



# Q3 and YTD 2023

Financial report and status

## CEO's perspective



Jacob Tveraabak  
CEO of StrongPoint

Uncertainty, inflation, and interest rates continue to dominate the news headlines across markets. As a consequence, we are observing households holding back spending. Although StrongPoint is fortunate to predominantly serve the stable and resilient grocery retail sector, our direct customers – the grocery retailers – continue to postpone investment decisions. Whereas the medium to long-term outlook for retail technology is very positive, the general investment pause currently negatively affects StrongPoint. Following a soft second quarter, we were expecting the remainder of the year to improve. However, despite a number of recently announced significant orders for future delivery, we can only conclude that the general uncertainty and investment halt continues to prevail in most of our markets. As a consequence, we are taking cost reduction measures to protect the short- and medium-term profitability. These initial cost reduction measures involve reducing our employee base across a number of markets and functions, lowering our cost base by approximately 20 MNOK p.a. as of January 2024. That said, we remain positive about the large-scale opportunities with major grocery retailers earlier communicated. Whereas we believed we would have communicated at least one of them in the third quarter, we are more positive than ever to conclude and communicate on the specific customer and scope of these opportunities this autumn. Hence, I continue, along with my management team, to stand behind our financial ambitions for 2025 with 2.5 BNOK revenue and 13-15% EBITDA margin.

The uncertainty prevailing in the market today has affected our financials this year. Our revenue in the third quarter was 293 MNOK, a 15% reduction compared to the same quarter in 2022. This uncertainty is unlikely to dwindle in the short or even medium term. Although grocery retailers by and large have very healthy financials, the uncertainty in the market has led to, and is still leading to, delays in some of their investment decisions. Some of these delays will materialize in sales and installations in the quarters to come.

At StrongPoint, our profitability is impacted as we invest in major technology developments for some of the largest grocery companies in Europe. This includes our in-store product offering as well as our high-performance e-commerce solutions offering. As a consequence, our EBITDA in the third quarter was 3.8 MNOK (1.3%) down from last year's 20.7 MNOK (6.0%). In the quarters to come, even with major customer wins, the financials will be challenging as the time to materialize revenue streams will require extra efforts. In the medium to long term, we strongly believe in the continued need and demand for technology solutions amongst grocery retailers.

Following our challenging Q2 results, we foresaw a stronger second half of 2023. However, the lasting negative market sentiment in general is affecting us more than anticipated. As a consequence, we are taking cost reduction measures, including adjusting our

organization. We expect the financial effect to be in the order of 20 MNOK p.a. as of January 2024, with some associated restructuring costs associated to be booked in our fourth quarter 2023. It should be noted that whilst these measures are unfortunate, they are necessary to secure our profitability in the medium term.

Although reaching our 2025 financial ambitions might seem difficult from the outside with the abovementioned general outlook and subsequent cost measures, we continue to stand behind these ambitions. The main reason for this, in addition to a capable underlying organization and well managed business, includes major projects that we still believe will materialize this autumn. Our ground-breaking cash management project in Iberia is such an example.

Furthermore, I am very positive about a breakthrough in the UK with our solutions, as earlier communicated. My faith here is, in fact greater than ever before. Moreover, we are convinced that technology will continue to play an important role going forward. This is both a megatrend that StrongPoint is ready for and very well positioned to ride. In sum, the outcome of these very exciting opportunities, in what for StrongPoint are relatively new and large markets, will define our further belief in achieving our 2025 financials ambitions.

Stay safe, strong and passionate!

## HIGHLIGHTS 3RD QUARTER

**Soft financial performance in a continued uncertain global macro environment.**

### Financial performance

- Revenue declined by 15% to 293 MNOK (346) compared to the same quarter last year, with rolling twelve month recurring revenue growing by 8%.
- EBITDA for the quarter ended at 3.8 MNOK (20.7), while gross margin improved to 44.1% (37.1%).
- Cash flow from operations was -24.5 MNOK (4.0).

### Continued customer success in priority areas

- Major Electronic Shelf Label (ESL) order with Pricer of 80 MNOK for leading Norwegian grocery retail chain.
- Breakthrough in the UK with completion of first sales and installations of Pricer ESLs to East of England Coop and O&CC.
- Baltic operations impressing with ever deeper customer service and strong financial performance, growing revenue by 16.5% vs. same quarter last year and 26.1% YTD.

### Further progress on 2025 strategic ambitions

- Partnership with Blue Yonder, the supply chain and digital fulfilment leader, adding their Warehouse Management System (WMS) to StrongPoint's portfolio of e-commerce fulfilment solutions to support its automation offering.
- Value-added reseller agreement with Coalescent Mobile Robotics (CM Robotics), a Danish-based pioneer of in-store autonomous mobile robots (AMR's) for the retail industry.
- Marius Drefvelin started in September as StrongPoint's new Chief Financial Officer (CFO).

## Key figures (MNOK)

	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Year 2022
Revenue	292.9	345.9	1011.5	967.4	1 372.4
EBITDA	3.8	20.7	19.3	42.0	75.5
EBITDA margin	1.3%	6.0%	1.9%	4.3%	5.5%
EBITDA exclusive Option cost	5.8	22.8	24.4	46.2	80.6
Operating profit (EBIT)	-5.1	10.2	-8.5	16.4	37.3
Ordinary profit before tax (EBT)	-13.5	9.9	-7.0	20.7	38.2
Cash flow from operational activities	-24.5	4.0	-8.5	-21.5	16.6
Disposable funds	82.6	125.6	82.6	125.6	125.1
Earnings per share (NOK)	-0.21	0.18	-0.11	0.37	0.66
Earnings per share. adjusted	-0.15	0.27	0.07	0.57	0.95

\* EBITDA exclusive IFRS cost related to long term incentive program

# StrongPoint Group

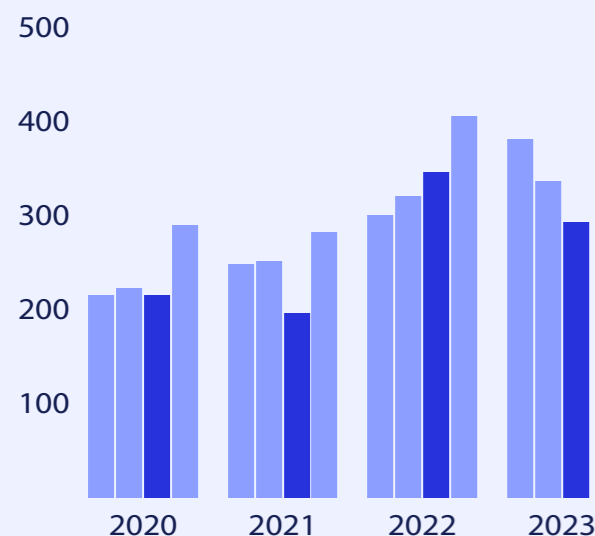
StrongPoint is a grocery-focused retail tech company that serves customers with products and solutions for in-store and online shopping.

Revenue MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Nordics	120.3	154.3	494.1	561.3	744.1
International incl R&D	172.6	191.6	517.4	406.1	628.3
ASA/Elim	-	-	-	-	-
<b>Total</b>	<b>292.9</b>	<b>345.9</b>	<b>1 011.5</b>	<b>967.4</b>	<b>1 372.4</b>

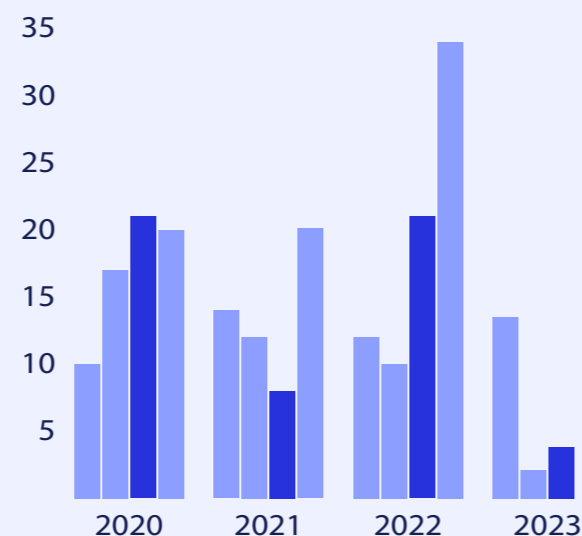
EBITDA MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Nordics	11.9	11.6	37.2	49.2	67.2
International incl R&D	0.4	18.4	7.0	25.7	53.9
ASA/Elim	-8.5	-9.3	-24.9	-32.9	-45.6
<b>Total</b>	<b>3.8</b>	<b>20.7</b>	<b>19.3</b>	<b>42.0</b>	<b>75.5</b>
Number of employees	523	517	523	517	511

## StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



## Soft financial performance in a currently uncertain global macro environment

The total revenue declined by 15.3% compared with the same quarter last year. The macro situation is still challenging and grocery retailers continue to postpone investment decisions. This has led to a 22.0% revenue decline in the Nordic countries, compared to a very strong Q3 2022. The segment International declined by 9.9% in revenue during the quarter. This segment includes the acquired company ALS which was completed and consolidated from 1 June 2022. As a project-oriented business, ALS was negatively impacted this quarter by the postponements of some of our customers planned project work. Hence, excluding ALS, the International segment grew by 8.0%.

However, the rolling 12 months recurring revenue, which mainly includes service agreements, software licenses and rentals, increased by 7.5% from 331 MNOK per Q3 2022 to 356 MNOK per Q3 2023. During the quarter, the gross margin improved considerably from 37.1% to 44.1% year on year, mainly due to an improved product mix in Sweden. The EBITDA decreased by 16.9 MNOK to 3.8 MNOK in Q3 2023, leading to an EBITDA margin of 1.3% (6.0%). This is due to increased payroll costs and other operating expenses, mainly driven by higher inflation. The EBITDA year to date declined by 22.6 MNOK to 19.3 MNOK.

The number of employees increased by six compared to Q3 2023 last year. This is primarily due to the consolidation of the new legal entity in Spain, StrongPoint Cash Tech S.L., in which StrongPoint currently owns 60%, is managing the development of a new cash management solution for a major Iberian customer.

## Continued customer success in priority areas

In September StrongPoint was awarded a major Electronic Shelf Labels (ESL) order of 80 MNOK for a leading Norwegian grocery retail chain. The contract is related to update of the customers current installation of Pricer ESLs to the next generation version, 'SmartTag Power+' in the majority of its stores. The grocery retailer is a long-standing customer of StrongPoint and its current ESLs were also installed by StrongPoint. In the UK a breakthrough was achieved with the completion of the first sales and installations of Pricer ESLs to East of England Coop and O&CC. This underlines the strategic value of ALS StrongPoint as a platform upon which we can sell our range of products and solutions via their existing staff and customer network.

The Baltic operations continued its strong performance, with revenue growth of 16.5% vs. the same quarter last year and 26.1% YTD.

## Further progress on 2025 strategic ambitions

The project of the next generation cash management solution that we have communicated in previous quarterly reports as well as in the Strategy Update session from February, continues. StrongPoint is working with a major Iberian grocery retailer to pilot the solution which was expected to be announced in Q3 but has encountered some unforeseen temporary delays on the operational side during the ongoing

“lab testing”. The overall project, however, continues as planned and an announcement is expected in Q4.

In July, StrongPoint formalized its existing relationship with Coalescent Mobile Robotics (CM Robotics), a Danish-based pioneer of in-store autonomous mobile robots (AMR's) for the retail industry. What sets Coalescent apart from other mobile robotics solutions is their solution has been purpose-built to be used in grocery stores alongside customers. StrongPoint sees a wide variety of applications of their solution including picking trolleys to allow them to follow store staff when doing e-commerce order picking as well as replenishment activities.

In August StrongPoint announced a partnership with Blue Yonder, the supply chain and digital fulfilment leader. Through this partnership StrongPoint is adding a Warehouse Management System (WMS) to its e-commerce automation offering. With the addition of the Blue Yonder's WMS, StrongPoint is able to provide a complete micro or large-scale automation fulfillment solution, from goods-in to goods-out with the capability to fulfil both B2B and B2C orders. This means StrongPoint is also able to complete much larger and more complex projects involving multiple types of automation and manual processes across multiple industry vertices including projects for 3PL's.

In September the new Chief Financial Officer, Marius Drefvelin, started at StrongPoint.

## 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.

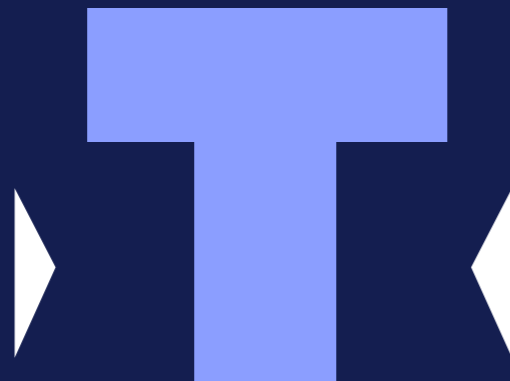
## HOW WE ARE STRUCTURED TO ACHIEVE OUR AMBITIONS

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.

- Self Checkout
- Cash Management
- Certain E-Commerce Order Fulfillment solutions:
  - Order Picking
  - Automated Fulfillment
  - Last Mile Solutions



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 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 addition, theft in-store is a growing concern for retailers and their staff.

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

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

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

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

## The StrongPoint double opportunity

**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, especially in the UK

**STRONGPOINT DOUBLE OPPORTUNITY:**

**Technology solutions solving**  
1) instore and  
2) online challenges

# StrongPoint Solutions



## In-store

### In-store Productivity

- Pricer Electronic Shelf Labels
- ShopFlow Logistics \*
- Digi Scales and Wrapping Systems
- 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

## 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

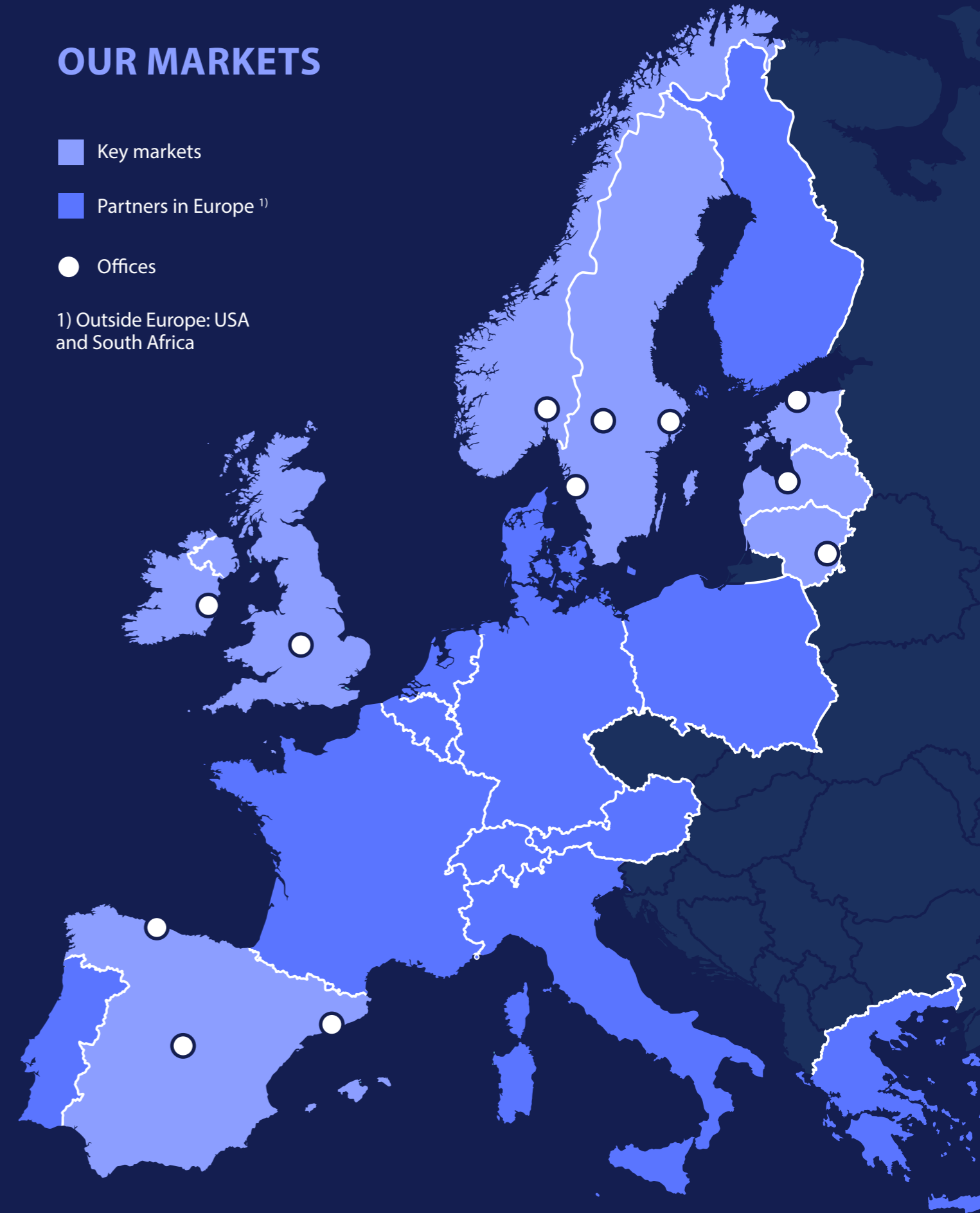


\* Proprietary technologies

# OUR MARKETS

- Key markets
- Partners in Europe <sup>1)</sup>
- Offices

1) Outside Europe: USA and South Africa



## Nordics

The business segment Nordics currently consists 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	Q3		YTD		Year
	2023	2022	2023	2022	2022
- Norway	62.9	58.3	272.6	289.6	386.1
- Sweden	57.4	96.0	221.6	271.7	358.0
Total Revenue	120.3	154.3	494.1	561.3	744.1
EBITDA	11.9	11.6	37.2	49.2	67.2
- In %	9.9 %	7.5 %	7.5 %	8.8 %	9.0 %
EBT	11.3	10.1	33.3	44.1	59.5
- In %	9.4 %	6.5 %	6.7 %	7.9 %	8.0 %

The revenue in the Nordics declined by 22.0% compared to the same quarter last year, following a very strong quarter last year with a couple of large product roll-outs. EBITDA increased by 0.3 MNOK to 11.9 MNOK in the quarter. Increased cost of payroll and other operating costs 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 12.0%, and a negative EBITDA development of 12.0 MNOK.

### Norway

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	35.5	31.4	190.5	202.8	269.7
Services	27.4	26.9	82.0	86.9	116.4
Revenue	62.9	58.3	272.6	289.6	386.1

The revenue for Norway in Q3 increased by 7.9% compared to the same quarter last year, whilst year to date the decline is 5.9%. The increase was mainly due to a delivery and rollout of Pricer ESL to a large DIY customer.

### Sweden

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	22.9	64.7	119.3	173.0	225.1
Services	34.5	31.3	102.3	98.6	132.9
Revenue	57.4	96.0	221.6	271.7	358.0

The revenue in Sweden declined by 40.2% compared to the same quarter last year, with a 18.4% negative revenue development year to date. Product revenue declined by 64.6% in the quarter due to lower volume of Pricer ESL deliveries, which were extraordinarily high last year driven by several large projects. Service revenue, however, increased by 10.1% mainly due to Shop Flow Logistics licenses.



## 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	Q3		YTD		Year
	2023	2022	2023	2022	2022
- Baltic	58.1	49.9	179.1	142.1	204.6
- Spain	16.5	15.0	59.1	55.7	76.8
- UK & Ireland	84.9	110.4	219.4	140.7	241.3
- Rest of Europe	13.1	16.3	59.8	67.7	105.7
Total Revenue	172.6	191.6	517.4	406.1	628.3
EBITDA	0.4	18.4	7.0	25.7	53.9
- In %	0.2 %	9.6 %	1.4 %	6.3 %	8.6 %
EBT	-8.1	9.1	-17.7	5.9	21.1
- In %	-4.7 %	4.7 %	-3.4 %	1.4 %	3.4 %

The business segment International included R&D decreased the revenue by 9.9% compared to same quarter last year. However, excluding the acquired businesses in the UK and Ireland, the segment had a revenue growth of 8.0%. EBITDA ended at 0.4 MNOK, down 18.0 MNOK from the third quarter last year. The Baltic business performed well above last year, while the UK and Ireland business units have seen customers postpone the starting point of agreed projects leading to lower utilization than expected.

## Baltics

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	27.7	26.3	90.1	74.0	100.2
Services	30.5	23.6	89.0	68.0	104.4
Revenue	58.1	49.9	179.1	142.1	204.6

Revenue from the Baltic operations increased by 16.5% compared to the same quarter last year driven by increased revenues from point of service (POS) and ERP business. Year to date the business grew 26.1%, compared to an already very strong last year.

## Spain

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	11.4	10.9	44.0	43.8	60.2
Services	5.1	4.1	15.2	11.9	16.6
Revenue	16.5	15.0	59.1	55.7	76.8

The Spanish revenue increased by 10.3% compared with the same quarter last year, driven by increased deliveries of self-checkout and click & collect solutions. Year to date the business grew 6.2%.

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, for which we have very high expectations. The company was consolidated into StrongPoint financial figures from Q2 2023. The development cost of 18 MNOK year to date is capitalized, contrary to other developments at StrongPoint which are expensed immediately.

## UK & Ireland

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	-	-	-	-	-
Services	84.9	110.4	219.4	140.7	241.3
Revenue	84.9	110.4	219.4	140.7	241.3

Air Link Group (ALS), now rebranded as ALS StrongPoint, was acquired on June 1, 2022. Consequently, YoY Q3 figures are fully comparable, whereas YTD 2022 figures includes four months of ownership.

The revenue declined 23.0% compared with the same quarter last year. The revenue in Q3 last year was

exceptionally high due to the order backlog following the ease of restricted measures following the pandemic, and as such this year's activity level is comparatively 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.

## Partners

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	12.4	14.5	56.4	63.3	103.6
Services	0.7	1.8	3.3	4.4	2.0
Revenue	13.1	16.3	59.8	67.7	105.7

Partner revenue relates to outside of our core markets. In Q3, revenue declined by 19.9% compared with the same quarter last year due to a lower volume of CashGuard.

## Product segments

### In-store Productivity

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	37.1	73.7	172.7	262.8	339.0
Services	26.5	20.6	75.8	64.9	87.2
Revenue	63.6	94.3	248.5	327.7	426.2

Revenue for the In-Store Productivity segment was down by 32.6% compared to same quarter last year, due to lower ESL product deliveries in Sweden. This was partly mitigated by increased service revenue from previous ESL deliveries and Shop Flow Logistics.

### Payment Solutions

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	21.7	24.7	107.7	115.2	164.6
Services	26.9	28.2	83.4	89.0	120.0
Revenue	48.6	52.9	191.1	204.2	284.6

The revenue from Payment Solutions was down by 8.3% compared with last year in the third quarter, stemming from lower volume in all markets. Year to date was down 6.4% compared to last year. The service revenue declined in the quarter as expected, given the lower the number of operating systems in mature markets.

### Check Out Efficiency

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	23.2	24.4	82.6	84.3	115.9
Services	11.3	9.9	32.2	28.0	39.4
Revenue	34.5	34.3	114.8	112.4	155.3

Check Out Efficiency increased by 0.4% compared to the same quarter last year, driven by lower products sales of Vensafe, partly mitigated by an increase in self-checkouts. Service revenue continued to increase during the period for both Vensafe and self-checkout.

### Shop Fitting

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	-	-	-	-	-
Services	84.9	110.4	219.4	140.7	241.3
Revenue	84.9	110.4	219.4	140.7	241.3

Revenue for the Shop Fitting segment was down by 23.1% compared to same quarter last year. The Shop Fitting product segment reflects the acquired company Air Link Group, which was consolidated from 1 June 2022. 2022 was positively impacted with a large backlog of orders following the pandemic. During this 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.

### Other retail technology

MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	19.6	19.1	65.8	58.9	85.9
Services	24.9	19.5	71.3	56.6	84.6
Revenue	44.4	38.6	137.1	115.5	170.5

Other retail technology, mainly software projects in the Baltics, increased by a strong 15.1% in the period. Whereas products sales had a flat development, service revenue increased by 27.7% during the quarter due to previous increases in the installed base, driving higher recurring revenue. Self-checkout sales too Heinemann for their use in airport shops have increased, leading to increased service and support income.

### E-commerce logistics

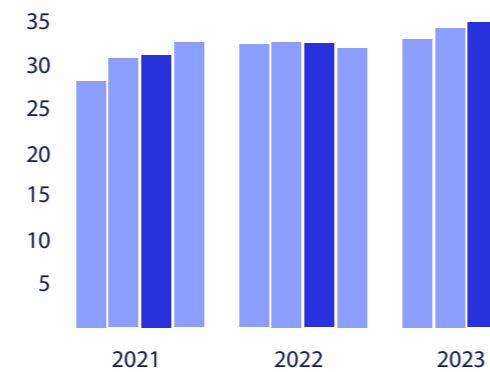
MNOK	Q3		YTD		Year
	2023	2022	2023	2022	2022
Products	8.3	5.9	71.6	35.7	53.4
Services	8.7	9.4	29.2	31.2	41.0
Revenue	17.0	15.3	100.7	66.9	94.5

Revenue from e-commerce increased by 11.6%, comprising an increase in Click & Collect and AutoStore deliveries, partly offset by a reduction on Order Picking. The segment's development follows the general e-grocery development because of consumer shifts in the current macro-economic environment. In the short and medium term, the main focus is succeeding in the UK market where e-grocery penetration is high and efficient order 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.

### Technology and R&D update

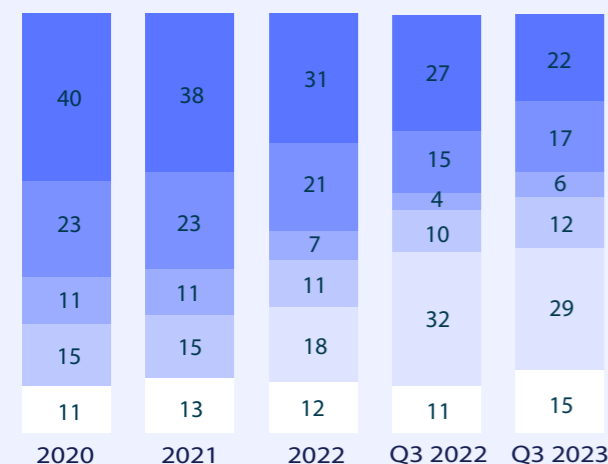
After a period of significant growth in e-commerce due to the pandemic, the market has retracted driven by macroeconomic challenges and shifts in consumer behavior, stabilizing at lower levels in comparison. Whereas we foresaw growth across all markets just a year ago, we have shifted our short and medium-term focus to better serve the highly penetrated e-commerce markets in which we are present, including the UK. We retain confidence in our highly efficient and scalable solutions to be value creating for customers, and consequently in demand.

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

## July

# StrongPoint Formalizes Partnership with Coalescent Mobile Robotics

StrongPoint has formalized a partnership with Coalescent Mobile Robotics, a Danish-based pioneer of in-store autonomous mobile robots (AMR's) for the retail industry.

The scope of the agreement provides StrongPoint with distribution rights of Coalescent Mobile Robotics' in-store AMRs throughout Europe. The partnership also means that StrongPoint becomes the installation, service, and support partner of Coalescent Mobile Robotics solutions following any future sales secured by StrongPoint.



### COALESCENT MOBILE ROBOTICS' AMRs

Coalescent Mobile Robotics' AMRs can be placed underneath trolleys commonly used in retail enabling them to move without human involvement. The trolley can then move independently from and to pre-designated locations and can follow an individual store worker wherever they need to go. What sets Coalescent apart from others in the field is they have a proven track record of using their solution in real world conditions alongside shoppers in-store.

[▶ Read more about the solution here](#)

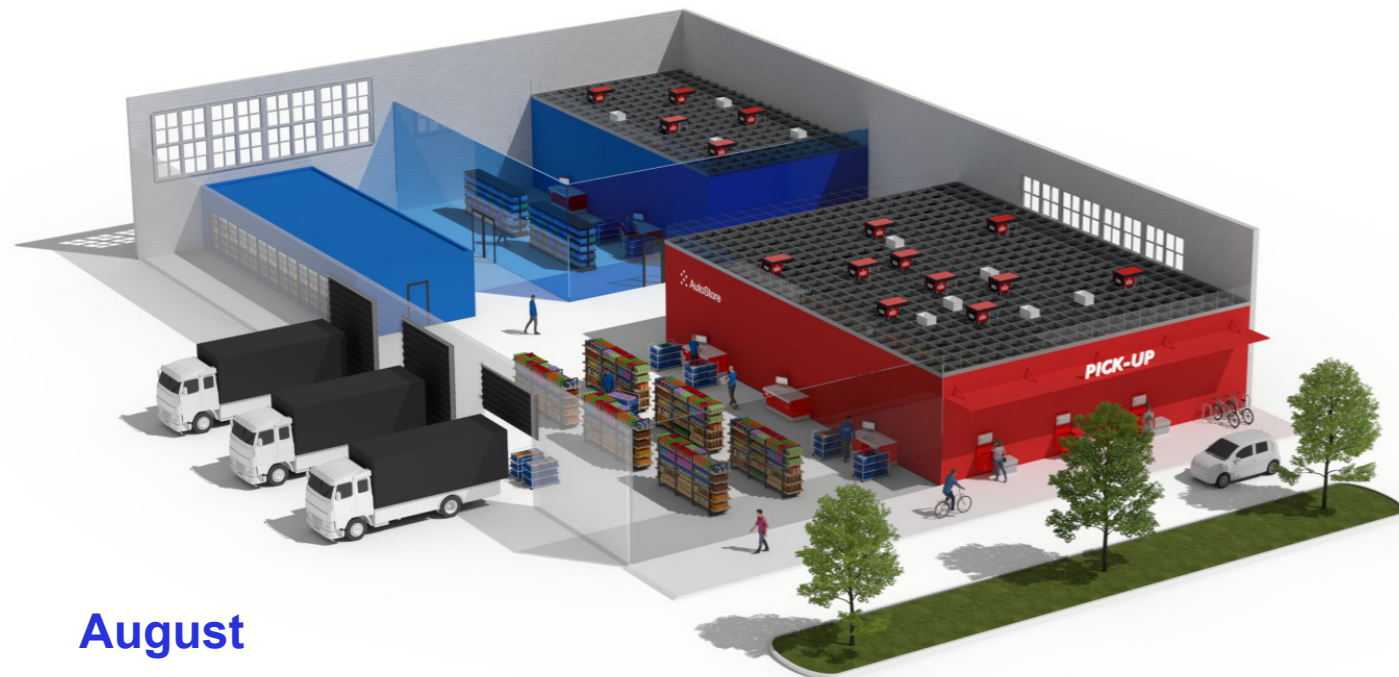
**Combined with StrongPoint's Order Picking solution, Coalescent Mobile Robotics' AMRs can drive further efficiency savings for grocery e-commerce players. The first way is to bring empty trolleys to the picker to start each picking round and to return completed trolleys to the back of store. Pickers would now spend 100% of their time focused on picking. Another way is to use the AMR's to follow the picker, leaving the picker completely hands-free. This can also reduce the walking time and can allow a greater load to be transported.**

**Chris Mackie, SVP for E-Commerce at StrongPoint**

**As a retail technology company focused both in-store and on e-commerce fulfilment, StrongPoint has a unique depth and breadth of understanding in both automation and retail. We have been working together over the last 18 months and we are proud to take our collaboration and partnership to the next level. Together we can help retailers drive essential efficiency savings in their operations freeing up labour to focus on customer service.**

**Clionadh Martin, CEO and Founder of Coalescent Mobile Robotics**





## August

# StrongPoint Partners With Leading Supply Chain Solutions Provider Blue Yonder

A major part of StrongPoint's e-commerce fulfilment strategy is its micro-fulfilment offer, centred around AutoStore's Cube Storage Automation. With recent innovations, such as the automation of frozen groceries fulfilment, it is game changing for grocers looking to automate their fulfilment whether instore or in a warehouse.

StrongPoint adds Blue Yonder's Warehouse Management System to its portfolio of e-commerce fulfilment solutions to support its automation offering.

The scope of the agreement provides StrongPoint with reseller rights for Blue Yonder's Warehouse Management System (WMS), adding to its already comprehensive suite of e-commerce fulfilment solutions. The agreement gives StrongPoint the rights to sell, implement, support, and, where applicable, host Blue Yonder's WMS for its customers in its core markets: Norway, Sweden, Spain, UK, Estonia, Latvia, and Lithuania.

*With Blue Yonder's market-leading Warehouse Management System, we can take our automation solution to the next level. Blue Yonder's WMS solution is distinguished by its maturity, adaptability and capabilities. It has a proven track record in the grocery industry, and its easy integration with automation solutions gives our automation customers a huge boost in an industry where reliability and efficiency are key.*

**Jacob Tveraabak, CEO of StrongPoint**

*We are proud to partner with StrongPoint and provide their retail customers with an unrivalled solution that can turbo-charge their automation offering. StrongPoint has an outstanding reputation for building and delivering not just efficient, but ultra-efficient retail technology solutions, making them the perfect fit to partner with Blue Yonder.*

**Chirag Modi, Corporate Vice President, Industry Strategy – Supply Chain Execution and 3PL Global, Blue Yonder**

## Cash flow and equity

Cash flow from operational activities in the third quarter was -24.5 MNOK (4.0), mainly due to negative working capital development during the summer months. The receivables have traditionally low risk in StrongPoint.

Disposable funds were 82.6 MNOK (125.6) per September 30, 2023, of which 45.5 MNOK was available credit facility. The net interest-bearing debt increased by 37.7 MNOK compared to last quarter and ended at 177.3 MNOK. The Group's holding of own shares at the end of the third quarter amounted to 487,190, 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. 126,036 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 third quarter and YTD 2023, including comparative consolidated figures for the third quarter and YTD 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 third quarter and YTD 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 September 2023 and per 30 September 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, 20 October 2023

**Morthen Johannessen**  
Chairman

**Ingeborg Molden Hegstad**  
Director

**Cathrine Laksfoss**  
Director

**Audun Nordtveit**  
Director

**Peter Wirén**  
Director

**Jacob Tveraabak**  
CEO

## Consolidated income statement

KNOK	Q3 2023	Q3 2022	Chg. %	YTD 2023	YTD 2022	Chg. %	Year 2022
Operating revenue	292 948	345 884	-15.3 %	1 011 506	967 412	4.6 %	1 372 392
Cost of goods sold	163 650	217 677	-24.8 %	606 818	598 595	1.4 %	850 956
Personnel expenses	85 710	73 468	16.7 %	271 671	216 852	25.3 %	305 842
Share based compensation	2 005	2 102	-4.6 %	5 013	4 208	19.1 %	5 079
Other operating expenses	37 798	31 968	18.2 %	108 664	105 771	2.7 %	134 976
Total operating expenses	289 163	325 215	-11.1 %	992 166	925 426	7.2 %	1 296 853
EBITDA	3 785	20 669	-81.7 %	19 340	41 986	-53.9 %	75 540
Depreciation tangible assets	6 135	6 223	-1.4 %	19 572	17 041	14.8 %	25 353
Amortization intangible assets	2 789	4 218	-33.9 %	8 219	8 576	-4.2 %	12 840
EBIT	-5 139	10 228	-150.2 %	-8 451	16 369	-151.6 %	37 347
Interest expenses	2 960	1 477	100.4 %	7 406	1 823	306.2 %	3 427
Other financial expenses/currency differences	5 472	-897	710.2 %	-8 658	-5 785	-49.7 %	-3 857
Profit from associated companies	48	263	-81.6 %	229	399	-42.6 %	388
EBT	-13 523	9 911	-236.4 %	-6 971	20 729	-133.6 %	38 165
Taxes	-4 182	1 878	-322.7 %	-1 879	4 251	-144.2 %	9 060
Profit after tax	-9 340	8 033	-216.3 %	-5 092	16 478	-130.9 %	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	44 395 379	44 740 494		44 365 264	44 185 129		44 260 195
Av. number of shares diluted- own shares	47 986 629	47 470 494		47 956 514	47 185 129		46 928 945
EPS	-0.21	0.18		-0.11	0.37		0.66
Diluted EPS	-0.19	0.17		-0.11	0.35		0.62
EBITDA per share	0.09	0.46		0.44	0.95		1.71
Diluted EBITDA per share	0.08	0.44		0.40	0.89		1.61
Total earnings:							
Profit/loss after tax	-9 340	8 033	-216.3 %	-5 092	16 478	-130.9 %	29 105
Exchange differences on foreign operations	-13 243	4 514	-393.4 %	24 112	4 959	386.3 %	-3 069
Total earnings	-22 584	12 546	-280.0 %	19 020	21 436	-11.3 %	26 036
Of which:							
Majority interest	-22 435	12 546	-278.8 %	19 310	21 436	-9.9 %	26 036
Minority interest	-149	-		-290	-		-

## Consolidated balance sheet

KNOK	30.09.2023	30.09.2022	30.06.2023	31.12.2022
ASSETS				
Intangible assets	114 758	88 093	114 670	82 503
Goodwill	167 251	162 135	171 231	159 918
Tangible assets	27 841	24 370	27 031	23 755
Right-of-use assets	97 890	77 353	105 570	82 698
Long term investments	4 892	5 565	4 843	4 978
Other long term receivables	1 374	1 303	1 438	15 147
Deferred tax	23 508	18 086	19 220	20 925
Non-current assets	437 514	376 906	444 004	389 924
Inventories	245 363	252 652	247 766	232 124
Accounts receivables	240 274	283 185	230 190	274 348
Prepaid expenses	27 871	27 734	34 659	25 731
Other receivables	9 790	6 059	15 340	16 265
Cash and cash equivalents	37 141	53 858	37 396	47 248
Current assets	560 438	623 488	565 351	595 716
TOTAL ASSETS	997 951	1 000 395	1 009 355	985 640
EQUITY AND LIABILITIES				
Share capital	27 831	27 831	27 831	27 831
Holding of own shares	-302	-157	-312	-362
Other equity	463 915	481 398	484 130	479 738
Total equity	491 444	509 071	511 649	507 207
Long term interest bearing liabilities	8 656	11 905	9 002	8 087
Long term lease liabilities	76 198	57 707	80 133	59 426
Other long term liabilities	170	-	155	-
Deferred tax liabilities	20 997	28 419	20 997	20 997
Total long term liabilities	106 022	98 031	110 287	88 511
Short term interest bearing liabilities	107 919	31 539	62 398	29 670
Short term lease liabilities	21 692	19 646	25 437	21 777
Accounts payable	123 606	164 690	146 084	147 839
Taxes payable	-3 919	1 219	-2 180	11 126
Other short term liabilities	151 188	176 198	155 680	179 511
Total short term liabilities	400 486	393 292	387 419	389 923
TOTAL EQUITY AND LIABILITIES	997 951	1 000 395	1 009 355	985 640

## Overview of changes in the equity

KNOK	Share capital	Trea-sury shares	Other paid-in equity	Trans-lation varian-ces	Share Option Pro-gram	Other equity	Total equity	Mino-rity 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						2 224	2 224		2 224
Dividend 2022						-39 935	-39 935		-39 935
Share Option Program					2 928		2 928		2 928
Profit this year after tax						-4 788	-4 788	-303	-5 092
Other comprehensive income and expenses 1)				24 098			24 098	13	24 112
Equity 30.09.2023	27 831	-54	351 262	56 852	14 230	41 614	491 735	-290	491 444

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	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Year 2022
Ordinary profit before tax	-13 523	9 911	-6 971	20 729	38 165
Net interest	2 960	1 477	7 406	1 823	3 427
Tax paid	-1 306	-3 283	-16 991	-12 398	-17 989
Share of profit, associated companies	-48	-263	-229	-399	-388
Ordinary depreciation	8 924	10 441	27 791	25 618	38 193
Profit / loss on sale of fixed assets	-121	-37	-295	-47	-84
Change in inventories	-3 399	-36 355	-2 939	-19 081	-1 146
Change in receivables	-17 891	-10 205	48 161	-56 336	-48 506
Change in accounts payable	-18 013	33 324	-32 416	25 521	10 351
Change in other accrued items	17 911	-1 001	-32 005	-6 888	-5 390
Cash flow from operational activities	-24 504	4 008	-8 488	-21 458	16 633
Payments for fixed assets	-382	-1 158	-6 798	-7 849	-11 144
Payment for intangible assets 1)	-6 914	-	-18 456	-	-
Investments in other companies	-	-	-	-	-15
Payment from sale of fixed assets	179	-	179	-	60
Net effect acquisitions	-	-25	-	-85 309	-88 695
Net effect divestment	-	-	-	19 641	19 641
Dividends received from associated companies	-	-	300	-	200
Interest received	460	48	1 202	589	772
Cash flow from investment activities	-6 657	-1 135	-23 573	-72 928	-79 181
Purchase/sale of own shares	303	-2 411	2 224	-3 312	-10 278
Change in long-term debt	-8 826	-5 708	-20 881	-15 411	-23 540
Change in long-term receivables	-	-	-	-	-13 668
Change in overdraft	44 989	9 546	85 450	28 626	20 934
Interest paid	-3 420	-1 525	-8 608	-2 412	-4 199
Dividend paid	-	-	-39 935	-34 991	-34 991
Cash flow from financing activities	33 046	-98	18 250	-27 500	-65 741
Net cash flow in the period	1 885	2 775	-13 811	-121 887	-128 290
Cash and cash equivalents at the start of the period	37 397	50 470	47 248	174 198	174 198
Effect of foreign exchange rate fluctuations on foreign currency deposits	-2 141	612	3 704	1 546	1 339
Cash and cash equivalents at the end of the period	37 141	53 858	37 141	53 858	47 248

1) See note 2

## Key figures

KNOK	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	YTD 2023	YTD 2022
<b>Income statement</b>							
Operating revenue	292 948	337 162	381 396	404 980	345 884	1 011 506	967 412
EBITDA	3 785	2 081	13 473	33 553	20 669	19 340	41 986
EBITA	-2 350	-4 517	6 635	25 242	14 446	-232	24 945
Operating profit EBIT	-5 139	-7 333	4 021	20 978	10 228	-8 451	16 369
Ordinary profit before tax (EBT)	-13 523	-1 051	7 603	17 436	9 911	-6 971	20 729
Profit/loss after tax	-9 340	-947	5 196	12 628	8 033	-5 092	16 478
EBITDA-margin	1.3 %	0.6 %	3.5 %	8.3 %	6.0 %	1.9 %	4.3 %
EBT-margin	-4.6 %	-0.3 %	2.0 %	4.3 %	2.9 %	-0.7 %	2.1 %
<b>Balance sheet</b>							
Non-current assets	437 514	444 004	412 896	389 924	376 906	437 514	376 906
Current assets	560 438	565 351	609 386	595 716	623 488	560 438	623 488
Total assets	997 951	1 009 355	1 022 283	985 640	1 000 395	997 951	1 000 395
Total equity	491 444	511 649	551 361	507 207	509 071	491 444	509 071
Total long term liabilities	106 022	110 287	91 420	88 511	98 031	106 022	98 031
Total short term liabilities	400 486	387 419	379 501	389 923	393 292	400 486	393 292
Working capital	362 030	331 872	387 941	358 632	371 147	362 030	371 147
Equity ratio	49.2 %	50.7 %	53.9 %	51.5 %	50.9 %	49.2 %	50.9 %
Liquidity ratio	139.9 %	145.9 %	160.6 %	152.8 %	158.5 %	139.9 %	158.5 %
Net interest bearing debt	177 324	139 574	124 619	71 712	66 939	177 324	66 939
Net leverage multiples	3.35	2.00	1.61	0.95	1.08	3.35	1.08
<b>Cash Flow</b>							
Cash flow from operational activities	-24 504	60 246	-44 229	38 091	4 008	-8 488	-21 458
Net change in liquid assets	1 885	6 621	-22 317	-6 403	2 775	-13 811	-121 887
<b>Share information</b>							
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	44 395 379	44 380 322	44 319 256	44 482 947	44 740 494	44 365 264	44 185 129
EBT per shares	-0.30	-0.02	0.17	0.39	0.22	-0.16	0.47
Earnings per share	-0.21	-0.02	0.12	0.28	0.18	-0.11	0.37
Earnings per share, adjusted *	-0.15	0.04	0.18	0.38	0.27	0.07	0.57
Equity per share	11.07	11.53	12.44	11.40	11.38	11.08	11.52
Dividend per share		0.90	-	-	-	0.90	0.80
<b>Employees</b>							
Number of employees (end of period)	523	519	514	511	517	523	517
Average number of employees	521	517	513	514	515	517	458
<b>IFRS 16 effects</b>							
Reduced OPEX	5 772	6 142	6 371	7 188	5 179	18 285	13 971
Increased depreciation	4 624	5 094	5 437	6 277	4 310	15 154	12 714
Increased interest expenses	1 148	1 048	934	911	869	3 130	1 257
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	5 772	6 142	6 371	7 188	5 179	18 285	13 971
Cash flow from financing activities	-5 772	-6 142	-6 371	-7 188	-5 179	-18 285	-13 971

## 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	Q3 2023			Q3 2022			YTD 2023			YTD 2022			Year 2022		
	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT
Nordics	120.3	11.9	11.3	154.3	11.6	10.1	494.1	37.2	33.3	561.3	49.2	44.1	744.1	67.2	59.5
International incl R&D	172.6	0.4	-8.1	191.6	18.4	9.1	517.4	7.0	-17.7	406.1	25.7	5.9	628.3	53.9	21.1
ASA/Elim	-	-8.5	-16.7	-	-9.3	-9.3	-	-24.9	-22.6	-	-32.9	-29.2	-	-45.6	-42.5
Total	292.9	3.8	-13.5	345.9	20.7	9.9	1 011.5	19.3	-7.0	967.4	42.0	20.7	1 372.4	75.5	38.2

### Operating revenue by products and services

MNOK	Q3 2023		Q3 2022		YTD 2023		YTD 2022		Year 2022	
	Products	Services *	Products	Services *	Products	Services *	Products	Services *	Products	Services *
Nordics	58.4	61.9	99.7	54.6	309.8	184.3	387.6	173.7	494.8	249.3
International incl R&D	51.4	121.2	48.2	143.4	190.5	326.8	169.3	236.8	264.1	364.2
Elim / ASA	-	-	-	-	-	-	-	-	-	-
Total	109.8	183.1	147.8	198.0	500.3	511.2	556.9	410.5	758.9	613.5

\*) Services and licenses

## Note 4 Related parties

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

## Note 5 Top 20 shareholders per 30 September 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)	1 445 000	3.22
7	NORDNET BANK AB	1 278 516	2.85
8	AVANZA BANK AB	1 258 160	2.80
9	VERDADERO AS	1 235 845	2.75
10	RING. JAN	1 204 078	2.68
11	VERDIPAPIRFONDET DNB SMB	886 783	1.98
12	EVENSEN. TOR COLKA	873 500	1.95
13	WAALER AS	710 000	1.58
14	HAUSTA INVESTOR AS	700 000	1.56
15	JOHANSEN. STEIN	600 000	1.34
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	487 190	1.09
Sum 20 largest shareholders		24 158 052	53.82
Sum 2 463 other shareholders		20 730 300	46.18
Sum all 2 483 shareholders		44 888 352	100.00

## Note 6 Share option program

Total costs and Social Security Provisions	2020	2021	2022	YTD 2023	Total
Total IFRS cost	440	5 441	5 420	5 280	16 582
Total Social security provisions	36	737	- 341	- 267	165

Granted instruments:	Number of instruments
Activity	
Outstanding OB (01.01.2023)	2 668 750
Granted	1 335 000
Exercised	-300 000
Terminated	-112 500
Outstanding CB (30.09.2023)	3 591 250
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 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**

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