implementation of the extended partnership with IBM. In the third quarter of 2016 other income and expenses totalled NOK 87 million.

EVERY's operating result (EBIT) for the third quarter of 2017 was a profit of NOK 192 million as compared to a profit of NOK 253 million in the third quarter of 2016.

Net financial expenses for the third quarter of 2017 were NOK 42 million, a decrease of NOK 122 million from NOK 164 million in the corresponding period in 2016. The reduction in net financial expenses was due to EVERY having significantly lower borrowings and interest rates on the new senior debt facility it entered into in connection with the IPO in June 2017.

Profit before tax (EBT) for the third quarter of 2017 was NOK 150 million as compared to NOK 89 million for the third quarter in 2016.

The effective tax rate for the third quarter of 2017 was 23.3%, representing a tax expense of NOK 35 million. The effective tax rate for the third quarter of 2016 was 22.9%, representing a tax expense of NOK 20 million.

The result for the third quarter of 2017 was a profit of NOK 115 million as compared to a profit of NOK 69 million for the third quarter of 2016.

## Business Update

Organic growth was supported by some important wins and strategic projects in our key service areas. In the financial services area, EVERY closed deals with exciting customers such as Aktia Bank, MONOBANK and Bankdata. EVERY has entered into an agreement to deliver the entire value chain for card payment to the Finnish bank Aktia. EVERY and MONOBANK have entered into a credit card services agreement that will support MONOBANK's continuing expansion. The Danish company Bankdata, which provides IT services to several of the largest banks in Denmark, has selected Cash Management solutions from EVERY.

EVERY's core banking platform is adapted for open banking and the revised PSD2. The architecture of EVERY's solution makes it easy not only for our customers to comply with the directive but also for EVERY to provide the support required for any of the new business models that they might choose to adopt.

EVERY is seeing strong market demand from organisations and companies seeking to explore how cognitive solutions could help them to radically improve key business functions such as customer service. EVERY is therefore building capacity in this area, and now has more than 60 dedicated employees in the cognitive solutions area.

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### Organic growth

in Q3 2017

# 2.6%

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### Total revenue

in Q3 2017

# 2,917

NOK million

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### Adjusted EBITA

in Q3 2017

# 408

NOK million

---

### Adjusted EBITA margin

in Q3 2017

# 14.0%

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EVERY has become a partner on a much-publicized collaborative project whose objective is to study and test the possibilities of using blockchain technology for real estate transactions and the mortgage deed processes. The collaboration's other partners are Landshypotek Bank, SBAB, Telia, the Swedish Mapping, Cadastral and Land Registration Authority (Lantmäteriet), Kairos Future and ChromaWay.

Statoil entered into a framework agreement with EVERY in the third quarter for the purchase of IT consulting services for a period of five years with a contracted option to extend for five additional years. The areas covered by the agreement include data science and analytics, artificial intelligence, and robotics, in addition to more traditional service areas such as IT development, visualization and project management.

The international environmental organization CDP (formerly the Carbon Disclosure Project) has awarded EVERY one of the leading positions in IT services in a comprehensive report. EVERY has more than halved its greenhouse gas emissions over the past five years by taking targeted environmental measures and adopting new science-based targets. This achievement is the result of a long-term strategy to introduce measurement parameters and policies intended to ensure that there is a clear focus on environmental solutions in all relevant areas. Among the most important measures was EVERY's decision to invest in world-class environmentally friendly data centers in Norway and Sweden and to consolidate its old data centers.

## Cash Flow

The LTM cash conversion was 84.1% at 30 September 2017, compared to 103.2% at 30 September 2016. The LTM cash conversion at 30 September 2016 includes non-recurring effects from the end of 2015 that had a positive effect on the September 2016 LTM cash conversion.

EVERY has in 2016 and 2017 had a strong focus on cash collection, which has resulted in a significant decline in the average balance of accounts receivables. Days sales outstanding (DSO) has decreased by 4.2 days over the last twelve months, and ended at 36.7 at 30 September 2017 as compared to 40.9 at the end of September 2016.

### NET CASH FLOW FROM OPERATIONS AND ADJUSTED OPERATIONAL CASH FLOW

Net cash flow from operations for the third quarter of 2017 was negative NOK 405 million as compared to negative NOK 80 million in the third quarter of 2016. This negative change was explained by increased cash payments in relation to implementing the IBM partnership, strategic processes (i.e. IPO) and higher working capital outflow.

Adjusted operational cash flow for the third quarter of 2017 was NOK 60 million, a decrease of NOK 85 million – from NOK 145 million in the third quarter of 2016. The decrease was mainly driven by increased outflows for net working capital items in the third quarter of 2017 relative to the third quarter of 2016. The negative outflows in net working capital for the third quarter of 2017 can to some extent be explained by the quarter ending on a weekend, which has implications on the due date of invoices and payments from customers.

#### NET CASH FLOW FROM INVESTMENT ACTIVITIES

Net investment spending totalled NOK 90 million in the third quarter of 2017, as compared to NOK 94 million in the same period in 2016. Investment in tangible operating assets amounted to NOK 49 million in the third quarter of 2017, while investment in in-house developed software amounted to NOK 47 million in the same period. The corresponding figures for 2016 were NOK 45 million and NOK 44 million respectively.

#### NET CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities in the third quarter of 2017 was NOK 214 million, which was driven by a temporary RCF draw down of NOK 200 million. Net cash flow from financing activities in the third quarter of 2016 was negative NOK 58 million.

#### FREE CASH FLOW

Free cash flow in the third quarter of 2017 was negative NOK 29 million as compared to NOK 62 million in the third quarter of 2016. The decrease was mainly due to lower adjusted operational cash flow from operations, which was driven by increased outflows for net working capital items.

#### EQUITY AND CAPITAL STRUCTURE

Equity at 30 September 2017 was NOK 3,096 million, corresponding to an equity ratio of 28.7%, and total outstanding long-term debt was NOK 4,756 million. At 30 September 2017, the company had a cash balance of NOK 346 million, which implies net interest-bearing debt (NIBD) of NOK 4,413 million and net LTM leverage of 2.55.

## Target for 2017

This section should be read in conjunction with “Forward-looking statements” as shown below.

The target for 2017 for organic growth, operating margin and capex remains unchanged from the prospectus provided in connection with the IPO.

#### Forward-Looking Statements

This report contains forward-looking statements including, but not limited to, the statements and expectations contained on this page. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. EVRY has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of EVRY.

Although EVRY believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the IT services and software markets in general or EVRY including those described in the Prospectus provided in connection with the IPO and other information made available by EVRY. As a result, you should not rely on these forward-looking statements. EVRY undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

# Business Area Performance

The Group's activities are divided into three reporting business areas for 2017. The business areas reflect the main markets served, and correspond with the structure used for reporting to the Group's decision makers.

Operating revenue	Q3 2017	Q3 2016	Growth	1.1–30.9 2017	1.1–30.9 2016	Growth	2016
EVERY Norway	1 325	1 321	0.3 %	4 248	4 163	2.0 %	5 669
EVERY Sweden	758	683	9.6 %	2 436	2 426	4.1 %	3 245
EVERY Financial Services	762	756	0.7 %	2 333	2 308	1.3 %	3 133
Other	73	81		167	111		199
Group	2 917	2 841	2.6 %	9 183	9 008	3.2 %	12 246

EBITA	Q3 2017	Q3 2016		1.1–30.9 2017	1.1–30.9 2016		2016
EVERY Norway	134	119		427	291		430
EVERY Sweden	78	61		231	209		305
EVERY Financial Services	132	111		305	290		414
Other	65	52		110	128		172
Group (adjusted)	408	344		1 073	918		1 322
Other income and expenses	-213	-87		-954	-191		-375
Group	194	257		119	727		947

EBITA margin (%)	Q3 2017	Q3 2016		1.1–30.9 2017	1.1–30.9 2016		2016
EVERY Norway	10.1 %	9.0 %		10.0 %	7.0 %		7.6 %
EVERY Sweden	10.2 %	8.9 %		9.5 %	8.6 %		9.4 %
EVERY Financial Services	17.3 %	14.7 %		13.1 %	12.5 %		13.2 %
Group (adjusted)	14.0 %	12.1 %		11.7 %	10.2 %		10.8 %
Group	6.7 %	9.0 %		1.3 %	8.1 %		7.7 %

## EVERY Norway

Operating revenue for EVERY Norway for the third quarter of 2017 was NOK 1,325 million, an increase of NOK 0.3% from NOK 1,321 million in the third quarter of 2016. Revenues from application and digital services increased, but this was offset by a decrease in revenues from infrastructure services.

EVERY Norway achieved EBITA of NOK 134 million for the third quarter of 2017, compared to NOK 119 million in the third quarter of 2016. This improvement in earnings relates to lower expenses following the strategic improvement measures implemented in 2015 and 2016. The EBITA margin for the third quarter of 2017 was 10.1% as compared to 9.0% in the same period of 2016.

EVERY Norway's order backlog at 30 September 2017 was NOK 7.0 billion, representing a decrease of NOK 1.4 billion from the end of 2016.

## EVERY Sweden

Operating revenue for EVERY Sweden for the third quarter of 2017 was NOK 758 million, an increase of NOK 76 million or 11.1%, from NOK 683 million in the third quarter of 2016. EVERY Sweden's operating revenue was positively impacted by currency effects, as the SEK strengthened against the NOK. After adjusting for exchange rate effects, organic growth was 9.6%. This revenue growth was mostly driven by higher revenues from fulfilment services in the mobility area.

EVERY Sweden achieved EBITA of NOK 78 million for the third quarter of 2017, compared to NOK 61 million in the third quarter of 2016. This improvement was mainly driven by positive effects from strategic initiatives that have been implemented. The EBITA margin for the third quarter of 2017 was 10.2% as compared to 8.9% in the third quarter of 2016.

EVERY Sweden's order backlog at 30 September 2017 was NOK 3.2 billion, representing a decrease of NOK 0.3 billion from the end of 2016.

## EVERY Financial Services

Operating revenue for EVERY Financial Services for the third quarter of 2017 was NOK 762 million, an increase of NOK 6 million from NOK 756 million for the third quarter of 2016. This was equivalent to organic revenues growth of 0.7% relative to the third quarter of 2016. This revenue growth was principally due to increased revenue related to the card services area in application services.

EVERY Financial Services achieved EBITA of NOK 132 million for the third quarter of 2017, compared to NOK 111 million for the third quarter 2016. The EBITA margin for the third quarter of 2017 was 17.3%, as compared to 14.7% for the third quarter of 2016. This margin improvement was due to increased efficiency across the different service offerings and higher profitability on selected projects and contracts.

EVERY Financial Services order backlog at 30 September 2017 was NOK 7.7 billion, representing a decrease of NOK 1.2 billion from the end of 2016.

## Other

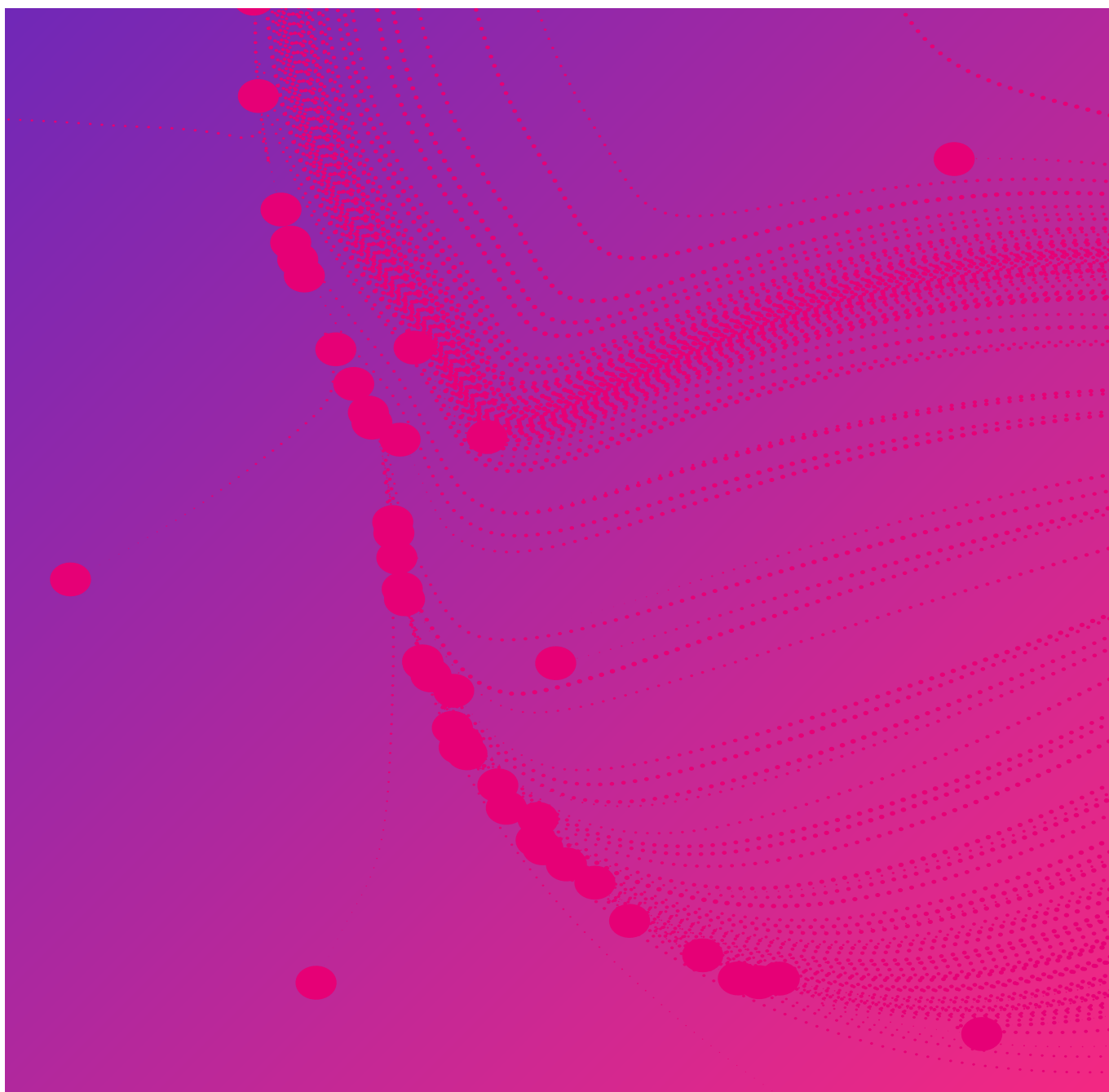
Revenue related to EVERY's Global Delivery organisation totalled NOK 225 million for the third quarter of 2017, equivalent to an organic growth of 3.1% compared to the third quarter of 2016. Approximately 60% of this revenue relates to external customers from outside the Nordic region. EBITA for the third quarter of 2017 was NOK 34 million, compared to NOK 33 million in the same period of 2016. The EBITA margin for the third quarter of 2017 was 15.1% as compared to 14.8% for the third quarter of 2016.

Intra-group eliminations totalled NOK 153 million in the third quarter of 2017 as compared to NOK 144 million in the third quarter of 2016. Expenses associated with support functions that are not allocated to EVERY's segments totalled NOK -31 million in the third quarter of 2017 as compared to NOK -19 million in the third quarter of 2016.

**BÆRUM, 31 OCTOBER 2017  
THE BOARD OF DIRECTORS  
OF EVERY ASA**

# Condensed Consolidated Interim Financial Statements

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# Condensed Consolidated Statement of Comprehensive Income

(NOK million)	Q3 2017	Q3 2016	1.1.-30.9 2017	1.1.-30.9 2016	2016
Operating revenue	2 917	2 841	9 183	9 008	12 246
Cost of goods sold	1 050	942	3 117	2 817	3 818
Salaries and personnel costs	1 166	1 184	3 932	4 087	5 552
Other operating costs	229	314	870	985	1 294
Other income and expenses	213	87	954	191	375
Depreciation and write-down of tangible assets and in-house developed software	64	57	190	200	261
Operating profit/-loss before depreciation of customer contracts and write-down of intangible assets (EBITA)	194	257	119	727	947
Amortisation of customer contracts	2	4	11	11	13
Operating profit/-loss (EBIT)	192	253	108	716	933
Net financial items	-42	-164	-638	-371	-513
Profit/-loss before tax	150	89	-530	345	420
Taxes	35	20	-130	82	120
Profit/-loss for the period	115	69	-399	264	301
<b>Other comprehensive income</b>					
Cash flow hedges	-2	-125	100	-241	-187
Currency translation differences	-68	-94	6	-212	-160
Actuarial gains/-losses on defined benefit pension plans	-	-	-	-	1
Total other comprehensive income	-70	-219	106	-454	-346
Total comprehensive income for the period	45	-151	-293	-190	-46
<b>Total comprehensive income for the period is allocated as follows</b>					
Owners of the parent	45	-151	-294	-190	-46
Non-controlling interests	-	-	1	-	1
<b>Earnings per share (basic and diluted)</b>					
Earnings per share (NOK)	0.31	0.26	-1.25	0.99	1.12

# Condensed Consolidated Statement of Financial Position

<b>(NOK million)</b>	<b>30.09.17</b>	<b>30.09.16</b>	<b>31.12.16</b>
Goodwill	5 675	5 461	5 578
Other intangible assets	1 256	1 074	1 062
Total intangible assets	6 931	6 535	6 640
Total tangible assets	379	432	426
Total non-current financial assets	236	146	115
Total non-current assets	7 546	7 113	7 180
Accounts receivable	1 576	1 699	1 478
Other current receivables	1 333	886	812
Bank deposits	346	490	990
Total current assets	3 255	3 074	3 280
Total assets	10 801	10 187	10 461
Equity	3 096	49	193
Non-controlling interests	1	1	1
Total equity and non-controlling interests	3 097	50	194
Non-current interest bearing liabilities	4 706	6 758	6 808
Non-current non-interest bearing liabilities	46	241	175
Provision for liabilities	231	276	254
Total non-current liabilities	4 983	7 276	7 237
Accounts payable	695	635	878
Duties payable, vacation allowance	786	766	898
Other current liabilities	1 240	1 460	1 254
Total current liabilities	2 721	2 861	3 030
Total equity and liabilities	10 801	10 187	10 461

# Condensed Consolidated Statement of Cash Flow

(NOK million)	Q3 2017	Q3 2016	1.1.-30.9 2017	1.1.-30.9 2016	2016
Profit/-loss before tax	150	89	-530	345	420
Depreciation, write-down and amortization	67	61	224	212	284
Tax paid	-30	-21	-79	-66	-80
Net financial items	13	61	286	70	84
Change in net working capital	-571	-221	-856	-542	-58
Other changes	432	175	1 159	490	630
Cash effect from other income and expenses	-466	-224	-1 450	-801	-974
Net cash flow from operations	-405	-80	-1 246	-292	306
Investment in tangible operating assets	-49	-45	-112	-108	-161
Investment in in-house developed software	-47	-44	-142	-121	-189
Sale of tangible operating assets (sales proceeds)	6	6	18	31	35
Investment in group companies	-	-12	-9	-41	-88
Net cash flow from investments	-90	-94	-246	-240	-404
Draw down of new debt	300	121	5 240	3 123	3 185
Repayment of debt	-102	-179	-7 537	-1 026	-1 051
Proceeds from equity issued	15	-	3 167	-	-
Dividends paid	-	-	-	-1 906	-1 906
Net cash flow from financing	214	-58	870	191	227
Changes in foreign exchange rates	-17	-51	-22	-71	-39
Net change in cash flow	-298	-283	-644	-411	90
Opening balance bank deposits	644	772	990	900	900
Closing balance bank deposits	346	489	346	489	990

# Condensed Consolidated Statement of Changes in Equity

## Attributable to equity holders of the parent

(NOK million)	Share capital	Other paid-in capital	Other equity	Total	Non-controlling interests	Total equity
Equity as of 1 January 2017	468	-	-275	193	1	194
Profit/-loss for the period			-400	-400	1	-399
Other comprehensive income			106	106	-	106
Issue of share capital	181	2 999	-	3 180	-	3 180
Sharebased options employees			17	17	-	17
Equity as of 30 September 2017	649	2 999	-552	3 096	1	3 097

## Attributable to equity holders of the parent

(NOK million)	Share capital	Other paid-in capital	Other equity	Total	Non-controlling interests	Total equity
Equity as of 1 January 2016	468	1 394	284	2 145	0.3	2 146
Profit/-loss for the period			264	264	0.1	264
Other comprehensive income			-454	-454	-	-454
Dividends			-1 906	-1 906	-	-1 906
Transactions with non-controlling interests				-	-	-
Allocation of equity		-1 394	1 394	-	-	-
Equity as of 30 September 2016	468	-	-419	49	0.4	50

# Notes

## NOTE 1 – GENERAL ACCOUNTING PRINCIPLES

EVRY (Group) consists of EVRY ASA and its subsidiaries. EVRY ASA is a public limited liability company, incorporated in Norway and listed on the Oslo Stock Exchange as of 21 June 2017. These condensed consolidated interim accounts cover the Group and the Group's interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the totals given.

These interim condensed consolidated accounts for the nine months ending 30 September 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not contain all the information and disclosures required in an annual financial report and should be read in conjunction with the Group's annual report for 2016. The interim consolidated financial accounts have been prepared in accordance with the accounting policies followed in the Group's annual financial accounts for the year ended 31 December 2016. The interim consolidated financial accounts are unaudited.

For information about the standards and interpretations that apply with effect from 1 January 2017, please refer to Note 1 in the Group's annual report for 2016. The standards and interpretations that have entered into effect from 1 January 2017 do not have a significant impact on the Group's consolidated interim financial statements. The annual report can be found at [evry.com](http://evry.com).

The new standard for revenue recognition, IFRS 15 *Revenue from Contracts with Customers*, is effective from 1 January 2018. During 2017 the Group has assessed the effects of the implementation on its financial statements. The Group has not yet finalized the assessment, but the analysis so far has not revealed any new major areas that might be significantly affected than those described in the annual report for 2016. The Group will finalize its analysis and decide the transition method during Q4 2017.

## NOTE 2 – ESTIMATES

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and the amounts recognised as assets and liabilities, income and expenses. The important assessments underlying the application of the Group's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the consolidated financial statements for 2016.

## NOTE 3 – OTHER INCOME AND EXPENSES

(NOK million)	Q3 2017	Q3 2016	1.1.–30.9 2017	1.1.–30.9 2016	2016
IBM outsourcing agreement	210	36	711	108	250
Write-down of other balance sheet items and projects	-	-	-	12	26
Provision for restructuring	-	40	33	40	78
Transaction costs, IPO and refinancing	3	11	210	32	21
Total other income and expenses	213	87	954	191	375

The company extended its partnership with IBM with effect from 1 February 2017.

## NOTE 4 – SHARE CAPITAL AND OTHER PAID-IN CAPITAL

The number and value of authorised, registered shares, and the amount of other paid-in capital, being the premium on shares issued less any transaction costs of new shares issued, was as follows:

	Share capital (Number of shares)	Par value (NOK)	Share capital (NOK million)	Other paid-in capital (NOK million)
As of 31 December 2016	267 338 981	1.75	467 843 217	-
Share issue on 22 June in connection with the initial public offering	103 225 806	1.75	180 645 161	2 976 794 826
Share issue on 29 June per share in connection with the bonus payment to the Chief Financial Officer	241 290	1.75	422 258	7 057 743
Stabilisation gain				15 174 909
As of 30 September 2017	370 806 077	1.75	648 910 635	2 999 027 477

The 20 largest shareholders at 30 September 2017 were as follows:

Shareholders	Shares	% of shares
Lyngen Bidco As	201 410 067	54.32%
Polygon (Pe) Holdings Ltd	31 444 554	8.48%
Folketrygdfondet	18 870 507	5.09%
The Bank Of New York Mellon Sa/Nv	9 978 476	2.69%
State Street Bank And Trust Comp	8 419 557	2.27%
Invesco Funds Series 4	4 991 120	1.35%
Northern Trust Global Services Ltd	4 715 352	1.27%
The Bank Of New York Mellon Sa/Nv	4 289 623	1.16%
State Street Bank And Trust Comp	4 201 991	1.13%
Morgan Stanley & Co. Int. Plc.	4 194 000	1.13%
Danske Bank A/S	4 114 404	1.11%
State Street Bank And Trust Comp	3 916 061	1.06%
Tredje Ap-Fonden	3 591 500	0.97%
Credit Suisse Securities (Europe)	3 186 565	0.86%
Arctic Funds Plc	2 671 145	0.72%
Verdipapirfondet Pareto Investment	2 123 762	0.57%
State Street Bank And Trust Comp	2 122 250	0.57%
Klp Aksjenorge	1 742 301	0.47%
Caceis Bank	1 734 551	0.47%
Invesco Perp Glb Smaller Comps Fd	1 720 604	0.46%
20 largest shareholders total	319 438 390	86.15%
Other shares	51 367 687	13.85%
Total	370 806 077	100.0%

## NOTE 5- NON-CURRENT INTEREST-BEARING LIABILITIES

(NOK million)	30 September 2017	31 December 2016
Financial lease	16	20
Liabilities to credit institution	4 740	6 953
Arrangement fee financing	-50	-215
Non-current interest-bearing liabilities	4 706	6 758

All previous long-term debt was repaid as part of the IPO in June 2017, and was replaced by a new bank syndicate with a five-year senior debt facility term loan of NOK 4,539 million, and a revolving credit facility of NOK 1,500 million (NOK 1,300 million undrawn as of 30 September 2017). Proceeds from the new equity and draw-down of the new bank facility, were used to repay the pre-IPO senior debt facility of NOK 6,364 million and the outstanding vendor financing due to IBM of NOK 998 million.

## NOTE 6 - FINANCIAL INSTRUMENTS

### 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:

**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.

NOK million	Level 1	Level 2	Level 3	Total book value	Fair value
<b>Assets</b>					
Non-current receivables				236	236
Accounts receivable				1 576	1 576
Other current receivables				1 333	1 333
Bank deposits				346	346
<b>Total Assets</b>	-	-	-	<b>3 491</b>	<b>3 491</b>
<b>Liabilities</b>					
Non-current interest bearing liabilities				4 706	4 706
Other non-current liabilities		4		273	277
Accounts payable				695	695
Other current liabilities				2 026	2 026
<b>Total Liabilities</b>	-	<b>4</b>	-	<b>7 700</b>	<b>7 704</b>

During the reporting period 1 January 2017 to 30 September 2017, there were no transfers between the levels in the fair value hierarchy.

The Group has entered into new interest rate swaps related to the new financing in the third quarter of 2017.

## NOTE 7 - MATERIAL EVENTS AFTER THE END OF THE PERIOD

There have been no events after 30 September 2017 that have a material effect on the interim financial statements.

# Alternative Performance Measures (APMs)

The 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 intention to provide alternative performance measures to enhance 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 REVENUE GROWTH

Organic revenue growth is a measure of the company's ability to grow organically by generating 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 for EVRY and for the users of its financial statements as it illustrates underlying operational growth by excluding effects not related to operations.

(NOK million)	Third quarter			First nine months		
	2017	2016	Growth in percent	2017	2016	Growth in percent
Reported revenues	2 917	2 841	2.7 %	9 183	9 008	1.9 %
Currency effects	-	3	-0.1 %	-	-106	1.2 %
Acquisition and Divestment impact	-	-	0.0 %	-	-	0.0 %
Basis for organic revenue growth	2 917	2 844	2.6 %	9 183	8 902	3.2 %

## 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 include, 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 as well as items considered not to be part of ordinary operations.

(NOK million)	Third quarter			First nine months		
	2017	2016		2017	2016	2016
Adjusted EBITA	408	344		1 073	918	1 322
IBM outsourcing agreement	-210	-36		-711	-108	-250
Write-down of other balance sheet items and projects	-	-		-	-12	-26
Provision for restructuring	-	-40		-33	-40	-78
Transaction costs, IPO and refinancing	-3	-11		-210	-32	-21
EBITA	194	257		119	727	947

(NOK million)	Third quarter			First nine months		
	2017	2016		2017	2016	2016
EBITA	194	257		119	727	947
Depreciation and write-down of tangible assets and in-house developed software	64	57		213	200	270
EBITDA	259	314		332	928	1 217
IBM outsourcing agreement	210	36		688	108	250
Write-down of other balance sheet items and projects	-	-		-	12	17
Provision for restructuring	-	40		33	40	78
Transaction costs, IPO and refinancing	3	11		210	32	21
Adjusted EBITDA	472	401		1 264	1 119	1 583

## 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 underlying cash flow from operations as it takes into consideration cash effects of items not directly related to underlying operations, and it will be useful to users of the financial statements in analysing the company's operational profitability.

(NOK million)	Third quarter		First nine months		
	2017	2016	2017	2016	2016
Adjusted operational cash flow	60	145	204	509	1 280
Payments related to restructuring processes	-32	-74	-156	-308	-368
Transaction, IPO and refinancing payments	-96	-6	-294	-21	-51
Payments related to IBM outsourcing agreement	-338	-158	-999	-482	-595
Cash flows from operations in discontinued operations	-	-	-	-1	-1
Effect of new companies acquired	-	13	-	12	41
Net cash flow from operations	-405	-80	-1 246	-292	306

## NET OPERATIONAL INVESTMENTS (CAPEX)

Net operational investments is defined as cash flow from investment spending on tangible operating assets and in-house developed software less sale of tangible operating assets.

(NOK million)	Third quarter		First nine months		
	2017	2016	2017	2016	2016
Investment in tangible operating assets	-49	-45	-112	-108	-161
Investment in in-house developed software	-47	-44	-142	-121	-189
Sale of tangible operating assets	6	6	18	31	35
Net operational investments (CAPEX)	-90	-83	-237	-199	-316

## FREE CASH FLOW

Free cash flow represents the cash flow that EVRY is able to generate after carrying out necessary investment spending. Free cash flow is defined as operating cash flow adjusted for the cash effect of other income and expenses less investment in tangible operating assets and in-house developed software and sales of tangible assets.

(NOK million)	Third quarter		First nine months		
	2017	2016	2017	2016	2016
Adjusted operational cash flow	60	145	204	509	1 280
Net operational investments (CAPEX)	-90	-83	-237	-199	-316
Free cash flow	-29	62	-33	310	964

## 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 investment in tangible operating assets and in-house developed software and sales of tangible assets.

(NOK million)	First nine months		
	2017	2016	2016
Adjusted operational cash flow	975	1 170	1 280
Paid interest	479	391	429
Adjusted EBITDA	1 728	1 513	1 583
Cash conversion (in percent)	84.1 %	103.2 %	108.0 %

Cash conversion rates presented for the nine months ended 30 September 2016 and 2017 are based on adjusted EBITDA for the latest twelve months ended 30 September.

## ADJUSTED EARNINGS PER SHARE

Earnings per share is calculated as profit for the year attributable to shareholders (owners of the parent company) adjusted for other income and expenses after tax, and finance expenses related to refinancing divided by the average number of shares outstanding over the year.

(NOK million)	Third quarter		First nine months		
	2017	2016	2017	2016	2016
Profit/loss for the period attributable to shareholders (owners of the parent company)	115	69	-400	264	300
Other income and expenses	213	87	954	191	375
Finance expenses related to refinancing	-	-	313	-	-
Tax effect other income and expenses	-51	-22	-229	-48	-94
Adjusted total comprehensive income for the year attributable to shareholders (owners of the parent company)	277	134	638	407	581
Average number of shares outstanding	370 806 077	267 338 981	319 072 529	267 338 981	267 338 981
Adjusted earnings per share	0.75	0.50	2.00	1.53	2.18

## NET INTEREST-BEARING LIABILITIES (NIBD)

Net interest-bearing liabilities represents current interest-bearing liabilities plus non-current interest-bearing liabilities (before adjustments for accrued arrangement fees) less bank deposits.

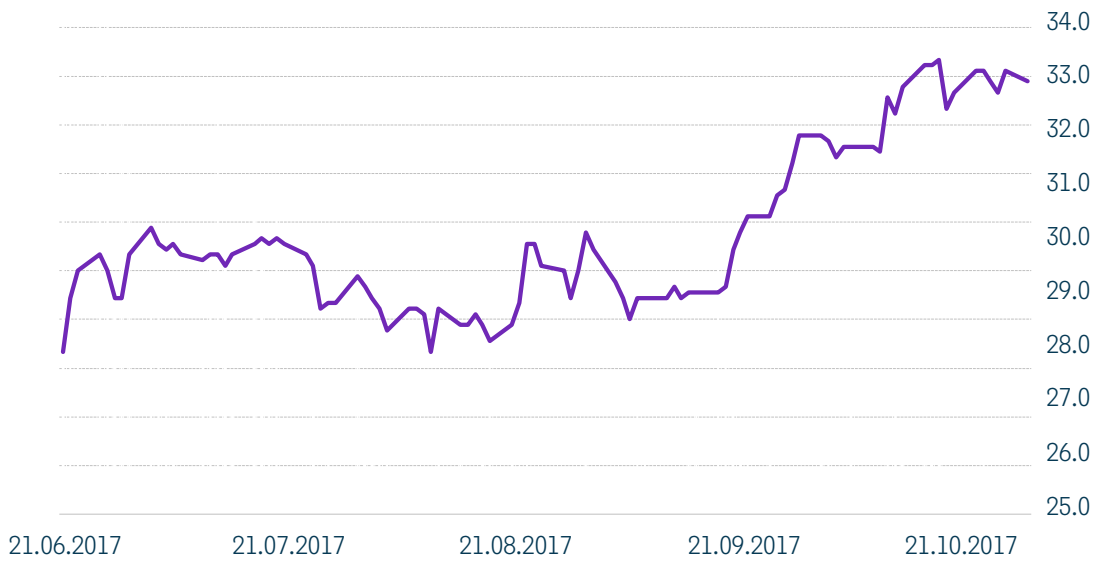
(NOK million)	As of 30 September		As of 31 December
	2017	2016	2016
Non-current interest bearing liabilities (excluding the capitalised arrangement fee)	4 756	6 973	7 028
Current interest bearing liabilities	3	3	3
Bank deposits	-346	-490	-990
Net interest-bearing liabilities	4 413	6 487	6 041
Arrangement fee	50	215	220
Non-current interest bearing liabilities (including the capitalised arrangement fee)	4 706	6 758	6 808

## NET LEVERAGE

Net leverage represents NIBD divided by adjusted EBITDA.

(NOK million)	As of 30 September
	2017
Net interest-bearing liabilities	4 413
Adjusted EBITDA	1 728
Net leverage	2.55

APPENDIX – SHARE PRICE DEVELOPMENT



**EVRY**

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