



Q3 and YTD 2024

Financial report and status

CEO's Perspective

Following several very tough quarters, we are now starting to see some positive effects of organizational, cost and commercial measures taken earlier. Revenue is up 7% driven by strong project-driven performance in the Baltics and Sweden as well as from e-commerce. Despite a continued challenging shopfitting market in the UK our Group profit figures are back to black. In addition to a generally slightly more positive business environment, we are having great success with the roll-out of our Order Picking solution at Sainsbury's in UK. This quarter we went live with our Order Picking solution in the first Sainsbury's stores and as we close this quarter the number of stores live with our solution is 13. Whereas the fourth quarter with the holiday season is a 'freeze' period where no additional stores will be added, we expect all, close to 300 stores, to be rolled out during the first two quarters of 2025. With this backdrop, I remain cautiously optimistic about the short-term improvement in our business operations and am very inspired by what we can achieve with these break-through customers and solutions.



Jacob Tveraabak
CEO of StrongPoint

Our revenue in the third quarter of 2024 was 313 MNOK, representing a 7% increase compared to same quarter in 2023. The overall growth was held back by a very weak shopfitting market in the UK & Ireland with revenue down by more than 40% in the quarter. However, overall growth ended positive driven by strong performance in the Baltics & Finland and Sweden, with a 36% and 25% revenue growth respectively. Revenue from e-commerce increased a staggering 176%, although from a lower revenue starting point, driven by product revenue from Grocery Lockers and increased recurring software license revenue from Order Picking. Our recurring revenue grew by 10%, driven by the initiated store roll-out of Order Picking at Sainsbury's. Considering only recurring software license revenue, our rolling twelve-month revenue grew by 33% compared to same period last year. Going forward, with both Sainsbury's and other new customers on our Order Picking solution, we expect our recurring software license revenue to grow with the e-grocery market growth, and this will constitute an ever more important part of building a robust business going forward.

Reported EBITDA for the quarter was 12.2 MNOK, reflecting a more than 8 MNOK improvement compared to the same quarter in 2023. This improvement was achieved despite a massive drop of approx. 14 MNOK in EBITDA in our UK & Ireland business, following the significant revenue drop in shopfitting. Measures to improve this are well under way and include better quality assurance in shopfitting work as well as building a broader customer base. Organizational and cost reduction measures implemented earlier this year, with the last measures coming into effect end Q2, have been important to achieve the profitability improvement at the Group level.

Whilst we will continue our efforts to improve short-term financial performance, we are fully focused on delivering on the important roll-out of our Order Picking solution to Sainsbury's. With the announcement of such an esteemed grocery retailer as Sainsbury's, our UK & Irish businesses are experiencing more solution and product interest than ever before. As examples, we now have 3 confirmed proof of concepts (POCs) for our Vensafe loss prevention solution, aimed at reducing the significant theft issues in stores. Also, we have confirmed a POC for Grocery Lockers, aimed at reducing the last mile delivery cost of e-groceries, compared to home delivery which is so prevalent in the UK market. In addition to the positive development on the customer side in the UK, our E-commerce offering is gaining attention worldwide. As an example of this was the confirmation of New Zealand's leading quick-commerce company, Delivereasy, starting to apply our Order Picking solution to fulfil all its grocery orders.

Whereas we continue to observe much market uncertainty in the short-term I am cautious about promising continued significant short-term financial improvements. That said, as the organizational, cost and commercial measures taken earlier have started bearing fruits this quarter, I am hopeful about positive trends and improved performance for the remainder of the year and into 2025.

In conclusion, I extend my profound 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

Financial performance 3rd quarter

- Revenue increased 7% to 313 MNOK (293) in the third quarter compared to the same quarter last year. Stronger project-driven performance in Sweden and the Baltics.
- Rolling twelve months recurring revenue increased by 10% to 346 MNOK for the same period.
- EBITDA for the quarter ended at 12 MNOK (4), with EBITDA margin of 3.9% (1.3%).
- Cash flow from operations was 10 MNOK (-25) for the quarter.

Continued customer success in priority areas

- Leading New Zealand Quick Commerce company, Delivereasy, selected StrongPoint's Order Picking solution to fulfil all its grocery orders.
- The world's first AutoStore™ with frozen goods, installed by StrongPoint for Haugaland Storhusholdning, was officially opened in September.
- Started rollout of Self-Checkouts to Maxima in the Baltics.

Outlook and long-term ambitions

- While there has been an overall uptick in our results in this quarter, overall market uncertainty continues to be a significant factor. As a result, we remain cautiously optimistic about the long-term outlook.
- We continue to maintain our long-term ambitions of healthy revenue growth and an EBITDA margin of >10%.

Key figures

MNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	YTD 2023
Revenue	313.1	292.9	969.3	1,011.5	1,342.4
EBITDA	12.2	3.8	-3.0	19.3	-1.3
EBITDA margin	3.9 %	1.3 %	-0.3 %	1.9 %	-0.1 %
EBITDA excluding option cost	13.2	5.8	0.9	24.4	5.1
Operating profit (EBIT)	2.2	-5.1	-34.2	-8.5	-39.4
Ordinary profit before tax (EBT)	3.8	-13.5	-38.6	-7.0	-45.3
Cash flow from operational activities	10.1	-24.5	15.7	-8.5	25.2
Disposable funds	60.9	82.6	60.9	82.6	95.2
Earnings per share (NOK)	0.06	-0.21	-0.67	-0.11	-0.77

StrongPoint Group

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

Revenue MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Scandinavia	128.8	119.8	490.8	492.6	633.9
International incl Product	184.3	173.2	478.5	519.0	708.5
ASA/Elim	-	-	-	-	-
Total	313.1	292.9	969.3	1,011.5	1,342.4

EBITDA MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Scandinavia	15.7	11.9	39.5	37.2	41.5
International incl Product	1.0	0.4	-21.9	7.0	-10.4
ASA/Elim	-4.4	-8.5	-20.6	-24.9	-32.4
Total	12.2	3.8	-3.0	19.3	-1.3

Number of employees ¹	Q3	YTD	Year
	2024	2023	2023
	512	523	524

1) This includes 12 employees who were employees as of 30 September 2024, but who will be leaving during 2024/2025 as part of previous restructuring processes. Moreover, there were five 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.

Financial performance

In Q3 2024, the total revenue increased by 7% compared to the same quarter last year, with an 8% revenue increase in Scandinavia and 6% increase in International. Overall, there are gradual signs of improvements in several markets, with significant revenue increase in Sweden, Baltics & Finland and Spain. Some of this revenue increase is attributable to deliveries from our order reserve.

In Scandinavia, revenue increased by 8%, mainly driven by Sweden on several products including ESL rollouts and an increase in the sale of Grocery Lockers. In Norway, we had the first sale of our own proprietary Self-Checkout solution to a grocery retailer in the country of Iceland.

The International segment saw revenue increase in all regions except for the UK & Ireland, which had a revenue decline of 41% for the period. In the UK, there is a mixed picture with a significant decline in Shop Fitting revenue, which is impacting the performance of this quarter. On the other hand, there is an increased customer interest and activity in other parts of our portfolio. In addition, we are having good progress on the Order Picking delivery to Sainsbury's, with the first 13 stores having gone live at the end of September. Therefore, we continue to strengthen our sales capacity in the UK.

In the other markets, the Baltics & Finland revenue increased by 36%, driven by increased volume of self-checkout sales. Finland, which was consolidated for the first time in Q4 2023, contributed with 3.7 MNOK in revenue. Moreover, Spain saw a 31% increase attributable to increased CashGuard sales.

During the quarter, the gross margin decreased from 44.1% to 42.7% year on year, mainly due to the product mix with higher product sales of ESLs, Self-Checkout and Lockers, as well as lower service revenue driven by the reduction in Shop Fitting volumes in the UK. The cost of goods sold is still impacted by higher prices driven by inflation and depreciation of the NOK compared to the USD and EUR, which consequently increases the purchase price. Mitigation efforts continue to protect and improve the gross margin on both our own products and third party products.

Personnel costs were 82.3 MNOK in Q3 2024 compared to 83.2 MNOK the same quarter last year. This includes personnel costs of 1.5 MNOK relating to Finland, which were not included in the Q3 2023 figures. For the same period, other operating expenses decreased from 40.3 MNOK to 38.3 MNOK due to a prudent cost approach.

The EBITDA increased to 12.2 MNOK in Q3 2024 (3.8 MNOK).

The rolling twelve months recurring revenue increased by 10% from 314 MNOK in Q3 2023 to 346 MNOK in Q3 2024.

This is attributed to a 33% increase in license revenue, of which the majority of the growth is related to Order Picking for Sainsbury's.

As of the end of Q3 2024, the net interest-bearing debt was 109.3 MNOK, representing an increase of 4.2 MNOK compared to the end of Q2 2024.

Continued customer success in priority areas

Delivereasy, New Zealand's leading Quick Commerce technology company chose StrongPoint's Order Picking solution for all its grocery e-commerce orders. This is further proof of the value proposition of our Order Picking solution and an example of how our solution can be scaled even to regions beyond our target markets.

StrongPoint achieved a milestone in September with the installation of the world's first AutoStore™ that can handle frozen goods as well as chilled and ambient temperature. This is the conclusion of a long-standing project and means StrongPoint has gathered unrivalled expertise in the installation process of the world's most cutting-edge cube automation solution for grocery retailers.

The official unveiling of the solution at Haugaland Storhusholdning in Norway allowed the public to see the technology in action. The event attracted media attention from Europe, USA and Asia, reflecting the global interest in this groundbreaking technology.

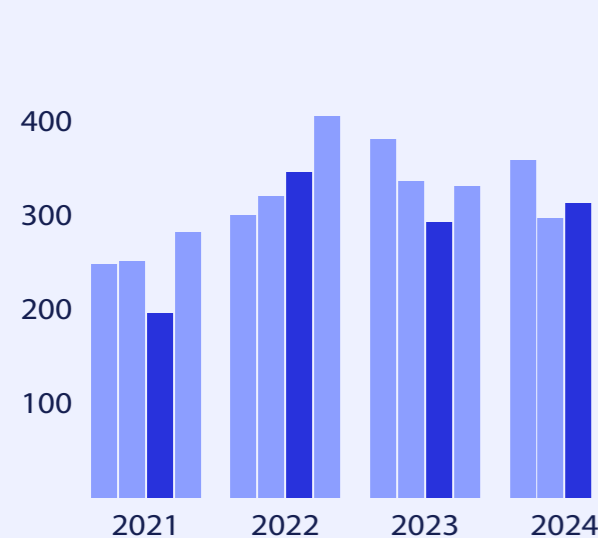
Outlook and long-term ambitions

While there has been an overall uptick in our results in this quarter, overall market uncertainty continues to be a significant factor. As a result, we remain cautiously optimistic about the longer term outlook.

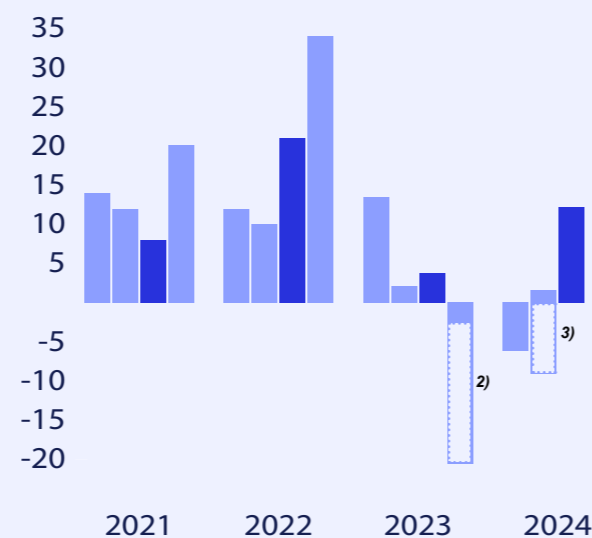
Despite these challenges, we continue to see sustained and positive customer interest across our diverse solution portfolio. This reinforces our confidence in both our competitive positioning and long-term strategic direction. We remain fully committed to delivering on our long-term objectives, targeting steady revenue growth and maintaining an EBITDA margin in excess of 10%.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



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 have 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 13% 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.

StrongPoint Solutions



In-store

In-store Productivity

- ShopFlow Logistics *
- Digi Scales and Wrapping Systems
- Electronic Shelf Labels
- Grocery Cooling Solutions
- 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

The StrongPoint double opportunity

Grocery retailers are under pressure:

- Labour costs going up
- Discounters becoming mainstream
- In mature e-commerce markets, profitability a challenge

StrongPoint Opportunity #1

Efficiency-saving in-store solutions

StrongPoint Opportunity #2

Efficiency-saving e-commerce solutions

StrongPoint Double Opportunity:

Technology solutions solving

- 1) instore and
- 2) online challenges

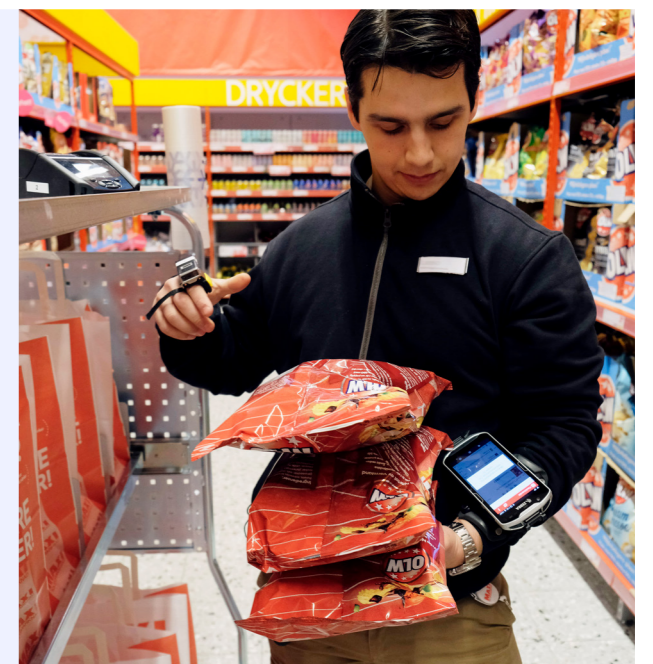
Online

Grocery Picking

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

Last mile

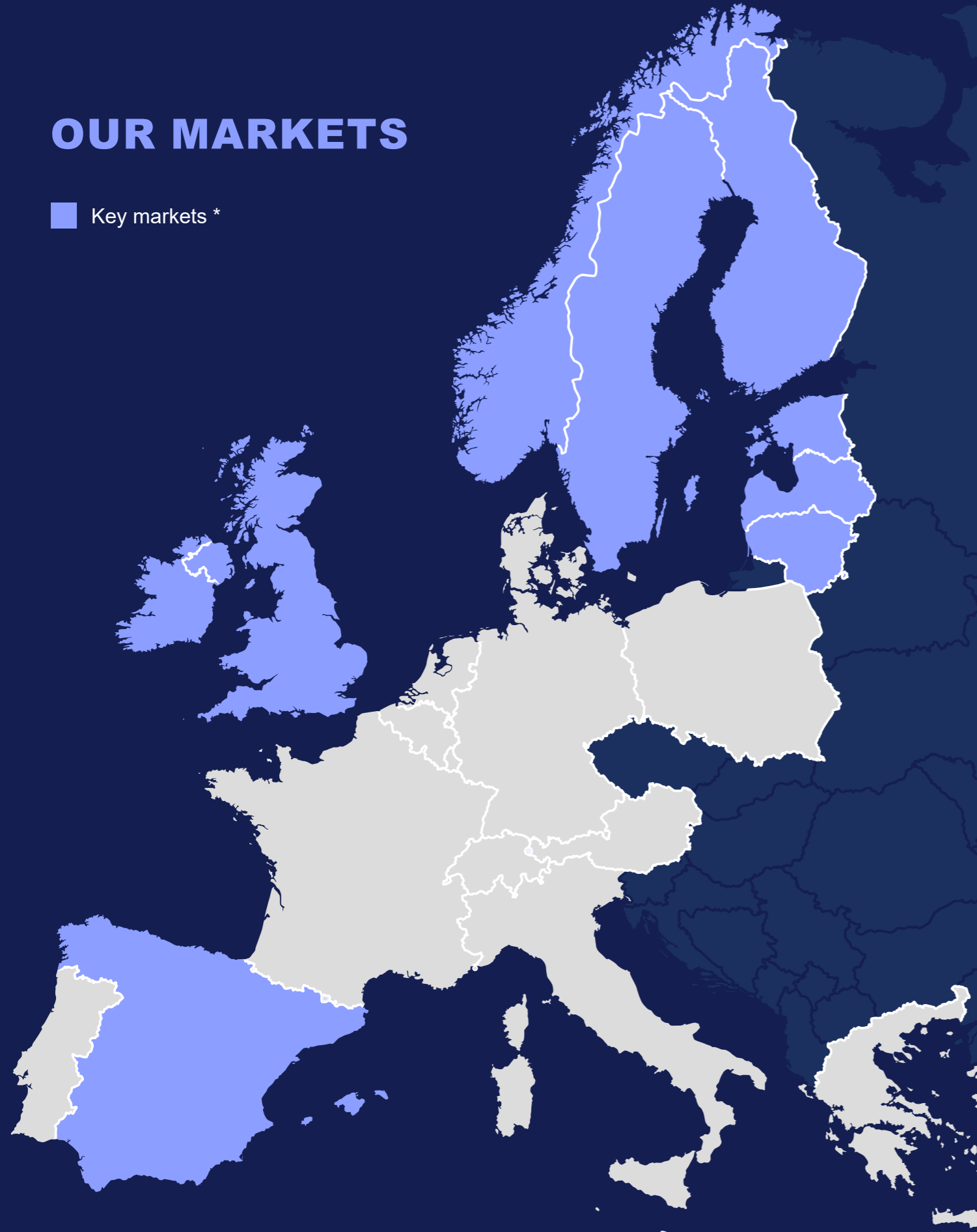
- Click & Collect Lockers *
- Drive-thru *
- Pick-up in-store *
- Home delivery with route optimization



*) 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 and Iceland.

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
- Norway	57.7	62.9	275.3	272.6	340.3
- Sweden	71.1	56.9	215.4	220.0	293.6
Total Revenue	128.8	119.8	490.8	492.6	633.9
EBITDA	15.7	11.9	39.5	37.2	41.5
- In %	12.2 %	9.9 %	8.0 %	7.6 %	6.5 %
EBT	14.9	11.3	35.4	33.3	35.1
- In %	11.6 %	9.4 %	7.2 %	6.8 %	5.5 %

The market conditions are slowly improving, in particular in Sweden, with higher customer activity levels and interest in our product portfolio. The revenue in the Scandinavian segment increased 8% compared to the same quarter last year, driven by a 25% increase in Sweden mainly through higher volumes on CashGuard, ESL and Lockers. This increase was partly offset by an 8% revenue decrease in Norway, which is experiencing a weaker market compared to Sweden. The EBITDA for Q3 2024 increased from 11.9 MNOK to 15.7 MNOK year on year as a result of both the revenue increase as well as effects from completed cost reduction measures.

Norway

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	28.3	35.5	183.4	190.5	230.4
Services	29.4	27.4	92.0	82.0	109.8
Revenue	57.7	62.9	275.3	272.6	340.3

The revenue for Norway in Q3 2024 decreased by 8% compared to the same quarter last year, due to a 20% decrease in product revenue (mainly CashGuard and ESL), partly mitigated by a 7% increase in service revenue for the same products.

Sweden

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	35.3	22.4	105.8	117.7	155.2
Services	35.8	34.5	109.6	102.3	138.4
Revenue	71.1	56.9	215.4	220.0	293.6

The revenue in Sweden increased by 25% compared to the same quarter last year, mainly due to a 58% increase in product revenue with increases in CashGuard, ESL and Lockers. Service revenue increased by 4%.

International incl. Product

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

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
- Baltics & Finland	79.1	58.1	196.9	179.1	255.5
- Spain	21.7	16.5	55.0	59.1	87.6
- UK & Ireland	49.8	84.9	163.8	219.4	283.5
- Rest of Europe	33.7	13.6	62.7	61.3	81.9
Total Revenue	184.3	173.2	478.5	519.0	708.5
EBITDA	1.0	0.4	-21.9	7.0	-10.4
- In %	0.5 %	0.2 %	-4.6 %	1.4 %	-1.5 %
EBT	-8.7	-8.1	-50.5	-17.7	-51.5
- In %	-4.7 %	-4.7 %	-10.6 %	-3.4 %	-7.3 %

The business segment International including Product increased in revenue by 6% compared to same quarter last year. UK & Ireland had a decline of 41%. Baltics & Finland had a revenue increase of 36%. 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 3.7. Spain had an increase of 31% and Rest of Europe had an increase of 148%. In addition to the revenue increase both in Baltics & Finland and Spain driven by product sales, there are signs of improvement in these markets, with higher customer interest. In the UK, there is a mixed picture as the revenue decline in its entirety is attributable to Shop Fitting, but with an increased customer interest and activity in other parts of our portfolio. Therefore, we continue to strengthen our sales capacity in the UK.

EBITDA for Q3 2024 ended at 1.0 MNOK compared to 0.4 MNOK for the same quarter last year. The profitability continues to be impacted by our ongoing development costs to support the e-commerce Order Picking solution and the new cash management solution, CashGuard Connect, as we seek to leverage new commercial opportunities from these positive commercial developments and associated opportunities.



Baltics & Finland

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	44.4	29.3	100.7	93.8	131.1
Services	34.7	28.8	96.2	85.3	124.4
Revenue	79.1	58.1	196.9	179.1	255.5

Revenue from the Baltic & Finland operations increased by 36% compared to the same quarter last year, including a 52% increase in product revenue, mainly due to Self-Checkout deliveries to Maxima, as informed in the previous quarter. Service revenue increased by 20%, driven by the installation of Self-Checkouts. In Q3 2024, the total revenue contribution from Finland was 3.7 MNOK.

Spain

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	16.3	11.4	38.8	44.0	67.6
Services	5.4	5.1	16.3	15.2	20.0
Revenue	21.7	16.5	55.0	59.1	87.6

The Spanish revenue increased by 31% compared to the same quarter last year, due to a 43% increase in product revenue driven by higher CashGuard sales. 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, CashGuard Connect, as announced in April 2024. In Q3 2024, development costs of 5.9 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	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	-	-	-	-	-
Services	49.8	84.9	163.8	219.4	283.5
Revenue	49.8	84.9	163.8	219.4	283.5

The revenue decreased 41% compared to the same quarter last year, due to a reduction in Shop Fitting revenue of 51%. The reduction is driven by lower activity in the Shop Fitting segment and some lost tender offers. Several mitigating actions have been initiated, including improvements in the quality of our project deliveries, broadening the customer base and strengthening the sales team. As a consequence, the activity level and customer dialogues are improving and we are anticipating an uplift in Shop Fitting volume going forward. The Shop Fitting revenue decrease was partly mitigated by an increase in Order Picking revenue, as we are progressing with the rollout plan on Sainsbury's, having gone live with 13 stores as per the end of September 2024. This is just the start of the roll-out, which will continue into the New Year, and it is estimated to be fully rolled out by the second quarter 2025.

Partners

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	24.9	11.3	50.7	54.3	77.7
Services	8.9	2.3	12.0	7.0	4.2
Revenue	33.7	13.6	62.7	61.3	81.9

Partner revenue relates to outside of our core markets. In Q3 2024, revenue increased by 148% compared to the same quarter last year, driven by higher volume on deliveries of Grocery Lockers to the USA.

Products

In-store Productivity

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	45.3	37.1	236.4	172.7	219.7
Services	25.9	26.5	82.9	75.8	100.1
Revenue	71.2	63.6	319.3	248.5	319.7

Revenue for the In-Store Productivity segment increased by 12% compared to the same quarter last year, mainly relating to increased ESL product revenue in Sweden.

Payment Solutions

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	25.1	21.7	72.7	107.7	148.2
Services	30.4	26.9	89.5	83.4	111.3
Revenue	55.5	48.6	162.2	191.1	259.5

The revenue increased by 14% compared to the same quarter last year, which includes an increase in product revenue in Sweden and Spain, partly offset by a decrease in Norway.

Check Out Efficiency

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	36.0	23.2	87.2	82.6	117.6
Services	17.3	11.3	44.2	32.2	44.4
Revenue	53.3	34.5	131.4	114.8	162.0

Revenue increased by 55% compared to the same quarter last year, driven by increased self-checkout volume in the Baltics, driving both product sales and service revenue. In addition, there was a small increase in Vensafe revenue in Sweden.

Shop Fitting

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	-	-	-	-	-
Services	42.0	84.9	144.4	219.4	283.5
Revenue	42.0	84.9	144.4	219.4	283.5

Revenue for the Shop Fitting segment declined by 51% 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 above in this report, several mitigating actions have been taken.

Other retail technology

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	19.4	19.6	48.4	65.8	89.7
Services	24.9	24.9	74.8	71.3	101.5
Revenue	44.3	44.4	123.2	137.1	191.1

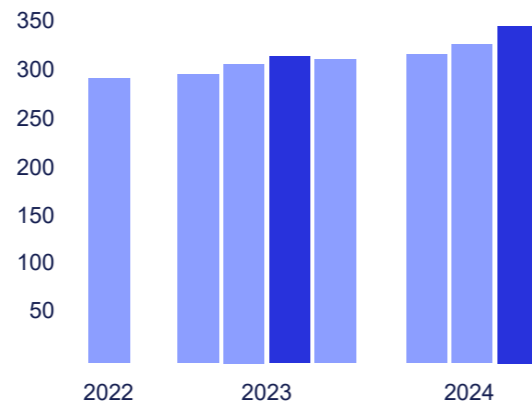
Other retail technology, mainly POS/ERP and software projects in the Baltics, remained flat during the period.

E-commerce logistics

MNOK	Q3		YTD		Year
	2024	2023	2024	2023	2023
Products	23.4	8.3	34.8	71.6	86.9
Services	23.5	8.7	54.1	29.2	39.7
Revenue	46.9	17.0	88.9	100.7	126.6

E-commerce logistics consists of Autostore, Grocery Lockers and Order Picking. Revenue increased by 176% compared to the same quarter last year, driven by product revenue on Grocery Lockers and increased license revenue from Order Picking, with the latter being included in service revenue. Service revenue also includes consulting and professional services, as well as support revenue.

Rolling 12 months recurring revenue (MNOK)



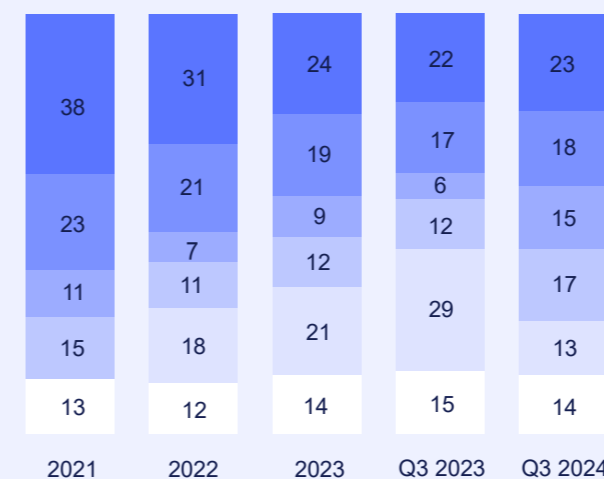
Recurring revenue consists of service and support agreements including spare parts, software license revenue and product rentals.

The Q3 2024 recurring revenue increased by 10% compared to the same quarter last year. This mainly due to a 33% increase in license revenue driven by the Sainsbury's Order Picking contract.



StrongPoint Group

Relative share of revenue per segment (%)



Segments

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

Strategic Projects Update

Automation

StrongPoint has installed the world's first AutoStore™ Multi-Temperature Solution™ with a frozen zone for Haugaland Storhusholdning which was officially opened in September.

In the world of grocery cube storage automation, this is a significant breakthrough. The fact that StrongPoint was chosen for this major project is a testament to its unique expertise in the grocery sector, which is far more complex than other retail segments.



▶ [Click here to read more about the opening ceremony and to watch the video we have made](#)

Order Picking

StrongPoint is making significant progress in the deployment of its Order Picking solution with the UK grocery retailer Sainsbury's. To date, the solution has been successfully implemented in 13 grocery stores and will be rolled out further in the new year.

The first phase rollout of StrongPoint order picking software with Sainsbury's has been very successful, customer feedback has been positive and we are extremely pleased with the project so far. We look forward to completing full scale phase 2 roll out in 2025 and continuing to build on the relationship with Sainsbury's moving forward.

[Sainsbury's spokesperson](#)

CashGuard Connect

The development and industrialization process of CashGuard Connect is progressing well. The final required developments are being completed, allowing us to proceed with the installation of machines in the next planned pilot stores.

In parallel, preparations for the production launch of the hardware are advancing smoothly, with the goal of having the first units ready in Q4 2025. Interest in the project remains strong, and we continue to actively drive this strategic initiative for StrongPoint.

Cash flow and equity

Cash flow from operational activities in the third quarter was 10.1 MNOK (-24.5), driven by improved operational performance and reduction in inventory. The Group's holding of own shares at the end of the third quarter amounted to 213,950, 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. 162,115 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 Q3 2024, the net interest-bearing debt was 109.3 MNOK, representing an increase of 4.2 MNOK compared to Q2 2024.

Disposable funds were 60.9 MNOK as of 30 September 2024, comprising cash and cash equivalents of 34.0 MNOK and 26.9 MNOK of undrawn funds from the Group's bank overdraft facility of 150 MNOK. Earlier this year, we informed that we had entered into a refinancing arrangement which would replace our current bank overdraft from Danske Bank. The new facility, which will be with Norion Bank, will be a combination of an RCF and working capital financing of up to 200 MNOK.

As part of this new financing, there will be a 30% equity covenant only and no leverage covenant. The implementation of the working capital financing is well underway and expected to improve the available disposable funds going forward.

KNOK	30.09.2024	30.09.2023	30.06.2024	31.12.2023
Long term interest-bearing liabilities	5,215	8,656	5,052	4,983
Long term lease liabilities	68,437	76,198	71,109	83,513
Short term interest-bearing liabilities	2,926	3,424	3,772	7,962
Short term lease liabilities	24,472	21,692	23,397	14,316
Bank overdraft (credit facilities)	123,071	104,495	109,938	94,153
= Interest-bearing debt and leasing liabilities	224,121	214,465	213,268	204,926
Of which IFRS 16 rent liabilities not interest bearing	-80,812	-85,783	-82,596	-84,827
= Interest-bearing debt	143,309	128,682	130,672	120,100
Cash and cash equivalents	-34,015	-37,141	-25,603	-39,340
= Net interest-bearing debt	109,294	91,541	105,068	80,760

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the third quarter and YTD 2024, including comparative consolidated figures for the third quarter and YTD 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 third quarter and YTD 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 September 2024 and per 30 September 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 Vilnius, 17 October 2024

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit
Director

Pål Wibe
Director

Jacob Tveraabak
CEO

Consolidated income statement

KNOK	Q3 2024	Q3 2023	Chg. %	YTD 2024	YTD 2023	Chg. %	Year 2023
Operating revenue	313,146	292,948	6.9 %	969,282	1,011,506	-4.2 %	1,342,398
Cost of goods sold	179,328	163,650	9.6 %	573,246	606,818	-5.5 %	805,266
Personnel expenses	82,283	83,226	-1.1 %	282,632	264,087	7.0 %	366,782
Share based compensation	998	2,005	-50.2 %	3,933	5,013	-21.5 %	6,395
Other operating expenses	38,297	40,281	-4.9 %	112,502	116,248	-3.2 %	165,244
Total operating expenses	300,906	289,163	4.1 %	972,313	992,166	-2.0 %	1,343,687
EBITDA	12,240	3,785	223.4 %	-3,031	19,340	-115.7 %	-1,288
Depreciation tangible assets	6,942	6,135	13.2 %	22,015	19,572	12.5 %	26,996
Amortization intangible assets	3,105	2,789	11.3 %	9,108	8,219	10.8 %	11,163
EBIT	2,193	-5,139	142.7 %	-34,154	-8,451	-304.1 %	-39,448
Interest expenses	3,620	2,960	22.3 %	10,652	7,406	43.8 %	9,617
Other financial expenses/currency differences	-5,055	5,472	-192.4 %	-5,990	-8,658	30.8 %	-3,543
Profit from associated companies	201	48	315.3 %	227	229	-0.6 %	191
EBT	3,829	-13,523	128.3 %	-38,588	-6,971	-453.6 %	-45,331
Taxes	1,156	-4,182	127.6 %	-8,725	-1,879	-364.3 %	-11,132
Profit after tax	2,674	-9,340	128.6 %	-29,863	-5,092	-486.5 %	-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	44,665,465	44,395,379		44,612,108	44,365,264		44,397,547
Av. number of shares diluted- own shares	48,785,465	47,986,629		48,732,108	47,956,514		47,820,047
EPS	0.06	-0.21		-0.67	-0.11		-0.77
Diluted EPS	0.05	-0.19		-0.61	-0.11		-0.72
EBITDA per share	0.27	0.09		-0.07	0.44		-0.03
Diluted EBITDA per share	0.25	0.08		-0.06	0.40		-0.03
Total earnings:							
Profit/loss after tax	2,674	-9,340	128.6 %	-29,863	-5,092	-486.5 %	-34,200
Exchange differences on foreign operations	15,155	-13,243	214.4 %	18,128	24,112	-24.8 %	32,894
Total earnings	17,829	-22,584	178.9 %	-11,735	19,020	-161.7 %	-1,305
Of which							
Majority interest	18,174	-22,435	181.0 %	-10,251	19,310	-153.1 %	606
Minority interest	-345	-149		-1,484	-290		-1,911

Consolidated balance sheet

KNOK	30.09.2024	30.09.2023	30.06.2024	31.12.2023
ASSETS				
Intangible assets	141,185	114,758	133,408	125,327
Goodwill	180,931	167,251	174,495	174,325
Tangible assets	30,761	27,841	30,961	30,397
Right-of-use assets	92,908	97,890	94,506	99,568
Long term investments	4,781	4,892	4,580	4,854
Other long term receivables	1,205	1,374	1,168	1,372
Deferred tax	39,750	23,508	40,830	31,106
Non-current assets	491,522	437,514	479,946	466,949
Inventories	181,718	245,363	211,190	230,424
Accounts receivables	224,313	240,274	193,024	240,790
Prepaid expenses	18,541	27,871	27,497	22,032
Other receivables	15,937	9,790	14,463	14,955
Cash and cash equivalents	34,015	37,141	25,603	39,340
Current assets	474,525	560,438	471,779	547,541
TOTAL ASSETS	966,047	997,951	951,725	1,014,490
EQUITY AND LIABILITIES				
Share capital	27,839	27,831	27,838	27,831
Holding of own shares	-133	-302	-146	-217
Other equity	440,037	463,915	421,960	447,238
Total equity	467,743	491,444	449,653	474,852
Long term interest bearing liabilities	5,215	8,656	5,052	4,983
Long term lease liabilities	68,437	76,198	71,109	83,513
Other long term liabilities	2,290	170	2,103	1,848
Deferred tax liabilities	18,111	20,997	18,111	18,111
Total long term liabilities	94,053	106,022	96,375	108,455
Short term interest bearing liabilities	2,926	3,424	3,772	7,962
Bank overdraft (credit facilities)	123,071	104,495	109,938	94,153
Short term lease liabilities	24,472	21,692	23,397	14,316
Accounts payable	95,246	123,606	106,797	159,690
Taxes payable	-8,332	-3,919	-9,762	-10,603
Other short term liabilities	166,868	151,188	171,555	165,665
Total short term liabilities	404,251	400,486	405,697	431,183
TOTAL EQUITY AND LIABILITIES	966,047	997,951	951,725	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		85				1,568	1,652		1,652
Share Option Program					2,974		2,974		2,974
Profit this year after tax						-28,491	-28,491	-1,373	-29,863
Other comprehensive income and expenses ¹				18,240			18,240	-112	18,128
Equity 30.09.2024	27,831	-133	351,262	83,832	18,750	-10,402	471,139	-3,395	467,743

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. Due to weaker NOK after 31.12.2023, the value of the balance sheet from our foreign companies has increased significantly and this is booked against the Comprehensive income.

Statement of cash flow

KNOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	Year 2023
Ordinary profit before tax	3,829	-13,523	-38,588	-6,971	-45,331
Net interest	3,620	2,960	10,652	7,406	9,617
Tax paid	1,878	-1,306	2,771	-16,991	-26,047
Share of profit, associated companies	-201	-48	-227	-229	-191
Ordinary depreciation	10,048	8,924	31,123	27,791	38,159
Profit / loss on sale of fixed assets	-14	-121	-126	-295	-235
Change in inventories	36,798	-3,399	56,919	-2,939	17,169
Change in receivables	-23,820	-17,891	26,714	48,161	52,485
Change in accounts payable	-16,241	-18,013	-70,531	-32,416	-170
Change in other accrued items	-5,754	17,911	-2,980	-32,005	-20,275
Cash flow from operational activities	10,142	-24,504	15,726	-8,488	25,182
Payments for fixed assets	-2,234	-382	-6,385	-6,798	-17,643
Payment for intangible assets 1)	-5,934	-6,914	-16,972	-18,456	-23,425
Payment from sale of fixed assets	177	179	464	179	467
Net effect acquisitions	-	-	-	-	-2,357
Dividends received from associated companies	-	-	300	300	300
Interest received	1,911	460	2,941	1,202	1,604
Cash flow from investment activities	-6,080	-6,657	-19,651	-23,573	-41,054
Purchase/sale of own shares	212	303	1,652	2,224	4,410
Change in long-term debt	-6,200	-8,826	-22,405	-20,881	-24,555
Change in overdraft	14,576	44,989	31,139	85,450	75,664
Interest paid	-5,531	-3,420	-13,593	-8,608	-11,221
Dividend paid	-	-	-	-39,935	-39,935
Cash flow from financing activities	3,057	33,046	-3,207	18,250	4,363
Net cash flow in the period	7,118	1,885	-7,132	-13,811	-11,510
Cash and cash equivalents at the start of the period	25,603	37,396	39,340	47,248	47,248
Effect of foreign exchange rate fluctuations on foreign currency deposits	1,294	-2,141	1,808	3,704	3,602
Cash and cash equivalents at the end of the period	34,015	37,141	34,015	37,141	39,340

Key figures

KNOK	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	YTD 2024	YTD 2023
Income statement							
Operating revenue	313,146	297,177	358,958	330,892	292,948	969,282	1,011,506
EBITDA	12,240	-9,087	-6,184	-20,628	3,785	-3,031	19,340
EBITA	5,298	-16,536	-13,808	-28,053	-2,350	-25,046	-232
Operating profit EBIT	2,193	-19,562	-16,785	-30,996	-5,139	-34,154	-8,451
Ordinary profit before tax (EBT)	3,829	-27,622	-14,796	-38,360	-13,523	-38,588	-6,971
Profit/loss after tax	2,674	-21,158	-11,379	-29,108	-9,340	-29,863	-5,092
EBITDA-margin	3.9 %	-3.1 %	-1.7 %	-6.2 %	1.3 %	-0.3 %	1.9 %
EBT-margin	1.2 %	-9.3 %	-4.1 %	-11.6 %	-4.6 %	-4.0 %	-0.7 %
Balance sheet							
Non-current assets	491,522	479,946	480,638	466,949	437,514	491,522	437,514
Current assets	474,525	471,779	542,110	547,541	560,438	474,525	560,438
Total assets	966,047	951,725	1,022,748	1,014,490	997,951	966,047	997,951
Total equity	467,743	449,653	473,907	474,852	491,444	467,743	491,444
Total long term liabilities	94,053	96,375	100,159	108,455	106,022	94,053	106,022
Total short term liabilities	404,251	405,697	448,682	431,183	400,486	404,251	400,486
Working capital	310,785	297,418	312,185	311,524	362,030	310,785	362,030
Equity ratio	48.4 %	47.2 %	46.3 %	46.8 %	49.2 %	48.4 %	49.2 %
Liquidity ratio	117.4 %	116.3 %	120.8 %	127.0 %	139.9 %	117.4 %	139.9 %
Net interest-bearing debt	109,294	105,068	77,001	80,760	91,541	109,294	91,541
Net leverage multiples	n.m.	n.m.	n.m.	n.m.	1.73	n.m.	1.73
Cash Flow							
Cash flow from operational activities	10,142	-9,704	15,288	33,670	-24,504	15,726	-8,488
Net change in liquid assets	7,118	-1,164	-13,087	2,301	1,885	-7,132	-13,811
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	44,665,465	44,621,692	44,548,581	44,493,344	44,395,379	44,612,108	44,365,264
EBT per shares	0.09	-0.62	-0.33	-0.86	-0.30	-0.86	-0.16
Earnings per share	0.06	-0.47	-0.26	-0.65	-0.21	-0.67	-0.11
Earnings per share, excl. M&A amortization	0.13	-0.41	-0.19	-0.59	-0.15	-0.47	0.07
Equity per share	10.47	10.08	10.64	10.67	11.07	10.48	11.08
Dividend per share	-	-	-	-	-	-	0.90
Employees							
Number of employees (end of period)	512	516	523	524	523	512	523
Average number of employees	514	520	524	524	521	519	517
IFRS 16 effects							
Reduced OPEX	6,422	6,733	6,888	6,909	5,772	20,043	18,285
Increased depreciation	5,303	5,601	5,740	5,743	4,624	16,643	15,154
Increased interest expenses	1,119	1,132	1,148	1,167	1,148	3,399	3,130
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	6,422	6,733	6,888	6,909	5,772	20,043	18,285
Cash flow from financing activities	-6,422	-6,733	-6,888	-6,909	-5,772	-20,043	-18,285

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	Q3 2024			Q3 2023			YTD 2024			YTD 2023			Year 2023		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Scandinavia	128.8	15.7	14.9	119.8	11.9	11.3	490.8	39.5	35.4	492.6	37.2	33.3	633.9	41.5	35.1
International incl. Product	184.3	1.0	-8.7	173.2	0.4	-8.1	478.5	-21.9	-50.5	519.0	7.0	-17.7	708.5	-10.4	-51.5
ASA/Elim	-	-4.4	-2.3	-	-8.5	-16.7	-	-20.6	-23.5	-	-24.9	-22.6	-	-32.4	-29.0
Total	313.1	12.2	3.8	292.9	3.8	-13.5	969.3	-3.0	-38.6	1,011.5	19.3	-7.0	1,342.4	-1.3	-45.3

Operating revenue by products and services

MNOK	Q3 2024		Q3 2023		YTD 2024		YTD 2023		Year 2023	
	Products	Services *	Products	Services *	Products	Services *	Products	Services *	Products	Services *
Scandinavia	63.5	65.3	57.9	61.9	289.2	201.6	308.2	184.3	385.7	248.2
International incl. Product	85.6	98.7	51.9	121.2	190.3	288.2	192.1	326.8	276.4	432.1
Elim / ASA	-	-	-	-	-	-	-	-	-	-
Total	149.2	164.0	109.8	183.1	479.5	489.8	500.3	511.2	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 September 2024.

Note 5 Top 20 shareholders per 30 September 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	1,422,316	3.17
7	AVANZA BANK AB	1,356,583	3.02
8	HSBC BANK PLC	1,303,665	2.90
9	RING, JAN	1,243,374	2.77
10	VERDADERO AS	1,081,285	2.41
11	JAHATT AS	1,080,850	2.41
12	EVENSEN, TOR COLKA	805,000	1.79
13	WAALER AS	690,000	1.54
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	506,650	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		24,890,100	55.45
Sum 2 289 other shareholders		19,998,252	44.55
Sum all 2 309 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	3 933	22 061
Total Social security provisions	36	737	- 341	- 432	-	-

Granted instruments:

Activity	Number of instruments
Outstanding OB (01.01.2024)	3,422,500
Granted	1,230,000
Exercised	-
Terminated	-532,500
Outstanding CB (30.09.2024)	4,120,000
Vested CB	1,747,500

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 1/4 vesting after one year, 1/4 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
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