



Digitalisation
of the industries of tomorrow



Q4 2018



Q4: QUARTERLY REPORT

OCTOBER – DECEMBER 2018

HIGHLIGHTS

- ALL-TIME HIGH revenue and profit for Q4 and 2018
- Strong, organic GROWTH in all geographical regions
- Strategic initiatives in the Solutions segment improves profitability
- Digital transition, IoT and connectivity trends FUEL market demand
- STRONG DEMAND for engineering R&D specialists
- Increasing portfolio of SUSTAINABILITY-oriented technology projects
- ACQUISITION of the German tech companies IT SONIX GmbH and XPURE GmbH

KEY FIGURES Data Respons ASA

NOK MILLION	Q4 18	Q4 17	2018	2017
Total revenue	436.7	353.5	1 488.0	1 241.8
EBITDA	49.3	31.1	147.5	102.5
Profit before income tax	16.2	2.5	95.1	67.3
Profit for the period	0.4	(6.7)	59.7	45.6
Net cash flow from operations	54.1	33.4	63.4	78.3
Basic earnings per share (NOK)	(0.03)	(0.17)	0.98	0.80
Total growth	24 %	17 %	20 %	12 %
Organic growth	9 %	5 %	9 %	5 %
EBITDA margin	11.3 %	8.8 %	9.9 %	8.3 %
Equity ratio	33.2 %	30.4 %		
Cash at the end of the period	82.4	50.7		
Number of own employees	776	617		
Number of subcontractors	344	226		

24%
Growth

40%
R&D
Services
growth

11.3%
EBITDA
margin

KEY FIGURES R&D Services

NOK million	Q4 18	Q4 17	%
Revenue	313.5	224.0	40 %
EBITDA *	49.0	29.6	66 %
EBITDA %	15.6 %	13.2 %	

* EBITDA before corporate cost

KEY FIGURES Solutions

NOK million	Q4 18	Q4 17	%
Revenue	127.7	130.0	-2 %
EBITDA *	16.0	12.0	34 %
EBITDA %	12.6 %	9.2 %	

* EBITDA before corporate cost

In the report, we compare the income statement with figures from the same period in 2017 and with financial position at year end 2017 (in brackets).



Comments from the CEO

“ Solid performance across all business areas combined with an industry wide digitalisation trend enabled another record year for Data Respons.

As we present record revenues and results for 2018, we would like to thank all of our great customers, employees, partners and shareholders. This all comes down to teamwork, the passion to develop smarter and better products and services for the future, and **creating sustainable values** for all parties.

Strong results

In 2018, Data Respons delivered a strong set of results. Through the year, we welcomed more than 270 new employees – young and experienced, men and women, with diversified background and nationalities – all with a passion for technology and contributing to our fantastic company culture. We enjoyed further exciting tech projects and continued trust from customers who decided to leverage our specialist competence to support their digital transformation journey. We also added two more niche specialist companies to our portfolio, through the acquisition of Germany-based IT SONIX and XPURE. During the first three months of ownership, the cultural fit has been confirmed and we have already experienced several customer and technology synergies. All of this has resulted in a record year with revenues close to 1.5 billion kroner, adding on to our strong long-term growth record and consolidating the robust business platform we have built over time.

Data driven world

During the fourth quarter, we experienced continued growth in all of our geographical markets driven by the industry wide digitalisation trend. Companies are becoming more data driven and are targeting their R&D budgets in this direction. This means investing in modern and future-oriented technology to make their products smarter and more connected, and to enable the provision of new value-adding services. Our skilled engineers are currently involved in business-critical technology projects, for example, regarding smart home/smart grid concepts, connected cars, smart factory based on AI and innovative IoT (Internet-of-things) solutions. At Data

Respons, we believe in the combination of in-depth industry knowhow and specialist technology skills. Therefore, we rely on the trustworthy and long-term relationships that I am proud to say we have built with our customers.

Focus and improvement

We are determined to improve our performance and to deliver on our strategy in 2019, and we are well on our way to reaching our growth target of 2 billion kroner in revenues by 2020. Data Respons is well positioned in an attractive and growing market with challenging, but excellent customers. We believe in focused portfolio companies with best-in-class engineers and technology skills. Our goal is to develop our companies with a clear strategy, strong management with decision power, competitive offerings and continuous operational improvements. By keeping this focus every day, I am confident that we will continue to create sustainable value, for all parties.

Sustainability through technology

As a responsible business, we address some of the challenges the world is facing related to inequality, climate change, health and poor access to quality education. I believe that technology is a key enabler for a more sustainable world. To address this, we have become a participating member of the UN Global Compact and follow the UN's 17 Sustainability Goals as our guide. To fulfil our responsibilities, we are targeting 50 sustainable technology projects in 2019.

Have a #dataresponsible day ☺

Kenneth Ragnvaldsen,
CEO of Data Respons ASA

Highlights in the quarter

Revenue in the fourth quarter was NOK 436.7 million (353.5), a growth of 24%. EBITDA was NOK 49.3 million (31.1), growth of 59%. EBIT was NOK 42.2 million (27.7). The underlying EBITDA in the fourth quarter, adjusted for expensed transaction cost of NOK 8.6 million related to the acquisition of IT SONIX GmbH and XPURE GmbH was NOK 57.9 million. Data Respons had a cash flow from operating activities of NOK 54.1 million (35.7) in the fourth quarter.

Data Respons achieved record-high revenues and profit in the fourth quarter and for the year as whole. The main driver was the R&D Services segment, with a growth of 40%, which was driven by a solid organic performance, as well as the well-proven bolt-on acquisition strategy. The positive development in profitability continued, reaching an EBITDA margin of 15.6% during the quarter, driven by high overall utilisation, price improvements, and a good inflow of specialist assignments and R&D projects.

Profitability in the Solutions segment continued to improve, reaching an EBITDA margin of 12.6%, while the revenue was slightly lower than fourth quarter last year. The development is in line with the long-term strategy targeting increased focus on software content and value adding services as a part of the business model, in addition to a gradual shift in the revenue mix towards more complex and high-end solutions.

The positive momentum for the company is based on our strong position within IoT, industrial digitalisation and embedded technologies. Data Respons had major contract signings from key customers within Transport & Automotive, Telecom, Smart grid / Smart home, Finance & Media and Industrial Automation during the quarter. The company's increasing portfolio of sustainability-oriented technology assignments contributes to the solid demand across the different markets.

On 10 October 2018, Data Respons acquired the two German tech companies IT SONIX GmbH and XPURE GmbH, with headquarters in Leipzig. These acquisitions enabled our company to continue to strengthen our presence in Germany, which is by far the largest industrial market in Europe and a strategically important area for Data Respons. The companies were merged into Data Respons' consolidated financial statements from October 2018. During the fourth quarter, the group expensed transaction costs of NOK 8.6 million under other operating expenses in relation to the acquisition.

2018

Revenue for 2018 was NOK 1 488.0 million (1 241.8), a growth of 20%. EBITDA was NOK 147.5 million (102.5), a growth of 44%, and resulting in an EBITDA margin of 9.9%. Data Respons had a cash flow from operating activities of NOK 63.4 million (78.3). The number of employees at 31 December 2018 was 776 (617) and 1 120 (843) including subcontractors.

The long-term revenue growth and profitability improvement in the company has continued in 2018, with a revenue growth of 20% and EBITDA growth of 44%. The company revenue is now nearly NOK 1.5 billion, and the revenue growth of 20% is in line with the AVERAGE ANNUAL growth rate over the last 18 years. A combination of organic initiatives, bolt-on acquisitions and strong international expansion explains the continuing positive development. Germany strengthened its position as the fastest-growing geographical region in the company, counting for 25% of total revenue in 2018, while Sweden continues to be the largest market with 46% of the revenue. Norway and Denmark amounted to 19% and 10% of the revenue in Data Respons respectively.

Operating segments

R&D Services

Revenue in the fourth quarter was NOK 313.5 million (224.0), a growth of 40%. EBITDA before corporate cost was NOK 49.0 million (29.6), resulting in an EBITDA margin of 15.6% (13.2%). Operating revenue for 2018 was NOK 1 009.8 million (728.1), a growth of 39%. EBITDA before group costs was NOK 129.2 million (85.3), an increase of 52%.

The R&D Services segment had a strong growth of 40% in the quarter and passed the one billion mark in revenues for 2018. The main drivers for this strong growth are high overall utilisation, price improvements, successful recruitment activities, and a good inflow of specialist assignments and large turnkey R&D projects.

Profitability also reached a record high in R&D Services in the fourth quarter, with an EBITDA margin of 15.6% for the quarter and 12.8% for the whole year. The majority of the portfolio companies' engagements are involved in business-critical product development projects, where the need for in-depth knowledge and understanding – both at a system and domain level – is high. This consolidates strategic position, as well as long-term customer relationships.

Revenue

437

EBITDA

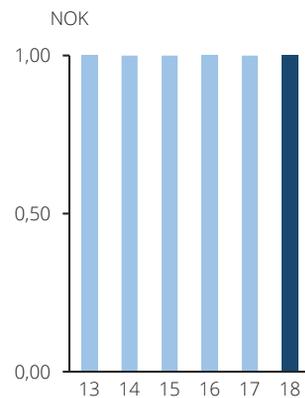
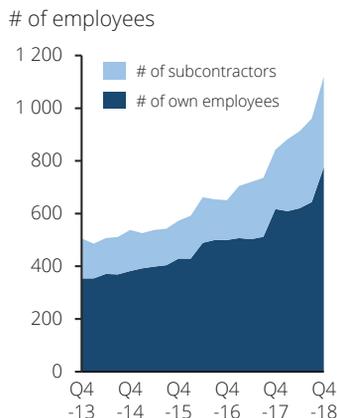
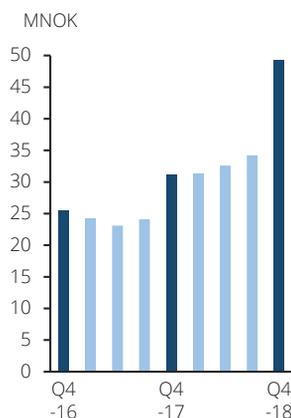
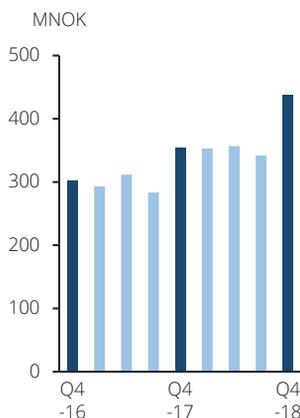
49.3

of employees

1 120

Dividend per share

1.00



The competitive market for engineers makes recruitment a key challenge for the entire industry. Our portfolio companies have successfully launched several initiatives, such as start-ups, use of sub consultants, young engineer programmes and close collaboration with universities, to address the situation. That said, we never compromise on quality and qualifications required to become a Data Respons employee. In addition, Data Respons' position as an R&D specialist, covering the whole value chain from the sensor to the cloud application, makes us highly attractive for talented engineers.

On 10 October 2018, Data Respons acquired 100% of the shares in IT SONIX GmbH and XPURE GmbH – two tech companies situated in Leipzig with 125 employees. The companies are leading niche providers of specialist services and software technology (Java, Embedded, Cloud, Data Science (AI) and agile UXUI), specifically aimed at 'Connected Car' solutions, Internet of Things, mobile services and embedded applications. With this acquisition, Data Respons strengthens their presence in Germany, which is by far the largest industrial market in Europe and a strategically important area for the company. More notably, the company boosts its software development capabilities, industry knowledge and customer footprint within some of the world's most dynamic and R&D intensive industries. The acquired companies are deeply involved in the ongoing digital transition for some of the leading automotive brands in Germany with long-term contracts. IT SONIX and XPURE provide clear operational synergies, both on specialist competence and customer footprint, and strengthen Data Respons' position as a complete technology partner. The companies were merged into Data Respons' consolidated financial statements from October 2018. For further information about the acquisitions, see the published prospectus as of 20 November 2018, issued according to Section 3.5 of the Continuing Obligations for Stock Exchange Listed Companies.

Data Respons continues to leverage its leading market position by offering customers access to highly skilled specialists and project teams with a broad range of expertise in future oriented technology areas such as automation, IoT, digitalisation and different embedded technologies. A strong R&D competence platform is strategically critical to develop new, long-term customer relationships and to stand out as a complete engineering technology and R&D Services specialist provider in a more data driven society.

Solutions

Revenue in the fourth quarter was NOK 127.7 million (130.0). EBITDA before corporate cost was NOK 16.0 million (12.0), resulting in an EBITDA margin of 12.6% (9.2%). Operating revenue for 2018 was NOK 488.3 million (516.7), a decline of 5%. EBITDA before group costs was NOK 48.3 million (38.8), an increase of 24%.

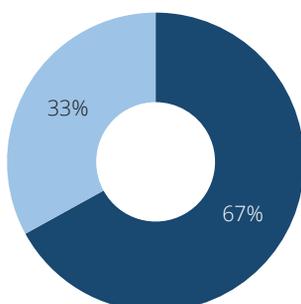
Profitability in the Solutions segment continued to improve, reaching a solid EBITDA margin of 12.6% in the fourth quarter, while revenue was slightly lower than last year. The development is in line with the long-term strategy of increased focus on software content and value-adding services as a part of the business model, in addition to a gradual shift in the portfolio towards more complex and high-end solutions. Together, this has provided a more favourable revenue mix with a higher average margin and EBITDA growth at the expense of revenue growth during the transition period. The continued effort to streamline the organisation to a cost-effective and asset-light model with strategic partners in Asia has also contributed to an improvement in profitability.

During the quarter, the company received major orders from key customers in Space, Defence & Security, Medtech, Transport & Automotive and Industry & Automation. In addition, the order intake from the Energy & Maritime sector has increased, reflecting improved market conditions for the industry. The pipeline of solution contracts in the industrial IoT and connectivity area has continued to increase throughout 2018.

Data Respons is positioned as a leading provider of smart devices, and embedded and industrial IoT solutions, and has a strong and increasing base of recurring Solutions customers. In order to meet the continued demand for increased software content, connectivity, higher performance and more functionality, many of our customers focus on strategic partnerships. By using Data Respons, our customers can get access to specialist competence and shorter time to market, and can achieve a lower cost of ownership. Long-term profitability is expected to improve based on a competence-oriented and focused business model. This includes strategic relationships with customers in main markets, higher software content, more value-added services and global partners.

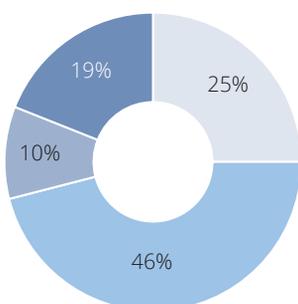
Revenues by operating segments

All numbers are 2018 figures



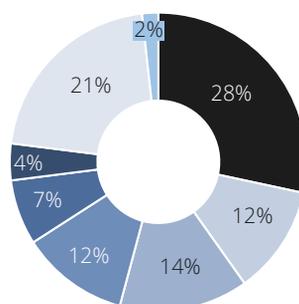
■ R&D Services
■ Solutions

Revenues by countries



■ Germany
■ Sweden
■ Denmark
■ Norway

Revenues by industry segments



■ Transport & Automotive
■ Space, Defence & Security
■ Industry & Automation
■ Energy & Maritime
■ Medtech
■ Finance & Public
■ Telecom & Media
■ Other

Largest shareholders

31 DECEMBER 2018

Shareholder	Holding	Share
HANDELSBANKEN FONDER AB	4 662 775	8.00 %
MP PENSJON PK	4 493 055	7.70 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	3 472 509	5.95 %
FONDITA NORDIC MICRO CAP INVESTMEN	3 070 000	5.26 %
AKTIA FUNDS	2 992 466	5.13 %
DR. LASSMANN INVEST GMBH	2 900 000	4.97 %
NORDEA NORDIC SMALL CAP FUND	2 669 746	4.58 %
DNB NOR MARKETS	2 662 553	4.57 %
HSBC TTEE MARLB EUROPEAN TRUST	1 871 434	3.21 %
HERALD INVESTMENT TRUST PLC	1 550 287	2.66 %
VARNER INVEST AS	1 500 000	2.57 %
DANSKE INVEST NORGE VEKST	1 337 820	2.29 %
CLEARSTREAM BANKING S.A. *	1 286 391	2.21 %
LANNEBO NANOCAP	1 165 626	2.00 %
STOREBRAND VEKST VERDIPAPIRFOND	974 201	1.67 %
BNP PARIBAS SECURITIES SERVICES *	882 412	1.51 %
MUSTAD INDUSTRIER AS	850 000	1.46 %
STOREBRAND NORGE I VERDIPAPIRFOND	840 423	1.44 %
SKANDINAVISKA ENSKILDA BANKEN S.A.	745 291	1.28 %
VISIO ALLOCATOR FUND (UCITS)	742 260	1.27 %
TOTAL 20 LARGEST	40 669 249	69.74 %
OTHERS	17 647 924	30.26 %
TOTAL NUMBER OF SHARES	58 317 173	100.00 %

* Nominee account

Share price

22.50



Share Information

The share price started at NOK 23.90 at the beginning of the year and ended at NOK 22.50 at 31 December 2018. The Data Respons share is listed at OB Match, and 16.3 million shares were traded and 7 585 transactions were registered at the Oslo Stock Exchange during the year. Data Respons had 1 116 shareholders at 31 December 2018. 64 % of the shares are owned by foreign shareholders. Data Respons ASA owned no treasury shares at 31 December 2018. The total number of outstanding shares at 31 December 2018 was 58 317 173.

Financial position and liquidity

The company's book value of total assets at the end of the fourth quarter was NOK 1 637 million (1 139). The company's equity was NOK 543 million (347), resulting in an equity ratio of 33.2% (30.4%). Current assets amounted to NOK 549 million (389) and current liabilities were NOK 528 million (405). At 31 December 2018, the non-current assets amounted to NOK 1 088 million (750), of which deferred tax assets of NOK 12 million (14) and other intangible assets including goodwill was NOK 1 065 million (727).

The cash balance at 31 December 2018, was NOK 82 million (of which NOK 4 million is restricted). The company had interest bearing loans of NOK 278 million, which is a drawn under the company's credit facility of NOK 450 million. The estimated fair value of earn-out liabilities is NOK 378 million at the end of the quarter, where of NOK 146 million is current. Net financial items are negative with NOK 26 million in the quarter mainly because of an unrealised currency translation loss of NOK 21 million on earn-out liabilities in foreign currency.

The Net Cash Flow from Operations (NOCF) in the fourth quarter was NOK 54.1 million (35.7), offsetting negative seasonal and calendar effects from earlier quarters as expected. For the whole year of 2018, the NOCF was NOK 63.4 million (78.3). The cash flow from operations will fluctuate from quarter to quarter, but Data Respons expects a healthy cash flow from operations on a yearly basis.

The Board of Directors propose to distribute a dividend of NOK 1.00 per share for 2018. Following the resolution by the Annual General Meeting on Friday 12 April 2019, the DAT share will be traded ex-dividend on Monday 15 April 2019.

Market development

Data Respons has a solid and well-balanced customer base within several industries, based on our strong competence within IoT, digitalisation and embedded technologies. Our geographical footprint coupled with more than 30 years of experience has given the company relevant vertical competence within these areas.

The customer list includes leading global companies such as ABB, Analogic, Assa Abloy, Audi, Bombardier, Bosch, Cargotec, Cisco, Cobham, Daimler, Ericsson, EnBW, Finanz Informatik, Hexagon, Hydro, Klarna, Kongsberg Group, KISTLER, Laerdal Medical, Maquet, National Oilwell Varco, Oticon, Porsche, Raytheon, Rolls Royce, Saab, Scania, Schlumberger, Siemens, Schneider Electric, Statoil, Tele2, TDC, Tomra, Thales, Thermo Fisher Scientific, Volkswagen and Volvo. The number of blue-chip customers is increasing, and the company expects this trend to continue going forward. There is significant business potential in industrial IoT and the digital transformation of our key markets. The trends of increased automation, digitalisation and everything connected (IoT) fit well with both the company's business units and competence map. We can develop everything, from sensor level to the mobile app, making us an ideal partner for our customers in their digital transition.

Areas in which Data Respons is involved:

- Automotive projects like connected cars, digital transition of car infotainment systems and telematics solutions
- Smart grid/smart home solutions/smart devices/IoT gateways solutions
- Digital ship, transportation and maritime IoT applications
- R&D IT Services and system integration, assisting all phases of the full software development cycle
- Digital transition of banking/insurance infrastructure and systems
- Advanced communication systems for security and defence applications
- Projects of transforming telecommunication, mobile structure and connectivity platform towards full IoT accessibility
- Sensor-based smart factory systems
- Data acquisition sensor systems to improve efficiency of oil & gas exploration
- Future medtech applications with IoT solution capabilities and a complete digital software platform
- Software-heavy cloud infrastructure systems
- Software components and solutions for IoT applications
- Software end-to-end systems and digital transition of existing industrial products and installations

Based on feedback from our customers and partners, the company expects a growing market for IoT devices, automation and robotics, advanced communication solutions, connected and integrated systems and the use of consumer-based technologies (mobility, digitalisation). In addition, there is a growing demand for cost-effective and robust solutions for demanding environmental conditions, areas in which Data Respons has strong competence and experience.

Geographical regions

Data Respons has offices in the Nordic region, Germany and Taiwan. Our business model is based on close cooperation with our customers and understanding their business needs. To facilitate close cooperation, Data Respons believes in having regional offices with skilled engineering staff (specialist level) in key industrial clusters. This builds strategic and long-term relationships, as well as in-depth industry know-how, with our key customers.

The Swedish market accounted for 44% of the total revenue and was the largest market area in the fourth quarter. Sweden continued strong revenue growth and profitability improvements. The Swedish part of the company has established a strong position in several market verticals such as Transportation & Automotive, Telecom & Media, Space, Defence and Security, and Industrial Automation, strengthening the ability to win new IoT, digitalisation and embedded solution contracts with large customers. Data Respons in Sweden has strategic frame agreements with more than 30 large industrial companies. The company has offices in Stockholm, Gothenburg and Linköping.

Germany continued its growth and represents 28% of the company's revenue in the fourth quarter. The company has an increasing number of larger blue-chip customers in market verticals like Transport & Automotive, Smart grid/Smart home, Banking/Finance, Renewable Energy and Smart Factory. Germany is the largest embedded and IoT industry market in Europe, estimated to count for 1/3 of the total European market and 10 times the size of the Swedish market. The company has offices in Munich, Berlin, Stuttgart, Leipzig, Ingolstadt, Karlsruhe and Nurnberg.

Norway accounted for 19% of the group's revenue in the fourth quarter. The industrial market has improved during 2018 due to positive development in Maritime, Oil & Gas industry and associated sectors, which has led to growth in the revenue for the Norwegian operations. The company has focused on staying close to our key customers and ensuring a cost-effective operation during the

challenging market conditions in Norway, which is paying off with growth and increased profitability as the market has started to pick up.

Further, the company continues to expand the customer base in sectors such as Industrial Automation, Transport & Automotive, Telecom, Medtech, Public, and Space, Defence and Security. The company has offices in Oslo, Kongsberg, Bergen, Stavanger and Høvik.

The Danish market represented 9% of the group's revenue in the fourth quarter. The company has strengthened its position with the acquisition of TechPeople in 2017 and has offices in Copenhagen and Aarhus.

Data Respons also has a Quality and Technology Centre in Taiwan, where projects are carried out in cooperation with our Asian partners.

Outlook

The company believes that the trend towards a more data-driven society will remain strong. The need for smarter and more software-oriented products, platforms and services is becoming increasingly significant for all our customers. Higher degrees of automation, digitalisation and internet of things are driving forces within all of our markets. There is also an increasing focus on sustainability-oriented technology projects across the customer base.

Data Respons is well-positioned as a complete technology partner for industrial digitalisation, smarter embedded and IoT solutions in the Nordic and German market. The company is diversified in a wide range of vertical industries and has a balanced portfolio of blue-chip customers.

The overall market outlook remains attractive and we see opportunities in all of our key markets. Data Respons seeks to continue its growth through a combination of organic development and selective bolt-on acquisitions in the Nordics and Germany.

Profitable growth and a strengthened position in key markets are Data Respons' main goals. Based on the current demand from our customers, a focused organisation and a strong order backlog, the company expects growth, increased profitability and a positive cash flow from operations going forward.

The Board of Directors of Data Respons ASA
Høvik, 30 January 2019

We live
OUR VALUES
Every day!



TO PERFORM
RESPONSIBILITY
BEING GENEROUS
HAVING FUN

Financial calendar

19.04.18	Presentation of Q1 18
19.04.18	Annual General Meeting
13.07.18	Presentation of Q2 18
18.10.18	Presentation of Q3 18
31.01.19	Presentation of Q4 18

Interim condensed consolidated financial statements

The contents of the interim condensed consolidated financial statements are in compliance with the standard (IFRS) for interim reporting (IAS 34).

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

INCOME STATEMENT

<i>NOK MILLION</i>	Note	Q4 18	Q4 17	2018	2017
Sales revenue	3	436.7	353.5	1 488.0	1 241.4
Other income		-	-	-	0.4
Total revenue and other income		436.7	353.5	1 488.0	1 241.8
Cost of goods sold		190.0	168.4	699.6	611.9
Employee expenses		161.6	126.2	544.4	447.5
Other operating expenses		35.9	27.8	96.6	80.0
EBITDA		49.3	31.1	147.5	102.5
Depreciation		1.5	0.7	4.7	3.8
Amortisation and impairment of intangible assets	4,5	5.5	2.7	18.6	8.5
Operating profit (EBIT)		42.3	27.7	124.2	90.1
Net financial items	6,7,12	(26.1)	(25.1)	(29.1)	(22.9)
Profit before income tax		16.2	2.5	95.1	67.3
Income tax expense	10	15.7	9.3	35.3	21.6
Profit for the period		0.4	(6.7)	59.7	45.6
PROFIT ATTRIBUTABLE TO:					
- Equity holders of the company		(1.4)	(8.3)	53.4	40.4
- Non-controlling interests		1.8	1.6	6.3	5.2
Basic earnings per share (NOK)		(0.03)	(0.17)	0.98	0.80
Diluted earnings per share (NOK)		(0.03)	(0.17)	0.96	0.79

STATEMENT OF COMPREHENSIVE INCOME

<i>NOK MILLION</i>	Note	Q4 18	Q4 17	2018	2017
Profit for the period		0.4	(6.7)	59.7	45.6
OTHER COMPREHENSIVE INCOME					
Items that may subsequently be reclassified to profit or loss					
Currency translation differences		54.6	21.6	19.2	38.5
Currency translation differences on non-controlling interests		1.4	0.8	(0.4)	1.6
Net gain / (loss) on cash flow hedges		0.2	-	0.2	-
Other comprehensive income		56.3	22.5	19.0	40.1
Total comprehensive income		56.7	15.7	78.8	85.7
ATTRIBUTABLE TO:					
- Owners of the parent		53.5	13.3	72.8	78.9
- Non-controlling interests		3.2	2.4	6.0	6.9

STATEMENT OF FINANCIAL POSITION

<i>NOK MILLION</i>	Note	31.12.2018	31.12.2017
Goodwill	4,5	882.4	614.6
Other intangible assets	4,5	182.2	112.6
Deferred tax assets	4	11.6	13.9
Machinery and equipment		8.4	8.0
Other non-current assets		3.4	0.5
Total non-current assets		1 088.0	749.7
Inventories		26.3	29.9
Trade receivables		411.0	284.8
Other current receivables		29.4	23.5
Cash and cash equivalents	9	82.4	50.7
Total current assets		549.1	388.9
Total assets		1 637.2	1 138.6
Paid in capital	11	425.7	254.0
Other equity	11	90.7	71.9
Non-controlling interests		26.7	20.7
Total equity		543.1	346.6
Deferred tax liabilities	5	55.6	36.7
Non-current interest-bearing loans	6,8	277.2	149.5
Non-current earn-out liabilities	7,8	231.9	192.6
Other non-current liabilities		1.1	8.6
Total non-current liabilities		565.9	387.5
Current interest-bearing loans	6,8	0.9	20.6
Current earn-out liabilities	7,8	145.8	85.9
Trade payables		185.6	144.9
Public duties payable / taxes payable		78.5	58.7
Other current liabilities		117.4	94.3
Total current liabilities		528.2	404.5
Total liabilities and equity		1 637.2	1 138.6

CASH FLOW STATEMENT

<i>NOK MILLION</i>	Note	Q4 18	Q4 17	2018	2017
EBITDA		49.3	31.1	147.5	102.5
Income tax paid		(16.5)	(2.5)	(43.0)	(10.7)
Change in inventories		4.6	(5.0)	3.6	4.8
Change in trade receivables		(86.4)	(36.4)	(114.9)	(23.6)
Change in trade payables		25.5	22.5	31.0	22.7
Change in other current assets / liabilities		66.7	19.9	33.3	(15.9)
Other operating activities		11.0	6.1	5.8	(1.3)
Net cash flow from operational activities		54.1	35.7	63.4	78.3
Acquisition of subsidiaries, net of cash acquired	5,7	(158.4)	(90.0)	(243.7)	(159.3)
Purchase of machinery & equipment		(0.9)	(1.1)	(3.2)	(3.6)
Interest received		-	-	0.4	0.5
Net cash flow from investing activities		(159.3)	(91.1)	(246.4)	(162.4)
Proceeds from interest-bearing loans	6,8	80.0	84.2	107.4	70.4
Proceeds from issue of shares	11	76.1	-	171.6	53.3
Dividends paid to equity holders of the company	11	-	-	(53.7)	(49.7)
Dividends paid to non-controlling interests		(0.2)	-	(3.6)	(4.3)
Interest paid		(1.8)	(1.2)	(5.9)	(4.5)
Other financing activities		0.7	(0.3)	-	-
Net cash flow from financing activities		154.8	82.7	215.8	65.2
Net cash flow from the period		49.6	27.3	32.7	(18.8)
Cash at the beginning of the period	9	27.6	18.5	50.7	62.9
Exchange gain/losses on cash		5.2	4.8	(1.0)	6.6
Cash at the end of the period	9	82.4	50.7	82.4	50.7
Hereof presented as:					
Free cash		78.0	46.0	78.0	46.0
Restricted cash		4.4	4.7	4.4	4.7

STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the company

<i>NOK MILLION</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Translation differences</i>	<i>Other equity</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
Equity at January 1, 2018	25.7	228.3	44.7	27.2	325.9	20.7	346.6
Profit / loss for the period				53.4	53.4	6.3	59.7
Other comprehensive income for the period			19.2	0.2	19.4	(0.4)	19.0
Total comprehensive income	-	-	19.2	53.6	72.8	6.0	78.8
Changes in non-controlling interests				(0.9)	(0.9)	3.7	2.7
Dividends				(53.7)	(53.7)	(3.6)	(57.3)
Employee share option scheme				0.7	0.7		0.7
Issue of share capital	3.4	168.2			171.6		171.6
Equity at December 31, 2018	29.2	396.5	63.9	26.8	516.4	26.7	543.1

Attributable to equity holders of the company

<i>NOK MILLION</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Translation differences</i>	<i>Other equity</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
Equity at January 1, 2017	24.6	176.2	6.2	47.5	254.5	28.3	282.8
Profit / loss for the period				40.4	40.4	5.2	45.6
Other comprehensive income for the period			38.5		38.5	1.6	40.1
Total comprehensive income	-	-	38.5	40.4	78.9	6.9	85.7
Changes in non-controlling interests				(12.3)	(12.3)	(10.1)	(22.4)
Dividends				(49.7)	(49.7)	(4.3)	(54.0)
Employee share option scheme				1.2	1.2		1.2
Issue of share capital	1.1	52.2			53.3		53.3
Equity at December 31, 2017	25.7	228.3	44.7	27.2	325.9	20.7	346.6

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



Note 1: General information

Data Respons is a full-service, independent technology company and a leading player in the IoT, Industrial digitalisation and the embedded solutions market. The company is a public limited company, which is listed on the Oslo Stock Exchange and is incorporated in Norway. The address of the company is Sandviksveien 26, 1363 Høvik. All amounts in the interim condensed consolidated financial statements are presented in NOK million unless otherwise stated. As a result of rounding differences, numbers or percentages may not add up to the total. These interim condensed consolidated financial statements have not been audited.

Note 2: Basis of preparation / accounting policies

These interim condensed consolidated financial statements for the fourth quarter and 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the interpretations set out by the International Accounting Standards Board, as approved by the European Union.

The accounting policies applied are consistent with those applied in the previous financial year, except for the implementation of IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customer. IFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of the standard has not had any impact on the classification and measurement of the group's financial assets and equity instruments. IFRS 15 establishes a new five-step model that applies to revenue arising from contracts with customers. The group applied the modified retrospective approach as transition method, which required the recognition of the cumulative effect of initially applying IFRS 15 to retained earnings as at 1 January 2018, and not restate prior years. However, since the adoption of the standard had no significant impact on the timing of revenue recognition in prior periods, no cumulative adjustment to retained earnings as at 1 January 2018 was made.

Note 3: Operating segments

Operating segments align with internal management reporting to the group's chief operating decision maker, defined as the group management team. The operating segments are determined based on the underlying operations and geographical location. The business segments reported are R&D Services, Solutions and Corporate. Segment performance is evaluated based on EBITDA.

R&D Services

Data Respons delivers consultancy services, R&D development projects and experienced specialists with extensive technology and industry knowledge.

Solutions

The Solutions segment delivers customised software, embedded computer products, and lifecycle services.

Corporate

Corporate comprises the activities of corporate services, management and group finance.

OPERATING REVENUE PER QUARTER

<i>NOK MILLION</i>	Q1 18	Q1 17	Q2 18	Q2 17	Q3 18	Q3 17	Q4 18	Q4 17	2018	2017
R&D Services	234.0	174.7	239.9	175.7	222.4	153.8	313.5	224.0	1 009.8	728.1
Solutions	119.7	119.7	119.5	136.5	121.3	130.4	127.7	130.0	488.3	516.7
Eliminations	(0.8)	(1.0)	(2.9)	(0.6)	(2.0)	(0.9)	(4.5)	(0.5)	(10.1)	(3.0)
Operating revenue	352.9	293.4	356.6	311.6	341.8	283.3	436.7	353.5	1 488.0	1 241.8

EBITDA PER QUARTER

<i>NOK MILLION</i>	Q1 18	Q1 17	Q2 18	Q2 17	Q3 18	Q3 17	Q4 18	Q4 17	2018	2017
R&D Services	26.6	21.1	25.8	17.6	27.8	17.0	49.0	29.6	129.2	85.3
Solutions	9.9	6.5	11.8	10.4	10.6	9.9	16.0	12.0	48.3	38.8
Corporate	(5.2)	(3.5)	(5.0)	(4.9)	(4.1)	(2.9)	(15.7)	(10.5)	(30.1)	(21.7)
EBITDA	31.3	24.2	32.6	23.1	34.2	24.1	49.3	31.1	147.5	102.5
EBIT	26.8	21.5	25.3	20.0	29.8	21.0	42.3	27.7	124.2	90.1
Profit/Loss before taxes	30.6	40.5	23.3	5.7	25.0	18.6	16.2	2.5	95.1	67.3

Note 4: Significant estimates and judgements

In connection with the preparation of the these interim condensed consolidated financial statements, the management has made assumptions and estimates about future events and applied judgements that affects the reported values of assets, liabilities, revenues, expenses and related disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that the group management believes to be relevant at the time these interim condensed consolidated financial statements are prepared.

The group based its assumptions and estimates on parameters available when these interim condensed consolidated financial statements were prepared. Accounting estimates may change because of future events. Estimates and their underlying assumptions are assessed continuously. Changes to accounting estimates are included in the financial statements for the period in which the change occurs. If the changes apply to future periods, the impact is spread over the current and future periods.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Business combinations

All business combinations are accounted for using the acquisition method. Consideration for the acquisition of subsidiaries is measured at the fair value of the transferred assets and obligations assumed. The fair value of any assets or obligations that are contingent on the agreement is also included in the consideration. Identifiable assets and liabilities are recognised at fair value on the acquisition date. The acquisition date is the date on which the acquirer obtains control of the acquiree. To evaluate whether control has been obtained the group has used the guidance in IFRS 10. The group has used acquisition dates at the beginning or end of a month, the date on which it closes its books, rather than the actual acquisition date during the month. This complies with the requirements in IFRS 3 if the events between the convenience date and the actual acquisition date does not result in material changes in the amounts recognised.

If the business combinations include arrangements for contingent payments to employees or selling shareholders, the group has assessed whether the arrangements are contingent considerations in the business combinations or separate transactions. Important factors when assessing the nature of the arrangement is understanding the reason why the acquisition agreement includes a provision for contingent payments, who initiated the agreement and when the parties entered into the arrangement. If it is not clear whether an arrangement for payments to employees or selling shareholders is part of the exchange for the acquiree or is a transaction separate from the business combination, the group has used the guidance in IFRS 3.

Intangible assets acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values at the date of acquisition. The valuation of intangible assets have been based on value-in-use calculations. Cash forecasts are based on projected discounted cash flows ("DCF") with the following key estimates and judgements; revenue growth, EBIT margin and discount rate. Future revenue growth and EBIT margin are based on management's best estimate and judgement. The assumptions used in the valuation of the intangible assets are the same assumptions used in the valuation of the acquired company.

Amortisation of intangible assets are based on management's estimates of residual value, amortisation method and the useful life of intangible assets. The useful life of an intangible asset is based on an estimated length of time the intangible asset can reasonably be used to generate income and be of benefit to the group. The useful lives of intangible assets are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors. A change in estimated useful life is a change in accounting estimate, and amortisation plans are adjusted prospectively.

Earn-out liabilities

Earn-out liabilities are recognised as a contingent consideration, at fair value at the time of the acquisition, based on the facts and circumstances available at that time. Earn-out liabilities are usually contingent on the future financial performance of subsidiaries, which needs to be estimated when calculating the expected earn-out liabilities. The earn-out liabilities are initially recognised and measured at fair value at the date of acquisition, with any subsequent remeasurements recognised in profit or loss. The determination of the fair value is based on discounted cash flows, and the key assumption is the estimate of the future financial performance of subsidiaries, normally calculated as a multiple of the company's financial performance measured by EBIT.

At each reporting period, the original estimated fair value of the earn-out obligation needs to be adjusted for two reasons. The net present value of cash payments increases as cash settlements move closer in time, requiring an interest cost to be recognised and updated estimates of the company's financial performance may give rise to changes in the expected cash payments needed to settle the earn-out liability. The interest component of the change in earn-out liability is a financial cost as it relates in its entirety to the financial structure of the acquisition. If the acquisition had been financed by external debt, an equivalent interest cost would be charged by the source of external funding. The second component of the change in the earn-out liability arises due to changes in estimates. The expected financial performance of the company either surpasses or falls short of the expected performance at the time of the acquisition. This leads to a new estimate of the fair value of the obligation. The effect of a change in estimates is in accordance with IAS 8 recognised as a financial item in the income statement.

Impairment assessment

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if there is an indication of impairment. Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value, less costs of disposal calculation, is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flow forecasts is based on budgets approved by the Board of Directors, with a five-year projection period and do not include restructuring activities that the group is not yet committed to, or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Intangible assets with an indeterminable useful life are not amortised, but are tested annually for impairment at the balance sheet date, or more frequently if there is an indication of impairment. At the end of the second quarter 2018 the group performed an impairment test of the goodwill allocated to R&D Services Sweden. The impairment test identified a need for impairment of SEK 3.1 million, which was recognised during the second quarter. Refer to note 5 for details. The group also performed its annual impairment test in December 2018 and 2017, and no other indications of impairment losses have been identified for any of the group's CGUs. The recoverable amounts of these CGUs exceeded their carrying amounts by significant margins. A sensitivity analysis has been performed for these CGUs, in order to determine if a reasonable change in key assumptions would cause the units' carrying amounts to exceed their recoverable amounts.

Taxes

Deferred tax assets are recognised to the extent that it is probable that the tax assets will be realised. Significant judgement is required to determine the recognised amount and depends foremost on the expected timing, level of taxable profits as well as tax planning strategies and the existence of taxable temporary differences. The judgements relate primarily to tax losses carried forward in some of the group's foreign operations. When an entity has a history of recent losses, the deferred tax asset arising from unused tax losses is recognised only to the extent that there is convincing evidence that sufficient future taxable profit will be generated. Estimated future taxable profit is not considered as convincing evidence unless the entity has demonstrated the ability of generating significant taxable profit for the current year, or there are certain other events providing sufficient evidence of future taxable profit. Uncertainty related to new transactions and events and the interpretation of new tax rules may affect these judgements.

Note 5: Significant events and transactions

On 16 April 2018, the Data Respons subsidiary Sylog Sverige AB entered into an agreement with Matoha Holding AB to sell 25 % of the shares in iWise AB, and thereby decreasing Sylog Sverige AB' shareholding in iWise AB from 100 % to 75 % of the shares. It was agreed a cash consideration of SEK 2.8 million. Changes in ownership interests in subsidiaries has been recorded as an equity transaction in accordance with IAS 27. The difference between the changes of the minority interests (SEK 3.8 million) and the consideration (SEK 2.8) has been booked directly to equity (SEK 1.0 million). As the consideration of the shares was lower than the book value of the shares, the group assessed whether there was any indication of impairment of the goodwill allocated to R&D Services Sweden. The impairment test performed identified a need for impairment of SEK 3.1 million of the goodwill allocated to R&D Services Sweden. The impairment loss was recognised in the second quarter of 2018.

On 18 May 2018, the group signed a 5 year NOK 400 million multicurrency revolving credit facility with Swedbank AB and Handelsbanken Norwegian Branch of Svenske Handelsbanken AB. In addition Data Respons has an overdraft facility of NOK 50 million. As of 31 December 2018, a total of NOK 278.1 was drawn under the credit facilities.

On 10 October 2018 Data Respons ASA announced the acquisition of IT Sonix custom development GmbH ("IT Sonix") and XPURE GmbH ("XPURE"), two R&D Services companies situated in Leipzig with 125 employees. The companies are leading niche providers of specialist services and SW technology (Java, Embedded, Cloud, Data Science (AI) and agile UX/UI) specifically aimed at "Connected Car" solutions, internet of things, mobile services and embedded applications. With the transaction, Data Respons continue to strengthen the presence in Germany and the group's competence, industry know-how and customer footprint within some of the world's most dynamic and R&D intensive industries. The acquired companies are deeply involved in the ongoing digital transition for some of the leading automotive brands in Germany.

The consideration for the transaction is structured in three parts. The first part was an upfront cash consideration of EUR 9.8 million which was paid at the closing of the transaction. The second part was a private placement of 2.9 million shares in Data Respons ASA that was issued to the sellers 1 month after closing. The third part is an additional earn-out payment which will be paid based on a positive development in the EBIT of the acquired companies over the next 4 years (2018, 2019, 2020 and 2021). The earn-out payments will be due in Q2 the year following the respective earn-out year with the first payment on 31 May 2019, the second payment on 31 May 2020, third payment on 31 May 2021, and the last payment on 31 May 2022. The earn-out settlements will be a combination of cash and issuance of new shares (up to 50% of the settlement according to Data Respons' desire at the time of payment).

The initial cash consideration has been funded by a combination of existing loan facilities and cash reserves. IT Sonix and XPURE was debt free and had cash in hand at closing. The companies were consolidated into Data Respons' consolidated financial statements from October 2018. Total transaction costs recognised in 2018 amounts to NOK 10.0 million, whereof MNOK 8.6 million in the fourth quarter.

Based on the purchase price allocations, the gross purchase prices are estimated to be NOK 165.8 million for both IT Sonix and XPURE. Book values of the equity are NOK 12.2 million for IT Sonix and NOK 8.7 million for XPURE, which gives an excess value of NOK 153.6 million for IT Sonix and NOK 157.1 million for XPURE. The excess value have been allocated to customer relationship intangible asset of NOK 39.5 million for both IT Sonix and XPURE, deferred tax on excess value of NOK 11.8 million for both IT Sonix and XPURE, and goodwill of NOK 126.0 million for IT Sonix and NOK 129.5 million for XPURE. The goodwill in both companies comprise of the value of expected synergies arising from the acquisition, assembled workforce and deferred tax on excess values.

The fair values of the identifiable assets and liabilities of the IT Sonix and XPURE as at the date of acquisition were:

<i>NOK MILLION</i>	IT Sonix	XPURE
Non-current assets	3.5	1.7
Trade receivables	5.1	6.2
Cash & cash equivalents	3.1	6.0
Other current assets	9.9	7.6
Total assets	21.6	21.6
Trade payables	4.1	3.7
Tax and public duties payable	-	6.0
Accrued wages and salaries	1.9	2.9
Other current liabilities	3.5	0.1
Total liabilities	9.4	12.8
Purchase consideration	165.8	165.8
Net identifiable net assets	12.2	8.7
Total identified excess value	153.6	157.1

Excess value allocated to

Intangible assets	39.5	39.5
Deferred tax on excess value	-11.8	-11.8
Goodwill	126.0	129.5

Note 6: Interest-bearing loans

As of 31 December 2018, Data Respons has interest-bearing loans of NOK 278.1 million (170.1). The interest-bearing loans consist of a NOK revolving credit facility related to the funding of the acquisitions of MicroDoc, EPOS CAT and IT Sonix & XPURE.

Data Respons refinanced existing credit facilities in the second quarter of 2018. Refer to note 5 for further details.

During 2018 there is an increase in interest-bearing liabilities of NOK 108.0 million related to the acquisition of IT Sonix & XPURE.

The NOK revolving credit facility has a quarterly interest repayment profile over five years with a lump-sum down payment after five years. The NOK revolving credit facility has floating interest rate, NIBOR with a margin set based on a leverage ratio. In the fourth quarter of 2018 the margin is set to 1.20 per cent per annum.

Data Respons is subject to certain covenants as part of its revolving credit facilities. The equity ratio should be minimum 25 % for the group, and as of 31 December 2018, the ratio was 33.2 % (30.4). The equity ratio covenant was reduced from 30 % to 25 % as part of the refinancing in the second quarter of 2018. Furthermore, there is a covenant requirement that the leverage ratio should not exceed 3.0. As of 31 December 2018, the ratio was 1.2 (1.2).

<i>NOK MILLION</i>	31.12.2018	31.12.2017
Credit facilities	-	132.1
Revolving credit facilities	278.1	38.0
Total interest-bearing loans	278.1	170.1
OF WHICH:		
Current interest-bearing loans	0.9	20.6
Non-current interest-bearing loans	277.2	149.5

Note 7: Fair value measurement

Data Respons has earn-out liabilities that are initially recognised and measured at fair value at the date of acquisition, with any subsequent remeasurements recognised in profit or loss. The fair value of the earn-out liabilities is calculated by estimating the future financial performance of subsidiaries, normally calculated as a multiple of the company's financial performance measured by EBIT.

As the financial performance of MicroDoc for 2018 surpassed the expected performance at the time of the acquisition, Data Respons has re-estimated the earn-out liability at 31 December 2018, resulting in an increase of the earn-out liability of NOK 11.2 million. As the financial performance of EPOS for the earn-out period is expected to fall short of the expected performance at the time of the acquisition, Data Respons has re-estimated the earn-out liability at 31 December 2018, resulting in a decrease of the earn-out liability of NOK 12.1 million. There have not been any material changes in the earn-out estimates for Atero, TechPeople and IT Sonix & XPURE during 2018.

Data Respons has earn-out liabilities in foreign currencies and is as such exposed to currency fluctuations when translating into the group currency NOK. As of 31 December 2018 the total earn-out liabilities consists of EUR 35.9 million (25.0), SEK 6.9 million (14.6) and DKK 10.2 million (14.7). In 2018, Data Respons recognised a net foreign currency loss of NOK 9.6 million (11.4) on the earn-out liabilities in foreign currencies.

An interest cost on the earn-out liabilities of NOK 11.5 million (7.9) has been expensed as a financial item in the income statement in 2018.

The earn-out liabilities are classified in the statement of financial position as disclosed in the table below. There are no significant differences between total carrying value and fair value.

<i>NOK MILLION</i>	Fair value level	Category	31.12.2018	31.12.2017
Current earn-out liabilities	3	FVPLT*	145.8	85.9
Non-current earn-out liabilities	3	FVPLT*	231.9	192.6
Total			377.7	278.5

*FVPLT: Fair value through profit & loss

Note 8: Financial liabilities – maturity profile

The following tables show the maturity profile of the group's interest-bearing liabilities including interest-bearing loans and earn-out liabilities. The amounts disclosed in the table are undiscounted cash flows.

<i>NOK MILLION</i>	2019	2020	2021	2022	2023-2024	Total
Interest-bearing loans *	6.8	6.8	6.8	6.8	282.9	310.1
Earn-out liabilities	145.8	83.2	90.6	58.1	-	377.7
Total	152.6	90.0	97.4	64.9	282.9	687.8

* Note that the table includes the forecast future nominal interest payment and, thus, does not correspond to the net book value in the balance sheet.

Note 9: Cash and cash equivalents

As of 31 December 2018, Data Respons had cash reserves of NOK 82.4 million (50.7), whereof restricted cash consisting of employee's tax deductions was NOK 4.4 million (4.7). In addition, the company has an overdraft facility of NOK 50.0 million (40.0) and a long-term revolving credit facility of NOK 400.0 million (70.0) as of 31 December 2018; of which NOK 278.1 million (38.0) has been utilised. Unutilised long-term revolving credit facility as of 31 December 2018 is NOK 121.9 million (32.0). The total unutilised cash reserve and credit facilities for the group at 31 December 2018, is NOK 249.9 million (118.1). There are financial covenants, which may restrict the use of the credit facilities, see note 6.

Note 10: Income tax

Income tax expense amounted to NOK 15.7 million (9.3) for the fourth quarter and NOK 35.3 million (21.6) for 2018, corresponding to an effective tax rate of 37.2 % (32.2 %) for 2018. The effective income tax rate was primarily influenced by non-taxable financial items related to earn-out liabilities and different tax rates in Sweden, Denmark and Germany.

Note 11: Share capital

In March 2018, 2 226 637 new shares were issued at a price NOK 25.00 per share through a private placement. The net proceeds from the private placement were used to strengthen the group's balance sheet, increase the flexibility to finance the group's organic and non-organic growth strategy and for general corporate purposes.

On the annual general meeting on 19 April 2018, the dividend for 2017 of NOK 1.00 per share was approved. The dividend of NOK 53.7 million was paid in May 2018 and the DAT share traded ex dividend on 20 April 2018.

In June 2018, 131 668 new shares were issued at a price of NOK 19.09 per share to the group's employee share saving scheme, and 1 453 494 new shares were issued at a price of NOK 25.24 per share to the sellers of MicroDoc. In July 2018, 96 217 new shares were issued at a price of NOK 19.09 per share to the group's employee share saving scheme for the employees in Sweden. In October 2018, 2 900 000 new shares were issued at a price of NOK 25.77 per share to the sellers of IT Sonix and XPURE. In November 2018, 73 000 new shares were issued at a price of NOK 21.14 per share to the group's employee share saving scheme for group management.

The total number of outstanding shares at 31 December 2018 was 58 317 173.

Note 12: Net financial items

NOK MILLION	Q4 18	Q4 17	2018	2017
Interest income on cash reserves	0.2	0.0	0.4	0.5
Realised / unrealised currency exchange gain	0.2	2.4	6.2	6.9
Other financial income*	12.1	2.9	13.9	29.4
Financial income	12.6	5.3	20.6	36.8
Interest expenses on interest-bearing loans	(2.5)	(1.3)	(7.8)	(5.1)
Interest expenses on earn-out liabilities	(3.7)	(2.9)	(11.5)	(7.9)
Realised / unrealised currency exchange loss	(20.7)	(12.5)	(15.6)	(31.5)
Other financial costs*	(11.8)	(13.7)	(14.8)	(15.2)
Financial expense	(38.7)	(30.5)	(49.7)	(59.7)
Net financial items	(26.1)	(25.1)	(29.1)	(22.9)

*Other financial income include positive changes on earn-out liabilities and other financial costs include negative changes on earn-out liabilities. Refer to note 7 for details. In 2017, other financial income also included a remeasurement of the previously held equity interest in TechPeople at the acquisition-date fair value. The remeasurement resulted in a gain of NOK 26.5 million.

Note 13: Related party transactions

At 1 January 2018, the group company Data Respons Norge AS, demerged its R&D Services business segment into a new group company Data Respons R&D Services AS. Data Respons Norge AS will thus from 1 January 2018, only comprise the Solutions business segment. The demerger was implemented to create a greater visibility with focus on each individual business segment as well as establishing a formal structure that corresponds with how Data Respons actually operates.

There have been no other related party transactions in 2018, besides ordinary business transactions between group companies. All transactions within the group are based on ordinary commercial terms using the arm's length principle.

Note 14: Events occurring after the reporting period

There have been no events subsequent to the reporting period that have a material effect on the interim condensed consolidated financial statements for 2018.

DEFINITIONS

ALTERNATIVE PERFORMANCE MEASURES

Data Respons' financial information is prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the company presents alternative performance measures (APM). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the groups' performance. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described in the table below.

EBIT: is defined as earnings before interest and tax. Equivalent to operating profit. EBIT margin is defined as EBIT divided by total revenues and other income.

EBITDA: is defined as operating profit adjusted for depreciation, amortization and impairments. EBITDA margin is defined as EBITDA divided by revenues.

EBITDA before corporate costs: is defined as operating profit adjusted for depreciation, amortization and impairments, before allocation of corporate costs. EBITDA margin before corporate costs is defined as EBITDA before corporate costs divided by revenues.

Equity ratio: is defined as total equity divided by total assets.

Net interest bearing debt: is defined as total interest-bearing debt, less cash and cash equivalents.

Organic growth: is a measure of the company's ability to grow organically by generating additional net sales to existing and new customers as opposed to through acquired growth. Organic growth is calculated by comparing the actual revenue with the proforma revenue for the same period last year. Organic growth is an important key figure for Data Respons and for the users of its financial statements as it illustrates underlying operational growth by adjusting for effects related to acquisitions.

OTHER DEFINITIONS

EPS: is defined as earnings per share

FTE: is defined as full time employees

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