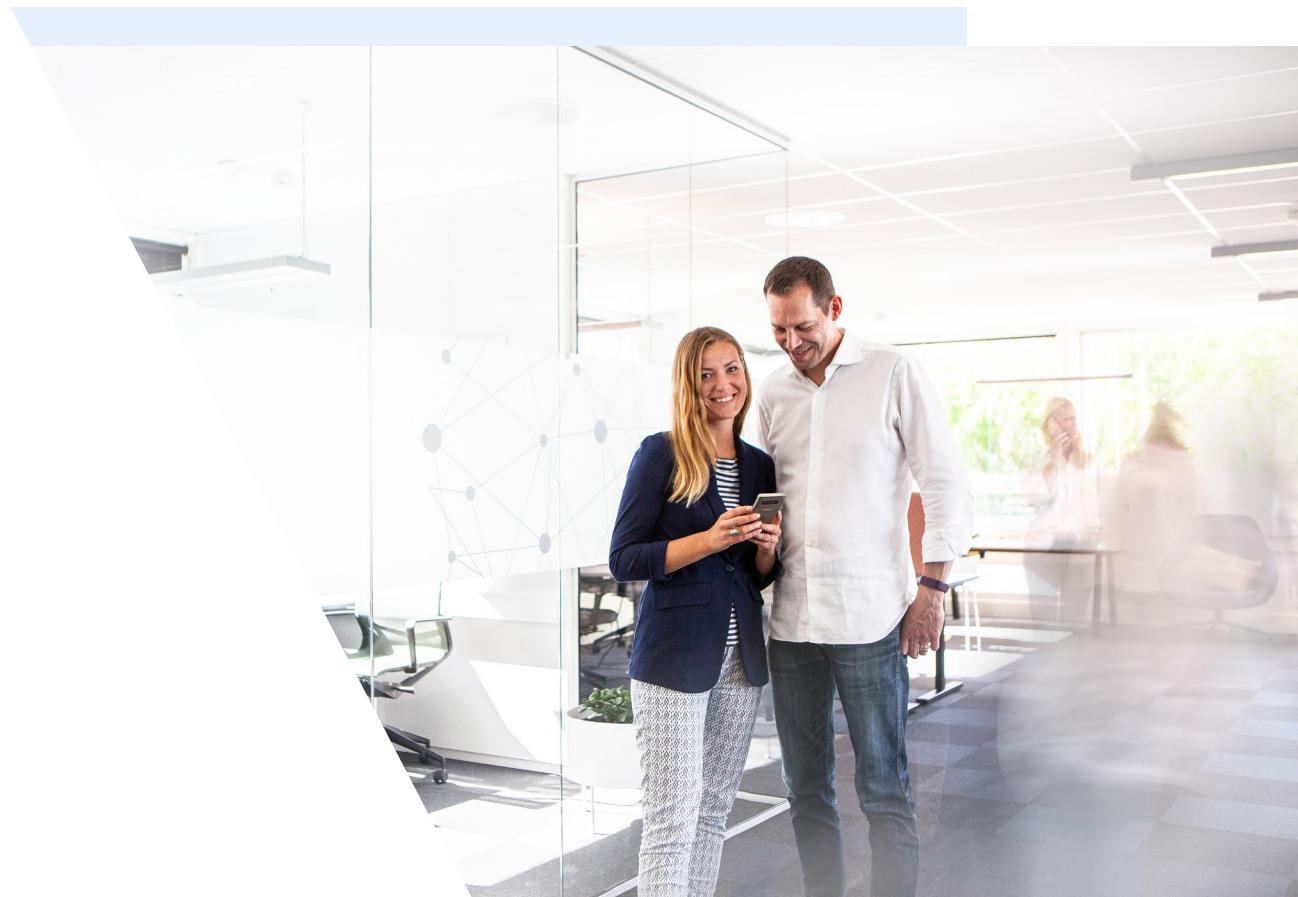


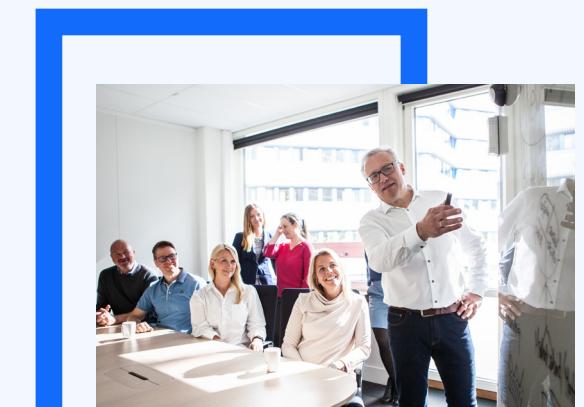
HALF YEAR REPORT
Q2 2018
WEBSTEP ASA



WEBSTEP

Q2 AND HALF YEAR HIGHLIGHTS

- Double digit revenue growth
 - Q2: NOK 174.9 million (+21%)
 - YTD: NOK 349.8 million (+14%)
- Strong EBITDA development
 - Q2: NOK 28.5 million (+43%)
 - YTD: NOK 52.4 million (+18%)
- Continued high utilisation and increased rates driven by high demand
- Solid order book and growing demand for a broader range of services



KEY FIGURES

CONSOLIDATED

(Amounts in NOK million)	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Sales revenues	174.9	144.7	349.8	305.7	596.5
EBITDA ¹⁾	28.5	19.9	52.4	44.4	57.1
EBITDA margin ¹⁾	16.3%	13.7%	15.0%	14.5%	9.6%
EBITDA excl. non-recurring costs ¹⁾	28.5	19.9	52.4	44.4	71.0
EBITDA margin excl. non-recurring costs ¹⁾	16.3%	13.7%	15.0%	14.5%	11.9%
Net profit	20.9	11.5	38.5	27.3	33.9
Net cash flow	0.0	(39.5)	0.0	(39.5)	(73.8)
Earnings per share (NOK)	0.79	0.56	1.46	1.32	1.55
Earnings per share, fully diluted (NOK)	0.79	0.56	1.46	1.32	1.55
Number of employees, average (FTE)	412	395	411	391	393
Number of employees, end of period	410	393	410	393	402
Number of work days, Norway (excl. vacation)	60	58	122	123	251
Number of work days, Sweden (excl. vacation)	61	59	124	123	251
EBITDA per average employee ¹⁾ (tNOK)	69.1	50.3	127.5	113.6	145.3
EBITDA per average employee excl. non-recurring costs ¹⁾ (tNOK)	69.1	50.3	127.5	113.6	180.7

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

NORWAY

(Amounts in NOK million)

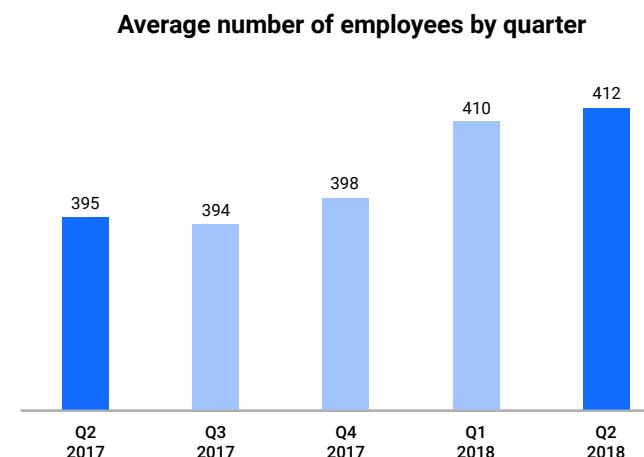
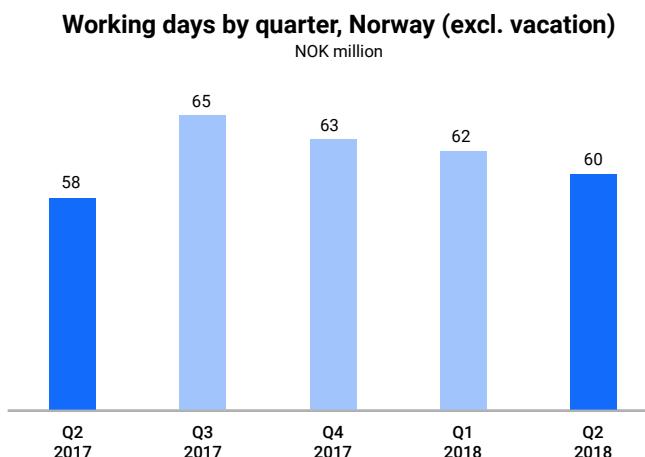
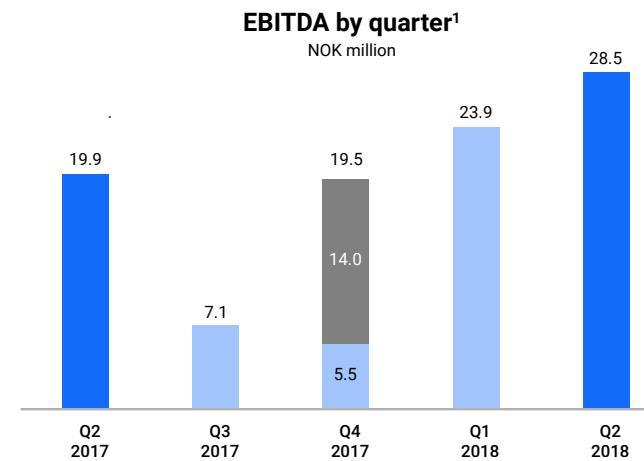
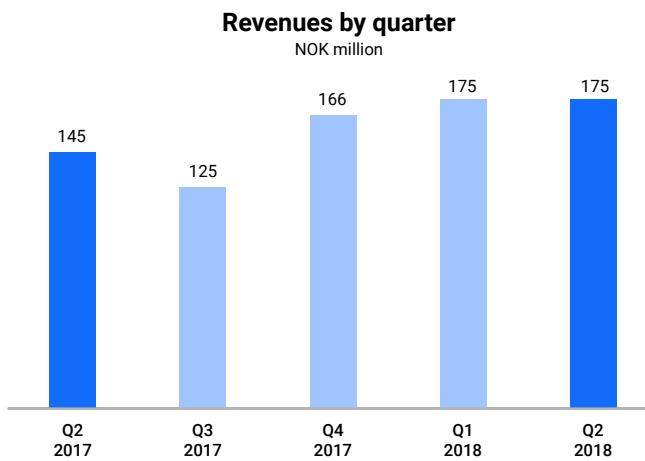
	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Sales revenues	151.9	119.4	299.6	256.7	495.3
EBITDA ¹⁾	27.2	17.9	49.1	40.3	51.4
EBITDA margin ¹⁾	17.9%	15.0%	16.4%	15.7%	10.4%
EBITDA excl. non-recurring costs ¹⁾	27.2	17.9	49.1	40.3	65.4
EBITDA margin excl. non-recurring costs ¹⁾	17.9%	15.0%	16.4%	15.7%	13.2%
Number of employees, average (FTE)	353	332	351	328	331
Number of employees, end of period	350	329	350	329	342
Number of work days, Norway (excl. vacation)	60	58	122	123	251
EBITDA per average employee ¹⁾ (tNOK)	76.9	54.1	139.8	123.1	155.4
EBITDA per average employee excl. non-recurring costs ¹⁾ (tNOK)	76.9	54.1	139.8	123.1	197.5

SWEDEN

(Amounts in NOK million)

	Q2 2018	Q2 2017	YTD 2018	YTD 2017	FY 2017
Sales revenues	23.1	25.3	50.2	49.0	101.2
EBITDA ¹⁾	1.3	1.9	3.3	4.1	5.7
EBITDA margin ¹⁾	5.7%	7.6%	6.6%	8.3%	5.6%
EBITDA excl. non-recurring costs ¹⁾	1.3	1.9	3.3	4.1	5.7
EBITDA margin excl. non-recurring costs ¹⁾	5.7%	7.6%	6.6%	8.3%	5.6%
Number of employees, average (FTE)	59	63	60	63	63
Number of employees, end of period	60	64	60	64	60
Number of work days, Sweden (excl. vacation)	61	59	124	123	251
EBITDA per average employee ¹⁾ (tNOK)	22.3	30.5	55.4	64.9	89.7
EBITDA per average employee excl. non-recurring costs ¹⁾ (tNOK)	22.3	30.5	55.4	64.9	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.

STRONG AND PROFITABLE GROWTH

Webstep reports strong and profitable growth in the second quarter and the first half of 2018. Demand for digital expertise remains high and the order book remains strong going forward.

Webstep ASA recorded total consolidated revenues in the second quarter of NOK 174.9 million, up 20.9 per cent from the same quarter last year. Revenues for the first half of 2018 rose by 14.4 per cent from the same period last year, and ended at NOK 349.8 million (NOK 305.7 million).

EBITDA for the second quarter amounted to NOK 28.5 million (NOK 19.9 million). The solid growth of 43.4 per cent from the corresponding quarter last year is mainly a consequence of the revenue growth combined with the benefits of high utilisation and higher rates achieved together with two more working days in 2018 (Norway). Consequently, the EBITDA-margin was strengthened and came to 16.3 per cent, compared

to 13.7 per cent in the second quarter of 2017. EBITDA for the first half year ended at NOK 52.4 million (NOK 44.4 million), with an EBITDA margin of 15 per cent, also strengthened from last year's 14.5 per cent.

Net profit for the second quarter was NOK 20.9 million, up from NOK 11.5 million in the same quarter last year. Net profit for the first half year was NOK 38.5 million (NOK 27.3 million).

The financial position is strong, with total equity at 30 June of NOK 350.5 million (NOK 226.7 million), corresponding to an equity ratio of 64.7 per cent (42.4 per cent).

Cash flow from operations in the first half year was improved and amounted to NOK 22.6 million (NOK 8.3 million). Affected

by dividend payment of 39.5 million, the net cash flow of the first half of 2018 was zero. Net cash flow for the same period last year was negative NOK 39.5 million.

The market growth continues, with generally high demand for Webstep's core digitalisation offering, including cloud services. Sales of New Services, such as IoT and machine learning are also growing, in part due to the company's strong emphasis on sharing knowledge and expertise across the organisation. This is strengthening the offering to existing and new clients in all Webstep locations.

Webstep has a strong market and financial position. In the second quarter, one branch in the Oslo office, expe-

rienced a situation with unexpected high churn. The general 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

Second quarter consolidated revenues were NOK 174.9 million (NOK 144.7 million), up 20.9 per cent from the same quarter last year. Revenues for the first half year were NOK 349.8 million, up 14.4 per cent from NOK 305.7 million in the corresponding period last year. Webstep's revenue model is primarily based on hourly fees, with revenue capacity dependent on the number of consultants, number of working days and hourly rates. The strong growth in the first half of 2018 is a result of higher capacity, high utilisation and higher prices than the corresponding period last year.

Calendar effects may also cause differences in revenue capacity between quarters. The first half of 2018 had one working day less than the first half of 2017 (Norway).

Cost of services and goods sold amounted to NOK 15 million (NOK 11.1 million) for the quarter and NOK 32.3 million (NOK 21.7 million) for the first half, which reflects normal variations in the mix of internal resources and use of subcontractors in Norway, as well as 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 affects personnel expenses in periods with high onboarding activity.

Salaries and personnel cost came to NOK 119.6 million (NOK 103.9 million) for the second quarter and NOK 244.3 million (NOK 221.6 million) for the first half year, reflecting the capacity increase since



the corresponding periods in 2017.

The Group uses earnings before interest, taxes and depreciations (EBITDA) as an alternative performance measure, as described in note 13 to the consolidated financial statements for the first half year of 2018. Total consolidated EBITDA in the second quarter amounted to NOK 28.5 million (NOK 19.9 million) for the second quarter and NOK 52.4 million for the first half year (NOK 44.4 million). The increase in EBITDA is mainly due to the revenue growth, with high utilisation and higher hourly rates.

Operating profit was NOK 20.9 million for the quarter (NOK 11.5 million) and NOK 38.5 million year to date (NOK 27.3 million). Depreciation and impairment decreased from NOK 2.2 million in the second quarter last year to NOK 0.6 million this year, and from NOK 4.2 million in the first half last year to NOK 1.3 million this year. The reduction is mainly related to acquisition related customer relationships being fully amortized by year end 2017.

Net financial costs were NOK 0.8 million (NOK 2.5 million) in the quarter and NOK 1.2 million year to date (NOK 4.3 million). The reduction is mainly related to the lower debt level after the refinancing that took place in connection with the IPO in the fall of 2017.

Income tax amounted to NOK 6.2 million (NOK 3.6 million) in the second quarter and NOK 11.5 million in the first half of 2018 (NOK 8.6 million). Net profit for the quarter was NOK 20.9 million (NOK 11.5 million), while net profit for the first half was NOK 38.5 million (NOK 27.3 million).

FINANCIAL POSITION AND CASH FLOW

Total assets at 30 June amounted to NOK 541.5 million (NOK 534.6 million). Non-current assets were NOK 387.8 million (NOK 393.1 million) and mainly consisted of intangible assets. Intangible assets are primarily acquisition-related goodwill of NOK 376.1 million, which is impairment tested annually.

Total current assets of NOK 153.7 mil-

lion (NOK 141.5 million) mainly consisted of trade receivables and cash and short-term deposits. Trade receivables at quarter end were NOK 138.6 million (NOK 96.6 million), impacted by the fact that a major part of the receivables fell due on 30 June, which was a Saturday. Consequently, the receivables dropped by NOK 43.8 million to NOK 94.8 million by 4 July 2018.

Cash and short-term deposits amounted to NOK 6.6 million (NOK 40.8 million), impacted by the same effect as described above, leaving cash and short-term deposits at NOK 50.4 million by 4 July 2018. Total equity at 30 June was NOK 350.5 million (NOK 226.7 million), corresponding to an equity ratio of 64.7 per cent (42.4 per cent). The change is mainly related earnings generated in 2017 and 2018 and the share capital issue in connection with the IPO in October 2017, offset by dividend paid in 2018.

Non-current liabilities amounted to NOK 1.5 million (149.3 million). The debt reduction is a consequence of the new capital structure

following the IPO. Current liabilities amounted to NOK 189.5 million (NOK 158.7 million). The changes are mainly due to increased debt to credit institutions following the late payments from clients on receivables falling due on 30 June, and the generally higher level of operational activity in the Group.

Webstep had a solid cash flow from operations in the first half year of NOK 22.6 million (NOK 8.3 million).

Cash flow from investing activities was negative NOK 2.6 million (negative NOK 4.1 million) year to date.

Cash flow from financing activities year to date was negative NOK 20.0 million (negative NOK 43.7 million). The change is mainly attributable to the low debt level post IPO and dividends paid in 2018.

SEGMENTS

Webstep has two reporting segments; Norway and Sweden. Norway accounts for around ~86 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 151.9 million (NOK 119.4 million), an increase of 27.2 per cent from the corresponding quarter last year. Customers' demand for Webstep's core IT services remains high. Total operating revenues year to date were 299.6 million (NOK 256.7 million).

EBITDA for the second quarter came to NOK 27.2 million (NOK 17.9 million), which represents an EBITDA margin of 17.9 per cent (15 per cent). EBITDA year to date was NOK 49.1 million, up from NOK 40.3 million in the same period last year.



The market situation remains very favourable, with generally high order intake and backlog and particularly high demand for Webstep's core digitalisation and cloud services.

The strong focus on cloud services has been a success, with a significant increase in sales since 2017. Cloud services are now considered as part of Webstep's Core Services and are expected to continue to grow. There is also increased demand for New Services like machine learning, AI, RPA and IoT.

Webstep's complete service offering is currently not delivered at all locations. As Webstep aims to deliver a broader range of its services in all current geographies, Centres of Excellence (CoE) has been established. CoE supports and enhances sales, delivery, recruitment and competence development and contributes to market share growth in all current locations.

As a result, expert teams from Sweden are currently delivering cloud services to prestige projects in Norway. In addition, Webstep's

partnership with Amazon has created new opportunities for a wider range of deliveries to new and existing clients.

Webstep Norway operates in an attractive market with high demand and is well positioned to further strengthen its strong market position.

However, growth markets often attract new players and drive change. This is partly the background for high churn in the second quarter, which occurred at one single department of the Oslo office.

Replacement of staff has top priority, but the situation does create a temporary bottleneck. The continuous focus on recruitment has been further strengthened. Consequently, Webstep expects its growth capacity to be challenged in the second half of 2018.

Webstep Norway had 350 employees at the end of the second quarter (329 employees). The average number of employees in the quarter was 353 (332).

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 second quarter were NOK 23.1 million (NOK 25.3 million), a slight decrease from the same quarter last year, mainly due to lower capacity than the same period last year. Total operating revenues year to date came to NOK 50.2 million (NOK 49.0 million). EBITDA came to NOK 1.3 million for the second quarter (NOK 1.9 million), representing an EBITDA margin of 5.7 per cent (7.6 per cent), while the year to date EBITDA ended at NOK 3.3 million (NOK 4.1 million). The softer margin level in Sweden reflects the strategic use of subcontractors. The strong focus on recruitment continues.

Webstep Sweden had 60 employees at the end of the second quarter

(64 employees). The average number of employees in the quarter was 59 (63).

Webstep sees the presence in the Swedish market as strategically important, partly as it plays an important role in the enrolment of New Services.

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 – digitalisation, cloud and integration – is expected to continue.

Cloud is the main prerequisite for the use of data for IoT, machine learning and analytics. These are all becoming important growth areas. Investments in expertise and capac-



ity in these services continues to be highly prioritized due to a more mature marked.

In the first half of 2018, Webstep has won an increasing number of Cloud and New Services projects. These areas are growing and Webstep sees great potential in further increasing its cross border and cross technology sales.

Although high churn at one department in Oslo will have a short-term impact on the

number of employees, Webstep secures customer relations through temporarily increased use of subcontractors in Norway.

The systematic and continuous recruitment efforts are further strengthened. Webstep has a strong position as preferred employer, yet recruitment processes are time consuming and the competition for the best talents is fierce. Consequently, Webstep expects growth in the second half

to be lower than the first half of 2018.

The over-all and long-term 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, 14 AUGUST 2018



Klaus-Anders Nysteen

Chair of the board



Siw Ødegaard

Board member



Terje Bakken

Board member



Bjørn Ivar Danielsen

Board member



Toril Nag

Board member



Kjetil Bakke Eriksen

Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1000)	Note	Q2 2018	Q2 2017	Q2 YTD 2018	Q2 YTD 2017	Full year 2017
Sales revenues		174 936	144 687	349 802	305 698	596 519
Total revenues		174 936	144 687	349 802	305 698	596 519
Cost of services and goods		15 006	11 074	32 304	21 682	49 333
Salaries and personell cost		119 605	103 899	244 253	221 553	448 395
Depreciation and impairment		643	2 150	1 275	4 222	8 156
Other operating expenses		11 846	9 855	20 833	18 057	41 705
Operating profit(loss)		27 835	17 709	51 135	40 183	48 929
Net financial items		(755)	(2 545)	(1 154)	(4 301)	(8 565)
Profit before tax		27 081	15 164	49 981	35 882	40 364
Income tax expenses		6 216	3 644	11 463	8 606	6 514
Profit for the period		20 864	11 520	38 518	27 276	33 851
Earnings per share (NOK)	7	0.79	0.56	1.46	1.32	1.55
Earnings per share, fully diluted (NOK)	7	0.79	0.56	1.46	1.32	1.55
Other comprehensive income:						
Currency translation differences		(2 134)	1 841	(6 742)	2 483	3 544
Other comprehensive income for the period, net of tax		(2 134)	1 841	(6 742)	2 483	3 544
Total comprehensive income for the period, net of tax		18 731	13 361	31 776	29 759	37 395
Attributable to:						
Shareholders in parent company		18 731	13 361	31 776	29 759	37 395

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1000)	Note	30 June 2018	30 June 2017	31 Dec 2017	(Amounts in NOK 1000)	Note	30 June 2018	30 June 2017	31 Dec 2017
ASSETS									
Non-current assets					Share capital		26 967	21 256	26 967
Intangible assets	9	382 290	387 411	387 082	Treasury shares		(610)	(610)	(610)
Fixed assets		5 290	3 972	5 228	Share premium		150 385	32 108	149 827
Non-current financial assets		-	1 444	-	Retained earnings		173 795	173 921	181 554
Deferred tax asset		232	320	232	Non-controlling interest		-	-	-
Total non-current assets		387 812	393 147	392 542	Total equity		350 537	226 675	357 738
Current assets									
Trade receivables		138 643	96 604	125 546	LIABILITIES				
Other current receivables		8 447	4 046	3 585	Non-current liabilities				
Cash and short-term deposits	10	6 563	40 819	6 580	Borrowings	10	-	146 250	-
Total current assets		153 654	141 468	135 711	Deferred tax		1 472	3 002	1 616
Total assets		541 467	534 615	528 252	Total non-current liabilities		1 472	149 252	1 616

CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK 1000)	Q2 YTD 2018	Q2 YTD 2017	Full year 2017
Operating activities			
Profit/(loss) before tax	49 981	35 882	40 364
Adjustments for:			
Depreciation of property, plant and equipment	1 275	4 222	8 156
Net change in trade and other receivables	(17 960)	(13 900)	(40 939)
Net change in other liabilities	(3 156)	(6 985)	16 975
Net foreign exchange differences	42	(95)	693
Income tax expenses	(7 597)	(10 810)	(17 206)
Net cash flow from operating activities	22 586	8 314	8 043
Investing activities			
Payments for R&D initiative	9	(1 373)	(1 928)
Purchase of property and equipment		(1 189)	(2 145)
Net cash flow from investing activities	(2 562)	(4 073)	(8 017)
Financing activities			
Repayment of borrowings	-	(15 000)	(192 500)
Change in bank overdraft	19 494	(28 733)	(4 446)
Net proceeds from equity	-	-	123 189
Payment of dividends	(39 535)	-	-
Net cash flows from financing activities	(20 041)	(43 733)	(73 758)
Net increase/(decrease) in cash and cash equivalents	(17)	(39 492)	(73 731)
Cash and cash equivalents at 1 January	6 580	80 311	80 311
Cash and cash equivalents at end of period	6 563	40 819	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	-	-	-	-	38 518	38 518	-	38 518
Other comprehensive income/(loss)	-	-	-	(6 742)	-	(6 742)	-	(6 742)
Share incentive program	-	-	558	-	-	558	-	558
Dividends	-	-	-	-	(39 535)	(39 535)	-	(39 535)
At 30 June 2018	26 967	(610)	150 380	5 649	168 150	350 536	-	350 536

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 second 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 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 second quarter 2018 were approved by the Board of Directors and the CEO on 14 Aug 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 PROFIT AND LOSS: NORWAY

(Amounts in NOK 1000)	Q2 2018	Q2 2017	Q2 YTD 2018	Q2 YTD 2017	Full year 2017
Revenue	151.9	119.4	299.6	256.7	495.3
Total costs	124.7	101.4	250.5	216.4	443.9
EBITDA ¹⁾	27.2	17.9	49.1	40.3	51.4
EBITDA margin ¹⁾	17.9%	15.0%	16.4%	15.7%	10.4%

SUMMARY PROFIT AND LOSS: SWEDEN

(Amounts in NOK 1000)	Q2 2018	Q2 2017	Q2 YTD 2018	Q2 YTD 2017	Full year 2017
Revenue	23.1	25.3	50.2	49.0	101.2
Total costs	21.7	23.4	46.9	44.9	95.6
EBITDA ¹⁾	1.3	1.9	3.3	4.1	5.7
EBITDA margin ¹⁾	5.7%	7.6%	6.6%	8.3%	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' during quarters and whether they fall on weekdays or not impact revenues. Q2 2018 had two working days more than the same quarter of 2017. On a year to date basis, there were one day less in Norway and one day more in Sweden, compared to the same period of 2017.

NOTE 6 INCOME TAX EXPENSE

Income tax expenses for Q2 2017 have been restated from the previously reported figure of NOK 2.0 million to NOK 3.6 million. The restatement is a consequence of redistribution of tax expenses between Q1 2017 and Q2 2017 and does not impact the tax expenses reported for H1 2017.

NOTE 7 EARNINGS PER SHARE

There are 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 30 June 2018, the Company had 26 356 716 shares outstanding (excl. treasury shares).

(Amounts in NOK 1000)	Q2 2018	Q2 2017	Q2 YTD 2018	Q2 YTD 2017	Full year 2017
Profit for the period	20 864	11 520	38 518	27 276	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	0.79	0.56	1.46	1.32	1.55
Earnings per share, fully diluted	0.79	0.56	1.46	1.32	1.55

NOTE 8 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 44 million (NOK 31 million at 30 June 2017).

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

NOTE 9 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)	30 June 18	30 June 17	31 Dec 17
Goodwill	376 107	381 391	382 271
Customer relationship	-	2 842	-
Research and development	6 184	3 178	4 811
Total	382 290	387 411	387 082

Presented in quarterly reports in 2017

Net book value (NOK 1000)	30 June 18	30 June 17	31 Dec 17
Goodwill	376 107	381 391	382 271
Customer relationship	-	2 842	-
Research and development	6 184	-	4 811
Total	382 290	384 234	387 082

Investments in R&D were reclassified from long term financial assets to intangible assets in connection with the 2017 annual report.

Comparative figures for the 2017 quarterly reports have therefore been restated to reflect this change.

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

NOTE 10 INTEREST-BEARING DEBT

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 11 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 12 RESEARCH AND DEVELOPMENT

The classification of R&D expenses in the annual report for 2017 has been changed retrospectively with effect for comparative figures presented in the "Consolidated statements of cash flows" for the first half year of 2017. The restatement is presented in the Consolidated statement of cash flows, it affects the items "Net foreign exchange differences", "Purchase of property and equipment" and adds the line "Payments for R&D initiative".

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.

STATEMENT BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

We confirm to the best of our knowledge that: the consolidated financial statements for the first half of 2018 have been prepared in accordance with IAS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that the financial statements for the parent company for the first half of 2018 have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice in Norway, and that the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and that the board of directors' report gives a true and fair view of the development, performance and financial position of the Company and the Group, and includes a description of the material risks that the board of directors, at the time of this report, deem might have a significant impact on the financial performance of the Group.

THE BOARD OF DIRECTORS AND CEO OF WEBSTEP ASA

OSLO, 14 AUGUST 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



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