



EVRY

Digital
+dvantage

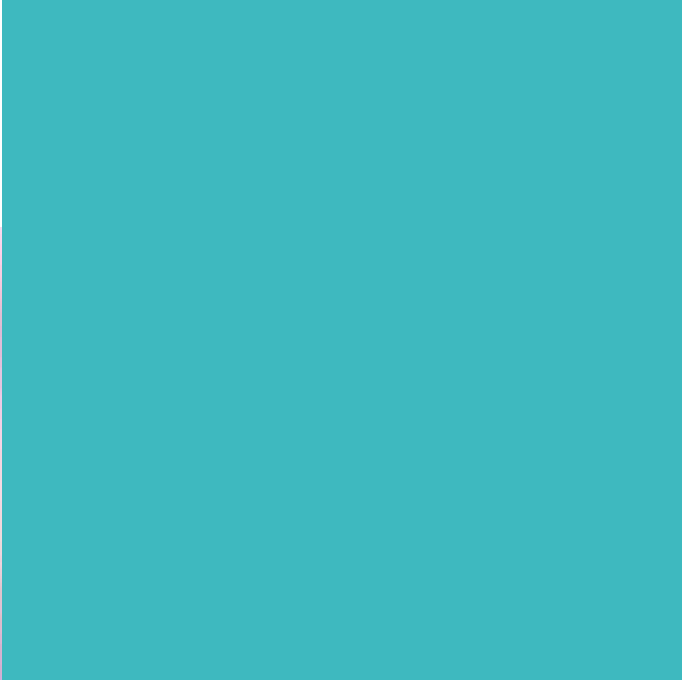
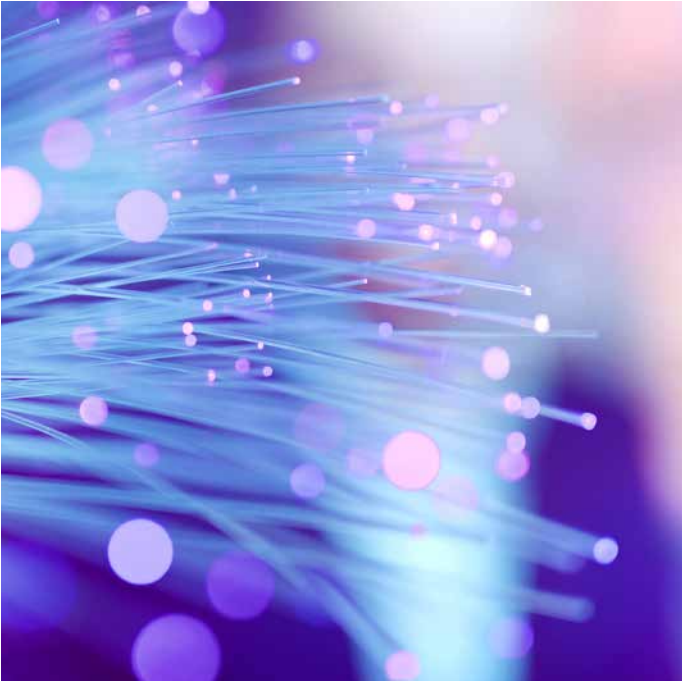


Interim Report for Q1 2018

OSLO BØRS TICKER: EVRY

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About EVRY

EVRY 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 EVRY. Through its strong local presence and in-depth technological and commercial insight, EVRY is a driving force for innovation and modernisation at its customers. EVRY reported turnover of NOK 12.6 billion in 2017 and has around 8 500 employees across eight countries. Its headquarters are located at Fornebu just outside Oslo, and the company is listed on the Oslo Stock Exchange.

www.evry.com

Financial Highlights

Continue the journey with organic revenue growth

- Total revenue of NOK 3 208 million in Q1 2018, compared to NOK 3 177 million in Q1 2017. Adjusted for currency impact and acquisitions, organic growth was 0.5% in Q1 2018 (4.8% in Q1 2017).
- EBITDA ¹⁾ of NOK 374 million in Q1 2018, compared to NOK 408 million in Q1 2017, representing an EBITDA ¹⁾ margin of 11.7% in Q1 2018 (12.8% in Q1 2017).
- EBITA ¹⁾ of NOK 320 million in Q1 2018, versus NOK 345 million in Q1 2017, representing an EBITA ¹⁾ margin of 10.0% (10.9% in Q1 2017).
- Last Twelve Months (LTM) Cash Conversion as of 31 March 2018 of 70.3%, compared to 109.8% LTM Cash Conversion 31 March 2017.
- Backlog of NOK 17.8 billion as of 31 March 2018.
- Approved dividend of NOK 1.25 per share to be paid out 28 May 2018.

	Q1 2018	Q1 2017	2017
Operating revenue	3 208	3 177	12 596
Organic growth	0.5 %	4.8 %	2.4 %
EBITDA ¹⁾	374	408	1 821
EBITDA margin (%) ¹⁾	11.7 %	12.8 %	14.5 %
EBITA ¹⁾	320	345	1 569
EBITA margin (%) ¹⁾	10.0 %	10.9 %	12.5 %
Free cash flow	-320	22	913
Cash conversion (LTM)	70.3 %	109.8 %	91.6 %
Backlog (NOK billion)	17.8	19.9	18.0
Earnings per share ¹⁾	0.53	0.55	2.82

1) Before other income and expenses

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Björn Ivroth, Group CEO of EVRY ASA said:

We are very pleased to announce that EVRY continues the journey with organic revenue growth and has been awarded a number of strategic contracts during the quarter.

In the first quarter of 2018 we increased our focus on EVRY's Nordic presence to drive scale and repeatability. We therefore established a Nordic delivery unit for Digital Platform Services in 2017, to ensure that our service and product development activities are harmonized across the Nordic region. It is important to us that both our local and international customers can leverage our expertise across borders, as this enables the most innovative solutions to be created, and technology to be applied, in ways that build the digital services of the future.

Business Update

MARKET DYNAMICS

Digital Advantage is a business management priority, and is enabled through the combination of industry knowledge, understanding of core processes, and creation of business value from application of IT to meet customer needs. As IT investments are shifting from the traditional IT budget to business management driven investments – understanding of applications and next generation technology is increasingly more relevant. According to Nordic market analysts Radar Ecosystem Specialists, the growth rate in business-driven IT investments is 3 times the growth rate in investments in traditional IT-services.

Consulting Services is of increased importance to enable Digital Advantage. For service and software providers like EVRY the value capture from the business-driven investments in IT is tightly connected to the combination of digital consulting services with traditional IT-services. To tap into the market potential in business-driven IT-investments, industry knowledge is a key requirement. Both EVRY's consultancy division and subsidiary BEKK are currently running at high utilization rates and are experiencing substantial demand for their consulting services.

Application of emerging technology is receiving increased attention from business management. As emerging technology has become an area of interest also outside of the IT-departments, EVRY is positioned for this trend both from the technology and advisory perspectives. Key success criterion going forward are building competences and experience within cognitive, automation/RPA, data management and analytics, combined with deep customer insight and experience.

Partnerships both with suppliers and customers are the main driver for successful business development. Enabling value creation for our customers requires willingness to combine expertise across organizational boundaries. The inherent complexity in digital makes successful application of technology,

to solve business problems, to a collaboration effort. An example of this, is the State Lottery CoLab case where EVRY has combined the best available resources from our group of companies and partners, to work in partnership with a cluster of customers to accelerate innovation within the segment.

OPERATIONAL HIGHLIGHTS

EVRY is experiencing high demand for digital consultants both within the public and private space in the Nordics. The utilisation rates in Norway and Sweden are within some segments at high levels, which underline the importance of a clear internal go to market strategy, an efficient consultancy pyramid, and a structured recruiting program to get the best young talents onboarded. By optimising the use of consultants with the relevant competence from both legacy and emerging technologies, EVRY expects to leverage customers' willingness to pay for right skilled people, which will further drive profitability. In general, EVRY experiences the similar fundamentals in both Norway and Sweden within consultancy, where the public space is investing more in digital innovation, as well as sectors as retail, industrials and healthcare are seeking digital advantage with extended use of artificial intelligence and robotics. Focus on local presence and delivery, as well as higher attention on security and regulations, are structural changes that EVRY will capture on.

The transition and transformation for the Digital Platform Services projects are still ongoing, where the migration of the larger enterprises is close to be completed. With regards to the SME portfolio, the operational KPI's as of the first quarter of 2018 indicate that the process is progressing better, compared to the delay that was flagged for the fourth quarter of 2017.

In general, the infrastructure business is delivering more stable services and operational stability on the new cloud enabled platform. The number of critical errors and incidents have been reduced significantly. The major challenge with the SME portfolio is linked to delays with delivery on requests for new services that the customers are requiring when the transition is completed. The main reason behind this issue is that the SME portfolio

has proven to be less standardised and more fragmented in terms of the delivery model than was expected, compared to the more homogeneous larger enterprise customer base. While larger enterprises have more standardised processes and tools, SME's are more people oriented which have required certain initiatives for adapting a new model for these customers. EVERY has over the last months implemented a top down/bottom up process improvement program, with focus on replacing and reducing human capital with more automation and cognitive solutions. As a result, an extended and more integrated governance model has been implemented in close collaboration with the partners, that will make the delivery model for SME's more scalable and repeatable.

EVERY has established Digital Platform Services ("DPS"), the unit responsible for delivering cloud based infrastructure services, with the purpose of building a cross Nordic collaboration go to market model, to accelerate the development of new and future-oriented services that are scalable and repeatable across targeted industries in the Nordics. This is an important step for EVERY on the journey of strengthening the position as an innovative and customer-centric organisation, based on a cloud-based delivery model for developing strategic areas such as cognitive technology and artificial intelligence. High-quality deliveries for customers and investments in expertise to ensure that EVERY is a market leader in new areas of technology of relevance is high on the agenda, where DPS is an important part of the puzzle to create accelerated growth for EVERY and add significant business value for the customers. To reach critical size and economies of scale, it is important to achieve credibility in the market and deliver customer relevant competence. Understanding customers' needs and requirements, in combination with right delivery model, will through a repeatable, scalable and cost-efficient business model with standardised procedures and tools, position EVERY for future growth.

EVERY Financial Services continues its growth journey and positive momentum through expansion of its services to new and other segments. The benefits of the core banking platform are attractive

for incumbent banks, as well as for both new entrants and start-ups in the banking sector. The main growth driver in Q1 has been the card business, which experiences significant requirements for a partner who can deliver a full value chain of card services, including both physical and virtual card solutions. New contracts with Nordea for credit card and fraud solutions and a new payment solution for VIPPS, are proof points that underline EVERY's position within this market.

EVERY experiences increased need for automation and advanced data analytics within the banking and fintech sector, as basis for increased operational efficiency and for being relevant in providing next generation services and solutions to the customers. Recognition that legacy modernization in combination with application of emerging technology is key, underline that "rip and replace" is not feasible. New regulations are changing the competitive landscape, and the introduction of PSD2 and the effect of Open banking has now turned into new contracts. Several banks have entered into agreements on EVERY's Open banking platform with PSD2 functionality, that support them in complying with the PSD2 regulations (14 banks in total, like i.e. OBOS Banken and BN Bank), and thereby started investing in frameworks and solutions that enable their business and operational model for the new Open banking regime. On the back of stricter regulations and increased compliance focus, EVERY also experiences new opportunities within the Anti Money Laundering space. The trend where banks have entered into collaboration and partnerships to meet international competition from global payment solution providers, is a shift in dynamics where EVERY expects to leverage on its current relationships that will create new business opportunities in the future.

STRATEGIC INITIATIVES AND PROCESSES

In April, EVERY announced that the company has entered into definitive agreement to acquire Findwise AB, a leading Nordic provider of advanced search, advanced analytics and big data services, which improves business outcomes for customers by creating solutions for search-driven and data-driven decisions. This transaction

proves the strategy of EVERY, acquiring smaller companies with extensive expertise within an attractive niche segment, with potential for leveraging on the existing customer base in the target company, as well as creating future synergies across the EVERY Group. Findwise has an attractive workforce of data scientists and specialists which complement EVERY within this field, and who create solutions for Nordic blue-chip customers through long-term relationships and recurring business; adding up sale potential for the whole EVERY Group. Findwise offers a step change in initiating EVERY's cognitive analytics strategy in the Nordic region, through enhanced capabilities in advanced analytics and deepens EVERY's strategic partnerships with leading vendors such as IBM, Google and Microsoft. Furthermore, EVERY will be able to scale and develop its digital business offering and cognitive analytics with its proprietary and technology agnostic framework, Findwise i3. On the basis of its new capabilities, EVERY will be able to accelerate its development of new industry-specific solutions such as cognitive advanced analytics within financial services, the public and healthcare sector, retail, logistics and the automotive industry.

EVERY has, over recent months been in negotiations with the owners of Samlink Oy regarding a potential acquisition of the company and to enter into long term service contracts with four of the bank groups owning Samlink today. The Board of Samlink notified EVERY on 12 April 2018 that they had decided to invite other potential buyers into the transaction process, which implies that EVERY is evaluating the situation and considering possible implications due to the change in scope from the sellers. As a result, EVERY will now consider its options, but in light of the new development, the likelihood of acquiring Samlink is reduced. However, the strategy to grow the EVERY Financial Services business still remain high.

BACKLOG, PROJECTS AND SELECTED NEW CONTRACTS

EVERY ended the first quarter of 2018 with a back log of NOK 17.8bn, compared to NOK 18.0bn as of year-end 2017. This underline EVERYs market position and prove that the company has been

awarded a sustainable number of new contracts during the quarter, in a highly competitive environment.

The trend has over time been moving towards initiation of smaller pilots or programs that accumulate to larger IT projects over time, where IT service providers capture on digital consultants which have deep customer insight and are speaking partners with the companies in early phase. Our business with both Vipps and Polygon are examples of how we are able to expand small engagements into larger ones, through providing higher value in the understanding of application of IT. As Vipps expands their operations, EVERY is expanding together with them. EVERY and Vipps enable customers to receive and manage their invoices using either the Vipps app or online banking, mobile banking or another preferred channel. EVERY's new payment solution, which is part of its core banking and payment suite, is now also integrated with Vipps. Together with Polygon, a digital service was co-created that facilitates and improves the communication between Polygon, property managers and tenants in a fire or water damage situation. Using EVERY's SPARK Innovation framework, the innovation team went from a tangible business opportunity to a prototype solution in a very short timeframe, validating the business potential and customer value. A rapid implementation followed, and the solution is now live. SPARK has enabled Polygon to accelerate business opportunities, positioning EVERY as a trusted advisor and innovative partner.

In March, EVERY announced the new contract and extended partnership with Storebrand (Norwegian insurance incumbent), where a new long-term agreement was entered into. This agreement will support Storebrand in driving digital innovation, give higher flexibility to develop new digital services, and improve automation and the efficiency of Storebrand's IT operating services. The agreement involves outsourcing of IT services, including cloud services, and represents a contracted value of more than NOK 400 million over five years.

In Q1 Mesta, the Norwegian state-owned construction company, awarded EVRY the contract of supplying a modern IT platform. The new, modern and cloud enabled platform will serve as a platform for digitization and innovation for Mesta and will be a key component in their digital transformation journey.

Group Performance

SUMMARY OF THE FIRST QUARTER OF 2018

This interim report relates to EVRY's performance in the first quarter of 2018 relative to the first quarter of 2017. All figures are in NOK million unless otherwise stated. All comments regarding EBITDA and EBITA exclude other income and expenses. Please refer to page 28 for a description of the Alternative Performance Measures.

REVENUES

The Group reported operating revenue for the first quarter of 2018 of NOK 3 208 million compared to NOK 3 177 million in the first quarter of 2017. Adjusted for currency impact and acquisitions, the organic growth was 0.5% relative to the first quarter of 2017. The revenue generation has been impacted by three less working days in the first quarter of 2018 compared to the first quarter of 2017.

EVRY maintained a strong backlog of NOK 17.8 billion at the end of March 2018; a reduction of NOK 0.2 billion from NOK 18.0 billion at year-end 2017. This underlines the position of EVRY in a market where digitalisation is on top of the agenda across all industries, where the company has entered into new contracts and secured a sustainable backlog. See "Business Update" for more information on new contracts and projects awarded in the first quarter.

The Group's revenues are divided into different service lines based on the type of product or services that are offered;

- **Consulting Services:** Bringing together business strategy, design thinking and technology, making the best use of new, emerging IT technologies and competencies in consultancy and advisory services on digital strategy and service in business development.
- **Application Services:** Addressing customers' needs for business solutions by implementing and running systems developed by the Group or based upon third-party vendor software.
- **Digital Platform Services:** Providing access to efficient and reliable IT infrastructure and focusing on hybrid cloud solutions with related application services, to enable customers' digital business.

- **Fulfilment Services:** Supply of devices and software for customers' workforces, including i.e. laptops, mobile devices and equipment for collaboration.

CONSULTING SERVICES

Revenues within Consulting Services were NOK 1 106 million, equal to 32.9% of total group revenues in the first quarter of 2018. In the first quarter of 2017 Consulting Services revenues amounted to NOK 1 156 million or 34.4% of total revenues. The shift in relative share from the first quarter of 2018 to the first quarter of 2017 is mainly explained by seasonality effects, which organically implies a decline of 4.1 % in the first quarter of 2018.

The consultancy business was negatively impacted by three additional official bank holidays and the connecting days which normally follow the Easter holiday in Norway. In Sweden there was one less working day in the first quarter of 2018. The utilisation in the first quarter of 2018 (Norway and Sweden combined) was 81.3%, a reduction of 1 percentage point compared to the same quarter last year.

APPLICATION SERVICES

Revenues within Application Services were NOK 1 050 million in the first quarter of 2018, which represent 31.2% of total group revenues. In the first quarter of 2017 Application Services revenues amounted to NOK 961 million or 28.6% of total revenues. This represents an organic growth of 8.4 % in the first quarter of 2018 and is a result of the Group's focus on increasing sales of higher value-added services.

CONSULTING SERVICES

Service lines (NOK million)	Q1 2018	% of total revenues ¹⁾	Q1 2017	% of total revenues ¹⁾	Growth
Revenues Consulting Services	1 106	32.9 %	1 156	34.4 %	-4.1 %
Utilisation Norway (in percent)	81.5 %		81.0 %		
Utilisation Sweden (in percent)	80.9 %		84.1 %		
Utilisation Norway and Sweden (in percent)	81.3 %		82.3 %		
Average number of billable consultants Norway	1 097		1 071		
Average number of billable consultants Sweden	864		843		
Average number of billable consultants Norway and Sweden	1 961		1 914		

Utilisation is defined as the time spent by billable consultants on external and internal projects/available hours.

1) Before Group eliminations.

Within the Application Services area, the revenue from the Financial Services business amounted to NOK 516 million (equal to 49.2% of the total Application revenues), and the revenue growth was mainly driven by the positive momentum that continues within Card Services. The card business delivered sustainable growth in the first quarter of 2018, where EVRY experience significant requirements for both physical and virtual card solutions.

are scalable and repeatable across targeted industries. By providing basic infrastructure services through the strategic partnerships, the Group has over the last quarters been able to change to a higher-margin business mix to include relatively more higher-margin services, less basic infrastructure and fulfilment services, combined with a greater volume of higher value-added Consulting Services and Application Services.

DIGITAL PLATFORM SERVICES AND FULFILMENT SERVICES

Revenues within Digital Platform Services (Infrastructure Services) were NOK 934 million, equal to 27.8% of total group revenues in the first quarter of 2018. In the first quarter of 2017, Digital Platform Services revenues amounted to NOK 947 million (28.2% of total revenue), which imply that EVRY continue the journey on changing the revenue mix by selling relatively more services higher up in the value stack. Organically this was a decline of 1.9 % in the first quarter of 2018.

The strategic partnerships which the Group has entered into and the establishment of the Digital Platform Services division has improved and accelerated the Group's ability to provide infrastructure outsourcing solutions to the Nordic market; offering a full range of alternatives and options to customers and accelerating the development of new and future-oriented services that

Profitability

EBITDA AND EBITA BEFORE OTHER INCOME AND EXPENSES

Reported EBITDA in the first quarter of 2018 was NOK 374 million, compared to NOK 408 million in the first quarter of 2017. The reported EBITA in the first quarter of 2018 was NOK 320 million, compared to NOK 345 million in the first quarter of 2017. The EBITA margin was 10.0% in the first quarter of 2018, compared to 10.9% in the first quarter of 2017. As the Easter fell into the first quarter this year, the operational performance was negatively affected by this event as it has direct effect on the consultancy business in Norway and Sweden. Financial Services reported increased profitability, due to high activity within the Card Services area.

OTHER INCOME AND EXPENSES

Other income and expenses totalled NOK 125 million in the first quarter of 2018, which was solely related to the

APPLICATION SERVICES

Service lines (NOK million)	Q1 2018	% of total revenues ¹⁾	Q1 2017	% of total revenues ¹⁾	Growth
Revenues Application Services	1 050	31.2 %	961	28.6 %	8.4 %
Whereof revenues within Financial Services	516	49.2 %	465	48.4 %	10.3 %

1) Before Group eliminations.

DIGITAL PLATFORM SERVICES AND FULFILMENT SERVICES

Service lines (NOK million)	Q1 2018	% of total revenues ¹⁾	Q1 2017	% of total revenues ¹⁾	Growth
Revenues Digital Platform Services	934	27.8 %	947	28.2 %	-1.9 %
Revenues Fulfilment Services	272	8.1 %	297	8.8 %	-9.5 %

1) Before Group eliminations.

transition and transformation project in the partnership model with IBM. In the first quarter of 2017 other income and expenses totalled NOK 443 million, which implied a reduction of NOK 318 million.

NET FINANCIAL EXPENSES, PROFIT BEFORE TAX AND EARNINGS PER SHARE

Net financial expenses for the first quarter of 2018 were NOK 68 million (whereof NOK 20 million in disagio effect), a decrease of NOK 80 million from NOK 148 million for the corresponding period in 2017. The reduction in net financial expenses were due to significantly lower leverage and interest rates on the new senior debt facility entered into in relation to the IPO in June 2017.

Profit before tax (EBT) for the first quarter of 2018 was NOK 126 million as compared to a loss of NOK 252 million for the first quarter of 2017. The effective tax rate for the first quarter of 2018 was 20.9%, representing a tax expense of NOK 26 million. The effective tax rate for the first quarter of 2017 was 21.6%, representing a tax income of NOK 62 million.

Earnings per share (EPS) was NOK 0.27 per share for the first quarter of 2018, compared to NOK -0.71 per share for the first quarter of 2017. Adjusted for other income and expenses, the EPS was NOK 0.53 per share for the first quarter of 2018 compared to NOK 0.55 per share for the corresponding quarter of 2017.

Cash Flow

CASH CONVERSION AND DSO

LTM Cash conversion as of March 2018 ended at 70.3%, compared to 109.8% as

of LTM March 2017. The reduced cash conversion was mainly explained by reduced EBITDA and high working capital outflow as the quarter ended mid Easter.

EVERY continue to improve its cash collection procedures and processes and has improved the DSO significantly over the last years. As of 31 March 2018, the DSO was 37.2 days, compared to 39.6 days at the end of March 2017, a reduction of 2.4 days.

NET CASH FLOW AND FREE CASH FLOW

Net cash flow from operations for the first quarter of 2018 was negative NOK 411 million as compared to negative NOK 309 million for the first quarter of 2017. Adjusted operational cash flow for the first quarter of 2018 was negative NOK 232 million, a decrease from NOK 94 million in the first quarter of 2017. The lower cash flows in the first quarter of 2018 compared to the first quarter of 2017 were, as stated above, driven by lower EBITDA and higher working capital outflow.

Net operational investments for the first quarter of 2018 totalled to NOK 88 million, compared to NOK 72 million for the same period in 2017. Investment in tangible operating assets amounted to NOK 30 million for the first quarter of 2018, while investment in in-house developed software amounted to NOK 64 million in the same period. The corresponding figures for first quarter of 2017 were NOK 34 million and NOK 44 million respectively. Investment in group companies amounted to NOK 17 million in the first quarter of 2017 and were related to the acquisition of Gecko Informasjonssystemer AS in Norway. There have not been any acquisitions in the first quarter of 2018.

Net cash flow from financing for the first quarter of 2018 was negative NOK 2 million, compared to NOK 249 million in the first quarter of 2017, which was mainly related to draw downs on the previous vendor financing, which was repaid in relation to the IPO conducted in June 2017.

Free cash flow for the first quarter of 2018 was negative NOK 320 million compared to NOK 22 million for the same quarter in 2017. The decrease in free cash flow is explained by the effects as described above.

Equity and Capital Structure

The equity as of 31 March 2018 was NOK 2 882 million, equal to an equity ratio of 26.3%, compared to an equity of NOK 3 238 million and an equity ratio of 28.4% at the end of December 2017. The negative effect on book equity in the quarter is explained by the implementation effect of IFRS 15 of NOK 391 million, which was due to the change in recognition of revenues related to software licenses within Financial Services. See note 1 of the Interim Financial Statement for more information.

The Group had total outstanding long-term debt of NOK 4 555 million and a cash balance of NOK 368 million as of 31 March 2018. This implies a net interest-bearing debt (NIBD) of NOK 4 247 million and a net leverage of 2.38x LTM EBITDA.

Forward-Looking Statements

This report contains forward-looking statements. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. EVERY 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 EVERY.

Although EVERY 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 EVERY including those described in the Prospectus provided in connection with the IPO and other information made available by EVERY. As a result, you should not rely on these forward-looking statements. EVERY 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 2018. The business areas reflect the main markets served and correspond with the structure used for reporting to the Group's decision makers.

Operating revenue (NOK million)	Q1 2018	Q1 2017	Organic growth	2017
EVERY Norway	1 465	1 508	-2.8 %	5 769
EVERY Sweden	839	852	-3.8 %	3 312
EVERY Financial Services	819	779	4.7 %	3 222
Other	85	39		294
Group	3 208	3 177	0.5 %	12 596
EBITA (NOK million)	Q1 2018	Q1 2017		2017
EVERY Norway	117	152		603
EVERY Sweden	65	83		325
EVERY Financial Services	92	85		432
Other	46	24		209
Group (adjusted)	320	345		1 569
Other income and expenses	-125	-443		-1 215
Group	195	-98		353
EBITA margin (%)	Q1 2018	Q1 2017		2017
EVERY Norway	8.0 %	10.1 %		10.5 %
EVERY Sweden	7.7 %	9.8 %		9.8 %
EVERY Financial Services	11.2 %	11.0 %		13.4 %
Group (adjusted)	10.0 %	10.9 %		12.5 %
Group	6.1 %	-3.1 %		2.8 %

EVERY Norway

Operating revenue for EVERY Norway for the first quarter of 2018, was 1 465 million, a decrease of NOK 2.8% organically from NOK 1 508 million for the first quarter of 2017. The revenue decrease was mainly driven by the consultancy business as this was exposed to the Easter effect experienced during the quarter. The utilisation related to billable consultants was 81.5% in the first quarter of 2018, compared to 81.0% in the first quarter of 2017.

EVERY Norway reported an EBITA of NOK 117 million for the first quarter of 2018, compared to NOK 152 million in the first quarter of 2017. The EBITA margin for the first quarter of 2018 was 8.0% as compared to 10.1% in the same period of 2017. The profitability in the quarter was exposed to the seasonality effect as described above, as a part of the business was running with a fixed cost base despite activity level.

EVERY Norway's order backlog at 31 March 2018 was NOK 7.0 billion, an increase of NOK 0.1 billion from NOK 6.9 billion as of December 2017.

EVERY Sweden

Operating revenue for EVERY Sweden for the first quarter of 2018 was NOK 839 million, a decrease NOK 13 million from NOK 852 million in the first quarter of 2017. After adjusting for currency effects and acquisitions, the decline in revenue was 3.8%. The decline in revenue was mainly within Consulting Services, driven by lower utilisation in the first quarter of 2018 versus a first quarter in 2017 which had very high activity. The utilisation of the billable consultants was 80.9% in the first quarter of 2018, compared to 84.1% in the first quarter of 2017.

EVERY Sweden reported an EBITA of NOK 65 million for the first quarter of 2018, compared to NOK 83 million in the first quarter of 2017. The reduced profitability was mainly due to lower utilisation within the consultancy services area. The EBITA margin for the first quarter of 2018 was 7.7% as compared to 9.8% in the first quarter of 2017.

EVERY Sweden's order backlog at 31 March 2018 was NOK 3.3 billion, a decrease of NOK 0.2 billion from NOK 3.5 billion at the end of December 2017.

EVERY Financial Services

Operating revenue for Financial Services for the first quarter of 2018 was NOK 819 million, an increase of NOK 40 million from NOK 779 million for the first quarter of 2017. This was equivalent to an organic revenue growth of 4.7% relative to the first quarter of 2017, where the major part of the uplift came from the Card Services (delivery of physical and virtual card solutions).

The products and services within Financial Services can be split into two main areas, based on the products being offered; Cards Services and delivery of Banking solutions and products (i.e. the core banking platform and payment solutions).

The Card Services covers the complete card value chain from card issuing to card acquiring, physical card production and development of virtual cards, as well as card switching. The Card Services area represents 29% of total revenues within the Financial Services area in the first quarter of 2018. The Card Services area has shown a sustainable revenue growth over the past two years and reported a growth of 16.7% in the first quarter of 2018 compared to the first quarter of 2017.

The Banking area includes sale of solutions for all core banking services and payment solutions. The portfolio includes a wide range of solutions and products for retail and commercial banking services, whether this relates to interfaces with end-customers or solutions to support a bank's internal or back-office processes and employees. The portfolio is modulebased and includes banking services, transactions systems and payment solutions. The Banking area represent 71% of total revenues within Financial Services business area.

EVERY Financial Services reported an EBITA of NOK 92 million for the first quarter of 2018, compared to NOK 85 million for the first quarter 2017, representing an EBITA margin of 11.2% and 11.0% respectively. The EBITA improvement was, as mentioned above, related to high activity within the Card Services area, delivering an EBITA margin of 13.1%, an increase of 3.4 percentage points compared to the first quarter of 2017. The Banking area reported an EBITA margin of 10.4% in the first quarter of 2018, compared to 11.4% for the corresponding period in 2017. The reduced margin within the Banking area is mainly explained by a change in revenue mix, as the transaction volumes, which comes with a lower margin, was high in the first quarter of 2018. A normal seasonality pattern within the Banking area is back ended (second half normally strongest), as a major part of the customer projects and deliveries are closed in the latter period.

EVERY Financial Services' order backlog at 31 March 2018 was NOK 7.5 billion, a reduction of NOK 0.1 billion from NOK 7.6 billion at the end of December 2017.

Other

Revenue related to EVERY's Global Delivery organisation totalled NOK 239 million for the first quarter of 2018, an increase of NOK 17 million from NOK 222 million in the first quarter of 2017. EBITA for the first quarter of 2018 was NOK 37 million, compared to NOK 33 million in the same period of 2017. The EBITA margin for the first quarter of 2018 was 15.5%, as compared to 15.0% for the first quarter of 2017. Approximately 60% of the revenue within Global Delivery relates to external customers outside EVERY Group. In addition to providing services

to customers in Norway and Sweden, the centres in Ukraine and India also address markets in Western Europe and the United States. The Global Delivery units consists of approximately 3 000 FTEs across India, Ukraine and Latvia and have had high utilisation over several quarters, and delivers stable EBITA margin around 15%.

Intra-group eliminations totalled NOK 154 million for the first quarter of 2018 as compared to NOK 183 million for the first quarter of 2017. Expenses associated with corporate functions, which are not allocated to EVERY's segments, totalled to NOK -9 million in the first quarter of 2018, as compared to NOK 10 million in the first quarter of 2017.

EVERY FINANCIAL SERVICES

(NOK million)	Q1 2018	Q1 2017	2017
Cards			
Revenue	237	203	912
EBITA	31	20	119
EBITA margin	13.1 %	9.7 %	13.0 %
Banking			
Revenue	582	576	2 310
EBITA	61	66	313
EBITA margin	10.4 %	11.4 %	13.5 %
Financial Services total			
Revenue	819	779	3 222
EBITA	92	85	432
EBITA margin	11.2 %	11.0 %	13.4 %

OTHER

(NOK million)	Q1 2018	Q1 2017	2017
Global Delivery			
Revenue	239	222	930
EBITA	37	33	140
EBITA margin	15.5 %	15.0 %	15.0 %
Group eliminations / Group costs			
Revenue	-154	-183	-636
EBITA	9	-10	69
Other total			
Revenue	85	39	294
EBITA	46	24	209

Key Figures and Financial Ratios

This interim report relates to EVRY's performance in the first quarter of 2018 relative to the first quarter of 2017. All figures are in NOK million unless otherwise stated. All comments regarding EBITDA and EBITA exclude other income and expenses. Please refer to page 28 for a description of the Alternative Performance Measures.

(NOK million)	Q1 2018	Q1 2017	2017
Income statement			
Operating revenue	3 208	3 177	12 596
EBITDA	249	-35	629
Adjusted EBITDA	374	408	1 821
Adjusted EBITDA margin (%)	11.7 %	12.8 %	14.5 %
EBITA	195	-98	353
Adjusted EBITA	320	345	1 569
Adjusted EBITA margin (%)	10.0 %	10.9 %	12.5 %
Other income and expenses	125	443	1 215
Operating profit (EBIT)	194	-104	339
Net financial items	-68	-148	-673
Profit/-loss for the period	100	-190	-261
Cash flow			
Adjusted net cash flow from operations	-232	94	1 272
Net operational investments (CAPEX)	-88	-72	-359
Free cash flow	-320	22	913
Cash conversion (LTM)	70.3 %	109.8 %	91.6 %
Net working capital	14	-479	-476
DSO (LTM)	37.2	39.6	36.3
Financial position			
Total assets	10 942	10 778	11 383
Goodwill	5 580	5 635	5 736
Total equity	2 882	74	3 238
Equity ratio	26.3 %	0.7 %	28.4 %
Net interest-bearing liabilities (NIBD)	4 247	6 447	3 807
Employees			
Number of employees end of period	8 495	8 487	8 545
Global Delivery in percent of total employees	36.0 %	36.3 %	35.7 %
Full-time employees (FTEs) (in percent)	97.7 %	96.9 %	97.6 %
Number of consultants (Norway and Sweden)	1 961	1 914	
Utilization (Norway and Sweden)	81.3 %	82.3 %	
Growth / Sales			
Total revenue growth	1.0 %	3.9 %	2.9 %
Currency effects	-0.4 %	2.7 %	0.5 %
Acquisition and Divestment impact	-	-1.8 %	-1.0 %
Organic growth	0.5 %	4.8 %	2.4 %
Backlog (NOK billion)	17.8	19.9	18.0
Stock market ratios			
Earnings per share (NOK)	0.27	-0.71	-0.82
Diluted earnings per share (NOK)	0.27	-0.71	-0.82
Adjusted earnings per share (NOK)	0.53	0.55	2.82
Number of shares issued	370 806 077	267 338 981	370 806 077
Number of treasury shares	-	-	-
Average number of shares	370 806 077	267 338 981	319 072 529
Average number of shares (diluted)	371 043 874	267 338 981	319 113 095

Condensed Consolidated Interim Financial Statements

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Condensed Consolidated Statement of Comprehensive Income

(NOK million)	Note	Q1 2018	Q1 2017	2017
Operating revenue	3	3 208	3 177	12 596
Cost of goods sold		1 098	1 003	4 281
Salaries and personnel costs		1 430	1 437	5 341
Other operating costs		306	329	1 154
Adjusted EBITDA		374	408	1 821
Other income and expenses		125	443	1 215
Depreciation and write-down of tangible assets and in-house developed software		54	63	252
Adjusted EBITA		320	345	1 569
Operating profit/-loss before amortisation of customer contracts (EBITA)		195	-98	353
Amortisation of customer contracts		1	6	14
Operating profit/-loss (EBIT)		194	-104	339
Net financial items		-68	-148	-673
Profit/-loss before tax		126	-252	-333
Taxes		26	-62	-72
Profit/-loss for the period		100	-190	-261
Other comprehensive income				
Cash flow hedges		22	33	99
Currency translation differences		-95	20	50
Actuarial gains/-losses on defined benefit pension plans		-	-	-41
Total other comprehensive income		-73	53	108
Total comprehensive income for the period		27	-137	-153
Total comprehensive income for the period are allocated as follows				
Owners of the parent		27	-137	-154
Non-controlling interests		-	1	1
Earnings per share (basic and diluted)				
Earnings per share, basic (NOK)		0.27	-0.71	-0.82
Earnings per share, diluted (NOK)		0.27	-0.71	-0.82

Condensed Consolidated Statement of Financial Position

(NOK million)	Note	31.03.18	31.03.17	31.12.17
Goodwill		5 580	5 635	5 736
Other intangible assets		1 458	1 127	1 310
Total intangible assets		7 038	6 762	7 046
Total tangible assets		359	395	376
Total non-current financial assets		356	185	339
Total non-current assets		715	580	7 762
Accounts receivable		1 654	1 443	1 663
Other current receivables		1 168	1 148	1 078
Bank deposits		368	845	880
Total current assets		3 190	3 436	3 621
Total assets		10 942	10 778	11 383
Equity		2 882	74	3 238
Non-controlling interests		1	1	1
Total equity and non-controlling interests		2 883	75	3 239
Provision for liabilities		267	243	274
Non-current non-interest-bearing liabilities		413	226	12
Non-current interest-bearing liabilities	5	4 555	7 082	4 623
Total non-current liabilities		5 236	7 551	4 910
Accounts payable		695	855	934
Duties payable, vacation allowance		993	932	986
Other current liabilities		1 135	1 365	1 314
Total current liabilities		2 823	3 152	3 234
Total equity and liabilities		10 942	10 778	11 383

Condensed Consolidated Statement of Cash Flow

(NOK million)	Q1 2018	Q1 2017	2017
Profit/-loss before tax	126	-252	-333
Depreciation, write-down and amortization	55	92	290
Tax paid	-4	-26	-52
Net financial items	22	18	278
Change in net working capital	-592	-159	-177
Other changes	160	422	1 268
Cash effect from other income and expenses	-179	-403	-1 767
Net cash flow from operations	-411	-309	-495
Investment in tangible operating assets	-30	-34	-176
Investment in in-house developed software	-64	-44	-206
Sale of tangible operating assets (sales proceeds)	6	6	24
Investment in group companies	-	-17	-9
Net cash flow from investments	-88	-89	-368
Draw down of new debt	-	294	5 240
Repayment of debt	-2	-44	-7 637
Proceeds from equity issued	-	-	3 167
Net cash flow from financing	-2	249	770
Changes in foreign exchange rates	-11	4	-17
Net change in cash flow	-512	-145	-110
Opening balance bank deposits	880	990	990
Closing balance bank deposits	368	845	880

Condensed Consolidated Statement of Changes in Equity

(NOK million)	Attributable to equity holders of the parent				Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Other equity	Total		
Equity as of 31 December 2017	649	2 589	-	3 238	1	3 239
Implementation effect of IFRS 15		-391	-	-391	-	-391
Equity as of 1 January 2018	649	2 198	-	2 847	1	2 848
Profit/-loss for the period			100	100	-	100
Other comprehensive income			-73	-73	-	-73
Issue of share capital			-	-	-	-
Sharebased options employees			8	8	-	8
Equity as of 31 March 2018	649	2 198	35	2 882	1	2 883

(NOK million)	Attributable to equity holders of the parent				Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Other equity	Total		
Equity as of 1 January 2017	468	-	-275	193	-	193
Profit/-loss for the period			-190	-190	-	-190
Other comprehensive income			53	53	-	53
Option scheme employees			18	18	-	18
Allocation of equity			-	-	-	-
Equity as of 31 March 2017	468	-	-393	74	-	75

Notes

NOTE 1 – GENERAL ACCOUNTING PRINCIPLES

EVRY (Group) consists of EVRY ASA and its subsidiaries. EVRY ASA is a 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 three months ending 31 March 2018 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 2017. The annual report can be found at evry.com.

The interim consolidated financial accounts have been produced in accordance with the accounting policies followed in the Group's annual financial accounts for the year ended 31 December 2017, except for the implementation of the new revenue recognition standard IFRS 15 Revenue from contract with customers which has been implemented from 1 January 2018. In addition, EVRY has implemented IFRS 9 Financial Instruments, however this has not had any significant impact on the Group's consolidated interim financial statements.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The new standard establishes a five-step model to account for revenue arising from contracts with customers. 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 requires entities to exercise judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method where the cumulative effect of the implementation has been applied only to the most current period presented. Only contracts not completed at 31 December 2017 have been subject to transition to IFRS 15. The implementation effect on equity 1 January 2018 is related to sale of licenses in the Financial Services business area and amount to NOK 391 million. Below is the implementation effect specified on the relevant line items:

(NOK million)

Deferred tax asset	116.9
Retained earnings	391.1
Deferred income	-508.0

Consulting Services

Consulting services are performed over time and thereby will be recognised over time, as the customer simultaneously receives and consumes the benefits of the services. Total hours incurred will be used to measure the progress in the over-time revenue recognition.

For consulting services with fixed prices, the revenue recognition will be made linearly over the contract period.

Application Services

Sale of licenses (right to use) that are distinct are recognised at a point in time when the customer is able to use and benefit from the license. Sale of licenses that are part of a bundled contract (right to access) are not distinct and are recognised over the contract period.

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.

Digital Platform Services/Infrastructure Services

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 service and maintenance contracts is recognised in the accounts over the period of the contract, as the customer simultaneously consumes the service and maintenance as it is performed. 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 as this is when the customer receives and consumes the benefits from the project. Revenue from a transition project that is not related to an operating services contract is recognised when the customer receives and benefits from the project.

Fulfilment Services

Sale of software and hardware will be recognised at a point in time when the customer obtains control of the goods, which is assumed to be at delivery.

Variable considerations

Some contracts can have transaction prices which vary based on contract terms. Variable consideration includes discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The variable consideration is estimated at contract inception and constrained until the related uncertainty is resolved.

For EVERY, the most common variable consideration relates to SLA penalties, volume discounts and price regulations. Variable consideration will be estimated using either an 'expected value' or 'most likely amount' method, whichever better predicts the consideration to which EVERY will be entitled and will be treated as an adjustment to the transaction price (reduction of revenue). SLA and price regulations are allocated to the service, which is a series of distinct services and will be accounted for as it occurs (SLA) or based on calculations of volume fluctuations (at year-end). Price regulations will not be allocated to services already performed, only prospectively.

Warranty obligations

The standard defines two types of warranties;

- (i) Assurance-type warranties, and
- (ii) Service-type warranties

Assurance-type warranties are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, while service-type warranties represent a distinct service and is a separate performance obligation. EVERY's contracts do not contain any warranties that could have been sold separately. EVERY does not provide any warranties beyond promising that the deliverables meet the agreed specifications, i.e. SLA, and these warranties therefore do not represent separate performance obligations.

Principal versus agent considerations

EVERY often use subcontractors or partners to fulfil its contracts with customers. When using partners or subcontractors, the issue is whether EVERY should report revenue based on the gross amount billed (EVERY is the principal) or the net amount retained (that is, the amount billed to the customer less the amount paid to the subcontractor), because EVERY has only earned a commission fee (EVERY is the agent). In most cases, EVERY is fully responsible for the goods and services delivered towards the customer and has the discretion in setting the prices to the customer and is regarded as principal in the contract.

Contract costs

Under the new standard, there are two types of contract costs where an asset must be recognised;

- (iii) incremental costs of obtaining a contract, and
- (iv) costs incurred in fulfilling a contract

Incremental costs of obtaining a contract (e.g. sales commission) will be recognised as an asset if EVERY expects to recover them, either directly through reimbursement, or indirectly through the inherent margin in the contract. Costs such as bid costs, negotiations, meetings and contract writing are not considered incremental and are expensed as incurred, unless they are explicitly chargeable to the customer.

Under IFRS 15, entities will capitalise the costs to fulfil a contract if they relate directly to the contract, generate or enhance the resources used to satisfy performance obligations and are expected to be recovered. These costs include direct labour, direct materials, allocation of costs directly related to the contract, costs explicitly chargeable to the customer and other costs that are only incurred because the entity entered into the contract. However, costs that relate to past performance or performance obligations that have already been transferred to the customer and have already been expensed, cannot be capitalised. In order for costs to meet the 'expected to be recovered' criterion, costs need to be either explicitly reimbursable under the contract or reflected in the pricing on the contract and recoverable through margin.

IFRS 15 requires these costs to be recognised as an asset and amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Presentation and disclosure requirements

As required for the condensed interim financial statements, EVERY disaggregates revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to note 3 for the disclosure of disaggregated revenue.

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 amounts recognized 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 2017.

NOTE 3 – REVENUES AND CONTRACT ASSETS/-LIABILITIES

EVERY disaggregates its revenues from contracts with customers by geographic location and service lines as EVERY believes that this best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

FIRST QUARTER OF 2018

(NOK million)	EVERY Financial Services	EVERY Norway	EVERY Sweden	Other	Total
Service lines					
Consulting Services	49	550	269	239 ¹⁾	1 106
Application Services	516	306	227	-	1 050
Digital Platform Services	254	458	222	-	934
Fulfilment Services	-	151	121	-	272
Group eliminations	-	-	-	-154	-154
Total	819	1 465	839	85	3 208

1) Global Delivery

CONTRACT ASSETS AND CONTRACT LIABILITIES

EVERY receives payment from customers based on billing schedules as established in the contracts. Contract assets relate to EVERY's conditional right to consideration for the completed performance under the contracts. Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liabilities relate to payments received in advance of performance under the contracts. Contract liabilities are recognised as revenue as (or when) EVERY perform under the contracts.

Contract assets mainly relate to implementation projects where the customers have not yet been invoiced. Contract liabilities consist of prepaid amounts from customers.

Net contract assets/-liabilities consist of the following:

(NOK million)	31.03.2018	01.01.2018	Change
Contract assets	372	336	-36
Contract liabilities - current	-407	-314	93
Contract liabilities - non-current	-413	-416	-2
Net contract assets/-liabilities	-448	-394	54

Included in contract liabilities is the implementation effect related to IFRS 15 of NOK 508 million, whereof NOK 101 million is classified as current.

NOTE 4 – OTHER INCOME AND EXPENSES

OTHER INCOME AND EXPENSES

(NOK million)	Q1 2018	Q1 2017	2017
IBM partner agreement	125	389	941
Provision for restructuring	-	-	33
Transaction costs, IPO and refinancing	-	55	241
Total other income and expenses	125	443	1 215

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

NOTE 5 – NON-CURRENT INTEREST-BEARING LIABILITIES

(NOK million)	31.03.2018	31.03.2017	31.12.2017
Financial lease	14	17	16
Liabilities to credit institution	4 598	7 271	4 668
Arrangement fee financing	-56	-207	-61
Non-current interest bearing liabilities	4 555	7 082	4 623

All former long-term debt was repaid as part of the IPO in June 2017 and replaced by a new bank syndicate with a 5-year senior debt facility term loan of NOK 4 539 million, and a Revolving Credit Facility of NOK 1 500 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
Assets					
Non-current receivables		25		331	356
Accounts receivable				1 654	1 654
Other current receivables				1 168	1 168
Bank deposits				368	368
Total Assets	-	25	-	3 520	3 546
Liabilities					
Non-current interest bearing liabilities				4 555	4 555
Other non-current liabilities		-		681	681
Accounts payable				695	695
Other current liabilities				2 128	2 128
Total Liabilities	-	-	-	8 059	8 059

During the reporting period 1 January 2018 to 31 March 2018, there were no transfers between the levels in the fair value hierarchy.

NOTE 7 - MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There have been no events after the end of 31 March 2018 that have a material effect on the interim financial statement.

Additional information – Financial Services

(NOK million)	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Cards							
Revenue	857	203	227	221	262	912	237
EBITA	102	20	31	37	31	119	31
EBITA margin	11.9 %	9.7 %	13.5 %	16.9 %	11.9 %	13.0 %	13.1 %
Banking							
Revenue	2 276	576	565	542	627	2 310	582
EBITA	312	66	57	95	95	313	61
EBITA margin	13.7 %	11.4 %	10.1 %	17.5 %	15.1 %	13.5 %	10.4 %
Financial Services Total							
Revenue	3 133	779	792	762	889	3 222	819
EBITA	414	85	88	132	126	432	92
EBITA margin	13.2 %	11.0 %	11.1 %	17.3 %	14.2 %	13.4 %	11.2 %

(NOK million)	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
Revenue Cards							
Consulting Services	-	-	-	-	-	-	-
Application Services	857	203	227	221	262	912	237
Digital Platform Services	-	-	-	-	-	-	-
Total Revenue Cards	857	203	227	221	262	912	237
Revenue Banking							
Consulting Services	179	41	41	41	51	174	49
Application Services	1 008	263	250	224	285	1 021	280
Digital Platform Services	1 090	273	274	277	291	1 115	254
Total Revenue Banking	2 276	576	565	542	627	2 310	582
Revenue Financial Services Total							
Consulting Services	179	41	41	41	51	174	49
Application Services	1 865	465	476	444	547	1 933	516
Digital Platform Services	1 090	273	274	277	291	1 115	254
Total Revenue Financial Services	3 133	779	792	762	889	3 222	819

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 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)	First quarter		Growth in percent
	2018	2017	
Reported revenues	3 208	3 177	1.0 %
Currency effects	-	14	-0.4 %
Acquisition and Divestment impact	-	-	-
Basis for organic revenue growth	3 208	3 191	0.5 %

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)	First quarter		Year
	2018	2017	2017
Adjusted EBITA	320	345	1 569
IBM partner agreement	-125	-389	-941
Provision for restructuring	-	-	-33
Transaction costs, IPO and refinancing	-	-55	-241
EBITA	195	-98	353

(NOK million)	First quarter		Year
	2018	2017	2017
EBITA	195	-98	353
Depreciation and write-down of tangible assets and in-house developed software	54	63	275
EBITDA	249	-35	629
IBM partner agreement	125	389	918
Provision for restructuring	-	-	33
Transaction costs, IPO and refinancing	-	55	241
Adjusted EBITDA	374	408	1 821

ADJUSTED OPERATIONAL CASH FLOW

Adjusted operational cash flow from operations 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)	First quarter		Year
	2018	2017	2017
Adjusted operational cash flow	-232	94	1272
Payments related to restructuring processes	-29	-64	-195
Transaction, IPO and refinancing payments	-10	-10	-343
Payments related to IBM outsourcing agreement	-140	-329	-1229
Net cash flow from operations	-411	-309	-495

NET OPERATIONAL INVESTMENTS (CAPEX)

Net operational investments represent the cash flow the investment spending in tangible operating assets and in-house developed software, less sale of tangible operating assets.

(NOK million)	First quarter		Year
	2018	2017	2017
Investment in tangible operating assets	-30	-34	-176
Investment in in-house developed software	-64	-44	-206
Sale of tangible operating assets	6	6	24
Net operational investments (CAPEX)	-88	-72	-359

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 operational 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)	First quarter		Year
	2018	2017	2017
Adjusted operational cash flow	-232	94	1 272
Net operational investments (CAPEX)	-88	-72	-359
Free cash flow	-320	22	913

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 quarter		Year
	2018	2017	2017
Adjusted operational cash flow	946	1 360	1 272
Paid interest	311	464	395
Adjusted EBITDA	1 787	1 661	1 821
Cash conversion (in percent)	70.3%	109.8%	91.6%

Cash conversion rates presented for the three months ended 31 March 2017 and 2018 are based on adjusted EBITDA for the latest twelve months ended 31 March.

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)	First quarter		Year
	2018	2017	2017
Profit/loss for the period attributable to shareholders (owners of the parent company)	100	-191	-262
Other income and expenses	125	443	1 215
Finance expenses related to refinancing	-	-	313
Tax effect other income and expenses	-29	-106	-367
Adjusted total comprehensive income for the year attributable to shareholders (owners of the parent company)	197	146	899
Average number of shares outstanding	370 806 077	267 338 981	319 072 529
Adjusted earnings per share	0.53	0.55	2.82

NET INTEREST-BEARING LIABILITIES (NIBD)

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

(NOK million)	First quarter		Year
	2018	2017	2017
Non-current interest-bearing liabilities (excluding the capitalised arrangement fee)	4 612	7 289	4 683
Current interest-bearing liabilities	3	3	3
Bank deposits	-368	-845	-880
Net interest-bearing liabilities (NIBD)	4 247	6 447	3 807
Arrangement fee	56	207	61
Non-current interest-bearing liabilities (including the capitalised arrangement fee)	4 555	7 082	4 623

NET LEVERAGE

Net leverage represents NIBD divided by adjusted EBITDA.

(NOK million)	As of 31 March		As of 31 December
	2018	2017	2017
Net interest-bearing liabilities (NIBD)	4 247	6 447	3 807
Adjusted EBITDA	1 787	1 661	1 821
Net leverage	2.38	3.88	2.09

Net leverage presented for the twelve months ended 31 March 2017 are based on adjusted EBITDA for the latest twelve months ended 31 March. The net leverage at 31 March 2018 is based on the old refinancing structure (pre IPO).

WORKING CAPITAL

Net working capital is a measure of the Group's liquidity and operational efficiency.

(NOK million)	As of 31 March		As of 31 December
	2018	2017	2017
Accounts receivable	1 654	1 443	1 663
Other current receivables	1 168	1 148	1 078
Accounts payable	-695	-855	-934
Duties payable, vacation allowance	-993	-932	-986
Other current liabilities	-1 135	-1 365	-1 314
less accrued financial expenses	12	79	14
less current interest bearing liabilities	3	3	3
Net working capital	14	-479	-476

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