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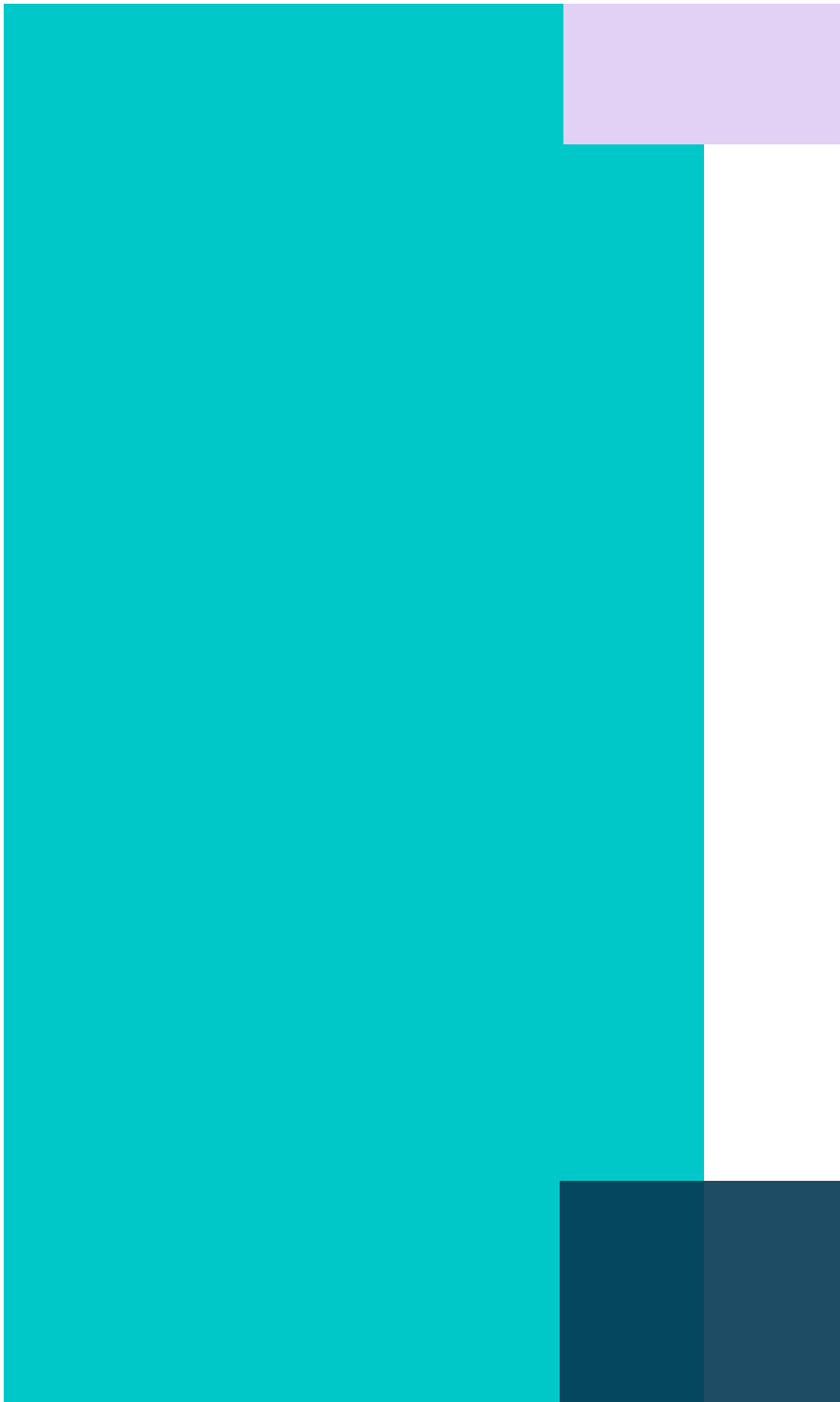
Q1

OSLO BØRS TICKER: EVERY

Interim report
for Q1 2019

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About EVRY

EVRY is a leading Nordic tech and consulting company. Together with our customers and an ecosystem of the best global digital experts, we shape the future today by applying new technologies to improve end user experiences, and the performance of people, processes and systems.

We are close to our customers and represent a Nordic mindset on responsibility, quality and security.

We leverage our Nordicness to do business in more than 18 countries. EVRY is listed on Oslo Stock Exchange under the ticket code EVRY. Our 8 800 employees are passionate about creating digital advantage and shaping the future – today.

EVRY reported turnover of NOK 12.9 billion in 2018 and the company's headquarters are located at Fornebu just outside Oslo.

www.evry.com

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. 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.

Financial highlights

Continuing organic growth, stable margins and strong improvement in cash performance

- Total revenue of NOK 3 330 million in Q1 2019 (NOK 3 208 million in Q1 2018)
- Organic growth² of 3.6% in Q1 2019 (0.5% in Q1 2018)
- EBITA¹ in Q1 2019 of NOK 332 million (NOK 320 million in Q1 2018), representing an EBITA¹ margin of 10.0% in Q1 2019, in line with Q1 2018
- Increased cash conversion in Q1 2019 of 97.0%, up from 70.3% in Q1 2018
- Backlog of NOK 18.6 billion as of 31 March 2019 compared to NOK 17.8 billion in Q1 2018
- EPS¹ in Q1 2019 of NOK 0.50 compared to NOK 0.53 in Q1 2018

(NOK million)	Q1 2019	Q1 2018	2018
Operating revenue	3 330	3 208	12 912
Organic growth	3.6 %	0.5 %	3.0 %
EBITDA ¹	450	374	1 812
EBITDA margin (%) ¹	13.5 %	11.7 %	14.0 %
EBITA ¹	332	320	1 582
EBITA margin (%) ¹	10.0 %	10.0 %	12.3 %
Other income and expenses	88	125	560
Profit/-loss for the period	118	100	640
Free cash flow	-62	-320	997
Cash conversion (LTM)	97.0 %	70.3 %	86.2 %
Backlog (NOK billion)	18.6	17.8	19.4
Earnings per share ¹	0.50	0.53	2.89

1) Before other income and expenses

2) Organic growth is defined as revenue adjusted for impacts from acquisitions, divestments and foreign currency effects

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Per Hove, CEO at EVRY, comments:

- I am pleased to announce that we are delivering a quarter that is in line with our internal objectives and trading according to our full year plan.

I am particular pleased with the increased organic growth in the first quarter combined with stable margins and a significant improved cash conversion.

Business update

A FUTURE FULL OF OPPORTUNITIES FOR NORDIC CONSULTING

EVERY has the ambition to orchestrate digital transformation in the intersection of human understanding, business sense and digital technology in order to unleash the digital potentials at customers to the benefit for society. A Nordic consulting organisation enabling EVERY to work across seven practices has been announced and established for external positioning and internal competence development in the first quarter of 2019. The next step is to fully operationalise this organisation in the second quarter of 2019.

EVERY's seven practices

- 1. Digital Experience*
- 2. Business Consulting*
- 3. Application Innovation*
- 4. Business Applications*
- 5. AI, Analytics & Insight*
- 6. Cloud & Infrastructure*
- 7. Security & Risk*

EVERY's customers are changing and carry out more complex projects, and these projects require varied combinations of different competencies. The customers see that collaborating is the key to innovation and flexibility. Consequently, EVERY must mirror its customers in diversified teams and increase focus on selling multi-disciplined teams who are trained to deliver specific business outcomes to capture this demand.

"Creating digital advantage for tomorrow's leaders" is a reminder that technology is essential in the world of business today. The opportunity space is large and dynamic. To deliver on this, EVERY needs to become an even more dynamic organization itself. The reality is that all companies constantly need to change. A vital means to achieve this is to mature the company's own digital workplace philosophy, which the company also advice its customers to do. By focusing on digitizing EVERY's own business processes where it makes sense, the company simultaneously build relevant competence in its own consultants. Subsequently EVERY's consultants will add value to its customers also based on recent experience from the company's own organization. EVERY believes that by being at the forefront of adopting new digital advances will make the company better advisors to its customers who are seeking to adapt to the future. An indirect benefit EVERY gets from having this focus, is that it continues to strengthen a change capable culture.

Looking ahead, EVERY will actively work to inform and advice its existing customers on what they can expect of value from EVERY's seven practices. EVERY believe its customers will value seeing pre-packaged offerings to a greater extent, and to learn the true range and depth EVERY can provide of expertise. As such, the company believes it will see its customers expanding the scope of services sourced from EVERY, leading to an increased revenue from exciting customers. The group will focus on simplifying the way it operates through increased transparency and collaboration

across the seven practices. This mean a shift towards working in teams to solve customer challenges and a more structured way of developing competence for consultants across the Nordics.

THE LEADING ROBOTICS PROCESS AUTOMATION (RPA), ARTIFICIAL INTELLIGENCE (AI), ANALYTICS AND MACHINE LEARNING SERVICE PROVIDER IN THE NORDICS

Multiple exciting projects have taken place in the first quarter of 2019. An example is EVERY's long going relationship with Systembolaget that was communicated in the fourth quarter of 2018. EVERY is Systembolaget's digital partner to build their "future store". Together the companies are developing innovative solutions to cope with the shifting customer behaviour from the increase of digital commerce. For Systembolaget, EVERY explores how the future store can be built and how digital solutions can be implemented in these. In order to meet such requirements, EVERY must put together whole teams of competencies. Collaboration is important and Findwise, EVERY's wholly owned subsidiary, has in the first quarter of 2019 started to create a self-learning data model using taste descriptions for wine. Using emerging technologies like machine learning, knowledge graphs and other AI techniques this might in the future be used as a "digital wine expert". Overall, to contribute with industry solutions that favours retailers and create efficient logistic integration, is an area of strategic value for EVERY.

Another example of a winner in the competitive retail-landscape is Rusta. Rusta is growing at healthy margins, opening new stores and expanding their Nordic presence. EVERY, as a historically trusted operations' supplier, is now engaged in dialogues on how to further develop decision-making and planning through BI-support, how to onboard new acquisitions in the central application, IFS Applications, and to prolong the partnership in order to further support an on-going growth for Rusta.

Other exciting projects within EVERY's Retail and Logistics' segment is its prolonged partnership with PostNord with regards to transport planning, and the development of the Transport Management platform Alystra. EVERY is now looking into how to further enhance the functionality to ensure a relevant customer experience for the end consumer where PostNord's business is booming in the trails of the on-going retail transformation and strong growth of e-commerce.

Moreover, EVERY entered into a partnership with "AI Innovation of Sweden" as one of the founding partners in the first quarter of 2019. The partnership gives EVERY exclusive benefits for both its employees and customers. This partnership will benefit EVERY's customers, through EVERY, to have access to the best AI competence, researchers and unique datasets. In addition, as one of the founders EVERY will be able to influence what projects the center will be running, and how they will be implemented along with shaping the lab and sandbox environments. All work done in the center is based on collaboration on sharing ideas, knowledge, and data. This is an exclusive position in terms of EVERY becoming the leading AI, Analytics and machine learning service provider in Sweden.

It is not only in Sweden that EVERY is positioning itself as one of the largest players within emerging technology. In the first

quarter of 2019, EVRY signed the biggest public tender contract so far in Norway within RPA with the Municipality of Stavanger. EVRY will use robotic technology to automate the internal migration processes to make three municipalities ready to merge into one. Full score on quality positioned EVRY as the winner out of nine competitors. The area is very relevant since many Norwegian municipalities will join forces in the nearby future. The Municipality of Stavanger takes the lead in using new technology for the benefit of its citizens, and EVRY will set the standard and guidance in this process.

Also, EVRY delivers an automation program to the administration of the Research Council of Norway that utilizes AI - natural language processing – to assist case workers to process thousands of applications for funding. The systems are currently being tested and final deliverables will be based on the user feedback. As a result, EVRY is positioning itself as a leading actor of robotics technology as-a-service where the company manage everything from local installation at the customer to the managing and handling of all RPA solutions on the behalf of the customer. Consequently, EVRY has hired approximately fifty new consultants and developers within emerging technologies in the first quarter of 2019.

Innovation-as-a-service is another concept that demonstrates that EVRY's customers' top management trust the company with the important task of helping in developing new business models. EVRY in partnership with Method, a partner and a global experience design firm, have launched and are running a lab for co-creation driven innovation. In this lab, EVRY and Method together with customers facilitate the ideation, prototyping and testing of customers' concepts and experiences. The first project was CoLab in the fourth quarter of 2018 where six state lotteries joined forces and created 154 concepts. Nine were taken into further testing, and one real market test was carried out in Norway with Norsk Tipping. In the first quarter of 2019, the concept has new customers onboard with the development of a new project. This project is an insight-driven innovation unit for the energy retailers Eidsiva Energi and Gudbrandsdal Energi. The project has the working title "EnergiLab". Phase zero is already over and was about research and insights to make the foundation to set up the lab. Phase one is ongoing and started in the first quarter of 2019. This phase includes workshops and ideation and will run into the second quarter of 2019. The goal is to develop three business case concepts together with the client that will be ready for commercialisation.

NORDIC INITIATIVE TO LEVERAGE THE GROWTH POTENTIAL BASED ON DATA ECONOMY DRIVERS

At EVRY's Capital Markets day in November 2018 the company communicated three important technology areas to capture in order to enable future growth. The Data Economy was one of the three areas, which is already shifting demands for competence and solutions in the Information and Communications Technology (ICT) industry with an emphasis on data-driven services. Future revenue will increasingly be generated through offerings enabled by Application Programming Interfaces (APIs) according to Gartner 2018.

Already today EVRY is managing a vast number of APIs and data registries across industries, such as the national company register, national car registers, the national debt register and many more. By structuring and leveraging data from internal and external sources, EVRY will take a central position in the

Nordic Data Economy and in delivering value-adding data services to surrounding industries. Through API mediation, EVRY enable partners, customers and the company itself to create new business models through a growing eco-system of available data and services. EVRY has the trust and capability to take a position as the leading data orchestrator in the Nordics.

In order to position EVRY in this future market, EVRY has initiated a process to better leverage the growth potential based on data economy drivers. This Nordic initiative started in the first quarter of 2019 and will define EVRY's service portfolio in this area. Based on this, EVRY will ensure that functions and roles are established to serve future customer demands and deliver this offer in the most effective way.

FINANCIAL SERVICES

Financial Services continues to achieve revenue growth, building on the positive momentum of previous quarters, driven by a broad-based demand across all solution and service areas. There has been a continuous and high demand for products and services that extend the banks' existing offering, especially from the small and medium-sized banks, resulting in a high number of medium and smaller agreements. While enjoying particularly good traction around front-to-back digital solutions, EVRY is also seeing a clear trend for banks to be more focused on a new type of value creation and new business models and what these mean for their business going forward.

EVRY continues to see a strong interest in the market for card and mobile payment services, where customers increasingly seek partnerships with independent service providers that can deliver new and innovative card payment solutions based on new mobile technology.

One example is the agreement announced post first quarter of 2019 with Bank Norwegian, where EVRY is expanding its collaboration and have entered into a five-year agreement for card-related services. The agreement that has been signed includes services in the areas of transaction and processing and dispute management. This agreement has an estimated contract value in excess of NOK 100 million over the contract period, and it applies to all Nordic countries and includes the option for Bank Norwegian to use EVRY's services in any new markets that it chooses to enter. EVRY has the market's most complete service portfolio in the card area and provides card services to more than 100 card issuers across the Nordics and Europe.

OTHER FIRST QUARTER 2019 EVENTS

EVRY also announced in the first quarter that Karin Schreil is appointed Executive Vice President of EVRY Sweden, and Johan Torstensson has accepted to join EVRY as the Executive Vice President for Digital Platform Services (DPS). Karin has extensive experience from the Nordic IT industry and Johan has wide experience of delivering digital transformation journeys and is a skilled IT strategist who knows the Nordic market very well. They will both be an important contribution to EVRY and start during the second quarter of 2019.

In the first quarter of 2019, EVRY comes out as Norway's 12th best in this year's SHE Index. The SHE Index is a big survey that ranks 80 companies on gender equality. The company is

also best in the industry beating Sopra Steria (28th), Atea (43rd) and Bouvet (51st).

EVERY also received its third A-rating in a row from Carbon Disclosure Project (CDP) in the 2018 ratings. CDP is an international non-profit organization that surveys companies about their responses to climate change on behalf of institutional investors. CDP assesses companies on the compliance of their disclosure, their awareness and management of environmental risks and their demonstration of best practices associated with environmental leadership, such as setting ambitious and meaningful targets and their ability to achieve these. For many businesses and investors, this is 'the World Championship' in climate change. As a company, EVERY is willing to take an active role in shaping the future, and it sees that more and more customers put this as an important part of their demands when they choose their vendors. To put in perspective, only five Norwegian companies achieved this in 2018, EVERY is the only Nordic IT company to achieve this three year in a row and EVERY is one of only 127 companies to achieve this score worldwide.

Group performance

Summary of the first quarter of 2019

This interim report relates to EVRY's development in the first quarter of 2019 relative to the first quarter of 2018. All figures are in NOK million unless otherwise stated. All comments regarding EBITDA and EBITA exclude other income and expenses. Please refer to page 30 for a description of the Alternative Performance Measures.

Organic growth
in Q1 2019

3.6 %

Operating revenue
in Q1 2019

3 330

NOK million

EBITA¹
in Q1 2019

332

NOK million

EBITA margin¹
in Q1 2019

10.0%

1) Before other income and expenses

Revenues

The Group reported operating revenue for the first quarter of 2019 of NOK 3 330 million, compared to NOK 3 208 million in the first quarter of 2018. Adjusted for currency impact, acquisitions and divestments, the organic growth was 3.6% in the first quarter of 2019.

EVRY reported a backlog of NOK 18.6 billion at the end of March 2019, an increase of NOK 0.8 billion from NOK 17.8 billion at the end of March 2018. See "Business Update" for more information about 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, and 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 was NOK 1 222 million, equal to 34.9% of total group revenues in the first quarter of 2019. In the first quarter of 2018 Consulting Services revenues amounted to NOK 1 106 million or 32.9% of total group revenues. Organically this implies an increase of 7.6% in the first quarter of 2019.

The utilisation rate in the first quarter of 2019 (Norway and Sweden combined) was 78.5%, a decrease of 2.8 percentage point compared to the same quarter last year.

APPLICATION SERVICES

Revenues within Application Services was NOK 1 129 million in the first quarter of 2019, which represent 32.2% of total group revenues. In the first quarter of 2018 Application Services revenues amounted to NOK 1 050 million or 31.2% of total group revenues. Organically this implies a growth of 8.6% in the first quarter of 2019.

Of the revenues within Application Services, Financial Services amounted to NOK 567 million or 50.2% of the Application Services revenues. The business area reported an organic growth of 9.8% in the first quarter of 2019.

DIGITAL PLATFORM SERVICES AND FULFILMENT SERVICES

Revenues within Digital Platform Services (Infrastructure Services) was NOK 944 million, equal to 26.9% of total group revenues in the first quarter of 2019. In the first quarter of 2018, Digital Platform Services revenues amounted to NOK 934 million (27.8% of total group revenues). Organically this segment grew 1.9% in the first quarter of 2019 relative to the first quarter of 2018.

Revenues within Fulfilment Services was NOK 211 million, equal to 6.0% of total group revenues in the first quarter of 2019. In the first quarter of 2018 Fulfilment Services revenues amounted to NOK 272 million (8.1% of total group revenues).

CONSULTING SERVICES

(NOK million)	Q1 2019	Q1 2018	Organic growth	2018
Revenues Consulting Services	1 222	1 106	7.6 %	4 360
In % of total group revenues ¹	34.9 %	32.9 %		32.3 %
Utilisation Norway (in percent)	80.4 %	81.5 %		80.9 %
Utilisation Sweden (in percent)	76.7 %	80.9 %		78.5 %
Utilisation Norway and Sweden (in percent)	78.5 %	81.3 %		79.9 %
Number of billable consultants Norway	1 131	1 110		1 190
Number of billable consultants Sweden	963	857		933
Number of billable consultants Norway & Sweden	2 094	1 967		2 123

APPLICATION SERVICES

(NOK million)	Q1 2019	Q1 2018	Organic growth	2018
Revenues Application Services	1 129	1 050	8.6 %	4 180
In % of total group revenues ¹	32.2 %	31.2 %		30.9 %
Where of revenues within Financial Services	567	516	9.8 %	2 072
In % of total revenues ¹	50.2 %	49.2 %		49.6 %

DIGITAL PLATFORM SERVICES AND FULFILMENT SERVICES

(NOK million)	Q1 2019	Q1 2018	Organic growth	2018
Revenues Digital Platform Services	944	934	1.9 %	3 811
In % of total group revenues ¹	26.9 %	27.8 %		28.2 %
Revenues Fulfilment Services	211	272	-21.3 %	1 156
In % of total group revenues ¹	6.0 %	8.1 %		8.6 %

1) Before Group eliminations

Profitability

EBITDA AND EBITA BEFORE OTHER INCOME AND EXPENSES

EBITDA in the first quarter of 2019 was NOK 450 million, compared to NOK 374 million in the first quarter of 2018. The EBITA in the first quarter of 2019 was NOK 332 million, representing an EBITA margin of 10.0%. In the first quarter of 2018 the corresponding figures was an EBITA of NOK 320 million and an EBITA margin of 10.0%. The first quarter of 2019 had one more working day than in the first quarter of 2018.

The lower activity level and performance experienced in EVRY Sweden in 2018 continued also in the first quarter of 2019. The utilisation rate decreased by 4.2%, to 76.7% in the first quarter of 2019, down from 80.9% in the first quarter of 2018. EVRY Norway reported an increased EBITA margin in the first quarter of 2019 relative to the first quarter of 2018. The positive profitability development was driven by relatively more delivery of Consultancy Services and Application Services. EVRY Financial Services reported slightly lower EBITA margin in the first quarter of 2019 compared to the first quarter of 2018, mainly due to a very high activity level within Card Services in the first quarter of 2018.

OTHER INCOME AND EXPENSES

Other income and expenses totalled NOK 88 million in the first quarter of 2019, where of NOK 84 million was related to the IBM partnership transition and transformation project. In the first quarter of 2018 other income and expenses totalled NOK 125 million (all related to IBM), which implies a reduction of NOK 41 million in the first quarter of 2019.

NET FINANCIAL EXPENSES, PROFIT BEFORE TAX AND EARNINGS PER SHARE

Net financial expenses for the first quarter of 2019 was NOK 95 million, an increase of NOK 27 million from NOK 68 million for the corresponding period in 2018. Financial expenses in the first quarter of 2019 was increased by NOK 17 million compared to first quarter of 2018 as a result of the implementation of IFRS 16. In addition, the net financial expenses were negatively impacted by an agio effect of NOK 29 million in the first quarter of 2019, compared to a negative agio effect of NOK 20 million in the first quarter of 2018.

Profit before tax (EBT) for the first quarter of 2019 was NOK 148 million as compared to a profit NOK 126 million for the first quarter of 2018. The effective tax rate for the first quarter of 2019 was 20.3%, representing a tax expense of NOK 30 million. The effective tax rate for the first quarter of 2018 was 20.9%, representing a tax expense of NOK 26 million.

Earnings per share (EPS) was NOK 0.32 for the first quarter of 2018, compared to NOK 0.27 per share for the first quarter of 2018. Adjusted for other income and expenses, the EPS was NOK 0.50 for the first quarter of 2019 compared to NOK 0.53 per share for the corresponding quarter of 2018.

Cash flow

CASH CONVERSION AND DSO

LTM Cash conversion as of 31 March 2019 ended at 97.0%, compared to 70.3% as of LTM 31 March 2018. The increase in cash conversion is due to both reduced working capital outflow and higher EBITDA relative to operational cash flow before paid interests for the last twelve months ended 31 March 2018.

The LTM DSO as of end of March 2019 was 37.1 days, slightly below the 37.2 days as of LTM 31 March 2018.

NET CASH FLOW AND FREE CASH FLOW

Net cash flow from operations in the first quarter of 2019 was negative NOK 38 million, an improvement of NOK 373 million from negative NOK 411 million in the first quarter of 2018. Adjusted operational cash flow for the first quarter of 2019 was NOK 36 million, compared to negative NOK 232 million for the corresponding quarter in 2018. The increase in net cash flow from operations in the first quarter of 2019 was mainly due increased EBITDA and reduced working capital outflow. The first quarter of 2019 was also less negatively impacted by transition and transformation expenses related to the IBM partner agreement, as these were reduced from NOK 140 million to NOK 46 million in the first quarter of 2019.

Net operational investments for the first quarter of 2019 amounted to NOK 98 million, compared to NOK 88 million in the first quarter 2018. Investment in tangible operating assets amounted to NOK 26 million in the first quarter of 2019, while investment in in-house developed software amounted to NOK 72 million. The corresponding figures in the first quarter of 2018 were NOK 30 million and NOK 64 million respectively.

Net cash flow from financing in the first quarter of 2019 was negative NOK 28 million, where of payments related to lease liabilities amounted to NOK 78 million in the first quarter of 2019. In the first quarter of 2018, net cash flow from financing was negative NOK 2 million.

Free cash flow in the first quarter of 2019 was negative NOK 62 million compared to negative NOK 320 million in the first quarter of 2018.

Equity and capital structure

The equity as of 31 March 2019 was NOK 3 070 million, equal to an equity ratio of 23.3%, compared to an equity of NOK 2 984 million and an equity ratio of 25.7% at the end of December 2018. The reduced equity ratio is due to increase in total assets as a result of the implementation of IFRS 16.

The Group had total outstanding long-term debt of NOK 6 145 million at the end of March 2019, whereof NOK 1 428 million was related to non-current lease liabilities (due to the implementation of IFRS 16). The cash balance was NOK 475 million as of 31 March 2019 and current lease liabilities amounted to NOK 286 million. This implies a net interest-bearing debt (NIBD) of NOK 6 017 million and a net leverage of 3.19x LTM Adjusted EBITDA.

Business Area Performance

The Group's activities are divided into three reporting business areas for 2019. 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 2019	Q1 2018	Organic growth	2018
EVERY Norway	1 501	1 465	2.5 %	5 765
EVERY Sweden	816	839	-2.3 %	3 301
EVERY Financial Services	887	819	8.7 %	3 392
Other	125	85		454
Group	3 330	3 208	3.6 %	12 912

EBITA (NOK million)	Q1 2019	Q1 2018	2018
EVERY Norway	157	117	604
EVERY Sweden	31	65	248
EVERY Financial Services	94	92	456
Other	50	46	274
Group (before other income and expenses)	332	320	1 582
Other income and expenses	-88	-125	-560
Group	243	195	1 022

EBITA margin (%)	Q1 2019	Q1 2018	2018
EVERY Norway	10.4 %	8.0 %	10.5 %
EVERY Sweden	3.8 %	7.7 %	7.5 %
EVERY Financial Services	10.6 %	11.2 %	13.4 %
Group (before other income and expenses)	10.0 %	10.0 %	12.3 %
Group	7.3 %	6.1 %	7.9 %

EVERY Norway

Operating revenue for EVERY Norway for the first quarter of 2019 was NOK 1 501 million, an increase of NOK 36 million, or 2.5% organically, from the first quarter of 2018. The utilisation related to billable consultants was 80.4% in the first quarter of 2019, compared to 81.5% in the first quarter of 2018.

EVERY Norway reported an EBITA of NOK 157 million for the first quarter of 2019, an increase of NOK 40 million from NOK 117 million in the first quarter of 2018. The EBITA margin for the first quarter of 2019 increased to 10.4% as compared to 8.0% in the same period of 2018. The positive profitability development was driven by relatively more delivery of Consultancy Services and Application Services than Infrastructure Services.

EVERY Norway's order backlog at 31 March 2019 was NOK 6.9 billion, a decrease of NOK 0.1 billion from NOK 7.0 billion at the end of March 2018.

EVERY Sweden

Operating revenue for EVERY Sweden for the first quarter of 2019 was NOK 816 million, a decrease of NOK 23 million from NOK 839 million in the first quarter of 2018, equal to a negative organic growth of 2.3%. The utilisation of the billable consultants was 76.7% in the first quarter of 2019, compared to 80.9% in the first quarter of 2018.

EVERY Sweden reported an EBITA of NOK 31 million for the first quarter of 2019, compared to NOK 65 million in the first quarter of 2018. The reduced profitability was mainly due to lower utilisation within the consultancy business area and

lower add-on sales within the infrastructure services area. The EBITA margin for the first quarter of 2019 was 3.8% as compared to 7.7% in the first quarter of 2018.

EVERY Sweden's order backlog at 31 March 2019 was NOK 3.1 billion, a decrease of NOK 0.2 billion from NOK 3.3 billion at the end of March 2018.

EVERY Financial Services

Operating revenue for Financial Services for the first quarter of 2019 was NOK 887 million, an increase of NOK 68 million from NOK 819 million for the first quarter of 2018. This was equivalent to an organic growth of 8.7% relative to the first quarter of 2018. Both the banking area and the card services area reported solid revenue growth in the first quarter of 2019 relative to the first quarter of 2018.

EVERY Financial Services reported an EBITA of NOK 94 million for the first quarter of 2019, compared to NOK 92 million for the first quarter of 2018. The card services area delivered an EBITA margin of 11.0%, a decrease of 2.1 percentage point compared to the first quarter of 2018. The decrease in margin is mainly due to change in product mix. The banking area reported an EBITA margin of 10.5% in the first quarter of 2019, compared to 10.4% for the corresponding period in 2018.

EVERY Financial Services' order backlog at 31 March 2019 was NOK 8.5 billion, an increase of NOK 1.0 billion from NOK 7.5 billion at the end of March 2018.

FINANCIAL SERVICES

(NOK million)	Q1 2019	Q1 2018	2018
Cards			
Revenue	259	237	989
EBITA	28	31	148
EBITA margin	11.0 %	13.1 %	15.0 %
Banking			
Revenue	628	582	2 403
EBITA	66	61	308
EBITA margin	10.5 %	10.4 %	12.8 %
Financial Services Total			
Revenue	887	819	3 392
EBITA	94	92	456
EBITA margin	10.6 %	11.2 %	13.4 %

Other

Revenue related to EVRY's Global Delivery organisation totalled NOK 302 million for the first quarter of 2019, an increase of NOK 63 million from NOK 239 million in the first quarter of 2018.

EBITA for the first quarter of 2019 was NOK 48 million, compared to NOK 37 million in the same period of 2018. The EBITA margin for the first quarter of 2019 was 15.9% as compared to 15.5% for the first quarter of 2018.

Approximately 60% of the revenue within Global Delivery relates to external customers outside EVRY 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 consist of more than 3 000 FTEs across India, Ukraine and Latvia, and have had high utilisation over several quarters while delivering a stable EBITA margin.

Intra-group eliminations totalled NOK 177 million for the first quarter of 2019 as compared to NOK 154 million for the first quarter of 2018. Expenses associated with corporate functions that were not allocated to EVRY's segments totalled NOK -2 million in the first quarter of 2019, compared to NOK -9 million in the first quarter of 2018.

OTHER

(NOK million)	Q1 2019	Q1 2018	2018
Global Delivery			
Revenue	302	239	1 048
EBITA	48	37	172
EBITA margin	15.9 %	15.5 %	16.4 %
Group eliminations/Group costs			
Revenue	-177	-154	-594
EBITA	2	9	102
Other total			
Revenue	125	85	454
EBITA	50	46	274

Key figures and financial ratios

This interim report relates to EVRY's performance in the first quarter of 2019 relative to the first quarter of 2018. All figures are in NOK million unless otherwise stated. All comments regarding EBITDA and EBITA exclude other income and expenses. Please refer to page 30 for a description of the Alternative Performance Measures.

(NOK million)	Q1 2019	Q1 2018	2018
Income statement			
Operating revenue	3 330	3 208	12 912
EBITDA	362	249	1 252
Adjusted EBITDA	450	374	1 812
Adjusted EBITDA margin (%)	13.5 %	11.7 %	14.0%
EBITA	243	195	1 022
Adjusted EBITA	332	320	1 582
Adjusted EBITA margin (%)	10.0 %	10.0 %	12.3%
Other income and expenses	88	125	560
Operating profit (EBIT)	243	194	1 021
Net financial items	-95	-68	-231
Profit/-loss for the period	118	100	640
Adjusted profit/-loss for the period attributable to the shareholders (owners of the parent company)	186	197	1 071
Cash flow			
Adjusted operational cash flow	36	-232	1 374
Net operational investments (CAPEX)	-98	-88	-377
Free cash flow	-62	-320	997
Cash conversion (LTM)	97.0%	70.3%	86.2%
Net working capital	-40	14	-401
DSO (LTM)	37.1	37.2	36.5
Financial position (per end of period)			
Total assets	13.181	10.942	11 596
Goodwill	5.742	5.580	5 850
Total equity	3.070	2.882	2 984
Equity ratio	23.3%	26.3%	25.7%
Net interest-bearing liabilities (NIBD)	6 017	4 247	4 104
Employees			
Number of employees end of period	9 014	8 495	8 807
Global Delivery in percent of total employees	36.8 %	36.0 %	36.5%
Full-time employees (in percent)	97.4 %	97.7 %	97.8%
Number of billable consultants (Norway and Sweden)	2 094	1 967	2 123
Utilisation (Norway and Sweden)	78.5 %	81.3 %	79.9%
Growth/Sales			
Total revenue growth	3.8 %	1.0 %	2.5%
Currency effects	0.4 %	-0.4 %	1.1%
Acquisition and Divestment impact	-0.6 %	0.0 %	-0.7%
Organic growth	3.6 %	0.5 %	3.0%
Backlog (NOK billion)	18.6	17.8	19.4
Stock market ratios			
Earnings per share (NOK)	0.32	0.27	1.73
Diluted earnings per share	0.31	0.27	1.72
Adjusted earnings per share (NOK)	0.50	0.53	2.89
Number of shares issued	370 806 077	370 806 077	370 806 077
Number of treasury shares	1 501 744	-	1 501 744
Average number of shares	370 806 077	370 806 077	370 806 077
Average number of shares (diluted)	372 655 119	371 180 427	371 562 291

Condensed consolidated interim financial statements

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Condensed consolidated statement of comprehensive income

(NOK million)	Note	Q1 2019	Q1 2018	2018
Operating revenue	3	3 330	3 208	12 912
Cost of goods sold		1 121	1 098	4 354
Salaries and personnel costs		1 546	1 430	5 612
Other operating costs		213	306	1 133
Other income and expenses	5	88	125	560
Depreciation and write-down of tangible assets and in-house developed software	4	119	54	230
Operating profit/-loss before amortisation of customer contracts (EBITA)		243	195	1 022
Amortisation of customer contracts		-	1	1
Operating profit/-loss (EBIT)		243	194	1 021
Net financial items		-95	-68	-231
Profit/-loss before tax		148	126	791
Taxes		30	26	151
Profit/-loss for the period		118	100	640
Other comprehensive income				
Cash flow hedges		-3	22	13
Currency translation differences		-38	-95	-22
Actuarial gains/-losses on defined benefit pension plans		-	-	-6
Total other comprehensive income		-41	-73	-16
Total comprehensive income for the period		78	27	624
Total comprehensive income for the period is allocated as follows				
Owners of the parent		78	27	624
Non-controlling interests		-	-	-
Earnings per share (basic and diluted)				
Earnings per share, basic (NOK)		0.32	0.27	1.73
Earnings per share, diluted (NOK)		0.32	0.27	1.72

Condensed consolidated statement of financial position

(NOK million)	Note	31.03.19	31.03.18	31.12.18
Goodwill		5 742	5 580	5 850
Other intangible assets		1 613	1 458	1 577
Total intangible assets		7 355	7 038	7 426
Property, plant and equipment		300	359	314
Right to use assets	4	1 695	-	-
Total tangible assets		1 995	359	314
Total non-current financial assets	3	405	356	400
Total non-current assets		9 755	7 752	8 140
Accounts receivable		1 791	1 654	1 701
Other current receivables	3	1 161	1 168	1 109
Bank deposits		475	368	646
Total current assets		3 427	3 190	3 456
Total assets		13 181	10 942	11 596
Equity		3 070	2 882	2 984
Non-controlling interests		-	1	-
Total equity and non-controlling interests		3 070	2 883	2 984
Provision for liabilities		283	267	287
Non-current non-interest-bearing liabilities	3	374	413	394
Non-current lease liabilities	4	1 428	14	13
Non-current interest-bearing liabilities	6	4 717	4 541	4 687
Total non-current liabilities		6 802	5 236	5 381
Accounts payable		743	695	842
Duties payable, vacation allowance		1 107	993	1 026
Current lease liabilities	4	286	3	3
Other current liabilities	3	1 173	1 131	1 360
Total current liabilities		3 309	2 823	3 232
Total equity and liabilities		13 181	10 942	11 596

Condensed consolidated statement of cash flow

(NOK million)	Note	Q1 2019	Q1 2018	2018
Profit/-loss before tax		148	126	791
Depreciation, write-down and amortization		119	55	231
Tax paid		-1	-4	-69
Net financial items		48	22	42
Change in net working capital		-343	-592	-265
Other changes		66	160	644
Cash effect from other income and expenses		-75	-179	-661
Net cash flow from operations		-38	-411	713
Investment in tangible operating assets		-26	-30	-138
Investment in in-house developed software		-72	-64	-260
Sale of tangible operating assets (sales proceeds)		-	6	21
Investment in group companies		-	-	-157
Net cash flow from investments		-98	-88	-534
Draw down of new debt		150	-	925
Repayment of debt		-100	-2	-828
Repayments of lease liabilities	4	-78	-	-
Proceeds from equity issued		-	-	-47
Dividends paid		-	-	-464
Net cash flow from financing		-28	-2	-414
Changes in foreign exchange rates		-6	-11	1
Net change in cash flow		-171	-512	-234
Opening balance bank deposits		646	880	880
Closing balance bank deposits		475	368	646

Condensed consolidated statement of changes in equity

(NOK million)	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Share capital	Own shares	Other paid-in capital	Other equity			
Equity as of 1 January 2019	649	-3	2 193	145	2 984	-	2 984
Profit/-loss for the period				118	118	-	118
Other comprehensive income				-41	-41	-	-41
Sharebased options employees				8	8	-	8
Equity as of 31 March 2019	649	-3	2 193	231	3 070	-	3 070
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
Sharebased options employees				8	8		8
Equity as of 31 March 2018	649	-	2 198	35	2 882	1	2 883

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 2019 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 2018. The annual report can be found at investor.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 2018, except for the implementation of the new standard for leases, IFRS 16, which has been implemented from 1 January 2019.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The 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.

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

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.

NOTE 1 – GENERAL ACCOUNTING PRINCIPLES (CONT.)

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 EVRY, 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 EVRY 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. EVRYs contracts do not contain any warranties that could have been sold separately. EVRY 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

EVRY often uses subcontractors or partners to fulfil its contracts with customers. When using partners or subcontractors, the issue is whether EVRY should report revenue based on the gross amount billed (EVRY is the principal) or the net amount retained (that is, the amount billed to the customer less the amount paid to the subcontractor), because EVRY has only earned a commission fee (EVRY is the agent). In most cases, EVRY 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;

- (i) incremental costs of obtaining a contract, and
- (ii) costs incurred in fulfilling a contract

Incremental costs of obtaining a contract (e.g. sales commission) will be recognised as an asset if EVRY 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, EVRY 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 1 – GENERAL ACCOUNTING PRINCIPLES (CONT.)

IFRS 16 LEASES

The new standard for leases, IFRS 16, has been implemented with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for financial leases under IAS 17. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group has reviewed its lease agreements and assessed the effects of IFRS 16 on its consolidated financial statements. The Group has implemented IFRS 16 using the modified retrospective method for all lease agreements existing on the implementation date. Comparative figures will not be restated by using the modified retrospective method.

See note 4 for further information regarding IFRS 16 and the implementation effects.

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 2018.

NOTE 3 - REVENUES AND CONTRACTS ASSETS/LIABILITIES

EVERY aggregates its revenues from contracts with customers by geographic location and service area 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.

Q1 2019

(NOK million)	EVERY Financial Services	EVERY Norway	EVERY Sweden	Other	Total
Service line					
Consulting Services	46	606	268	302 ¹⁾	1 222
Application Services	567	340	222	-	1 129
Digital Platform Services	274	442	229	-	944
Fulfilment Services	-	114	97	-	211
Group eliminations	-	-	-	-177	-177
Total	887	1 501	816	125	3 330

1) Global Delivery

Q1 2018

(NOK million)	EVERY Financial Services	EVERY Norway	EVERY Sweden	Other	Total
Service line					
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	-	-0	-0	-154	-154
Total	819	1 465	839	85	3 208

2018

(NOK million)	EVERY Financial Services	EVERY Norway	EVERY Sweden	Other	Total
Service line					
Consulting Services	184	2 070	1 057	1 048 ¹⁾	4 360
Application Services	2 072	1 255	852	-	4 180
Digital Platform Services	1 136	1 807	868	-	3 811
Fulfilment Services	-	632	524	-	1 156
Group eliminations	-	-	-	-594	-594
Total	3 392	5 765	3 301	454	12 912

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 unconditional 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 consist of 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)	31.03.2019	31.03.2018
Contract assets	461	372
Contract liabilities - current	-374	-413
Contract liabilities - non-current	-548	-407
Net contract assets/-liabilities	-461	-448

NOTE 4 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

IFRS 16 LEASES

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 and SIC 15 and 27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for financial leases under IAS 17. The group implemented IFRS 16 with effect from 1 January 2019. The standard introduces two exemptions for lessees – leases of “low-value assets” and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date the lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

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

The Group has reviewed its lease agreements and assessed the effects of IFRS 16 on its consolidated financial statements. The Group implemented IFRS 16 using the modified retrospective method for all lease agreements existing on the implementation date. Comparative figures will not be restated when using the modified retrospective method. The Group will apply transition reliefs where the lease asset will be equal to the lease liability at the transition date. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group has assessed lease of software to be outside the scope of IFRS 16. In addition, the partner agreement with IBM is assessed to be a service agreement and thereby not in the scope of the standard. The Group will apply the two recognition exemptions in the standard, for low value items and short-term leases.

The Group's assessment has identified an increase on the Group's balance sheet (assets and liabilities) of NOK 1.7 billion, with no effect on the book value of total equity (Right of Use Asset equal to Lease Liability).

The total cost over the lease term will remain unchanged after the implementation of IFRS 16 compared. However, IFRS 16 will result in a front-loading of expenses and reclassification of costs from operating profit before amortisation of customer contracts (EBITA) to net financial items.

In the Consolidated Statement of Comprehensive Income, operating lease costs (in other operating costs) will be replaced by depreciation and interest expenses. As a result, the group expects the EBITDA to increase in the range of NOK 250 - 350 million. The group expects no significant impact on profit for the year as a result of the implementation of IFRS 16.

In the cash flow statement, the part of lease payments that relates to repayment of the lease liability will be reclassified from cash flows from operations to cash flows from financing.

Implementation effects 1 January 2019 (NOK million)

Right to use assets	1 723
Lease liabilities	1 723
Effect on equity	-
Operating lease commitments at 31 December 2018 as disclosed in the Group's consolidated financial statements	2 601
Discounted using incremental borrowing rate at 1 January 2019	-461
Exemption for short-term leases	-80
Exemption for low-value assets	-337
Lease liabilities recognised at 1 January 2019 - implementation effect	1 723
Financial lease liabilities recognised at 31 December 2018	16
Total lease liabilities recognised at 1 January 2019	1 739

NOTE 4 - RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT.)

Right-of-use assets

The Group leases several assets such as Offices, Data centres, IT equipment and vehicles. The Group's right-of-use assets are categorised and presented in the table below:

Right-of-use assets	Offices	Data centre	Vehicles	Hardware	Dark fiber and other	Total
Acquisition cost 1 January 2019	884	774	19	37	9	1 723
Addition of right-of-use assets	52	-	-	-	-	52
Currency exchange differences	-12	-3	-1	-	-	-16
Acquisition cost 31 March 2019	925	771	18	37	9	1 759
Depreciation	-45	-15	-2	-2	-1	-65
Accumulated depreciation and impairment 31 March 2019	-45	-15	-2	-2	-1	-65
Carrying amount of right-of-use assets 31 March 2019	880	756	16	35	8	1 695
Lower of remaining lease term or economic life	1-9 years	1-17 years	1-3 years	1-4 years	1-3 years	
Depreciation method	Linear	Linear	Linear	Linear	Linear	

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Premises (incl. data centres)	IT equipment, vehicles, dark fiber and other	Total
Less than 1 year	287	22	309
1-2 years	259	18	278
2-3 years	230	12	242
3-4 years	213	10	223
4-5 years	188	4	191
More than 5 years	1 002	-	1 002
Total undiscounted lease liabilities at 31 March 2019	2 179	66	2 245

Summary of the lease liabilities in the financial statements	Statement of:	Premises (incl. data centres)	IT equipment, vehicles, dark fiber and other	Total
At initial application 1 January 2019		1 674	65	1 739
New lease liabilities recognised in the year		52		52
Cash payments of the lease liability	Cash flows	-75	-3	-78
Interest expense on lease liabilities	Profit and loss	17	1	17
Currency exchange differences	Profit and loss	-15	-1	-16
Total lease liabilities at 31 March 2019		1 653	62	1 714
Current lease liabilities	Financial position	263	23	286
Non-current lease liabilities	Financial position	1 390	38	1 428
Total cash outflows for leases	Cash flows	-75	-3	-78

Practical expedients applied

The Group's also leases personal computers and other IT equipment with contract terms of 1 to 3 years. The Group has elected to apply the practical expedient of low value assets and does not recognise lease liabilities or right-of-use assets. The leases are instead expensed when they incur. The Group has also applied the practical expedient to not recognise lease liabilities and right-of-use assets for short-term leases.

NOTE 5 - OTHER INCOME AND EXPENSES

OTHER INCOME AND EXPENSES

(NOK million)	Q1 2019	Q1 2018	2018
IBM partner agreement	84	125	545
Provisions CEO	-	-	15
Sharebased options (STIP)	5	-	-
Total other income and expenses	88	125	560

NOTE 6 - NON-CURRENT INTEREST-BEARING LIABILITIES

(NOK million)	31.03.2019	31.03.2018	31.12.2018
Non-current lease liabilities	1 428	14	13
Liabilities to credit institution	4 760	4 598	4 734
Capitalised arrangement fee	-43	-56	-47
Non-current interest bearing liabilities	6 145	4 555	4 700

NOTE 7 - 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		10		395	405
Accounts receivable				1 791	1 791
Other current receivables				1 161	1 161
Bank deposits				475	475
Total assets	-	10	-	3 822	3 832
Liabilities					
Non-current interest bearing liabilities				4 717	4 717
Non-current lease liabilities				1 428	1 428
Other non-current liabilities		-		657	657
Accounts payable				743	743
Other current liabilities				2 566	2 566
Total liabilities	-	-	-	10 111	10 111

Additional information - EVERY Financial Services

The product 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 area 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 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 module-based, and includes banking services, transactions systems and payment solutions. The Banking area represents approximately 70% of total revenues within the Financial Services business area.

(NOK million)	Q1 2019	Q1 2018	2018
Cards			
Revenue	259	237	989
EBITA	28	31	148
EBITA margin	11.0%	13.1%	15.0%
Banking			
Revenue	628	582	2 403
EBITA	66	61	308
EBITA margin	10.5%	10.4%	12.8%
Financial Services Total			
Revenue	887	819	3 392
EBITA	94	92	456
EBITA margin	10.6%	11.2%	13.4%

(NOK million)	Q1 2019	Q1 2018	2018
Revenue Cards			
Consulting Services	-	-	-
Application Services	259	237	989
Digital Platform Services	-	-	-
Total Revenue Cards	259	237	989
Revenue Banking			
Consulting Services	46	49	184
Application Services	308	280	1 083
Digital Platform Services	274	254	1 136
Total Revenue Banking	628	582	2 403
Revenue Financial Services Total			
Consulting Services	46	49	184
Application Services	567	516	2 072
Digital Platform Services	274	254	1 136
Total Revenue Financial Services	887	819	3 392

Alternative performance measures

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 intent to provide alternative performance measures to enhance the understanding of the Group's underlying performance. These alternative performance measures take into consideration other income and expenses defined as items regarded as special due to their nature and include among others provision for restructuring, write-downs, strategic processes and refinancing.

ORGANIC REVENUE GROWTH

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

(NOK million)	First quarter		Growth in percent	Year		Growth in percent
	2019	2018		2018	2017	
Reported revenues	3 330	3 208	3.8 %	12 912	12 596	2.5 %
Currency effects		-13	0.4 %		-141	1.1 %
Acquisition and Divestment impact		19	-0.6 %		84	-0.7 %
Basis for organic revenue growth	3 330	3 214	3.6 %	12 912	12 539	3.0 %

ADJUSTED EBITA AND EBITDA

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

(NOK million)	First quarter		Year
	2019	2018	2018
Adjusted EBITA	332	320	1 582
IBM partner agreement	-84	-125	-545
Sharebased options (STIP)	-5	-	-
Provisions CEO	-	-	-15
EBITA	243	195	1 022

(NOK million)	First quarter		Year
	2019	2018	2018
EBITA	243	195	1 022
Depreciation and write-down of tangible assets and in-house developed software	119	54	230
EBITDA	362	249	1 252
IBM partner agreement	84	125	545
Sharebased options (STIP)	5	-	-
Provisions CEO	-	-	15
Adjusted EBITDA	450	374	1 812

ADJUSTED OPERATIONAL CASH FLOW

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

(NOK million)	First quarter		Year
	2019	2018	2018
Adjusted operational cash flow	36	-232	1 374
Payments related to IBM partner agreement	-46	-140	-557
Payments related to former CEO	-15	-	-
Payments related to restructuring processes	-14	-29	-82
Transaction, IPO and refinancing payments	-	-10	-22
Net cash flow from operations	-38	-411	713

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
	2019	2018	2018
Investment in tangible operating assets	-26	-30	-138
Investment in in-house developed software	-72	-64	-260
Sale of tangible operating assets	-	6	21
Net operational investments (CAPEX)	-98	-88	-377

FREE CASH FLOW

Free cash flow represents the cash flow that EVRY is able to generate after the necessary investments have been made. Free cash flow is defined as operational cash flow adjusted for cash effect of other income and expenses less net operational investments.

(NOK million)	First quarter		Year
	2019	2018	2018
Adjusted operational cash flow	36	-232	1 374
Net operational investments (CAPEX)	-98	-88	-377
Free cash flow	-62	-320	997

CASH CONVERSION

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

(NOK million)	First quarter		Year
	2019	2018	2018
Adjusted operational cash flow	1 642	946	1 374
Paid interest	190	311	189
Adjusted EBITDA	1 889	1 787	1 812
Cash conversion (in percent)	97.0%	70.3%	86.2%

Cash Conversion Rates presented for the year ended 31 March 2018 and 2019 are based on adjusted EBITDA for the latest twelve months ended 31 March.

ADJUSTED EARNINGS PER SHARE

Adjusted earnings per share is calculated as profit/-loss for the year attributable to shareholders (owners of the parent company) adjusted for other income and expenses after tax, and finance expenses related to refinancing divided by the

(NOK million)	First quarter		Year
	2019	2018	2018
Profit/-loss for the period attributable to shareholders (owners of the parent company)	118	100	640
Other income and expenses	88	125	560
Tax effect other income and expenses	-20	-29	-129
Adjusted profit/-loss for the period attributable to shareholders (owners of the parent company)	187	197	1 071
Average number of shares outstanding	370 806 077	370 806 077	370 806 077
Adjusted earnings per share	0.50	0.53	2.89

NET INTEREST-BEARING LIABILITIES (NIBD)

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

(NOK million)	As of 31 March		Year
	2019	2018	2018
Non-current lease liabilities	1 428	14	13
Non-current interest-bearing liabilities (excluding the capitalised arrangement fee)	4 760	4 598	4 734
Current lease liabilities	286	3	3
Other current interest-bearing liabilities	18	-	-
Bank deposits	-475	-368	-646
Net interest-bearing liabilities (NIBD)	6 017	4 247	4 104
Capitalised arrangement fee	43	56	47
Non-current interest-bearing liabilities (including the capitali	6 145	4 555	4 700

NET LEVERAGE

Net leverage represents NIBD divided by adjusted EBITDA.

(NOK million)	As of 31 March		Year
	2019	2018	2018
Net interest-bearing liabilities (NIBD)	6 017	4 247	4 104
Adjusted EBITDA	1 889	1 787	1 812
Net leverage	3.19	2.38	2.26

Net leverage presented is based on adjusted EBITDA for the latest twelve months ended 31 December.

WORKING CAPITAL

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

(NOK million)	As of 31 March		Year
	2019	2018	2018
Accounts receivable	1 791	1 654	1 701
Other current receivables	1 161	1 168	1 109
Accounts payable	-743	-695	-842
Duties payable, vacation allowance	-1 107	-993	-1 026
Other current liabilities	-1 173	-1 131	-1 360
less accrued financial expenses	14	12	17
less current interest bearing liabilities	18	-	-
Net working capital	-40	14	-401

EVRY

