

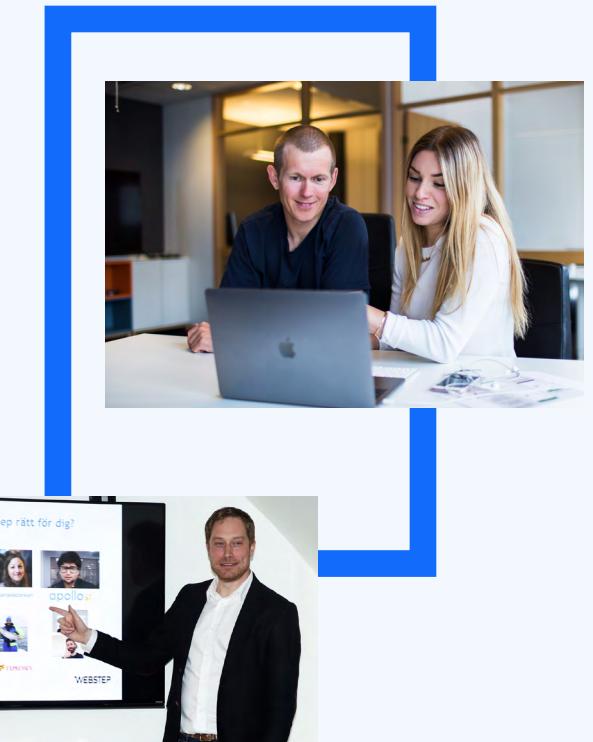
HALF YEAR REPORT  
**Q2 2019**  
WEBSTEP ASA



WEBSTEP

# Q2 AND H1 HIGHLIGHTS

- Continued strong order book and high demand
- Revenues affected by calendar effects and lower capacity year-on-year
  - Q2 revenues: NOK 162.0 million (-7.4 per cent)
  - YTD revenues: NOK 346.5 million (-1.0 per cent)
- EBITDA impacted by one-off costs and increased use of subcontractors
  - Q2 EBITDA: NOK 22.0 million (- 22.9 per cent)
  - YTD EBITDA: NOK 44.3 million (- 15.5 per cent)
- Improving the capabilities to re-establish growth capacity
  - Additional initiatives to retain employees and strengthen recruitment capacity implemented
  - Both organic and inorganic growth opportunities pursued
  - Partnerships with world-leading technology platforms continue to evolve



# KEY FIGURES

## CONSOLIDATED

(Amounts in NOK million)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Sales revenues	162.0	174.9	346.5	349.8	663.2
EBITDA <sup>1)</sup>	22.0	28.5	44.3	52.4	78.8
EBITDA margin <sup>1)</sup>	13.5%	16.3%	12.8%	15.0%	11.9%
EBITDA with former principles for leasing <sup>1)</sup>	20.5	28.5	41.6	52.4	78.8
EBITDA margin with former principles for leasing <sup>1)</sup>	12.7%	16.3%	12.0%	15.0%	11.9%
Net profit	14.8	20.9	30.2	38.5	56.2
Net cash flow	(19.9)	(1.0)	(27.8)	0.0	26.9
Earnings per share (NOK)	0.56	0.79	1.14	1.46	2.13
Earnings per share, fully diluted (NOK)	0.56	0.79	1.14	1.46	2.12
Number of employees, average (FTE)	391	421	395	419	407
Number of employees, end of period	386	419	386	419	394
Number of work days, Norway (excl. vacation)	58	60	121	122	249
Number of work days, Sweden (excl. vacation)	60	61	123	124	251
EBITDA per average employee <sup>1)</sup> (NOK thousand)	56.1	67.6	112.1	125.1	193.6
EBITDA per average employee with former principles <sup>1)</sup> (NOK thousand)	52.5	67.6	105.4	125.1	193.6

1) See note 12 to the consolidated financial statements for alternative performance measures.

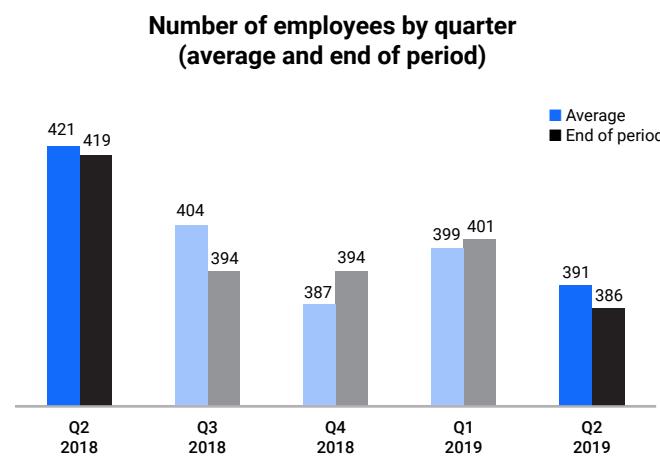
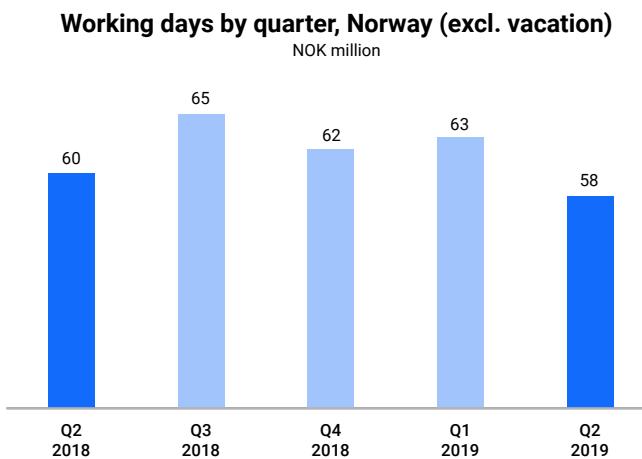
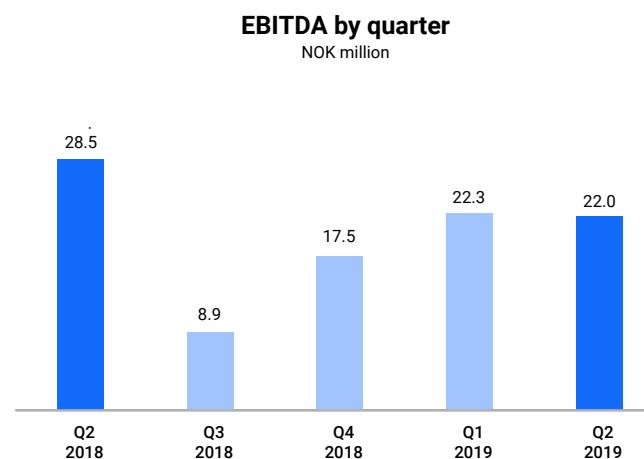
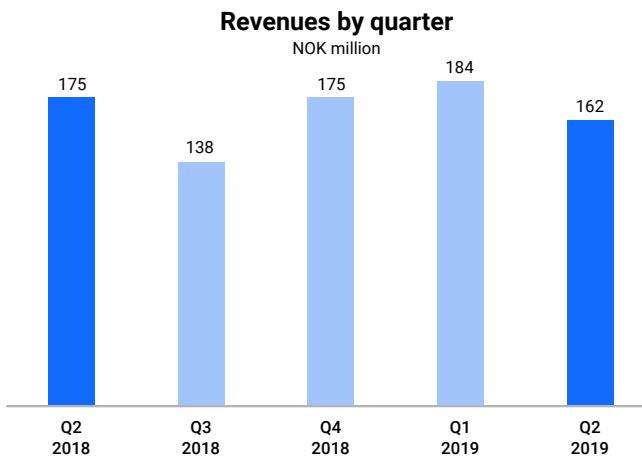
## NORWAY

(Amounts in NOK million)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Sales revenues	<b>138.4</b>	151.9	<b>300.0</b>	299.6	570.3
EBITDA <sup>1)</sup>	<b>20.6</b>	27.2	<b>42.0</b>	49.1	75.3
EBITDA margin <sup>1)</sup>	<b>14.9%</b>	17.9%	<b>14.0%</b>	16.4%	13.2%
EBITDA with former principles for leasing <sup>1)</sup>	<b>19.6</b>	27.2	<b>40.1</b>	49.1	75.3
EBITDA margin with former principles for leasing <sup>1)</sup>	<b>14.1%</b>	17.9%	<b>13.4%</b>	16.4%	13.2%
Number of employees, average (FTE)	<b>329</b>	362	<b>334</b>	359	348
Number of employees, end of period	<b>325</b>	359	<b>325</b>	359	334
Number of work days, Norway (excl. vacation)	<b>58</b>	60	<b>121</b>	122	249
EBITDA per average employee <sup>1)</sup> (NOK thousand)	<b>62.6</b>	75.0	<b>125.6</b>	136.7	216.4
EBITDA per average employee with former principles <sup>1)</sup> (NOK thousand)	<b>59.5</b>	75.0	<b>120.1</b>	136.7	216.4

## SWEDEN

(Amounts in NOK million)	Q2 2019	Q2 2018	YTD 2019	YTD 2018	FY 2018
Sales revenues	<b>23.6</b>	23.1	<b>46.4</b>	50.2	92.8
EBITDA <sup>1)</sup>	<b>1.4</b>	1.3	<b>2.3</b>	3.3	3.5
EBITDA margin <sup>1)</sup>	<b>5.7%</b>	5.7%	<b>5.0%</b>	6.6%	3.7%
EBITDA with former principles for leasing <sup>1)</sup>	<b>1.0</b>	1.3	<b>1.5</b>	3.3	3.5
EBITDA margin with former principles for leasing <sup>1)</sup>	<b>4.1%</b>	5.7%	<b>3.2%</b>	6.6%	3.7%
Number of employees, average (FTE)	<b>62</b>	59	<b>61</b>	60	59
Number of employees, end of period	<b>61</b>	60	<b>61</b>	60	60
Number of work days, Sweden (excl. vacation)	<b>60</b>	61	<b>123</b>	124	251
EBITDA per average employee <sup>1)</sup> (NOK thousand)	<b>21.9</b>	22.3	<b>38.3</b>	55.4	58.9
EBITDA per average employee with former principles <sup>1)</sup> (NOK thousand)	<b>15.5</b>	22.3	<b>24.1</b>	55.4	58.9

1) See note 12 to the consolidated financial statements for alternative performance measures.



# STRONG MARKET, BUT LIMITED GROWTH CAPACITY

Webstep reports a slight revenue decrease in the first half of 2019, due to lower capacity year-on-year. The EBITDA margin remains solid, although affected by one-off costs and use of subcontractors. The order book remains strong. Additional measures to re-establish growth capacity have been implemented to enable Webstep to capitalise on the continued attractive market momentum.

Webstep ASA ("the Group" or "Webstep") recorded consolidated revenues in the second quarter of NOK 162.0 million, down 7.4 per cent from the same quarter last year. The decline is mainly explained by reduced capacity and calendar effects related to Easter holidays. Revenues in the first half of 2019 decreased by 1.0 per cent from the same period last year and ended at NOK 346.5 million, reflecting the previously communicated situation with reduced capacity and increasingly fierce competition for IT expert consultants.

EBITDA for the second quarter amounted to NOK 22.0 million, down 22.9 per cent from

the corresponding quarter of 2018, following the drop in Q2 revenues explained above. EBITDA for the first half year ended at NOK 44.3 million down by 15.5 per cent compared to the first half of 2018. The main reasons for the reduced EBITDA in the first half are the increased use of subcontractors, costs related to the CEO recruitment and transition and expensed costs related to Internet of Things (IoT). One-off costs related to CEO recruitment and transition amounted to approximately NOK 2.8 million. The EBITDA margin ended at 13.5 per cent (16.3 per cent)<sup>1</sup> for the second quarter and 12.8 per

cent (15.0 per cent) for the first half of 2019, reflecting the abovementioned situation.

The new reporting standard IFRS 16 Leases, which was implemented by the Group 1 January 2019, had a positive EBITDA effect of NOK 1.4 million in the second quarter and NOK 2.7 million the first half year. Leasing costs have been reclassified from operating expenses to depreciation and finance costs following the new reporting standard.

Net profit for the second quarter was NOK 14.8 million, down 29.0 per cent compared to same quarter last year. Net profit for the first half year was NOK 30.2 million down 21.5

<sup>1</sup>) Numbers in brackets refer to the corresponding reporting period/reporting date in 2018, unless otherwise specified.

per cent compared to the first half of 2018.

The financial position at 30 June is strong, with total equity of NOK 361.0 million (NOK 350.5 million), corresponding to an equity ratio of 64 per cent (65 per cent). Equity was affected by the payment of dividend of NOK 42.4 million (NOK 39.5 million), NOK 1.60 per share (NOK 1.50 per share), in the second quarter.

Cash flow from operations in the second quarter amounted to negative NOK 6.4 million (negative NOK 1.3 million). The negative figures are mainly explained by calendar effects related to which weekday receivables are falling due.

The market growth continues, with generally high demand for Webstep's core digitalisation offering. Sales of New Services, such as IoT, analytics and machine learning are also growing, partly as a result of the Group'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.

The general outlook remains positive. This expectation of a long-term market growth is supported by the fact that both Webstep, and its partners have won some large, long term contracts and frame agreements in 2019.

Webstep enjoys a strong position in an attractive growth market and has a robust order book. The high demand has driven an increase in hourly rates compared to 2018. However, growth capacity is still a challenge, following the already high utilisation and the continuously challenging market conditions for recruitment of IT experts.

A number of new measures to re-establish growth capacity have been implemented in the second quarter, hereunder new initiatives to retain employees and strengthen recruitment capacity, leverage new geographic expansions, pursue inorganic growth opportunities and continue strengthening the partnerships with world-leading technology platforms. These initiatives are expected to contribute to building a new and robust platform



for future growth, which supports the long-term ambition to exceed the average market levels for growth and profitability. The focus on identifying further growth opportunities will remain strong. A strategic review process is ongoing and will be concluded during the fall. The Company will provide a strategic update on 7 November in connection with the announcement of the third quarter results.

## FINANCIAL REVIEW

### PROFIT AND LOSS

Second quarter consolidated revenues were NOK 162.0 million (NOK 174.9 million), down 7.4 per cent from the same quarter 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 average number of employees in the second quarter of 2019 was 391 (421) and the number of

working days was 58 (60) (Norway). The Capacity in the second quarter was negatively impacted by calendar effects related to Easter holidays.

Revenues for the first half year were NOK 346.5 million (NOK 349.8 million), down 1.0 per cent from the same period last year. The negative revenue impact caused by lower capacity in 2019 has been more or less offset by higher hourly rates and increased use of subcontractors in the first half year.

Cost of services and goods sold, mostly from use of subcontractors, amounted to NOK 21.3 million (NOK 15.0 million) for the quarter and NOK 43.7 million (NOK 32.3 million) for the first half year. The significant increase is attributable to the aforementioned increase in the use of subcontractors.

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 may affect personnel expenses in

periods with high onboarding activity.

Salaries and personnel costs came to NOK 109.7 million (NOK 119.6 million) for the second quarter and NOK 238.6 million (NOK 244.3 million) for the first half year. The decrease from 2018 mainly reflects the lower revenue-based salaries for consultants, following the revenue decrease.

The Group uses earnings before interest, taxes and depreciations (EBITDA) as an alternative performance measure, as described in note 12 to the consolidated financial statements for the second quarter and first half of 2019. Total consolidated EBITDA in the second quarter amounted to NOK 22.0 million (NOK 28.5 million) and NOK 44.3 million (NOK 52.4 million) for the first half year. The new reporting standard IFRS 16 Leases, which was implemented by the Group 1 January 2019, had a positive effect on EBITDA amounting to NOK 1.4 million for the second quarter and NOK 2.7 million for the first half year. Such effects will be recurring, as lease costs have been reclassified from operating

expenses to depreciation and finance costs following the new reporting standard.

The EBITDA margin for the second quarter ended at 13.5 per cent (16.3 per cent), 12.7 per cent when adjusted for the effect of IFRS 16. The EBITDA margin for the first half year ended at 12.8 per cent or 12.0 per cent when adjusted for IFRS 16, compared to 15.0 per cent in the corresponding period in 2018. The main reasons for the reduced margin the first half year, are the increased revenue from subcontractors which has a lower margin than revenue from Webstep's own employees, costs related to the recruitment and transition of CEO and expensed costs related to Internet of Things (IoT). One-off costs related to CEO recruitment and transition amounted to approximately NOK 2.8 million. Costs amounting to NOK 1.4 million that have previously been capitalised as R&D investments in IoT are recognised as expenses in profit and loss from 1 January 2019 as the investments have started to generate revenue.

Depreciation and impairment for the

second quarter amounted to NOK 2.3 million (NOK 0.6 million) and NOK 4.5 million (NOK 1.3 million) for the first half year. The main reason for the increase is the abovementioned implementation of IFRS 16 Leases which results in a reclassification of the majority of lease costs from other operating expenses to depreciation. Further, R&D investments related to IoT are depreciated from 1 January 2019, as mentioned above.

Operating profit was NOK 19.6 million for the second quarter (NOK 27.8 million) and NOK 39.8 million (NOK 51.1 million) for the first half year. Net financial costs were NOK 0.6 million (NOK 0.8 million) for the second quarter and NOK 1.0 million (NOK 1.2 million) for the first half year. Income tax amounted to NOK 4.2 million (NOK 6.2 million) for the second quarter and NOK 8.5 million (NOK 11.5 million) the first half year. Net profit for the second quarter was NOK 14.8 million (NOK 20.1 million) and NOK 30.2 million (NOK 38.5 million) the first half year.

## **FINANCIAL POSITION AND CASH FLOW**

Total assets at 30 June 2019 amounted to NOK 563.0 million (NOK 541.5 million). Non-current assets were NOK 413.2 million (NOK 387.8 million) and mainly consisted of intangible assets. Intangible assets amount to NOK 383.5 million (NOK 382.3 million), and primarily comprise acquisition-related goodwill of NOK 376.6 million, which is impairment tested annually. Right-of-use assets amounting to NOK 24.2 million has been recognised in the balance sheet as a consequence of the implementation of IFRS 16 Leases. The right to use the leased objects of operational lease agreements are now classified as fixed assets.

Total current assets at 30 June of NOK 149.8 million (NOK 153.7 million) mainly consisted of trade receivables and cash and short-term deposits. Trade receivables at 30 June were NOK 135.9 million (NOK 138.6 million).

Cash and short-term deposits amounted to NOK 5.7 million (NOK 6.6 million).

Total equity at 30 June was NOK 361.0 million (NOK 350.5 million). The change is mainly related to earnings generated, offset by dividend paid in 2019.

Non-current liabilities amounted to NOK 18.7 million (NOK 1.5 million). Non-current liabilities mainly consist of the liabilities related to the abovementioned lease contracts, which are classified as non-current liabilities in accordance with IFRS 16. Current liabilities amounted to NOK 183.4 million (NOK 189.5 million). There has been a significant reduction in current liabilities in the second quarter due to the payment of accrued holiday pay to the employees in Norway. Current leasing liabilities arising from the implementation of IFRS 16, amounts to NOK 7.1 million.

Cash flow from operations in the second quarter of 2019 amounted to negative NOK 6.4 million (negative NOK 1.3 million) and negative NOK 12.8 million (NOK 22.6 million) for the first half year. The reduced cash flow compared to 2018

follows the reduced profit and change in trade receivables and other liabilities. The initial recognition of right-of-use assets and borrowings following the implementation of IFRS 16 are non-cash transactions. However, the implementation has an effect on the presentation of the cash flow statement: Lease costs related to premises that were previously classified as cash flow from operating activities, are now partly classified as operating activities, and partly as repayment of borrowings.

In the second quarter Webstep paid a dividend to its shareholders of NOK 42.4 million (NOK 39.5 million) as approved by the Annual General Meeting 8 May 2019.

## ORGANISATION

Arne Norheim assumed the position as new CEO on 2 May 2019, as communicated in the first quarter report.

Recruitment remains one of the main focus areas for the organisation.

Recruitment processes are time consuming, as the highly skilled IT experts are very attractive in the market.

However, Webstep's persistent focus on retaining, developing and recruiting competence related to the New Services within the technology space has created results. The Group's capacity within cloud services, the strong partnerships with market leaders such as Amazon Web Services, Google and Blue Prism, and the successful establishment of highly skilled machine learning and analytics expertise environments, are all measures that have strengthened Webstep's market offering and cross selling opportunities and has also given credibility in recent geographic expansion initiatives.

## SEGMENTS

Webstep has two reporting segments; Norway and Sweden. Norway accounts for around 87 per cent of total revenues.



## NORWAY

Webstep Norway is headquartered in Oslo and also has offices in Bergen, Stavanger, Trondheim, Kristiansand and Haugesund. The company provides high-end IT consultancy services to more than 200 public and private clients across the country. The core offering consists of digitisation, cloud services and integration. In addition, Webstep is steadily taking advantage of key fast-growing markets, including Internet of Things ("IoT"), machine learning, robotics and analytics.

Total operating revenues for the second quarter came to NOK 138.4 million (NOK 151.9 million), a decrease of 8.9 per cent from the corresponding quarter last year. Fewer employees compared to 2018 and the fact that the Easter holidays fell in the second quarter in 2019 had a negative effect on revenue. Total operating revenues for the first half year were NOK 300.0 million (NOK 299.6 million), more or less unchanged from 2018. The negative effect caused by fewer employees in 2019 compared to 2018, has

been offset by increased use of subcontractors and higher hourly rates. Approximately 75 per cent of the revenues lost due to lower capacity is replaced by increased use of subcontractors.

EBITDA for the second quarter came to NOK 20.6 million (NOK 27.2 million) and NOK 42 million (NOK 49.1 million) for the first half year. The half year EBITDA represents an EBITDA margin of 14.0 per cent (16.4 per cent). The positive effect of the implementation IFRS 16 on second quarter EBITDA, was NOK 1.0 million and NOK 1.9 million for the first half year.

The market conditions in Norway remain very favourable, with generally high order intake and backlog, and particularly high demand for Webstep's core digitalisation services.

Webstep Norway had 325 employees at the end of the second quarter (359 employees). The average number of employees in the quarter was 329 (362).

## SWEDEN

Webstep Sweden has offices in Stockholm, Malmö, Uppsala and Sundsvall. Webstep Sweden serves clients in different industries, mainly in the private sector, and delivers the same high-end IT consultancy services as Webstep Norway, primarily within the company's core digitalisation offering.

Operating revenues for the second quarter came to NOK 23.6 million (NOK 23.1 million), an increase of 2.5 per cent compared to the same quarter last year. There are no significant effects from currency translation when comparing figures for the second quarter of 2019 versus the same quarter of 2018. The revenue increase is attributable to increased number of consultants, increased utilisation and increased hourly rates. Operating revenues for the first half year came to NOK 46.4 million (NOK 50.2 million), a decrease of 7.6 per cent compared to the same period in 2018. The decrease is attributable to less use of subcontractors and a currency effect of NOK 0.8 million. EBITDA came

to NOK 1.4 million for the quarter (NOK 1.3 million) and NOK 2.3 million (NOK 3.3 million) for the first half year. The half year EBITDA represents an EBITDA margin of 5.0 per cent (6.6 per cent). The positive effect of the implementation IFRS 16 on second quarter EBITDA, was NOK 0.4 million and NOK 0.8 million for the first half year.

The margin level in Webstep Sweden is lower than in Webstep Norway. Hourly rates in the Swedish market are lower than in the Norwegian market, and Webstep Sweden also has a higher cost level relative to revenues due to investments in management capacity and marketing initiatives to support future growth.

Webstep Sweden had 61 employees at the end of the quarter (60 employees). The average number of employees in the quarter was 62 (59). The strong focus on recruitment continues, but the competition for hiring the most talented IT experts is still high.

The order intake and backlog for Webstep Sweden is good. This, together with new regional establishments, forms a base for growth and increased profitability.

## OUTLOOK

The overall market outlook is strong, following the continued general trend with high investment activity in digitalisation of the private and public sectors. This is expected to drive sustained 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 the main prerequisite for the use of data for New Services such as IoT, machine learning and analytics. These are all becoming important growth areas. Investments in expertise and capacity in New Services remain highly prioritised due to a more mature market.

Capacity utilisation is expected to

remain high, following the high demand and the general shortfall of IT expertise in the market. This implies continued fierce competition for employees, which will continue to challenge growth capacity also in the coming quarters.

The average number of employees is expected to increase slightly in the third quarter compared to the second quarter of 2019. As part of an ongoing strategic review, processes are ongoing to identify and implement a number of new measures to re-establish growth capacity within the following areas:

- **Organisation:** The ability to retain and recruit employees remains a key enabler for organic growth.
- **New locations:** Further expansion to new locations will be considered as a measure to accelerate organic growth.
- **Mergers and acquisitions:** Webstep will continue to pursue inorganic growth opportunities as a possible way of realising growth.



■ **Partnerships:** Further strengthening of the partnerships with world-leading technology platforms is an important tool to increase Webstep's relevance as employer and service provider.

The strong focus on identifying further growth opportunities will continue.

The intention behind the abovementioned initiatives is to build a robust growth platform that supports the unchanged over-all and long-term ambition of the Group; to exceed the market average both in terms of growth and profitability.

The strategic review will be concluded during the fall, followed by a strategic update in connection with the third quarter interim presentation, on 7 November 2019.

## THE BOARD OF DIRECTORS AND CEO OF WEBSTEP ASA

OSLO, 20 AUGUST 2019



Klaus-Anders Nysteen

Chair of the board



Siw Ødegaard

Board member



Terje Bakken

Board member



Bjørn Ivar Danielsen

Board member



Toril Nag

Board member



Arne L. Norheim

Chief Executive Officer

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK 1000)	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Full year 2018
Sales revenues		162 032	174 936	346 464	349 802	663 153
<b>Total revenues</b>		<b>162 032</b>	<b>174 936</b>	<b>346 464</b>	<b>349 802</b>	<b>663 153</b>
Cost of services and goods		21 264	15 006	43 667	32 304	70 635
Salaries and personnel cost		109 708	119 605	238 647	244 253	470 813
Depreciation and impairment	9	2 346	643	4 503	1 275	2 927
Other operating expenses		9 110	11 846	19 857	20 833	42 909
<b>Operating profit(loss)</b>		<b>19 605</b>	<b>27 835</b>	<b>39 790</b>	<b>51 135</b>	<b>75 868</b>
Net financial items		(608)	(755)	(1 044)	(1 154)	(2 339)
<b>Profit before tax</b>		<b>18 996</b>	<b>27 081</b>	<b>38 747</b>	<b>49 981</b>	<b>73 530</b>
Income tax expenses		4 173	6 216	8 515	11 463	17 310
<b>Profit for the period</b>		<b>14 823</b>	<b>20 864</b>	<b>30 232</b>	<b>38 518</b>	<b>56 220</b>
Earnings per share (NOK)	6	0.56	0.79	1.14	1.46	2.13
Earnings per share, fully diluted (NOK)	6	0.56	0.79	1.14	1.46	2.12
<b>Other comprehensive income:</b>						
Currency translation differences		(868)	(2 134)	(4 031)	(6 742)	(2 109)
Other comprehensive income for the period, net of tax		(868)	(2 134)	(4 031)	(6 742)	(2 109)
<b>Total comprehensive income for the period, net of tax</b>		<b>13 955</b>	<b>18 731</b>	<b>26 201</b>	<b>31 776</b>	<b>54 111</b>
<b>Attributable to:</b>						
Shareholders in parent company		13 955	18 731	26 201	31 776	54 111

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts in NOK 1000)	Note	30 June 2019	30 June 2018	31 Dec 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	8	<b>383 458</b>	382 290	387 816
Fixed assets		<b>5 143</b>	5 290	5 011
Right-of-use assets	9	<b>24 155</b>	-	-
Non-current financial assets		<b>10</b>	-	10
Deferred tax asset		<b>436</b>	232	436
<b>Total non-current assets</b>		<b>413 202</b>	387 812	393 274
<b>Current assets</b>				
Trade receivables		<b>135 891</b>	138 643	103 288
Other current receivables		<b>8 193</b>	8 447	4 983
Cash and short-term deposits		<b>5 692</b>	6 563	33 478
<b>Total current assets</b>		<b>149 777</b>	153 654	141 749
<b>Total assets</b>		<b>562 978</b>	541 467	535 023

(Amounts in NOK 1000)	Note	30 June 2019	30 June 2018	31 Dec 2018
<b>EQUITY</b>				
Share capital				
		<b>26 967</b>	26 967	26 967
Treasury shares	6	<b>(486)</b>	(610)	(486)
Share premium		<b>154 523</b>	150 385	153 964
Retained earnings		<b>179 961</b>	173 795	196 130
Non-controlling interest		-	-	-
<b>Total equity</b>		<b>360 965</b>	350 537	376 574
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Non current leasing liabilities	9	<b>17 036</b>	-	-
Deferred tax		<b>1 621</b>	1 472	1 753
<b>Total non-current liabilities</b>		<b>18 657</b>	1 472	1 753
Debt to credit institutions	10	<b>30 942</b>	43 781	-
Current leasing liabilities	9	<b>7 119</b>	-	-
Trade and other payables		<b>19 266</b>	13 647	21 558
Tax payable		<b>17 074</b>	11 514	16 530
Dividends payable		-	-	-
Social taxes and VAT		<b>55 559</b>	65 014	53 738
Other short-term debt	11	<b>53 397</b>	55 502	64 868
<b>Total current liabilities</b>		<b>183 357</b>	189 459	156 695
<b>Total equity and liabilities</b>		<b>562 978</b>	541 467	535 023

## 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
<b>At 1 January 2018</b>	26 967	(610)	149 823	12 391	169 167	357 738	-	<b>357 738</b>
Profit for the period	-	-	-	-	56 220	56 220	-	<b>56 220</b>
Sales of treasury shares	-	124	3 020	-	-	3 144	-	<b>3 144</b>
Other comprehensive income/(loss)	-	-	-	(2 109)	-	(2 109)	-	<b>(2 109)</b>
Share incentive prorgam	-	-	1 117	-	-	1 117	-	<b>1 117</b>
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(39 535)	(39 535)	-	<b>(39 535)</b>
<b>At 31 December 2018</b>	26 967	(486)	153 960	10 282	185 851	376 575	-	<b>376 575</b>
Profit for the period	-	-	-	-	30 232	30 232	-	<b>30 232</b>
Sales treasury shares	-	-	-	-	-	-	-	-
Other comprehensive income/(loss)	-	-	-	(4 031)	-	(4 031)	-	<b>(4 031)</b>
Share incentive program	-	-	559	-	-	559	-	<b>559</b>
Dividends	-	-	-	-	(42 369)	(42 369)	-	<b>(42 369)</b>
<b>At 30 June 2019</b>	26 967	(486)	154 519	6 251	173 714	360 965	-	<b>360 965</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in NOK 1000)	Note	Q2 2019	Q2 2018	1 Jan - 30 June 2019	1 Jan - 30 June 2018	1 Jan - 31 Dec 2018
<b>Operating activities</b>						
Profit/(loss) before tax		18 996	27 081	38 747	49 981	73 530
Adjustments for:						
Depreciation of property, plant and equipment	9	2 346	643	4 503	1 275	2 927
Net change in trade and other receivables		12 477	(7 663)	(35 814)	(17 960)	20 860
Net change in other liabilities		(36 462)	(20 900)	(11 943)	(3 156)	2 846
Net foreign exchange differences		163	94	(86)	42	(192)
Income tax expenses		(3 947)	(582)	(8 190)	(7 597)	(8 043)
<b>Net cash flow from operating activities</b>		<b>(6 426)</b>	<b>(1 326)</b>	<b>(12 782)</b>	<b>22 586</b>	<b>91 927</b>
<b>Investing activities</b>						
Payments for R&D initiative		-	(420)	-	(1 373)	(2 762)
Purchase of property and equipment		(1 193)	(448)	(1 695)	(1 189)	(2 707)
<b>Net cash flow from investing activities</b>		<b>(1 193)</b>	<b>(869)</b>	<b>(1 695)</b>	<b>(2 562)</b>	<b>(5 469)</b>
<b>Financing activities</b>						
Repayments of lease liabilities	9	(1 094)	-	(2 441)	-	-
Change in bank overdraft	10	30 942	40 754	30 942	19 494	(24 287)
Net proceeds from equity		-	-	-	-	-
Payment of dividends		(42 369)	(39 535)	(42 369)	(39 535)	(39 535)
Sale of treasury shares	6	280	-	559	-	4 261
<b>Net cash flows from financing activities</b>		<b>(12 242)</b>	<b>1 219</b>	<b>(13 309)</b>	<b>(20 041)</b>	<b>(59 562)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(19 861)</b>	<b>(976)</b>	<b>(27 786)</b>	<b>(17)</b>	<b>26 898</b>
Cash and cash equivalents at the beginning of the period		25 553	7 539	33 478	6 580	6 580
<b>Cash and cash equivalents at the end of the period</b>		<b>5 692</b>	<b>6 563</b>	<b>5 692</b>	<b>6 563</b>	<b>33 478</b>

# 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 shares of the Company were listed on Oslo Stock Exchange 11 October 2017. The Company has two fully owned subsidiaries: Webstep AS in Norway and Webstep AB located in Sweden.

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 new focus areas Internet of Things (IoT), machine learning, robotics 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 and first half year of 2019 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 2018. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2018, which are available on [www.webstep.com](http://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 and first half year of 2019 were approved by the Board of Directors and the CEO 20 August 2019.

## **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, apart for the implementation of IFRS 16 Leases 1 January 2019.

### **IFRS 15 Revenue from contracts**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The nature of the contracts in the Group, where billable consultancy hours are recognised when delivered to the customer at an amount that reflect the Group's expected consideration in exchange for the hours provided, is such that no impact on established principles for revenue recognition have been identified applying the model from IFRS 15. The Group has no fixed price contracts with the customers that mandates revenue recognition over time.

#### **IFRS 16 Leases**

The new standard for leases, IFRS 16, has been implemented with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for financial leases under IAS 17. The Group as a lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

#### **Comparative figures IFRS 16 versus IAS 17**

<i>(Amounts in NOK 1000)</i>	IFRS 16 Q2 2019	IAS 17 Q2 2019	IAS 17 Q2 2018	IFRS 16 YTD 2019	IAS 17 YTD 2019	IAS 17 YTD 2018
Sales revenues	162 032	162 032	174 936	346 464	346 464	349 802
<b>Total revenues</b>	<b>162 032</b>	<b>162 032</b>	<b>174 936</b>	<b>346 464</b>	<b>346 464</b>	<b>349 802</b>
Cost of services and goods	21 264	21 264	15 006	43 667	43 667	32 304
Salaries and personnel cost	109 708	109 708	119 605	238 647	238 647	244 253
Other operating expenses	9 110	10 530	11 846	19 857	22 509	20 833
<b>Operating expenses before depreciation</b>	<b>140 082</b>	<b>141 502</b>	<b>146 458</b>	<b>302 171</b>	<b>304 823</b>	<b>297 391</b>
<b>EBITDA</b>	<b>21 950</b>	<b>20 531</b>	<b>28 479</b>	<b>44 294</b>	<b>41 641</b>	<b>52 411</b>
Depreciation and impairment	2 346	1 047	643	4 503	2 063	1 275
<b>Operating profit/(loss)</b>	<b>19 605</b>	<b>19 484</b>	<b>27 835</b>	<b>39 790</b>	<b>39 578</b>	<b>51 135</b>
Net financial items	(608)	(488)	(755)	(1 044)	(832)	(1 154)
<b>Profit before tax</b>	<b>18 996</b>	<b>18 996</b>	<b>27 081</b>	<b>38 747</b>	<b>38 747</b>	<b>49 981</b>

The Group has reviewed its lease agreements and assessed the effects of IFRS 16 on its consolidated financial statements. The Group has implemented IFRS 16 using the modified retrospective method for all lease agreements existing on the implementation date. Comparative figures will not be restated by using the modified retrospective method.

In accordance with the standard exemptions are made for low-value assets (less than NOK 50 000) and short-term leases (less than 12 months).

See note 9 for further information regarding IFRS 16 and the implementation effects.

### **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 2018 and as described in note 3 to the 2018 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 5 to the annual consolidated financial statements for 2018 for more information on the segments.

### SUMMARY PROFIT AND LOSS: NORWAY

(Amounts in NOK 1000)	Q2 2019	Q2 2018	Q2 YTD 2019	Q2 YTD 2018	Full year 2018
Revenue	<b>138.4</b>	151.9	<b>300.0</b>	299.6	570.3
Total costs	<b>117.8</b>	124.7	<b>258.1</b>	250.5	495.0
EBITDA <sup>1)</sup>	<b>20.6</b>	27.2	<b>42.0</b>	49.1	75.3
EBITDA margin <sup>1)</sup>	<b>14.9%</b>	17.9%	<b>14.0%</b>	16.4%	13.2%

### SUMMARY PROFIT AND LOSS: SWEDEN

(Amounts in NOK 1000)	Q2 2019	Q2 2018	Q2 YTD 2019	Q2 YTD 2018	Full year 2018
Revenue	<b>23.6</b>	23.1	<b>46.4</b>	50.2	92.8
Total costs	<b>22.3</b>	21.7	<b>44.1</b>	46.9	89.3
EBITDA <sup>1)</sup>	<b>1.4</b>	1.3	<b>2.3</b>	3.3	3.5
EBITDA margin <sup>1)</sup>	<b>5.7%</b>	5.7%	<b>5.0%</b>	6.6%	3.7

1) See note 12 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 2019 had two less work days compared to Q2 2018 in Norway, while Sweden had one work day less. This was due to the Easter holidays falling in Q2 in 2019, while most of the public holidays and vacation fell in Q1 in 2018.

## NOTE 6 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 90 300 shares as per 30 June. 30 June 2019, the Company had 26 480 590 shares outstanding (excl. treasury shares). The number of treasury shares held by Webstep is 486 427.

(Amounts in NOK 1000)	Q2 2019	Q2 2018	Q2 YTD 2019	Q2 YTD 2018	Full year 2018
Profit for the period	14 823	20 864	30 232	38 518	56 220
Average number of shares (excl. treasury shares)	26 481	26 357	26 481	26 357	26 367
Average number of shares, fully diluted (excl. treasury shares)	26 571	26 464	26 571	26 464	26 471
<b>Earnings per share</b>	<b>0.56</b>	0.79	<b>1.14</b>	1.46	2.13
<b>Earnings per share, fully diluted</b>	<b>0.56</b>	0.79	<b>1.14</b>	1.46	2.12

## 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 30.9 million (NOK 43.8 million 30 June 2018).

The Group owns a limited amount of treasury shares at quarter end, 0.5 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)	30 June 2019	30 June 2018	31 Dec 2018
Goodwill	376 643	376 140	380 244
Research and development	6 815	6 151	7 573
<b>Total</b>	<b>383 458</b>	<b>382 290</b>	<b>387 816</b>

For further details, please refer to note 10 to the Group's consolidated annual financial statements for 2018.

## **NOTE 9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The Group has changed accounting principle for its rented premises in accordance with IFRS 16. The rental cost was previously recognised as operational leasing according to IAS 17. As of 1 January 2019 the Group has recognised right-of-use premises at values equaling remaining lease liabilities of its rented premises. The practical expedients in IFRS 16 paragraph C10(a), C10(b), C10(c) and C10(e) are applied to initial application of the Standard. Previous periods statements have not been restated in accordance with IFRS 16 paragraph C7 and C5(b).

The Group has applied its weighted average incremental borrowing rate for all the leases, recognised as financial, due to the similar characteristics of the leases. The rate applied is 4.12 per cent and is based on the rate agreed upon in current Revolving Credit Facility and identified as the incremental borrowing rate.

## Implementation effects

The initial recognition of the financial leases 1 January 2019 is presented in the table below:

(Amounts in NOK 1000)

Right-of-use assets	8 588
Lease liabilities	8 588
Effect on equity	-
<b>Reconciliation</b>	
Operating lease commitments at 31 December 2018 as disclosed in Groups consolidated financial statements	5 595
Changes to estimate due to exercises of options <sup>1)</sup>	3 337
Changes in estimate on agreements less than 12 months <sup>2)</sup>	382
<b>Operating lease commitments at nominal value at 31 December 2018</b>	
Exemptions for short-term leases (less than 12 months)	(382)
Exemptions for low-value leases (less than 50 000 NOK)	-
Changes to lease agreements due to price adjustments	153
Discounted using incremental borrowing rate at 1 January 2019	(497)
<b>Lease liabilities recognised at 1 January - initial recognition</b>	
	8 588

1) Several options have been exercised on rental agreements that was not assessed "reasonably certain" on the time of the financial disclosure of 31 December 2018 figures.

2) Agreements less than 12 months were not included in the figure at year end 2018

### Right-of-use assets

The Group's right-of-use assets are exclusively identified as office rentals. Leases of private cars for exclusive use by named employees in Sweden, and where these employees have the right and commitment to decide to buy out these cars at residual value at either termination of employment or end of contract period, thus the power of directing the use of the asset rests with the employee. Hence, the agreements do not fulfill the criteria for a lease contract according to IFRS 16. Total operating expenses on these contracts were NOK 1 095 thousand in 2018.

(Amounts in NOK 1000)	Offices Sweden	Offices Norway	Total
Acquisition cost 1 January 2019 (initial recognition)	4 826	3 762	<b>8 588</b>
Addition of right-of-use assets	-	18 264	<b>18 264</b>
Currency exchange differences	(256)	-	<b>(256)</b>
<b>Acquisition cost 30 June 2019</b>	<b>4 570</b>	<b>22 026</b>	<b>26 596</b>

### Depreciation

Accumulated depreciation 30 June 2019	709	1 732	<b>2 441</b>
<b>Carrying amount of right-of-use assets 30 June 2019</b>	<b>3 861</b>	<b>20 294</b>	<b>24 155</b>

Lower of remaining lease term or economic life	1-3 years	1-5 years
Depreciation method	Progressive	Progressive

## Lease liabilities

(Amounts in NOK 1000)	Offices Sweden	Offices Norway	Total
<b>Undiscounted lease liabilities and maturity of cash outflows</b>			
Less than 1 year	1 609	6 316	<b>7 925</b>
1-2 years	1 642	6 840	<b>8 482</b>
2-3 years	829	3 732	<b>4 561</b>
3-4 years	-	2 670	<b>2 670</b>
4-5 years	-	2 449	<b>2 449</b>
More than 5 years	-	180	<b>180</b>
<b>Total undiscounted lease liabilities at 30 June 2019</b>	<b>4 080</b>	<b>22 188</b>	<b>26 268</b>

## Summary of the lease liabilities in the financial statements

At intial recognition 1 January 2019	4 826	3 762	<b>8 588</b>
New lease liabilities recognised in the year	-	18 264	<b>18 264</b>
Cash payment of the lease liabilities	(709)	(1 732)	<b>(2 441)</b>
Currency exchange differences	(256)	-	<b>(256)</b>
<b>Total lease liabilities 30 June 2019</b>	<b>3 861</b>	<b>20 294</b>	<b>24 155</b>

Current lease liabilities	1 474	5 645	<b>7 119</b>
Non-current lease liabilities	2 387	14 649	<b>17 036</b>
<b>Total lease liabilities 30 June 2019</b>	<b>3 861</b>	<b>20 294</b>	<b>24 155</b>

Cash outflows for lease liabilities	(709)	(1 732)	<b>(2 441)</b>
Interest expense on lease liabilities	(93)	(119)	<b>(212)</b>
<b>Total cash outflows for leases</b>	<b>(801)</b>	<b>(1 851)</b>	<b>(2 653)</b>

## NOTE 10 INTEREST BEARING DEBT

A NOK 110 million Revolving Credit Facility ("RCF") with SpareBank 1 SR-Bank ASA was entered into by the Company in October 2017. The RCF may be utilised by each member of the Group having acceded to the cash pooling account system related to the RCF.

The RCF was renewed with the same conditions during Q2 2019. 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 cent per annum. The interest calculation is based on the net of cash and overdraft. The quarterly charge for the credit facility is 0.25 per cent of the granted credit. Under the RCF, the Company has 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. Alternative performance measures are described in note 12.

The cash pooling account system is 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 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 equity analysts and investors.

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

Reconciliation of alternative profit performance measures:

#### Profit measures – EBITDA

(Amounts in NOK 1000)	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Operating profit	19 605	27 835	39 790	51 135
Depreciation	2 346	643	4 503	1 275
<b>EBITDA</b>	<b>21 950</b>	<b>28 479</b>	<b>44 294</b>	<b>52 411</b>

### Profit measures – EBITDA

(Amounts in NOK 1000)	Q2 2019	Q2 2018	YTD 2019	YTD 2018
Operating profit IFRS 16 (2019)	19 605	-	39 790	-
Depreciation IFRS 16 (2019)	2 346	-	4 503	-
<b>EBITDA IFRS 16</b>	<b>21 950</b>	-	<b>44 294</b>	-
Operating profit IAS 17 (former principle for leasing recognition)	19 484	27 835	39 578	51 135
Depreciation IAS 17 (former principle for leasing recognition)	1 047	643	2 063	1 275
<b>EBITDA IAS 17 (former principle for leasing recognition)</b>	<b>20 531</b>	28 479	<b>41 641</b>	52 411
<b>Differences EBITDA IFRS 16 and IAS 17</b>	<b>1 420</b>	-	<b>2 653</b>	-
<b>Reconciliation of differences to EBITDA</b>				
Rental expenses recognised as depreciation and interest expenses	1 420	-	2 653	-
Rental expenses recognised as depreciation	1 299	-	2 441	-

### BALANCE SHEET AND FINANCING MEASURES

**NIBD** is short for Net Interest Bearing Debt and is defined as interest bearing debt minus unrestricted cash and cash equivalents. Net Interest Bearing Debt does not include the effects of IFRS 16 Leasing.

**Group equity ratio** is defined as the total consolidated equity of the Group divided by Total Assets.

**NIBD/EBITDA** is calculated as Net Interest Bearing Debt divided by Earnings before Interest and other financial items, Taxes, Depreciation and Amortisation (EBITDA). The ratio is one of the debt covenants of the Company and it is based on the rolling twelve months EBITDA. If the Company has more cash than debt, the ratio can be negative. The leverage ratio does not include the effects of IFRS 16 Leasing, as covenants are based on frozen GAAP.

Reconciliation of alternative balance sheet and financing performance measures:

**Net interest bearing debt (NIBD)**

(Amounts in NOK 1000)	Q2 2019	Q2 2018	1 Jan 2019	31 Dec 2018
Cash and cash equivalents (minus indicates positive amount)	(5 692)	(6 563)	(33 478)	(33 478)
Restricted cash	1 190	720	459	459
Debt to credit institutions	30 942	43 781	-	-
<b>Net interest bearing debt (NIBD)</b>	<b>26 439</b>	37 938	(33 019)	(33 019)

**Group equity ratio**

(Amounts in NOK 1000)	Q2 2019	Q2 2018	1 Jan 2019	31 Dec 2018
Total equity	360 965	350 537	376 574	376 574
Total assets	562 978	541 467	543 611	535 023
<b>Group equity ratio</b>	<b>0.64</b>	0.65	0.69	0.70

*Group equity ratio covenant threshold > 0,3*

**NIBD/EBITDA**

(Amounts in NOK 1000)	Q2 2019	Q2 2018	1 Jan 2019	31 Dec 2018
EBITDA rolling 12 months	68 025	65 091	78 795	78 795
NIBD	26 439	37 938	(33 019)	(33 019)
<b>NIBD/EBITDA</b>	<b>0.39</b>	0.58	(0.42)	(0.42)

*NIBD/EBITDA covenant threshold < 3*

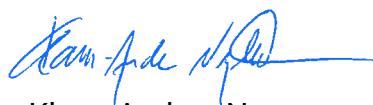
## STATEMENT BY THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

We confirm to the best of our knowledge that: the consolidated financial statements for the first half of 2019 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 2019 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.

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### THE BOARD OF DIRECTORS AND CEO OF WEBSTEP ASA

OSLO, 20 AUGUST 2019



Klaus-Anders Nysteen  
Chair of the board



Terje Bakken  
Board member



Toril Nag  
Board member



Siw Ødegaard  
Board member



Bjørn Ivar Danielsen  
Board member



Arne L. Norheim  
Chief Executive Officer



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