



Q2 and 1st half 2024

Financial report and status

CEO's Perspective

Our second quarter 2024 was difficult. Revenue from our product sale was down across our business units. Even though this was foreseen, and hence additional cost measures were announced following our first quarter results, the decline in revenue from many of our solutions was hard to swallow. However, on the positive side, we have improved both our gross margin, increased our service revenue and our recurring revenue base. To be more specific, we saw a growth in service revenue across all segments except shop fitting, which is predominantly a project based business. Furthermore, we announced the installation of our pilot for our innovative new cash management solution, CashGuard Connect, at the largest grocery retailer in Spain. These are all important achievements and levers to ensure a healthy business forward. As we are entering the second half of a tough financial year this far, we are cautiously positive about improving business performance for the remainder of this year. And equally important, with major customer projects at Sainsbury's and with CashGuard Connect in Spain as announced earlier this year, we anticipate these major wins to open additional opportunities, providing us a prosperous long-term future for StrongPoint.



Jacob Tveraabak
CEO of StrongPoint

Our revenue in the second quarter of 2024 was 297 MNOK, reflecting a 12% decline compared to same quarter in 2023. Product sales were down across our markets, reflecting continued hesitation at large to invest in new products and solutions, whereas service and recurring revenue improved.

Our reported EBITDA for the quarter was -9.1 MNOK (-3%) vs. a positive 2.1 MNOK (1%) same quarter last year. This includes severance payments of 10 MNOK in the quarter following an additional 20 MNOK p.a. cost reduction measures, leaving an EBITDA adjusted for this quarter at slightly positive figures. The cost reduction measures are expected to provide an additional saving on top of the earlier announced cost measures at the end of 2023 (20 MNOK p.a.).

We have taken – and are taking – a number of organizational, cost and commercial measures to both grow our top line as well as to improve our bottom line. The effects from some of these measures have already started to be observed and I expect the measures to reach their full potential in the months and quarters to come.

At the same time, beyond looking at just one quarter, we are making progress with major customer wins with our proprietary products and solutions. The delivery of our Order Picking solution to Sainsbury's announced in first quarter this year is progressing well and already resulting in revenue this quarter. We expect to go live

with the first stores of our solution with Sainsbury's in third quarter. The development of our innovative new CashGuard Connect solution is progressing with the first deployment of the solution live in-store with Spain's largest grocery retailer. In addition, we announced additional sales of our proprietary temperature-controlled Click & Collect grocery lockers to a major grocery retail customer in the US.

As we move into the second half of 2024, I recognize that the uncertainty levels regarding our business performance remain high. Given this uncertainty, I am cautious about promising any certain financial improvement in the short term. However I do not expect the weak market conditions to continue in the medium-term. To summarise, when including the measures we have already taken, I am hopeful about the financial performance for the second half of this year, although the financial performance for the year as a whole will be far from where we aspire to.

In conclusion, I extend my heartfelt thanks to our dedicated StrongPoint team, our valued customers, our partners, and our shareholders for their support in these turbulent times. Together, we will continue to uphold our commitment to providing retail technology in every shopping experience for a smarter and better life.

Stay safe, strong, and passionate!

HIGHLIGHTS

Continued weak 2nd quarter including additional restructuring costs

Financial performance 2nd quarter and first half of 2024

- Revenue declined 12% to 297 MNOK (337) in the second quarter compared to the same quarter last year, while the rolling twelve months recurring revenue increased by 6% to 327 MNOK for the same period. In the first half, the revenue declined by 9% to 656 MNOK (719).
- EBITDA for the quarter ended at -9.1 MNOK (2.1), including non-recurring restructuring personnel costs of 10 MNOK. In the first half, the EBITDA ended at -15.3 MNOK (15.6). Without restructuring costs, EBITDA would have been 0.9 MNOK and -5.3 MNOK respectively for the second quarter and first half of 2024.
- Gross margin improved to 45% (40%) for the quarter and ended at 40% (38%) for the first half, driven by product mix.
- Cash flow from operations was -9.7 MNOK (60.2) for the quarter and 5.6 MNOK (16.0) for the first half.

Continued customer success in priority areas

- A pilot of StrongPoint's new CashGuard Connect solution went live in-store in Spain's largest grocery retailer.
- Leading US grocery retailer increased purchases of StrongPoint grocery lockers as it advances to the next phase of its grocery lockers process.
- Largest grocery retailer in Cyprus, Alphamega, selected StrongPoint as its ESL partner and ordered 37 MNOK of ESLs.

Outlook and long term ambitions

- On the short to near term perspective, the uncertainty in the market continues with cautious customer spend, but the customer interest in our portfolio of solutions remains, making us confident about our market position and strategic direction.
- Long term ambitions of healthy revenue growth and an EBITDA margin of >10%.

Key figures

MNOK	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Revenue	297.2	337.2	656.1	718.6	1,342.4
EBITDA	-9.1	2.1	-15.3	15.6	-1.3
EBITDA margin	-3.1 %	0.6 %	-2.3 %	2.2 %	-0.1 %
EBITDA excluding option cost	-7.6	3.6	-12.3	18.6	5.1
Operating profit (EBIT)	-19.6	-7.3	-36.3	-3.3	-39.4
Ordinary profit before tax (EBT)	-27.6	-1.1	-42.4	6.6	-45.3
Cash flow from operational activities	-9.7	60.2	5.6	16.0	25.2
Disposable funds	65.7	129.6	65.7	129.6	95.2
Earnings per share (NOK)	-0.47	-0.02	-0.73	0.10	-0.77

StrongPoint Group

StrongPoint is a grocery-focused retail tech company that serves customers with products and solutions for in-store and online shopping.

Revenue MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Scandinavia	142.1	160.2	362.0	373.8	636.0
International incl R&D	155.1	176.9	294.2	344.7	706.4
ASA/Elim	-	-	-	-	-
Total	297.2	337.2	656.1	718.6	1,342.4

EBITDA MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Scandinavia	4.3	10.1	23.8	25.3	41.5
International incl R&D	-5.6	0.2	-22.9	6.6	-10.4
ASA/Elim	-7.8	-8.2	-16.2	-16.4	-32.4
Total	-9.1	2.1	-15.3	15.6	-1.3

Number of employees ¹

Q2	YTD	Year
2024	2023	2023
516	519	524

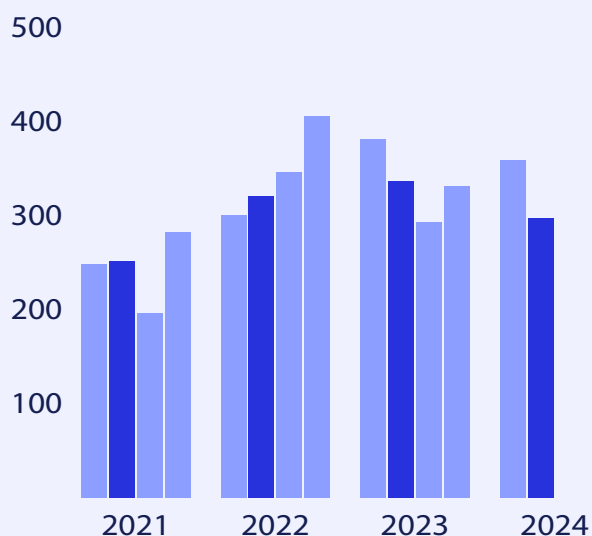
1) This includes 17 employees who were employees as of 30 June 2024, but who will be leaving during 2024 as part of the restructuring process. Moreover, there were six employees added from the acquisition of Hamari in Finland in Q4 2023.

2) The Q4 2023 EBITDA was -20.6 MNOK, including non-recurring restructuring and M&A costs of 7.3 MNOK and write-downs 10.6 MNOK. Excluding these costs, the Q4 2023 EBITDA was -2.7 MNOK.

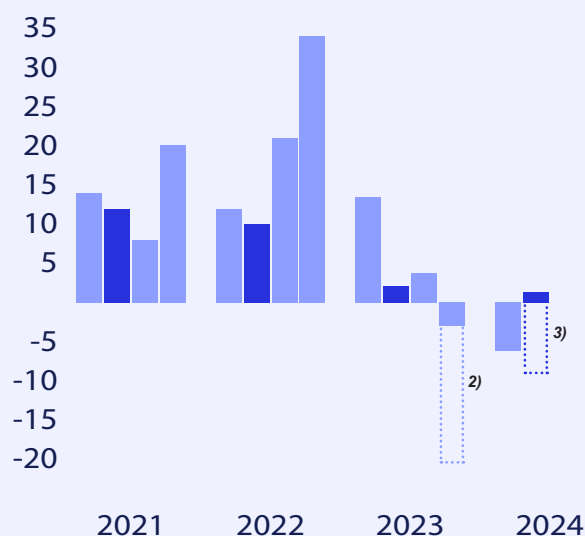
3) The Q2 2024 EBITDA was -9.1 MNOK, which includes restructuring cost and severance pay of 10 MNOK. Excluding these costs, EBITDA was 0.9 MNOK.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Financial performance

For Q2 2024, the total revenue declined by 11.9% compared to the same quarter last year. The segment Scandinavia declined by 11.3% and the segment International declined by 12.4% in revenue compared to the same quarter last year. Overall, the weak market conditions continue, with generally lower customer spending and longer lead times on investment decisions in all regions. In addition, measures to improve and strengthen our teams have been taken, particularly in the UK and in Spain.

In Scandinavia, some large ESL rollouts were completed from the order reserve in Norway, however due to some large deliveries of AutoStore in Norway and ESL in Sweden last year, there is a year-on-year reduction. The International segment saw revenue decline in all regions except for the UK & Ireland, which had a revenue increase of 2.0% for the period. This included increased revenue on Order Picking relating to onboarding preparations for the store rollout for Sainsbury's, starting in H2 2024. For the other regions, revenues declined mainly on CashGuard and Self-Checkout product sales. Finland which was consolidated for the first time in Q4 2023 after closing the acquisition of Brand ID Hamari Group Oy in October 2023, thus not included in the Q2 2023 figures, contributed with 2.9 MNOK.

During the quarter, the gross margin increased from 40.3% to 44.6% year on year, mainly due to product mix with lower product sales and an increase in service revenue from ESL installations in Norway and Order Picking in the UK. Whereas the rollout of the stores is planned to start in H2 2024, professional services and upfront licenses relating to the onboarding, have been delivered. The cost of goods sold is still impacted by higher prices driven by inflation and depreciation of NOK compared to USD and EUR, consequently increasing the purchase price. Mitigation efforts continue to protect and improve the gross margin on both our own products as well as third party products.

Personnel costs were 106.6 MNOK in Q2 2024 compared to 93.0 MNOK the same quarter last year. This includes non-recurring restructuring cost for severance pay of 10 MNOK and the consolidation of Finland with 1.5 MNOK, which was not included in the Q2 2023 figures. For the same period, other operating expenses decreased from 39.5 MNOK to 33.4 MNOK due to the completion of cost reducing measures and a prudent approach to non-critical cost drivers.

The EBITDA decreased to -9.1 MNOK in Q2 2024 (2.1 MNOK) and includes the non-recurring restructuring cost of 10 MNOK. Without this restructuring cost, EBITDA would have been 0.9 MNOK with an EBITDA margin of 0.3% (0.6%).

As of the end of Q2 2024, the net interest-bearing debt was 105.1 MNOK, representing an increase of 28.1 MNOK compared to the end of Q1 2024.

Continued customer success in priority areas

A leading US grocery chain has increased its purchases of StrongPoint Click & Collect grocery lockers as it advances to the next phase of its grocery lockers process. This strategic move underscores the company's commitment to enhancing customer convenience and streamlining operations.

In Cyprus, the largest grocery retailer, Alphamega, selected StrongPoint as its partner for electronic shelf labels (ESL). Alphamega placed an order of 37 MNOK for ESLs in the quarter to be delivered over the next two years.

Additionally, StrongPoint's innovative CashGuard Connect solution now has a pilot gone live in-store at Spain's largest grocery retailer. This deployment marks a key milestone in the adoption of advanced cash management solutions, enhancing operational efficiency and security in the retail sector.

Outlook and long term ambitions

Although an improvement in customer spend and the release of postponed investments are needed, the uncertainty in the market persists. Therefore, we are still cautious about expecting significant improvements in the short-term. Consequently, adjustments have been made to reduce the cost base and will materialize in the second half 2024. From a medium to longer term perspective, the customers' interest in our portfolio of solutions remains. As such, we are confident about our market position and our strategy. Hence, we are fully committed to achieving our long term goals of healthy revenue growth and an EBITDA margin of more than 10%.

StrongPoint’s product-market fit – our ‘double opportunity’

Grocery retailers are facing pressures like never before – in-store and online.

The growth in In-store costs for goods, transportation and labour has recently come down, but is still higher than two-three years ago. This has driven many customers to shop at discounters. In addition, theft in-store is a growing concern for retailers and their staff.

In mature grocery e-commerce markets such as the UK where e-grocery makes up over 10% of the grocery market, profitability is a major challenge and costs continue to surge.

This means that grocery retailers need to find efficiency-savings in-store and online to maintain their already razor-thin margins. As well as ensuring a safe and secure working and shopping environment.

StrongPoint focuses on providing smart retail technologies to grocery retailers to boost profitability in-store and online.

From in-store self-checkouts, electronic shelf labels, cash management solutions to world-class e-commerce fulfilment solutions, StrongPoint solutions cut grocery retailers costs and create outstanding customer experiences.

The StrongPoint double opportunity



StrongPoint Solutions



In-store

In-store Productivity

- ShopFlow Logistics *
- Digi Scales and Wrapping Systems
- Electronic Shelf Labels (ESLs)
- Autonomous Mobile Robots (AMRs)

Payment Solutions

- CashGuard Cash Management *

Check Out Efficiency

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

Retail Management

- POS Systems
- Commerce Management System

Shop Fitting

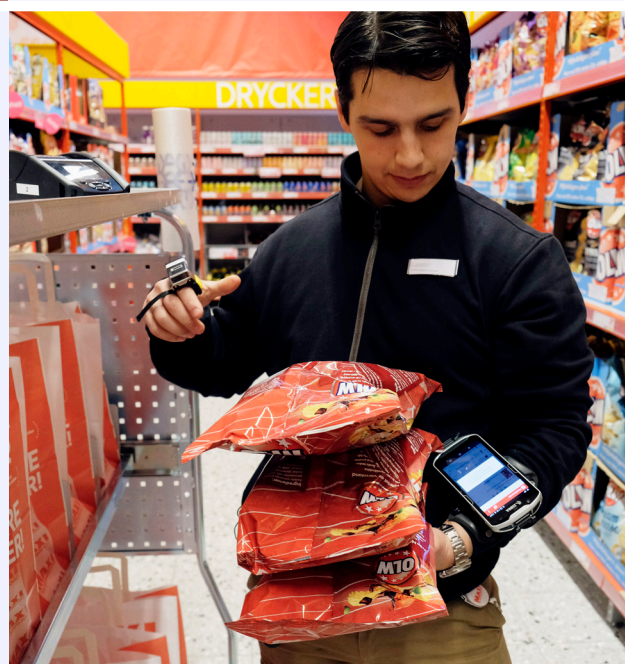
Online

Grocery Picking

- Order Picking solution *
- AutoStore Automated
- Fulfilment
- Warehouse Management Software (WMS)

Last mile

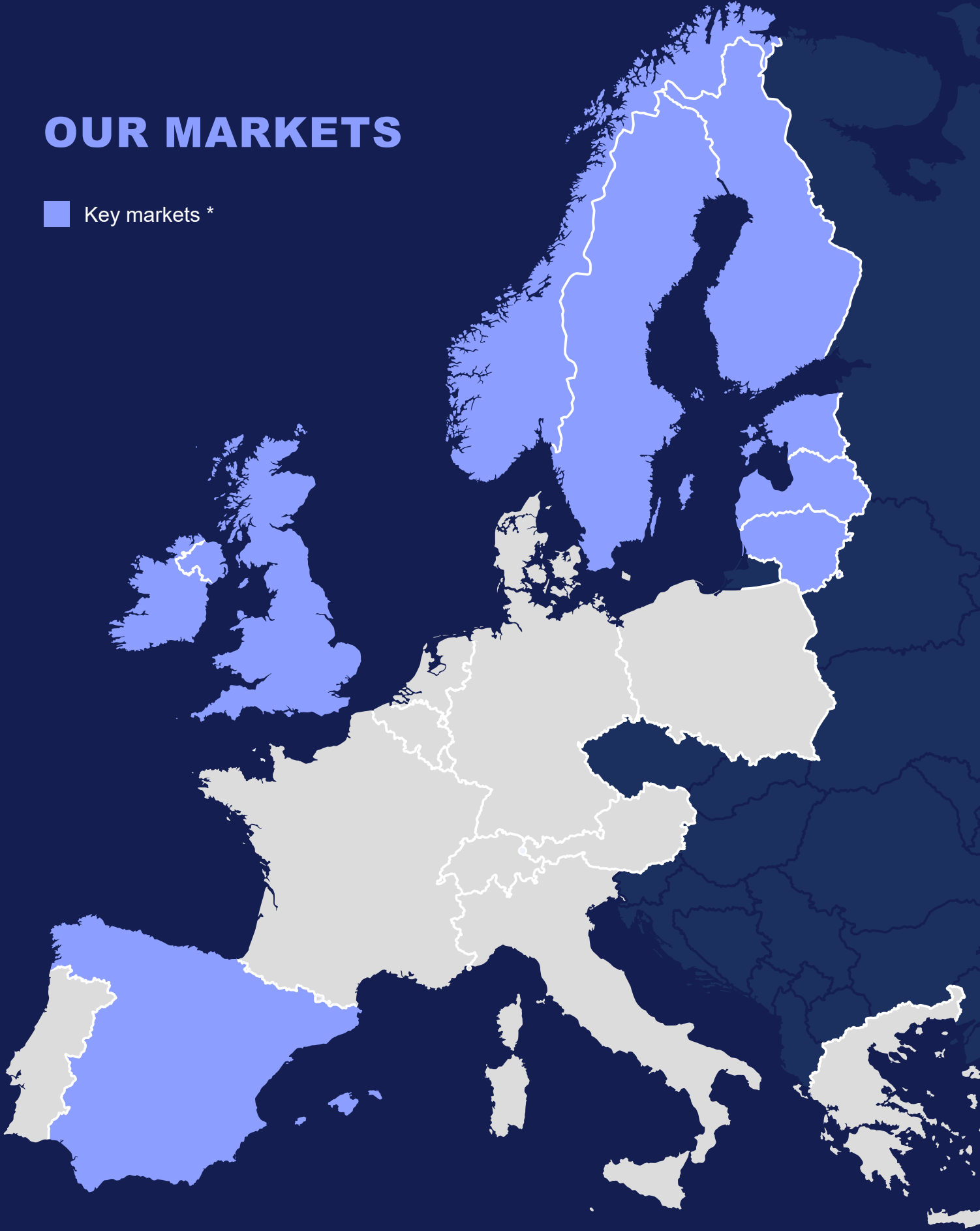
- Click & Collect Lockers *
- Drive-thru *
- Pick-up in-store *
- Home delivery with route optimization



*) Proprietary technologies

OUR MARKETS

 Key markets *



*) Other major markets in Europe, plus USA and South Africa, are served through partners.

Scandinavia

The business segment Scandinavia currently consists of the operating business units in Norway and Sweden. The revenue also includes some deliveries to Denmark.

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
- Norway	77.4	82.7	217.6	209.6	340.3
- Sweden	64.7	77.5	144.3	164.2	295.7
Total Revenue	142.1	160.2	362.0	373.8	636.0
EBITDA	4.3	10.1	23.8	25.3	41.5
- In %	3.0 %	6.3 %	6.6 %	6.8 %	6.5 %
EBT	2.5	8.4	20.5	22.0	35.1
- In %	1.8 %	5.3 %	5.7 %	5.9 %	5.5 %

The weak market conditions continue, with generally lower customer spending and longer lead time on investment decisions. The revenue in the Scandinavian segment declined 11% compared to the same quarter last year, mainly due to lower volumes in CashGuard sales and AutoStore in Norway, as a large AutoStore project was delivered during Q2 2023, and lower ESL revenue in Sweden. This reduction was partly mitigated by an increase in ESL revenue in Norway, with project deliveries being completed by H1 2024. The revenue reduction resulted in EBITDA decreasing to 4.3 MNOK (10.1), partly offset with positive impact from cost reduction measures both in Q4 2023 and Q2 2024.

Norway

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	46.0	56.2	155.1	155.0	230.4
Services	31.4	26.5	62.5	54.6	109.8
Revenue	77.4	82.7	217.6	209.6	340.3

The revenue for Norway in Q2 2024 decreased by 6% compared to the same quarter last year, due to a decrease in CashGuard product sales and a large AutoStore project last year, partly mitigated by an increase in ESL deliveries this quarter. Services revenue increased by 19%, driven by previous rollouts of ESLs.

Sweden

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	27.8	43.2	70.5	96.4	157.4
Services	36.9	34.3	73.8	67.8	138.4
Revenue	64.7	77.5	144.3	164.2	295.7

The revenue in Sweden declined by 17% compared to the same quarter last year. This includes lower volumes on Pricer ESL and Scales & Packing, mainly explaining the reduction on Product revenue. Service revenue increased by 8%, primarily due to increases in CashGuard, Lockers and Order Picking service revenue.

International incl. R&D

The business segment International incl. R&D consists of the operating business units in the Baltics, Finland, Spain and UK & Ireland, in addition to partner sales in the rest of Europe and rest of world. The ongoing R&D activities for own products have been allocated to this segment.

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
- Baltics & Finland	64.6	75.0	117.9	121.0	255.5
- Spain	16.8	22.5	33.4	42.6	87.6
- UK & Ireland	57.4	56.3	114.0	134.5	283.5
- Rest of Europe	16.3	23.1	29.0	46.7	79.8
Total Revenue	155.1	176.9	294.2	344.7	706.4
EBITDA	-5.6	0.2	-22.9	6.6	-10.4
- In %	-3.6 %	0.1 %	-7.8 %	1.9 %	-1.5 %
EBT	-15.1	-7.9	-41.8	-9.5	-51.5
- In %	-9.7 %	-4.5 %	-14.2 %	-2.8 %	-7.3 %

The business segment International including R&D decreased in revenue by 12% compared to same quarter last year. UK & Ireland had an increase of 2%. The Baltics & Finland had a revenue decline of 14%. Finland, which was consolidated for the first time in Q4 2023 after closing the acquisition of Brand ID Hamari Group Oy in October 2023, contributed with MNOK 2.9. Spain and Rest of Europe had a decline of 25% and 30%, respectively. Overall, these regions are impacted by continued challenging market conditions. In the UK and Spain, we continue to strengthen the sales teams.

EBITDA for Q2 2024 ended at -5.6 MNOK compared to 0.2 MNOK for the same quarter last year. In addition to the impact of the revenue decline, this is also due to our continued development costs to support the e-commerce Order Picking solution and the new cash management solution, as we seek to leverage new commercial opportunities from these positive commercial developments.



Baltics & Finland

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	32.6	45.2	56.3	64.5	131.1
Services	32.0	29.8	61.5	56.5	124.4
Revenue	64.6	75.0	117.9	121.0	255.5

Revenue from the Baltic & Finland operations declined by 14% compared to the same quarter last year, mainly driven by lower product sales of Self-Checkout and ESL. The deliveries of the previously announced Self-Checkout order from Maxima are expected to start during the summer 2024. Service revenue, however, increased by 7% including growth in Self-Checkout as a result of previous installations, and Finland ESL license revenue. In Q2 2024, the total revenue contribution from Finland was 2.9 MNOK.

Spain

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	11.7	17.3	22.5	32.6	67.6
Services	5.2	5.3	10.8	10.0	20.0
Revenue	16.8	22.5	33.4	42.6	87.6

The Spanish revenue declined by 25% compared to the same quarter last year, due to a reduction in CashGuard sales. The majority of the total revenue in Spain relates to the Horeca industry, in which customer spending is also impacted by the increases in inflation and interest rates. StrongPoint Cash Tech S.L., a joint venture in which StrongPoint has a 60% holding, is managing the development of the new cash management solution, as announced in April 2024. In Q2 2024, development costs of 6.4 MNOK were capitalized. Most of the development costs for the joint venture are capitalized, as opposed to other development costs in the group, which are expensed over the profit and loss statement.

UK & Ireland

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	-	-	-	-	-
Services	57.4	56.3	114.0	134.5	283.5
Revenue	57.4	56.3	114.0	134.5	283.5

The revenue increased 2% compared to the same quarter last year. This includes a reduction in Shop Fitting revenue of 15%, driven by lower volume in the market. The revenue decrease was fully mitigated by an increase in Order Picking revenue, as we have started to deliver professional services to Sainsbury's as part of planning for the in-store rollout later this year and further into next year.

Partners

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	15.5	20.7	25.9	42.0	75.5
Services	0.7	2.4	3.1	4.7	4.2
Revenue	16.3	23.1	29.0	46.7	79.8

Partner revenue relates to outside of our core markets. In Q2 2024, revenue declined by 30% compared to the same quarter last year due to lower volume of CashGuards and Lockers.

Product segments

In-store Productivity

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	54.7	57.0	191.1	135.6	219.7
Services	28.0	24.7	57.0	49.3	100.1
Revenue	82.7	81.7	248.1	184.9	319.7

Revenue for the In-Store Productivity segment increased by 1.2% compared to the same quarter last year. This includes completion of a few large ESL rollouts in Norway, reduced by lower ESL product volume in Sweden. The increase in service revenue originates from previous projects on ESL, leading to increased support and license revenue.

Payment Solutions

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	24.7	41.7	47.6	86.0	148.2
Services	29.7	28.1	59.1	56.5	111.3
Revenue	54.3	69.8	106.7	142.5	259.5

The revenue declined by 22.2% compared to the same quarter last year, due to lower product sale of CashGuards in both Norway and Spain.

Check Out Efficiency

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	32.0	40.7	51.2	59.4	117.6
Services	15.0	11.5	26.9	20.9	44.4
Revenue	47.0	52.2	78.1	80.3	162.0

Revenue declined by 9.9% compared to the same quarter last year, driven by reduced self-checkout volume in the Baltics. Vensafe revenue remained stable during the period.

Shop Fitting

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	-	-	-	-	-
Services	47.6	56.3	102.4	134.5	283.5
Revenue	47.6	56.3	102.4	134.5	283.5

Revenue for the Shop Fitting segment declined by 15.3% compared to same quarter last year. The Shop Fitting segment relates in its entirety to the UK & Ireland segment. As explained in the regional section on the previous page, this segment is impacted by the weak market conditions in UK & Ireland as well as a need to strengthen the sales capacity, which is well under way.

Other retail technology

MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	14.6	26.2	29.1	46.3	89.7
Services	24.5	23.6	49.9	46.4	101.5
Revenue	39.1	49.8	79.0	92.7	191.1

Other retail technology, mainly POS/ERP and software projects in the Baltics, decreased by 21.5% in the period due to some larger deliveries last year which included hardware. During the quarter, service revenue increased by 3.7%.

E-commerce logistics

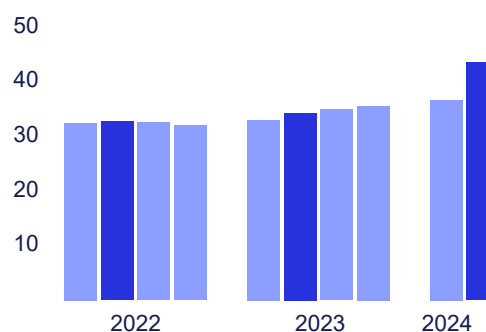
MNOK	Q2		YTD		Year
	2024	2023	2024	2023	2023
Products	7.5	17.1	11.3	63.2	86.9
Services	18.9	10.3	30.6	20.5	39.7
Revenue	26.4	27.4	41.9	83.7	126.6

Revenue from e-commerce decreased by 3.5% compared to the same quarter last year. This includes a decrease in product revenue due to an AutoStore project delivered last year. This was mitigated by an increase in Order Picking revenue from professional services rendered on the Sainsbury's Order Picking contract.

Technology and R&D update

In the key growth market of the UK the outlook for grocery e-commerce continues to be positive and growing. However, the outlook in other markets is less certain and more uneven as the current macroeconomic challenges continue to impact customers. Consequently, we are focusing on the markets in which we are present, especially the UK, with an uplift in the Q2 2024 recurring revenue on the back of the Sainsbury's Order Picking contract.

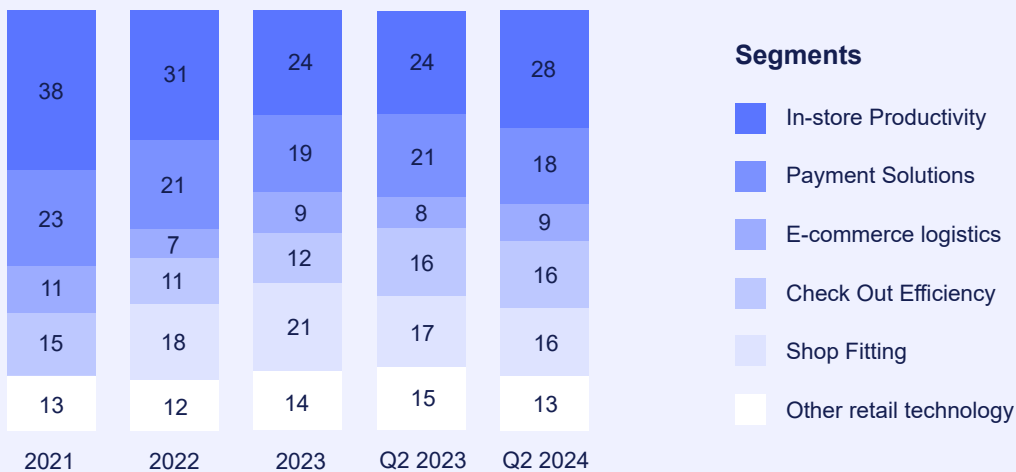
Rolling 12 months e-commerce recurring revenue (MNOK)





StrongPoint Group

Relative share of revenue per segment (%)



Cash flow and equity

Cash flow from operational activities in the second quarter was -9.7 MNOK (60.2), mainly due to the negative operating result, with a positive impact from changes in working capital. The Group's holding of own shares at the end of the second quarter amounted to 235,032, which represents 0.5 per cent of the outstanding shares. The Group has shareholder programs for the Board of Directors, the Group executive management and employees. 127,913 shares have been assigned so far in 2024 (148,706 in the year 2023). StrongPoint has a long-term incentive program for management and key employees. More information on the program can be found in note 6.

Net interest bearing debt

The interest-bearing debt mainly relates to the short-term bank overdraft. In addition, it includes a term loan in our Spanish subsidiary, booked in long-term and short-term interest-bearing liabilities. Of leasing liabilities, the IFRS 16 rent obligations are extracted from interest-bearing debt, as these are not interest-bearing. The remaining leasing liabilities relate to service cars and company cars from leasing institutions and are thus included in the interest-bearing debt.

As of end Q2 2024, the net interest-bearing debt was 105.1 MNOK, representing an increase of 28.1 MNOK compared to Q1 2024.

Disposable funds were 65.7 MNOK as of June 30, 2024, comprising cash and cash equivalents of 25.6 MNOK and 40.1 MNOK of undrawn funds from the Group's bank overdraft facility of 150 MNOK. In the Q1 2024 report, we informed that the Group's bank overdraft facility will be

Accounting year	General meeting	Dividend per share
2023	25.04.2024	0.00
2022	27.04.2023	0.90
2021	28.04.2022	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

replaced by a combination of an RCF and working capital financing (factoring) of up to 200 MNOK. As part of this new financing, there will be a 30% equity covenant only and no leverage covenant. The leverage covenant with the current primary bank (NIBD / EBITDA < 3.5x), for which we have a waiver until Q4 2024, will be removed and thus the waiver will no longer be required. The implementation of factoring is ongoing and the refinancing is expected to be completed by Q3 2024.

KNOK	30.06.2024	30.06.2023	31.03.2024	31.12.2023
Long term interest-bearing liabilities	5,052	9,002	5,179	4,983
Long term lease liabilities	71,109	80,133	74,838	83,513
Short term interest-bearing liabilities	3,772	4,554	5,302	7,962
Short term lease liabilities	23,397	25,437	24,326	14,316
Bank overdraft (credit facilities)	109,938	57,844	82,564	94,153
= Interest-bearing debt and leasing liabilities	213,268	176,970	192,208	204,926
Of which IFRS 16 rent liabilities not interest bearing	-82,596	-91,930	-87,457	-84,826
= Interest-bearing debt	130,672	85,040	104,751	120,101
Cash and cash equivalents	-25,603	-37,396	-27,751	-39,340
= Net interest-bearing debt	105,068	47,644	77,001	80,761

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 2024, including comparative consolidated figures for the second quarter and first half 2023. 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 2024 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 per 30 June 2024 and per 30 June 2023. 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 Oslo, 11 July 2024

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit
Director

Pål Wibe
Director

Jacob Tveraabak
CEO

Consolidated income statement

KNOK	Q2 2024	Q2 2023	Chg. %	YTD 2024	YTD 2023	Chg. %	Year 2023
Operating revenue	297,177	337,162	-11.9 %	656,136	718,558	-8.7 %	1,342,398
Cost of goods sold	164,769	201,132	-18.1 %	393,918	443,168	-11.1 %	805,266
Personnel expenses	106,583	92,991	14.6 %	200,349	180,860	10.8 %	366,782
Share based compensation	1,526	1,491	2.3 %	2,935	3,008	-2.4 %	6,395
Other operating expenses	33,386	39,467	-15.4 %	74,206	75,967	-2.3 %	165,244
Total operating expenses	306,265	335,081	-8.6 %	671,407	703,004	-4.5 %	1,343,687
EBITDA	-9,087	2,081	-536.6 %	-15,271	15,554	-198.2 %	-1,288
Depreciation tangible assets	7,448	6,598	12.9 %	15,073	13,436	12.2 %	26,996
Amortization intangible assets	3,026	2,816	7.5 %	6,002	5,430	10.5 %	11,163
EBIT	-19,562	-7,333	-166.8 %	-36,346	-3,312	-997.3 %	-39,448
Interest expenses	3,705	2,316	60.0 %	7,032	4,446	58.2 %	9,617
Other financial expenses/currency differences	4,340	-8,517	151.0 %	-935	-14,129	93.4 %	-3,543
Profit from associated companies	-15	81	-118.2 %	26	180	-85.5 %	191
EBT	-27,622	-1,051	-2527.0 %	-42,417	6,552	-747.4 %	-45,331
Taxes	-6,463	-104	-6096.4 %	-9,880	2,303	-529.0 %	-11,132
Profit after tax	-21,158	-947	-2133.9 %	-32,537	4,249	-865.8 %	-34,200
Earnings per share:							
Number of shares outstanding	44,888,352	44,888,352		44,888,352	44,888,352		44,888,352
Av. number of shares - own shares	44,621,692	44,380,322		44,585,136	44,349,957		44,397,547
Av. number of shares diluted- own shares	49,091,692	47,840,322		49,055,136	47,809,957		47,820,047
EPS	-0.47	-0.02		-0.73	0.10		-0.77
Diluted EPS	-0.43	-0.02		-0.66	0.09		-0.72
EBITDA per share	-0.20	0.05		-0.34	0.35		-0.03
Diluted EBITDA per share	-0.19	0.04		-0.31	0.33		-0.03
Total earnings:							
Profit/loss after tax	-21,158	-947	-2133.9 %	-32,537	4,249	-865.8 %	-34,200
Exchange differences on foreign operations	-5,786	-1,018	-468.6 %	2,973	37,355	-92.0 %	32,894
Total earnings	-26,945	-1,965	-1271.4 %	-29,564	41,604	-171.1 %	-1,305
Of which							
Majority interest	-26,863	-1,823	-1373.2 %	-28,424	41,745	-168.1 %	606
Minority interest	-81	-141		-1,139	-141		-1,911

Consolidated balance sheet

KNOK	30.06.2024	30.06.2023	31.03.2024	31.12.2023
ASSETS				
Intangible assets	133,408	114,670	131,779	125,327
Goodwill	174,495	171,231	176,958	174,325
Tangible assets	30,961	27,031	32,286	30,397
Right-of-use assets	94,506	105,570	99,164	99,568
Long term investments	4,580	4,843	4,594	4,854
Other long term receivables	1,168	1,438	1,197	1,372
Deferred tax	40,830	19,220	34,660	31,106
Non-current assets	479,946	444,004	480,638	466,949
Inventories	211,190	247,766	224,968	230,424
Accounts receivables	193,024	230,190	243,961	240,790
Prepaid expenses	27,497	34,659	29,702	22,032
Other receivables	14,463	15,340	15,728	14,955
Cash and cash equivalents	25,603	37,396	27,751	39,340
Current assets	471,779	565,351	542,110	547,541
TOTAL ASSETS	951,725	1,009,355	1,022,748	1,014,490
EQUITY AND LIABILITIES				
Share capital	27,838	27,831	27,831	27,831
Holding of own shares	-146	-312	-207	-217
Other equity	421,960	484,130	446,284	447,238
Total equity	449,653	511,649	473,907	474,852
Long term interest bearing liabilities	5,052	9,002	5,179	4,983
Long term lease liabilities	71,109	80,133	74,838	83,513
Other long term liabilities	2,103	155	2,031	1,848
Deferred tax liabilities	18,111	20,997	18,111	18,111
Total long term liabilities	96,375	110,287	100,159	108,455
Short term interest bearing liabilities	3,772	4,554	5,302	7,962
Bank overdraft (credit facilities)	109,938	57,844	82,564	94,153
Short term lease liabilities	23,397	25,437	24,326	14,316
Accounts payable	106,797	146,084	156,744	159,690
Taxes payable	-9,762	-2,180	-5,200	-10,603
Other short term liabilities	171,555	155,680	184,946	165,665
Total short term liabilities	405,697	387,419	448,682	431,183
TOTAL EQUITY AND LIABILITIES	951,725	1,009,355	1,022,748	1,014,490

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Share Option Program	Other equity	Total equity	Minority interest	Total equity
Equity 31.12.2022	27,831	-362	351,262	32,755	11,301	84,422	507,207	-	507,207
Sale of own shares		74				2,444	2,518		2,518
Dividend 2022						-39,935	-39,935		-39,935
Share Option Program					4,475		4,475		4,475
Acquisition of Hamari paid in shares		72				1,821	1,892		1,892
Profit this year after tax						-32,231	-32,231	-1,968	-34,200
Other comprehensive income and expenses ¹				32,837			32,837	57	32,894
Equity 31.12.2023	27,831	-217	351,262	65,592	15,776	16,521	476,763	-1,911	474,852
Sale of own shares		72				1,369	1,440		1,440
Share Option Program					2,925		2,925		2,925
Profit this year after tax						-31,412	-31,412	-1,125	-32,537
Other comprehensive income and expenses ¹				2,988			2,988	-15	2,973
Equity 30.06.2024	27,831	-146	351,262	68,579	18,701	-13,523	452,703	-3,050	449,653

1) The balance sheet is converted with the closing rate at the balance sheet date, while the income statement is converted with the average monthly exchange rate. The net effect of the translation is recognized as translation differences in other comprehensive income and expenses.

Statement of cash flow

KNOK	Q2 2024	Q2 2023	YTD 2024	YTD 2023	Year 2023
Ordinary profit before tax	-27,622	-1,051	-42,417	6,552	-45,331
Net interest	3,705	2,316	7,032	4,446	9,617
Tax paid	-4,657	-8,818	894	-15,685	-26,047
Share of profit, associated companies	15	-81	-26	-180	-191
Ordinary depreciation	10,475	9,414	21,075	18,867	38,159
Profit / loss on sale of fixed assets	-107	-174	-112	-174	-235
Change in inventories	10,337	-28,405	20,122	459	17,169
Change in receivables	47,819	78,988	50,533	66,052	52,485
Change in accounts payable	-47,961	8,675	-54,289	-14,403	-170
Change in other accrued items	-1,708	-618	2,774	-49,916	-20,275
Cash flow from operational activities	-9,704	60,246	5,584	16,016	25,182
Payments for fixed assets	-2,319	-5,775	-4,151	-6,416	-17,643
Payment for intangible assets	-6,406	-11,542	-11,038	-11,542	-23,425
Investments in other companies	-	1,539	-	-	-
Payment from sale of fixed assets	283	-	287	-	467
Net effect acquisitions	-	-	-	-	-2,357
Dividends received from associated companies	-	300	300	300	300
Interest received	540	580	1,030	742	1,604
Cash flow from investment activities	-7,901	-14,898	-13,572	-16,916	-41,054
Purchase/sale of own shares	1,175	291	1,440	1,920	4,410
Change in long-term debt	-7,270	-3,813	-16,204	-12,055	-24,555
Change in long-term receivables	-	4,273	-	-	-
Change in overdraft	26,781	3,353	16,562	40,462	75,664
Interest paid	-4,245	-2,896	-8,062	-5,188	-11,221
Dividend paid	-	-39,935	-	-39,935	-39,935
Cash flow from financing activities	16,441	-38,727	-6,263	-14,796	4,363
Net cash flow in the period	-1,164	6,621	-14,251	-15,696	-11,510
Cash and cash equivalents at the start of the period	27,751	29,014	39,340	47,248	47,248
Effect of foreign exchange rate fluctuations on foreign currency deposits	-982	1,761	514	5,844	3,602
Cash and cash equivalents at the end of the period	25,603	37,396	25,603	37,396	39,340

Key figures

KNOK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	YTD 2024	YTD 2023
Income statement							
Operating revenue	297,177	358,958	330,892	292,948	337,162	656,136	718,558
EBITDA	-9,087	-6,184	-20,628	3,785	2,081	-15,271	15,554
EBITA	-16,536	-13,808	-28,053	-2,350	-4,517	-30,344	2,118
Operating profit EBIT	-19,562	-16,785	-30,996	-5,139	-7,333	-36,346	-3,312
Ordinary profit before tax (EBT)	-27,622	-14,796	-38,360	-13,523	-1,051	-42,417	6,552
Profit/loss after tax	-21,158	-11,379	-29,108	-9,340	-947	-32,537	4,249
EBITDA-margin	-3.1 %	-1.7 %	-6.2 %	1.3 %	0.6 %	-2.3 %	2.2 %
EBT-margin	-9.3 %	-4.1 %	-11.6 %	-4.6 %	-0.3 %	-6.5 %	0.9 %
Balance sheet							
Non-current assets	479,946	480,638	466,949	437,514	444,004	479,946	444,004
Current assets	471,779	542,110	547,541	560,438	565,351	471,779	565,351
Total assets	951,725	1,022,748	1,014,490	997,951	1,009,355	951,725	1,009,355
Total equity	449,653	473,907	474,852	491,444	511,649	449,653	511,649
Total long term liabilities	96,375	100,159	108,455	106,022	110,287	96,375	110,287
Total short term liabilities	405,697	448,682	431,183	400,486	387,419	405,697	387,419
Working capital	297,418	312,185	311,524	362,030	331,872	297,418	331,872
Equity ratio	47.2 %	46.3 %	46.8 %	49.2 %	50.7 %	47.2 %	50.7 %
Liquidity ratio	116.3 %	120.8 %	127.0 %	139.9 %	145.9 %	116.3 %	145.9 %
Net interest-bearing debt	105,068	77,001	80,760	91,541	47,644	105,068	139,574
Net leverage multiples	n.m.	n.m.	n.m.	1.73	0.68	n.m.	2.00
Cash Flow							
Cash flow from operational activities	-9,704	15,288	33,670	-24,504	60,246	5,584	16,016
Net change in liquid assets	-1,164	-13,087	2,301	1,885	6,621	-14,251	-15,696
Share information							
Number of shares	44,888,352	44,888,352	44,888,352	44,888,352	44,888,352	44,888,352	44,888,352
Weighted average shares outstanding	44,621,692	44,548,581	44,493,344	44,395,379	44,380,322	44,585,136	44,349,957
EBT per shares	-0.62	-0.33	-0.86	-0.30	-0.02	-0.95	0.15
Earnings per share	-0.47	-0.26	-0.65	-0.21	-0.02	-0.73	0.10
Earnings per share, excl. M&A amortization	-0.41	-0.19	-0.59	-0.15	0.04	-0.60	0.22
Equity per share	10.08	10.64	10.67	11.07	11.53	10.09	11.54
Dividend per share					0.90		0.90
Employees							
Number of employees (end of period)	516	523	524	523	519	516	519
Average number of employees	520	524	524	521	517	522	515
IFRS 16 effects							
Reduced OPEX	6,733	-11,397	6,909	5,772	6,142	13,621	12,513
Increased depreciation	5,601	-9,414	5,743	4,624	5,094	11,341	10,531
Increased interest expenses	1,132	-1,983	1,167	1,148	1,048	2,280	1,982
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	6,733	-11,397	6,909	5,772	6,142	13,621	12,513
Cash flow from financing activities	-6,733	11,397	-6,909	-5,772	-6,142	-13,621	-12,513

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 2023.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2023. The Group financial statements for 2023 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 31.12.2023. The quarterly report and the interim financial statements have not been revised by auditor.

Note 3 Segment information

Reporting segments

MNOK	Q2 2024			Q2 2023			YTD 2024			YTD 2023			Year 2023		
	Rev- enue	EBITDA	EBT	Rev- enue	EBITDA	EBT	Rev- enue	EBITDA	EBT	Rev- enue	EBITDA	EBT	Rev- enue	EBITDA	EBT
Scandinavia	142.1	4.3	2.5	160.2	10.1	8.4	362.0	23.8	20.5	373.8	25.3	22.0	636.0	41.5	35.1
International incl R&D	155.1	-5.6	-15.1	176.9	0.2	-7.9	294.2	-22.9	-41.8	344.7	6.6	-9.5	706.4	-10.4	-51.5
ASA/Elim	-	-7.8	-15.0	-	-8.2	-1.6	-	-16.2	-21.2	-	-16.4	-5.9	-	-32.4	-29.0
Total	297.2	-9.1	-27.6	337.2	2.1	-1.1	656.1	-15.3	-42.4	718.6	15.6	6.6	1,342.4	-1.3	-45.3

Operating revenue by products and services

MNOK	Q2 2024		Q2 2023		YTD 2024		YTD 2023		Year 2023	
	Products	Services *	Products	Services *	Products	Services *	Products	Services *	Products	Services *
Scandinavia	73.8	68.4	99.4	60.8	225.7	136.3	251.4	122.4	387.8	248.2
International incl R&D	59.7	95.3	83.2	93.7	104.6	189.5	139.1	205.6	274.2	432.1
Elim / ASA	-	-	-	-	-	-	-	-	-	-
Total	133.5	163.7	182.6	154.6	330.3	325.8	390.5	328.1	662.0	680.4

*) Services and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place per 30 June 2024.

Note 5 Top 20 shareholders per 30 June 2024

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3,933,092	8.76
2	TOHATT AS	2,225,000	4.96
3	SOLE ACTIVE AS	2,221,717	4.95
4	BANK PICTET & CIE (EUROPE) AG	2,131,821	4.75
5	ZETTERBERG, GEORG (incl. fully owned companies)	1,545,000	3.44
6	NORDNET BANK AB	1,411,719	3.14
7	HSBC BANK PLC	1,303,665	2.90
8	AVANZA BANK AB	1,266,712	2.82
9	RING, JAN	1,224,078	2.73
10	VERDADERO AS	1,081,285	2.41
11	JAHATT AS	1,080,850	2.41
12	EVENSEN, TOR COLKA	815,000	1.82
13	WAALER AS	680,000	1.51
14	BANQUE PICTET & CIE SA	670,033	1.49
15	JOHANSEN, STEIN	600,000	1.34
16	MP PENSJON PK	561,402	1.25
17	SKANDINAVISKA ENSKILDA BANKEN AB	506,921	1.13
18	ALS KINGFISHER LIMITED	506,156	1.13
19	EUROPEAN RETAIL ENGINEERING LIMITED	506,156	1.13
20	BERG, SIVERT	500,000	1.11
	Sum 20 largest shareholders	24,770,607	55.18
	Sum 2 317 other shareholders	20,117,745	44.82
	Sum all 2 337 shareholders	44,888,352	100.00

Note 6 Share option program

Total costs and Social Security Provisions	2020	2021	2022	2023	2024	Total
Total IFRS cost	440	5 441	5 420	6 827	2 925	21 053
Total Social security provisions	36	737	- 341	- 432	10	10

Granted instruments:

Activity	Number of instruments
Outstanding OB (01.01.2024)	3,422,500
Granted	1,230,000
Exercised	-
Terminated	-182,500
Outstanding CB (31.03.2024)	4,470,000
Vested CB	1,112,500

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 can be fulfilled through a cash-out settlement at the Boards' discretion.

Vesting period

The options will vest over three years, with $\frac{1}{4}$ vesting after one year, $\frac{1}{4}$ after two years, and the remaining $\frac{2}{4}$ 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
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 Interest Bearing Debt including IFRS 16 / 12 months rolling EBITDA
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Minority interest	The minority part of the net profit /equity in companies where StrongPoint owns between 50,1%-99% of the shares.



StrongPoint