



# Q2 and 1st half 2017

Financial report og status



**StrongPoint**

## Highlights second quarter

- Operating revenue
  - MNOK 237.9 (300.8)
- EBITDA
  - MNOK 6.7 (34.5)
  - The deviation from the profit warning is due to a delayed delivery of Cash Security products, as well as costs associated with the closure of a department in Moss.
- Cash flow from operational activities
  - MNOK 11.0 (43.0)
- Breakthrough for Click & Collect in Russia
  - In June, StrongPoint received an order and partial pre-payment from Utkonos in Russia for delivery of 25 Click & Collect Grocery Lockers with associated software solutions for delivery in October.
- Received order of 50 Cash Management systems to Australia. With exception of two pilots delivered earlier this year, this is the first delivery of Cash Management systems to Australia.
- Record number of Cash Management systems sold outside the Nordics. We see a positive development in the international expansion.
- Dividend
  - Ordinary dividend of NOK 0.50 per share was paid in May 2017

MNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016	Year 2016
Revenue	237,9	300,8	487,6	555,0	1 120,2
EBITDA	6,7	34,5	17,4	44,6	111,7
Operating profit (EBIT)	-1,3	26,1	1,6	27,5	78,3
Ordinary profit before tax (EBT)	-2,8	26,2	-1,1	27,6	79,2
Cash flow from operational activities	11,0	43,0	8,3	56,7	163,3
Disposable funds	49,6	67,7	49,6	67,7	127,1
Earnings per share (NOK)	-0,04	0,41	-0,01	0,43	1,68
EBITDA margin	2,8 %	11,5 %	3,6 %	8,0 %	10,0 %

## Group

### Operating revenue

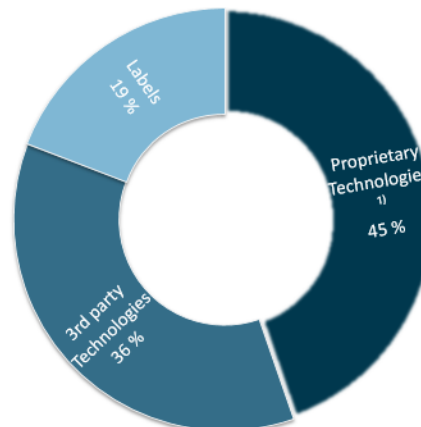
Revenue MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Proprietary Technologies	108,0	168,1	227,7	273,8	579,6
3rd Party Technologies	87,3	84,3	177,6	189,3	376,5
Labels	46,4	52,1	88,8	99,5	179,0
Eliminations / ASA	-3,8	-3,6	-6,5	-7,5	-15,0
<b>Total</b>	<b>237,9</b>	<b>300,8</b>	<b>487,6</b>	<b>555,0</b>	<b>1 120,2</b>

The Group operating revenue was MNOK 237.9 (300.8) in the second quarter. In the first half, operating revenue was MNOK 487.6 (555.0). StrongPoint's revenue is influenced by ongoing projects, which make the turnover fluctuate in line with the delivery of signed agreements. The decline in the quarter and first half, was primarily due to decreased activity in Proprietary Technologies in the Nordics.

Proprietary Technologies, which consists of solutions for Cash Security and Retail, experiences lower activity after completing several major projects. The process of strengthening the distribution network in selected European markets continues. One part of this process was the acquisition of PyD Seguridad (now StrongPoint Spain). The acquisition has already proven very successful, and the Spanish market is now StrongPoints main market outside Norway and Sweden.

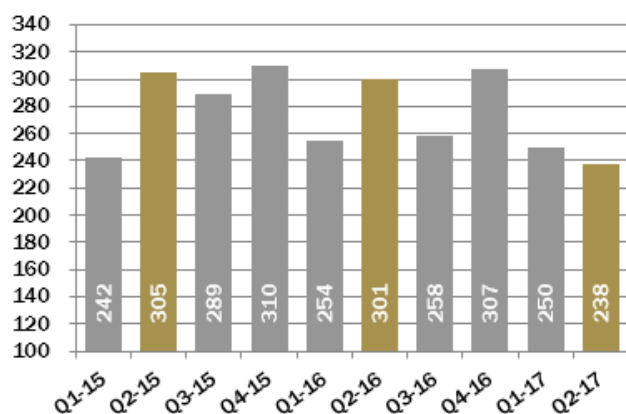
The increase in installed base means that aftermarket revenue, together with revenue from Labels, makes predictable earnings. For this quarter, this represented 52 per cent of total revenue.

### Operating revenue per business area in the second quarter:

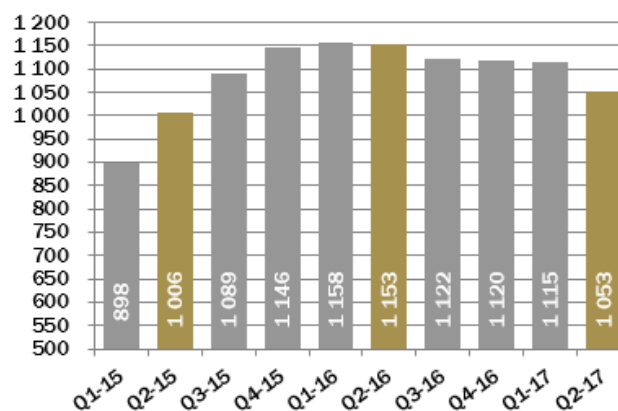


<sup>1)</sup> Includes Cash Security, Cash Management, Vensafe and Click & Collect

### Operating revenue per quarter: (MNOK)



### Operating revenue 12 month rolling: (MNOK)



## EBITDA

EBITDA MNOK	Q2		YTD		YEAR
	2017	2016	2017	2016	2016
Proprietary Technologies	-1,1	28,4	7,3	24,8	80,5
3rd Party Technologies	6,8	4,5	11,7	17,2	30,9
Labels	5,2	7,0	7,5	11,5	18,2
Eliminations / ASA	-4,2	-5,4	-9,1	-9,0	-17,9
<b>Total</b>	<b>6,7</b>	<b>34,5</b>	<b>17,4</b>	<b>44,6</b>	<b>111,7</b>

EBITDA was MNOK 6.7 (34.5) in the second quarter. In the first half, EBITDA was MNOK 17.4 (44.6). The decline is mainly a result of the decline in turnover in Proprietary Technologies in the Nordics. A delivery of CIT cases to a customer in France was postponed to July, which also affected the result for this period.

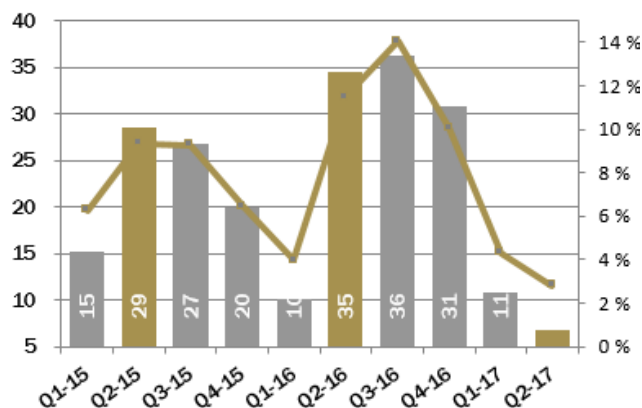
Measures have been implemented to further streamline operations by integrating Vensafe's product organization. These functions will in the future be performed by our offices in Kista and Vilnius. The department in Moss will be closed and four FTEs reduced, which charges the second quarter with MNOK 1.0 in non-recurring expenses.

Labels has experienced start-up problems at the new factory in Sweden, which has resulted in both lower turnover and weaker earnings in this business area. The technical solutions are functioning well. Further training of staff is in progress. We expect that this, as well as the improvements in routines, will give even greater benefit from the investments in increased capacity in digital printing.

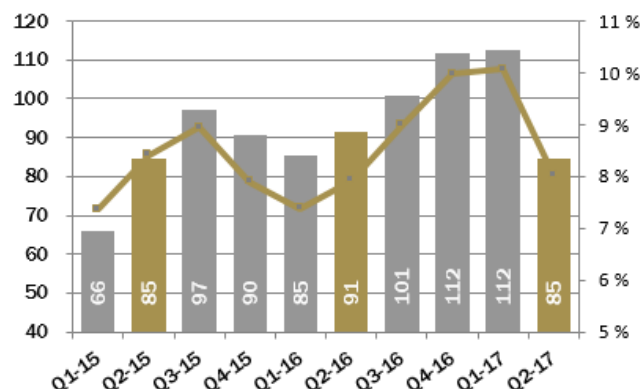
## Profit before tax (EBT)

Profit before tax (EBT) was MNOK - 2.8 (26.2) in the second quarter. In the first half EBT was MNOK - 1.1 (27.6).

EBITDA and EBITDA margin per quarter:  
(MNOK)



EBITDA and EBITDA margin 12 month rolling:  
(MNOK)



## Proprietary Technologies

Proprietary Technologies comprises sales and services of solutions, based on StrongPoints fully owned technology solutions. This consists of Retail and Cash Security.

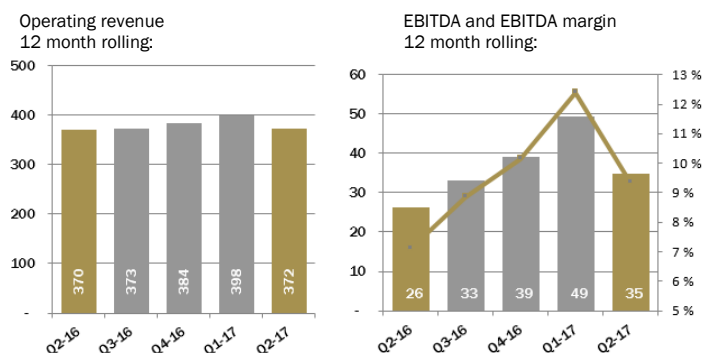
MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Product Sales	55,5	109,2	126,5	166,1	372,3
Service	52,5	58,9	101,2	107,7	207,3
<b>Revenue</b>	<b>108,0</b>	<b>168,1</b>	<b>227,7</b>	<b>273,8</b>	<b>579,6</b>
EBITDA	-1,1	28,4	7,3	24,8	80,5
EBITDA-margin	-1,0 %	16,9 %	3,2 %	9,1 %	13,9 %
EBT	-3,8	25,2	1,6	18,4	68,8

### Retail

Proprietary technology that improves store efficiency and simplifies the shopping experience for consumers.

MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Product Sales	49,1	67,9	102,6	107,0	216,6
Service	42,6	49,8	81,8	89,1	167,4
<b>Revenue</b>	<b>91,8</b>	<b>117,7</b>	<b>184,4</b>	<b>196,1</b>	<b>384,1</b>
EBITDA	2,1	16,6	11,4	15,6	39,0
EBITDA-margin	2,3 %	14,1 %	6,2 %	7,9 %	10,1 %
EBT	-0,0	14,5	6,7	10,9	31,0

The largest markets for installation of new systems were Spain, France, Norway and Sweden.



The upgrade and replacement project of existing Cash Management systems, to handle new banknotes in Norway, was largely completed during the first quarter. This has contributed to the reduced activity in the second quarter.

The business area aims to develop and sell market-leading technology based retail solutions, including Cash Management, Vensafe, Self-checkout and Click & Collect.

In June, StrongPoint received an order and partial pre-payment from Utkonos in Russia for delivery of 25 Click & Collect Grocery Lockers with associated software solution for delivery in October. Next planned step is to sign a frame-agreement between the parties to cover a service-level-agreement (SLA) and roll-out procedures of additional units over the coming years. Utkonos is the leading e-commerce business in Russia, offering 24/7 deliveries to all districts in Moscow, as well as the nearby regions.

In March, StrongPoint signed an agreement with Axfood for delivery of Click & Collect solutions. Axfood is Sweden's second largest grocery company, and have communicated great ambitions for growth within e-commerce. StrongPoint has initially received an order of 30 systems, of which 8 was installed in the first half.

In the second quarter, an agreement was signed with a Spanish bakery chain on delivery of 24 Cash Management systems to their own branches. The deliveries will be completed in the second half.

The rollout of Cash Management systems to Alimerka's 170 stores was completed during the second quarter. The StrongPoint team in Spain has increased by 7 service employees following the acquisition of the business of Link Informatica Tecnologica. These will perform aftermarket services for the growing customer base in this important market.

In the second quarter, StrongPoint in Singapore received an order of 50 Cash Management systems, for two grocery chains in Australia. The systems will be delivered in the third quarter. StrongPoint still sees a potential for its solutions in selected markets in Asia, and has during the first half worked actively and focused on market development in this region.

RIMI Lithuania and Coop Estonia continues the installation of Self-checkout solutions, consisting of StrongPoints proprietary software and hardware from a third-party supplier.

### Cash Security

Proprietary IBNS technology (Intelligent banknote neutralization system) for securing ATM and CIT.

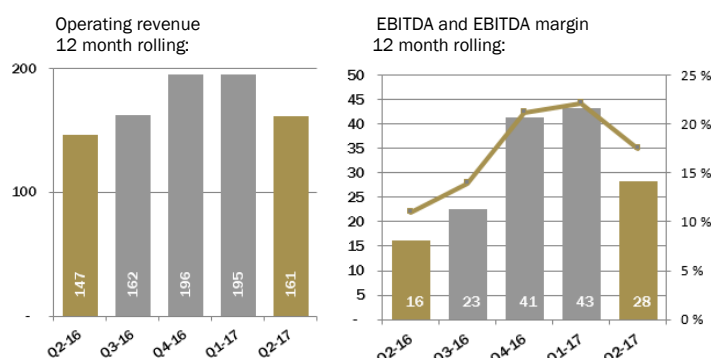
MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Product Sales	6,4	41,3	23,9	59,1	155,6
Service	9,9	9,1	19,4	18,6	39,9
<b>Revenue</b>	<b>16,2</b>	<b>50,4</b>	<b>43,3</b>	<b>77,7</b>	<b>195,5</b>
EBITDA	-3,3	11,8	-4,1	9,2	41,5
EBITDA-margin	-20,1 %	23,4 %	-9,4 %	11,8 %	21,2 %
EBT	-3,8	10,7	-5,1	7,5	37,9

The activity level in both the quarter and the first half has been significantly lower than in the corresponding period

last year, where the business area had two major ongoing projects.

The business area has stable service revenues from the installed base of CIT and ATM products. Product sales, on the other hand, are based on negotiations and product certifications that may be time consuming. Turnover in this business area fluctuates significantly.

An important step in the market preparations is the certification of the products. Our new ergonomic and cost effective product range with CIT cases was certified by both Sberbank, the largest bank in Russia, and the French authorities in the first half. As a result, we received an order of 200 CIT cases in France with deliveries in the third quarter.



StrongPoint has also fulfilled the certification requirements in Sweden for its new end-to-end IBNS solution for use in ATM cassettes. In cooperation with Bankomat, a pilot project has been started, and it is expected that the product will be launched in the third quarter.

In the first quarter, StrongPoint signed a pilot agreement for the roll-out of CIT cases with a leading CIT operator in Singapore.

## 3rd Party Technologies

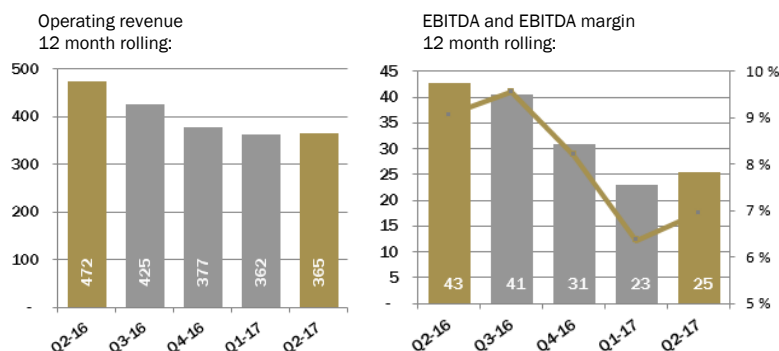
The business area delivers innovative retail solutions from third party leading technology providers.

MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Product Sales	62,0	60,0	126,6	138,3	276,6
Service	25,3	24,3	51,0	51,0	100,0
<b>Revenue</b>	<b>87,3</b>	<b>84,3</b>	<b>177,6</b>	<b>189,3</b>	<b>376,5</b>
EBITDA	6,8	4,5	11,7	17,2	30,9
EBITDA-margin	7,8 %	5,3 %	6,6 %	9,1 %	8,2 %
EBT	5,3	2,9	8,5	13,9	23,4

3rd Party Technologies relies on a stable product base, consisting of ERP, POS, consulting services, scales, packing machines and ESL.

We expect the framework agreement with Bunnpris for ESL deliveries to increase volume in this product area in the second half.

In the first quarter, an upgrade was made of electronic shelf labels at Coop and Rema 1000.





## Labels

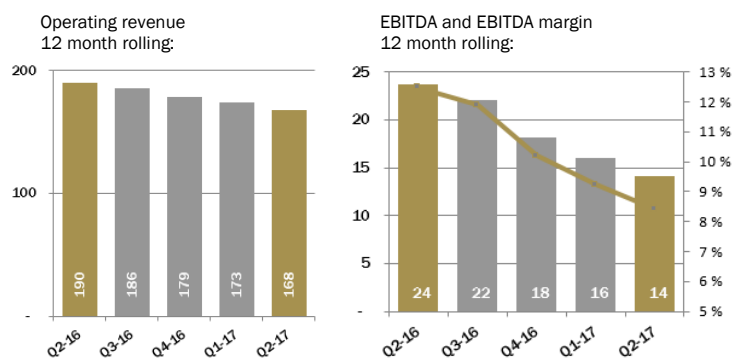
The business area offers leading expertise in the design and manufacture of adhesive labels.

MNOK	Q2		YTD		Year
	2017	2016	2017	2016	2016
Product Sales	46,4	52,1	88,8	99,5	179,0
<b>Revenue</b>	<b>46,4</b>	<b>52,1</b>	<b>88,8</b>	<b>99,5</b>	<b>179,0</b>
EBITDA	5,2	7,0	7,5	11,5	18,2
EBITDA-margin	11,2 %	13,5 %	8,4 %	11,6 %	10,2 %
EBT	1,4	3,3	-0,0	4,1	4,2

Labels has experienced start-up problems at the new factory in Sweden, which was put into operation in the first quarter. This has resulted in both lower turnover and weaker earnings in this business area. The technical solutions are now functioning well. Further training of the staff is in progress. We expect that this, as well as the introduction of routines, will give even greater benefits from the investments in increased capacity in digital printing.

Following the co-location in Sweden and the successful integration of the two acquired label businesses in Norway and Sweden, we believe that the business area is well adapted to today's market situation.

During the first half, the business area signed several agreements for the food industry and other production, as well as deliveries to the wholesale and retail customers.



## Cash flow and equity

Cash flow from operational activities in the second quarter was MNOK 11.0 (43.0). In the first half cash flow from operational activities was MNOK 8.3 (56.7).

Disposable funds were MNOK 49.6 per June 30, 2017.

The net interest bearing debt increased by MNOK 16.6 compared with the end of the previous quarter and totaled MNOK 60.4. The increase in debt can be explained by an ordinary dividend of NOK 0.50 per share, totaling MNOK 22.1, approved at the ordinary general meeting on 20 April 2017, and paid in May 2017.

Fiscal year	General Assembly	Dividend per share
2016	20.4.2017	0,50
2016	5.1.2017	1,00
2015	28.4.2016	0,45
2014	30.4.2015	0,35
2013	25.4.2014	0,30
2012	26.4.2013	0,25
2011	8.5.2012	0,25

The Groups holding of own shares amounted to 104,544, which represents 0.2 per cent of the outstanding shares.

The Group has a shareholder program for the Group executive management and the employees in Norway and Sweden. Through these programs, employees subscribed for a total of 95,511 shares in 2016 and 47,429 shares so far in 2017.

The Board of Directors of StrongPoint ASA

Rælingen, 11 July 2017

Svein S. Jacobsen  
Chairman

Klaus de Vibe  
Director

Camilla Tepfers  
Director

Inger J. Solhaug  
Director

Morthen Johannessen  
Director

Jørgen Waaler  
CEO



## Statement from the Board

The board and group CEO have today considered and approved StrongPoint's financial statements for the second quarter and first half 2017, including comparative consolidated figures for the second quarter and first half 2016. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act.

The board and CEO hereby declare, to the best of their knowledge, that the financial statements for the second quarter and first half 2017 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 30 June 2017 and 30 June 2016. To the best of their knowledge, the report gives a true and fair overview of important events during the accounting period and the impact of these events on the financial statements.

The Board of Directors of StrongPoint ASA

Rælingen, 11 July 2017

Svein S. Jacobsen  
Chairman

Klaus de Vibe  
Director

Camilla Tepfers  
Director

Inger J. Solhaug  
Director

Morthen Johannessen  
Director

Jørgen Waaler  
CEO

## Consolidated income statement

KNOK	Q2 2017	Q2 2016	Chg. %	YTD 2017	YTD 2016	Chg. %	Year 2016
Operating revenue	237 855	300 568	-20,9 %	487 598	554 656	-12,1 %	1 119 565
Profit from AC, Service companies	51	242		-20	357		601
Cost of goods sold	119 303	152 001	-21,5 %	246 125	280 179	-12,2 %	572 732
Payroll	80 342	85 626	-6,2 %	159 915	168 462	-5,1 %	309 587
Other operating expenses	31 546	28 651	10,1 %	64 094	61 790	3,7 %	126 168
Total operating expenses	231 190	266 278	-13,2 %	470 135	510 430	-7,9 %	1 008 487
<b>EBITDA</b>	<b>6 715</b>	<b>34 532</b>	<b>-80,6 %</b>	<b>17 442</b>	<b>44 582</b>	<b>-60,9 %</b>	<b>111 679</b>
Depreciation tangible assets	4 307	4 585	-6,1 %	8 660	8 675	-0,2 %	15 868
Depreciation intangible assets	3 663	3 892	-5,9 %	7 147	8 431	-15,2 %	16 018
Write down intangible assets	-	-	-	-	-	-	1 472
Write down goodwill	-	-	-	-	-	-	23 345
Reversed earn-out New Vision	-	-	-	-	-	-	-23 338
<b>EBIT</b>	<b>-1 255</b>	<b>26 054</b>	<b>-104,8 %</b>	<b>1 636</b>	<b>27 477</b>	<b>-94,0 %</b>	<b>78 315</b>
Interest expenses	702	554	26,7 %	1 552	1 342	15,7 %	1 899
Other financial expenses	808	-657	223,0 %	1 166	-1 463	179,7 %	-2 817
<b>EBT</b>	<b>-2 765</b>	<b>26 157</b>	<b>-110,6 %</b>	<b>-1 083</b>	<b>27 599</b>	<b>-103,9 %</b>	<b>79 233</b>
Taxes	-829	8 117	-110,2 %	-475	8 460	-105,6 %	5 035
<b>Profit/loss after tax</b>	<b>-1 936</b>	<b>18 040</b>	<b>-110,7 %</b>	<b>-608</b>	<b>19 139</b>	<b>-103,2 %</b>	<b>74 199</b>
<b>Earnings per share</b>							
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040		44 376 040
Av. Number of shares - own shares	44 271 496	44 271 496		44 271 496	44 271 496		44 271 496
Earnings per share	-0,04	0,41		-0,01	0,43		1,68
Diluted earnings per share	-0,04	0,41		-0,01	0,43		1,68
EBITDA per share	0,15	0,78		0,39	1,01		2,52
Diluted EBITDA per share	0,15	0,78		0,39	1,01		2,52
<b>Total earnings</b>	<b>Q2 2017</b>	<b>Q2 2016</b>	<b>Chg. %</b>	<b>YTD 2017</b>	<b>YTD 2016</b>	<b>Chg. %</b>	<b>Year 2016</b>
Profit/loss after tax	-1 936	18 040	-110,7 %	-608	19 139	-103,2 %	74 199
Exchange differences on foreign operation	8 825	-11 463	177,0 %	13 396	-20 472	165,4 %	-30 543
<b>Total earnings</b>	<b>6 889</b>	<b>6 577</b>	<b>4,7 %</b>	<b>12 787</b>	<b>-1 333</b>	<b>-1059,4 %</b>	<b>43 656</b>

## Consolidated balance sheet

KNOK	30.06.2017	30.06.2016	31.03.2017	31.12.2016
<b>ASSETS</b>				
Intangible assets	51 311	60 919	53 117	55 903
Goodwill	118 060	145 643	114 443	113 253
Tangible assets	84 017	54 462	81 562	85 440
Long term investments	1 940	1 346	1 874	1 625
Deferred tax	31 992	19 493	31 007	31 445
<b>Non-current assets</b>	<b>287 321</b>	<b>281 863</b>	<b>282 003</b>	<b>287 665</b>
Goods	102 391	102 922	100 894	101 200
Accounts receivable	153 363	182 912	178 496	161 202
Prepaid expenses	14 517	12 091	12 747	10 799
Other receivables	22 616	12 866	15 212	31 367
Bank deposits	30 232	18 082	22 722	67 090
<b>Current assets</b>	<b>323 120</b>	<b>328 874</b>	<b>330 071</b>	<b>371 658</b>
<b>TOTAL ASSETS</b>	<b>610 440</b>	<b>610 737</b>	<b>612 074</b>	<b>659 323</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	27 513	27 513	27 513	27 513
Holding of own shares	-65	-65	-65	-65
Other equity	239 913	248 544	255 159	293 533
<b>Total equity</b>	<b>267 361</b>	<b>275 992</b>	<b>282 608</b>	<b>320 981</b>
Long term interest bearing liabilities	28 345	26 414	29 126	32 982
Other long term liabilities	3 730	-	3 573	5 093
<b>Total long term liabilities</b>	<b>32 075</b>	<b>26 414</b>	<b>32 699</b>	<b>38 075</b>
Short term interest bearing liabilities	62 239	36 729	37 356	28 706
Accounts payable	70 975	86 087	86 851	102 480
Taxes payable	-	-	249	399
Other short term liabilities	177 790	185 515	172 311	168 682
<b>Total short term liabilities</b>	<b>311 004</b>	<b>308 331</b>	<b>296 767</b>	<b>300 267</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>610 440</b>	<b>610 737</b>	<b>612 074</b>	<b>659 323</b>

## Statement of equity

KNOK	Share capital	Treasury shares	paid-in equity	Translation variances	Other equity	Total equity
Equity 31.12.2015	27 513	-65	351 262	66 454	-147 916	297 247
Dividend 2015	-	-	-	-	-19 922	-19 922
Profit this year after tax	-	-	-	-	74 199	74 199
Other comprehensive income and expenses	-	-	-	-30 543	-	-30 543
Equity 31.12.2016	27 513	-65	351 262	35 912	-93 640	320 981
Dividend 2016	-	-	-	-	-66 407	-66 407
Profit this year after tax	-	-	-	-	-608	-608
Other comprehensive income and expenses	-	-	-	13 396	-	13 396
Equity 30.06.2017	27 513	-65	351 262	49 307	-160 655	267 361

## Statement of cash flow

KNOK	Q2 2017	Q2 2016	YTD 2017	YTD 2016	Year 2016
Ordinary profit before tax	-2 765	26 157	-1 083	27 599	79 233
Net interest	702	554	1 552	1 342	1 899
Tax paid	-	-	-	-	2 792
Share of profit, associated companies	-51	-242	20	-357	-601
Ordinary depreciation	7 970	8 477	15 807	17 105	31 886
Write-downs	-	-	-	-	1 472
Impairment goodwill New Vision (StrongPoint Baltic)	-	-	-	-	23 345
Profit / loss on sale of fixed assets	-15	63	-476	-5	503
Reversed earn-out New Vision (StrongPoint Baltic)	-	-	-	-	-23 338
Change in inventories	1 622	12 390	2 918	18 078	21 933
Change in receivables	29 150	-7 463	13 009	-3 121	17 027
Change in accounts payable	-18 451	-15 034	-34 865	-6 905	11 148
Change in other accrued items	-7 139	18 118	11 421	2 932	-4 007
<b>Cash flow from operational activities</b>	<b>11 022</b>	<b>43 021</b>	<b>8 304</b>	<b>56 669</b>	<b>163 291</b>
Payments for fixed assets	-5 775	-7 302	-8 121	-10 706	-29 417
Payment from sale of fixed assets	75	1 099	2 384	1 186	1 249
Net effect acquisitions	-	-	-	-	-7 521
Interest income	30	194	38	380	1 792
<b>Cash flow from investment activities</b>	<b>-5 671</b>	<b>-6 008</b>	<b>-5 700</b>	<b>-9 141</b>	<b>-33 897</b>
Change in long-term debt	-3 657	-21 418	-15 287	-14 129	-32 409
Change in overdraft	27 721	3 632	42 628	-15 369	-27 377
Interest expenses	-732	-749	-1 590	-1 721	-3 691
Dividend paid	-22 136	-19 922	-66 407	-19 922	-19 922
<b>Cash flow from financing activities</b>	<b>1 196</b>	<b>-38 457</b>	<b>-40 656</b>	<b>-51 141</b>	<b>-83 399</b>
<b>Net change in liquid assets</b>	<b>6 548</b>	<b>-1 444</b>	<b>-38 051</b>	<b>-3 613</b>	<b>45 995</b>
Cash and cash equivalents at the start of the period	22 722	19 929	67 090	22 610	22 610
Effect of foreign exchange rate fluctuations on foreign currency deposits	962	-403	1 193	-914	-1 514
<b>Cash and cash equivalents at the end of the period</b>	<b>30 232</b>	<b>18 082</b>	<b>30 232</b>	<b>18 082</b>	<b>67 090</b>

## Key figures

KNOK	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	YTD 2017	YTD 2016
<b>Income statement</b>							
Operating revenue	237 906	249 672	307 115	258 037	300 809	487 578	555 013
EBITDA	6 715	10 727	30 869	36 228	34 532	17 442	44 582
Operating revenue EBIT	-1 255	2 890	22 519	28 319	26 054	1 636	27 477
Ordinary profit before tax (EBT)	-2 765	1 682	23 062	28 572	26 157	-1 083	27 599
Profit for the year	-1 936	1 328	25 440	29 620	18 040	-608	19 139
EBITDA-margin	2,8 %	4,3 %	10,1 %	14,0 %	11,5 %	3,6 %	8,0 %
EBT-margin	-1,2 %	0,7 %	7,5 %	11,1 %	8,7 %	-0,2 %	5,0 %
<b>Balance sheet</b>							
Non-current assets	287 321	282 003	287 665	246 111	281 863	287 321	281 863
Current assets	323 120	330 071	371 658	325 968	328 874	323 120	328 874
Total assets	610 440	612 074	659 323	572 079	610 737	610 440	610 737
Equity	267 361	282 608	320 981	290 310	275 992	267 361	275 992
Long-term debt	32 075	32 699	38 075	22 122	26 414	32 075	26 414
Short-term debt	311 004	296 767	300 267	259 647	308 331	311 004	308 331
Working capital	184 780	192 539	159 921	194 154	199 747	184 780	199 747
Equity ratio	43,8 %	46,2 %	48,7 %	50,7 %	45,2 %	43,8 %	45,2 %
Liquidity ratio	103,9 %	111,2 %	123,8 %	125,5 %	106,7 %	103,9 %	106,7 %
<b>Cash Flow</b>							
Cash flow from operational activities	11 022	-2 718	82 841	23 782	43 021	8 304	56 669
<b>Share information</b>							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	44 271 496	44 271 496	44 271 496	44 271 496	44 271 496	44 271 496	44 271 496
EBT per shares	-0,06	0,04	0,52	0,65	0,59	-0,02	0,62
Earnings per share	-0,04	0,03	0,57	0,67	0,41	-0,01	0,43
Equity per share	6,0	6,4	7,3	6,6	6,2	6,0	6,2
Dividend per share	1,00	1,00	-	-	0,45	1,00	-
<b>Employees</b>							
Number of employees (end of period)	573	573	580	590	582	573	582
Average number of employees	573	577	585	581	578	575	575

## Definitions

Working capital	Inventories + accounts receivables – accounts payable
Equity per share	Book value equity / number of shares
Operating revenue	Sales revenue and profit from AC, Service companies
Operating revenue per employee	Operating revenue / average number of employees
Operating cost per employee	Operating cost / average number of employees
EBT	Profit before tax
EBT-margin	EBT / operating revenue
EBIT	Operating profit
EBITDA	Operating profit + depreciation fixed assets and tangible assets
EBITDA-margin	EBITDA / operating revenue
Equity ratio	Book value equity / total assets
Weighted average basic shares	Issued shares adjusted for own shares on average for the year
Liquidity ratio	Current assets / short term debt
Earnings per share	Paid dividend per share throughout the year

## Note 1 Confirmation of reporting framework

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2016.

## Note 2 Key accounting principles

The accounting principles for the report are described in the annual financial statements for 2016. The Group financial statements for 2016 were prepared in accordance with the IFRS principals and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2016. The quarterly report and the interim financial statements have not been revised by auditor.

## Note 3 Segment information

### Segment: Business areas

MNOK	Q2 2017			Q2 2016			YTD 2017			YTD 2016			Year 2016		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Proprietary	108,0	-1,1	-3,8	168,1	28,4	25,2	227,7	7,3	1,6	273,8	24,8	18,4	579,6	80,5	68,8
3rd Party	87,3	6,8	5,3	84,3	4,5	2,9	177,6	11,7	8,5	189,3	17,2	13,9	376,5	30,9	23,4
Labels	46,4	5,2	1,4	52,1	7,0	3,3	88,8	7,5	-0,0	99,5	11,5	4,1	179,0	18,2	4,2
Eliminations / ASA	-3,8	-4,2	-5,7	-3,6	-5,4	-5,3	-6,5	-9,1	-11,2	-7,5	-9,0	-8,7	-15,0	-17,9	-17,2
<b>Total</b>	<b>237,9</b>	<b>6,7</b>	<b>-2,8</b>	<b>300,8</b>	<b>34,5</b>	<b>26,2</b>	<b>487,6</b>	<b>17,4</b>	<b>-1,1</b>	<b>555,0</b>	<b>44,6</b>	<b>27,6</b>	<b>1 120,2</b>	<b>111,7</b>	<b>79,2</b>

### Segment: Operating revenue by geographical market

MNOK	Q2 2017			Q2 2016			YTD 2017			YTD 2016			Year 2016		
	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets
Proprietary	33,9	31,7	42,5	66,3	49,8	52,0	71,1	64,2	92,4	99,1	79,8	95,0	199,6	202,5	177,6
3rd Party	34,2	33,1	19,9	21,4	41,0	21,9	70,8	66,0	40,8	71,6	73,3	44,3	137,4	152,5	86,6
Labels	15,1	30,3	1,0	16,9	34,3	0,9	28,6	58,4	1,8	31,9	65,9	1,6	58,4	117,9	2,8
Eliminations / ASA	0,0	-3,2	-0,6	0,0	-3,6	0,0	-0,0	-5,5	-1,0	0,0	-7,5	0,0	-0,4	-12,8	-1,7
<b>Total</b>	<b>83,2</b>	<b>91,9</b>	<b>62,8</b>	<b>104,5</b>	<b>121,6</b>	<b>74,7</b>	<b>170,4</b>	<b>183,1</b>	<b>134,0</b>	<b>202,6</b>	<b>211,5</b>	<b>140,9</b>	<b>394,9</b>	<b>460,1</b>	<b>265,2</b>

### Segment: Operating revenue by product and service

MNOK	Q2 2017		Q2 2016		YTD 2017		YTD 2016		Year 2016	
	New sales	Service	New sales	Service	New sales	Service	New sales	Service	New sales	Service
Proprietary	55,5	52,5	109,2	58,9	126,5	101,2	166,1	107,7	372,3	207,3
3rd Party	62,0	25,3	60,0	24,3	126,6	51,0	138,3	51,0	276,6	100,0
Labels	46,4	0,0	52,1	0,0	88,8	0,0	99,5	0,0	179,0	0,0
Eliminations / ASA	-3,8	0,0	-3,6	0,0	-6,5	0,0	-7,5	0,0	-15,0	0,0
<b>Total</b>	<b>160,1</b>	<b>77,8</b>	<b>217,7</b>	<b>83,2</b>	<b>335,4</b>	<b>152,2</b>	<b>396,3</b>	<b>158,7</b>	<b>812,8</b>	<b>307,3</b>



## Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 30 June 2017.

## Note 5 Top 20 shareholders at 30 June 2017

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8,9 %
2	SKAGEN VEKST	2 435 486	5,5 %
3	HOLMEN SPESIALFOND	2 280 000	5,1 %
4	AVANZA BANK AB	2 064 985	4,7 %
5	PROBITAS HOLDING AS	1 788 276	4,0 %
6	HSBC TTEE MARLB EUROPEAN TRUST	1 649 000	3,7 %
7	ZETTERBERG, GEORG (incl. fully owned companies)	1 605 000	3,6 %
8	NORDNET BANK AB	1 476 031	3,3 %
9	V. EIENDOM AS	1 000 887	2,3 %
10	WAALER, JØRGEN (incl. fully owned companies) <sup>1</sup>	1 000 000	2,3 %
11	GLAAMENE INDUSTRIER AS	873 549	2,0 %
12	GRESSLIN, ODD ROAR	860 000	1,9 %
13	RING, JAN	839 372	1,9 %
14	MP PENSJON PK	777 402	1,8 %
15	SKANDINAVISKA ENSKILDA BANKEN AB	535 932	1,2 %
16	JOHANSEN, STEIN	450 000	1,0 %
17	VERDADERO AS	443 760	1,0 %
18	NORDEA BANK AB	427 490	1,0 %
19	SVENSKA HANDELSBANKEN AB	410 679	0,9 %
20	BUDVILAITIS, EVALDAS (incl. fully owned companies) <sup>1</sup>	408 561	0,9 %
Sum 20 largest shareholders		25 259 502	56,9 %
Sum 1 810 other shareholders		19 116 538	43,1 %
Sum all 1 830 shareholders		44 376 040	100,0 %

<sup>1</sup> Primary insiders



**StrongPoint**