



Q2 and 1st half 2023

Financial report and status

CEO's perspective



Jacob Tveraabak
CEO of StrongPoint

General macro uncertainty continues to shadow many markets that StrongPoint operates in. The pressure on disposable household income continues as interest rates rise, leading to discounters gaining market share as consumers look to cheaper products and options. Although the grocery market is relatively stable and resilient, the competitive pressures and uncertainty are driving established grocery retailers to postpone or hold back investments. We foresee this to be short-term actions to alleviate the financial pressures on many grocery retailers. The medium to long-term outlook of retail technology, and for StrongPoint, is as positive as ever. Introducing and engraining efficiency driving solutions is definitely an essential element of retailers' plans going forward. Following a soft second quarter, we expect the remainder of the year to improve. In addition, we have a set of substantial large-scale opportunities which will be concluded this autumn. Hence, I continue, along with my management team, to remain confident in achieving our 2.5 BNOK and 13-15% EBITDA margin ambitions for 2025. The path to achieving our financials ambitions will be non-linear, but we will get there. We are still a predominantly project-driven company.

Our revenue in the second quarter was 337 MNOK, a 5% increase from same quarter 2022. Without the acquisition of Air Link Group (ALS) last year, the revenue development would have been -3%. Adjusting for foreign exchange development, the revenue drop would have been bigger. The development follows existing customers' postponement of rollouts and a temporary hold-back of new investments. Although we consider our grocery retail customers to have sound and healthy businesses, we sympathize with their actions to temporarily hold back on investments. The effect is most notable in Norway, Sweden and the UK, and within general E-commerce where investments and projects have been delayed or pushed out in time. The investment halt has hit us relatively more in our mature Nordic markets, and as a consequence our International business area was larger than the Nordics in this quarter. In this context it should be noted that our Baltic business is doing very well and that our Spanish business is performing as expected with the large-scale next generation cash management opportunity getting much attention. Spain is a market where "cash is still king" and is expected to be for many years to come so there continues to be substantial opportunities for StrongPoint in driving efficiency savings in safe cash management processes.

Our EBITDA in the second quarter was 2.1 MNOK (0.6%) down from last year's 9.8 MNOK (3.1%). The largest explanations to the EBITDA drop are found in the UK & Ireland, in Norway and within E-commerce. In the UK, we have in this quarter a negative EBITDA contribution, following significant investments in getting StrongPoint products and solutions out in the market as well as experiencing the low gross margin from a strategically important new customer. In Norway, profitability has been hit by a combination of low margin on the first AutoStore projects as well as postponement of solution roll-outs, resulting in a low activity level. Within E-commerce we are still negatively affected by our deliberate investments in this area, and while we are adapting our cost levels to the market situation we do not currently have a positive profit contribution from this business area. It needs to be highlighted that we now have an unprecedented pipeline of high-profile e-commerce opportunities across our solution offering in some of the largest e-grocery markets, including our Order Picking solution and Automated Picking solution with AutoStore and temperature-controlled grocery lockers. This makes us confident that our investments in E-commerce solutions will pay off significantly in the years to come.

Our cash flow from operational activities is very strong with a positive 60.2 MNOK, a close to 100 MNOK improvement vs. last year. This reflects the solidity of our grocery customers' financial situation, paying their outstanding invoices to StrongPoint on time, as well as our internal focus on reducing working capital.

The substantial currency fluctuations in the market continue to prevail. For StrongPoint, the short-term effect in NOK is positive whereas the negative profit experienced in the quarter in the UK and within E-commerce are further exacerbated by the weakened NOK compared to the EUR and GBP currencies. In the long-term, the effect of sustained more expensive imports to our Norwegian and Swedish markets is obviously not beneficial for these markets either. For StrongPoint as a whole, we believe we have a good and operational currency hedge.

We expect the most mature Nordic StrongPoint-markets, Norway and Sweden, to perform better in the second half of 2023, whilst continuing the strong performance in the Baltics. Regarding the UK, Irish and Spanish markets, we are very excited about opportunities both in the short and long-term. The UK is particularly ripe for a number of the efficiency driving solutions we supply, and I gladly repeat my expectations to announce at least one major deal with a StrongPoint affiliated solution in the UK in 2023. In Iberia we are getting closer to the acid test of our groundbreaking next generation cash management solution for one of the leading Iberian grocery retailers. During the third quarter we should have definite answers and more information to share with the market about the solution and roll-out plans. The market for this new cash management solution is vast. Even with this one first lead customer the opportunity is massive on its own.

Although StrongPoint predominantly serves the stable and resilient grocery market, our customers are of course not immune to the hike in interest rates and general market uncertainty. I do expect, however, to see an uptick in investment willingness during the second half of this year. Most certainly, the introduction of more efficiency driving solutions, in which technology plays an important role, will continue to be a significant long-term trend. This is a megatrend that StrongPoint is ready for and well positioned to ride. As such, we continue to be confident in achieving our 2025 strategic ambitions.

Stay safe, strong and passionate!

Highlights 2nd quarter

Soft financial performance in a currently uncertain global macro environment. Continued significant investments in future growth areas.

Financial performance

- Revenue Q2 increased by 5% to 337 MNOK (321) compared to same quarter last year. H1 revenue increased 16% to 719 MNOK (622).
- EBITDA for the quarter ended at 2.1 MNOK (9.8). EBITDA first half 2023 was 15.6 MNOK (21.3).
- Cash flow from operations in Q2 was 60.2 MNOK (-37.3). H1 Cash flow from operations was 16.0 MNOK (-25.5).

Continued customer success in priority areas

- ICA Malmborgsgruppen chose StrongPoint as supplier of electronic shelf edge labels from Pricer.
- Successful Vensafe pilots in the Baltics and South Africa.
- Concluded a successful installation of an AutoStore MFC for ColliCare at their facility in Vestby, Norway.

Further progress on 2025 strategic ambitions

- Announced partnership with food refrigeration specialist, Aste Oy, as re-seller of their grocery plug-in cooler, refrigeration and grocery locker solutions.
- Marius Drefvelin appointed as new Chief Financial Officer, starting September 1.
- Completing new, innovative, value generating cash management solution for a large Iberian grocery retailer with preparation for in-store pilot in Q3 2023.

Key figures (MNOK)

| | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | Year 2022 |
|---------------------------------------|------------|------------|-------------|-------------|--------------|
| Revenue | 337.2 | 320.8 | 718.6 | 621.5 | 1 372.4 |
| EBITDA | 2.1 | 9.8 | 15.6 | 21.3 | 75.5 |
| EBITDA margin | 0.6% | 3.1% | 2.2% | 3.4 % | 5.5% |
| EBITDA exclusive Option cost* | 3.6 | 10.5 | 18.6 | 23.4 | 80.6 |
| Operating profit (EBIT) | -7.3 | 1.4 | -3.3 | 6.1 | 37.3 |
| Ordinary profit before tax (EBT) | -1.1 | 7.3 | 6.6 | 10.8 | 38.2 |
| Cash flow from operational activities | 60.2 | -37.3 | 16.0 | -25.5 | 16.6 |
| Disposable funds | 129.6 | 131.2 | 129.6 | 131.2 | 125.1 |
| Earnings per share (NOK) | -0.02 | 0.12 | 0.10 | 0.19 | 0.66 |
| Earnings per share. adjusted | 0.04 | 0.18 | 0.22 | 0.29 | 0.95 |

* EBITDA exclusive IFRS cost related to long term incentive program

StrongPoint Group

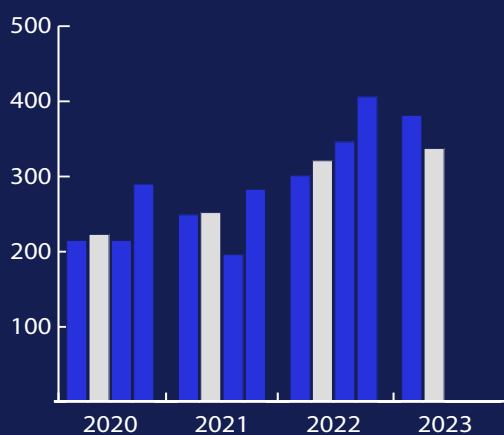
StrongPoint is a grocery-focused company that serves retailers with products and solutions for in-store and online shopping.

| Revenue MNOK | Q2 | | YTD | | Year |
|------------------------|--------------|--------------|--------------|--------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Nordics | 160.2 | 192.5 | 373.8 | 407.1 | 744.1 |
| International incl R&D | 176.9 | 128.3 | 344.7 | 214.5 | 628.3 |
| ASA/Elim | - | - | - | - | - |
| Total | 337.2 | 320.8 | 718.6 | 621.5 | 1 372.4 |

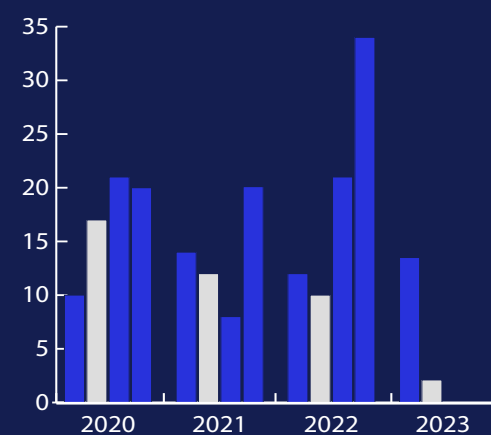
| EBITDA MNOK | Q2 | | YTD | | Year |
|------------------------|------------|------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Nordics | 10.1 | 20.1 | 25.3 | 37.7 | 67.2 |
| International incl R&D | 0.2 | 2.2 | 6.6 | 7.2 | 53.9 |
| ASA/Elim | -8.2 | -12.5 | -16.4 | -23.6 | -45.6 |
| Total | 2.1 | 9.8 | 15.6 | 21.3 | 75.5 |
| Number of employees | 519 | 513 | 519 | 513 | 511 |

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Soft financial performance in a currently uncertain global macro environment

The total revenue increased by 5.1% compared with same quarter last year. Looking at year to date, the growth was 15.6%. The challenging macro situation has led to the postponement of investment decisions in the quarter, especially within the Nordic countries which saw a 16.8% revenue decline compared to a very strong Q2 2022. The segment International grew by 37.9% in revenue, this includes the acquired company Air Link Group (ALS) in UK and Ireland which was consolidated from June 1, 2022 and subsequently rebranded to ALS StrongPoint. Excluding ALS, the growth in International ended at 23.1%. Foreign exchange contributed positively to the revenue growth by 8 percentage points in the quarter.

The EBITDA decreased by 7.7 MNOK, and the EBITDA margin declined to 0.6% (3.1%), despite a slightly improved gross margin from 39% to 40%. The EBITDA year to date declined by 5.7 MNOK reflecting the low profit in Q2. In the second quarter, increased payroll costs explains the majority of the EBITDA decline. The increased cost is partially explained by a full quarter consolidation of ALS. Secondly, high inflation rates in the StrongPoint markets have led to increased costs from Q2 2023 compared to same quarter last year. Other operating costs were reduced relative to the same period last year in the quarterly comparison.

Cash flow from operating activities was a strong 60.2 MNOK in the quarter, up from a negative 37.3 MNOK the same quarter last year. Year to date the operating cash flow was 16.0 MNOK vs. a negative 25.5 MNOK from the same period last year. The strong cash flow first and foremost reflects the solidity of our customer base, representing grocery retailers predominantly. Our accounts receivable losses from grocery customers are negligible. The cash flow also reflects the completion of project rollouts, whilst new investments are pushed out in time.

The number of employees increased by 6 compared to Q2 last year, all related to the consolidation of the new legal entity in Spain, StrongPoint Cash Tech S.L., in which StrongPoint currently owns 60%, performing the development of a new cash management solution for a major Iberian customer.

Continued customer success in priority areas

StrongPoint was awarded a contract with ICA Malmborgsgruppen as supplier of electronic shelf edge labels from Pricer to six ICA stores in the south of Sweden. The installation of the new multi color labels will be completed within 2024.

Introducing Vensafe to new markets had notable progress in Q2, with successful installations of pilot projects to grocery chains in the Baltics and South Africa. The system allows for self-service pickup of age restricted items, and predefined KPIs were positively met during the pilot phase. In general, it can be said that the interest for protection of high-value items in grocery stores across our markets have risen significantly with the increasing economic hardship in the current macro environment.

During Q2, the first AutoStore MFC installation was successfully completed for ColliCare at their facility in Norway. The installation was delivered on time and within the initial project calculations.

Further progress on 2025 strategic ambitions

The project of the next generation cash management solution that StrongPoint communicated in the Q1 report as well as in the Strategy Update session from February, continues. StrongPoint is working with a major Iberian grocery retailer to undertake a test in a grocery store in Q3.

In April, StrongPoint finished delivery of its AutoStore solution for the 3PL logistics company ColliCare. ColliCare will be using the solution to speed up the delivery time for their IKEA mail order customers.

In May, StrongPoint's new Chief Financial Officer, Marius Drefvelin was appointed and he is set to commence on 1st September. Marius has over 10 years' experience as CFO of multiple tech companies including five years at the listed company Techstep ASA.

Later in May StrongPoint announced a partnership with Aste Finland, a leading provider of food and drink cooling devices and temperature-controlled grocery lockers for grocery e-commerce. The scope of the agreement provides StrongPoint with distribution rights of Aste's solutions in StrongPoint's eight core markets of UK, Ireland, Norway, Sweden, Spain, Lithuania, Latvia and Estonia, as well as other markets of strategic interest.

StrongPoint's 2025 Strategic Ambition

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

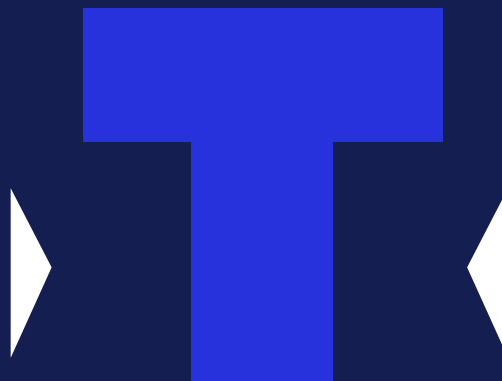
How we are structured to achieve our ambitions

In 2020 StrongPoint set in place a new 2025 strategy and made the decision to focus on serving the grocery market with retail technology solutions.

Our T-shaped strategy

Go wide with world-class solutions **for** selected markets.

- E-Commerce Order Fulfillment platform
 - Order Picking
 - Automated Fulfillment
 - Last Mile Solutions
- Self Checkout
- Cash Management



Go **deep** in core markets with solutions that cover in-store, e-commerce solutions and AutoStore grocery automated fulfillment.

- Norway
- Sweden
- Baltics
- Spain
- UK & Ireland

StrongPoint's financial ambitions

BNOK **2.5 in 2025**

EBITDA **13-15%**

StrongPoint's product-market fit – our 'double opportunity'

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

In-store costs for goods, transportation and labour is surging. This has driven many customers to shop at discounters.

In mature grocery e-commerce markets such as the UK where it makes up over 15% 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.

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



The StrongPoint Financial Sandwich

StrongPoint finances can be divided into three categories: what drives our business today, what we are investing in to serve future demand, and how we future-proof our customers with next-generation technology solutions.

Sauce

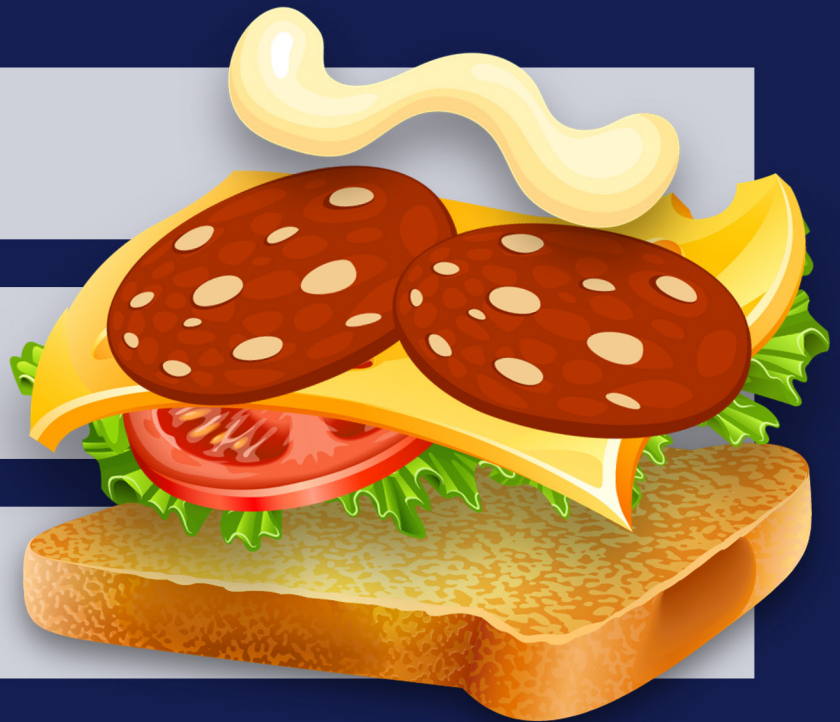
Tomorrow's solutions

Toppings

E-commerce solutions

Bread & Butter

In-store solutions



Firstly, our 'bread and butter'

These are our in-store solutions that make up >85% of our current business with 10-11% EBITDA margin (in 2022). These have strong EBITDA margins and are seeing strong, continued demand from our core grocery retailer customers in our core markets.

Solutions:

- CashGuard Cash Management
- Vensafe Sales Automation
- Self-Checkout
- Self-Scanning
- ShopFlow Logistics
- Pricer Electronic Shelf Labels
- DIGI scales and wrapping system
- POS Systems
- Commerce Management System
- Grocery Cooling Solutions

Secondly, our 'toppings'

These are our e-commerce solutions that we are strongly investing in, in addition to our partnership with AutoStore, the world's leading automation provider for grocery retailers. These do not yet have the commercial maturity compared to our in-store solutions but we have a solid base of clients mainly in Sweden, and now in Norway with our first AutoStore installation. The market dynamics show that there is strong demand in the near and medium future as grocery e-commerce continues to grow and automation becomes more and more in-demand to counter-act growing labour costs and shortages.

Solutions:

- In-Store Picking
- Dark Store Picking
- Home Delivery
- Click & Collect Lockers
- In-Store Pickup
- Drive-Thru
- AutoStore / Automated Fulfilment

Thirdly, the 'sauce'

These are the solutions of tomorrow that we are already investing in today. As labor costs are set to only increase the demand for next generation technology solutions continues to grow, especially in robotics and friction-free shopping. By investing in these solutions today we future-proof our customers.

Solutions:

- In-store robot with 1X (formerly known as Halodi)
- Friction-free in-store solutions

StrongPoint Solutions



In-store

In-store Productivity

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

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


Last mile

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



* Proprietary technologies

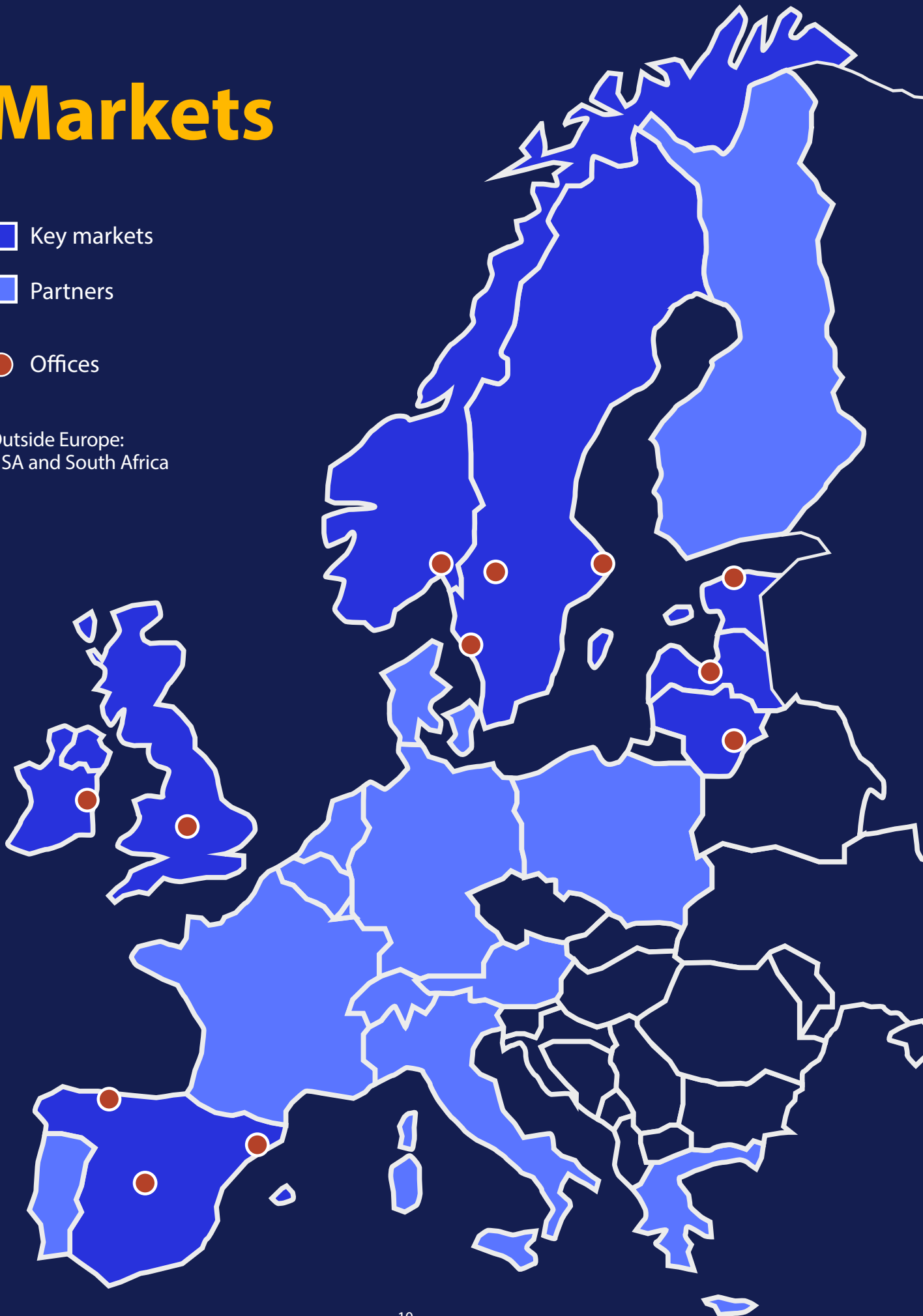
Markets

 Key markets

 Partners

 Offices

Outside Europe:
USA and South Africa



Nordics

The business segment Nordics currently consist of the operating business units in Norway and Sweden. The revenue also includes some deliveries to other parts of the Nordics like Denmark and Iceland.

| MNOK | Q2 | | YTD | | Year |
|---------------|-------|--------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| - Norway | 82.7 | 103.5 | 209.6 | 231.3 | 386.1 |
| - Sweden | 77.5 | 89.0 | 164.2 | 175.7 | 358.0 |
| Total Revenue | 160.2 | 192.5 | 373.8 | 407.1 | 744.1 |
| EBITDA | 10.1 | 20.1 | 25.3 | 37.7 | 67.2 |
| - In % | 6.3 % | 10.4 % | 6.8 % | 9.3 % | 9.0 % |
| EBT | 8.4 | 19.1 | 22.0 | 34.0 | 59.5 |
| - In % | 5.3 % | 9.9 % | 5.9 % | 8.4 % | 8.0 % |

The revenue in the Nordics declined by 16.8% compared to the same quarter last year, following a very strong quarter last year with a couple of large product roll-outs. EBITDA declined by 10 MNOK to 10.1 MNOK in the quarter mainly due to the reduced revenue. Increased cost of payroll and OPEX due to salary adjustments and inflation, were covered by increased gross margin in the period. Year to date, the business segment had a revenue decline of 8.2%, and a negative EBITDA development of 12.4 MNOK.

Norway

| MNOK | Q2 | | YTD | | Year |
|---------------|------|-------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 56.2 | 73.3 | 155.0 | 171.4 | 269.7 |
| Service | 26.5 | 30.2 | 54.6 | 60.0 | 116.4 |
| Revenue | 82.7 | 103.5 | 209.6 | 231.3 | 386.1 |

The revenue for Norway in Q2 declined by 20.1% compared to the same quarter last year, whilst year to date the decline is 9.4%. Large installation projects can create a volatile quarter-by-quarter comparison, and in 2022 both Pricer ESL, Vensafe and Cash Management projects led to an all-time high Q2 revenue. On the positive side, the final delivery of an AutoStore MFC solution to ColliCare, and further progress on the same solution to DLVRY affected the financial figures positively. Grocery retailers have postponed new investments decisions due to the challenging macro environment, but it is anticipated that the performance will improve in the second half of 2023.

Sweden

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 43.2 | 59.6 | 96.4 | 108.4 | 225.1 |
| Service | 34.3 | 29.4 | 67.8 | 67.3 | 132.9 |
| Revenue | 77.5 | 89.0 | 164.2 | 175.7 | 358.0 |

The revenue in Sweden declined by 13% compared to the same quarter last year, with a 6.6% negative revenue development year to date. The reduced revenue stems mostly from reduced installation of Pricer ESL and E-commerce solutions. Cash Management and Shop Flow Logistics outperformed same quarter last year, reflecting the local managements' focus on a broader product portfolio in the Swedish market. The service revenue grew by 16.7% in the period. Support fees from a larger installed base of Pricer ESL, and services related to Shop Flow Logistics showed improved figures this quarter.



International incl. R&D

The business segment International incl. R&D 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 R&D activities for own products have been allocated to this segment.

| MNOK | Q2 | | YTD | | Year |
|------------------|--------|--------|--------|--------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| - Baltic | 75.0 | 47.9 | 121.0 | 92.2 | 204.6 |
| - Spain | 22.5 | 18.0 | 42.6 | 40.7 | 76.8 |
| - UK & Ireland | 56.3 | 30.3 | 134.5 | 30.3 | 241.3 |
| - Rest of Europe | 23.1 | 32.1 | 46.7 | 51.3 | 105.7 |
| Total Revenue | 176.9 | 128.3 | 344.7 | 214.5 | 628.3 |
| EBITDA | 0.2 | 2.2 | 6.6 | 7.2 | 53.9 |
| - In % | 0.1 % | 1.7 % | 1.9 % | 3.4 % | 8.6 % |
| EBT | -7.9 | -4.8 | -9.5 | -3.2 | 21.1 |
| - In % | -4.5 % | -3.7 % | -2.8 % | -1.5 % | 3.4 % |

The business segment International included R&D increased the revenue by 37.9% compared to same quarter last year. The growth was 23.1% excluding the acquired business in UK and Ireland. The EBITDA ended at 0.2 MNOK, down 2.0 MNOK from second quarter last year. The Baltic and Spanish business performed well above last year, while the UK and Irish business units have seen customers postpone the starting point of agreed projects leading to lower utilization than expected. The projects are expected to start from Q3 2023 and onwards. As planned and announced, investments in R&D for the E-commerce was reduced to be more aligned with the market sentiment, and the cost year to date has been taken down by 30% compared to the same period last year.

Baltics

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|-------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 44.1 | 26.3 | 62.5 | 47.7 | 100.2 |
| Service | 31.0 | 21.6 | 58.5 | 44.5 | 104.4 |
| Revenue | 75.0 | 47.9 | 121.0 | 92.2 | 204.6 |

Revenue from the Baltic operations increased by an impressive 56.6% compared to the same quarter last year. The largest solution areas Checkout Efficiency and Software delivery projects both increased by more than 50%. The first pilot stores from the announced framework agreement for Pricer ESL to grocery retailer Rimi in Q1 has already contributed with revenue in the second quarter. If the next pilots give equally positive outcome on the retailers' return on investment, the agreement will result in ESL installations in up to 300 stores. Year to date the business grew more than 30%, compared to an already very strong last year.

Spain

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|------|------|------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 17.3 | 14.7 | 32.6 | 32.9 | 60.2 |
| Service | 5.3 | 3.4 | 10.0 | 7.8 | 16.6 |
| Revenue | 22.5 | 18.0 | 42.6 | 40.7 | 76.8 |

The Spanish revenue increased by 25.1% compared with the same quarter last year, and by that the business segment has achieved a positive development year to date. Cash Management solutions represented a substantial part of the deliveries, and the segment had a positive EBITDA contribution both in the quarter and year to date. This is in stark contrast to earlier years with losses, and proves the successful turnaround of our Spanish operations.

The new subsidiary, StrongPoint Cash Tech S.L., is managing the development of the new cash management solution, for which we have very high expectations. The company is consolidated into StrongPoint financial figures from Q2 2023. The development cost of 11 MNOK year to date was capitalized (as a deviation to the normal accounting policy). StrongPoint currently owns 60% of the company.

UK & Ireland

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|-------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | - | - | - | - | - |
| Service | 56.3 | 30.3 | 134.5 | 30.3 | 241.3 |
| Revenue | 56.3 | 30.3 | 134.5 | 30.3 | 241.3 |

Air Link Group (ALS), now rebranded as ALS StrongPoint, was acquired on June 1, 2022, hence only one month of revenue was included in the last year's Q2 figures. The revenue in June last year was exceptionally high due to the order backlog following the pandemic, and as such this year's activity level is comparatively quite a lot lower.

A few large customers have decided to postpone the implementation of some of their planned projects to later in the year or into 2024. ALS employees have already been allocated and reserved for these projects and thus the project delays have a short-term impact on operational costs as resources have not been utilized at levels previously estimated.

The projects have not been cancelled and are expected to be delivered in the quarters to come. Additionally, investments in sales resources to sell StrongPoint solutions in UK and Ireland contributed negatively to EBITDA in Q2 2023. However, we expect good future return on these investments as we consider many of our solutions being ripe for the UK and Irish markets.

Partners

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 21.8 | 30.8 | 44.0 | 48.7 | 103.6 |
| Service | 1.3 | 1.3 | 2.7 | 2.6 | 2.0 |
| Revenue | 23.1 | 32.1 | 46.7 | 51.3 | 105.7 |

Partners represent an important contributor to StrongPoint sales. In Q2 2023 the revenue declined by 28% from a comparatively high Q2 2022 revenue. The CashGuard deliveries to Bullion IT in South Africa, and Self Checkout deliveries to Partner Tech to be delivered into Poland, can vary from quarter to quarter and impact the quarterly comparison figures. Year to date, revenue is down by 9.1%.

Product segments

In-store Productivity

| MNOK | Q2 | | YTD | | Year |
|---------------|------|-------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 57.0 | 83.2 | 135.6 | 189.0 | 339.0 |
| Service | 24.7 | 21.9 | 49.3 | 44.3 | 87.2 |
| Revenue | 81.7 | 105.1 | 184.9 | 233.4 | 426.2 |

Revenue for the In-Store Productivity segment was down by 22.3% compared to same quarter last year. The outcome was partly expected as large Pricer ESL contracts in Norway were delivered in Q2 2022. However, in Sweden we have experienced a slower quarter for ESLs, compared with last year, to a large extent attributed to the challenging macro environment leading to investments being postponed. On the other hand, in Q2 the first pilot stores from the announced ESL order for Rimi in the Baltics were installed.

Payment Solutions

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|-------|-------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 41.7 | 39.3 | 86.0 | 90.4 | 164.6 |
| Service | 28.1 | 30.6 | 56.5 | 60.8 | 120.0 |
| Revenue | 69.8 | 69.9 | 142.5 | 151.3 | 284.6 |

The revenue from Payment Solutions was on par with last year in the second quarter, down 5.8% compared to last years' year to date figures. We achieved a positive growth in installations in Spain and Sweden overcoming the lower number of installations in Norway, resulting in a positive growth of 6.1% in the quarter for product sales. The service revenue declined in the quarter, as expected given the lower the number of operating systems in mature markets.

Check Out Efficiency

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 40.7 | 35.8 | 59.4 | 59.9 | 115.9 |
| Service | 11.5 | 9.2 | 20.9 | 18.1 | 39.4 |
| Revenue | 52.2 | 45.0 | 80.3 | 78.0 | 155.3 |

Check Out Efficiency increased by 16.0% compared to the same quarter last year. The number of Self Checkout installations grew by a staggering 56% in the Baltics in the period, outdoing the lower number of Vensafes

installed in the period, in Norway and Sweden. The year-to-date figures for Checkout Efficiency show a positive growth of 2.9%, in which service revenue has increased by a solid 15% compared to last year as the number of operating systems is growing.

Shop Fitting

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|-------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | - | - | - | - | - |
| Service | 56.3 | 30.3 | 134.5 | 30.3 | 241.3 |
| Revenue | 56.3 | 30.3 | 134.5 | 30.3 | 241.3 |

The Shop Fitting product segment reflects the acquired company Air Link Group, which was consolidated from 1. June 2022. The 2022 figures are described by the local management as unusually high as the business had a large backlog of orders following the pandemic. During the quarter, some large customers have postponed the start-up of already ordered refurbishment and shop fitting projects, due to the macro instability. The orders are not cancelled, but the delay reduces the utilization of staff allocated to these projects and thus has a negative impact on operational cost margin.

Other retail technology

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|------|------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 26.2 | 21.4 | 46.3 | 39.8 | 85.9 |
| Service | 23.6 | 17.0 | 46.4 | 37.1 | 84.6 |
| Revenue | 49.8 | 38.4 | 92.7 | 76.9 | 170.5 |

Other retail technology, mainly software projects in the Baltics, increased by a very strong 29.6% in the period. The revenue consists mostly of software, services, and hardware deliveries, both from recurring operation and development projects, for the large grocery retailers in the Baltics. In addition, the installed base of POS solutions for Gebr. Heinemann for airports has increased, leading to increased service and support income.

E-commerce logistics

| MNOK | Q2 | | YTD | | Year |
|---------------|------|------|------|------|------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Product Sales | 17.1 | 21.0 | 63.2 | 29.9 | 53.4 |
| Service | 10.3 | 11.2 | 20.5 | 21.8 | 41.0 |
| Revenue | 27.4 | 32.2 | 83.7 | 51.7 | 94.5 |

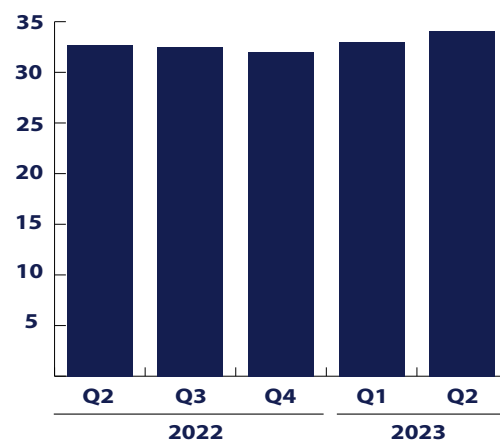
Revenue from e-commerce declined by 14.9%. The decline follows the general e-grocery development as a consequence of consumer shifts in the current macroeconomic environment. Grocery Locker sales were affected by some temporary investment freezes, and the Order Picking software is impacted by the relative decline of online order volume. In the short and medium term the main focus is succeeding in the UK market where e-grocery penetration is high and efficient picking and delivery options are in high demand. The long term outlook for e-groceries across markets continues to be positive as groceries catch-up to other retail segments which have progressively gone online.

The MFC project to Collicare has been successfully completed this quarter, and we see a presentation of this later in this report. In addition, further progress up to 90% on the MFC project to DLVRY has been recognized in Q2. The projects are the main reason for the extremely positive growth of 62% year to date.

Technology and R&D update

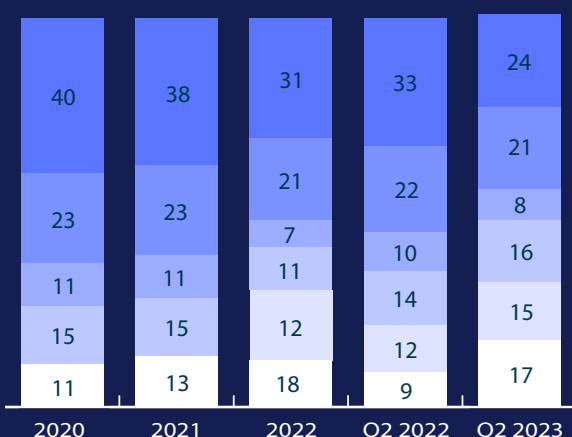
Following the massive growth in e-commerce due to the pandemic, the growth has retracted driven by macroeconomic challenges and shifts in consumer behavior. Notwithstanding, the collective understanding among grocery retailers in our core markets holds that e-commerce sales will regain momentum. Hence, in the medium and not least long term we expect e-grocery to play a vital role in sales growth. Consequently, we retain confidence in the market demand for our highly efficient solutions that create customer value and ensure sustainable profitability in online grocery. In response to current market conditions, we have adapted our staffing levels and development plans accordingly. Our principal objective now is pivoted towards facilitating seamless migration for our existing customers from previous versions of the platform.

Rolling 12 months recurring revenue (MNOK)



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



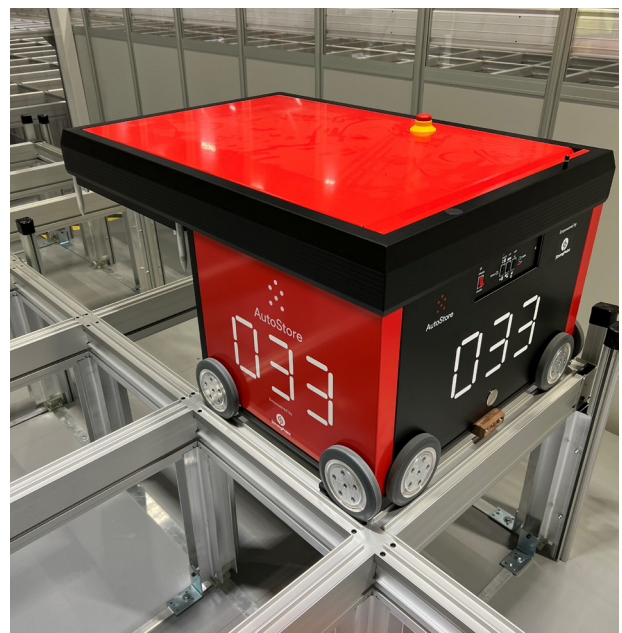
StrongPoint facility

In 2022 StrongPoint won a competitive tender to build an AutoStore cube storage solution for ColliCare, a third-party logistics company. The aim was to help cut delivery time for their e-commerce customer, IKEA.

The project was completed on-time and the micro-fulfillment centre was opened in April 2023. Before, IKEA's online customers were able to receive their mail orders, on average, in 3-7 days. Now, 4 out of 5 customers will get their orders within 2 days.


” *We know that the grocery industry, one of StrongPoint's key markets, is very demanding. So we knew that with StrongPoint, we would get a team working to the highest of standards and who is obsessed with efficiency.*

Ole Bakurowitz, Product Manager at ColliCare



About ColliCare

ColliCare is an industry-leading provider of e-commerce logistics, including shipping and transport. They focus heavily on Scandinavia, Europe and Asia.

 [Click here to watch an interview with Ole Bakurowitz in ColliCare on StrongPoint's successful AutoStore implementation](#)

Cash flow and equity

Cash flow from operational activities in the second quarter was 60.2 MNOK (-37.3). Changes in working capital, especially receivables explains at large the positive development. The receivables have traditionally low risk in StrongPoint.

Disposable funds were 129.6 MNOK (131.2) per June 30, 2023, of which 92.2 MNOK was available credit facility. The net interest-bearing debt increased by 15.0 MNOK compared to last quarter and ended at 139.6 MNOK. The Group's holding of own shares at the end of the second quarter amounted to 503,311, which represents 1.1 per cent of the outstanding shares.

The Group has shareholder programs for the Board of Directors, the Group executive management and the employees. 83,915 shares have been assigned so far in 2023 (123,975 in the year 2022). StrongPoint has a long-term incentive program for management and key employees. More information on the program can be found in note 6.

| Accounting year | General meeting | Dividend per share |
|-----------------|--------------------------|--------------------|
| 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 |

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 2023. including comparative consolidated figures for the second quarter and first half 2022. 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 2023 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 2023 and per 30 June 2022. 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, 13 July 2023

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit
Director

Peter Wirén
Director

Jacob Tveraabak
CEO

Consolidated income statement

| KNOK | Q2 2023 | Q2 2022 | Chg. % | YTD 2023 | YTD 2022 | Chg. % | Year 2022 |
|---|------------|------------|----------|------------|------------|----------|------------|
| Operating revenue | 337 162 | 320 849 | 5.1 % | 718 558 | 621 528 | 15.6 % | 1 372 392 |
| Cost of goods sold | 201 132 | 196 231 | 2.5 % | 443 168 | 380 918 | 16.3 % | 850 956 |
| Payroll | 95 584 | 75 255 | 27.0 % | 185 961 | 143 383 | 29.7 % | 305 842 |
| Share based compensation | 1 491 | 667 | 123.7 % | 3 008 | 2 105 | 42.9 % | 5 079 |
| Other operating expenses | 36 874 | 38 884 | -5.2 % | 70 866 | 73 803 | -4.0 % | 134 976 |
| Total operating expenses | 335 081 | 311 036 | 7.7 % | 703 004 | 600 211 | 17.1 % | 1 296 853 |
| EBITDA | 2 081 | 9 813 | -78.8 % | 15 554 | 21 318 | -27.0 % | 75 540 |
| Depreciation tangible assets | 6 598 | 5 818 | 13.4 % | 13 436 | 10 818 | 24.2 % | 25 353 |
| Depreciation intangible assets | 2 816 | 2 608 | 8.0 % | 5 430 | 4 359 | 24.6 % | 12 840 |
| EBIT | -7 333 | 1 387 | -628.8 % | -3 312 | 6 141 | -153.9 % | 37 347 |
| Interest expenses | 2 316 | 266 | 771.1 % | 4 446 | 346 | 1184.7 % | 3 427 |
| Other financial expenses/currency differences | -8 517 | -6 122 | -39.1 % | -14 129 | -4 888 | -189.1 % | -3 857 |
| Profit from AC. Service companies | 81 | 62 | 32.1 % | 180 | 135 | 33.2 % | 388 |
| EBT | -1 051 | 7 305 | -114.4 % | 6 552 | 10 818 | -39.4 % | 38 165 |
| Taxes | -104 | 2 031 | -105.1 % | 2 303 | 2 374 | -3.0 % | 9 060 |
| Profit after tax | -947 | 5 274 | -118.0 % | 4 249 | 8 445 | -49.7 % | 29 105 |
| 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 | 44 380 322 | 44 080 320 | | 44 349 957 | 43 902 844 | | 44 260 195 |
| Av. number of shares diluted- own shares | 47 840 322 | 47 080 320 | | 47 809 957 | 46 902 844 | | 46 928 945 |
| EPS | -0.02 | 0.12 | | 0.10 | 0.19 | | 0.66 |
| Diluted EPS | -0.02 | 0.11 | | 0.09 | 0.18 | | 0.62 |
| EBITDA per share | 0.05 | 0.22 | | 0.35 | 0.49 | | 1.71 |
| Diluted EBITDA per share | 0.04 | 0.21 | | 0.33 | 0.45 | | 1.61 |
| Total earnings: | | | | | | | |
| Profit/loss after tax | -947 | 5 274 | -118.0 % | 4 249 | 8 445 | -49.7 % | 29 105 |
| Exchange differences on foreign operations | -1 018 | 9 562 | -110.6 % | 37 355 | 445 | 8296.0 % | -3 069 |
| Total earnings | -1 965 | 14 836 | -113.2 % | 41 604 | 8 890 | 368.0 % | 26 036 |
| Of which | | | | | | | |
| Majority interest | -1 824 | 14 836 | | 41 745 | 8 890 | | 26 036 |
| Minority interest | -141 | - | | -141 | - | | - |

Consolidated balance sheet

| KNOK | 30.06.2023 | 30.06.2022 | 31.03.2023 | 31.12.2022 |
|---|------------------|----------------|------------------|----------------|
| ASSETS | | | | |
| Intangible assets | 114 670 | 92 602 | 86 917 | 82 503 |
| Goodwill | 171 231 | 159 565 | 171 513 | 159 918 |
| Tangible assets | 27 031 | 25 403 | 26 683 | 23 755 |
| Right-of-use assets | 105 570 | 40 030 | 82 698 | 82 698 |
| Long term investments | 4 843 | 5 304 | 6 617 | 4 978 |
| Other long term receivables | 1 438 | 1 274 | 20 364 | 15 147 |
| Deferred tax | 19 220 | 17 752 | 18 103 | 20 925 |
| Non-current assets | 444 004 | 341 930 | 412 896 | 389 924 |
| Inventories | 247 766 | 214 253 | 218 165 | 232 124 |
| Accounts receivables | 230 190 | 271 730 | 304 827 | 274 348 |
| Prepaid expenses | 34 659 | 25 026 | 42 928 | 25 731 |
| Other receivables | 15 340 | 9 895 | 14 452 | 16 265 |
| Cash and cash equivalents | 37 396 | 50 470 | 29 014 | 47 248 |
| Current assets | 565 351 | 571 373 | 609 386 | 595 716 |
| TOTAL ASSETS | 1 009 355 | 913 304 | 1 022 283 | 985 640 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | 27 831 | 27 831 | 27 831 | 27 831 |
| Holding of own shares | -312 | -77 | -320 | -362 |
| Other equity | 484 130 | 469 141 | 523 850 | 479 738 |
| Total equity | 511 649 | 496 895 | 551 361 | 507 207 |
| Long term interest bearing liabilities | 9 002 | 11 640 | 8 764 | 8 087 |
| Long term lease liabilities | 80 133 | 25 483 | 61 617 | 59 426 |
| Other long term liabilities | 155 | - | 42 | - |
| Deferred tax liabilities | 20 997 | 26 600 | 20 997 | 20 997 |
| Total long term liabilities | 110 287 | 63 723 | 91 420 | 88 511 |
| Short term interest bearing liabilities | 62 398 | 23 354 | 60 881 | 29 670 |
| Short term lease liabilities | 25 437 | 14 547 | 22 372 | 21 777 |
| Accounts payable | 146 084 | 130 522 | 135 051 | 147 839 |
| Taxes payable | -2 180 | 5 933 | 4 958 | 11 126 |
| Other short term liabilities | 155 680 | 178 329 | 156 239 | 179 511 |
| Total short term liabilities | 387 419 | 352 686 | 379 501 | 389 923 |
| TOTAL EQUITY AND LIABILITIES | 1 009 355 | 913 304 | 1 022 283 | 985 640 |

Overview of changes in the equity

| KNOK | Majority interest | | | | | | | | |
|---|-------------------|-----------------|----------------------|-----------------------|----------------------|--------------|--------------|-------------------|--------------|
| | Share capital | Treasury shares | Other paid-in equity | Translation variances | Share Option Program | Other equity | Total equity | Minority interest | Total equity |
| Equity 31.12.2021 | 27 513 | -364 | 351 262 | 35 824 | 5 881 | 78 076 | 498 190 | - | 498 190 |
| Purchase/sale of own shares | | | | | | -10 278 | -10 278 | | -10 278 |
| Dividend 2021 | | | | | | -34 991 | -34 991 | | -34 991 |
| Share Option Program | | | | | 5 420 | | 5 420 | | 5 420 |
| Acquisition of ALS paid in shares | 318 | 310 | | | | 22 202 | 22 830 | | 22 830 |
| Profit this year after tax | | | | | | 29 105 | 29 105 | | 29 105 |
| Other comprehensive income and expenses | | | | -3 070 | | | -3 070 | | -3 070 |
| Equity 31.12.2022 | 27 831 | -54 | 351 262 | 32 754 | 11 301 | 84 114 | 507 207 | - | 507 207 |
| Purchase/sale of own shares | | | | | | 1 920 | 1 920 | | 1 920 |
| Dividend 2022 | | | | | | -39 935 | -39 935 | | -39 935 |
| Share Option Program | | | | | 852 | | 852 | | 852 |
| Profit this year after tax | | | | | | 4 396 | 4 396 | -147 | 4 249 |
| Other comprehensive income and expenses ¹⁾ | | | | 37 349 | | | 37 349 | 6 | 37 355 |
| Equity 30.06.2023 | 27 831 | -54 | 351 262 | 70 103 | 12 154 | 50 495 | 511 790 | -141 | 511 649 |

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 31.12.2022, 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 | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | Year 2022 |
|---|---------|----------|----------|----------|-----------|
| Ordinary profit before tax | -1 051 | 7 305 | 6 552 | 10 818 | 38 165 |
| Net interest | 2 316 | 266 | 4 446 | 346 | 3 427 |
| Tax paid | -8 818 | -4 726 | -15 685 | -9 115 | -17 989 |
| Share of profit, associated companies | -81 | -62 | -180 | -135 | -388 |
| Ordinary depreciation | 9 414 | 8 426 | 18 867 | 15 177 | 38 193 |
| Profit / loss on sale of fixed assets | -174 | -9 | -174 | -9 | -84 |
| Change in inventories | -28 405 | -12 118 | 459 | 17 274 | -1 146 |
| Change in receivables | 78 988 | -5 281 | 66 052 | -46 131 | -48 506 |
| Change in accounts payable | 8 675 | -10 764 | -14 403 | -7 803 | 10 351 |
| Change in other accrued items | -618 | -20 354 | -49 916 | -5 887 | -5 390 |
| Cash flow from operational activities | 60 246 | -37 317 | 16 016 | -25 466 | 16 633 |
| Payments for fixed assets | -5 775 | -4 748 | -6 416 | -6 692 | -11 144 |
| Payment for intangible assets ¹⁾ | -11 542 | - | -11 542 | - | - |
| Investments in other companies | 1 539 | 67 | - | - | -15 |
| Payment from sale of fixed assets | - | - | - | - | 60 |
| Net effect acquisitions | - | -85 284 | - | -85 284 | -88 695 |
| Net effect divestment | - | - | - | 19 641 | 19 641 |
| Dividends received from associated companies | 300 | - | 300 | - | 200 |
| Interest received | 580 | 218 | 742 | 542 | 772 |
| Cash flow from investment activities | -14 898 | -89 747 | -16 916 | -71 793 | -79 181 |
| Purchase/sale of own shares | 291 | 285 | 1 920 | -901 | -10 278 |
| Change in long-term debt | -3 813 | -5 717 | -12 055 | -9 702 | -23 540 |
| Change in long-term receivables | 4 273 | - | - | - | -13 668 |
| Change in overdraft | 3 353 | 21 469 | 40 462 | 19 080 | 20 934 |
| Interest paid | -2 896 | -484 | -5 188 | -888 | -4 199 |
| Dividend paid | -39 935 | -34 991 | -39 935 | -34 991 | -34 991 |
| Cash flow from financing activities | -38 727 | -19 438 | -14 796 | -27 403 | -65 741 |
| Net cash flow in the period | 6 621 | -146 502 | -15 696 | -124 662 | -128 290 |
| Cash and cash equivalents at the start of the period | 29 014 | 195 281 | 47 248 | 174 198 | 174 198 |
| Effect of foreign exchange rate fluctuations on foreign currency deposits | 1 761 | 1 690 | 5 844 | 934 | 1 339 |
| Cash and cash equivalents at the end of the period | 37 396 | 50 470 | 37 397 | 50 470 | 47 248 |

1) See note 2

Key figures

| KNOK | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | YTD 2023 | YTD 2022 |
|---|------------|------------|------------|------------|------------|------------|------------|
| Income statement | | | | | | | |
| Operating revenue continued operations | 337 162 | 381 396 | 404 980 | 345 884 | 320 849 | 718 558 | 621 528 |
| EBITDA continued operations | 2 081 | 13 473 | 33 553 | 20 669 | 9 813 | 15 554 | 21 318 |
| EBITA continued operations | -4 517 | 6 635 | 25 242 | 14 446 | 3 995 | 2 118 | 10 500 |
| Operating profit EBIT continued operations | -7 333 | 4 021 | 20 978 | 10 228 | 1 387 | -3 312 | 6 141 |
| Ordinary profit before tax (EBT) continued operations | -1 051 | 7 603 | 17 436 | 9 911 | 7 305 | 6 552 | 10 818 |
| Profit/loss after tax continued operations | -947 | 5 196 | 12 628 | 8 033 | 5 274 | 4 249 | 8 445 |
| EBITDA-margin | 0.6 % | 3.5 % | 8.3 % | 6.0 % | 3.1 % | 2.2 % | 3.4 % |
| EBT-margin | -0.3 % | 2.0 % | 4.3 % | 2.9 % | 2.3 % | 0.9 % | 1.7 % |
| Balance sheet | | | | | | | |
| Non-current assets | 444 004 | 412 896 | 389 924 | 376 906 | 341 930 | 444 004 | 341 930 |
| Current assets | 565 351 | 609 386 | 595 716 | 623 488 | 571 373 | 565 351 | 571 373 |
| Total assets | 1 009 355 | 1 022 283 | 985 640 | 1 000 395 | 913 304 | 1 009 355 | 913 304 |
| Total equity | 511 649 | 551 361 | 507 207 | 509 071 | 496 895 | 511 649 | 496 895 |
| Total long term liabilities | 110 287 | 91 420 | 88 511 | 98 031 | 63 723 | 110 287 | 63 723 |
| Total short term liabilities | 387 419 | 379 501 | 389 923 | 393 292 | 352 686 | 387 419 | 352 686 |
| Working capital | 331 872 | 387 941 | 358 632 | 371 147 | 355 461 | 331 872 | 355 461 |
| Equity ratio | 50.7 % | 53.9 % | 51.5 % | 50.9 % | 54.4 % | 50.7 % | 54.4 % |
| Liquidity ratio | 145.9 % | 160.6 % | 152.8 % | 158.5 % | 162.0 % | 145.9 % | 162.0 % |
| Net interest bearing debt | 139 574 | 124 619 | 71 712 | 66 939 | 24 555 | 139 574 | 24 555 |
| Net leverage multiples | 2.00 | 1.61 | 0.95 | 1.08 | 0.50 | 2.00 | 0.50 |
| Cash Flow | | | | | | | |
| Cash flow from operational activities | 60 246 | -44 229 | 38 091 | 4 008 | -37 317 | 16 016 | -25 466 |
| Net change in liquid assets | 6 621 | -22 317 | -6 403 | 2 775 | -146 502 | -15 696 | -124 662 |
| 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 | 44 380 322 | 44 319 256 | 44 482 947 | 44 740 494 | 44 080 320 | 44 349 957 | 43 902 844 |
| EBT per shares continued operations | -0.02 | 0.17 | 0.39 | 0.22 | 0.17 | 0.15 | 0.25 |
| Earnings per share continued operations | -0.02 | 0.12 | 0.28 | 0.18 | 0.12 | 0.10 | 0.19 |
| Earnings per share, adjusted | 0.04 | 0.18 | 0.38 | 0.27 | 0.18 | 0.22 | 0.29 |
| Equity per share | 11.53 | 12.44 | 11.40 | 11.38 | 11.27 | 11.54 | 11.32 |
| Dividend per share | 0.90 | - | - | - | 0.80 | 0.90 | 0.80 |
| Employees | | | | | | | |
| Number of employees (end of period) | 519 | 514 | 511 | 517 | 513 | 519 | 513 |
| Average number of employees | 517 | 513 | 514 | 515 | 451 | 515 | 420 |
| IFRS 16 effects continued operations | | | | | | | |
| Reduced OPEX | 6 142 | 6 371 | 7 188 | 5 179 | 4 685 | 12 513 | 8 792 |
| Increased depreciation | 5 094 | 5 437 | 6 277 | 4 310 | 4 489 | 10 531 | 8 404 |
| Increased interest expenses | 1 048 | 934 | 911 | 869 | 197 | 1 982 | 388 |
| EBT | - | - | - | - | - | - | - |
| Cash flow from operational activities | 6 142 | 6 371 | 7 188 | 5 179 | 4 685 | 12 513 | 8 792 |
| Cash flow from financing activities | -6 142 | -6 371 | -7 188 | -5 179 | -4 685 | -12 513 | -8 792 |

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 2022.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2022, except capitalization of intangible assets related to the new cash management solution developed for a customer in Iberia. The development is performed through a new legal company in Spain called StrongPoint Cash Tech S.L., which are consolidated from Q2 2023. StrongPoint currently owns 60% of the company, the minority interest can be found in the equity bridge. The Group financial statements for 2022 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 31.12.2022. The quarterly report and the interim financial statements have not been revised by auditor.

Note 3 Segment information

Reporting segments

| MNOK | Q2 2023 | | | Q2 2022 | | | YTD 2023 | | | YTD 2022 | | | Year 2022 | | |
|------------------------|---------|--------|------|---------|--------|------|----------|--------|------|----------|--------|-------|-----------|--------|-------|
| | Revenue | EBITDA | EBT | Revenue | EBITDA | EBT | Revenue | EBITDA | EBT | Revenue | EBITDA | EBT | Revenue | EBITDA | EBT |
| Nordics | 160.2 | 10.1 | 8.4 | 192.5 | 20.1 | 19.1 | 373.8 | 25.3 | 22.0 | 407.1 | 37.7 | 34.0 | 744.1 | 67.2 | 59.5 |
| International incl R&D | 176.9 | 0.2 | -7.9 | 128.3 | 2.2 | -4.8 | 344.7 | 6.6 | -9.5 | 214.5 | 7.2 | -3.2 | 628.3 | 53.9 | 21.1 |
| ASA/Elim | - | -8.2 | -1.6 | - | -12.5 | -7.0 | - | -16.4 | -5.9 | - | -23.6 | -20.0 | - | -45.6 | -42.5 |
| Total | 337.2 | 2.1 | -1.1 | 320.8 | 9.8 | 7.3 | 718.6 | 15.6 | 6.6 | 621.5 | 21.3 | 10.8 | 1 372.4 | 75.5 | 38.2 |

Operating revenue by product and service

| MNOK | Q2 2023 | | Q2 2022 | | YTD 2023 | | YTD 2022 | | Year 2022 | |
|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | New sales | Service * | New sales | Service * | New sales | Service * | New sales | Service * | New sales | Service * |
| Nordics | 99.4 | 60.8 | 132.7 | 59.8 | 251.4 | 122.4 | 288.0 | 119.1 | 494.8 | 249.3 |
| International incl. R&D | 83.2 | 93.7 | 68.0 | 60.3 | 139.1 | 205.6 | 121.1 | 93.4 | 264.1 | 364.2 |
| Elim / ASA | - | - | - | - | - | - | - | - | - | - |
| Total | 182.6 | 154.6 | 200.7 | 120.1 | 390.5 | 328.1 | 409.1 | 212.4 | 758.9 | 613.5 |

*) Service and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place per 30 June 2023.

Note 5 Top 20 shareholders per 30 June 2023

| No. | Name | No. of shares | % |
|------------------------------|---|---------------|--------|
| 1 | STRØMSTANGEN AS | 3 933 092 | 8.76 |
| 2 | SOLE ACTIVE AS | 2 221 717 | 4.95 |
| 3 | V. EIENDOM HOLDING AS | 1 865 000 | 4.15 |
| 4 | PICTET & CIE (EUROPE) S.A. | 1 791 821 | 3.99 |
| 5 | HSBC BANK PLC | 1 533 890 | 3.42 |
| 6 | ZETTERBERG. GEORG (incl. fully owned companies) | 1 440 000 | 3.21 |
| 7 | NORDNET BANK AB | 1 275 337 | 2.84 |
| 8 | AVANZA BANK AB | 1 249 740 | 2.78 |
| 9 | RING. JAN | 1 176 648 | 2.62 |
| 10 | VERDADERO AS | 1 118 846 | 2.49 |
| 11 | VERDIPAPIRFONDET DNB SMB | 886 783 | 1.98 |
| 12 | EVENSEN. TOR COLKA | 855 000 | 1.90 |
| 13 | WAALER AS | 720 000 | 1.60 |
| 14 | HAUSTA INVESTOR AS | 700 000 | 1.56 |
| 15 | JOHANSEN. STEIN | 580 000 | 1.29 |
| 16 | MP PENSJON PK | 561 402 | 1.25 |
| 17 | BANQUE PICTET & CIE SA | 559 746 | 1.25 |
| 18 | ALS KINGFISHER LIMITED | 506 156 | 1.13 |
| 19 | EUROPEAN RETAIL ENGINEERING LIMITED | 506 156 | 1.13 |
| 20 | STRONGPOINT ASA | 503 311 | 1.12 |
| Sum 20 largest shareholders | | 23 984 645 | 53.43 |
| Sum 2 531 other shareholders | | 20 903 707 | 46.57 |
| Sum all 2 551 shareholders | | 44 888 352 | 100.00 |

Note 6 Share option program

| Total costs and Social Security Provisions | 2020 | 2021 | 2022 | Q1 2023 | Q2 2023 | Total |
|--|------|-------|-------|---------|---------|--------|
| Total IFRS cost | 440 | 5 441 | 5 420 | 1 308 | 1 896 | 14 506 |
| Total Social security provisions | 36 | 737 | - 341 | 209 | - 405 | 236 |

Granted instruments:

| Activity | Number of instruments | Weighted Average Strike Price |
|-----------------------------|-----------------------|-------------------------------|
| Outstanding OB (01.01.2023) | 2 668 750 | |
| Granted | 1 185 000 | 21,77 |
| Exercised | -300 000 | |
| Terminated | -93 750 | |
| Outstanding CB (30.06.2023) | 3 460 000 | |
| Vested CB | 768 750 | |

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 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 |
| 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 |
| Minority interest | The minority part of the net profit /equity in companies where StrongPoint owns between 50.1% - 99% of the shares. |



StrongPoint

StrongPoint ASA | Brynsengveien 10, 0667 Oslo | strongpoint.com