Report from the Board of Directors 2015

2015 was defined by a significant restructuring of EVRY's activities in both Norway and Sweden. The aim of the restructuring work was to improve operational efficiency and bring EVRY's cost base into line with its market position and rate of growth. The benefits of the efficiency work are expected to be seen as early as 2016.

A thorough review of the Group's cost base in 2015 concluded that EVRY's costs were too high, and that they were out of line with EVRY's market position and rate of growth. Therefore, a range of cost reduction measures were implemented to strengthen the Group's profitability and long-term competitiveness. These measures affect all business areas and are intended to reduce the Group's cost base in 2016. They include realising the synergies arising from the reorganisation of the Norway business area: The Industries Norway and Regions Norway divisions have been combined to simplify their organisational structure and increase their efficiency. A new simplified operating model has been introduced in Sweden to reduce the number of legal units, harmonise operations, create synergies and increase efficiency. The Group has also reduced its sales and administrative costs by improving the efficiency of its staff and support functions at both the Group and divisional level.

With effect from 1 December 2015, the Group has entered into a 10-year agreement with IBM to strengthen its infrastructure solutions. EVRY will continue to lead the development of value-adding infrastructure services for its customers and will combine this with IBM's innovative cloud technology and global capabilities. The agreement means that EVRY will partner with IBM for the operation of its basic infrastructure platforms, and it covers the mainframe, Unix and Wintel platforms. EVRY will continue to take full responsibility for customers and deliveries and will also continue to manage its data centres, while IBM will operate the technology. The estimated revenue value is USD one billion over the contract period, a result of the IBM agreement, looking to 2016, EVRY expects to reduce its cost base significantly within the outsourcing area. EVRY also expects to increase its competitiveness in the market and thus increase revenues.

The company will invest significantly in cloud-based infrastructure solutions over the next three years in order to offer its customers scalable, market-leading solutions on a global platform. Significant provisions have therefore been made on the Group's balance sheet as of 31 December 2015 in relation to the planned transitions and customer transformations needed to convert to IBM's platform technology. In total, approximately 200 customers are covered by the conversion to IBM's platform technology. On 1 December 2015, 429 employees from EVRY's Nordic organisation were transferred to IBM.

EVRY's consolidated operating revenue for 2015 was NOK 12 860 million compared to NOK 12 773 million in 2014. In organic terms, this corresponds to a 0.4% decrease in operating revenue.

In 2015 the Group's operating result, before write-downs of intangible assets (EBITA), was a loss of NOK 1 405 million, compared to a profit of NOK 543 million in 2014. In 2015 the Group reported non-recurring items of NOK 2 216 million (before NOK 136 million in intangible asset write-downs) and, after adjusting for this, consolidated EBITA in 2015 was NOK 811 million. In 2014 the Group reported non-recurring items of NOK 271 million (before NOK 1 164 million in goodwill write-downs) and, after adjusting for this, consolidated EBITA in 2014 was NOK 813 million. EBITA margin before non-recurring items was 6.3% in 2015, compared to 6.4% in 2014.

The operating result (EBIT) for 2015 was a loss of NOK 1 566 million, compared to a loss of NOK 655 million in 2014. After adjusting for non-recurring items, EBIT for 2015 was a profit of NOK 789 million, compared to a profit of NOK 780 million in 2014. Net financial expense for 2015 totalled NOK 330 million as compared to NOK 87 million in 2014.

Earnings per share for 2015 was NOK -5.28 as compared to NOK -3.26 in 2014.

Financial statements

Operating revenue

The Group's operating revenue in 2015 was NOK 12 860 million, compared to NOK 12 773 million in 2014. Organic revenue reported by the EVRY Financial Services and EVRY Sweden segments decreased by 3% and 4% respectively. Good growth was seen in the Nordic card area in 2015, but this was offset by a reduction in revenue from DNB. The EVRY Norway segment reported organic revenue in line with 2014.

Operating result (EBIT)

The Group's operating result (EBIT) in 2015 was a loss of NOK 1 566 million, compared to a loss of NOK 655 million in 2014. EBIT was negatively impacted in 2015 by non-recurring costs totalling NOK 2 352 million, of which NOK 1 234 million relates to write-downs of balance sheet items and provisions related to the operations agreement with IBM and the decided transitions and customer transformations needed to convert to IBM's platform technology. In addition, costs totalling NOK 510 million were recognised in connection with the restructuring measures, while balance sheet items related to the Future Proof program were written down by a total of NOK 293 million.

EBIT was negatively affected in 2014 by non-recurring costs totalling NOK 1 436 million, of which NOK 1 164 million relates to a goodwill write-down. In addition, costs totalling NOK 120 million were recognised in 2014 in connection with restructuring measures, while a project in the EVRY Norway segment was written down by NOK 34 million.

Refer to note 2 of the consolidated accounts for a more detailed breakdown of non-recurring costs.

Depreciation of tangible assets and in-house developed software amounted to NOK 467 million in 2015, with in-house developed software accounting for NOK 84 million of this amount. On a comparable basis, depreciation amounted to NOK 477 million in 2014, with depreciation of in-house developed software accounting for NOK 92 million of this amount.

Amortisation of intangible assets amounted to NOK 25 million in 2015 as compared to NOK 33 million in 2014. Intangible assets were written down by NOK 136 million in 2015, all of which related to the Future Proof program. Intangible assets were written down by NOK 1 164 million in 2014, all of which related to goodwill.

Net financial items and result for the year before and after tax

Net financial expense was NOK 330 million in 2015, while the pre-tax result from continuing operations was a loss of NOK 1 896 million. Tax expense by the Group for the year totalled NOK -455 million in 2015, and the post-tax result for the year from continuing operations was a loss of NOK 1 441 million. The post-tax result from discontinued operations in 2015 was a profit of NOK 30 million. In 2014, the company decided to close down its SAP activities in Denmark. The financial results relating to these activities are now reported separately in the consolidated statement of comprehensive income as a separate line.

On a comparable basis, net financial expense was NOK 87 million in 2014, while the pre-tax result from continuing operations was a loss of NOK 743 million. Tax expense by the Group for the year totalled NOK 86 million in 2014, and the post-tax result from continuing operations was a loss of NOK 829 million. The post-tax result from discontinued operations in 2014 was a loss of NOK 42 million.

Cash flow and financial position

The Group's net cash flow from operations was NOK 217 million in 2015, compared to NOK 973 million in 2014. The decrease in net cash flow from operations is mainly due to the decrease in the Group's operating result before depreciation and write-downs (EBITDA), and an increase in the company's financing costs of NOK 257 million, as a result of increased interests on the Group's borrowing portfolio. The Group's underlying working capital position improved throughout 2015. The Group's free cash flow for 2015 was NOK -154 million, compared to NOK 558 million in 2014.

Investment in tangible assets totalled NOK 297 million in 2015, down from NOK 398 million in 2014. Investment in the Future Proof program accounted for NOK 10 million of the 2015 amount and NOK 77 million of the 2014 amount. Investment in software developed in-house totalled NOK 147 million in 2015, compared to NOK 93 million in 2014. Investment by the EVRY Financial Services segment was higher in 2015 than in 2014, and principally related to the development of new core banking and payment solutions based on industry standards such as ISO 20022, SOA and BIAN, and adapted to an international market. Other development work carried out by the Group relates to customer-specific projects where the revenue associated with the projects will exceed the development costs.

Net cash flow from financing in 2015 was NOK 449 million, which included payment of a dividend totalling NOK 1 004 million. The Group refinanced its entire borrowing portfolio in 2015, and in connection with this, took out new loans totalling NOK 4.4 billion. The Group reported liquidity reserves of NOK 2 209 million at the end of 2015, compared to NOK 2,414 million at the end of 2014.

The Group's total assets amounted to NOK 11 078 million at 31 December 2015, compared to NOK 10 703 million at 31 December 2014. Intangible assets increased due to higher deferred tax assets, while tangible assets decreased due to a lower level of investment in 2015 as well as sales of equipment in connection with the operations agreement with IBM. Total non-current assets amounted to NOK 7 435 million at 31 December 2015, of which goodwill accounted for 76%. At the end of 2014, non-current assets amounted to NOK 7 107 million, of which goodwill accounted for 77%.

Working capital was equivalent to -5.4% of revenue at the close of 2015, while average working capital at the end of each of the four quarters in the year was equivalent to 0.8% of revenue. This represents a reduction of 2.1 percentage points compared with the end of 2014. The company has worked continuously to reduce working capital, and accounts receivable are lower due to EVRY having entered into factoring agreements for some parts of its customer portfolio.

The Group's equity was NOK 2 146 million at 31 December 2015, equivalent to an equity ratio of 19%. This represents a decrease from NOK 4 277 million at the end of 2014, which was equivalent to an equity ratio of 40%.

Net interest-bearing debt was NOK 4 008 million at 31 December 2015, an increase of NOK 1 440 million from 31 December 2014. This represents a debt ratio of 1.87 at the close of 2015 as compared with 0.60 at the close of 2014.

Reporting segments

The Group reported for three segments in 2015: EVRY Financial Services, EVRY Norway and EVRY Sweden. In 2015, the EVRY Financial Services segment accounted for 27% of total revenues before eliminations, while the EVRY Sweden segment accounted for 27% and the EVRY Norway segment for 46%.

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

EVRY Financial Services segment

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

The EVRY Financial Services segment reported operating revenue of NOK 3 576 million in 2015, representing a decrease in organic revenue of 3% from 2014. There was particularly strong revenue growth in the Nordic card services area in 2015, but this was offset by a decrease in revenue from DNB.

The EVRY Financial Services segment generated EBITA of NOK 335 million in 2015, compared to NOK 371 million in 2014. EBITA margin for 2015 was 9.4% as compared to 10.1% in 2014.

The EVRY Financial Services segment's order backlog at 31 December 2015 was NOK 7.4 billion, of which NOK 2.6 billion is due for delivery in 2016.

EVRY Sweden segment

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

The EVRY Sweden segment reported operating revenue of NOK 3 489 million in 2015, representing a 4% decrease in organic revenue.

EBITA in 2015 was NOK 241 million, representing an EBITA margin of 6.9%. EBITA in 2014 was NOK 255 million, with an EBITA margin of 7.3%.

The EVRY Sweden segments contractually agreed order backlog at 31 December 2015 was NOK 2.7 billion, of which NOK 1.4 billion is due for delivery in 2016.

EVRY Norway segment

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

The EVRY Norway segment reported operating revenue of NOK 6 085 million in 2015, which is in line with 2014.

Global Sourcing activities accounted for 14% of the segment's revenue in 2015, with sound organic growth throughout 2015. Deliveries from operations' centres in India, Ukraine and Latvia to the Group's Nordic organisation account for some 40% of total revenues for EVRY's Global Sourcing businesses. The remaining revenues relate to other customers, and this ensures that the Global Sourcing operations centres have a profitable and scalable business model.

The EVRY Norway segment generated EBITA of NOK 326 million in 2015, representing an EBITA margin of 5.4%. By comparison, EBITA was NOK 322 million in 2014, representing an EBITA margin of 5.3%.

At the end of 2015, the segment had 2 660 employees in its Norwegian activities and 3 341 employees in its Global Sourcing companies. The comparable headcount figures for the end of 2014 were 3 344 and 3 103 employees.

The EVRY Norway segment's order backlog at 31 December 2015 was NOK 6.5 billion, of which NOK 3.2 billion is due for delivery in 2016.

The structure of EVRY in 2015

EVRY AS is a private limited company and the company's head office is at Fornebu outside Oslo. The company was converted to a private limited company from a public limited company on 22 February 2016. The company also changed its name from EVRY ASA to EVRY AS. The executive management team had eight members in 2015 and was led by CEO Björn Ivroth from 24 March 2015. Björn Ivroth took over as CEO from Terje Mjøs.

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

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

The overall Nordic IT services market is estimated to be worth around NOK 134 billion. Figures from the market intelligence firm IDC show that EVRY is currently the second largest vendor in the Nordic IT services market, the clear market leader in Norway and the fourth largest vendor in the Swedish market. The Group's market share is estimated to be 28.9% in Norway and 7.6% in Sweden.

External environment

EVRY is committed to a program that brings continuous improvement to the environment. The company's environmental policy emphasises that EVRY is committed to being a pioneer in respecting the natural environment, both by minimising its own environmental impact and by developing, promoting and adopting environmentally friendly technologies. EVRY recognises its duty to take into account the environmental effects that work-related activities have on the environment, and to choose environmentally friendly solutions to the greatest extent possible. Energy efficiency improvements achieved through technological developments are an important contribution to making the company greener, which benefits society as a whole. Systematic work is also undertaken on waste management, reducing business travel by using digital interaction solutions, procurement policy, as well as setting requirements for subcontractors and monitoring their compliance. EVRY works in close collaboration with its customers and partners to develop solutions that promote efficiency and reduce energy consumption, in order to generate energy savings far beyond what it is able to achieve via its own operations.

EVRY stepped up work on consolidating its data centres in 2015. Its new data centre at Fet uses an entirely new and innovative air cooling system to remove waste heat from hardware. The air cooling system, combined with EVRY's use of modern low-energy servers, make this one of the most energy efficient and sustainable data centres in the world. The efficiency of data centres is measured by reference to their PUE (Power Utilisation Efficiency). While traditional data centres typically have a PUE factor of 1.8 to 2, EVRY's new data centre has a PUE factor of 1.1.

EVRY produces a climate report each year in accordance with the GHG Protocol guidelines which it submits to the investor-led Carbon Disclosure Project (CDP). EVRY is on the CDP's Climate Performance Leadership Index, which only features those companies that represent best practice in terms of measurement, disclosure and leadership on environmental and climatic matters.

Working environment and employee satisfaction

The working environment in the Group is regarded as good. This is reflected in the employee satisfaction survey carried out in the autumn of 2015 in which around a third of all employees were involved. On a scale of 0 to 100, the employee satisfaction score in 2015 was 75.3. This is a somewhat weaker result than 2014, but represents a good result in view of the significant restructuring measures carried out at EVRY in 2015.

Key topics for the employee satisfaction survey are the working environment, employee motivation, commitment, management, reputation and engagement with EVRY's corporate values. The results of the survey form the basis of specific measures for improvement in EVRY's action plans. The company attaches great importance to ensuring that all managers carry out appraisal interviews with all their employees, and that individual employees have annually updated plans for training and personal development. In 2016, simpler surveys will be carried out more frequently throughout the year.

Absence due to sickness and accidents

EVRY works in a systematic and long-term way on health, safety and the working environment. The primary focus of the company's work in this area is on preventative measures to keep sick leave at the lowest possible level, to avoid risks to life and health, to minimise adverse effects on the environment and to prevent accidents and injuries.

Reported sick leave in the Group's Nordic activities was 3.3% in 2015, respectively 3.4% in Norway and 3.0% in Sweden. By way of comparison, sick leave in 2014 was 3.2% in Norway and 2.4% in Sweden. EVRY India in India reported sick leave of 1.4% in 2015, while Infopulse in Ukraine reported sick leave of 1.2%. The Group's company in Latvia reported sick leave of 3.1%. The figures for sick leave are not directly comparable between countries since there are considerable difference in the rules that apply to sick leave.

EVRY works in a systematic and high-quality way on the physical and psycho-social dimensions of the working environment. The preventative health measures include early intervention for health problems, encouraging a healthy diet in EVRY's canteens and organised sports activities. A program of work on fire prevention has been carried out, addressing both organisational and premises-related prevention measures. The risk of serious injuries is considered to be extremely low.

Inclusive working environment

EVRY focuses on encouraging a working environment that is free of discrimination, whether on grounds of religion, skin colour, gender, sexual orientation, age, national or ethnic origin or functional disability.

The Norwegian part of the Group has entered into an agreement for "Inclusive Working Environment" to strengthen the focus on working environment programs, measures to reduce absence due to sickness, and diversity. The Group collaborates with Telenor Open Mind and routinely offers work experience placements for individuals with disabilities.

Gender equality and demographics

EVRY's Nordic activities employ more than 1 500 women, making it one of the largest IT workplaces for women in the Nordic countries. Women make up 25% of the workforce in Norway and 26% in Sweden. Male and female employees have equal access to all types of roles. The distribution of genders is also reflected in management, where the proportions of women are 24% in Norway and 27% in Sweden. EVRY operates established personnel guidelines designed to ensure that there is no discrimination based on gender in matters such as salaries, promotion and recruitment. In the recruitment process, emphasis is placed on attracting highly qualified employees of both genders.

At the end of 2015, EVRY's executive management team totalled eight persons. The proportion of women in the executive management team was 13%. The proportion of women on the Board of Directors of EVRY AS was 30%.

The average salary earned by women was slightly lower than for men. This reflects the fact that the average age, and accordingly the seniority, of women is somewhat lower than among men. In relation to the Group's Norwegian activities, parental leave was taken by 144 men and 58 women in 2015.

- Employee gender distribution: 25% female and 75% male
- The average salary for women is 94% that of men.

The Group's employees have extensive experience, and their average age is 39. The average age of employees in Norway and Sweden is 46 and 43 respectively.

An overview of the remuneration of senior employees and officers of the Group is provided in note 6 to the consolidated accounts.

A separate report on EVRY's corporate social responsibility is provided in the Annual Report on page 52.

Corporate governance

The Board of EVRY is committed to sound corporate government practices.

EVRY applies the Norwegian Code of Practice for Corporate Governance as issued in English translation on 23 October 2012 and revised on 21 December 2012. The company produces a comprehensive annual report on corporate governance as part of its annual report, and the information is also available on www.evry.com. The company complies with the Norwegian Code of Practice for Corporate Governance, with no material deviations from the Code's recommendations.

EVRY's general corporate governance principles are based on maintaining open and reliable lines of communication, having a Board that is autonomous and independent of the Group management, having a clear division of responsibility between the Board and the executive management, and treating all shareholders equally. Further information on the company's corporate bodies and their function and work can be found in the Corporate Governance report on page 60 of this annual report.

Risk exposure and risk management

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

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

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

Risk management includes all categories of risks such as strategic risk, financial risk, reputational risk, operational risk, technical risk and compliance risk. EVRY is committed to making risk management an integrated part of its corporate culture and ensuring it supports all critical business processes.

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

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

Market risk analysis

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

EVRY is principally exposed to two types of currency risk: contractual purchases or sales denominated in foreign currency, and foreign investments and future cash flows from these investments. EVRY has both revenue and costs denominated in foreign currencies, and this creates some degree of natural hedging between financial transactions denominated in foreign currency. The Group has also established an arrangement for multicurrency bank accounts for the Group, and these accounts are used to reduce exposure to currency risk at the group level. The Group hedges future receipts and payments denominated in foreign currency where the amount is greater than the equivalent of NOK 50 million by entering into forward contracts that mature on the settlement day for the payment. At the end of 2015, the Group had borrowed SEK 1 038 million to hedge its investment in Sweden. Some of the Group's debt financing is denominated in euros, and the Group has entered into currency exchange agreements for its euro-denominated debt to eliminate its exposure to the euro. Cross-currency swaps have been entered into for EUR/NOK and EUR/SEK.

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

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

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

The company follows the political situation in Ukraine closely and takes the measures required to ensure the safety of its employees. The political situation has, however, had only a limited effect on the financial results reported by the Ukrainian operations for 2015. The Ukrainian authorities have ceased to allow money to be taken out of the country, which has made it impossible to use the liquid assets held by the Ukrainian company freely in the Group.

Credit risk analysis

The Group's total exposure to credit risk at 31 December 2015 was NOK 1 912 million. This includes accounts receivable and other receivables. The Group's exposure to counterparty risk is moderated by the fact that it has a large number of customers and its major customers are judged to be very strong companies. No significant provisions were made for losses on accounts receivable in 2015.

Liquidity risk analysis

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

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

The company entered into new financing arrangements on 17 March 2015 with a syndicate of banks with Wilmington Trust (London) Limited as agent and Bank of America Merrill Lynch International Limited, Credit Suisse AG, London Branch, DNB Bank ASA, Mizuho Bank Limited and Nordea Bank Norge ASA as arrangers. The new financing consists of various tranches in an aggregate frame of NOK 5.5 billion, with maturity profiles of six and seven years. The new financing ensures that EVRY achieves financial headroom at market rates with margins ranging between 4 and 5%, with the possibility of reduction given company performance. The covenants include requirements for cash interest cover ratio (EBITDA to net financial charges) and for leverage ratio (net interest bearing debt to EBITDA). The first measuring point is 31 March 2016.

Market outlook

Understanding how digital solutions, new delivery models and network effects can be used to engage with customers and can change behaviours is central to the digital transformation. Digitalisation and digital transformation are creating an increasing need for change and flexibility in both an organisational and technological sense. Companies that are able to create high-quality dialogue with their customers, to combine and process information, and to tailor their offer and react quickly and agilely can achieve significant competitive advantages. Similarly, public sector organisations that are able to adapt, modernise and improve the efficiency of the services they offer can make significant savings and so free up valuable resources.

Customer-centric innovation is as a result of the digital transformation, the very core of the company's strategy for the years ahead. In 2015 the company took a range of steps to strengthen our platform for growth, and in 2016 multiple initiatives will be implemented intended to create fertile ground for progress and greater value for our customers.

Shareholder information

Lyngen Bidco AS, a company indirectly controlled by private equity funds advised by Apax Partners LLP, was the largest shareholder in the company at 31 December 2015, with 88.0% of the total share capital. There were 604 shareholders at 31 December 2015. Further information is provided in note 18 to the consolidated accounts.

Allocation of the 2015 result

The parent company recorded a loss for the year of NOK 193 million in 2015, which is allocated against other paid-in capital.

The company's dividend policy is to distribute a dividend equivalent to 20-50% of the Group's normalised profit. Extraordinary dividends may be distributed in particular circumstances, and will be evaluated on a case-by-case basis. In connection with the process whereby Lyngen Bidco AS acquired 88% of the share capital of EVRY AS, an Extraordinary General Meeting held on 23 March 2015 approved an extraordinary dividend of NOK 3.76 per share, equivalent to NOK 1 004 million, on the basis of the results for the 2014 financial year.

No dividend is proposed in respect of the 2015 financial year. The Group has prepared its accounts on the going concern assumption, and the Board confirms in accordance with Section 3-3 of the Norwegian Accounting Act that the going concern assumption is applicable. The Group's reported results, its business strategy and its current budgets and financing provide the basis for the going concern assumption.

London, UK, 21 April 2016, Board of Directors of EVRY AS

Salim Nathoo
Chairman of the Board

Ellen de Kreij

Rohan Haldea

Louise Søndergaard

Göran Lindahl

Francisco Menjibar

Jan Dahlström

Ingrid Lund

Eirik Bornø

Ola Hugo Jordhøy

Björn Ivroth
CEO