



Q1 2022

Financial report and status

CEO's perspective

The demand for grocery retail technology and StrongPoint's solutions continues to be strong. The first quarter of 2022 shows that in-store productivity solutions are in high demand and that only challenging component access holds back even larger growth. Behind the scenes, our e-commerce offering is being continuously improved with hardware and software improvements as well as significant ramp-up investments in sales and marketing resources. Further in the quarter, we have engaged intensively with Air Link Group (ALS) in a due diligence phase, as part of the announced intention to acquire the company, paving the way for a StrongPoint presence in to the UK and Ireland. StrongPoint is delivering its best quarter ever as a Retail Technology focused company. StrongPoint's 'double' opportunity – capitalizing on the opportunity arising from the increased demand for e-groceries and in-store efficiency – continues to be more relevant than ever. I remain, along with my management team, committed and confident in achieving our 2.5 BNOK 2025 ambitions.



Jacob Tveraabak
CEO of StrongPoint

In the first quarter of 2022 we tipped the 300 MNOK turnover mark and achieved our best quarter ever as a Retail Technology focused company, growing a remarkable 21% vs. same quarter last year. The achievement is even more impressive considering negative currency effects, where an adjustment for currency would have resulted in a 24% growth. Furthermore, as component shortages continue to have an effect, we could have seen an additional approximate 15 MNOK revenue, or an additional 6% growth from revenues pushed out to later quarters. The first quarter was positively impacted by in-store efficiency solutions, with continued large-scale rollouts of Electronic Shelf Labels (ESLs) from Pricer and our own proprietary Cash Management solutions.

Our EBITDA in the first quarter was 11.5 MNOK (3.8%), down from 13.6 MNOK (5.5%) the same quarter last year, impacted by considerable, continued investments in sales, marketing and product development within E-commerce and key in-store productivity solutions as well as costs associated with the acquisition of ALS. In total, we estimate these higher costs to be in the order of magnitude of 7 MNOK. High sales of ESLs with lower margins than proprietary solutions also contribute to the margin decline.

The first quarter results tell a story about a resilient business that is growing very strongly in its traditional in-store productivity solutions, led by our operations in Norway and a rejuvenated Spain. It also tells a story of a company with a large upside potential within E-commerce logistics. Not only is there a top line potential, but also a significant bottom line potential as margins reaped by StrongPoint are typically higher in this area, as many of the solutions have significant scale advantages. Although this quarter's strong revenue growth of in-store solutions contributed to a relative decline of revenue of E-commerce to only 6%, the relatively low contribution from E-commerce does not reflect the activity and interest level in this space. I expect the contribution from our E-commerce solutions area to be a lot stronger going forward, with pilots and customer interest continuing to be very high.

The Russian attack on Ukraine cannot be left unspoken. StrongPoint strongly condemns the Russian Authorities' unlawful and horrendous acts of violence against Ukraine and its people. Following the divestment of our Cash Security business at the end

of 2020, StrongPoint does not have any business activities in Russia. Our Baltic operations have had a handful of Ukrainian software contractors supporting our business, and all of these employees including their families have been offered permanent positions in the Baltics. In addition, company-wide donation campaigns, with StrongPoint matching personal donations, have contributed to financial assurance of the above-mentioned contractors and families as well as recognized aid organizations operating in Ukraine and the neighboring countries.

In the quarter we welcomed two new members to StrongPoint's Executive Management Team (EMT), Chris Mackie and Magnus Rosén. Chris is now leading our E-commerce sales efforts and brings a wealth of experience in the area. Magnus now leads our Swedish operations as well as our E-commerce product development. With extensive past experience from ICA e-commerce it is difficult to envisage anyone with a better fit to take the helm following Göran Thörn's well deserved retirement.

In February, we announced the intention to acquire Air Link Group. Our team and advisors have, and are continuing to, conduct the necessary due diligence of the company. In due time, I believe that getting ALS as a part of the StrongPoint family will be a great success and a highly value creating acquisition.

Having commented on our Spanish operations throughout last year as we have undergone a significant turnaround of our operations in the country, I am pleased to announce a topline growth rate of more than 50% with a close-to break-even result in the first quarter of 2022. Whereas much work remains to build the organization and business we want in Spain, this certainly is a big step in the right direction.

The future remains bright and promising, and I am confident about our success in the future. We continue to see that our solutions are attracting attention from grocery retailers in our target markets attracted by our world-class proprietary and partner solutions. We continue to ramp our team and required resources to execute on our aligned and communicated strategy. As more and more grocery retailers discover our solutions, I believe we can be optimistic in achieving our 2025 strategic ambitions.

Stay safe and strong!

Highlights 1st quarter

Record revenue despite impact from global component shortages

Financial figures

- Revenue growth 21% to 300.7 MNOK (249.3), best quarter ever for the continued operations (Retail Technology), with a very strong development in Norway and Spain
- EBITDA at 11.5 MNOK (13.6), influenced by substantial continued development in e-commerce R&D, Sales and marketing, in addition to cost related to due diligence of Air Link Group Ltd in UK and Ireland
- Cash flow from operational activities 11.9 MNOK (21.6) and disposable funds of 295.3 MNOK

Continued customer success in priority areas

- Salling Group, the largest grocery retailer in Denmark, ordered additional grocery lockers
- Agreement with Palink (part of REWE Group) for self-checkout solutions in the Baltics
- Framework agreement with SPAR International as a Preferred Supplier for e-commerce solutions

Further progress on 2025 strategic ambitions

- The Spanish operation achieved a close to break even EBITDA in Q1 2022
- Two new members was appointed to Executive Management Team: Chris Mackie as SVP E-commerce and Magnus Rosén as SVP and MD Sweden
- StrongPoint signed an exclusive, non-binding term sheet to acquire 100% of the shares in Air Link Group Limited in UK and Ireland

Key figures (MNOK)

	Q1 2022	Q1 2021	Year 2021
Revenue	300.7	249.3	981.3
EBITDA	11.5	13.6	53.6
EBITDA margin	3.8%	5.5%	5.5%
Operating profit (EBIT)	4.8	7.5	27.5
Ordinary profit before tax (EBT)	3.5	8.6	25.9
Cash flow from operational activities	11.9	21.6	225.5
Cash flow from operational activities ex discontinued operations	11.9	19.3	55.7
Disposable funds	295.3	149.4	274.2
Earnings per share from continued operations (NOK)	0.07	0.19	0.51
Earnings per share from continued operations, adjusted	0.11	0.23	0.67
Earnings per share included discontinued operations (NOK)	0.07	0.23	4.32

StrongPoint Group

StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient.

Revenue MNOK	Q1		Year
	2022	2021	2021
Nordics	214.5	172.3	695.5
Rest of Europe incl. R&D	86.2	80.0	293.1
ASA/Elim	-	-3.2	-7.2
Total	300.7	249.3	981.3

EBITDA MNOK	Q1		Year
	2022	2021	2021
Nordics	17.6	18.1	77.0
Rest of Europe incl. R&D	5.0	5.7	14.6
ASA/Elim	-11.1	-10.2	-38.0
Total	11.5	13.6	53.6
Number of employees	418	390	400

Record revenue despite impact from global component shortages

The total revenue increased by 20.6% compared with same quarter last year, and the best quarter ever for the continued operations (Retail Technology). Norway and Spain increased their revenue by 63% and 52%, respectively, compared to the same quarter last year. Although overall revenue growth was solid, it was still negatively influenced by unfavorable foreign currency exchange rate development and the ongoing shortage of components for payment solutions. The EBITDA declined with 2.1 MNOK, and the EBITDA margin declined to 3.8% (5.5%) following the ongoing investments in e-commerce R&D, sales and marketing and also accrued cost for the ongoing due diligence of Air Link Group Ltd. Ongoing investments consists of planned activities supporting the ambitions in the 2025 strategy. Along with the accrued acquisition expenses, the total cost increase amounts to 7 MNOK compared to same quarter last year. The EBITDA was also negatively affected by the component shortages and foreign currency. Number of employees increased by 28 compared to Q1 last year, with a majority hired within e-commerce.

StrongPoint introduces two new reporting segments: Nordics and Rest of Europe including R&D. The Nordics represents the operating units in Norway and Sweden, while Rest of Europe including R&D represents all other geographic operating units including partners. Group R&D activities are presented as part of the "Rest of Europe" reporting segment.

Continued customer success in priority areas

The largest grocery retailer in Denmark, Salling Group, ordered additional grocery lockers as well as adding modules to their current locker installations from StrongPoint for their Føtex chain. Following the success of the first roll-out, Salling Group decided to install StrongPoint grocery lockers at eight new locations and add additional capacity to their existing units as they continue to expand their e-grocery pickup offer.

StrongPoint signed a new agreement with the retail chain Palink (part of REWE Group) to supply and install self-checkout solutions for around 2 MEUR. Palink, that is managing "IKI" brand stores in Lithuania, has actively expanded its self-checkout network already for several years. The estimated value of the agreement is around EUR 2 million, excluding the revenue of installation and future technical support.

StrongPoint was chosen by SPAR International as a Preferred Supplier for e-commerce order picking, click and collect e-commerce and in-store cash management solutions. SPAR International is one of the most recognized grocery retail brands with over 13,500 stores in 48 countries across four continents. The framework agreement gives the SPAR Partners in the SPAR network easier access to certain StrongPoint solutions via their internal intranet.

Further progress on 2025 strategic ambitions

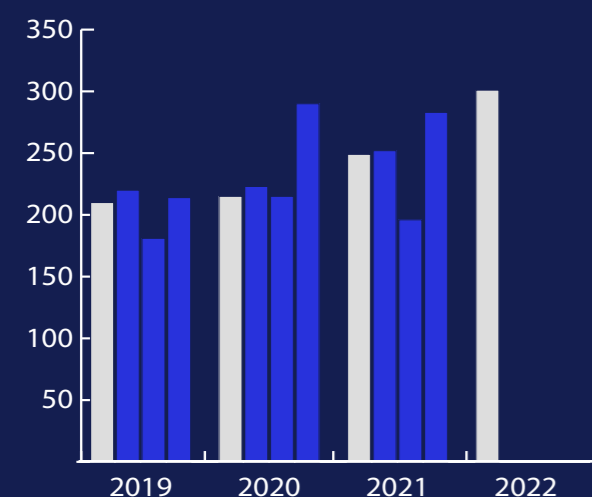
The Spanish operations managed to achieve almost break-even results in Q1 2022, despite delays from component situation and a long-lasting strike in the Spanish transport sector. The market has started to pick up after a long period with restrictions following the pandemic. The local management is working consistently to both recruit new employees within sales and marketing and to increase sales to the grocery retail market.

During the quarter, two new members were appointed to the Executive Management Team: Chris Mackie as SVP E-commerce and Magnus Rosén as SVP and MD Sweden.

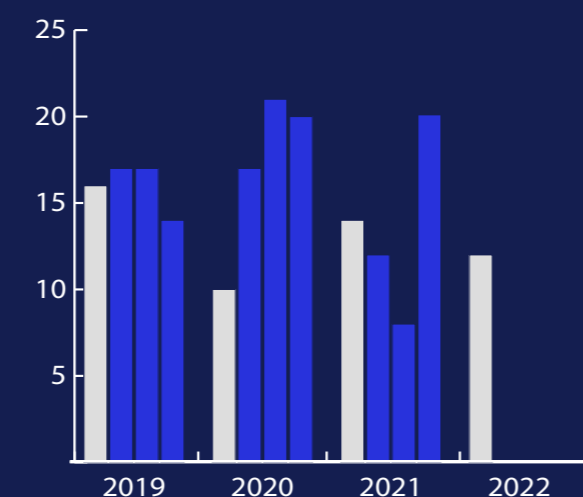
On February 14, a non-binding term sheet to acquire 100% of the shares in Air Link Group Limited (Air Link) was signed. Air Link is a retail solutions company that provides construction services, grocery lockers, self-checkouts, vending systems and queue management systems to grocery retailers. The ongoing Due Diligence and negotiation of the share purchase agreement are progressing with an aim to conclude within short.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



2025 Strategic ambition

StrongPoint has a strategic ambition to achieve NOK 2.5 billion in revenues and EBITDA margins of 13-15% by 2025.

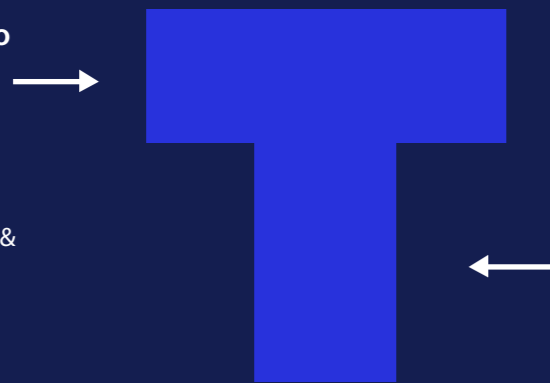
StrongPoint's world class retail technology solutions for increasing in-store efficiency and e-commerce technology for online order picking and last mile solutions have a double opportunity to meet two key global trends affecting grocery retailers. Firstly, the pressure on brick and mortar retailers' margins means that grocery retailers need to find ways to increase in-store productivity to boost profitability. Secondly, the pressure to develop an online presence, grow their market share and reduce costs means they need highly efficient order fulfilment solutions and provide multiple last-mile delivery and pick-up options. These two key industry trends have only been accelerated by the global demand for online groceries during the global Covid-19 pandemic.

To respond to the changes in the industry following the events of 2020, StrongPoint has updated its strategy to achieve its 2025 ambitions.

Our T-shaped strategy to create a BNOK 2.5 Retail Technology company

World-class solutions to selected markets

- E-Commerce Logistics Suite (Picking, Micro-Fulfillment centers, Last Mile Solutions and Click & Collect lockers)
- Self-Checkout
- Cash Management
- Halodi Humanoid Robot



Deep in core markets

- Norway
- Sweden
- Baltics
- Spain

StrongPoint's financial ambitions

BNOK 2.5 in 2025

EBITDA 13-15%

StrongPoint Solutions

In-store

In-store Productivity

- Pricer Electronic Shelf Labels
- ShopFlow Logistics *
- Digi Scales and Wrapping Systems
- Reflexis Task and Labour Management

Payment Solutions

- CashGuard Cash Management *

Check Out Efficiency

- Self-Checkout *
- Self-Scanning
- Vensafe Sales Automation *

Retail Management

- POS Systems
- Commerce Management System



Online

Grocery Picking

- Order Picking solution *
- AutoStore Micro-Fulfillment centers

Last mile

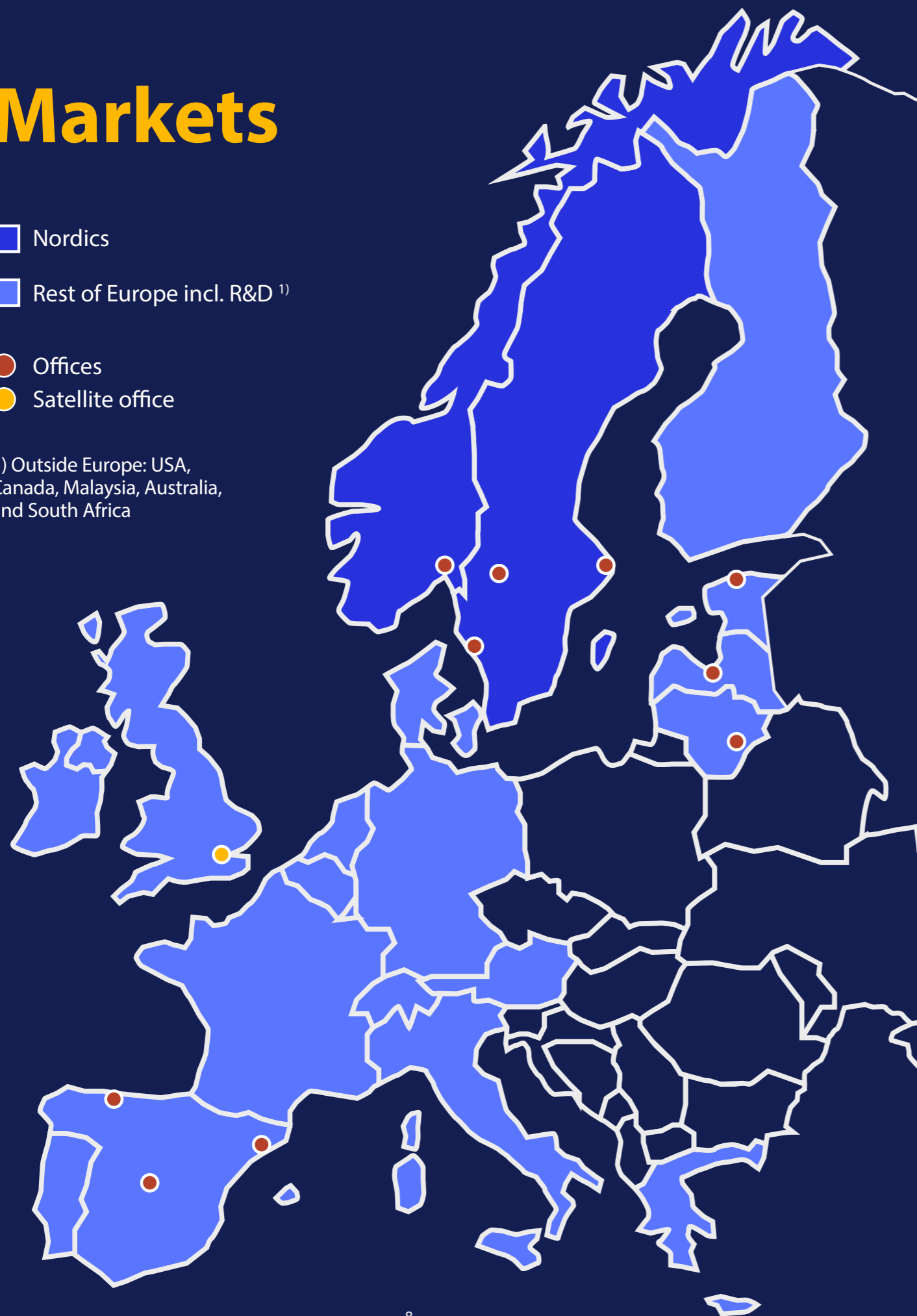
- Click & Collect Lockers *
- Drive-thru *
- Pick-up in-store *
- Home delivery with route optimization

* Proprietary technologies

Markets

- Nordics
- Rest of Europe incl. R&D ¹⁾
- Offices
- Satellite office

1) Outside Europe: USA, Canada, Malaysia, Australia, and South Africa



Nordics

The new reporting segment Nordics currently consist of the operating business units in Norway and Sweden. The revenue and EBITDA figures are consistent with the internal reporting structure to the Board of Directors and executive management.

MNOK	Q1		Year
	2022	2021	2021
- Norway	127.8	78.3	361.6
- Sweden	86.7	94.1	333.9
Total Revenue	214.5	172.3	695.5
EBITDA	17.6	18.1	77.0
- In %	8.2%	10.5%	11.1%
EBT	14.9	15.3	66.0
- In %	7.0%	8.9%	9.5%

The reporting segment increased by 25.7% compared to the same quarter last year, with a significant growth in Norway and a decline in Sweden. The growth came in majority from increased sale of Electronic Shelf Labels and Cash Management solutions in Norway, while the reduced sale of e-commerce (mainly Click & Collect lockers) contributed to the decline in Sweden. The EBITDA and EBT was on the same level as Q1 last year.

Norway

MNOK	Q1		Year
	2022	2021	2021
Product Sales	97.5	51.7	247.6
Service	30.3	26.6	114.1
Revenue	127.8	78.3	361.6

The revenue in Norway increased by 63.2% compared to the same quarter last year. Installation of Pricer ESL to large retail chains and CashGuard rollout to NorgesGruppen were the main contributors to the growth, contributing to an 88.7% growth in product sales. Approximately 70% of the announced ESL contracts for NorgesGruppen and COOP have been installed. The global constraints on components affected the sale of Cash Management solutions in Q1 by 3.5 MNOK. The business expects additional delay in the installation of CashGuards as the shortage of component situation continues.

Sweden

MNOK	Q1		Year
	2022	2021	2021
Product Sales	53.4	58.7	195.0
Service	33.3	35.4	138.9
Revenue	86.7	94.1	333.9

The revenue in Sweden declined by 7.9% compared to the same period last year, adjusted for currency the revenue increased by 0.8%. Sale and installation of Pricer ESL grew by almost 30% in the quarter. The e-commerce sale declined by 64% in the quarter compared to last year, driven by very high installations of Click & Collect lockers in Q1 last year. Sweden has the highest installed base of lockers with 225 lockers in operation.



Rest of Europe incl. R&D

The new reporting segment Rest of Europe consists of the operating business units in the Baltics and Spain, in addition to partner sales in the rest of Europe and Africa. The ongoing R&D costs for own products have been allocated to this area as the outcome for the activities is to enable international sales outside the Nordics (top of the “T” in the strategy plan). The revenue and EBITDA figures are consistent with the internal reporting structure to the Board of Directors and executive management.

MNOK	Q1		Year
	2022	2021	2021
- Baltic	44.3	57.6	190.1
- Spain	22.7	14.9	67.5
- Rest of Europe	19.2	7.5	35.4
Total Revenue	86.2	80.0	293.1
EBITDA	5.0	5.7	14.6
- In %	5.8%	7.1%	5.0%
EBT	1.5	1.9	-1.9
- In %	1.8%	2.4%	-0.7%

Baltics

MNOK	Q1		Year
	2022	2021	2021
Product Sales	20.6	43.3	109.4
Service	23.7	14.3	80.7
Revenue	44.3	57.6	190.1

The business in the Baltics declined by 23.2% in the quarter compared to the same quarter last year. The service revenue grew by 65.6% as there have been several software development projects this quarter. Last year's product revenue was high due to a large rollout SCO project. The reporting segment announced a new order of self-checkouts to IKI of 2 MEUR in revenue not including installation and service, installation of this order will start in Q2. In the quarter, the main activities have been within development, installation and support on POS and ERP software projects.

Spain

MNOK	Q1		Year
	2022	2021	2021
Product Sales	18.2	11.0	53.7
Service	4.4	3.9	13.8
Revenue	22.7	14.9	67.5

The Spanish revenue grew by 52.2% from the same quarter last year and continues the positive trend from Q4 last year. The main customer market continues to be the horeca segment which is picking up from the pandemic but not fully recovered yet. The revenue was also negatively affected by the shortage of components (combo cards) and a truck transport strike in March. More than 20% of the cash management installations done in Q1 2022 was on a rental contract. The local organization has focused on cost control and managed to achieve almost break-even EBITDA in the period. There are recruitment, sales and marketing activities ongoing to improve StrongPoint's market position.

Partners

MNOK	Q1		Year
	2022	2021	2021
Product Sales	18.7	7.5	32.5
Service	0.5	0.0	3.0
Revenue	19.2	7.5	35.4

Bullion IT ordered 250 CashGuard units in September last year to be delivered during first half of 2022, and only 1/5 of that was delivered on this order this period due to the ongoing shortage of components. The shortage of components is expected to continue, hence pushing the delivery of this order out in quarters beyond Q2.



Retail Technology

In-store Productivity

MNOK	Q1		Year
	2022	2021	2021
Product Sales	105.8	67.9	283.9
Service	22.4	18.9	82.0
Revenue	128.3	86.8	365.9

A substantial part of the growth in Q1 2022 comes from installation of Pricer Electronic Shelf Labels in the Nordics. The product sale for in-store productivity grew by 56% compared with the same quarter last year, where of Norway contributes most to the growth but also Sweden had a good quarter compared to Q1 2021. The announced large orders in Norway have reached an installation rate of approx. 70%.

Payment Solutions

MNOK	Q1		Year
	2022	2021	2021
Product Sales	51.1	21.1	102.3
Service	30.3	29.0	122.2
Revenue	81.4	50.0	224.5

Despite the ongoing challenges in the global supply of combo cards, the Payment Solutions segment grew by 62.7% in the period. StrongPoint use the financial capacity to pre-produce the cash management systems as far as possible to reduce time to delivery when the suppliers manage to purchase the items with low availability. The Norwegian and South African cash management business more than doubled in the quarter, while the Spanish operation grew by approx. 50% compared to last year. The component situation affected the revenue by around 15 MNOK on orders not delivered. The quarter-to-quarter delay will maintain as long as the component situation exists in the market.

Check Out Efficiency

MNOK	Q1		Year
	2022	2021	2021
Product Sales	24.1	45.3	116.1
Service	8.9	7.2	34.2
Revenue	33.0	52.4	150.3

Check Out Efficiency decreased by 37.3% compared to the same quarter last year, as especially the Baltic business had a large roll-out of self-checkout during first quarter 2021. The increased service revenue reflects that the number of active units have increased.

Other retail technology

MNOK	Q1		Year
	2022	2021	2021
Product Sales	19.3	16.2	62.2
Service	19.2	12.7	50.9
Revenue	38.5	28.9	113.1

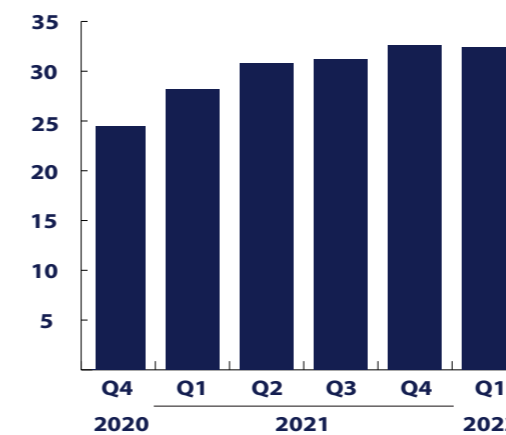
Other retail technology, mainly software projects in the Baltics, increased by 33.2% in the period. The revenue consists of both software, services, and hardware deliveries, both from recurring operation and development projects, for the large grocery retailers in Lithuania.

E-commerce logistics

MNOK	Q1		Year
	2022	2021	2021
Product Sales	8.9	20.4	64.9
Service	10.6	10.7	43.2
Revenue	19.5	31.1	108.1

The e-commerce logistics segment declined by 37.3% compared to the same quarter last year. Rolling 12 months recurring revenue was maintained at the same level as last quarter, so the decline comes from reduced installation of Click & Collect lockers.

Rolling 12 months recurring revenue (MNOK)



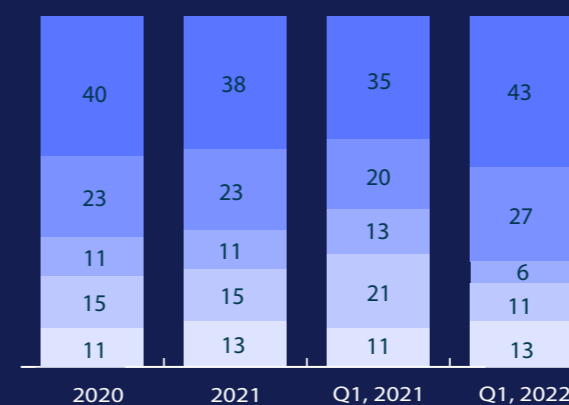
Technology and R&D update

During the corona pandemic, StrongPoint's products have ensured that retailers have been able to quickly handle an extreme increase in e-commerce volumes with efficiency, profitability and customer satisfaction. During Q1, there was a temporary reduction in the growth rates of e-commerce driven by the post pandemic reopening of the society. This has also led to fewer installations of Click & Collect lockers in the quarter. E-commerce is assumed to continue to grow with double-digit numbers in the coming years and thus customers' demands for efficient solutions that create customer value and long-term profitability will increase.

The development of the new generation G3 platform continues at an unabated pace with, for example, integration with Autostore's micro fulfillment centers (MFC), expanded Click & Collect opportunities, better transparency in the order flow for the consumer and further improved efficiency in the store pick. During Q1 2022 a functionality was launched, that makes it possible for customers to handle orders with extremely short delivery times (Q-commerce). The influx of new customers on the G3 platform is going according to plan, and during Q1 2022 several new Swedish and international customers was enrolled.

StrongPoint Group

Relative share of revenue per segment (%)



Segments

- In-store Productivity
- Payment Solutions
- E-commerce logistics
- Check Out Efficiency
- Other retail technology



Chris Mackie, SVP E-commerce

Tell us a bit about yourself

I have over 20 years experience working for global software companies including extensive experience working with leading grocery retailers. In fact I started my career working for the grocery retailer ASDA in the UK as a department store manager.

I next worked for a WMS vendor for 15 years. My first project was the implementation of their system for Ocado who started their commercial Grocery delivery service in 2002 using the software to pick, pack and despatch their orders.

During those 15 years my teams and I implemented numerous warehouse management and workforce management systems for Grocers and ecommerce retailers. I saw first-hand the impact a well-designed picking and packing dialogue can have on productivity and profitability.

What made you want to join StrongPoint?

I was amazed by the potential impact of StrongPoint's technologies in markets where we haven't been before – or are still scaling up. It's the attention to details and all the countless micro-adjustments that the team has made over the years where the magic lies. I want to help bring to market an amazing solution suite and have real impact on grocery retailers' bottom line.

What are the key trends for grocery retailers?

Firstly, there is a shift towards smaller assortments and less variety. When lockdowns first hit, the simple challenge of feeding people required retailers to focus on the essentials. The shift to online has taught consumers to make better lists, and online shopping's algorithms and instant carts again narrow what we buy.

Secondly, there is a focus on speed and safety redefining how convenience is understood. The pandemic has changed our perception of safety and it has accelerated the rollout of self-service checkouts, digital payments, and payment apps. Overall, there is an accelerated shift towards a cash-free economy.

Thirdly we are seeing an evolution of store models. The adoption of e-commerce in groceries is impacting store size, store layouts and leading to the repurposing of less profitable stores into dark stores.



Chris Mackie

Magnus Rosén, SVP and MD Sweden

Tell us a bit about yourself

I have spent my entire career with business and technology development in retail and then mainly for the grocery industry. From the time I started at Statoil in the 1990s via the grocery retailer ICA Sweden where I worked in both the IT and development of their e-commerce offer for many years.

What made you want to join StrongPoint?

I have known StrongPoint for a long time as they are one of the leading players in Sweden in retail technology and solutions for e-commerce. The choice to start at StrongPoint felt obvious, they are going forward and investing and have a clear strategy for growth in their sector. This is the start of an exciting new journey!

How do you see you can leverage your e-grocery experience?

Physical and digital commerce is developing at an ever-faster pace. The change is made possible by new technology and it is driven by new customer expectations and behaviors.

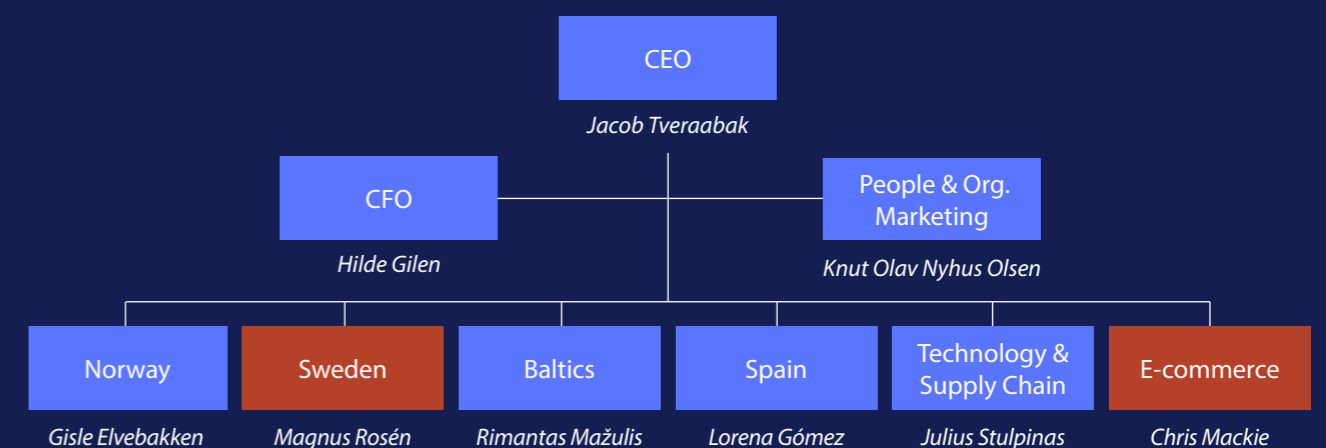
Not least in the e-commerce of groceries where the change was accelerated during the pandemic and completely new customer groups started shopping online. With my experience in retail, and then especially the grocery trade, I have good insights into the consumer's needs and driving forces and a deep understanding of the reality of stores and retailers.



Magnus Rosén

Executive Management Team

Two new members



Cash flow and equity

After the sale of both Cash Security (2020) and Labels (2021) reporting segments the Group has a net positive cash position. Cash flow from operational activities in the first quarter was 11.9 MNOK (21.6).

Disposable funds were 295.3 MNOK (149.4) per March 31, 2022, of which 100 MNOK was available credit facility. The net interest-bearing debt decreased by 25.3 MNOK compared to the end of the last quarter and ended with a positive net cash position of 141.5 MNOK.

The Group's holding of own shares at the end of the first quarter amounted to 637,451, which represents 1.4 per cent of the outstanding shares.

The Group has shareholder programs for the board of directors, the Group executive management and the employees. 57,266 shares have been distributed so far in 2022 (166,157 in the year 2021).

StrongPoint has a long-term incentive program for management and key employees. More information on the program can be found in note 7.

The Board will propose a dividend of NOK 0.80 per share at the Annual General Meeting April 28, 2022.

Accounting year	General meeting	Dividend per share
2021	28.04.2022 Proposed	0.80
2020	28.04.2021	0.70
2019	22.10.2020	0.60
2018	26.04.2019	0.55
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

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the first quarter 2022, including comparative consolidated figures for the first quarter 2021. 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 first quarter 2022 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 31 March 2022 and 31 March 2021. 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 27 April 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tefpers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Consolidated income statement

KNOK	Q1 2022	Q1 2021	Chg. %	YTD 2022	YTD 2021	Chg. %	Year 2021
Operating revenue	300 679	249 255	20.6%	300 679	249 255	20.6%	981 339
Cost of goods sold	184 688	144 975	27.4%	184 688	144 975	27.4%	560 104
Payroll	68 129	65 729	3.7%	68 129	65 729	3.7%	255 147
Share based compensation	1 439	1 305	10.2%	1 439	1 305	10.2%	6 178
Other operating expenses	34 919	23 639	47.7%	34 919	23 639	47.7%	106 285
Total operating expenses	289 174	235 649	22.7%	289 174	235 649	22.7%	927 714
EBITDA	11 505	13 606	-15.4%	11 505	13 606	-15.4%	53 625
Depreciation tangible assets	5 000	4 242	17.9%	5 000	4 242	17.9%	18 718
Depreciation intangible assets	1 751	1 906	-8.2%	1 751	1 906	-8.2%	7 403
EBIT	4 754	7 458	-36.3%	4 754	7 458	-36.3%	27 504
Interest expenses	80	514	-84.4%	80	514	-84.4%	1 596
Other financial expenses/currency differences	1 234	-1 552	179.5%	1 234	-1 552	179.5%	184
Profit from AC, Service companies	74	78	-5.3%	74	78	-5.3%	175
EBT	3 514	8 575	-59.0%	3 514	8 575	-59.0%	25 899
Taxes	343	268	27.8%	343	268	27.8%	3 542
Profit from continued operations	3 171	8 307	-61.8%	3 171	8 307	-61.8%	22 357
Profit after tax from discontinued operations	-	1 775	-	-	1 775	-	168 418
Profit/loss after tax	3 171	10 081	-68.5%	3 171	10 081	-68.5%	190 775
Earnings per share							
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	43 723 395	44 307 119		43 723 395	44 307 119		44 190 919
Av. number of shares diluted- own shares	45 623 395	45 457 119		45 623 395	45 457 119		46 265 919
EPS from continued operations	0.07	0.19		0.07	0.19		0.51
EPS included discontinued operations	0.07	0.23		0.07	0.23		4.32
Diluted EPS from continued operations	0.07	0.18		0.07	0.18		0.48
Diluted EPS incl. discontinued operations	0.07	0.22		0.07	0.22		4.12
EBITDA per share from continued operations	0.26	0.31		0.26	0.31		1.21
EBITDA per share incl. discontinued operations	0.26	0.44		0.26	0.44		1.56
Diluted EBITDA per share from continued operations	0.25	0.30		0.25	0.30		1.16
Diluted EBITDA per share incl. discontinued operations	0.25	0.43		0.25	0.43		1.49
Total earnings							
Profit/loss after tax	3 171	10 081	-68.5%	3 171	10 081	-68.5%	190 775
Exchange differences on foreign operations	-9 117	-22 682	59.8%	-9 117	-22 682	59.8%	-19 400
Total earnings	-5 947	-12 600	52.8%	-5 947	-12 600	52.8%	171 375

Consolidated balance sheet

KNOK	31.03.2022	31.03.2021	31.12.2021
ASSETS			
Intangible assets	27 542	37 376	30 371
Goodwill	120 347	142 288	124 641
Tangible assets	19 786	26 094	19 031
Right-of-use assets	38 216	52 956	43 241
Long term investments	4 916	5 779	4 775
Other long term receivables	856	22 372	15 622
Deferred tax	16 844	11 339	17 240
Non-current assets	228 508	298 205	254 921
Inventories	177 159	138 838	211 256
Accounts receivables	213 025	196 324	175 627
Prepaid expenses	24 472	20 950	16 646
Other receivables	6 511	10 078	13 885
Bank deposits	195 282	49 432	174 198
Current assets	616 449	415 622	591 612
TOTAL ASSETS	844 957	713 827	846 533
EQUITY AND LIABILITIES			
Share capital	27 513	27 513	27 513
Holding of own shares	-395	-52	-364
Other equity	465 082	328 521	471 041
Total equity	492 200	355 983	498 190
Long term interest bearing liabilities	10 923	11 247	11 236
Long term lease liabilities	29 736	30 063	25 972
Deferred tax liabilities	8 786	7 843	8 720
Total long term liabilities	49 445	49 153	45 928
Short term interest bearing liabilities	4 630	6 661	4 768
Short term lease liabilities	8 530	24 747	16 086
Accounts payable	102 564	62 423	101 969
Taxes payable	7 069	15 112	11 717
Other short term liabilities	180 518	199 749	167 874
Total short term liabilities	303 312	308 692	302 415
TOTAL EQUITY AND LIABILITIES	844 957	713 827	846 533

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Share Option Program	Other equity	Total equity
Equity 31.12.2020	27 513	-52	351 262	66 252	440	-79 355	366 059
Purchase/sale of own shares		-313				-13 322	-13 635
Dividend 2020						-31 050	-31 050
Share Option Program					5 441		5 441
Profit this year after tax						190 775	190 775
Other comprehensive income and expenses				-19 400			-19 400
Reclassification discontinued operations				-11 028		11 028	-
Equity 31.12.2021	27 513	-364	351 262	35 824	5 881	78 076	498 190
Purchase/sale of own shares						-1 186	-1 186
Dividend 2020						-	-
Share Option Program					1 143		1 143
Profit this year after tax						3 171	3 171
Other comprehensive income and expenses				-9 117			-9 117
Equity 31.03.2022	27 513	-364	351 262	26 706	7 024	80 061	492 200

Statement of cash flow

KNOK	Q1 2022	Q1 2021	YTD 2022	YTD 2021	Year 2021
Ordinary profit before tax continued operations	3 514	8 575	3 514	8 575	25 899
Ordinary profit before tax discontinued operations	-	2 246	-	2 246	169 755
Net interest	80	662	80	662	1 935
Tax paid	-4 389	-1 089	-4 389	-1 089	-17 856
Share of profit, associated companies	-74	-78	-74	-78	-175
Ordinary depreciation	6 751	9 650	6 751	9 650	33 431
Profit / loss on sale of fixed assets	-	-743	-	-743	-793
Change in inventories	29 392	-1 460	29 392	-1 460	-74 046
Change in receivables	-40 851	14 065	-40 851	14 065	34 601
Change in accounts payable	2 961	-16 924	2 961	-16 924	22 673
Change in other accrued items	14 466	6 671	14 466	6 671	30 057
Cash flow from operational activities	11 851	21 575	11 851	21 575	225 483
Payments for fixed assets	-1 944	-2 467	-1 944	-2 467	-8 794
Investments in other companies	-67	-4 001	-67	-4 001	-3 001
Payment from sale of fixed assets	-	739	-	739	738
Net effect acquisitions previous years	-	-	-	-	-4 200
Net effect divestment	19 641	-	19 641	-	199 888
Dividends received from associated companies	-	-	-	-	100
Interest income	324	36	324	36	300
Cash flow from investment activities	17 954	-5 693	17 954	-5 693	185 033
Purchase/sale of own shares	-1 186	1 864	-1 186	1 864	-13 635
Change in long-term debt	-3 985	-33 913	-3 985	-33 913	-55 598
Change in overdraft	-2 389	-7 989	-2 389	-7 989	-208 080
Interest expenses	-404	-698	-404	-698	-2 235
Dividend paid	-	-	-	-	-31 050
Cash flow from financing activities	-7 965	-40 735	-7 965	-40 735	-310 598
Net change in liquid assets	21 840	-24 853	21 840	-24 853	99 917
Cash and cash equivalents at the start of the period	174 198	75 007	174 198	75 007	75 007
Effect of foreign exchange rate fluctuations on foreign currency deposits	-757	-722	-757	-722	-727
Cash and cash equivalents at the end of the period	195 282	49 432	195 282	49 432	174 198
Cash and cash equivalents at the end of the period discontinued operations	-	52 689	-	52 689	-
Cash and cash equivalents at the end of the period continued operations	195 282	-3 258	195 282	-3 258	174 198

Key figures

KNOK	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	YTD 2022	YTD 2021
Income statement							
Operating revenue continued operations	300 679	284 181	196 363	251 539	249 255	300 679	249 255
EBITDA continued operations	11 505	20 062	7 953	12 003	13 606	11 505	13 606
EBITA continued operations	6 505	14 499	3 316	7 728	9 364	6 505	9 364
Operating profit EBIT continued operations	4 754	12 782	1 409	5 856	7 458	4 754	7 458
Ordinary profit before tax (EBT) continued operations	3 514	10 889	-452	6 887	8 575	3 514	8 575
Profit/loss after tax continued operations	3 171	9 513	-345	4 895	8 307	3 171	8 307
EBITDA-margin	3.8%	7.1%	4.1%	4.8%	5.5%	3.8%	5.5%
EBT-margin	1.2%	3.8%	-0.2%	2.7%	3.4%	1.2%	3.4%
Balance sheet							
Non-current assets	228 508	254 921	240 026	243 316	298 205	228 508	298 205
Current assets	616 449	591 612	583 570	506 258	415 622	616 449	415 622
Total assets	844 957	846 533	823 596	749 573	713 827	844 957	713 827
Total equity	492 200	498 190	503 772	336 192	355 983	492 200	355 983
Total long term liabilities	49 445	45 928	42 804	38 313	49 153	49 445	49 153
Total short term liabilities	303 312	302 415	277 020	375 068	308 692	303 312	308 692
Working capital	287 620	284 913	261 191	244 143	272 739	287 620	272 739
Equity ratio	58.3%	58.9%	61.2%	44.9%	49.9%	58.3%	49.9%
Liquidity ratio	203.2%	195.6%	210.7%	135.0%	134.6%	203.2%	134.6%
Net interest bearing debt	-141 462	-116 136	-136 145	49 346	23 285	-141 462	23 285
Net leverage multiples	-2.75	-2.17	-2.55	0.74	0.15	-2.75	0.15
Cash Flow							
Cash flow from operational activities	11 851	6 975	180 605	16 327	21 575	11 851	21 575
Net change in liquid assets	21 840	-11 695	162 580	-26 115	-24 853	21 840	-24 853
Share information							
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	43 723 395	44 016 397	44 172 852	44 270 702	44 307 119	43 723 395	44 307 119
EBT per shares continued operations	0.08	0.25	-0.01	0.16	0.19	0.08	0.19
Earnings per share continued operations	0.07	0.22	-0.01	0.11	0.19	0.07	0.19
Earnings per share, adjusted *	0.11	0.26	0.04	0.15	0.23	0.11	0.23
Equity per share	11.26	11.32	11.40	7.59	8.03	11.26	8.03
Dividend per share	-	-	-	0.70	-	-	-
Employees							
Number of employees (end of period)	418	400	402	399	390	418	390
Average number of employees	409	401	401	397	389	409	389
IFRS 16 effects continued operations							
Reduced OPEX	4 107	4 003	3 658	3 254	3 344	4 107	3 344
Increased depreciation	3 915	3 679	3 518	3 095	3 183	3 915	3 183
Increased interest expenses	192	325	140	158	161	192	161
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	4 107	4 003	3 658	3 254	3 344	4 107	3 344
Cash flow from financing activities	-4 107	-4 003	-3 658	-3 254	-3 344	-4 107	-3 344

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 2021.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2021. The Group financial statements for 2021 were prepared in accordance with the IFRS principles 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 31.12.2021. The quarterly report and the interim financial statements have not been revised by auditor.

Note 3 Segment information

Reporting segments

MNOK	Q1 2022			Q1 2021			Year 2021		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Nordics	214.5	17.6	14.9	172.3	18.1	15.3	695.5	77.0	66.0
Rest of Europe	86.2	5.0	1.5	80.0	5.7	1.9	293.1	14.6	-1.9
ASA/Elim	-	-11.1	-12.9	-3.2	-10.2	-8.6	-7.2	-38.0	-38.2
Total	300.7	11.5	3.5	249.3	13.6	8.6	981.3	53.6	25.9

Operating revenue by product and service

MNOK	Q1 2022		Q1 2021		Year 2021	
	New sales	Service *	New sales	Service *	New sales	Service *
Nordics	151.0	63.5	110.2	62.1	442.7	252.9
Rest of Europe	57.4	28.8	61.8	18.1	195.6	97.5
Elim / ASA	-	-	-3.2	-	-7.2	-
Total	208.3	92.3	169.0	80.2	631.0	350.3

*) Service and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 31 March 2022.

Note 5 Discontinued operations

StrongPoint Labels reporting segment was announced divested in June 2021. The Swedish part of the transaction was closed July 1, and the Norwegian part was closed September 1. Following IFRS, the financial figures for the reporting segments are reported as "Profit from discontinued operations" below tax in the financial statement and removed from the comparison figures in other tables.

P&L from discontinued operations

KNOK	Q1 2021	Year 2021
Operating revenue	46 836	110 144
Cost of goods sold	21 933	53 177
Payroll	14 466	31 766
Other operating expenses	4 540	9 690
Total operating expenses	40 938	94 633
EBITDA	5 898	15 512
Depreciation tangible assets	3 391	7 090
Depreciation intangible assets	111	221
EBIT	2 395	8 201
Interest expenses	148	339
Other financial expenses/currency differences	1	1 495
Profit on sale of discontinued operations	-	163 389
EBT	2 246	169 755
Taxes	472	1 337
Profit from discontinued operations	1 775	168 418

Note 6 Top 20 shareholders per 31 March 2022

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8.86
2	SOLE ACTIVE AS	2 221 717	5.01
3	HSBC BANK PLC	1 976 000	4.45
4	V. EIENDOM HOLDING AS	1 835 009	4.14
5	PERSHING LLC	1 645 684	3.71
6	PICTET & CIE (EUROPE) S.A.	1 641 821	3.70
7	NORDNET BANK AB	1 386 548	3.12
8	AVANZA BANK AB	1 252 247	2.82
9	ZETTERBERG, GEORG (incl. fully owned companies)	1 225 000	2.76
10	RING, JAN	1 021 803	2.30
11	VERDIPAPIRFONDET DNB SMB	908 674	2.05
12	EVENSEN, TOR COLKA	810 000	1.83
13	WAALER AS	780 000	1.76
14	HAUSTA INVESTOR AS	700 000	1.58
15	VERDADERO AS	679 742	1.53
16	STRONGPOINT ASA	637 451	1.44
17	MP PENSJON PK	561 402	1.27
18	JOHANSEN, STEIN	550 000	1.24
19	MORGAN STANLEY & CO. INTERNATIONAL	433 447	0.98
20	NORDA ASA	430 360	0.97
Sum 20 largest shareholders		24 629 997	55.50
Sum 2 562 other shareholders		19 746 043	44.50
Sum all 2 582 shareholders		44 376 040	100.00

Note 7 Share option program

Total costs and Social Security Provisions	2020	2021	Q1 2022	Total
Total IFRS cost	440	5 441	1 143	7 024
Total Social security provisions	36	737	296	1 069
Granted instruments				
Activity	Number of instruments	Weighted Average Strike Price		
Outstanding OB (01.01.2022)	2 075 000	24.14		
Granted	0			
Exercised	- 50 000			
Terminated	- 125 000			
Outstanding CB (31.03.2022)	1 900 000	24.40		
Vested CB	- 212 500	17.31		

Method of valuation:

The fair value of share options granted is estimated at the date of grant using the Black-Scholes-Merton Option Pricing Model. The model uses the following parameters; the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares, and the risk-free interest rate for the life of the option.

Vesting requirements:

The vesting of the options is dependent on the participant still being employed at Strongpoint at the time of the vesting.

Method of settlement:

All StrongPoint ASA options are intended to be settled in equity, but in the event that the Company is not capable of delivering Shares following an exercise of Options, the Company shall fulfil its obligations under this Agreement through a cash-out.

Vesting period:

The options will vest over three years, with ¼ vesting after one year, ¼ after two years, and the remaining 2/4 after three years. The split in vesting underpins the retention ambition of the program. Any non-exercised options expire five years after grant.

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
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITA	Operating profit + amortization of intangible assets
EBIT	Operating profit
EBITDA-margin	EBITDA / operating revenue
EBT	Profit before tax
EBT-margin	EBT / operating revenue
Equity ratio	Book value equity / total assets
Liquidity ratio	Current assets / short term debt
Earnings per share	Profit after tax / number of shares
Diluted	Number of shares minus own shares plus shares granted in share option program
Earnings per share adjusted	Profit after tax + amortization of intangible assets / number of shares
Net leverage multiple	Net Debt / 12 months rolling operating revenue
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Discontinued operations	Divested Cash Security reporting segment December 2020. Divested Labels reporting segment Q3 2021.



StrongPoint