

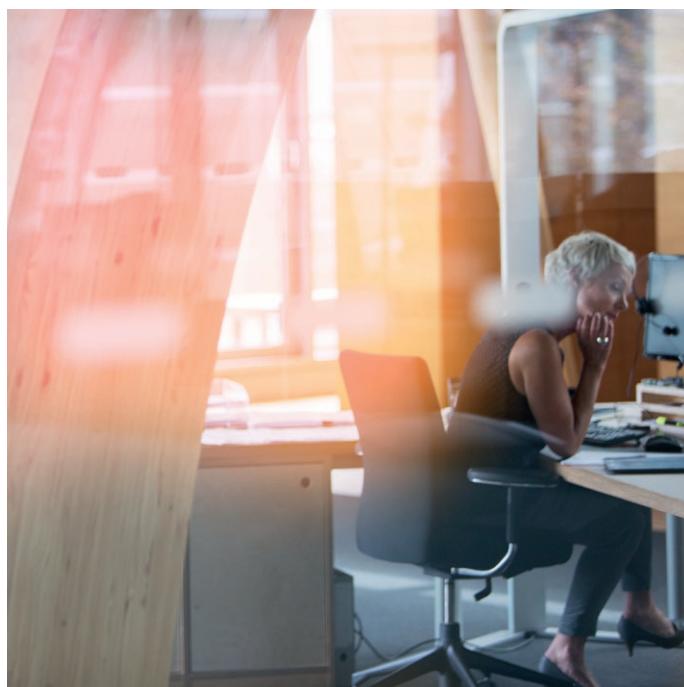


Interim Report for Q4 2017 and  
preliminary full year 2017

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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 8,500 employees across nine countries. Its headquarters are located at Fornebu just outside Oslo, and the company is listed on the Oslo Stock Exchange.

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

# Financial Highlights

Continue the journey with revenue and profitability growth

- Total revenue of NOK 3,413 million in Q4 2017, compared to NOK 3,238 million in Q4 2016. Adjusted for currency effect and acquisitions and divestments, organic growth was 3.7% in Q4 2017.
- Adjusted EBITDA increased 19.9% to NOK 557 million in Q4 2017 (NOK 464 million in Q4 2016), representing an adjusted EBITDA margin of 16.3% (14.3% in Q4 2016).
- Adjusted EBITA increased 22.8% to NOK 495 million in Q4 2017 (NOK 403 million in Q4 2016), representing an adjusted EBITA margin of 14.5% (12.5% in Q4 2016).
- Last Twelve Months (LTM) Cash Conversion as of 31 December 2017 ended at 91.6%, a decrease of 16.4 percentage points from LTM Cash Conversion of 108% for 2016.
- Total revenue of NOK 12,596 million in 2017, compared to NOK 12,246 million for 2016. Adjusted for currency effect and acquisitions and divestments, organic growth was 2.4% in 2017.
- Adjusted EBITDA increased 15% from NOK 1,583 million in 2016 to NOK 1,821 million in 2017, representing an adjusted EBITDA margin of 14.5% (12.9% in 2016).
- Adjusted EBITA increased 18.6% from NOK 1,322 million in 2016 to NOK 1,569 million in 2017, representing an adjusted EBITA margin of 12.5% (10.8% in 2016).
- Strong Backlog with NOK 18.0 billion as of 31 December 2017.
- The Board of directors will propose a dividend of NOK 1.25 per share, amounting to NOK 463.5 million.

Björn Ivroth, Group CEO of EVRY commented:

“In 2017 EVRY experienced stronger demand for application development and digitalisation services. The company set up a new centre specialising in the development of cognitive services and automation solutions in order to ensure high-quality deliveries in relation to disruptive technologies.

Digitalisation is high on the agenda of both senior executives and board members in most industries. We are also seeing new regulations and a greater focus on compliance create new business opportunities. In 2018 we will strengthen both our service offering and our focus on small and medium-sized businesses to ensure good scalable solutions for this important part of Nordic business and industry.”

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# Key Figures and Financial Ratios

This interim report relates to EVRY's performance in the fourth quarter of 2017 relative to the fourth quarter of 2016. All figures are in NOK million unless otherwise stated. Please refer to page 20 for a description of the Alternative Performance Measures.

(NOK million)	Q4 2017	Q4 2016	2017	2016
<b>Income statement</b>				
Operating revenue	3 413	3 238	12 596	12 246
EBITDA	296	280	629	1 208
Adjusted EBITDA	557	464	1 821	1 583
Adjusted EBITDA margin (%)	16.3 %	14.3 %	14.5 %	12.9 %
EBITA	234	219	353	947
Adjusted EBITA	495	403	1 569	1 322
Adjusted EBITA margin (%)	14.5 %	12.5 %	12.5 %	10.8 %
Other income and expenses	261	184	1 215	375
Operating profit (EBIT)	231	217	339	933
Net financial items	-35	-142	-673	-513
Profit/-loss for the period	138	37	-261	301
<b>Cash flow</b>				
Adjusted net cash flow from operations	1 068	771	1 272	1 280
Net operational investments (CAPEX)	-122	-117	-359	-316
Free cash flow	946	654	913	964
Cash conversion (LTM)			91.6 %	108.0 %
<b>Financial position</b>				
Total assets			11 383	10 461
Goodwill			5 736	5 578
Total equity			3 238	193
Equity ratio			28.4 %	1.8 %
Net interest-bearing liabilities (NIBD)			3 807	6 041
<b>Employees</b>				
Number of employees end of period			8 545	8 864
Global Delivery in percent of total employees			35.7 %	35.4 %
Full-time employees (FTEs) (in percent) <sup>3)</sup>			97.6 %	97.3 %
<b>Growth/Sales</b>				
Total revenue growth <sup>1)</sup>	5.4 %	-0.7 %	2.9 %	-0.5 %
Currency effects	-1.4 %	2.9 %	0.5 %	-0.4 %
Acquisition and Divestment impact <sup>2)</sup>	-0.3 %	-1.9 %	-1.0 %	-0.5 %
Organic growth	3.7 %	0.3 %	2.4 %	-1.4 %
Backlog (NOK billion)			18.0	20.8
<b>Stock market ratios</b>				
Earnings per share (NOK)	0.37	0.14	-0.82	1.12
Diluted earnings per share (NOK)	0.37	0.14	-0.82	1.12
Adjusted earnings per share (NOK)	0.91	0.65	2.82	2.18
Number of shares issued	370 806 077	267 338 981	370 806 077	267 338 981
Number of treasury shares	-	-	-	-
Average number of shares	370 806 077	267 338 981	319 072 529	267 338 981

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

2) Organic growth is adjusted for all acquisitions and divestments in the period

3) In percent of total employees

# Group Performance

## SUMMARY OF THE FOURTH QUARTER OF 2017

The Group reported operating revenue for the fourth quarter of 2017 of NOK 3,413 million compared to NOK 3,238 million in the fourth quarter of 2016. Adjusted for currency effects and acquisitions and divestments, the organic growth was 3.7% in the fourth quarter of 2017 relative to the fourth quarter of 2016.

Consolidated adjusted EBITDA for the fourth quarter of 2017 was NOK 557 million as compared to NOK 464 million in the fourth quarter of 2016. Consolidated EBITDA for the fourth quarter of 2017 was NOK 296 million as compared to NOK 280 million in the fourth quarter of 2016. Depreciation and write-down of tangible assets and in-house developed software amounted to NOK 62 million in the fourth quarter of 2017 as compared to NOK 61 million in the fourth quarter of 2016.

Consolidated adjusted EBITA in the fourth quarter of 2017 was NOK 495 million as compared to NOK 403 million in the fourth quarter of 2016. The adjusted EBITA margin was 14.5% in the fourth quarter of 2017, compared to 12.5% in the fourth quarter of 2016. Consolidated EBITA for the fourth quarter of 2017 was a profit of NOK 234 million compared to a profit of NOK 219 million in the fourth quarter of 2016.

Other income and expenses totalled NOK 261 million in the fourth quarter of 2017, which was solely related to the implementation of the partnership with IBM and the IPO. In the fourth quarter of 2016 other income and expenses totalled NOK 184 million.

EVRY's operating result (EBIT) for the fourth quarter of 2017 was a profit of NOK 231 million as compared to a profit of NOK 217 million in the fourth quarter of 2016.

Net financial expenses for the fourth quarter of 2017 was NOK 35 million, a decrease of NOK 107 million from NOK 142 million for the corresponding period

in 2016. The reduction in net financial expenses was 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 fourth quarter of 2017 was NOK 196 million as compared to a profit of NOK 75 million for the fourth quarter of 2016.

The effective tax rate for the fourth quarter of 2017 was 29.3%, representing a tax expense of NOK 58 million. The effective tax rate for the fourth quarter of 2016 was 51.0%, representing a tax expense of NOK 38 million. The effective tax rate in both the fourth quarter of 2017 and 2016 was negatively impacted by change in tax rates in Norway.

The profit for the fourth quarter 2017 was NOK 138 million as compared to a profit of NOK 37 million for the fourth quarter of 2016.

The backlog was NOK 18.0 billion at the end of 2017, where of NOK 7.2 billion, or 40%, are to be delivered in 2018. The corresponding backlog figure for the EVRY Group was NOK 20.8 billion at year end 2016.

## Business Update

### Organic growth

in Q4 2017

3.7%

### Total revenue

in Q4 2017

3,413  
NOK million

### Adjusted EBITA

in Q4 2017

495  
NOK million

### Adjusted EBITA margin

in Q4 2017

14.5%

The financial performance in the fourth quarter and 2017 as a whole was impacted by certain global trends that are expected to be key drivers of growth again in 2018. One of these is the PSD2 directive, which is driving open banking as well as innovation and new initiatives in the financial services industry, with the banking sector opening up to new entrants and banks losing their monopoly over customer information. The need for open banking capabilities and compliance with PSD2 will increase demand for solutions that foster and manage API-based business development. In the fourth quarter of 2017, EVRY's strong position in the financial service industry in the Nordics was demonstrated by the five-year contract it signed with Sbanken (former Skandiabanken), which EVRY will provide with next-generation core banking and payment solutions. This agreement also covers future collaboration in relation to

open banking and innovation. EVRY also secured a renewed agreement for the delivery of banking operations solutions, including next-generation core banking and payment solutions, with Swedbank Norway, a customer with which EVRY has a long-lasting relationship in both Norway and Sweden.

IT strategy and digital transformation is high on the agenda for top management and board members across various industries. EVRY experience a significant demand among top leaders to set a clear direction for their company's digitalization journey. EVRY consider strategic design methodology as core to engage strategic decision makers and speed up digital innovation processes in the future. There has been increasing demand for specific competence across verticals and solutions, business and IT platforms. As digitalization with increasing demand for artificial intelligence and automation are progressing fast, EVRY established a Strategic Design lab. During 2017, EVRY has hosted workshops for more than 60 priority customer which have developed digitalization strategies with the EVRY Strategic Design Methodology.

In 2017 EVRY established a new cognitive center to explore Robotics, Automatization, Chat Bots and Machine Learning. Around 57% of the Norwegian municipalities gave digitalization high priority in 2017 (+10 percentage points from 2016), and robots and automation are now entering the public sector. EVRY has during the year signed contracts for new automation projects in both public and private sector, which is an attractive platform for strengthen the position and further growth for these services and solutions.

Attention on new regulations, compliance and privacy rights are high, and implementation of GDPR will require increased protection of personal data and individual data rights, where data governance creates new business models and new business with EVRY's existing customer base. EVRY has developed a new methodology for risk assessment, compliance evaluation and business opportunity identification to enable businesses to leverage on GDPR and Privacy concerns. In the fourth quarter of 2017, EVRY entered Data

Governance projects with customers in public sector, insurance and manufacturing in the Nordic region.

EVRY has historically had a significant portfolio of SME customers, in addition to the portfolio of Larger Enterprises. These two segments have previously had their own characteristics in terms of both "go to market strategy" and complexity in the deliveries. EVRY now experience a significant shift for the SME segment, that is expected to have sales and delivery implications over the next period.

SME's have historically been less advanced, requested simplified and more standardized and less bespoke solutions, serviced by a sales force of generalists. The trend is that SME's are moving towards more advanced requirements, with more complex and innovative solutions and services. That means SME's are requesting more advanced and bundled IT solutions, with a complexity in the offerings that are more in line with the Larger Enterprises, but with a higher price sensitivity. This structural change implies need for internal reorganization by IT service vendors, adapting the organization to meet the new market dynamics, with customized solutions sold through a more automated and digitalized go to market strategy.

SME's will target IT service vendors that provide a total offering portfolio and bundled solutions. Infrastructure and applications are the basic services and solutions that need to be repeatable and scalable, where customer and industry specific solutions on top of this, build on emerging technology, creates competitive advantages for the IT service vendor and business value for the customer. Introduction of new sales channels and platforms are required, to secure proactive marketing and maintenance, new sale of hardware/software and services/ solutions through digital interaction. Up-sale on installed customer base and customer interface will mainly come through standardized and scalable services and solutions on digital platforms, where verticalization and full-service offering will be competitive advantages.

# Cash Flow

Cash conversion for 2017 ended at 91.6%, compared to 108% for the full year 2016. The reduced cash conversion from 2016 to 2017 is mainly driven by increased balance of accounts receivables, accrued revenue (implementation of new contracts) and prepaid expenses.

The dedicated focus on cash collection with more efficient procedures and processes has improved the DSO significantly over the last years. As of 31 December 2016, the DSO was 40.9 days, which has continued to improve further throughout 2017 and ended at 36.3 days as of year-end 2017, an enhancement of 4.6 days.

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

Net cash flow from operations for the fourth quarter of 2017 was NOK 751 million as compared to NOK 598 million for the fourth quarter of 2016. Adjusted operational cash flow for the fourth quarter of 2017 was NOK 1,068 million, an increase of NOK 297 million from NOK 771 million in the fourth quarter of 2016. The main driver behind the improvement in the fourth quarter of 2017 compared to the fourth quarter of 2016 was increased EBITDA and higher working capital inflow.

## NET CASH FLOW FROM INVESTMENT ACTIVITIES

Net operational investments for the fourth quarter totalled NOK 122 million, compared to NOK 117 million for the same period in 2016. Investment in tangible operating assets amounted to NOK 64 million for the fourth quarter of 2017, while investment in in-house

developed software amounted to NOK 64 million in the same period. The corresponding figures for 2016 were NOK 53 million and NOK 68 million respectively.

Investment in group companies amounted to NOK 48 million in the fourth quarter of 2016 and was related to the acquisition of NetRelations AB in Sweden. There has not been any acquisitions in the fourth quarter of 2017.

## NET CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing for the fourth quarter of 2017 was negative NOK 100 million, explained by repayment of temporary RCF draw down, compared to NOK 36 million in 2016.

## FREE CASH FLOW

Free cash flow for the fourth quarter of 2017 was NOK 946 million compared to NOK 654 million for the same quarter in 2016. The improvement in 2017 is explained by increased EBITDA and higher working capital inflow in the fourth quarter of 2017 compared to the same period in 2016.

## EQUITY AND CAPITAL STRUCTURE

The equity as of 31 December 2017 was NOK 3,238 million, equal to an equity ratio of 28.4%, and total outstanding long-term debt was NOK 4,683 million. As of 31 December 2017, the company had a cash balance of NOK 880 million, which implies a net interest-bearing debt (NIBD) of NOK 3,807 million and a net leverage of 2.09.

### 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.

# Business Area Performance

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

Operating revenue	Q4 2017	Q4 2016	Growth	2017	2016	Growth
EVRY Norway	1 521	1 507	0.9 %	5 769	5 669	1.0 %
EVRY Sweden	876	818	0.4 %	3 312	3 245	0.9 %
EVRY Financial Services	889	825	7.2 %	3 222	3 133	2.9 %
Other	127	88		294	199	
Group	3 413	3 238	3.7 %	12 596	12 246	2.4 %
<b>EBITA</b>	<b>Q4 2017</b>	<b>Q4 2016</b>		<b>2017</b>	<b>2016</b>	
EVRY Norway	177	139		603	430	
EVRY Sweden	94	96		325	305	
EVRY Financial Services	126	125		432	414	
Other	99	44		209	172	
Group (adjusted)	495	403		1 569	1 322	
Other income and expenses	-261	-184		-1 215	-375	
Group	234	219		353	947	
<b>EBITA margin</b>	<b>Q4 2017</b>	<b>Q4 2016</b>		<b>2017</b>	<b>2016</b>	
EVRY Norway	11.6 %	9.2 %		10.5 %	7.6 %	
EVRY Sweden	10.7 %	11.7 %		9.8 %	9.4 %	
EVRY Financial Services	14.2 %	15.1 %		13.4 %	13.2 %	
Group (adjusted)	14.5 %	12.5 %		12.5 %	10.8 %	
Group	6.9 %	6.8 %		2.8 %	7.7 %	

## EVRY Norway

Operating revenue for EVRY Norway for the fourth quarter of 2017 was NOK 1,521 million, an increase of NOK 0.9% from NOK 1,507 million for the fourth quarter of 2016. The revenue increase was mainly driven by higher revenues within application services.

EVRY Norway reported an EBITA of NOK 177 million for the fourth quarter of 2017, compared to NOK 139 million in the fourth quarter of 2016. This improvement

in earnings relates to higher utilisation within consultancy services and lower expenses following the strategic improvement measures implemented in 2015 and 2016. The EBITA margin for the fourth quarter of 2017 was 11.6% as compared to 9.2% in the same period of 2016.

EVRY Norway's order backlog at 31 December 2017 was NOK 6.9 billion, where of NOK 3.1 billion will be delivered in 2018. The corresponding backlog figure for the EVRY Norway business area was NOK 8.4 billion at year-end 2016.

# EVRY Sweden

Operating revenue for EVRY Sweden for the fourth quarter of 2017 was NOK 876 million, an increase of NOK 57 million, from NOK 818 million in the fourth quarter of 2016. EVRY Sweden's operating revenue was positively impacted by currency effects, as the SEK strengthened against the NOK. After adjusting for currency effects and acquisitions, the organic growth was 0.4%. The revenue growth was mostly driven by higher revenue from fulfilment services.

EVRY Sweden reported an EBITA of NOK 94 million for the fourth quarter of 2017, compared to NOK 96 million in the fourth quarter of 2016. The reduced earnings was mainly due to lower utilisation related to the consultancy services. The EBITA margin for the fourth quarter of 2017 was 10.7% as compared to 11.7% in the fourth quarter of 2016.

EVRY Sweden's order backlog at 31 December 2017 was NOK 3.5 billion, where of NOK 1.5 billion will be delivered in 2018. The corresponding backlog figure for the EVRY Sweden business area was NOK 3.5 billion at year-end 2016.

## EVRY Financial Services

Operating revenue for Financial Services for the fourth quarter of 2017 was NOK 889 million, an increase of NOK 64 million from NOK 825 million for the fourth quarter of 2016. This was equivalent to organic revenue growth of 7.2% relative to the fourth quarter of 2016. The growth was mainly driven by increased revenue related to the Card Services area within application services. The Card Services area has shown solid growth throughout the year.

EVRY Financial Services reported an EBITA of NOK 126 million for the fourth quarter of 2017, compared to NOK 125 million for the fourth quarter 2016. The increase in EBITA was due to higher revenues in the fourth quarter of 2017. However, this year-on-year increase was offset by costs related to strategic projects, resulting in a lower EBITA margin for the fourth quarter of 2017. The EBITA margin for the fourth quarter of 2017 was 14.2%, compared to 15.1% for the fourth quarter of 2016.

EVRY Financial Services' order backlog at 31 December 2017 was NOK 7.6 billion, where of NOK 2.5 billion will be delivered in 2018. The corresponding backlog figure for the EVRY Financial Services business area was NOK 8.9 billion at year-end 2016.

## Other

Revenue related to EVRY's Global Delivery organisation totalled NOK 244 million for the fourth quarter of 2017, an increase of NOK 26 million from NOK 218 million in the fourth quarter of 2016. Approximately 60% of this revenue relates to external customers from outside the Nordic region. EBITA for the fourth quarter of 2017 was NOK 38 million, compared to NOK 30 million in the same period of 2016. The EBITA margin for the fourth quarter of 2017 was 15.6% as compared to 13.6% for the fourth quarter of 2016.

Intra-group eliminations totalled NOK 117 million for the fourth quarter of 2017 as compared to NOK 131 million for the third quarter of 2016. Expenses associated with support functions that are not allocated to EVRY's segments totalled NOK -61 million in the fourth quarter of 2017 as compared to NOK -14 million in the fourth quarter of 2016.

# Condensed Consolidated Interim Financial Statements

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# Condensed Consolidated Statement of Comprehensive Income

(NOK million)	Notes	Q4 2017	Q4 2016	2017	2016
Operating revenue		3 413	3 238	12 596	12 246
Cost of goods sold		1 164	1 001	4 281	3 818
Salaries and personnel costs		1 408	1 464	5 341	5 552
Other operating costs		283	309	1 154	1 294
Other income and expenses	3	261	184	1 215	375
Depreciation and write-down of tangible assets and in-house developed software		62	61	252	261
Operating profit/-loss before depreciation of customer contracts and write-down of intangible assets (EBITA)		234	219	353	947
Amortisation of customer contracts		4	2	14	13
Operating profit/-loss (EBIT)		231	217	339	933
Net financial items		-35	-142	-673	-513
Profit/-loss before tax		196	75	-333	420
Taxes		58	38	-72	120
Profit/-loss for the period		138	37	-261	301
<b>Other comprehensive income</b>					
Cash flow hedges		-	55	99	-187
Currency translation differences		44	52	50	-160
Actuarial gains/-losses on defined benefit pension plans		-	1	-41	1
Total other comprehensive income		43	108	109	-346
Total comprehensive income for the period		181	144	-153	-46
<b>Total comprehensive income for the period is allocated as follows</b>					
Owners of the parent		181	144	-154	-46
Non-controlling interests		-	-	1	1
<b>Earnings per share</b>					
Earnings per share (NOK), basic		0.37	0.14	-0.82	1.12
Earnings per share (NOK), diluted		0.37	0.14	-0.82	1.12

# Condensed Consolidated Statement of Financial Position

(NOK million)	Notes	31.12.17	31.12.16
Goodwill		5 736	5 578
Other intangible assets		1 310	1 062
Total intangible assets		7 046	6 640
 Total tangible assets		376	426
Total non-current financial assets		339	115
Total non-current assets		7 762	7 180
 Accounts receivable		1 663	1 478
Other current receivables		1 078	812
Bank deposits		880	990
Total current assets		3 621	3 280
 Total assets		11 383	10 461
 Equity	4	3 238	193
Non-controlling interests		1	1
Total equity and non-controlling interests		3 239	194
 Non-current interest bearing liabilities	5	4 623	6 808
Non-current non-interest bearing liabilities		12	175
Provision for liabilities		274	254
Total non-current liabilities		4 910	7 237
 Accounts payable		934	878
Duties payable, vacation allowance		986	898
Other current liabilities		1 314	1 254
Total current liabilities		3 234	3 030
 Total equity and liabilities		11 383	10 461

# Condensed Consolidated Statement of Cash Flow

(NOK million)	Q4 2017	Q4 2016	2017	2016
Profit/-loss before tax	196	75	-333	420
Depreciation, write-down and amortization	66	72	290	284
Tax paid	27	-14	-52	-80
Net financial items	-9	14	278	84
Change in net working capital	679	484	-177	-58
Other changes	109	140	1 268	630
Cash effect from other income and expenses	-317	-174	-1 767	-974
Net cash flow from operations	751	598	-495	306
Investment in tangible operating assets	-64	-53	-160	-161
Investment in in-house developed software	-64	-68	-223	-189
Sale of tangible operating assets (sales proceeds)	6	4	24	35
Investment in group companies	-	-48	-9	-88
Net cash flow from investments	-122	-165	-368	-404
Draw down of new debt	-	61	5 240	3 185
Repayment of debt	-100	-25	-7 637	-1 051
Proceeds from equity issued	-	-	3 167	-
Dividends paid	-	-	-	-1 906
Net cash flow from financing	-100	36	770	227
Changes in foreign exchange rates	6	32	-17	-39
Net change in cash flow	534	501	-110	90
Opening balance bank deposits	346	489	990	900
Closing balance bank deposits	880	990	880	990

# Condensed Consolidated Statement of Changes in Equity

## Attributable to equity holders of the parent

(NOK million)	Share capital	Other paid-in capital	Other equity	Total	Non-controlling interests	Total equity
Equity as of 1 January 2017	468	-	-275	193	1	194
Profit/-loss for the period			-263	-263	1	-262
Other comprehensive income			109	109	-	109
Issue of share capital	181	2 999	-	3 180	-	3 180
Sharebased options employees			18	18	-	18
Allocation of equity		-410	410	-	-	-
Equity as of 31 December 2017	649	2 589	-	3 238	1	3 239

## Attributable to equity holders of the parent

(NOK million)	Share capital	Other paid-in capital	Other equity	Total	Non-controlling interests	Total equity
Equity as of 1 January 2016	468	1 394	284	2 145	-	2 146
Profit/-loss for the period			300	300	1	301
Other comprehensive income			-346	-346	-	-346
Dividends			-1 906	-1 906	-	-1 906
Allocation of equity		-1 394	1 394	-	-	-
Equity as of 31 December 2016	468	-	-275	193	-	194

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

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

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

## 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 2016.

## NOTE 3 – OTHER INCOME AND EXPENSES

(NOK million)	Q4 2017	Q4 2016	2017	2016
IBM outsourcing agreement	230	136	941	250
Write-down of other balance sheet items and projects	-	9	-	26
Provision for restructuring	-	35	33	78
Transaction costs, IPO and refinancing	31	4	241	21
Total other income and expenses	261	184	1 215	375

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

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

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

	Share capital (Number of shares)	Par value (NOK)	Share capital (NOK million)	Other paid-in capital (NOK million)
As of 31 December 2016	267 338 981	1.75	467 843 217	-
Share issue on 22 June in connection with the initial public offering	103 225 806	1.75	180 645 161	2 976 794 826
Share issue on 29 June per share in connection with the bonus payment to the Chief Financial Officer	241 290	1.75	422 258	7 057 743
Stabilisation gain				15 174 909
Allocation of equity				-410 300 000
As of 31 December 2017	370 806 077	1.75	648 910 635	2 588 727 477

The 20 largest shareholders at 31 December 2017 were as follows:

Shareholders	Shares	% of shares
Morgan Stanley & Co. Int. Plc.*	201 410 067	54.32%
Polygon (Pe) Holdings Ltd	19 444 554	5.24%
Folketrygdfondet	18 550 507	5.00%
The Bank Of New York Mellon Sa/Nv	9 961 215	2.69%
State Street Bank And Trust Comp	8 419 557	2.27%
Northern Trust Global Services Ltd	4 715 352	1.27%
Invesco Funds Series 4	4 680 340	1.26%
State Street Bank And Trust Comp	4 673 271	1.26%
Danske Bank A/S	4 114 404	1.11%
Credit Suisse Securities (Usa) Llc	4 034 600	1.09%
State Street Bank And Trust Comp	3 966 812	1.07%
Skandinaviska Enskilda Banken	2 997 686	0.81%
Arctic Funds Plc	2 975 807	0.80%
Arctic Funds Plc	2 671 145	0.72%
Credit Suisse Securities (Europe)	2 650 368	0.71%
Merrill Lynch International	2 535 000	0.68%
Tredje Ap-Fonden	2 509 389	0.68%
Morgan Stanley & Co. Int. Plc.	2 418 250	0.65%
State Street Bank And Trust Comp	2 407 095	0.65%
J.p. Morgan Securities Llc	2 350 000	0.63%
20 largest shareholders total	307 485 419	82.92%
Other shares	63 320 658	17.08%
<b>Total</b>	<b>370 806 077</b>	<b>100.00%</b>

\*Lyngen Holdco S.A.R.L controlled 54.3% of the shares in EVRY ASA as of 31 December 2017, held through a custody account with Morgan Stanley & Co. Int. PLC. Lyngen Holdco S.A.R.L is indirectly controlled by private equity funds advised by Apax Partners LLP.

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

(NOK million)	31 December	31 December
	2017	2016
Financial lease	16	19
Liabilities to credit institution	4 668	7 009
Arrangement fee financing	-61	-220
Non-current interest-bearing liabilities	4 623	6 808

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 (NOK 1,400 million undrawn as of 31 December 2017). Proceeds from the new equity and draw-down of the new bank facility, have been used for repayment of the pre IPO senior debt facility of NOK 6,364 million and the outstanding vendor financing to IBM of NOK 998 million.

## NOTE 6 – FINANCIAL INSTRUMENTS

### Fair value hierarchy

Financial instruments that are valued at fair value in the statement of financial position are grouped on the basis of the following fair value hierarchy:

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

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

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

NOK million	Level 1	Level 2	Level 3	Total book value	Fair value
<b>Assets</b>					
Non-current receivables				339	339
Accounts receivable				1 663	1 663
Other current receivables				1 078	1 078
Bank deposits				880	880
<b>Total Assets</b>	-	-	-	<b>3 961</b>	<b>3 961</b>
<b>Liabilities</b>					
Non-current interest-bearing liabilities				4 623	4 623
Other non-current liabilities		3		286	289
Accounts payable				934	934
Other current liabilities				2 300	2 300
<b>Total Liabilities</b>	-	3	-	<b>8 141</b>	<b>8 144</b>

During the reporting period 1 January 2017 to 31 December 2017, there were no transfers between the levels in the fair value hierarchy. The Group entered into new interest swaps related to the new financing in the third quarter of 2017.

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

There have been no events subsequent to the end of 31 December 2017 that have a material effect on the interim financial statement.

# 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 impacts from 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)	Fourth quarter		Year		Growth in percent
	2017	2016	2017	2016	
Reported revenues	3 413	3 238	5.4 %	12 596	12 246
Currency effects	-	45	-1.4 %	-	-61
Acquisition and Divestment impact	-	10	-0.3 %	-	122
Basis for organic revenue growth	3 413	3 293	3.7 %	12 596	12 308

## 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)	Fourth quarter		Year		2017
	2017	2016	2017	2016	
Adjusted EBITA	495	403	1 569	1 322	
IBM outsourcing agreement	-230	-136	-941	-250	
Write-down of other balance sheet items and projects	-	-9	-	-26	
Provision for restructuring	-	-35	-33	-78	
Transaction costs, IPO and refinancing	-31	-4	-241	-21	
EBITA	234	219	353	947	

(NOK million)	Fourth quarter		Year		2017
	2017	2016	2017	2016	
EBITA	234	219	353	947	
Depreciation and write-down of tangible assets and in-house developed software	62	61	275	261	
EBITDA	296	280	629	1 208	
IBM outsourcing agreement	230	136	918	250	
Write-down of other balance sheet items and projects	-	9	-	26	
Provision for restructuring	-	35	33	78	
Transaction costs, IPO and refinancing	31	4	241	21	
Adjusted EBITDA	557	464	1 821	1 583	

#### 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)	Fourth quarter		Year	
	2017	2016	2017	2016
Adjusted operational cash flow	1 068	771	1 272	1 280
Payments related to restructuring processes	-39	-74	-195	-368
Transaction, IPO and refinancing payments	-49	-6	-343	-51
Payments related to IBM outsourcing agreement	-230	-158	-1 229	-595
Cash flows from operations in discontinued operations	-	-	-	-1
Effect of new companies acquired	-	13	-	41
Net cash flow from operations	751	547	-495	306

#### 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)	Fourth quarter		Year	
	2017	2016	2017	2016
Investment in tangible operating assets	-64	-53	-160	-161
Investment in in-house developed software	-64	-68	-223	-189
Sale of tangible operating assets	6	4	24	35
Net operational investments (CAPEX)	-122	-117	-359	-316

#### FREE CASH FLOW

Free cash flow represents the cash flow that EVRY is able to generate after carrying out necessary investment spending. Free cash flow is defined as 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)	Fourth quarter		Year	
	2017	2016	2017	2016
Adjusted operational cash flow	1 068	771	1 272	1 280
Net operational investments (CAPEX)	-122	-117	-359	-316
Free cash flow	946	654	913	964

#### CASH CONVERSION

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

(NOK million)	Year	
	2017	2016
Adjusted operational cash flow	1 272	1 280
Paid interest	395	429
Adjusted EBITDA	1 821	1 583
Cash conversion (in percent)	91.6 %	108.0 %

#### 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)	Fourth quarter		Year	
	2017	2016	2017	2016
Profit/-loss for the period attributable to shareholders (owners of the parent company)	138	37	-261	301
Other income and expenses	261	184	1 215	375
Finance expenses related to refinancing	-	-	313	-
Tax effect other income and expenses	-63	-46	-367	-94
Adjusted total comprehensive income for the year attributable to shareholders (owners of the parent company)	337	174	900	581
Average number of shares outstanding	370 806 077	267 338 981	319 072 529	267 338 981
Adjusted earnings per share	0.91	0.65	2.82	2.18

#### NET INTEREST-BEARING LIABILITIES (NIBD)

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

(NOK million)	Year	
	2017	2016
Non-current interest-bearing liabilities (excluding the capitalised arrangement fee)	4 683	7 028
Current interest-bearing liabilities	3	3
Bank deposits	-880	-990
Net interest-bearing liabilities (NIBD)	3 807	6 041
Arrangement fee	61	220
Non-current interest-bearing liabilities (including the capitalised arrangement fee)	4 623	6 808

#### NET LEVERAGE

Net leverage represents NIBD divided by adjusted EBITDA.

As of 31 December

(NOK million)	2017
Net interest-bearing liabilities (NIBD)	3 807
Adjusted EBITDA	1 821
Net leverage	2.09

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