



Q4 and year 2023

Financial report and status

CEO's perspective

As we close the fourth quarter of 2023, the challenges and uncertainties that have characterized much of this year have persisted and continue to impact our performance. Similar to the previous quarters, the prevailing economic uncertainty, coupled with high inflation and interest rates, remains at the forefront of market dynamics. This has led to a cautious approach from our primary customers, grocery retailers, resulting in further delays and pauses in their investment decisions.

With fourth quarter revenues down compared to the same quarter last year, whilst continuing our internal investments to win major new customers and deals, the profitability for the quarter has come under significant pressure. In addition, the one-off effects of last quarter's announced cost reduction measures and other non-recurring costs adds to the profitability drop in the fourth quarter 2023.

With the first fruits of our internal investments seen in the beginning of 2024, with the win of the extremely important Sainsbury's e-commerce Order Picking deal, we believe our investment decisions have been and are correct. To put the deal in perspective: Sainsbury's is the second largest grocery retailer in the UK, which is the by far highest penetrated e-grocery market in Europe. These investments are paramount to the longevity and success of StrongPoint in the medium to long term. However, these investments hinder the short-term fourth quarter results of 2023. Despite a major breakthrough at the beginning of 2024, the general economic climate and uncertainty leads us to be questionable about achieving the financial ambitions set forth for 2025. More than a reset of ambitions, we recognize that achieving the ambitions will take more time than we anticipated when we set them in early 2020, prior to the pandemic, war in Europe and the interest rate regime we now experience. As part of our annual Strategy Update Session this Spring, we plan to share our updated financial ambitions.

Our revenue in the fourth quarter was 331 MNOK, reflecting a decline of 18% vs. the same quarter in 2022. This development, primarily driven by the ongoing investment hesitancy in the grocery retail sector, has put significant pressure on our operations. The revenue decline is prevalent in all our markets, with the notable exception of the Baltics, continuing its strong performance and recently having won a significant contract to deliver one thousand self-checkout units to Maxima. Overall, for 2023 our group revenue is down 2% vs. last year.

In the fourth quarter, we continued to invest in major technology developments, catering to some of Europe's largest grocery retailers. This includes advancements in our in-store product offerings and our high-performance e-commerce solutions. While these investments are crucial for future growth, they have impacted our short-term profitability. Furthermore, although we have improved the gross margin percentage, the reduction in activity in the quarter reduces the gross profit levels in absolute terms. Hence, our reported EBITDA for the quarter stood at negative 20.6 MNOK (-6.2%). For entire 2023, our reported EBITDA is negative 1.3 MNOK. To navigate these challenging times, we announced rigorous cost reduction measures following our third quarter, which began to take effect from January 2024. These measures, including a reduction in our workforce, has decreased our cost base by approximately 20 MNOK p.a. with effect as of January 1, 2024. An effect of this reduction in workforce is that the fourth quarter is impacted by restructuring costs equating to 6.7 MNOK in the quarter. Also, in the quarter, other non-recurring costs of 11.3 MNOK negatively impact the results. Adjusting the reported EBITDA for the abovementioned items still results in a negative EBITDA of -2.7 MNOK (or -0.8%) in the quarter.

The combination of a weak market and continued investments, in what we see as necessary for StrongPoint's long-term success, has put profitability and cash flow under pressure in the quarter. While



Jacob Tveraabak
CEO of StrongPoint

the level of investments has been according to plan, the market has been significantly weaker than we had anticipated. This blend has both reduced our EBITDA and increased our debt levels. This certainly poses a challenge this year to our year-long history of paying increased dividends every year.

Having calculated the debt levels compared to our recent quarterly results straight off, we would have been in breach of existing loan agreements. Fortunately, with a long-term banking partner and significant resilient accounts receivables, we are able to proceed without any further measures. With the effects of cost reduction measures, expectations for the market development, and the potentials to capitalize on the announced break-through deal in the UK in January, we are confident we will prevail in both the short- and medium-term challenges.

Looking ahead, we are still cautiously optimistic about the future. We are beginning to see signs of renewed interest and potential uplift in investment decisions from grocery retailers. Our groundbreaking projects, like the cash management system in Iberia and the promising developments in the UK market, are set to play a pivotal role in our future growth. We continue to focus on providing grocery retailers with retail technologies that enhance profitability and customer satisfaction. With these ongoing major projects and our dedicated focus, we are well positioned to capitalize on the long-term trend of increasing technology penetration in the grocery retail sector.

In closing, I want to express my gratitude to our dedicated team at StrongPoint, our loyal customers, our partners, and our shareholders for their continued support. Together, we will stay safe, strong, and passionate, driving towards a brighter and more prosperous future.

Stay safe, strong, and passionate!

HIGHLIGHTS

Weak financial performance in a continued uncertain global macro environment

Financial performance 4th quarter and full year 2023

- Revenue declined 18% to 331 MNOK (405) in the fourth quarter compared to the same quarter last year. For the full year 2023, revenue declined by 2% to MNOK 1,342.
- EBITDA for the quarter ended at -20.6 MNOK (33.6), including non-recurring restructuring and M&A costs of 7.3 MNOK and write-downs 10.6 MNOK. Excluding these adjustments, the EBITDA was -2.7 MNOK. For the full year 2023, EBITDA ended at -1.3 MNOK (75.5). Excluding the full-year non-recurring items, the EBITDA was MNOK 19.6.
- Gross margin improved to 40% (38%) for the quarter and ended at 40% (38%) for the full year 2023.
- Cash flow from operations was 33.7 MNOK (38.1) for the quarter.

Continued customer success in priority areas

- Largest grocery retailer in the Baltics, Maxima, signed multi-year framework agreement with at least 1,000 units for StrongPoint Self-Checkouts.
- Norwegian retailer Felleskjøpet with over 200 stores across Norway ordered Pricer Electronic Shelf Labels.
- Baltic and Spanish operations continue to grow with revenue growth of 22% and 35%, respectively.

Further progress on 2025 strategic ambitions

- Completed the acquisition of Brand ID Hamari Group Oy (Hamari) in Finland, creating a footprint for sale of products and services in the Finnish market.
- The long term dividend policy remains intact, however unlikely with dividend payout for 2023.

Key figures (MNOK)

	Q4 2023	Q4 2022	Year 2023	Year 2022
Revenue	330.9	405.0	1 342.4	1 372.4
EBITDA	-20.6	33.6	-1.3	75.5
EBITDA margin	-6.2%	8.3%	-0.1%	5.5%
EBITDA exclusive option cost	-19.2	34.4	5.1	80.6
Operating profit (EBIT)	-31.0	21.0	-39.4	37.3
Ordinary profit before tax (EBT)	-38.4	17.4	-45.3	38.2
Cash flow from operational activities	33.7	38.1	25.2	16.6
Disposable funds	95.2	125.1	95.2	125.1
Earnings per share (NOK)	-0.65	0.28	-0.77	0.66
Earnings per share, adjusted	-0.59	0.38	-0.52	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	Q4		Year	
	2023	2022	2023	2022
MNOK				
Scandinavia	141.9	182.7	636.0	744.1
International incl R&D	189.0	222.2	706.4	628.3
ASA/Elim	-	-	-	-
Total	330.9	405.0	1,342.4	1,372.4

EBITDA	Q4		Year	
	2023	2022	2023	2022
MNOK				
Scandinavia	4.3	18.0	41.5	67.2
International incl R&D	-17.4	28.2	-10.4	53.9
ASA/Elim	-7.5	-12.7	-32.4	-45.6
Total	-20.6	33.6	-1.3	75.5

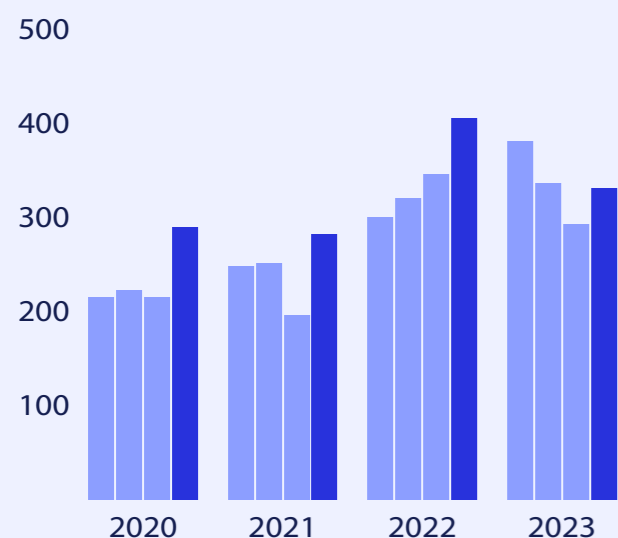
	Q4	Year
Number of employees	524 ¹	511

1) This includes 18 employees who were employees as of 31 December 2023, but who will be leaving during 2024 as part of the restructuring process completed in Q4 2023. Moreover, there were six employees added from the acquisition of Hamari in Finland in Q4 2023, and another 10 employees from the Spanish joint venture, consolidated in Q2 2023.

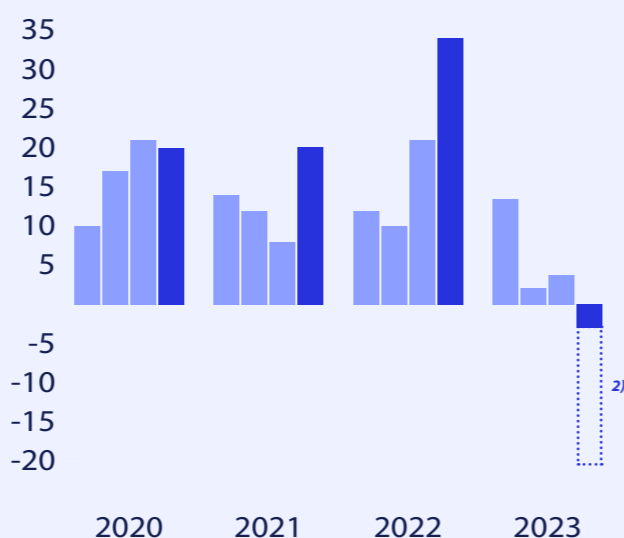
2) The Q4 2023 EBITDA was -20.6 MNOK, including non-recurring restructuring and M&A costs of 7.3 MNOK and write-downs 10.6 MNOK. Excluding these adjustments, the Q4 2023 EBITDA was -2.7 MNOK.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Weak financial performance in a currently uncertain global macro environment

For the full year 2023, total revenue declined by 2% to MNOK 1,342. As discussed in previous reports, 2023, the macro situation has been challenging and grocery retailers have postponed their investment decisions, particularly in the Scandinavian region. This has led to a 15% revenue decline in the Scandinavian segment. This was, however, partly offset by an increase of 12% in the International segment, mainly driven by continued strong performance in the Baltics.

For the full year 2023, EBITDA declined to -1.3 MNOK. This is attributable to the abovementioned weaker market conditions and completed cost measures taken to improve the financial performance going forward. The reported EBITDA includes non-recurring severance pay (8.5 MNOK), plus M&A costs as well as inventory and project write-downs (12.4 MNOK). If excluding these adjustments, the EBITDA would have been 19.6 MNOK for the full year 2023.

For Q4 2023, the total revenue declined by 18.3% compared to the same quarter last year. This includes a decline of 22.4% in the Scandinavian segment, compared to a strong Q4 2022. The segment International declined by 15.0% in revenue during the quarter. This segment includes the acquired company StrongPoint ALS in the UK, which was completed and consolidated from 1 June 2022. As a particularly project-oriented business, StrongPoint ALS was negatively impacted this quarter by the postponements of some of our customers planned project work.

Furthermore, the acquisition of Hamari in Finland was completed and consolidated from 31 October 2023, with revenue contribution of 2.6 MNOK in this quarter. Due to the short period of ownership and limited financial impact, the Finnish operation has been included in the International segment in the Q4 2023 financials. As of Q1 2024, the Finnish operation will be reported together with the Baltics as "Baltics & Finland".

During the quarter, the gross margin improved from 37.7% to 40.0% year on year, mainly due to product mix and continued efforts to improve our margins on both our own products as well as third party products.

The EBITDA decreased to -20.6 MNOK in Q4 2023, leading to an EBITDA margin of -6.2% (8.3%). This includes non-recurring severance pay (6.7 MNOK), plus M&A costs as well as inventory and project write-downs (11.3 MNOK). If excluding these adjustments, the EBITDA would have been -2.7 MNOK for the fourth quarter 2023.

Personnel costs were 102.7 MNOK in Q4 2023 as compared to 89.0 MNOK the same quarter last year. If excluding the severance pay and the consolidation effect of the Hamari acquisition with six employees in Q4 2023, personnel costs would be 94.8 MNOK. This represents a 5.4% increase, mainly due to wage increases and weakening of the NOK during the period.

As of year-end 2023, the net interest-bearing debt was 80.8 MNOK, representing an increase of 78.1 MNOK compared to the year-end 2022. This is mostly due to an increase in the bank overdraft of 72 MNOK, attributable to capital expenditure in our Spanish joint venture, the acquisition of Hamari, as well as paid interest and dividends during the year.

As part of the Group's short term credit facility, there is a quarterly covenant reporting in which the net interest-bearing debt divided by the last twelve months rolling EBITDA, shall not exceed 3.5x. As per Q4 2023, there would have been a covenant breach, mainly due to the Q4 2023 EBITDA. However, due to the close relationship with our primary bank, they have agreed to postpone the next covenant reporting until the Q4 2024 financial statements have been completed. Starting from Q3 2024 and going forward, the quarterly EBITDA from Q3 2024 will be added and annualized as the basis for the covenant reporting relating to the credit facility. See the section on net interest-bearing debt further down in this report for an overview of the components included in the net interest-bearing debt for the covenant reporting.

Continued customer success in priority areas

In October StrongPoint signed a multi-year framework agreement with the largest grocery retailer in the Baltics, Maxima, to supply StrongPoint's proprietary self-checkout solution. The scope of the contract is to supply at least 1,000 self-checkout units over three years.

In December StrongPoint made a breakthrough signing a new customer Felleskjøpet, a retailer with over 200 stores across Norway and a turnover of NOK 20.2 billion in 2022. The contract is to supply and install Pricer Electronic Shelf Labels in all of their 21 'BondeKompaniet' stores. This is the first time that StrongPoint has worked with the retailer and is an example of a spillover vertical based on the company's strong reputation in grocery retail.

Continuing their success in the previous quarter, the Baltic operations increased their revenue by 22.2% vs the same quarter the previous year and for the full year 2023, revenue increased by 24.9%. Similar strong performance was seen in Spain, where revenue increased by 34.8% vs the same quarter the previous year and for the full year 2023 revenue increased by 14.1%.

Further progress on 2025 strategic ambitions

On 31 October 2023, we completed the acquisition of Brand ID Hamari Group Oy (Hamari) in Finland, creating a footprint for sale of products and services in the Finnish market.

While StrongPoint's long term dividend policy remains intact, the current business performance and forecasted need for funding of major growth initiatives do not allow for dividend payment for 2023. The Board of Directors' proposal to the upcoming General Assembly will reflect this evaluation.

As announced on 16 January 2024, we had a major breakthrough with the announcement that the UK-based grocery retailer Sainsbury's, has selected StrongPoint's grocery Order Picking solution to fulfill its online orders in-store. Sainsbury's is the UK's second largest grocery retailer with over 1,400 supermarkets and convenience stores across the country and employs over 152,000 people. In e-commerce, Sainsbury's is the second largest in the UK and the fourth biggest in Europe and doing picking in-store. This contract proves the world-class nature of our e-commerce solution, in particular our order picking solution, and is a direct consequence of our long-term and deliberate investments into grocery e-commerce fulfillment technologies.

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.

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

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:

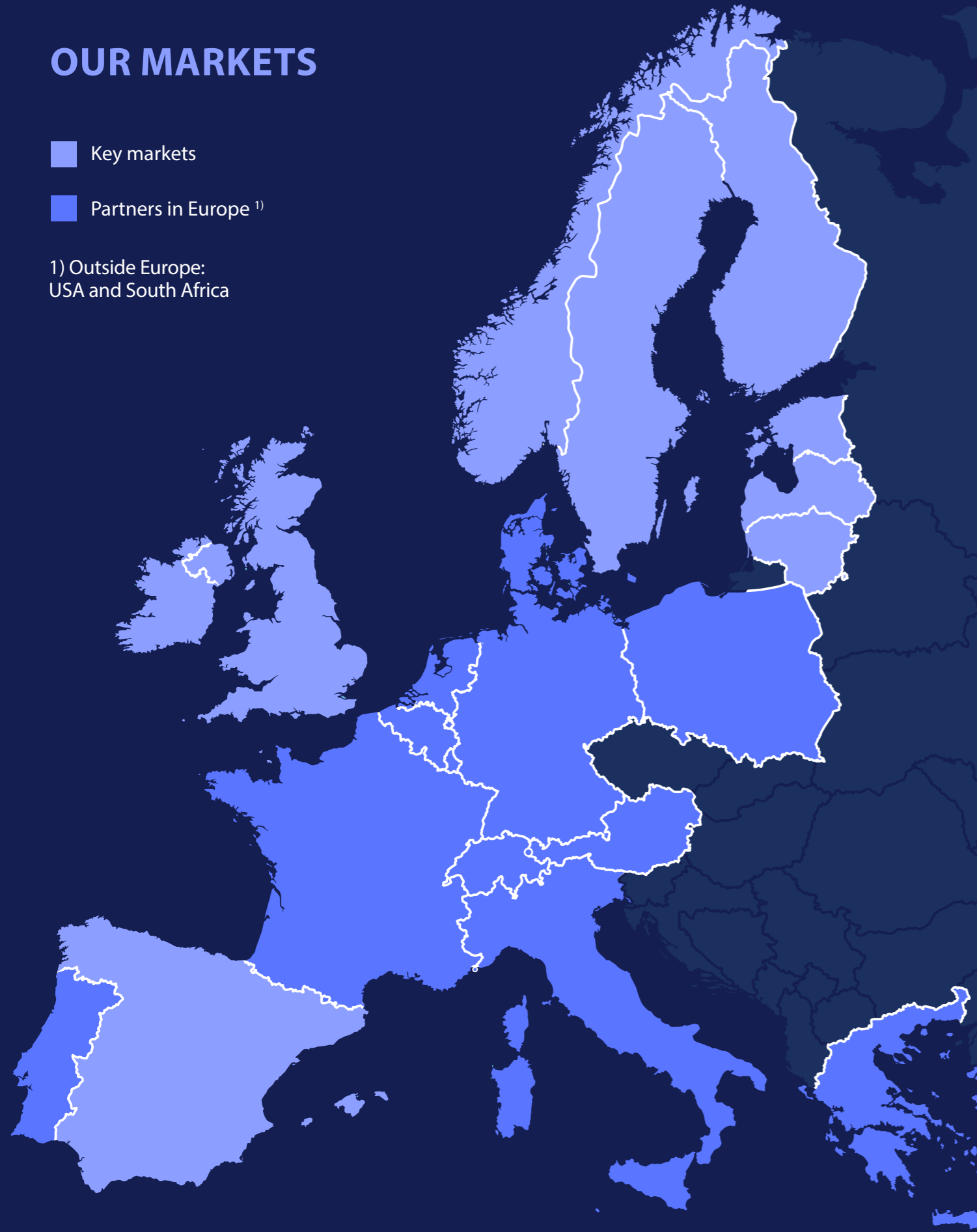
Technology solutions solving

- 1) instore and
- 2) online challenges

OUR MARKETS

- Key markets
- Partners in Europe ¹⁾

1) Outside Europe:
USA and South Africa



Scandinavia

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

MNOK	Q4		Year	
	2023	2022	2023	2022
- Norway	67.7	96.4	340.3	386.1
- Sweden	74.2	86.3	295.7	358.0
Total Revenue	141.9	182.7	636.0	744.1
EBITDA	4.3	18.0	41.5	67.2
- In %	3.0 %	9.8 %	6.5 %	9.0 %
EBT	1.8	15.4	35.1	59.5
- In %	1.3 %	8.4 %	5.5 %	8.0 %

The revenue in the Scandinavian segment declined by 22.4% compared to the same quarter last year, mainly due to weakened market conditions leading to lower volume of product roll-outs. Consequently, EBITDA was impacted accordingly, declining by 13.7 MNOK to 4.3 MNOK. The EBITDA of 4.3 MNOK however, includes one-off restructuring costs of 5.2 MNOK for the quarter, resulting in EBITDA excluding non-recurring costs of 9.5 MNOK. This shows that the decline in revenue and gross profit, was partly mitigated by cost efficiency actions. For the year 2023, revenue declined by 14.5%.

Norway

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	39.9	66.9	230.4	269.7
Services	27.8	29.5	109.8	116.4
Revenue	67.7	96.4	340.3	386.1

The revenue for Norway in Q4 2023 declined by 29.8% compared to the same quarter last year. This is mainly due to a lower volume of CashGuard deliveries as a large roll-out to Kiwi was completed in Q4 2022. In addition, there was a higher volume of Pricer ESL installations in Q4 2022 vs. Q4 2023. Overall, Q4 2023 was impacted by a continued weaker market and longer lead times on investment decision by our customers. For the full year 2023, revenue declined by 11.9%.

Sweden

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	38.1	52.0	157.4	225.1
Services	36.1	34.3	138.4	132.9
Revenue	74.2	86.3	295.7	358.0

The revenue in Sweden declined by 14.0% compared to the same quarter last year. Product revenue declined by 26.8% in the quarter due to a lower volume of Pricer ESL deliveries, which were extraordinarily high last year driven by a number of large projects. Service revenue, however, increased by 5.3% mainly due to ShopFlow Logistics licenses. For the full year 2023, revenue declined by 17.4%.

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.

Our recent acquisition of Brand ID Hamari Group (which subsequently has changed the name to StrongPoint Hamari) was completed on 31 October 2023. The revenue and EBITDA contribution were 2.6 MNOK and -0.2 MNOK, respectively. Due to the short ownership period, included in "Rest of Europe". From Q1 2024, the Finnish operations will be reported together with the Baltic operations as "Baltics & Finland". See note 5 for more details about the acquisition.

MNOK	Q4		Year	
	2023	2022	2023	2022
- Baltic	76.4	62.5	255.5	204.6
- Spain	28.4	21.1	87.6	76.8
- UK & Ireland	64.1	100.6	283.5	241.3
- Rest of Europe	20.0	38.0	79.8	105.7
Total Revenue	189.0	222.2	706.4	628.3
EBITDA	-17.4	28.2	-10.4	53.9
- In %	-9.2 %	12.7 %	-1.5 %	8.6 %
EBT	-33.8	15.3	-51.5	21.1
- In %	-17.9 %	6.9 %	-7.3 %	3.4 %

The business segment International including R&D decreased in revenue by 15.0% compared to same quarter last year. This includes a revenue growth of 22.2% and 34.8% in the Baltics and Spain, respectively, offset by a decline of 36.3% and 47.3% in UK/ Ireland and Rest of Europe, respectively. Whereas the Baltics and Spain are seeing stable market conditions and continued demand for our products, the UK and Ireland region in particular, is experiencing softer markets and postponed investment decisions by our customers. Excluding the acquired businesses in the UK and Ireland, the segment had a revenue growth of 2.7%.

As a consequence of the overall revenue decline, EBITDA for Q4 2023 ended at -17.4 MNOK compared to 28.2 MNOK for the same quarter last year. This is mainly due to the weak performance in UK and Ireland, as well as our continued investments in the UK e-commerce market and development costs to support future revenue growth.

Baltics

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	41.0	30.6	131.1	104.6
Services	35.5	32.0	124.4	100.0
Revenue	76.4	62.5	255.5	204.6

Revenue from the Baltic operations increased by 22.2% compared to the same quarter last year, stemming from an increase in both products and services. This includes self-checkout rollouts to Rimi and Maxima, Pricer ESL sales to Rimi and other POS/ ERP projects. For the full year 2023, revenue increased by 24.9%.

Spain

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	23.6	16.4	67.6	60.2
Services	4.8	4.7	20.0	16.6
Revenue	28.4	21.1	87.6	76.8

The Spanish revenue increased by 34.8% compared to the same quarter last year, driven by increased volume of CashGuard across all industries, as well as increased volume of self-checkouts. For the full year 2023, revenue increased by 14.1%. 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 high expectations. The company was consolidated into StrongPoint's financial figures from Q2 2023. The development cost of MNOK 23 for the full year 2023 is capitalized, contrary to other development costs which are expensed over the profit and loss statement.

UK & Ireland

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	-	-	-	-
Services	64.1	100.6	283.5	241.3
Revenue	64.1	100.6	283.5	241.3

Air Link Group (ALS), now rebranded as StrongPoint ALS, was acquired on June 1, 2022. Consequently, YoY Q4 2023 figures are fully comparable, whereas YTD 2022 figures include seven months of ownership.

The revenue declined 36.2% compared to the same quarter last year. Similar to the performance development in the previous quarter of Q3 2023, the same deviation applies when comparing Q4 2023 with Q4 2022; the revenue in Q4 2022 was exceptionally high due to the order backlog from the pandemic, resulting in comparatively lower volume this year.

Some of our customers are continuing to postpone the implementation of planned projects. The projects have not been cancelled and are expected to be delivered when the market conditions improve.

Partners

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	19.2	36.0	75.5	99.3
Services	0.8	2.0	4.2	6.4
Revenue	20.0	38.0	79.8	105.7

Partner revenue relates to outside of our core markets. In Q4 2023, revenue declined by 47.3% compared to the same quarter last year due to a lower volume of CashGuards.

The acquisition in Finland is included in Partners in Q4 2023, but will be included together with the Baltics from Q1 2024.

Product segments

In-store Productivity

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	47.0	76.2	219.7	339.0
Services	24.3	22.3	100.1	87.2
Revenue	71.3	98.5	319.7	426.2

Revenue for the In-Store Productivity segment was down by 27.7% compared to the same quarter last year, due to lower ESL product deliveries in Norway and Sweden. This was partly mitigated by increased service revenue from previous ESL deliveries and ShopFlow Logistics. For the full year 2023, revenue declined by 25.0%.

Payment Solutions

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	40.5	49.5	148.2	164.6
Services	27.9	30.9	111.3	120.0
Revenue	68.4	80.4	259.5	284.6

The revenue declined by 15.0% compared to the same quarter last year. This includes lower product volume in Norway, partly off-set by increased volume in Sweden and Spain. The service revenue declined in the quarter as expected, given the lower the number of operating systems in the mature markets. For the full year 2023, revenue declined by 8.8%.

Check Out Efficiency

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	35.0	31.6	117.6	115.9
Services	12.2	11.4	44.4	39.4
Revenue	47.2	43.0	162.0	155.3

Revenue increased by 9.9% compared to the same quarter last year, driven by increased product volume of self-checkout in the Baltics, as Vensafe revenue was stable YoY. Service revenue continued to increase during the period for both Vensafe and self-checkout. For the full year 2023, revenue increased by 4.3%.

Shop Fitting

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	-	-	-	-
Services	64.1	100.6	283.5	241.3
Revenue	64.1	100.6	283.5	241.3

Revenue for the Shop Fitting segment declined by 36.2% compared to same quarter last year. The Shop Fitting segment relates in its entirety to UK and Ireland segment. As explained in the regional section on the previous page, this segment is impacted by the weak market conditions in UK and Ireland. For the full year 2023, revenue increased by 17.5%, however these are reported figures with seven months ownership of the business from 1 June 2022. On a proforma basis, revenue declined by 21.1%.

Other retail technology

MNOK	Q4		Year	
	2023	2022	2023	2022
Products	23.8	27.0	89.7	85.9
Services	30.2	28.0	101.5	84.6
Revenue	54.0	55.0	191.1	170.5

Other retail technology, mainly POS/ERP and software projects in the Baltics, decreased by 1.7% in the period. Whereas products sales had a decrease of 11.8%, service revenue increased by 7.9% during the quarter due to previous increases in the installed base and increased development and support revenue to the customer Heinemann. For the full year 2023, revenue increased by 12.1%.

E-commerce logistics

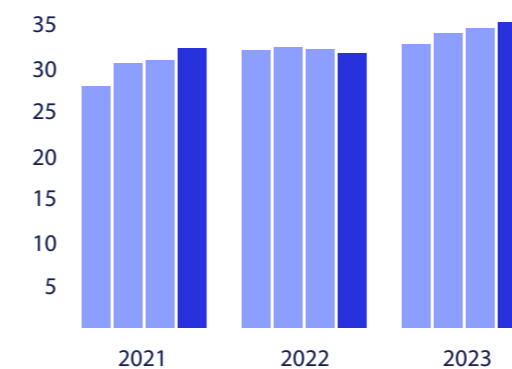
MNOK	Q4		Year	
	2023	2022	2023	2022
Products	15.4	17.7	86.9	53.4
Services	10.5	9.9	39.7	41.0
Revenue	25.9	27.5	126.6	94.5

Revenue from e-commerce decreased by 5.9% compared to the same quarter last year, comprising a slight decline in Click & Collect grocery lockers and order picking. For the full year 2023, revenue increased by 34.0%, mainly due to the delivery of AutoStore projects.

Technology and R&D update

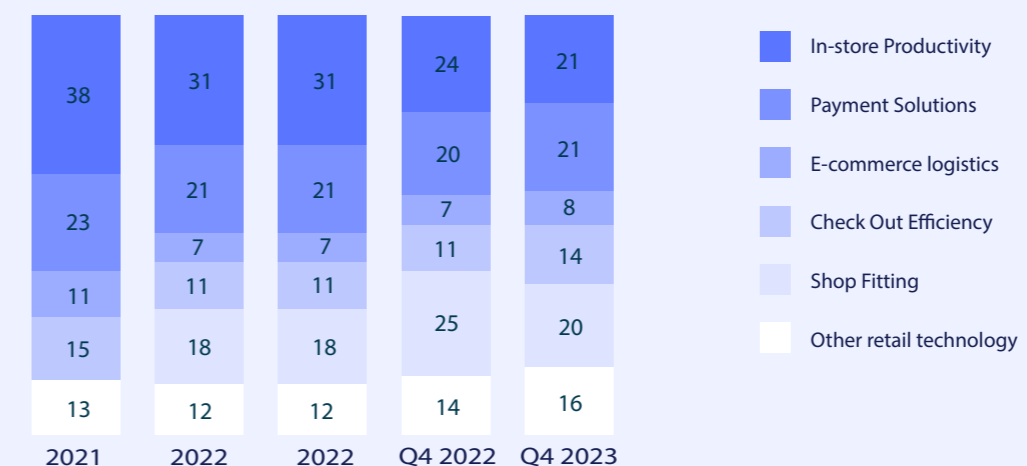
After a period of significant growth in e-commerce due to the pandemic, the market has retracted driven by macroeconomic challenges and shifts in consumer behavior, stabilizing at lower levels in comparison. Whereas we foresaw growth across all markets just a year ago, we have shifted our short and medium-term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

Rolling 12 months e-commerce recurring revenue (MNOK)



StrongPoint Group

Relative share of revenue per segment (%)





October 2023

StrongPoint enters Finland with acquisition of Brand ID Hamari Group Oy

On 31 October 2023, StrongPoint ASA acquired 100% of the shares in Brand ID Hamari Group Oy.

Hamari Group is a retail technology solutions company that provides services and installation of, amongst others, electronic shelf labels (from Pricer AB), a food waste prevention solutions and retail staff communications solution. It is widely seen as the partner of choice for installation and service, especially in- store solutions, to some of Finland’s leading grocery retailers.



As part of our 2025 strategy, we stated that acquisitions would be used to achieve our financial ambitions. In 2022 we entered the UK & Irish markets with the acquisition of ALS and we are now entering the Finnish market. As one of Pricer’s largest and most experienced partners, StrongPoint has unrivalled expertise in electronic shelf labels which we will leverage now in Finland with Hamari Group. By this acquisition we will strengthen our position in the in-store market and be serving some of the strongest grocery retail brands in Finland.

Jacob Tveraabak, CEO of StrongPoint

Cash flow and equity

Cash flow from operational activities in the fourth quarter was 33.7 MNOK (38.1), mainly due to change in working capital. The receivables traditionally have low risk.

The Group’s holding of own shares at the end of the fourth quarter amounted to 350,404, which represents 0.8 per cent of the outstanding shares.

The Group has shareholder programs for the Board of Directors, the Group executive management and the employees. 148,706 shares have been assigned 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

Net interest bearing debt

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

As of year-end 2023, the net interest-bearing debt was 80.8 MNOK, representing an increase of 78.1 MNOK compared to the year-end 2022. This is mostly due to an increase in the bank overdraft of 72.0 MNOK, attributable to capital expenditure in our Spanish joint venture, the acquisition of Hamari, as well as paid interest and dividends during the year.

Compared to the previous quarter of Q3 2023, however, the net interest-bearing debt decreased by 10.8 MNOK, driven by working capital improvements.

Disposable funds were 95.2 MNOK as of December 31, 2023, comprising cash and cash equivalents of 39.3 MNOK and 55.9 MNOK of undrawn funds from the Group’s bank overdraft facility of 150 MNOK.

As part of the Group’s short term credit facility, there is a quarterly covenant reporting in which the net interest-bearing debt divided by the last twelve months rolling EBITDA, shall not exceed 3.5x. As per Q4 2023, there would have been a covenant breach, mainly due to the Q4 2023 EBITDA. However, due to the close relationship with our primary bank, they have agreed to postpone the next covenant reporting until the Q4 2024 financial statements have been completed. Starting from Q3 2024 and going forward, the quarterly EBITDA from Q3 2024 will be added and annualized as the basis for the covenant reporting relating to the credit facility.

KNOK	31.12.23	31.12.22	30.09.23
Long term interest-bearing liabilities	4,983	8,087	8,656
Long term lease liabilities	83,513	59,426	76,198
Short term interest-bearing liabilities	102,115	29,670	107,919
Short term lease liabilities	14,316	21,777	21,692
Cash and cash equivalents	-39,340	-47,248	-37,141
= Interest-bearing debt and leasing liabilities	165,587	71,712	177,324
Of which IFRS 16 rent liabilities not interest-bearing	-84,827	-69,044	-85,783
= Net interest-bearing debt	80,760	2,668	91,541
12 month rolling EBITDA	-1,288	75,540	52,893
Leverage multiple (Covenant) NIBD	n.m.	0.04	1.73

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the fourth quarter and year 2023, including comparative consolidated figures for the fourth quarter and year 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 fourth quarter and year 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 31 December 2023 and per 31 December 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, 11 February 2024

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit
Director

Peter Wirén
Director

Jacob Tveraabak
CEO

Consolidated income statement

KNOK	Q4 2023	Q4 2022	Chg. %	Year 2023	Year 2022	Chg. %
Operating revenue	330,892	404,980	-18.3 %	1,342,398	1,372,392	-2.2 %
Cost of goods sold	198,448	252,361	-21.4 %	805,266	850,956	-5.4 %
Personnel expenses	102,696	88,990	15.4 %	366,782	305,842	19.9 %
Share based compensation	1,381	871	58.6 %	6,395	5,079	25.9 %
Other operating expenses	48,996	29,205	67.8 %	165,244	134,976	22.4 %
Total operating expenses	351,520	371,427	-5.4 %	1,343,687	1,296,853	3.6 %
EBITDA	-20,628	33,553	-161.5 %	-1,288	75,540	-101.7 %
Depreciation tangible assets	7,425	8,312	-10.7 %	26,996	25,353	6.5 %
Amortization intangible assets	2,943	4,264	-31.0 %	11,163	12,840	-13.1 %
EBIT	-30,996	20,978	-247.8 %	-39,448	37,347	-205.6 %
Interest expenses	2,211	1,604	37.9 %	9,617	3,427	180.6 %
Other financial expenses/currency differences	5,115	1,927	165.4 %	-3,543	-3,857	8.2 %
Profit from associated companies	-38	-11	-246.6 %	191	388	-50.7 %
EBT	-38,360	17,436	-320.0 %	-45,331	38,165	-218.8 %
Taxes	-9,253	4,808	-292.4 %	-11,132	9,060	-222.9 %
Profit after tax	-29,108	12,628	-330.5 %	-34,200	29,105	-217.5 %
Earnings per share:						
Number of shares outstanding	44,888,352	44,888,352		44,888,352	44,888,352	
Av. number of shares - own shares	44,493,344	44,482,947		44,397,547	44,260,195	
Av. number of shares diluted- own shares	47,915,844	47,151,697		47,820,047	46,928,945	
EPS	-0.65	0.28		-0.77	0.66	
Diluted EPS	-0.61	0.27		-0.72	0.62	
EBITDA per share	-0.46	0.75		-0.03	1.71	
Diluted EBITDA per share	-0.43	0.71		-0.03	1.61	
Total earnings:						
Profit/loss after tax	-29,108	12,628	-330.5 %	-34,200	29,105	-217.5 %
Exchange differences on foreign operations	8,782	-8,027	209.4 %	32,894	-3,069	1171.8 %
Total earnings	-20,325	4,600	-541.8 %	-1,305	26,036	-105.0 %
Of which						
Majority interest	-18,704	4,600	-506.6 %	606	26,036	-97.7 %
Minority interest	-1,621	-		-1,911	-	

Consolidated balance sheet

KNOK	31.12.2023	31.12.2022	30.09.2023
ASSETS			
Intangible assets	125,327	82,503	114,758
Goodwill	174,325	159,918	167,251
Tangible assets	30,397	23,755	27,841
Right-of-use assets	99,568	82,698	97,890
Long term investments	4,854	4,978	4,892
Other long term receivables	1,372	15,147	1,374
Deferred tax	31,106	20,925	23,508
Non-current assets	466,949	389,924	437,514
Inventories	230,424	232,124	245,363
Accounts receivables	240,790	274,348	240,274
Prepaid expenses	22,032	25,731	27,871
Other receivables	14,955	16,265	9,790
Cash and cash equivalents	39,340	47,248	37,141
Current assets	547,541	595,716	560,438
TOTAL ASSETS	1,014,490	985,640	997,951
EQUITY AND LIABILITIES			
Share capital	27,831	27,831	27,831
Holding of own shares	-217	-362	-302
Other equity	447,238	479,738	463,915
Total equity	474,852	507,207	491,444
Long term interest bearing liabilities	4,983	8,087	8,656
Long term lease liabilities	83,513	59,426	76,198
Other long term liabilities	1,848	-	170
Deferred tax liabilities	18,111	20,997	20,997
Total long term liabilities	108,455	88,511	106,022
Short term interest bearing liabilities	7,962	7,533	3,424
Bank overdraft	94,153	22,137	104,495
Short term lease liabilities	14,316	21,777	21,692
Accounts payable	159,690	147,839	123,606
Taxes payable	-10,603	11,126	-3,919
Other short term liabilities	165,665	179,511	151,188
Total short term liabilities	431,183	389,923	400,486
TOTAL EQUITY AND LIABILITIES	1,014,490	985,640	997,951

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		-308				-9,970	-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				-3,069			-3,069		-3,069
Equity 31.12.2022	27,831	-362	351,262	32,755	11,301	84,422	507,207	-	507,207
Sale of own shares		74				2,444	2,518		2,518
Dividend 2022						-39,935	-39,935		-39,935
Share Option Program					4,475		4,475		4,475
Acquisition of Hamari paid in shares		72				1,821	1,892		1,892
Profit this year after tax						-32,231	-32,231	-1,968	-34,200
Other comprehensive income and expenses 1)				32,837			32,837	57	32,894
Equity 31.12.2023	27,831	-217	351,262	65,592	15,776	16,521	476,763	-1,911	474,852

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	Q4 2023	Q4 2022	Year 2023	Year 2022
Ordinary profit before tax	-38,360	17,436	-45,331	38,165
Net interest	2,211	1,604	9,617	3,427
Tax paid	-9,056	-5,591	-26,047	-17,989
Share of profit, associated companies	38	11	-191	-388
Ordinary depreciation	10,368	12,575	38,159	38,193
Profit / loss on sale of fixed assets	60	-37	-235	-84
Change in inventories	20,109	17,935	17,169	-1,146
Change in receivables	4,324	7,830	52,485	-48,506
Change in accounts payable	32,246	-15,170	-170	10,351
Change in other accrued items	11,730	1,498	-20,275	-5,390
Cash flow from operational activities	33,670	38,091	25,182	16,633
Payments for fixed assets	-10,845	-3,295	-17,643	-11,144
Payment for intangible assets 1)	-4,969	-	-23,425	-
Investments in other companies	-	-15	-	-15
Payment from sale of fixed assets	289	60	467	60
Net effect acquisitions	-2,357	-3,385	-2,357	-88,695
Net effect divestment	-	-	-	19,641
Dividends received from associated companies	-	200	300	200
Interest received	402	183	1,604	772
Cash flow from investment activities	-17,481	-6,253	-41,054	-79,181
Purchase/sale of own shares	2,186	-6,966	4,410	-10,278
Change in long-term debt	-3,674	-8,129	-24,555	-23,540
Change in long-term receivables	-	-13,668	-	-13,668
Change in overdraft	-9,787	-7,692	75,664	20,934
Interest paid	-2,613	-1,786	-11,221	-4,199
Dividend paid	-	-	-39,935	-34,991
Cash flow from financing activities	-13,888	-38,241	4,363	-65,741
Net cash flow in the period	2,301	-6,403	-11,510	-128,290
Cash and cash equivalents at the start of the period	37,141	53,858	47,248	174,198
Effect of foreign exchange rate fluctuations on foreign currency deposits	-102	-206	3,602	1,339
Cash and cash equivalents at the end of the period	39,340	47,248	39,340	47,248

1) See note 2

Key figures

KNOK	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Year 2023	Year 2022
Income statement							
Operating revenue	330,892	292,948	337,162	381,396	404,980	1,342,398	1,372,392
EBITDA	-20,628	3,785	2,081	13,473	33,553	-1,288	75,540
EBITA	-28,053	-2,350	-4,517	6,635	25,242	-28,285	50,187
Operating profit EBIT	-30,996	-5,139	-7,333	4,021	20,978	-39,448	37,347
Ordinary profit before tax (EBT)	-38,360	-13,523	-1,051	7,603	17,436	-45,331	38,165
Profit/loss after tax	-29,108	-9,340	-947	5,196	12,628	-34,200	29,105
EBITDA-margin	-6.2 %	1.3 %	0.6 %	3.5 %	8.3 %	-0.1 %	5.5 %
EBT-margin	-11.6 %	-4.6 %	-0.3 %	2.0 %	4.3 %	-3.4 %	2.8 %
Balance sheet							
Non-current assets	466,949	437,514	444,004	412,896	389,924	466,949	389,924
Current assets	547,541	560,438	565,351	609,386	595,716	547,541	595,716
Total assets	1,014,490	997,951	1,009,355	1,022,283	985,640	1,014,490	985,640
Total equity	474,852	491,444	511,649	551,361	507,207	474,852	507,207
Total long term liabilities	108,455	106,022	110,287	91,420	88,511	108,455	88,511
Total short term liabilities	431,183	400,486	387,419	379,501	389,923	431,183	389,923
Working capital	311,524	362,030	331,872	387,941	358,632	311,524	358,632
Equity ratio	46.8 %	49.2 %	50.7 %	53.9 %	51.5 %	46.8 %	51.5 %
Liquidity ratio	127.0 %	139.9 %	145.9 %	160.6 %	152.8 %	127.0 %	152.8 %
Net interest-bearing debt	80,760	91,541	47,644	53,227	2,668	80,760	2,668
Net leverage multiples	n.m.	1.73	0.68	0.69	0.04	n.m.	0.04
Cash Flow							
Cash flow from operational activities	33,670	-24,504	60,246	-44,229	38,091	25,182	16,633
Net change in liquid assets	2,301	1,885	6,621	-22,317	-6,403	-11,510	-128,290
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	44,493,344	44,395,379	44,380,322	44,319,256	44,482,947	44,397,547	44,260,195
EBT per shares	-0.86	-0.30	-0.02	0.17	0.39	-1.02	0.86
Earnings per share	-0.65	-0.21	-0.02	0.12	0.28	-0.77	0.66
Earnings per share, adjusted	-0.59	-0.15	0.04	0.18	0.38	-0.52	0.95
Equity per share	10.67	11.07	11.53	12.44	11.40	10.70	11.46
Dividend per share	-	-	0.90	-	-	0.90	0.80
Employees							
Number of employees (end of period)	524	523	519	514	511	524	511
Average number of employees	524	521	517	513	514	518	472
IFRS 16 effects							
Reduced OPEX	6,909	5,772	6,142	6,371	7,188	25,194	21,159
Increased depreciation	5,743	4,624	5,094	5,437	6,277	20,897	18,991
Increased interest expenses	1,167	1,148	1,048	934	911	4,297	2,168
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	6,909	5,772	6,142	6,371	7,188	25,194	21,159
Cash flow from financing activities	-6,909	-5,772	-6,142	-6,371	-7,188	-25,194	-21,159

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	Q4 2023			Q4 2022			Year 2023			Year 2022		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Scandinavia	141.9	4.3	1.8	182.7	18.0	15.4	636.0	41.5	35.1	744.1	67.2	59.5
International incl R&D	189.0	-17.4	-33.8	222.2	28.2	15.3	706.4	-10.4	-51.5	628.3	53.9	21.1
ASA/Elim	-	-7.5	-6.4	-	-12.7	-13.3	-	-32.4	-29.0	-	-45.6	-42.5
Total	330.9	-20.6	-38.4	405.0	33.6	17.4	1,342.4	-1.3	-45.3	1,372.4	75.5	38.2

Operating revenue by products and services

MNOK	Q4 2023		Q4 2022		Year 2023		Year 2022	
	Products	Services *	Products	Services *	Products	Services *	Products	Services *
Scandinavia	78.0	63.9	123.3	59.4	387.8	248.2	511.0	233.1
International incl R&D	83.7	105.3	78.6	143.6	274.2	432.1	247.9	380.4
Elim / ASA	-	-	-	-	-	-	-	-
Total	161.7	169.2	201.9	203.0	662.0	680.4	758.9	613.5

*) Services and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place per 31 December 2023.

Note 5 Acquisition of Hamari

On 31 October 2023, StrongPoint ASA acquired 100 % of the shares in Brand ID Hamari Group Oy (Hamari).

Hamari is a retail technology solutions company based in Finland and was established in 2006. Hamari provides services and installation to retailers and grocery retailers, predominantly electronic shelf labels from Pricer AB.

The purchase price was EUR 427,558, of which EUR 159,997 settled with consideration shares and EUR 267,561 settled by cash. There is a possible extra earn-out of up to EUR 150,000 based on conditions related to financial performance for the fiscal years 2023 and 2024. The consideration shares were funded by treasury shares and are subject to a two-year lock-up period from closing.

Allocation of excess values related to acquisition in 2023 distributed as follows:

	Hamari
Assets	
Deferred tax assets	141
Fixed assets	78
Cash and cash equivalents	909
Receivables	2,471
Inventories	1,408
	5,007
Liabilities	
Accounts payable	-2,153
Interest bearing liabilities	-7
Other short term debt	-1,853
	-4,012
Net identifiable assets at fair value	995
Customers relations	3,601
Goodwill	3,064
Deferred tax assets	-720
Purchase amount	6,939
Cash	3,266
Shares in StrongPoint	1,892
Earnout	1,781
Purchase amount	6,939
Paid in cash	3,266
Cash received	909
Net cash out	2,357

The acquired companies contributed with the following revenue and profit before tax for the period between the acquisition and 31.12.2023:

	KNOK
Revenue	2,556
Profit before tax	-187

If the acquisitions had been completed as at 01.01.2023, the Group's total revenue and ordinary profit before tax had been:

	KNOK
Revenue	11,025
Profit before tax	-1,267

The additional value related to customer relationships is KNOK 3,601. The additional value for customer relationships will be amortized over five years.

Employees with special skills and expected synergies with StrongPoint's existing business are included in the value of goodwill. These intangible assets do not meet the recognition criteria in IAS 38 and are therefore not recorded separately. Goodwill is not amortized, but subject to annual impairment testing.

Note 6 Top 20 shareholders per 31. December 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)	1,480,000	3.30
7	NORDNET BANK AB	1,416,833	3.16
8	AVANZA BANK AB	1,265,709	2.82
9	VERDADERO AS	1,224,407	2.73
10	RING, JAN	1,204,078	2.68
11	SKANDINAVISKA ENSKILDA BANKEN AB	960,620	2.14
12	EVENSEN, TOR COLKA	876,000	1.95
13	WAALER AS	702,000	1.56
14	HAUSTA INVESTOR AS	700,000	1.56
15	JOHANSEN, STEIN	600,000	1.34
16	TOHATT AS	575,000	1.28
17	MP PENSJON PK	561,402	1.25
18	BANQUE PICTET & CIE SA	559,746	1.25
19	ALS KINGFISHER LIMITED	506,156	1.13
20	EUROPEAN RETAIL ENGINEERING LIMITED	506,156	1.13
Sum 20 largest shareholders		24,483,627	54.54
Sum 2 367 other shareholders		20,404,725	45.46
Sum all 2 387 shareholders		44,888,352	100.00

Note 7 Share option program

Total costs and Social Security Provisions	2020	2021	2022	2023	Total
Total IFRS cost	440	5 441	5 420	6 827	18 128
Total Social security provisions	36	737	- 341	- 432	-
Granted instruments:					
Activity	Number of instruments	Weighted Average Strike Price			
Outstanding OB (01.01.2023)	2,668,750	22.23			
Granted	1,335,000	21.34			
Exercised	-300,000	15.58			
Terminated	-281,250	23.88			
Outstanding CB (31.12.2023)	3,422,500	22.33			
Vested CB	1,168,750	21.12			

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 Interest Bearing Debt including IFRS 16 / 12 months rolling EBITDA
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Minority interest	The minority part of the net profit /equity in companies where StrongPoint owns between 50,1%-99% of the shares.



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