



# Q2 and 1st half 2018

Financial report og status



**StrongPoint**

## Highlights second quarter

- Operating revenues
  - MNOK 276.4 (237.9)
- EBITDA
  - MNOK 18.3 (6.7)
- Cash flow from operational activities
  - MNOK 6.0 (11.0)
- Non-recurring items affecting EBITDA
  - Alimerka has bought remaining rental agreement, MNOK 21,3
  - Non-recurring costs regarding changes in the Group, MNOK 5,9
  - Upgrade due to weakness in construction in new product line from Cash Security, MNOK 8,1
- Agreement on POS solution for a large specialty retail chain in the Baltics
- Coop Norge has ordered electronic shelf labels (ESL) for additional 70 stores
- StrongPoint Cub, which StrongPoint acquired in December 2017, had a very good development. Operating revenues were MNOK 9.8 during the quarter
- A dividend of NOK 0.50 per share was paid in May 2018 (MNOK 22)

MNOK	Q2 2018	Q2 2017	YTD 2018	YTD 2017	Year 2017
Revenue	276,4	237,9	526,5	487,6	951,5
EBITDA	18,3	6,7	29,8	17,4	52,4
Operating profit (EBIT)	9,0	-1,3	10,9	1,6	19,9
Ordinary profit before tax (EBT)	9,4	-2,8	15,9	-1,1	14,2
Cash flow from operational activities	6,0	11,0	-0,3	8,3	26,8
Disposable funds	55,1	49,6	55,1	49,6	41,5
Earnings per share (NOK)	0,16	-0,04	0,28	-0,01	0,23
EBITDA margin	6,6 %	2,8 %	5,7 %	3,6 %	5,5 %

## Group

### Operating revenue

Revenue MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Own Technologies	148,4	108,0	266,1	227,7	449,1
3rd Party Technologies	81,9	87,3	175,0	177,6	338,6
Labels	47,9	46,4	88,5	88,8	176,4
Eliminations / ASA	-1,8	-3,8	-3,2	-6,5	-12,6
<b>Total</b>	<b>276,4</b>	<b>237,9</b>	<b>526,5</b>	<b>487,6</b>	<b>951,5</b>

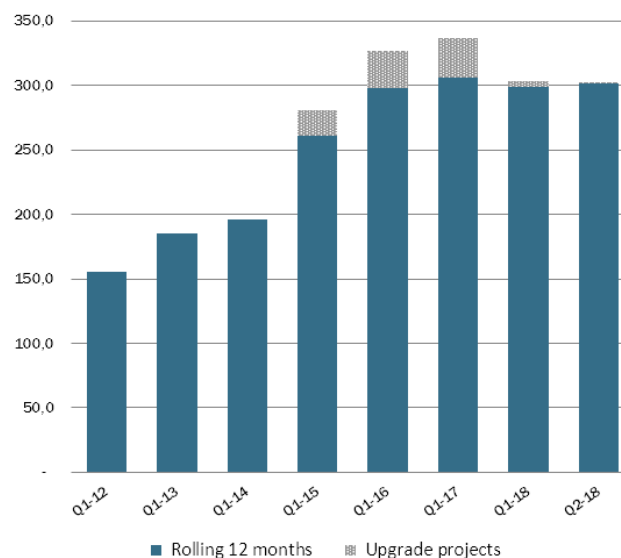
The Group operating revenue was MNOK 276.4 (237.9) in the second quarter. In the first half, operating revenue was MNOK 526.5 (487.6). StrongPoint's revenue is influenced by ongoing projects, and may vary considerably from quarter to quarter.

During the period, MNOK 36.0 was recognized as revenue from the sale of the rental agreement of 725 Cash Management solutions with Alimerka. Since 2016, StrongPoint has deployed Cash Management solutions in all the stores in the Spanish grocery chain. The roll out has been a success, and after renting the solutions for two years, Alimerka has chosen to buy out the remaining time of the contract.

EMEA is becoming an increasingly important market for our own technology (Own Technologies). In the quarter nine out of ten Cash Management solutions that were sold, were delivered to countries outside Norway and Sweden. The process of further strengthening the distribution network and sales resources in selected European markets is ongoing.

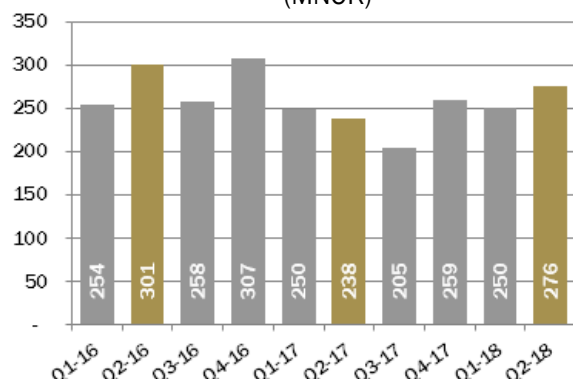
StrongPoint see a lot of exciting opportunities for its e-commerce solution Click & Collect pickup stations. There has been signed agreement for delivery of a pilot installation in Italy and Norway, as well as two in Spain. The one in Italy was installed at the end of the second quarter, while the Norwegian and Spanish pilots are expected to be installed in the third quarter.

Service revenue 12 month rolling  
(MNOK)

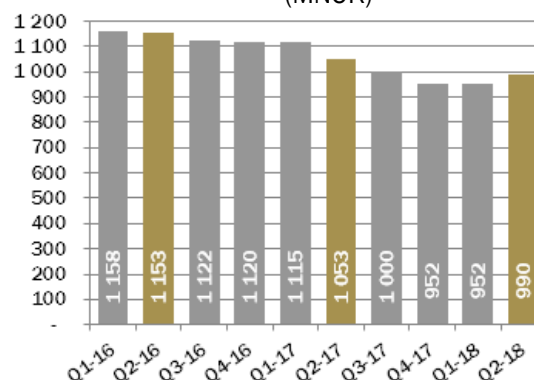


Service revenues consists of installation revenues and monthly services and license fees, which increases in line with the installed base. For this quarter, these revenues represented 28 per cent of the total revenue. There was a decline in 12 months rolling service- and installation revenues, due to major upgrading projects in Norway and Sweden in 2015 and 2016.

Operating revenue per quarter  
(MNOK)



Operating revenue 12 month rolling  
(MNOK)



## EBITDA

EBITDA MNOK	Q2		YTD		YEAR
	2018	2017	2018	2017	2017
Own Technologies	11,8	-1,1	11,6	7,3	20,4
3rd Party Technologies	8,2	6,8	20,0	11,7	27,0
Labels	6,8	5,2	11,0	7,5	24,9
Eliminations / ASA	-8,5	-4,2	-12,8	-9,1	-19,9
<b>Total</b>	<b>18,3</b>	<b>6,7</b>	<b>29,8</b>	<b>17,4</b>	<b>52,4</b>

EBITDA was MNOK 18.3 (6.7) in the second quarter. In the first half, EBITDA was MNOK 29.8 (17.4). The result included a positive net effect from non-recurring items of MNOK 7.3.

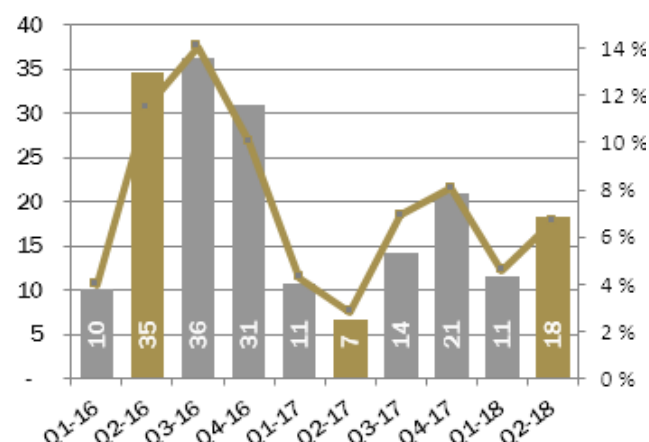
- MNOK 21.3 was recognized as profit on sale of the rental agreement with Alimerka. In 2016, StrongPoint og Alimerka entered into a "cash management as a service" agreement. The roll out has been a success. After renting the solutions for two years, Alimerka chose to buy the remaining contract period for MNOK 36.0 in the second quarter 2018, which had a similar effect on net interest-bearing debt.
- MNOK 8.1 in upgrades due to a weakness in the construction on the new CIT product line. The major part of the cases has been upgraded, and the cost of the remaining cases was booked and expensed over the result in the second quarter. In total, MNOK 11.9 was recorded as expenses in the first half, and StrongPoint expects additional costs. Ergonomics and weight has been a very important element in the development of the cases, which are the lightest cases with IBNS technology. At the same time, the company has had to adapt the construction to armoured vehicles in the Russian market, where roads and way of use make extra high demands on the products.
- MNOK 5.9 was reserved for costs related to the hiring of new CEO and new Country Manager in Germany.

StrongPoint Cub, which StrongPoint acquired in December 2017, has had a very positive year so far. and had operating revenues of MNOK 9.8 during the quarter. In the first half, the company had a positive sales trend for its traditional solution, ShopFlow Logistics, but also an increasing interest in Pick & Collect from several major Scandinavian retailers. The turnover consists of a combination of consultancy revenue relating to implementation and operation, annual license income and software. In the first half, the company had a turnover of MNOK 25.0, with an EBITDA of MNOK 4.5.

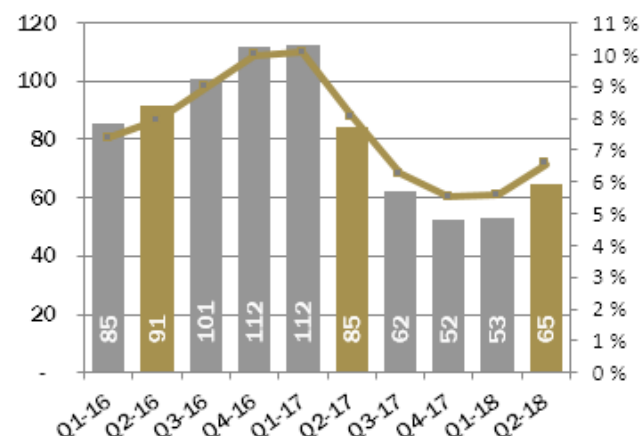
## Profit before tax (EBT)

Profit before tax (EBT) was MNOK 9.4 (- 2.8) in the second quarter. In the first half EBT was MNOK 15.9 (- 1.1).

EBITDA and EBITDA margin per quarter  
(MNOK)



EBITDA and EBITDA margin 12 month rolling  
(MNOK)



## Business areas

### Own Technologies

The business area comprises sales and services of proprietary technology solutions. StrongPoint delivers own technology that improves store efficiency and simplifies the shopping experience for consumers. In addition, the business area consists of IBNS (Intelligent Banknote Neutralization System) technology, which secures ATM and CIT.

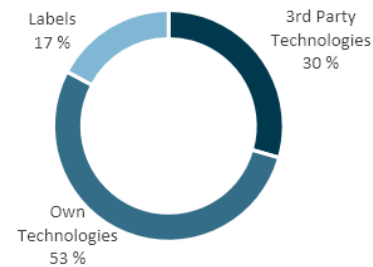
### 3rd Party Technologies

The business area delivers innovative retail solutions from leading third-party technology providers, consisting of among others ERP, POS, consulting services, scales, wrapping machines and ESL.

### Labels

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

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



## Proprietary technologies



### Select & Collect

Select & Collect stores and ensures high-value products in store. Our customers reduce waste and inventory management becomes even more efficient.



### Cash Management

Closed cash handling automates, seals and secures the cash at the cash point and in the back room. Our customers reduce costs and achieve increased flexibility, security and customer service.



### CIT-cases

CIT-cases based on IBNS (Intelligent Banknote Neutralisation System) technology which ensures cash during transportation.

### Click & Collect og e-handel

Click & Collect makes it possible to shop online and pick up groceries without having to deal with the shop opening hours.



### Self-checkout

Self-checkout is especially suitable for retailers with a high number of transactions and having customers with medium-sized shopping carts. Our customers improve customer experience and reduce queues in the cashier area.



### E-Commerce Logistics Suite

E-Commerce Logistics Suite handles and optimizes the entire work flow of web orders - from planning, picking to delivery of goods. The solution is easy to integrate with existing systems, and all modules are integrated and customized to meet the needs of each individual retailer.



Pick&Collect



RouteManager



DeliveryManager



QueueManager

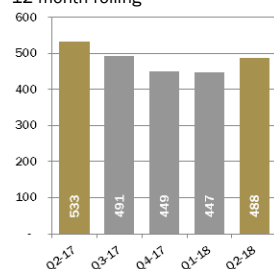


## Own Technologies

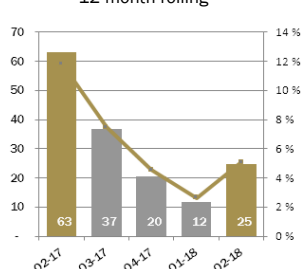
MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product Sales	93,9	55,5	151,4	126,5	249,8
Service	54,5	52,5	114,7	101,2	199,2
<b>Revenue</b>	<b>148,4</b>	<b>108,0</b>	<b>266,1</b>	<b>227,7</b>	<b>449,1</b>
EBITDA	11,8	-1,1	11,6	7,3	20,4
EBITDA-margin	7,9 %	-1,0 %	4,4 %	3,2 %	4,5 %
EBT	6,8	-3,8	3,8	1,6	7,5

Revenue MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Norway	25,6	33,9	46,6	71,1	124,9
Sweden	35,3	31,7	80,9	64,2	129,5
Baltic / Russia	2,7	1,2	3,7	9,6	28,2
EMEA / APAC	84,7	41,2	134,9	82,8	166,5
<b>Total</b>	<b>148,4</b>	<b>108,0</b>	<b>266,1</b>	<b>227,7</b>	<b>449,1</b>

Operating revenue  
12 month rolling



EBITDA and EBITDA margin  
12 month rolling



## Norway

MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product sales	7,3	11,7	10,6	28,2	45,5
Service	18,3	22,2	36,0	42,9	79,4
<b>Revenue</b>	<b>25,6</b>	<b>33,9</b>	<b>46,6</b>	<b>71,1</b>	<b>124,9</b>

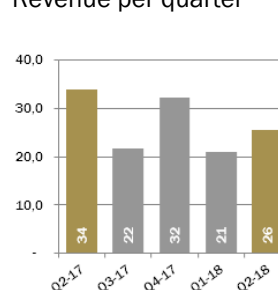
Plantasjen has ordered 50 Cash Management solutions to be delivered in the second half 2018.

The upgrade and replacement project of existing Cash Management solutions, to handle new banknotes in Norway, was largely completed during the first quarter 2017. There is, as a result of this, a large base with modern cash handling solutions in Norwegian stores. This has resulted in a decline in revenue from new systems in 2018.

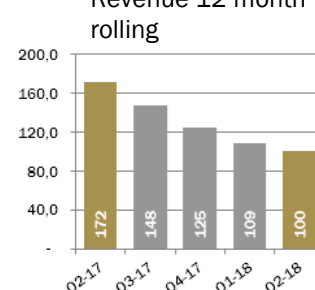
Self-checkout and Click & Collect are being presented to potential retail customers. In the first quarter, a pilot was signed on Click & Collect, which will be installed in the third quarter.

In the first half, a replacement campaign for Select & Collect (former Vensafe) was initiated for the big grocery chains, resulting in 45 sold solutions.

Revenue per quarter



Revenue 12 month rolling



## Sweden

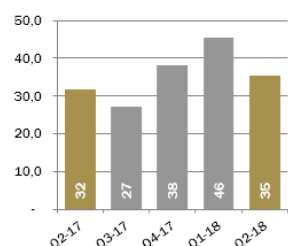
MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product sales	10,9	12,8	27,0	28,0	55,7
Service	24,5	18,9	54,0	36,1	73,8
<b>Revenue</b>	<b>35,3</b>	<b>31,7</b>	<b>80,9</b>	<b>64,2</b>	<b>129,5</b>

Based on their good experiences with Click & Collect pickup station, a Swedish grocery chain ordered an additional 17 solutions. The company already has 44 pickup stations installed.

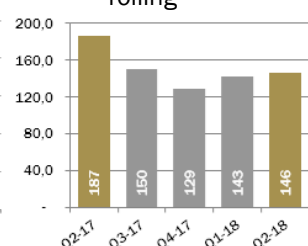
In the first quarter, a replacement campaign for Select & Collect was initiated, which the company expects will lead to increased in volumes in the second half.

Several new orders have been received from existing customers in the first half. Among other approx. 20 Cash Management solutions for Apoteket Hjärtat, Sweden's largest private pharmacy chain with approx. 390 pharmacies.

Revenue per quarter



Revenue 12 month rolling



## Baltic / Russia

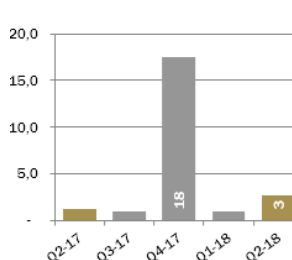
MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product sales	-	-0,5	0,0	7,1	22,0
Service	2,7	1,7	3,7	2,6	6,1
<b>Revenue</b>	<b>2,7</b>	<b>1,2</b>	<b>3,7</b>	<b>9,6</b>	<b>28,2</b>

StrongPoint in the Baltics delivers mainly 3rd Party Technologies, but is increasingly focusing on Own Technologies, especially eCommerce solutions.

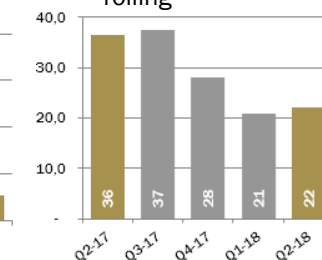
In the first quarter, StrongPoint received the first order for 6 Click & Collect pickup stations in the Baltics. The customer also has a pilot installation with StrongPoint Cub's E-Commerce Logistics Suite. The pickup stations will be delivered in the third quarter 2018.

Installations of Click & Collect pickup stations in Russia takes longer time than expected. The reason for this is that the customer still evaluates the installed pickup stations, as well as challenges related to access to appropriate locations and permissions from public authorities.

Revenue per quarter



Revenue 12 month rolling



## EMEA / APAC

MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product sales	75,7	31,5	113,9	63,1	126,6
Service	9,0	9,7	21,1	19,7	39,9
<b>Revenue</b>	<b>84,7</b>	<b>41,2</b>	<b>134,9</b>	<b>82,8</b>	<b>166,5</b>

The development in the prioritized markets outside Norway/Sweden are very positive. EMEA accounted for 9 out of 10 Cash Management solutions delivered in the second quarter. During the period, MNOK 36.0 was recognized from the sale of the rental agreement of a total of 725 solutions with Alimerka.

In 2016, StrongPoint and Alimerka entered into a "cash management as a service" agreement. A total of 725 systems are installed, which are 225 systems more than originally planned. The roll out has been a success. After renting the solutions for two years, Alimerka chose to buy the remaining contract period. Service Level Agreement (SLA) and software licenses will continue to run throughout the life of the contract.

The growth in the Spanish market continued in the second quarter. The focus is on increasing own sales resources, establish new partners, and increase sales at existing partners.

StrongPoint has strengthened its sales team in Germany with a new Country Manager and a new Sales Manager. For the second consecutive year, the company has near doubled its revenue from Cash Management solutions. Volumes are still low compared to France and Spain, but the development is very positive.

StrongPoint's e-commerce solutions are presented to the largest chains in Europe and we have great expectations for the development of these solutions. In the second quarter, a Click & Collect pilot was installed at COOP in Italy. This pilot will be evaluated by the end of 2018. In addition, StrongPoint has received two pilots on Click & Collect in Spain, which will be installed in the third quarter.

Aramark in Spain has, after running pilots from several suppliers, chosen StrongPoint Cash Management as its main cash management solution for selected Spanish Aramark restaurants. Aramark is a leading global supplier of meals, restaurant and canteen operations for private businesses, schools and health care.

In the first quarter, StrongPoint received and delivered an order for CIT cases with a value of MEUR 0,8 from our Croatian partner. In the second quarter, StrongPoint received a new order with a value of MEUR 0.6, which was delivered in the same quarter.

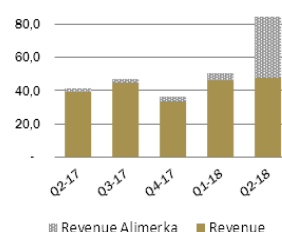
In the fourth quarter 2017, StrongPoint received a follow-up order for 100 CIT cases from one of the leading CIT companies in Western Europe, and a order of 60 CIT cases and SoftCar solutions from the leading CIT company in Italy. The deliveries were completed in the first quarter 2018.

StrongPoint still sees a potential for its solutions in selected markets in Asia, and work actively and focused on market development in this region.

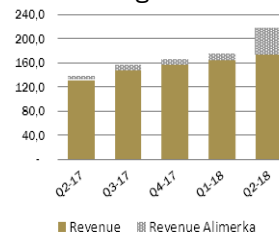
An agreement has been reached with Parkson to install StrongPoint Cash Management solution in another warehouse. This will be the second warehouse with StrongPoint Cash Management solutions.

Two major food markets have entered into an agreement for a total of 50 Cash Management solutions that are expected to be installed in the second half 2018.

Revenue per quarter



Revenue 12 month rolling





## 3rd Party Technologies

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

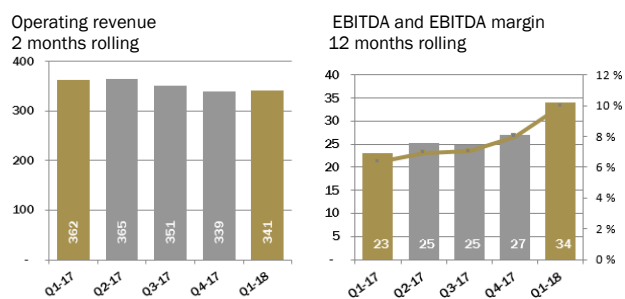
MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
Product Sales	59,9	62,0	129,8	126,6	243,1
Service	22,1	25,3	45,2	51,0	95,5
<b>Revenue</b>	<b>81,9</b>	<b>87,3</b>	<b>175,0</b>	<b>177,6</b>	<b>338,6</b>
EBITDA	8,2	6,8	20,0	11,7	27,0
EBITDA-margin	10,1 %	7,8 %	11,5 %	6,6 %	8,0 %
EBT	6,5	5,3	15,7	8,5	19,6

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

The interest in ESL is increasing. More and more of our customers see the benefits of this technology.

In the second quarter, Coop Norge prolonged the agreement with StrongPoint (published in 2015). StrongPoint was awarded the contract of electronic shelf labels for an additional 70 Coop Extra stores. The contract has an estimated value of MNOK 35.

In the second quarter, StrongPoint signed an agreement with a specialty retail chain in the Baltics for deliveries of ERP and POS solutions. The agreement includes software licenses and implementation of Microsoft Dynamics NAV and LS Nav for more than 700 points of sales, as well as 24/7 service level agreement. The project will last over the next three years.



## Labels

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

MNOK	Q2		YTD		Year
	2018	2017	2018	2017	2017
<b>Revenue</b>	<b>47,9</b>	<b>46,4</b>	<b>88,5</b>	<b>88,8</b>	<b>176,4</b>
EBITDA	6,8	5,2	11,0	7,5	24,9
EBITDA-margin	14,3 %	11,2 %	12,4 %	8,4 %	14,1 %
EBT	3,4	1,4	3,9	-0,0	9,8
EBT-margin	7,0 %	3,1 %	4,4 %	0,0 %	5,6 %

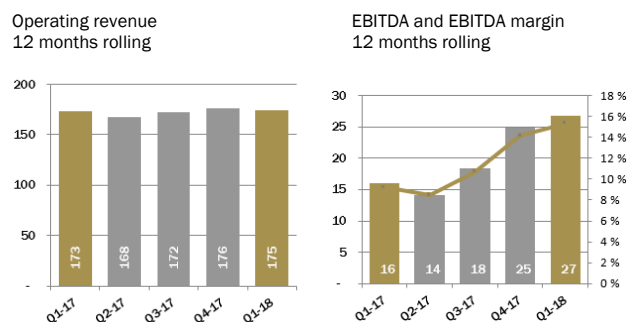
The turnover in the business area has developed steadily. StrongPoint focus on increased profitability, both by streamlining production and by focusing on orders that require high quality and flexible production volumes.

Production of labels is capital-intensive and therefore requires significant investments in new technology which is depreciated. This means that EBT is an important measurement parameter. EBT increased in the quarter to MNOK 3.4 (1.4).

Continuous focus on efficient operations and investments in modern and flexible machines in both Norway and Sweden has given results. In addition, we now see the effect of the investments to co-locate production into one modern and efficient production unit in Sweden, which was carried out in 2016/2017.

The business area is well adapted to today's market situation with efficient work processes, modern technology and new efficient premises.

In the second quarter, StrongPoint entered into an agreement with Norengros on Labels and associated assortment. The agreement is running and effective from 1<sup>st</sup> of July 2018.



## Cash flow and equity

Cash flow from operational activities in the second quarter was MNOK 6.0 (11.0). In the first half cash flow from operational activities was MNOK - 0.3 (8.3).

Disposable funds were MNOK 55.1 per June 30, 2018.

The net interest-bearing debt increased by MNOK 8.8 compared with the end of the last quarter and totaled MNOK 71.1.

A dividend of NOK 0.50 per share was paid in May 2018.

Fiscal year	General Assembly	Dividend per share
2017	24.04.2018	0,50
2016	20.04.2017	0,50
2016	05.01.2017	Extraordinary 1,00
2015	28.04.2016	0,45
2014	30.04.2015	0,35
2013	25.04.2014	0,30
2012	26.04.2013	0,25
2011	08.05.2012	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 67,494 shares in 2017 and 83,829 shares so far in 2018.

The Board of Directors of StrongPoint ASA

Rælingen, 11 July 2018

Morthen Johannessen  
Chairman

Klaus de Vibe  
Director

Camilla Tepfers  
Director

Inger J. Solhaug  
Director

Peter Wirén  
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 2018, including comparative consolidated figures for the second quarter and first half 2017. 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 2018 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 2018 and 30 June 2017. 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 2018

Morthen Johannessen  
Chairman

Klaus de Vibe  
Director

Camilla Tepfers  
Director

Inger J. Solhaug  
Director

Peter Wirén  
Director

Jørgen Waaler  
CEO

## Consolidated income statement

KNOK	Q2 2018	Q2 2017	Chg. %	YTD 2018	YTD 2017	Chg. %	Year 2017
Operating revenue	276 372	237 855	16,2 %	526 319	487 598	7,9 %	951 388
Profit from AC, Service companies	29	51		147	-20		90
Cost of goods sold	131 739	119 303	10,4 %	252 297	246 125	2,5 %	472 003
Payroll	92 565	80 342	15,2 %	176 482	159 915	10,4 %	298 916
Other operating expenses	33 771	31 546	7,1 %	67 881	64 094	5,9 %	128 112
Total operating expenses	258 075	231 190	11,6 %	496 660	470 135	5,6 %	899 032
<b>EBITDA</b>	<b>18 326</b>	<b>6 715</b>	<b>172,9 %</b>	<b>29 807</b>	<b>17 442</b>	<b>70,9 %</b>	<b>52 446</b>
Depreciation tangible assets	4 278	4 307	-0,7 %	8 532	8 660	-1,5 %	18 405
Depreciation intangible assets	5 082	3 663	38,8 %	10 371	7 147	45,1 %	14 137
<b>EBIT</b>	<b>8 965</b>	<b>-1 255</b>	<b>814,6 %</b>	<b>10 903</b>	<b>1 636</b>	<b>566,6 %</b>	<b>19 905</b>
Interest expenses	770	702	9,6 %	1 283	1 552	-17,3 %	2 209
Other financial expenses	-1 230	808	-252,2 %	-6 238	1 166	-634,9 %	3 465
<b>EBT</b>	<b>9 425</b>	<b>-2 765</b>	<b>440,8 %</b>	<b>15 859</b>	<b>-1 083</b>	<b>1564,5 %</b>	<b>14 231</b>
Taxes	2 455	-829	396,0 %	3 455	-475	828,0 %	4 197
<b>Profit/loss after tax</b>	<b>6 970</b>	<b>-1 936</b>	<b>460,0 %</b>	<b>12 404</b>	<b>-608</b>	<b>2139,0 %</b>	<b>10 034</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	0,16	-0,04		0,28	-0,01		0,23
Diluted earnings per share	0,16	-0,04		0,28	-0,01		0,23
EBITDA per share	0,41	0,15		0,67	0,39		1,18
Diluted EBITDA per share	0,41	0,15		0,67	0,39		1,18
<b>Total earnings</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>Chg. %</b>	<b>YTD 2018</b>	<b>YTD 2017</b>	<b>Chg. %</b>	<b>Year 2017</b>
Profit/loss after tax	6 970	-1 936	460,0 %	12 404	-608	2139,0 %	10 034
Exchange differences on foreign operation	-8 778	8 825	-199,5 %	-28 458	13 396	-312,4 %	16 405
<b>Total earnings</b>	<b>-1 808</b>	<b>6 889</b>	<b>-126,2 %</b>	<b>-16 054</b>	<b>12 787</b>	<b>-225,5 %</b>	<b>26 439</b>

## Consolidated balance sheet

KNOK	30.06.2018	30.06.2017	31.03.2018	31.12.2017
<b>ASSETS</b>				
Intangible assets	65 481	51 311	72 560	81 796
Goodwill	127 605	118 060	131 263	139 213
Tangible assets	62 969	84 017	75 895	81 341
Long term investments	1 628	1 940	1 604	1 110
Deferred tax	17 208	31 992	19 742	20 930
<b>Non-current assets</b>	<b>274 892</b>	<b>287 321</b>	<b>301 064</b>	<b>324 391</b>
Goods	136 608	102 391	118 131	131 455
Accounts receivable	167 416	153 363	170 989	160 027
Prepaid expenses	18 572	14 517	18 491	14 061
Other receivables	11 764	22 616	12 981	24 172
Bank deposits	24 255	30 232	33 911	41 503
<b>Current assets</b>	<b>358 617</b>	<b>323 120</b>	<b>354 503</b>	<b>371 218</b>
<b>TOTAL ASSETS</b>	<b>633 508</b>	<b>610 440</b>	<b>655 567</b>	<b>695 609</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	215 375	239 913	239 318	253 564
<b>Total equity</b>	<b>242 823</b>	<b>267 361</b>	<b>266 767</b>	<b>281 013</b>
Long term interest bearing liabilities	43 648	28 345	44 554	24 623
Other long term liabilities	23 575	3 730	24 261	27 422
<b>Total long term liabilities</b>	<b>67 223</b>	<b>32 075</b>	<b>68 815</b>	<b>52 046</b>
Short term interest bearing liabilities	51 658	62 239	51 655	68 229
Accounts payable	67 245	70 975	63 809	93 070
Taxes payable	970	-	1 051	1 852
Other short term liabilities	203 590	177 790	203 470	199 399
<b>Total short term liabilities</b>	<b>323 462</b>	<b>311 004</b>	<b>319 985</b>	<b>362 551</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>633 508</b>	<b>610 440</b>	<b>655 567</b>	<b>695 609</b>

## Overview of changes in the equity

KNOK	Share capital	Treasury shares	paid-in equity	Translation variances	Other equity	Total equity
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	-	-	-	-	10 034	10 034
Other comprehensive income and expenses	-	-	-	16 405	-	16 405
Equity 31.12.2017	27 513	-65	351 262	52 316	-150 013	281 013
Dividend 2017	-	-	-	-	-22 136	-22 136
Profit this year after tax	-	-	-	-	12 404	12 404
Other comprehensive income and expenses	-	-	-	-28 458	-	-28 458
Equity 30.06.2018	27 513	-65	351 262	23 858	-159 745	242 823

## Statement of cash flow

KNOK	Q2 2018	Q2 2017	YTD 2018	YTD 2017	Year 2017
Ordinary profit before tax	9 425	-2 765	15 859	-1 083	14 231
Net interest	770	702	1 283	1 552	2 209
Tax paid	-	-	-	-	3 596
Share of profit, associated companies	-29	-51	-147	20	-90
Ordinary depreciation	9 361	7 970	18 903	15 807	32 541
Profit / loss on sale of fixed assets	-395	-15	-395	-476	-390
Change in inventories	-20 960	1 622	-12 908	2 918	-24 508
Change in receivables	977	29 150	-15 474	13 009	17 861
Change in accounts payable	4 951	-18 451	-21 075	-34 865	-22 553
Change in other accrued items	1 884	-7 139	13 629	11 421	3 863
<b>Cash flow from operational activities</b>	<b>5 985</b>	<b>11 022</b>	<b>-324</b>	<b>8 304</b>	<b>26 760</b>
Payments for fixed assets	-1 732	-5 775	-5 615	-8 121	-15 446
Payment from sale of fixed assets	35 674	75	35 674	2 384	2 772
Profit on sale to Alimerka	-21 299	-	-21 299	-	-
Net effect acquisitions	-	-	-	-	-462
Interest income	82	30	168	38	2 131
<b>Cash flow from investment activities</b>	<b>12 725</b>	<b>-5 671</b>	<b>8 928</b>	<b>-5 700</b>	<b>-11 004</b>
Change in long-term debt	-5 943	-3 657	16 415	-15 287	-22 060
Change in overdraft	1 340	27 721	-16 426	42 628	49 559
Interest expenses	-852	-732	-1 451	-1 590	-4 340
Dividend paid	-22 136	-22 136	-22 136	-66 407	-66 407
<b>Cash flow from financing activities</b>	<b>-27 590</b>	<b>1 196</b>	<b>-23 598</b>	<b>-40 656</b>	<b>-43 249</b>
<b>Net change in liquid assets</b>	<b>-8 881</b>	<b>6 548</b>	<b>-14 994</b>	<b>-38 051</b>	<b>-27 493</b>
Cash and cash equivalents at the start of the period	33 911	22 722	41 503	67 090	67 090
Effect of foreign exchange rate fluctuations on foreign currency deposits	-775	962	-2 254	1 193	1 905
<b>Cash and cash equivalents at the end of the period</b>	<b>24 255</b>	<b>30 232</b>	<b>24 255</b>	<b>30 232</b>	<b>41 502</b>



## Key figures

KNOK	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	YTD 2018	YTD 2017
<b>Income statement</b>							
Operating revenue	276 401	250 066	259 133	204 767	237 906	526 467	487 578
EBITDA	18 326	11 481	20 862	14 142	6 715	29 807	17 442
Operating revenue EBIT	8 965	1 938	12 080	6 189	-1 255	10 903	1 636
Ordinary profit before tax (EBT)	9 425	6 434	10 795	4 519	-2 765	15 859	-1 083
EBITDA-margin	6,6 %	4,6 %	8,1 %	6,9 %	2,8 %	5,7 %	3,6 %
EBT-margin	3,4 %	2,6 %	4,2 %	2,2 %	-1,2 %	3,0 %	-0,2 %
<b>Balance sheet</b>							
Non-current assets	274 892	301 064	324 391	276 611	287 321	274 892	287 321
Current assets	358 617	354 503	371 218	334 592	323 120	358 617	323 120
Total assets	633 508	655 567	695 609	611 203	610 440	633 508	610 440
Equity	242 823	266 767	281 013	265 098	267 361	242 823	267 361
Long-term debt	67 223	68 815	52 046	30 626	32 075	67 223	32 075
Short-term debt	323 462	319 985	362 551	315 479	311 004	323 462	311 004
Working capital	236 780	225 311	198 413	194 031	184 780	236 780	184 780
Equity ratio	38,3 %	40,7 %	40,4 %	43,4 %	43,8 %	38,3 %	43,8 %
Liquidity ratio	110,9 %	110,8 %	102,4 %	106,1 %	103,9 %	110,9 %	103,9 %
<b>Cash Flow</b>							
Cash flow from operational activities	5 985	-6 309	20 658	-2 202	11 022	-324	8 304
<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	0,21	0,15	0,24	0,10	-0,06	0,36	-0,02
Earnings per share	0,16	0,12	0,19	0,05	-0,04	0,28	-0,01
Equity per share	5,5	6,0	6,3	6,0	6,0	5,5	6,0
Dividend per share	0,50	-	-	-	0,50	0,50	1,50
<b>Employees</b>							
Number of employees (end of period)	564	567	580	573	573	564	573
Average number of employees	566	574	577	573	573	570	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 2017.

## Note 2 Key accounting principles

The accounting principles for the report are described in the annual financial statements for 2017. The Group financial statements for 2017 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 31.12.2017. The quarterly report and the interim financial statements have not been revised by auditor.

StrongPoint has conducted an assessment of IFRS 15, and its implementation will not have any significant impact on the Group. See the Annual report 2017, note 2 for further information.

## Note 3 Segment information

### Segment: Business areas

MNOK	Q2 2018			Q2 2017			YTD 2018			YTD 2017			Year 2017		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Own Technologies	148,4	11,8	6,8	108,0	-1,1	-3,8	266,1	11,6	3,8	227,7	7,3	1,6	449,1	20,4	7,5
3rd Party Technologies	81,9	8,2	6,5	87,3	6,8	5,3	175,0	20,0	15,7	177,6	11,7	8,5	338,6	27,0	19,6
Labels	47,9	6,8	3,4	46,4	5,2	1,4	88,5	11,0	3,9	88,8	7,5	-0,0	176,4	24,9	9,8
Eliminations / ASA	-1,8	-8,5	-7,3	-3,8	-4,2	-5,7	-3,2	-12,8	-7,6	-6,5	-9,1	-11,2	-12,6	-19,9	-22,7
<b>Total</b>	<b>276,4</b>	<b>18,3</b>	<b>9,4</b>	<b>237,9</b>	<b>6,7</b>	<b>-2,8</b>	<b>526,5</b>	<b>29,8</b>	<b>15,9</b>	<b>487,6</b>	<b>17,4</b>	<b>-1,1</b>	<b>951,5</b>	<b>52,4</b>	<b>14,2</b>

### Segment: Operating revenue by geographical market

MNOK	Q2 2018			Q2 2017			YTD 2018			YTD 2017			Year 2017		
	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets	Norway	Sweden	Other markets
Own Technologies	25,6	35,3	87,4	33,9	31,7	42,5	46,6	80,9	138,6	71,1	64,2	92,4	124,9	129,5	194,7
3rd Party Technologies	28,5	30,4	23,1	36,8	35,8	14,7	65,7	62,0	47,4	70,8	66,0	40,8	105,5	133,7	99,4
Labels	18,8	29,1	0,0	15,1	29,5	1,8	33,8	54,7	0,0	28,6	58,4	1,8	60,8	115,7	0,0
Eliminations / ASA	0,0	-1,8	-0,1	0,0	-3,2	-0,6	0,0	-3,0	-0,2	-0,0	-5,5	-1,0	-0,0	-11,2	-1,4
<b>Total</b>	<b>73,0</b>	<b>93,0</b>	<b>110,4</b>	<b>85,8</b>	<b>93,7</b>	<b>58,4</b>	<b>146,1</b>	<b>194,6</b>	<b>185,8</b>	<b>170,4</b>	<b>183,1</b>	<b>134,0</b>	<b>291,1</b>	<b>367,6</b>	<b>292,7</b>

### Segment: Operating revenue by product and service

MNOK	Q2 2018		Q2 2017		YTD 2018		YTD 2017		Year 2017	
	New sales	Service	New sales	Service	New sales	Service	New sales	Service	New sales	Service
Own Technologies	93,9	54,5	55,5	52,5	151,4	114,7	126,5	101,2	249,8	199,2
3rd Party Technologies	59,9	22,1	62,0	25,3	129,8	45,2	126,6	51,0	243,1	95,5
Labels	47,9	0,0	46,4	0,0	88,5	0,0	88,8	0,0	176,4	0,0
Eliminations / ASA	-1,8	0,0	-3,8	0,0	-3,2	0,0	-6,5	0,0	-12,6	0,0
<b>Total</b>	<b>199,8</b>	<b>76,6</b>	<b>160,1</b>	<b>77,8</b>	<b>366,6</b>	<b>159,9</b>	<b>335,4</b>	<b>152,2</b>	<b>656,8</b>	<b>294,7</b>

## Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 30 June 2018.

## Note 5 Top 20 shareholders at 30 June 2018

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8,9 %
2	HOLMEN SPESIALFOND	2 400 000	5,4 %
3	AVANZA BANK AB	2 015 947	4,5 %
4	HSBC TTEE MARLB EUROPEAN TRUST	1 976 000	4,5 %
5	PROBITAS HOLDING AS	1 788 276	4,0 %
6	ZETTERBERG, GEORG (incl. fully owned companies)	1 623 000	3,7 %
7	NORDNET LIVSFORSIKRING AS	1 583 287	3,6 %
8	NORDNET BANK AB	1 519 966	3,4 %
9	V. EIENDOM HOLDING AS	1 356 817	3,1 %
10	WAALER, JØRGEN (incl. fully owned companies) <sup>1</sup>	1 010 000	2,3 %
11	GLAAMENE INDUSTRIER AS	873 549	2,0 %
12	RING, JAN	869 372	2,0 %
13	GRESSLIEN, ODD ROAR	800 000	1,8 %
14	VERDADERO AS	794 033	1,8 %
15	MP PENSJON PK	777 402	1,8 %
16	SKANDINAVISKA ENSKILDA BANKEN AB	524 795	1,2 %
17	JOHANSEN, STEIN	450 000	1,0 %
18	NHO - P665AK	405 342	0,9 %
19	JACOBSEN, SVEIN (incl. fully owned companies)	400 000	0,9 %
20	SVENSKA HANDELSBANKEN AB	389 766	0,9 %
Sum 20 largest shareholders		25 490 644	57,4 %
Sum 1 796 other shareholders		18 885 396	42,6 %
Sum all 1 816 shareholders		44 376 040	100,0 %

<sup>1</sup> Primary insiders

**NOTES:**

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**StrongPoint**