

INTERIM REPORT

THIRD QUARTER 2015

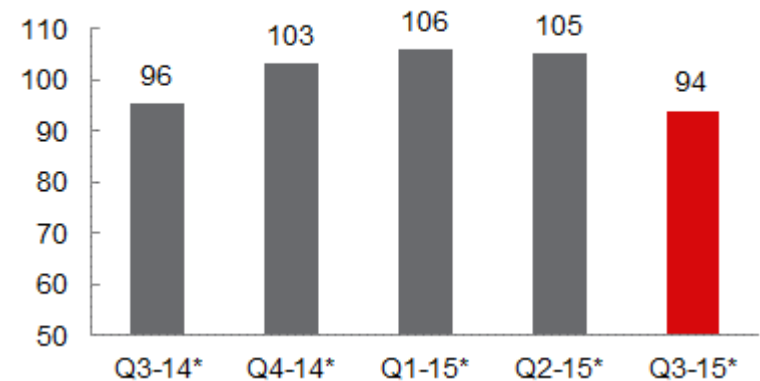
CEO ARNE MJØS
CFO BENT HAMMER

OSLO, 29 OCTOBER 2015

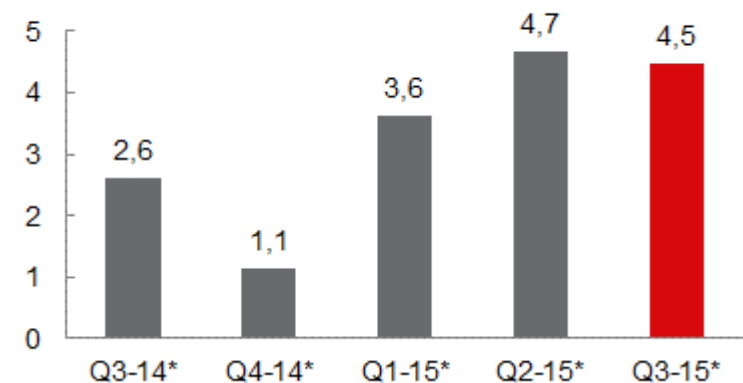
Highlights of the third quarter

- Revenue NOK 94 million
- Improved EBITDA of NOK 9.3 million, 9.9 % margin
- Improved EBIT of NOK 4.5 million, 4.8 % margin
- Positive growth in consultancy services in Norway and Denmark, while negative growth in consultancy services in Sweden.
- Solid growth and profitability in IT hosting activities in Norway
- Improved cash flow from operations of NOK 5.3 million
- Dividend of NOK 0.15 per share

Revenues
NOK million



EBIT
NOK million



* Proforma

FINANCIAL REVIEW

Key figures

NOK Million	2015 Q3	2014* Q3	Change*	2015 YTD	Change*	2014* FY
Operating revenue	94	96	-2 %	322	0 %	434
Gross profit	80	80	0 %	270	1 %	360
EBITDA	9	8	21 %	27	22 %	25
EBITDA margin	9.9 %	8.0 %	23.9 %	8.3 %	22 %	5.8 %
EBIT before non-recurring items	4	3	70 %	12	92 %	4
EBIT margin before non-recurring	4.8 %	2.7 %	74 %	3.7 %	93 %	0.9 %
EBIT	6	3	146 %	10	64 %	0
EBIT margin	6.9 %	2.7 %	151.7 %	3.2 %	65 %	0.1 %
Net cash flow from operations	5	-3	268 %	-9	-879 %	46
Cash and cash equivalents	54	25	115 %	54	115 %	67
Equity ratio	32 %	36 %	-10 %	32 %	-10 %	26 %
Employees at end of period	401	429	-6 %	401	-6 %	417

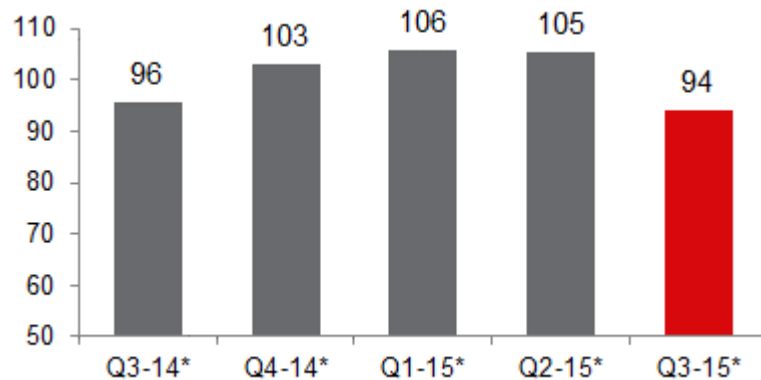
* P&L figures are pro forma

- Norway grew by 3 % in Q3 and by 5 % in the first nine months.
- Growth and profitability of hosting activities at all time highs

Quarterly development

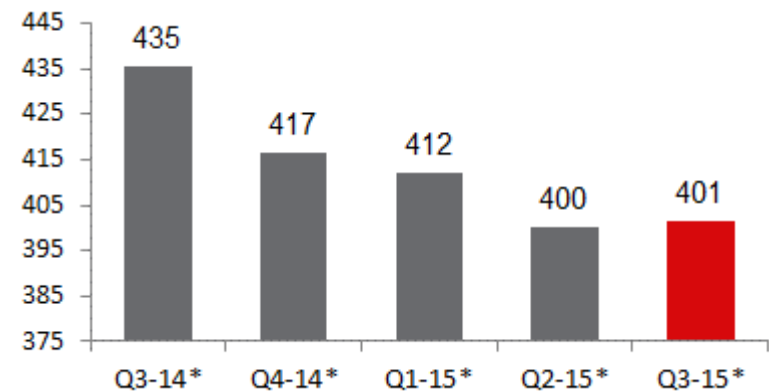
Operating revenue

NOK million



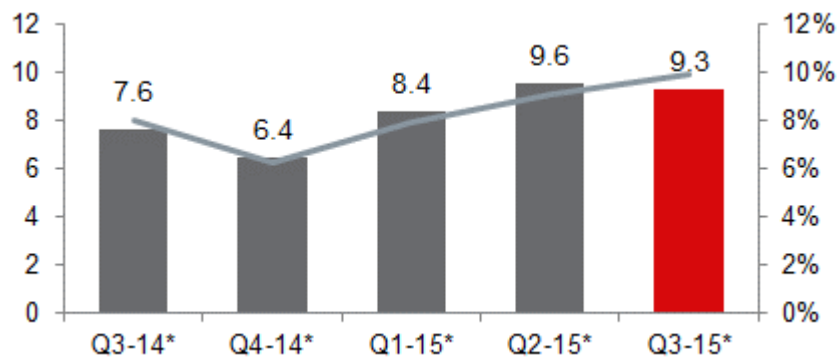
Employees

End of period



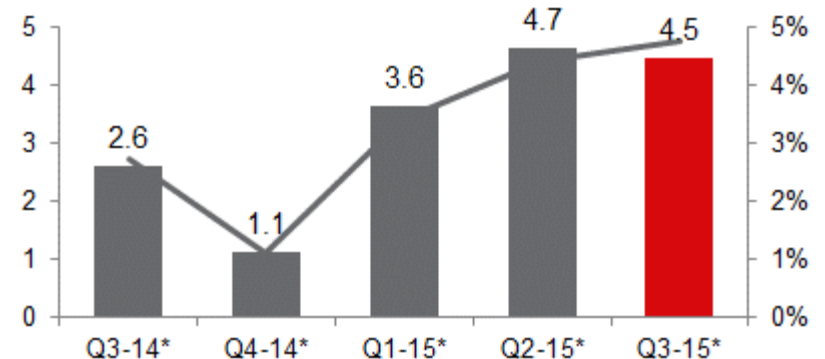
EBITDA

NOK million



EBIT

NOK million



*: Proforma and before non-recurring items

Statement of income

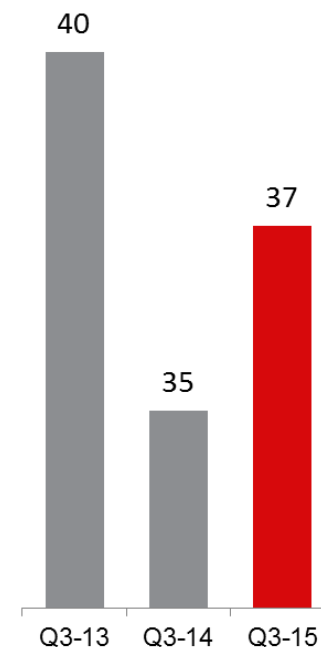
NOK Million	2015 Q3	2014* Q3	Change*	2015 YTD	2014* YTD	Change*	2014* FY
Operating revenue	94	96	-2 %	322	323	0 %	434
Cost of sales	14	16	-11 %	52	55	-6 %	74
Personnel expenses	59	61	-2 %	207	210	-1 %	285
Depreciation	5	5	-4 %	15	16	-6 %	21
Other operating expenses	11	12	-5 %	37	36	2 %	49
Total operating expenses	90	93	-4 %	310	317	-2 %	430
Operating profit before non-recurring	4	3	70 %	12	6	92 %	4
Non-recurring items	-2	0		2	0		4
Operating profit (EBIT)	6	3	146 %	10	6	64 %	0
Net financial income	0	0	-145 %	0	0	17 %	-2
Profit before tax	6	3	147 %	10	6	70 %	-1
Tax	2	1	166 %	3	2	75 %	3
Net profit for the period	5	2	140 %	7	4	68 %	-5

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- Continued improvements in the profitability of Itera's consulting activities in Norway and Denmark as well as in the IT hosting activities in Norway.
 - Non-recurring gain of NOK 2 million in Q3 in connection with the sale of Itera's IT hosting activities in Sweden

Statement of cash flow

NOK Million	2015 Q3	2014 Q3	2015 YTD	2014 YTD	2014 FY
Cash flow from operations (EBITDA)	9	8	27	22	25
Change in balance sheet items	-4	-11	-36	-23	21
Net cash flow from operating activities	5	-3	-9	-1	46
Net cash flow from investment activities	7	-2	2	-7	-12
Purchase of own shares	0	0	0	0	0
Borrowings repaid	-2	-2	-6	-6	-7
External dividend paid	0	0	0	-29	-29
Net cash flow from financing activities	-2	-2	-6	-35	-36
Currency effect on cash	0	0	0	0	1
Net change in bank deposits and cash	10	-7	-13	-43	-1
Bank deposits at the end of the period	54	25	54	25	67
New borrowing related to leasing	0	1	2	7	7

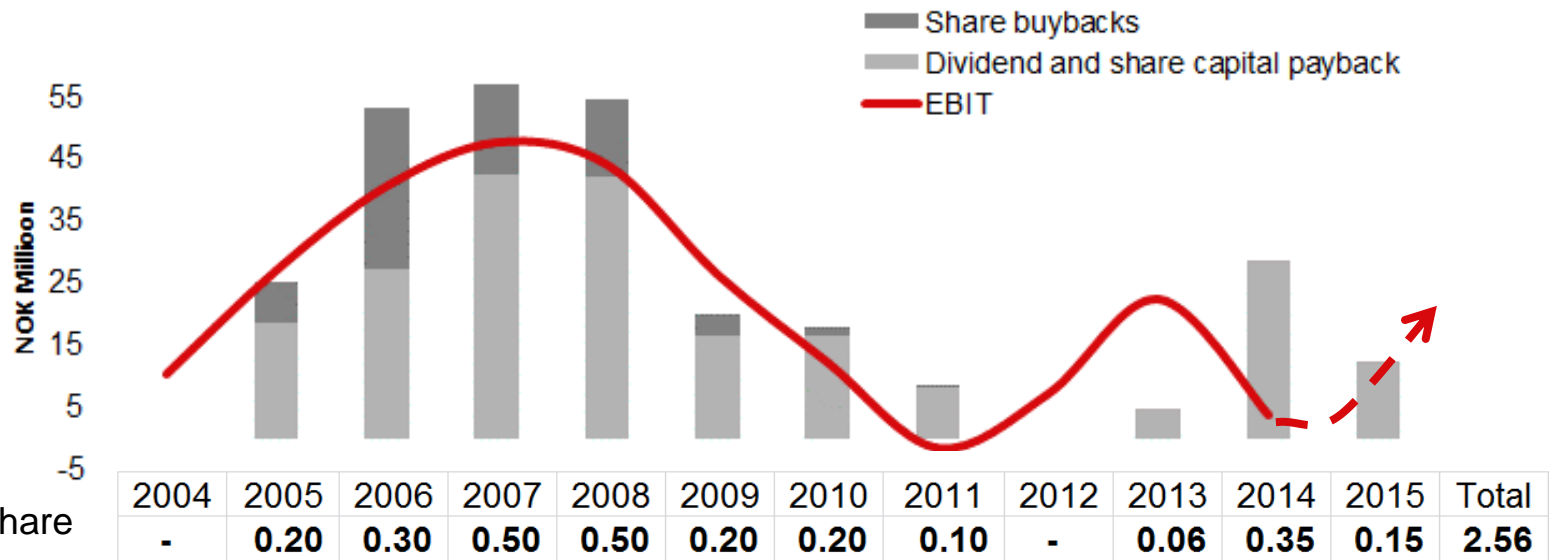
12 month rolling cash flow from operations



- Solid improvement in cash flow from operations in Q3
- 12 month rolling cash flow from operations was NOK 37 million

Dividend of NOK 0.15 per share

Shareholder remuneration 2004-2015: NOK 297 million



- Following the authorization granted at the AGM on 21 May 2015, the Board has approved a dividend of NOK 0.15 per share.
- The shares will trade ex-dividend on 29 October 2015

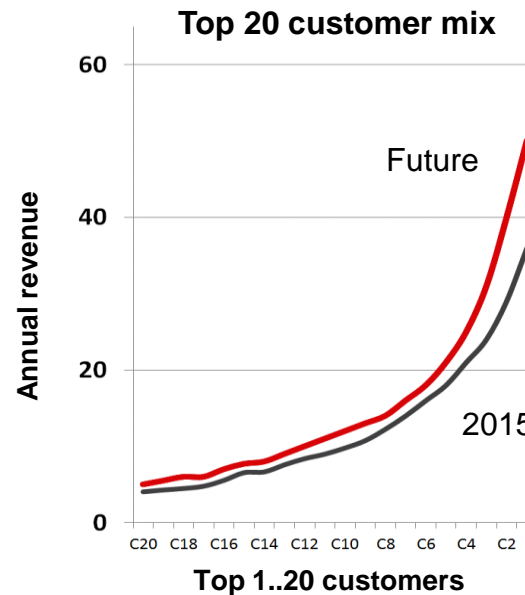
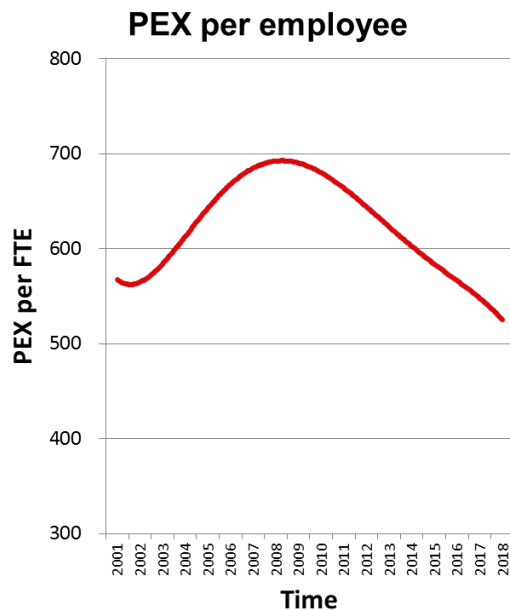
BUSINESS REVIEW

Long-term profitable growth: Key enablers

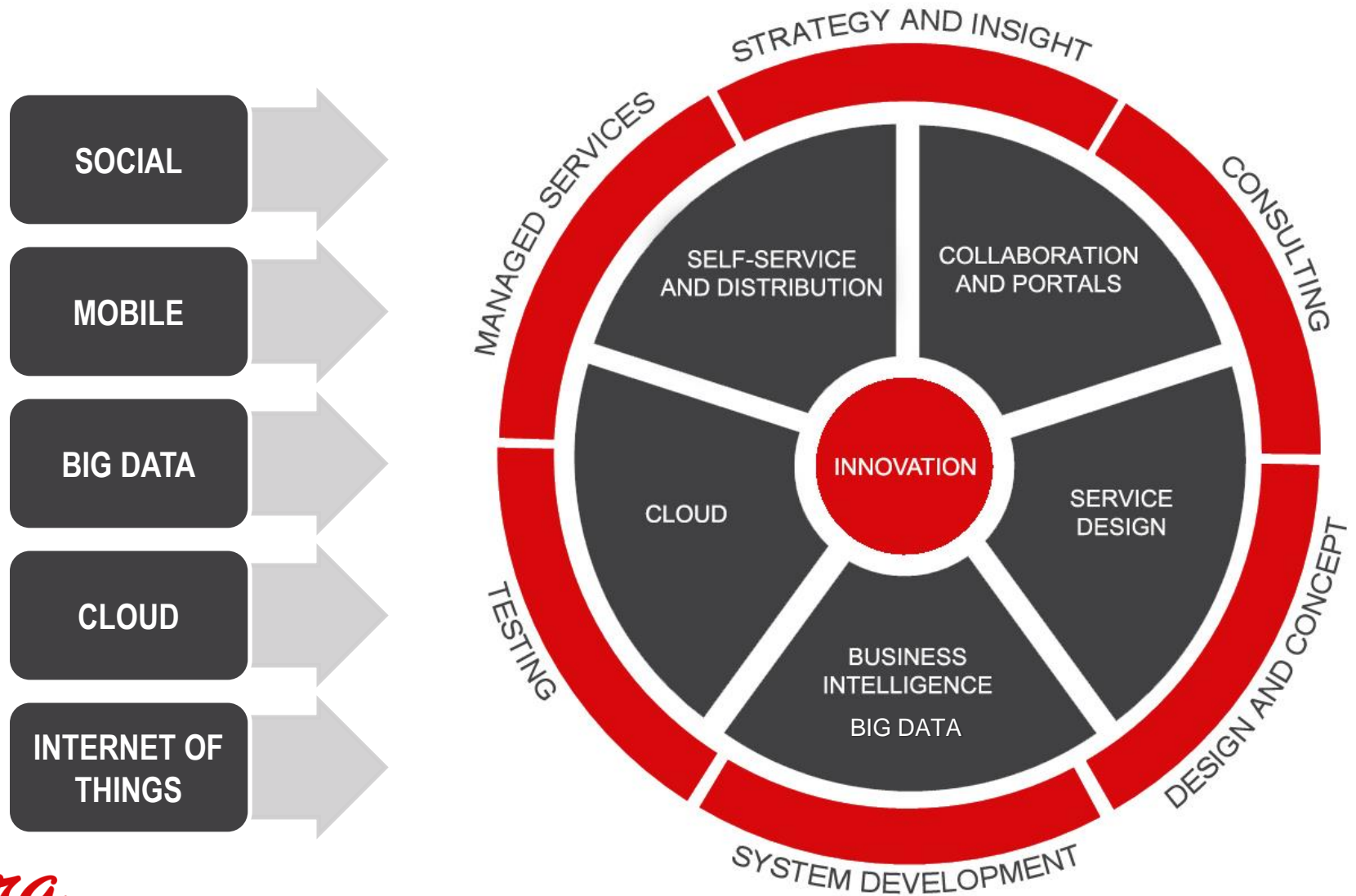
50%+ of staff
nearshore

Larger projects
and revenue
visibility

Communication
AND
Technology

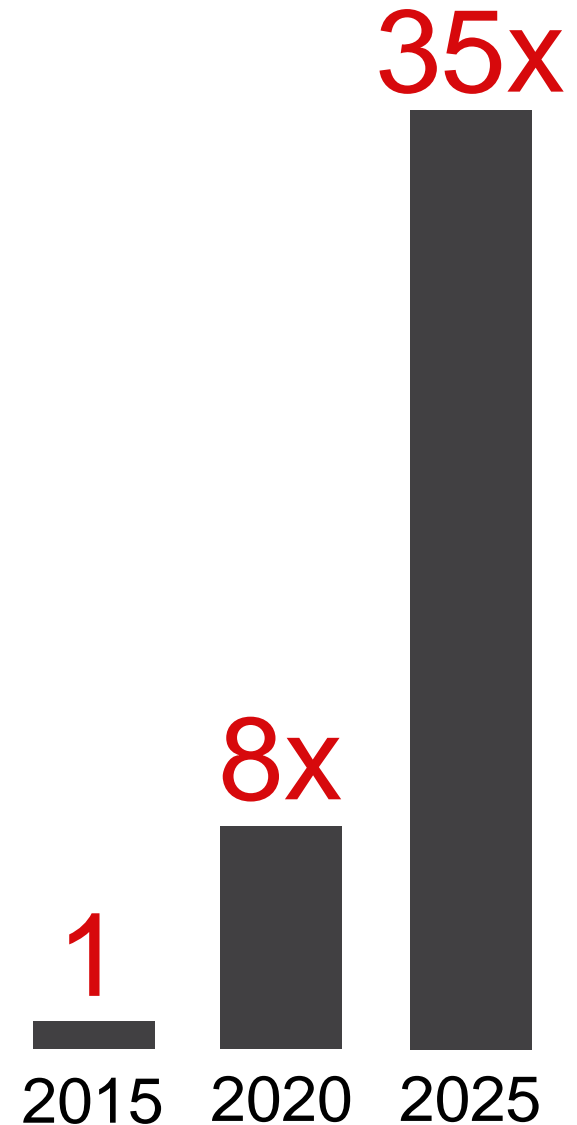
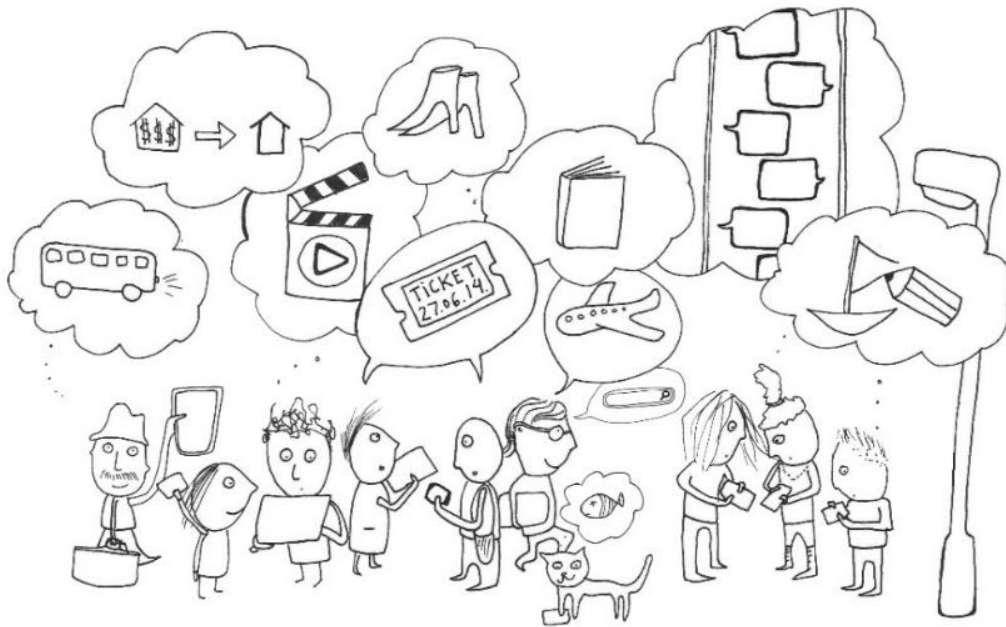


The forces of disruptive technology are driving our service offerings and key focus areas



Digitisation is expanding exponentially

- Massive growth in data volumes driven by:
 - Cloud technologies
 - Big Data
 - The internet of things



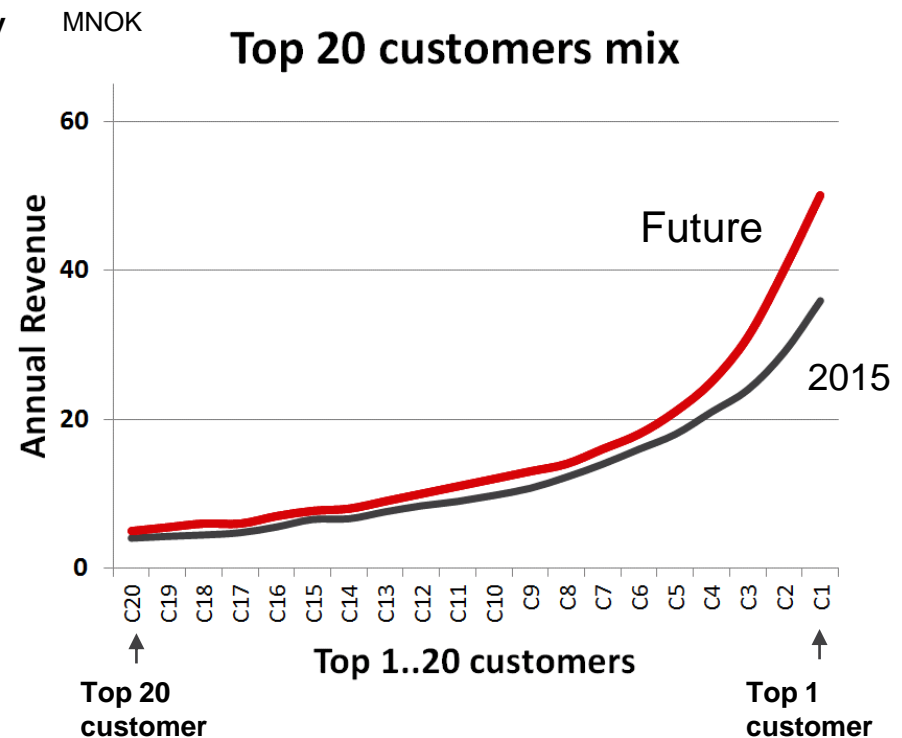
Our multi-site strategy provides agility, scalability and access to top notch resources



- **A Nordic full-service provider**
 - Serving leading customers in fast-growing industries
- **Flexibility of a hybrid model**
 - Delivery across borders in the Nordics and nearshore locations
 - Sourcing for value over volume
- **EU Data Protection Law compliance**
 - Binding corporate rules (BCR) ensure data protection for all flows of data across borders

Developing larger projects and higher revenue per customer

- Revenue from top 30 customers up by 2 % in Q3
 - Top 10: 46 % of total revenue
 - Top 20: 62 % of total revenue
 - Top 30: 70 % of total revenue
- Benefits:
 - Increased revenue visibility
 - Improved operational efficiency
 - Lower sales and overhead costs



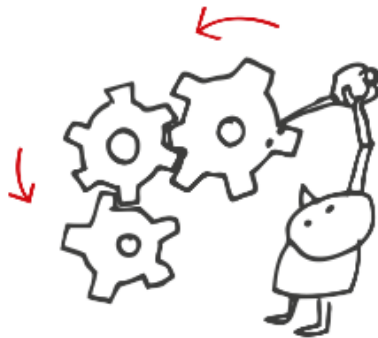
We are approaching our target: several customers are likely to spend more than NOK 50 million per year on services from Itera.

Customers say that Itera is particularly strong when:

We focus on creating great experiences for our **customer's customers**



We combine **communication and technology** in multidisciplinary teams



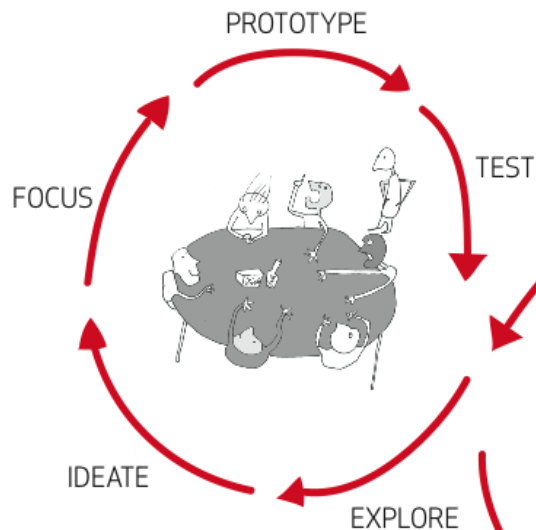
We take **full life-cycle responsibility**



We work **across borders** to ensure scalability and cost effectiveness

Bringing new services to market faster on all devices

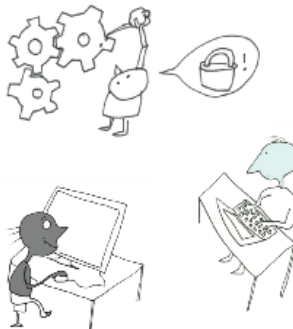
Service Design



PROTOTYPE

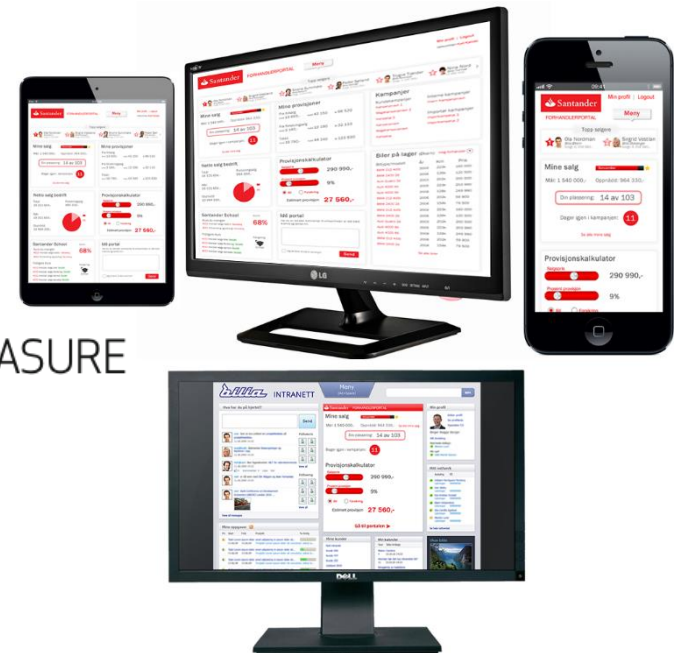
Lean Startup

LEARN



BUILD

MEASURE



Case: New digital sales channels, concepts and campaigns based on lean service design



A screenshot of the RSA Bil website. The header includes the "RSA BIL" logo and navigation links: HJEM, BILMERKER, FORHANDLERE, VERKSTED, VAREBIL, KAMPAJNER, and BRUKT. The main banner features the headline "KJØP DIN BIL PÅ NETT" in large white letters on a black background. Below it, a black box contains the text "Nå kan du kjøpe deg en ny bil direkte fra din egen stue." and a green button labeled "Finn din bil her". To the right, a desktop monitor, tablet, and smartphone display the website's interface, showing details for a "Swift Sport" car. The bottom section has the text "Ny eller brukt bil, RSA Bil gir deg trygt bilhold" and logos for Suzuki, Fiat, Jeep, and Isuzu.

Case: Framework agreement with the Norwegian Labour and Welfare Administration (NAV)

- Itera and IBM have been awarded a framework agreement for consulting services in relation to hosting IT systems and platforms
 - Itera is the sole subcontractor to IBM
 - The agreement has a duration of 2+1+1 years and a total value of NOK 110 million.
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- **Examples of delivery areas:**
 - Virtualisation technology
 - Hosting, production and troubleshooting
 - Operation manuals and expertise transfer
 - Expertise in IP telephony and mobile solutions



The next strategic opportunity is here:



Growth opportunities



Recurring revenue



TECHNOLOGY +
COMMUNICATION

How to
use technology
innovation...

itera
MAKE A DIFFERENCE

to drive
business
innovation?

BUSINESS

Increased
productivity

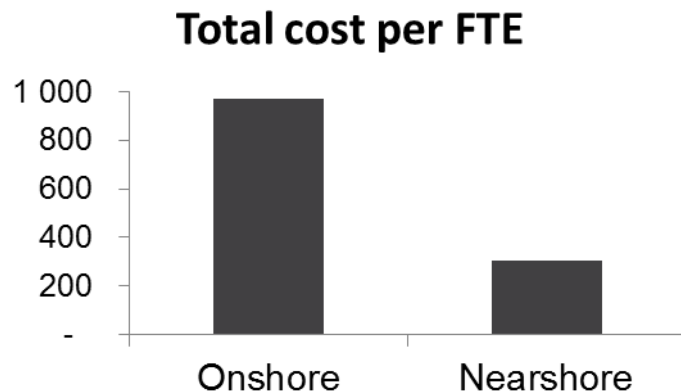
Customer
growth

Real-time
insights

Embrace
new models

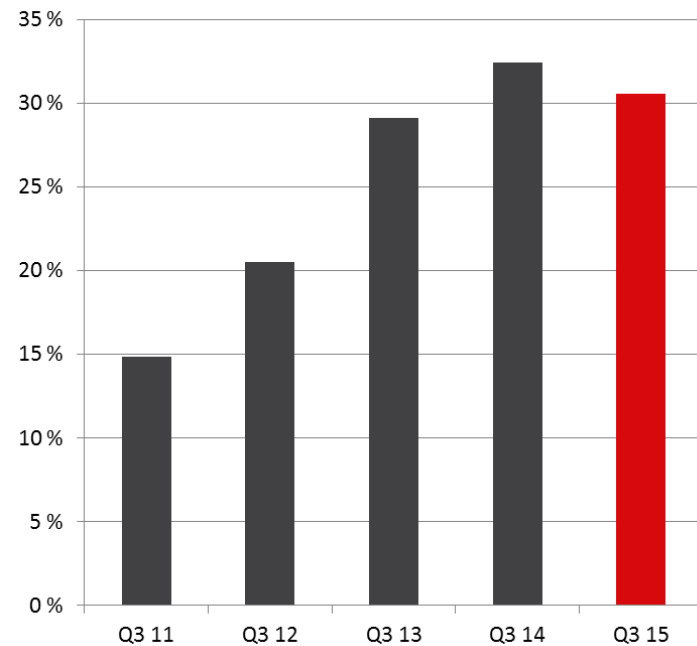
Nearshore ratio development

- Nearshore ratio of 31 % in Q3, representing a temporary decrease
- Target is for the nearshore ratio to be in excess of 50 %
- Mixed teams are increasing our price flexibility as well as providing access to a very large resource pool



Nearshore ratio

% of all staff located nearshore



OUTLOOK

Outlook

- Customer demand remains strong in all Nordic markets
 - Profitable growth and cash flow are key focus areas
 - Larger projects and customers expected to continue to increase revenue visibility, efficiency and scalability
-
- Itera does not provide guidance to the market on future prospects

BACKUP

Statement of financial position

NOK Million	2015 30 Sep	2014 30 Sep	Change %	2014 31 Dec
Deferred tax assets	3	8	-60 %	6
Other intangible assets	15	15	-2 %	16
Fixed assets	20	28	-30 %	27
Total non-current assets	38	52	-26 %	49
Work in progress	9	7	34 %	12
Accounts receivable	60	68	-12 %	60
Other receivables	30	18	70 %	17
Bank deposits	54	25	115 %	67
Total current assets	153	118	30 %	156
Total assets	191	169	13 %	205
 Total equity	 62	 61	 2 %	 54
Non-current liabilities	12	18	-30 %	16
Accounts payable	18	14	28 %	27
Public duties and taxes payable	26	26	-1 %	31
Other short-term liabilities	74	51	44 %	77
Total current liabilities	117	91	29 %	135
Total equity and liabilities	191	169	13 %	205
 Equity ratio	 32 %	 36 %		 26 %

Good financial position with bank deposits of NOK 54 million and equity ratio of 32 %.

Top 20 shareholders

ISIN: NO0010001118

Name: ITERA ASA

Security type: AK

Date: 27.10.2015

Holding ▼	Percentage ◆	Name ◆	Account type ◆	Citizenship ◆
15,018,298	18.27	ARNE MJØS INVEST AS		NOR
6,218,575	7.57	STOREBRAND VEKST JPMORGAN EUROPE LTD,		NOR
5,242,206	6.38	MIDELFART INVEST AS		NOR
4,329,031	5.27	OP CAPITAL AS		NOR
3,000,000	3.65	EIKESTAD A/S		NOR
2,988,606	3.64	VERDIPAPIRFONDET DNB		NOR
2,400,000	2.92	SEPTIM CONSTULTING A		NOR
2,282,698	2.78	BOINVESTERING AS		NOR
2,200,000	2.68	JØSYRA INVEST AS		NOR
2,031,588	2.47	MARXPIST INVEST AS		NOR
2,023,587	2.46	GAMST INVEST AS		NOR
1,920,028	2.34	STOREBRAND NORGE I JPMORGAN EUROPE LTD,		NOR
1,745,172	2.12	GIP AS		NOR
1,000,000	1.22	FRAMAR INVEST AS C/O FRANK MARTINSEN		NOR
900,000	1.10	AANESTAD PANAGRI AS		NOR
818,349	1.00	JOHS. HAUGERUDSVEI A		NOR
600,000	0.73	MORTEN JOHNSEN HOLDI C/O MORTEN JOHNSEN		NOR
579,596	0.71	ALTEA PROPERTY DEVEL		NOR
510,000	0.62	SOBER KAPITAL AS		NOR
505,000	0.61	NYVANG JETMUND GUNNAR		NOR
56,312,734	68.54			