INTERIM REPORT

Q1 2018

WEBSTEP ASA

Q1 HIGHLIGHTS

- Revenue of NOK 175m (NOK 161m), growth of 8.6% YOY
- EBITDA[1] of NOK 24m (NOK 25m), margin of 13.7%
- Net profit of NOK 17.7m (15.8m), up 12%
- Easter effect on top line and EBITDA
- Increased revenue capacity YoY (410 FTEs vs 386 FTEs)

1) See note 13 to the consolidated financial statements for alternative performance measures.

KEY FIGURES

CONSOLIDATED

(Amounts in NOK million)	**Q1 2018**	Q1 2017	**YTD 2018**	YTD 2017	FY 2017
Sales revenues	**174.9**	161.0	**174.9**	161.0	596.5
EBITDA[1]	**23.9**	24.5	**23.9**	24.5	57.1
EBITDA margin[1]	**13.7%**	15.2%	**13.7%**	15.2%	9.6%
EBITDA excl. non-recurring costs[1]	**23.9**	24.5	**23.9**	24.5	71.0
EBITDA margin excl. non-recurring costs[1]	**13.7%**	15.2%	**13.7%**	15.2%	11.9%
Net profit	**17.7**	15.8	**17.7**	15.8	33.9
Net cash flow	**1.0**	(22.7)	**1.0**	(22.7)	(73.8)
Earnings per share (NOK)	**0.67**	0.76	**0.67**	0.76	1.55
Earnings per share, fully dilluted (NOK)	**0.67**	0.76	**0.67**	0.76	1.55
Number of employees, average (FTE)	**410**	386	**410**	386	393
Number of employees, end of period	**409**	392	**409**	392	402
Number of work days, Norway (excl. vacation)	**62**	65	**62**	65	251
Number of work days, Sweden (excl. vacation)	**63**	64	**63**	64	251
EBITDA per average employee[1] (NOK 1000)	**58.3**	63.5	**58.3**	63.5	145.3
EBITDA per average employee excl. non-recurring costs[1] (NOK 1000)	**58.3**	63.5	**58.3**	63.5	180.7

1) See note 13 to the consolidated financial statements for alternative performance measures.

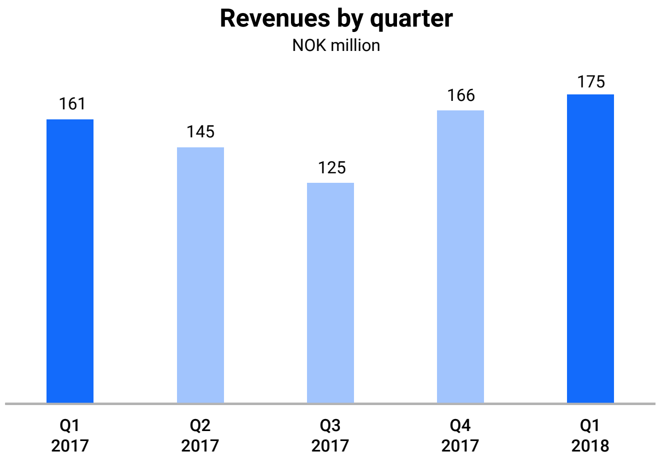
NORWAY

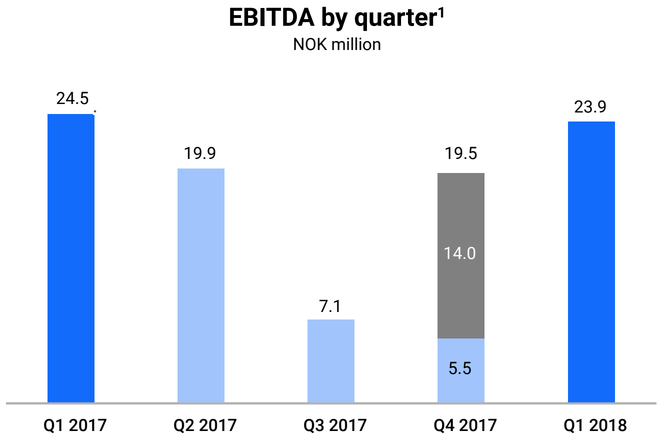
(Amounts in NOK million)	**Q1 2018**	Q1 2017	**YTD 2018**	YTD 2017	FY 2017
Sales revenues	**147.7**	137.4	**147.7**	137.4	495.3
EBITDA[1)]	**21.9**	22.4	**21.9**	22.4	51.4
EBITDA margin[1)]	**14.8%**	16.3%	**14.8%**	16.3%	10.4%
EBITDA excl. non-recurring costs[1)]	**21.9**	22.4	**21.9**	22.4	65.4
EBITDA margin excl. non-recurring costs[1)]	**14.8%**	16.3%	**14.8%**	16.3%	13.2%
Number of employees, average (FTE)	**349**	324	**349**	324	331
Number of employees, end of period	**351**	328	**351**	328	342
Number of work days, Norway (excl. vacation)	**62**	65	**62**	65	251
EBITDA per average employee[1)] (NOK 1000)	**62.8**	69.2	**62.8**	69.2	155.4
EBITDA per average employee excl. non-recurring costs[1)] (NOK 1000)	**62.8**	69.2	**62.8**	69.2	197.5

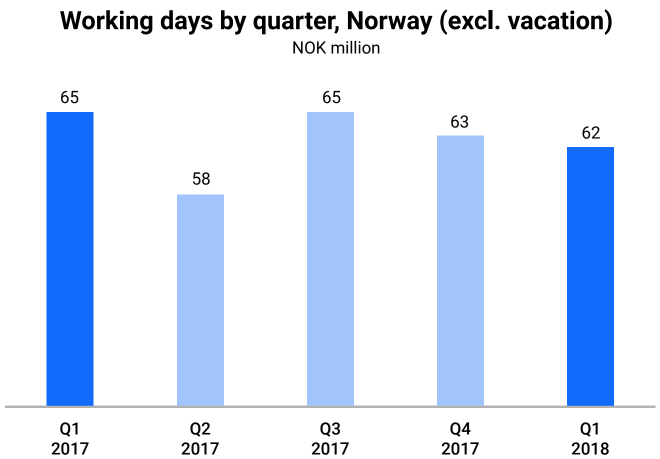
SWEDEN

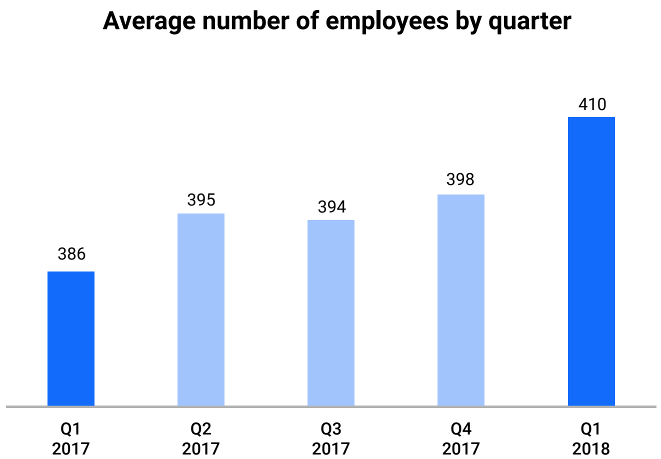
(Amounts in NOK million)	**Q1 2018**	Q1 2017	**YTD 2018**	YTD 2017	FY 2017
Sales revenues	**27.2**	23.6	**27.2**	23.6	101.2
EBITDA[1)]	**2.0**	2.2	**2.0**	2.2	5.7
EBITDA margin[1)]	**7.4%**	9.1%	**7.4%**	9.1%	5.6%
EBITDA excl. non-recurring costs[1)]	**2.0**	2.2	**2.0**	2.2	5.7
EBITDA margin excl. non-recurring costs[1)]	**7.4%**	9.1%	**7.4%**	9.1%	5.6%
Number of employees, average (FTE)	**61**	63	**61**	63	63
Number of employees, end of period	**58**	64	**58**	64	60
Number of work days, Sweden (excl. vacation)	**63**	64	**63**	64	251
EBITDA per average employee[1)] (NOK 1000)	**32.9**	34.3	**32.9**	34.3	89.7
EBITDA per average employee excl. non-recurring costs[1)] (NOK 1000)	32.9	34.3	**32.9**	34.3	89.7

1) See note 13 to the consolidated financial statements for alternative performance measures.









1) IPO costs and other non-recurring items of NOK 14 million recorded in Q4 2017.

A STRONG START OF 2018

Webstep entered 2018 with a record high order book and increased capacity, which resulted in first quarter revenues of NOK 175 million and 8.6 per cent top line growth. Demand for core services remains high and drives high utilization and a continued strong order book.

Webstep ASA reports continued profitable growth in the first quarter of 2018 with total consolidated revenues of NOK 174.9 million, up 8.6 per cent from the same quarter last year.

Consolidated EBITDA for the first quarter amounted to NOK 23.9 million, slightly down from the corresponding quarter last year, mainly due to calendar effects. The EBITDA-margin was 13.7 per cent.

Consolidatet net profit for the first quarter was NOK 17.7 million, up from NOK 15.8 million in the same quarter last year. The improvement is primarily due to decrease in depreciations and reduced finance costs following the refinancing in the fourth quarter of 2017.

Total equity at 31 March was NOK 371.1 million (NOK 214.1 million) and included the dividend of NOK 1.50 per share, which was proposed by the board on 21 March.

Cash flow from operations in the quarter was NOK 23.9 million, up from NOK 15.4 million in the first quarter of 2017.

The strong market fundamentals and the high demand for Webstep's Core Services continued in the first quarter in all locations. The systematic and successful recruitment efforts are paying off and lay the basis for further profitable growth in 2018.

The market for recruitment of IT experts is competitive, driven by the high demand for digitisation and digitalisation expertise. Attracting talents and experts is a key success factor. The increase of headcount during the past quarters proves the value of Webstep's long term employer branding and recruitment efforts have paid off the past quarters.

Webstep has been ranked among the 10 best places to work consecutively over the last 11 years in Norway, as well as two years in Sweden.

In the recently published 2018 ranking, Webstep Norway was recognised as the second-best place to work among companies with 200 to 500 employees. The employer branding and recruitment activities continues steadily in both Norway and Sweden.

Webstep has a strong financial position and the outlook for 2018 remains robust and positive.

FINANCIAL REVIEW

(Numbers in brackets refer to the corresponding reporting period/reporting date in 2017, unless otherwise specified)

PROFIT AND LOSS – GROUP

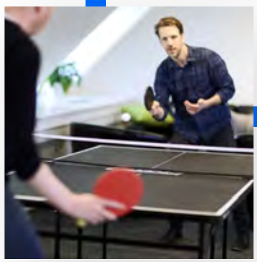
First quarter consolidated revenues were NOK 174.9 million (NOK 161 million). The 8.6 per cent growth reflects increased revenue capacity following increased headcount and high utilisation of this capacity, offset by negative calendar effects.

Webstep's revenue model is based on hourly fees, with revenue capacity depending on the number of consultants and number of working days. Calendar effects may therefore cause differences in revenue capacity between quarters. The first quarter of 2018 had three working days less in Norway and one day less in Sweden, than the same quarter in 2017. This due to the Easter holiday being in different quarters in the respective years. The first quarter also includes some vacation time, particularly in Norway.

Cost of services and goods sold amounted to NOK 17.3 million (NOK 10.6 million) for the quarter, reflecting normal variations in the mix of internal resources and subcontractors used in projects, as well as the utilisation of subcontractors to meet demand in Sweden.

Personnel expenses include salaries and benefits, pension, tax, vacation pay and other items. A high proportion of salary is variable. New consultants receive a guaranteed base salary in the onboarding phase, which is the main driver for higher personnel expenses in periods with high onboarding activity.

Salaries and personnel cost for the first quarter came to NOK 124.6 million (NOK 117.7 million) and reflect the increase in headcount since 2017.



EBITDA amounted to NOK 23.9 million (NOK 24.5 million). The slight decrease in EBITDA is mainly due to calendar effects (fewer working days than last year) and the increased use of subcontractors in Sweden.

Operating profit was NOK 23.3 million for the quarter (NOK 22.5 million). Depreciation and impairment dropped from NOK 2.1 million last year to NOK 0.6 million this year, mainly as a consequence of acquisition related customer relationships in Sweden being fully amortized in 2017. The other variations between 2017 and 2018 are explained above.

Net financial costs were NOK 0.4 million (NOK 1.7 million). The reduction is mainly related to the refinancing of the group in connection with the IPO in 2017.

Income tax in the first quarter amounted to NOK 5.2 million (NOK 5 million). Net profit for the first quarter was NOK 17.7 million (NOK 15.8 million).

FINANCIAL POSITION AND CASH FLOW – GROUP

Total assets at 31 March amounted to NOK 536.3 million (NOK 556.7 million). Non-current assets were NOK 389.4 million (NOK 391.2 million) and mainly consisted of intangible assets. Intangible assets are primarily acquisition-related goodwill of NOK 378.0 million, which is impairment tested annually.

Total current assets of NOK 147.0 million (NOK 165.4 million) mainly consisted of trade receivables and cash and short-term deposits. Trade receivables at quarter end were NOK 132.4 million (NOK 104.3 million). The increase is primarily a consequence of 31 March 2018 falling on a Saturday, and concurrently being the due date for a significant part of the receivables. Such payments are normally registered as cash received after the weekend. Consequently, trade receivables dropped significantly in the first days of April. Approximately NOK 46.3 million were paid by 5 April 2018, leaving trade receivables at approximately NOK 86.1 million after this date.

Cash and short-term deposits amounted to NOK 7.5 million (NOK 57.6 million), impacted by the same effect as described above, with a NOK 46.3 million increase by 5 April when payments falling due on 31 March had been recorded in the bank account. The change in cash resources should also be seen in light of the net effect of debt repayment and share capital issue in connection with the IPO.

Total equity at 31 March was NOK 371.1 million (NOK 214.1 million). The change is mainly related earnings generated in 2017 and 2018 and the share capital issue in connection with the IPO in October 2017.

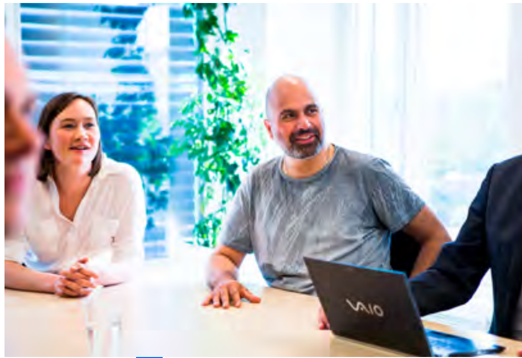
A dividend of NOK 1.50 per share was proposed by the board on 21 March and approved by the annual general meeting on 24 April. This is not reflected in the financial statements at 31 March, following IFRS practice (dividend proposals not to be presented as a liability until approved by the Annual General Meeting).

Non-current liabilities amounted to NOK 1.5 million (157.0 million). The debt reduction is a consequence of the new capital structure following the IPO. The current liabilities amounted to NOK 163.8 million (NOK 185.6 million). The changes are mainly due to reduced debt to credit institutions.

Webstep had a solid cash flow from operations in the quarter of NOK 23.9 million (NOK 15.4 million). The figure is impacted by the NOK 46.3 million accrual effect between cash/short term deposits and trade receivables as mentioned above.

Cash flow from investing activities was negative NOK 1.7 million (negative NOK 1.9 million).

Cash flow from financing activities was negative NOK 21.3 million (negative NOK 36.2 million). The decrease is partly attributable to the accrual effect mentioned above, and is also explained by the change of practice since 2017, from gross to net reporting of the company's bank balance. The effect of this change can be found in note 11 to the consolidated financial statements.



SEGMENTS

Webstep has two reporting segments; Norway and Sweden. Norway accounts for around ~84 per cent of total revenues.

NORWAY

Webstep Norway is located in Oslo, Bergen, Stavanger, Trondheim and Kristiansand and provides high-end IT consultancy services to more than 200 public and private clients. The core digitalisation offering consists of digitisation, cloud implementation, migration and integration. In addition, Webstep is steadily taking advantage of key fast-growing markets, including Internet of Things ("IoT"), machine learning and analytics.

Total operating revenues for the quarter came to NOK 147.7 million (NOK 137.4 million), an increase of 7.5 per cent from the corresponding quarter last year. There is a high demand for Webstep's core IT services.

EBITDA for the first quarter came to NOK 21.9 million (NOK 22.4 million), which represents an EBITDA margin of 14.8 per cent (16.3 per cent).

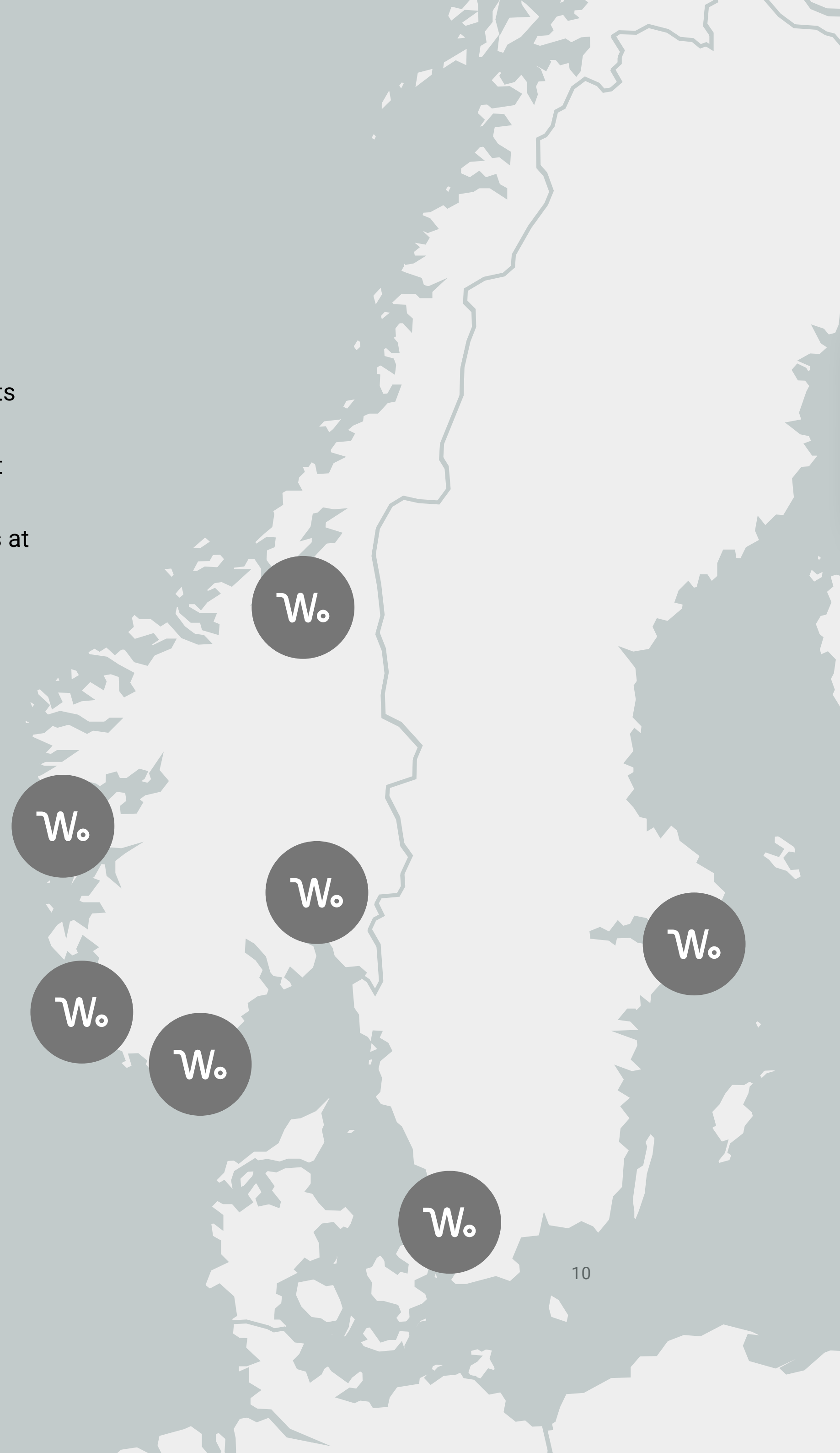
Revenue and profit growth in the first quarter was impacted by calendar effects due to Easter (three working days less than the same quarter 2017). This effect will be opposite in the second quarter.

Webstep Norway had 351 employees at the end of the first quarter (328 employees). The average number of employees in the quarter was 349 (324). Strong focus on recruitment has proven successful, and the high number of new employees onboarded in the past months has laid the basis for further profitable growth in 2018 in Norway.

The order intake and backlog for Webstep Norway is generally high, with particularly high demand for the core digitalisation services.

SWEDEN

Webstep Sweden has offices in Stockholm and Malmö and serves more than



50 clients in different industries, mainly in the private sector. Webstep Sweden delivers the same high-end IT consultancy services as the Norwegian counterpart, primarily within the company's core digitalisation offering.

Total operating revenues for the first quarter were NOK 27.2 million (NOK 23.6 million), an increase of 15 per cent from the same quarter last year. The increase is mainly due to strong utilisation and client development, utilising subcontractors to build new client relations. Revenue and profit were negatively impacted by one working day less in the first quarter of 2018 compared to the same quarter last year. This effect will be opposite in the second quarter. EBITDA came to NOK 2.0 million (NOK 2.2 million), representing an EBITDA margin of 7.4 per cent (9.1 per cent). The weaker margin level in Sweden reflects the strategic use of subcontractors, which has enabled Webstep to increase revenue growth in Sweden and to build new client relationships. The strong focus on recruitment continues.

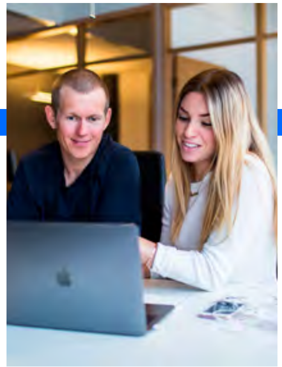
Webstep Sweden had 58 employees at the end of the first quarter (64 employees). The average number of employees in the quarter was 61 (63). The slight reduction in number of employees over the period is due to a very competitive candidate market in Sweden.

The order intake and backlog for Webstep Sweden continues to be strong.

OUTLOOK

The overall market outlook is robust, following the general trend with high investment activity in digitalisation of private and public sector. This is expected to drive continued high demand for Webstep's offering of IT expertise. The continued strong order book confirms the good momentum.

The high demand for Webstep's core services – digitisation, cloud and integration – is expected to continue. Cloud is also the main prerequisite for the use of data for IoT, machine learning and analytics. These are all expected to become important growth areas,



though still in an early phase. Investments in expertise and capacity in these services is therefore still highly prioritized, knowing that sales processes for new services generally take longer time. The company's ability to move consultants between New Services and Core Services is likely to increase utilisation somewhat. However, lower utilisation of the New Services experts should still be expected in a short-term perspective.

The recruitment and onboarding activity over the past quarters has resulted in a notable higher level of revenue capacity. However, the past quarters' growth in headcount is not likely to continue at the same high rate in the coming quarters. There is an increasingly competitive environment for recruiting IT-experts, with existing as well as new market players hunting the best people. As a consequence, employer branding, employee retention and recruitment will remain top priorities going forward.

The over-all ambition remains unchanged; profitable growth above market and maintaining EBITDA margin levels above the average market level, as demonstrated over the last years.

THE BOARD OF DIRECTORS AND CEO OF WEBSTEP ASA

OSLO, 8 MAY 2018

Klaus-Anders Nysteen
Chair of the board

Terje Bakken
Board member

Toril Nag
Board member

Siw Ødegaard
Board member

Bjørn Ivar Danielsen
Board member

Kjetil Bakke Eriksen
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1000)	*Note*	**Q1 2018**	Q1 2017	**Q1 YTD 2018**	**Q1 YTD 2017**	Full year 2017
Sales revenues		**174 865**	161 011	**174 865**	**161 011**	596 519
Total revenues		**174 865**	161 011	**174 865**	**161 011**	596 519
Cost of services and goods		**17 298**	10 608	**17 298**	**10 608**	49 333
Salaries and personell cost		**124 648**	117 654	**124 648**	**117 654**	448 395
Depreciation and impairment		**632**	2 072	**632**	**2 072**	8 156
Other operating expenses		**8 987**	8 203	**8 987**	**8 203**	41 705
Operating profit(loss)		**23 300**	22 474	**23 300**	**22 474**	48 929
Net financial items		**(400)**	(1 757)	**(400)**	**(1 757)**	(8 565)
Profit before tax		**22 900**	20 717	**22 900**	**20 717**	40 364
Income tax expenses		**5 246**	4 962	**5 246**	**4 962**	6 514
Profit for the period		**17 654**	15 755	**17 654**	**15 755**	33 851
Earnings per share (NOK)	*6*	**0.67**	0.76	**0.67**	**0.76**	1.55
Earnings per share, fully diluted (NOK)	*6*	**0.67**	0.76	**0.67**	**0.76**	1.55
Other comprehensive income:						
Currency translation differences		**(4 608)**	659	**(4 608)**	**659**	3 544
Other comprehensive income for the period, net of tax		**(4 608)**	659	**(4 608)**	**659**	3 544
Total comprehensive income for the period, net of tax		**13 046**	16 415	**13 046**	**16 415**	37 395
Attributable to:						
Shareholders in parent company		**13 046**	16 415	**13 046**	**16 415**	37 395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1000)	*Note*	**31 Mar 2018**	31 Mar 2017	31 Dec 2017
ASSETS				
Non-current assets				
Intangible assets	*8*	**383 801**	386 230	387 082
Fixed assets		**5 337**	3 238	5 228
Non-current financial assets		**-**	1 444	-
Deferred tax asset		**232**	320	232
Total non-current assets		**389 370**	391 232	392 542
Current assets				
Trade receivables		**132 403**	104 328	125 546
Other current receivables		**7 025**	3 526	3 585
Cash and short-term deposits	*9*	**7 539**	57 574	6 580
Total current assets		**146 967**	165 428	135 711
Total assets		**536 337**	556 660	528 252

(Amounts in NOK 1000)	*Note*	**31 Mar 2018**	31 Mar 2017	31 Dec 2017
EQUITY				
Share capital		**26 967**	21 256	26 967
Treasury shares		**(610)**	(610)	(610)
Share premium		**149 837**	32 108	149 827
Retained earnings		**194 868**	161 319	181 554
Non-controlling interest		**-**	-	-
Total equity		**371 062**	214 073	357 738
LIABILITES				
Non-current liabilities				
Borrowings	*9*	**-**	153 750	-
Deferred tax		**1 517**	3 278	1 616
Total non-current liabilities		**1 517**	157 028	1 616
Debt to credit institutions	*9*	**3 027**	31 250	24 287
Trade and other payables		**14 150**	9 411	16 659
Tax payable		**5 668**	14 942	7 293
Dividends payable				
Social taxes and VAT		**61 375**	51 898	49 255
Other short-term debt	*10*	**79 538**	78 058	71 404
Total current liabilities		**163 758**	185 558	168 898
Total equity and liabilities		**536 337**	556 660	528 252

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK 1000)		**Q1 YTD 2018**	Q1 YTD 2017	Full year 2017
Operating activities				
Profit/(loss) before tax		**22 900**	20 717	40 364
Adjustments for:				
Depreciation of property, plant and equipment		**632**	2 072	8 156
Net change in trade and other receivables		**(10 297)**	(21 104)	(40 939)
Net change in other liabilities		**17 744**	19 023	16 975
Net foreign exchange differences		**(52)**	(80)	693
Income tax expenses		**(7 015)**	(5 196)	(17 206)
Net cash flow from operating activities		**23 912**	15 432	8 043
Investing activities				
Payments for R&D initiative	*8*	**(952)**	(1 017)	(3 561)
Purchase of property and equipment		**(741)**	(919)	(4 456)
Net cash flow from investing activities		**(1 693)**	(1 936)	(8 017)
Financing activities				
Repayment of borrowings		**-**	(7 500)	(192 500)
Change in bank overdraft	*11*	**(21 260)**	(28 733)	(4 446)
Net proceeds from equity		**-**	-	123 189
Payment of dividends		**-**	-	-
Net cash flows from financing activities		**(21 260)**	(36 233)	(73 758)
Net increase/(decrease) in cash and cash equivalents		**958**	(22 737)	(73 731)
Cash and cash equivalents at 1 January		**6 580**	80 311	80 311
Cash and cash equivalents at end of period		**7 539**	57 574	6 580

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Amounts in NOK 1000)	Issued capital	Treasury shares	Share premium	Foreign currency translation reserve	Retained earnings	Total attributable to equity owners parents	Non-controlling interest	**Total equity**
At 1 January 2017	21 256	(610)	32 109	8 847	135 316	196 918	-	**196 918**
Profit for the period	-	-	-	-	33 851	33 851	-	**33 851**
Other comprehensive income/(loss)	-	-	-	3 544	-	3 544	-	**3 544**
Net purchase of treasury shares	-	-	-	-	-	-	-	**-**
Shared issued	5 711	-	117 477	-	-	123 189	-	**123 189**
Share incentive program	-	-	237	-	-	237	-	**237**
At 31 December 2017	26 967	(610)	149 823	12 391	169 167	357 738	-	**357 738**
Profit for the period	-	-	-	-	17 654	17 654	-	**17 654**
Other comprehensive income/(loss)	-	-	-	(4 608)	-	(4 608)	-	**(4 608)**
Share incentive program	-	-	278	-	-	278	-	**278**
At 31 March 2018	26 967	(610)	150 101	7 783	186 821	371 062	-	**371 062**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

THE COMPANY AND THE GROUP

Webstep ASA (the Company) is a Norwegian public limited liability company. The General Meeting held on 14 September 2017 resolved to transform the company from a private limited liability company to a public limited liability company and a name change from Azure Holding AS to Webstep ASA. The shares of the Company were listed on Oslo Stock Exchange on 11 October 2017.

The Company and its subsidiaries (together the Webstep Group/the Group) are leading providers of IT expert consultants in Norway and Sweden. The Group aims to be at the forefront of the technological development and to assist its customers in their digitalisation through the offering of cutting-edge IT expertise. The Group's core digitalisation offerings are digitalisation, cloud migration and integration, in addition to its other core focus areas Internet of Things (IoT), machine learning and analytics.

NOTE 2 BASIS OF PREPARATION AND STATEMENTS

BASIS FOR PREPARATION

The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

STATEMENTS

These condensed consolidated interim financial statements for the first quarter of 2018 have been prepared in accordance with IAS 34 as approved by the EU (IAS 34). They have not been audited or subject to a review by the auditor. They do not include all of the information required for full annual financial statements of the Group and should consequently be read in conjunction with the consolidated financial statements for 2017. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2017, which are available on www.webstep.com and upon request from the Company's registered office at Lilleakerveien 8, 0283 Oslo, Norway.

These condensed consolidated interim financial statements for the first quarter 2018 were approved by the Board of Directors and the CEO on 8 May 2018.

ACCOUNTING POLICIES

The Group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS) and the Norwegian Accounting Act. References to IFRS in these accounts refer to IFRS as approved by the EU. The date of transition was 1 January 2016. The accounting policies adopted are consistent with those of the previous financial year.

At the time of approval for issue of these condensed consolidated interim financial statements, some new standards, amendments to standards and interpretations have been published, but are not yet effective and have therefore not been applied in preparing these consolidated financial statements. Those that may be relevant for the Group are described in note 1 to the annual consolidated financial statements for 2017.

NOTE 3 ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2017 and as described in note 2 to the 2017 statements.

NOTE 4 SEGMENTS

The Group has two geographical reporting segments. Revenues and expenses are reported in the legal entity where they occur and hence reported in the segment in which the legal entity belongs. Segment performance is evaluated on the basis of revenue and EBITDA performance. Assets and liabilities are not allocated between the segments. Please refer to note 3 to the annual consolidated financial statements for 2017 for more information on the segments.

SUMMARY P&L: NORWAY

(Amounts in NOK 1000)	**Q1 2018**	Q1 2017	**Q1 YTD 2018**	Q1 YTD 2017	Full year 2017
Revenue	**147.7**	137.4	**147.7**	137.4	495.3
Total costs	**125.8**	115.0	**125.8**	115.0	443.9
EBITDA[1)]	**21.9**	22.4	**21.9**	22.4	51.4
EBITDA margin[1)]	**14.8%**	16.3%	**14.8%**	16.3%	10.4%

SUMMARY P&L: SWEDEN

(Amounts in NOK 1000)	**Q1 2018**	Q1 2017	**Q1 YTD 2018**	Q1 YTD 2017	Full year 2017
Revenue	**27.2**	23.6	**27.2**	23.6	101.2
Total costs	**25.2**	21.5	**25.2**	21.5	95.6
EBITDA[1)]	**2.0**	2.2	**2.0**	2.2	5.7
EBITDA margin[1)]	**7.4%**	9.1%	**7.4%**	9.1%	5.6%

1) See note 13 for alternative performance measures.

NOTE 5 EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's net operating revenues are affected by the number of working days within each reporting period while employee expenses are recognised for full calendar days.

The number of working days in a month is affected by public holidays and vacations. The timing of public holidays' (e.g. Easter) during quarters and whether they fall on weekends or weekdays impacts revenues. Notable for the period is that Q1 2018 had three working days less in Norway and one working day less in Sweden, than the same quarter of 2017. The variance is a consequence of the Easter holidays in Q1 2018 and Q2 2017.

NOTE 6 EARNINGS PER SHARE

The first quarter of 2018 has dilutive effects on the number of shares due to the share program for the Group's employees. The program allows participants who purchased shares in the employee offering ("Saving Shares") in the IPO to receive shares ("Matching Shares") free of charge after a vesting period of two years, provided that they remain employed by the Group and retain all the purchased Saving Shares throughout the said vesting period. The potential dilution through this program accounts for approximately 107 000 shares.

At 31 March 2018, the Company had a total of 26 356 716 outstanding shares (excl. treasury shares).

(Amounts in NOK 1000)	**Q1 2018**	Q1 2017	**Q1 YTD 2018**	Q1 YTD 2017	Full year 2017
Profit for the period	**17 654**	15 755	**17 654**	15 755	33 851
Average number of shares (excl. treasury shares)	**26 357**	20 645	**26 357**	20 645	21 879
Average number of shares, fully diluted (excl. treasury shares)	**26 464**	20 645	**26 464**	20 645	21 906
Earnings per share	**0.67**	0.76	**0.67**	0.76	1.55
Earnings per share, fully diluted	**0.67**	0.76	**0.67**	0.76	1.55

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are primarily trade receivables and other receivables, cash and cash equivalents and accounts payables, for which the book value is a good approximation of fair value.

The Group's interest-bearing liabilities are mainly debt to credit institutions, amounting to NOK 3 million (NOK 31 million).

The Group owns a limited amount of treasury shares at quarter end (0.6 million), booked at face value.

NOTE 8 INTANGIBLE ASSETS

Intangible assets mainly consist of goodwill arisen from Webstep ASA's acquisitions of Webstep AS (Norway) in 2011 and Webstep AB in 2012/2013 (Sweden) and investments in R&D.

Net book value (NOK 1000)	**31 Mar 18**	31 Mar 17	31 Dec 17
Goodwill	**378 038**	379 673	382 271
Customer relationship	**-**	4 432	-
Research and development	**5 763**	2 126	4 811
Total	**383 801**	386 230	387 082

Presented in quarterly reports in 2017

Net book value (NOK 1000)	**31 Mar 18**	31 Mar 17	31 Dec 17
Goodwill	**378 038**	379 673	382 271
Customer relationship	**-**	4 432	-
Research and development	**5 763**	-	4 811
Total	**383 801**	384 105	387 082

For further details, please refer to note 10 to the Company's consolidated annual financial statements for 2017.

NOTE 9 INTEREST-BEARING DEBT AND CASH POSITION

Net proceeds of NOK 123 million from new equity issued in the IPO was used to partly repay a former long-term loan (balance of NOK 170 million at 30 September 2017). The remainder of the loan was converted to a new credit facility as described below.

A NOK 110 million Revolving Credit Facility ("RCF") with SpareBank 1 SR-Bank ASA was entered into by the Company in connection with the IPO process. The RCF became effective on 11 October 2017 upon (i) completion of the offering with minimum gross proceeds from the offer of the New Shares of NOK 100 million, (ii) repayment and cancellation of the former Senior Facility Arrangement and (iii) cancellation of the former Overdraft Facility of NOK 40 million. The RCF may be utilised by each member of the Group having acceded to the cash pooling account system related to the RCF.

The term of the RCF is two years, after which it is subject to renewal. The total payable interest rate is based on 3 months NIBOR in addition to an agreed margin of 2.85% per annum. The interest calculation is based on the net of cash and overdraft. The quarterly charge for the credit facility is 0.25% of the granted credit. Under the RCF, the Company have pledged security over the shares, inventory, insurance payouts and accounts receivable in Webstep AS and negative pledge over the shares in Webstep AB. The covenants for the RCF are: 1) Group equity ratio >30 per cent, measured quarterly, and 2) NIBD / EBITDA ratio maximum 3, measured quarterly, rolling 12 months.

With the refinancing of the debt structure, new bank agreements were entered into. The new agreements include a cash pooling account system in the Norwegian operation, which implies a change in how the Group reports cash, short term deposits and bank overdraft. These figures have previously been reported separately under assets and debt respectively, and are now reported as one net figure, either asset or debt, depending on the net figure, to reflect the actual interest-bearing figure at balance date.

NOTE 10 OTHER SHORT TERM DEBT

Other short-term debt mainly consists of two components; 1) accrued salaries for the past month, for payment to employees in accordance with the salary model and 2) accrued holiday pay as required by law, for payment to employees in June every year.

NOTE 11 CASH FLOW

As described in note 9, the Group has changed the reporting of cash, short term deposits and bank overdraft from gross assets and debt figures to one net asset or debt figure. Accordingly, the cash flow statement for Q1 2017 has been restated to ease comparison:

CONSOLIDATED STATEMENT OF CASH FLOWS				Restated
	Q1 YTD	Q1 YTD	Full year	Q1 YTD
(Amounts in NOK million)	**2018**	2017	2017	2017
Operating activities				
Profit/(loss) before tax	**22.9**	20.7	40.4	20.7
Adjustments for:	**-**	-	-	-
Depreciation of property, plant and equipment	**0.6**	2.1	8.2	2.1
Net change in trade and other receivables	**(10.3)**	(21.1)	(40.9)	(21.1)
Net change in other liabilities	**17.7**	19.0	17.0	19.0
Net foreign exchange differences	**(0.1)**	(0.1)	0.7	(0.1)
Income tax expenses	**(7.0)**	(5.2)	(17.2)	(5.2)
Net cash flow from operating activities	**23.9**	15.4	8.0	15.4

CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

(Amounts in NOK million)	**Q1 YTD 2018**	Q1 YTD 2017	Full year 2017	Restated Q1 YTD 2017
Investing activities				
Payments for R&D initiative	**(1.0)**	(1.0)	(3.6)	(1.0)
Purchase of property and equipment	**(0.7)**	(0.9)	(4.5)	(0.9)
Net cash flow from investing activities	**(1.7)**	(1.9)	(8.0)	(1.9)
Financing activities				
Proceeds from borrowings	**-**	-	-	-
Repayment of borrowings	**-**	(7.5)	(192.5)	(7.5)
Change in bank overdraft	**(21.3)**	(28.7)	(4.4)	-
Net proceeds from equity	**-**	-	123.2	-
Purchase of treasury shares	**-**	-	-	-
Payment of dividends	**-**	-	-	-
Payment of seller credit	**-**	-	-	-
Unrealized value of financial instruments	**-**	-	-	-
Net cash flows from financing activities	**(21.3)**	(36.2)	(73.8)	(7.5)
Net increase/(decrease) in cash and cash equivalents	**1.0**	(22.7)	(73.7)	6.0
Cash and cash equivalents at 1 January	**6.6**	80.3	80.3	51.6
Cash and cash equivalents at end of period	**7.5**	57.6	6.6	57.6

NOTE 12 SUBSEQUENT EVENTS

A dividend of NOK 1.50 per share, corresponding to a total dividend of NOK 39.5 million was proposed by the Board of Directors on 21 March and approved by the annual general meeting on 24 April. The dividend proposal is not reflected in the financial statements at 31 March, following IFRS practice (dividend proposals not to be presented as a liability until approved by the Annual General Meeting).

NOTE 13 ALTERNATIVE PERFORMANCE MEASURES

Webstep discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS. Webstep believes that the alternative performance measures provide useful supplemental information to management, investors, equity analysts and other stakeholders. These measures are commonly used and are meant to provide an enhanced insight into the financial development of Webstep's business operations and to improve comparability between periods.

PROFIT MEASURES

EBITDA is short for Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation and is a term commonly used by analysts and investors.

EBITDA excl. non-recurring costs is Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation excluding impact of non-recurring items as specified when such costs occur.

EBITDA per employee is Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation divided by the average number of employees.

EBITDA per employee excl. non-recurring costs is Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation excluding impact of non-recurring items as specified when such costs occur.

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