



Q4 and year 2020

Financial report and status

CEO's perspective

The pandemic's impact on society and the economy continues. Whereas we all would like to see the end of the pandemic, the direct effects of the virus will still last for months in many geographies and sustained changes in customer preferences will impact the retail industry forever. Being a leading provider of retail technology solutions to grocery retailers feels rewarding in these times as we continue to contribute to a safer and more efficient grocery shopping experience, in-store and online. We continue to capitalize on the retail technology opportunities arising within the resilient grocery retail sector and I believe we are on the right track to achieving our 2025 strategic ambitions.



Jacob Tveraabak
CEO of StrongPoint

Appropriate COVID-19 measures at StrongPoint have continued to ensure no material impact on either personnel or business. I continue to be impressed by our employees who are delivering on large, high intensity projects remotely and at customer locations with all the necessary restrictions dictated by the virus affecting us all. Our Retail Technology operations grew its topline with a very strong 34% in Q4 compared to the same quarter in 2019, of which Norway experienced a staggering 69% growth. The demand for our e-commerce logistics solutions continues to be strong across our focus geographies. Whilst our e-commerce team has worked on establishing new exciting customer cases the e-commerce logistics business continues to grow and constituted 9% of StrongPoint's total revenue in Q4, up from 6% as a whole in 2019.

In the fourth quarter, we divested our Cash Security business unit to Cennox. The divestment underpins StrongPoint's strategic focus on being a retail technology provider.

The fourth quarter saw a fourfold increase in EBITDA, driven by paid-out compensation related to our Norwegian Labels production. Retail Technology's EBITDA slightly increased, but in percentage the EBITDA was 8.4 due to the significant losses in Spain Q4 related to low activity

levels, strict furlough regulations and a reorganization of the business unit. Without the Spanish negative influence on the figures, the EBITDA in Retail Technology would have been approximately 13%. Although there will always be variations in our business units performance, this fact builds confidence in achieving our 2025 profitability ambitions of 13-15% EBITDA.

Coming out of Q4 we are stronger than ever. We are achieving record financial figures, continuing to invest in our world-class solutions and are recruiting leading industry professionals. StrongPoint's "double opportunity" – delivering in-store efficiency solutions and e-commerce logistics to grocery retailers – is greater today than ever before.

More and more so it becomes evident that the shift of shopping behavior accelerated by the COVID-19 pandemic will provide ample opportunities for StrongPoint going forward. With our broad suite of world-class e-commerce solutions, our in-store technology products and our proven track record of providing outstanding customer service, I continue to believe we have all the reasons to be optimistic about achieving our strategic objectives.

Stay safe and strong!

Highlights 4th quarter

Very strong financial performance

- Revenue growth 56% to 394 MNOK (252) in the quarter, of which Retail Technology grew by 34% to 292 MNOK (218).
- EBITDA at 81 MNOK in the quarter, of which 53 MNOK is compensation for relocation of Labels production in Norway.
- Strong financial position, net leverage multiple 0.28 and cashflow increased to 107 MNOK (23).

Continued customer success in priority areas

- Order of Pricer ESL to NorgesGruppen of ~70 MNOK completed in Q4.
- Self Checkout solutions for more than 3 MEUR sold to Palink in Lithuania, to be delivered in 2021.
- Increased roll-out of Click & Collect lockers, in particular to Swedish grocery retail customers.

Steady progress on 2025 strategic ambitions

- Divestment of the business area Cash Security to Cennox Holding Ltd, UK.
- Development in E-Commerce Picking and Delivery management software, first launch expected in Q1 2021.
- The Board of Directors will propose a dividend of NOK 0.70 per share, up from NOK 0.60 last year.

Key figures (MNOK)

	Q4 2020 ²⁾	Q4 2019	Year 2020 ²⁾	Year 2019	Ex one-time item Q4 2020 ³⁾	Ex one-time item 2020 ³⁾
Revenue continued operations	394.1	252.3	1.182.9	988.2	338.4	1.127.2
EBITDA continued operations	81.5	19.3	152.4	84.8	28.3	99.2
EBITDA margin continued operations	20.7%	7.6%	12.9%	8.6%	8.4%	8.8%
Operating profit (EBIT) continued operations	47.5	7.8	86.5	36.9	17.6	56.6
Ordinary profit before tax continued operations (EBT)	42.5	7.5	77.6	38.2	12.5	47.6
Cash flow from operational activities	107.2	23.3	126.7	80.6	107.2	126.7
Disposable funds	175.0	74.2	175.0	74.2	175.0	175.0
Earnings per share from continued operations (NOK)	0.73	0.06	1.33	0.61	0.20	0.79
Earnings per share from continued operations, adjusted ¹⁾	0.78	0.37	1.54	1.02	0.25	1.01
Earnings per share included discontinued operations (NOK)	1.67	0.19	2.21	0.72		

1) Earnings per share, adjusted for depreciation of intangible assets, mainly from M&A.

2) StrongPoint Cash Security not included. The business area was divested in December 2020.

3) One-time item related to the compensation received for relocation of Label facility in Norway.

StrongPoint Group

StrongPoint makes retail technology part of every shopping experience for a smarter and better life. The Group consists of two business areas: Retail Technology and Labels.

Revenue	Q4		Year	
	2020	2019	2020	2019
MNOK				
Retail Technology	292.3	218.2	957.3	843.5
Labels	104.6	38.6	241.1	163.8
Elim / ASA	-2.8	-4.5	-15.4	-19.1
Total	394.1	252.3	1 182.9	988.2

EBITDA	Q4		Year	
	2020	2019	2020	2019
MNOK				
Retail Technology	24.5	21.9	95.6	96.3
Labels	61.6	5.8	83.6	21.9
Elim / ASA	-4.6	-8.4	-26.9	-33.4
Total	81.5	19.3	152.4	84.8

NOTE: Compensation related to relocation for the labels business in Norway affecting the revenue with 55.7 MNOK and EBITDA with 53.2 MNOK.

Very strong financial performance

StrongPoint Cash Security business area was divested in December 2020. Following IFRS, the financial figures for the business area are reported as "Profit from discontinued operations" below tax in the financial statement and removed from the comparison figures in this table. Furthermore, the compensation related to relocation for the labels business in Norway influence the figures for Labels, affecting the revenue with 55.7 MNOK and EBITDA with 53.2 MNOK.

Total revenue grew by an overall 56% compared to the same quarter last year. Large projects and overall growth in the market explains the high activity level. Overall EBITDA grew fourfold to 81.5 MNOK. Excluding compensation for relocation in Norway the operational EBITDA ended at 28.3 MNOK resulting in an EBITDA margin of 8.4% (7.6%). The Spanish operation continues to be severely impacted by COVID-19 and influence both the revenue and the EBITDA figures negatively. Product mix, some one-off restructuring cost and write down of goods also affected the EBITDA figure.

The 2020 revenue grew operationally by 14% while EBITDA margin from operations only ended at 8.8%, up from 8.6% last year.

Retail Technology segments

Instore Productivity

The Instore Productivity segment grew yet another quarter to a relative share of 42%, highly influenced by the Electronic Shelf Labels project in Norway. Final delivery of the project was done in the quarter so the relative share of the segment is expected to be reduced going forward. Product delivery (mostly hardware sale) represents above 80% of the revenue in the quarter which leads to an overall lower gross margin. For the year 2020, the segment represented 33% of total revenue, compared to 34% relative share last year.

Payment Solutions

Service revenue for the Cash Management systems is relatively stable quarter by quarter, while new product sales have been low due to the lock-down, especially for the Spanish market and sales partners in other parts of EMEA. For the year 2020 this remained the second largest segment within Retail Technology reaching 19% share of revenue, reduced from 23% last year.

E-commerce logistics

The relative share of revenue for e-commerce was 9% share in the quarter. The revenue for 2020 almost doubled compared to 2019. The increased use of the StrongPoint Pick & Collect software continued in Q4, and installation of Click & Collect lockers continued

especially in Sweden. In total, 148 locker installations were delivered in 2020.

Check Out Efficiency

Check Out Efficiency had a small decline in relative share in the quarter, but the nominal figures of the segment ended up 8% compared to Q3. The growth primarily stems from Self Checkout deliveries in the Baltics and through partners. For the year 2020 the segment ended at 12% relative share.

Other retail technology

Other retail technology, mainly software projects in the Baltics, grew to 10% relative share in the quarter and 9% for the year, up from 7% in 2019.

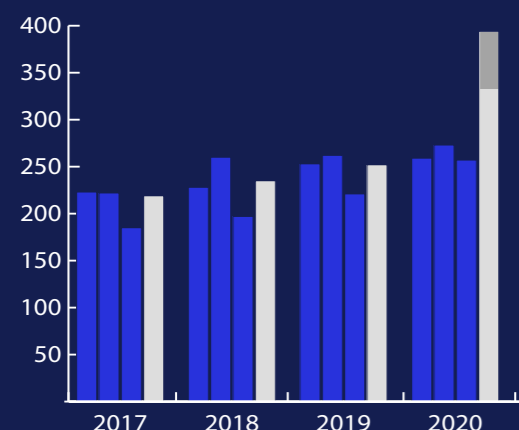
In the quarterly reports for the year 2021, the segments will be reported with comparison figures from last year.

Labels

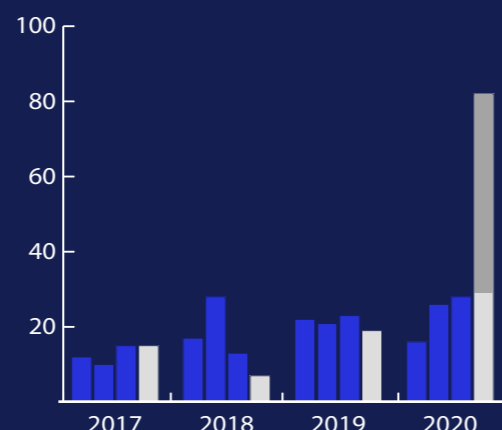
Labels business area reduced to a relative share of 15% in the quarter, ending the year at a relative share equal to last year. The relative share figure is calculated excluding the compensation for the relocation of the Norwegian Labels production.

StrongPoint Group

Operating revenue per quarter (MNOK)

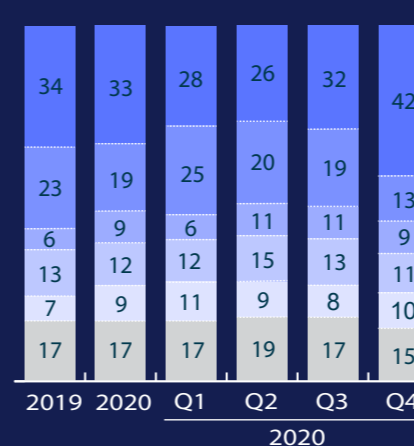


EBITDA per quarter (MNOK)



StrongPoint Group

Operating revenue relative share (%)



Retail Technology

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

Continued customer success in priority areas

In July 2020, StrongPoint received an order from Norges-Gruppen for Electronic Shelf Labels (ESL) deliveries to 200 stores. The order had a total value of approximately 70 MNOK in hardware for installation in stores around the country. By the end of 2020 the deliveries were completed.

In December, the retail chain Palink (part of Rewe Group) ordered self checkout solutions for more than 3 MEUR to be delivered in 2021. The order continues the chain's expansion of self checkout solutions in its stores.

StrongPoint E-commerce logistics includes solutions for efficient picking of goods for online grocery shopping. Different large retail chains in Sweden has started roll-out programs where the individual stores order lockers directly from StrongPoint. Proof of concept installations continues to new customers in different countries. Existing customers have also continued to increase the number of stores using our Picking solution.

Steady progress on 2025 strategic ambitions

In December 2020, the business area Cash Security was divested to Cennox Holdings Ltd. The rationale for the divestment was that the Cash Security business differs rather significant from StrongPoint core focus on Retail Technology.

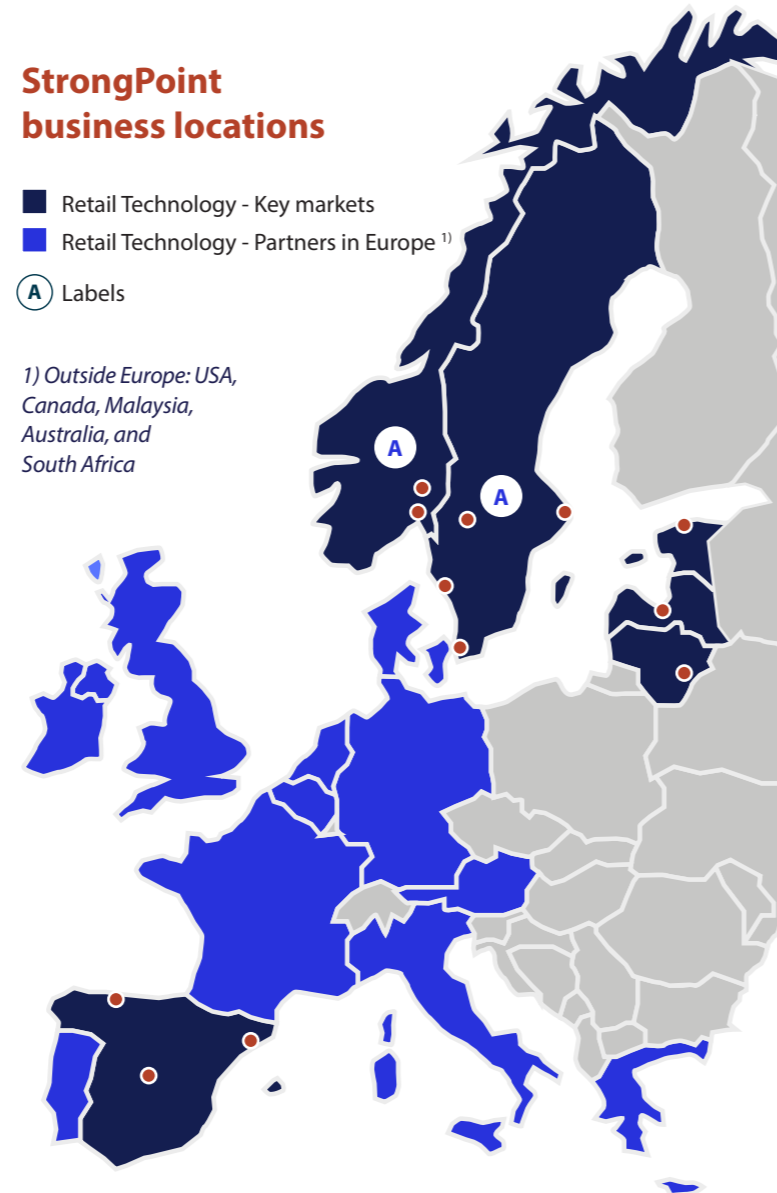
The purchase price for the business was 7.3 MEUR, settled with approximately 2.6 MEUR paid in cash at closing and the remaining in an earn out arrangement tied to Cennox' sales of cash security products in 2021 through 2023. The financial figures for the Cash Security business is in this report removed from all Group figures. The purchase price, less sales cost and risk for earn out, and adjusted for the business area's net profit by end November 2020 were reported with 39.2 MNOK as "Profit after tax from discontinued operations" in the financial statement for Q4.

Product development of the enhanced, 3rd generation picking and delivery software solution continued as planned during the quarter. The solution has been attracting a lot of interest from retailers in our core markets and further afield.

StrongPoint business locations

- Retail Technology - Key markets
- Retail Technology - Partners in Europe ¹⁾
- Ⓐ Labels

1) Outside Europe: USA, Canada, Malaysia, Australia, and South Africa



StrongPoint's sales teams and partners started to sell the new solution to new customers. Continued software development is expected going forward.

The financial position of the group continues to be solid, and the net interest bearing debt decreased substantially in the quarter. StrongPoint has announced a growth ambition the next years and will continue to invest in sales- and marketing resources and technology development, which again will require a solid and flexible working capital and financial position. In the strategy 2025 the Board emphasized the ambition of predictable and slightly increasing dividend policy. Based on a total evaluation, the Board of Directors will propose a dividend payment of 0.70 NOK per share at the general meeting 28 April 2021.



2025 ambition

In February 2020 StrongPoint set a strategic goal to achieve NOK 2.5 billion in revenues and EBITDA margins of 13-15% by 2025.

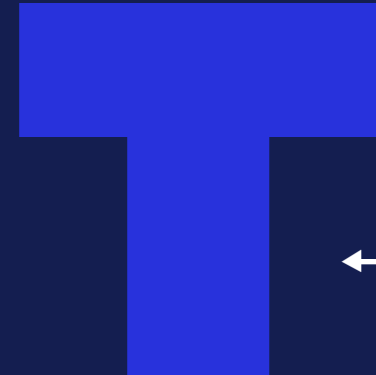
StrongPoint's world class retail technology solutions for increasing in-store efficiency and e-commerce technology for online order picking and last mile solutions have a double opportunity to meet two key global trends affecting grocery retailers. Firstly, the pressure on brick and mortar retailers' margins means that grocery retailers need to find ways to increase in-store productivity to boost profitability. Secondly, the pressure to develop an online presence, grow their market share and reduce costs means they need highly efficient order fulfilment solutions and provide multiple last-mile delivery and pick-up options. These two key industry trends have only been accelerated by the skyrocketing global demand for online groceries during the global Covid-19 pandemic.

To respond to the changes in the industry following the events of 2020, StrongPoint has updated its strategy to achieve its 2025 ambitions.

Our new T-shaped strategy to create a NOK 2.5 bn Retail Technology company

World-class solutions to selected markets

- E-Commerce Logistics Suite (Picking, Last Mile Solutions and Click & Collect lockers)
- Self Checkout
- Cash Management



Deep in core markets

- Norway
- Sweden
- Baltics
- Spain



StrongPoint's financial ambitions for organic growth

NOK **2.5** bn in **2025**

EBITDA **13-15%**

StrongPoint business areas

Retail Technology

In-store

In-store Productivity
 Pricer Electronic Shelf Labels
 ShopFlow Logistics *
 Digi Scales and Wrapping Systems
 Reflexis Task and Labour Management

Payment Solutions
 CashGuard Cash Management *

Check Out Efficiency
 Self-Checkout *
 Self-Scanning
 Vensafe Tobacco Sales Automation *





E-commerce logistics solutions

Picking
 Picking Solution *

Last mile
 Click & Collect lockers *
 Drive-through *
 Pick-up in store *
 Home delivery
 Route optimisation

Labels



* Proprietary technologies

Retail Technology

StrongPoint develops and sells technology solutions that streamline store operations, enable E-commerce logistics, and simplify the shopping experience. The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Check Out Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including Pricer Electronic Shelf Labels (ESL), POS, ERP, consulting services, Reflexis Workforce Management System (WMS) and Task Management System, and Digi scales and wrapping systems.

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	203.3	140.8	637.9	547.8
Service	89.0	77.4	319.4	295.7
Revenue	292.3	218.2	957.3	843.5
EBITDA	24.5	21.9	95.6	96.3
EBITDA-margin	8.4%	10.0%	10.0%	11.4%
EBT	15.0	15.6	65.9	66.1

The Retail Technology delivered a positive revenue growth of 34% in the quarter. Product sales had a growth of 44%, highly driven by the large ESL project in Norway. The business area was negatively influenced by the COVID-19 effects in Spain.

The EBITDA ended at 24.5 MNOK, up 2.6 MNOK from last year. Product mix due to high share of hardware deliveries influenced the gross profit negatively in addition to some inventory changes. The business area prepares for growth especially within e-commerce, and cost for recruitment, increased number of employees and increased marketing reduced the EBITDA for the period.

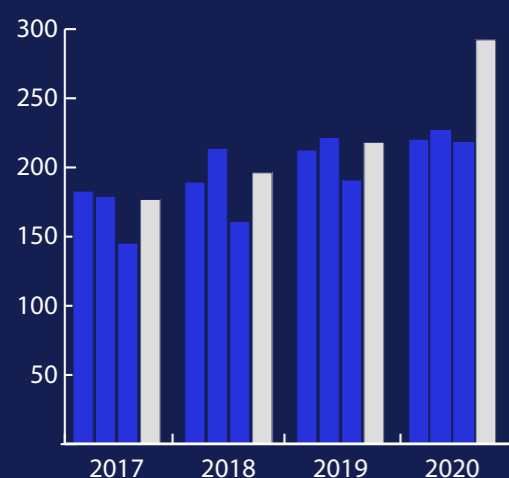
For the year 2020, revenue grew by 13.5%, and EBITDA ended on approximately the same level as last year.

StrongPoint has not applied for specific compensation or assistance related to the pandemic. Governments in the different countries where StrongPoint operates gave different types of "general" support arrangements (e.g. lower employers' tax and temporary layoff programmes). In total, StrongPoint booked 3 MNOK as a result of these arrangements in 2020.

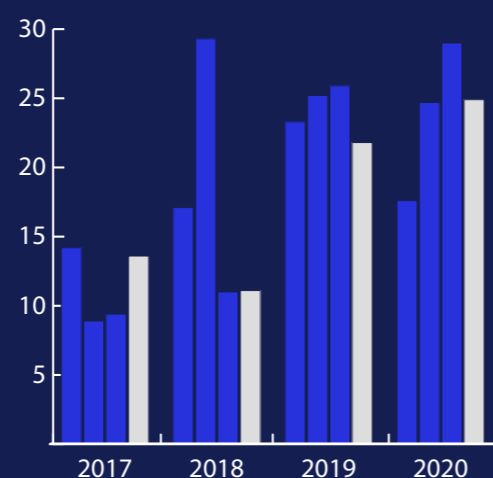
Retail Technology business area represented 85% of the total operational revenue (ex. one-time items) for the group in 2020.

Retail Technology

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Norway

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	99.8	46.7	248.8	176.2
Service	32.0	31.2	113.3	109.2
Revenue	131.8	77.9	362.1	285.4

The announced Pricer ESL project for NorgesGruppen was delivered second half of 2020, whereof a large part of the hardware was installed during Q4. This contributed to a considerably growth compared to the same quarter last year. Large hardware projects reduce the overall gross margin and in addition the project required some use of additional hired personnel. Despite this, Norway contributed substantially to the EBITDA of Retail Technology.

Sweden

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	48.0	40.8	165.5	145.8
Service	33.2	26.4	128.6	106.5
Revenue	81.2	67.2	294.1	252.3

The Swedish organization delivered a significant 21% growth in the quarter compared to the same quarter last year. The product sales consist to a large degree of Pricer ESL and e-commerce Click & Collect lockers. The growth in service revenues were linked to installation fee for the same products. The e-commerce software revenue also increased as existing customers have rolled out the solution to several additional stores in the quarter. For the full year the Swedish operation grew by 16.6%.

Baltics

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	31.6	30.9	108.8	107.7
Service	18.1	13.7	61.5	54.8
Revenue	49.8	44.6	170.3	162.5

The Baltic countries delivered 11.6% growth in the quarter compared to last year, mainly due to increased deliveries of Self-Checkout solutions to large grocery customers. Delivery to Heineman, the order received in Q3, started with the development phase in the quarter.

The Baltic countries experienced some negative effects from the pandemic, and in addition to the uplift from the large fiscal project in Latvia in 2019 the growth ended at 4.8% compared to prior year.

EMEA/Partners

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	23.9	22.5	114.8	118.1
Service	5.7	6.0	15.9	25.2
Revenue	29.5	28.5	130.8	143.3

Spain and business from partners were on the same level as last year. The Spanish operation suffers severely from the pandemic. Majority of cash management solutions were sold to the hospitality segment, which to a large degree has been closed during the pandemic following the social distancing measures. This resulted in a substantially loss in the Spanish operation with a total of 12.5 MNOK in the quarter. Temporary cost measures are taken locally in order to minimize negative financial effects going forward.

Labels

Labels has leading expertise in the design and production of adhesive labels. The business area is well adapted to today's market situation with efficient work processes, new technology and modern facilities.

MNOK	Q4		Year	
	2020	2019	2020	2019
Product Sales	48.9	38.6	185.4	163.8
Other income	55.7	-	55.7	-
Revenue	104.6	38.6	241.1	163.8
EBITDA	61.6	5.8	83.6	21.9
EBT	34.2	1.6	43.8	4.2

Operating revenue in Q4 2020 increased by 27% compared to last year. The growth level shows the continued increased demand following the pandemic. The scale effect led to an increased EBITDA of 2.6 MNOK, which constitutes an EBITDA margin of 17%.

For the full year the business unit delivered an operating growth of 13% and an EBITDA margin on 16%, up from 13% last year.

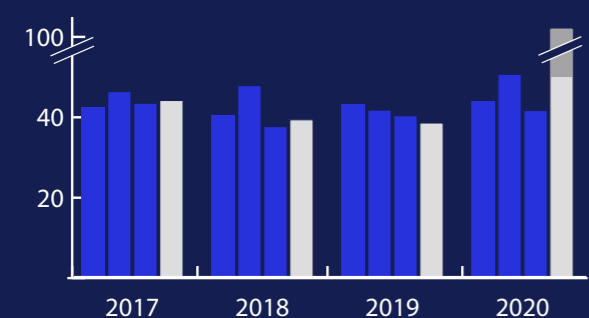
StrongPoint signed in November the final agreement with BaneNor for compensation of 55.7 MNOK to relocate the label facility in Norway. Payment was done in the quarter.

The financial impact is shown as Other Income. Foreseen events related to move and alternative facilities have been provisioned. EBITDA and EBT was positively affected by 53.2 MNOK and 29.9 MNOK respectively.

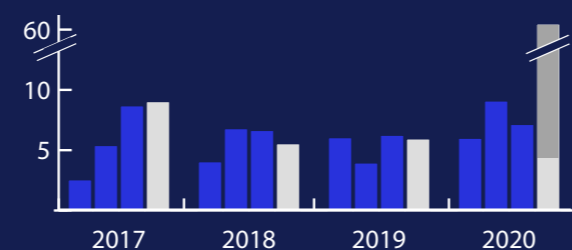
The business area is among the largest suppliers of adhesive labels in the Swedish and Norwegian markets. Labels uses FSC-certified material from EU/ EEA/UK in its label production to ensure the paper is produced in a sustainable manner, and the production meets EU health and safety regulations.

Labels

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



■ Compensation for relocation of Labels production Norway

P&L from discontinued operations

TNOK	Q4 2020	Q4 2019	Year 2020	Year 2019
Operating revenue	19 967	46 750	81 607	123 515
Cost of goods sold	7 028	20 990	26 499	48 897
Payroll	7 413	11 298	35 681	43 519
Other operating expenses	1 743	3 137	10 005	17 631
Total operating expenses	16 184	35 425	72 186	110 048
EBITDA	3 783	11 325	9 422	13 467
Depreciation tangible assets	850	1 567	4 656	4 694
Depreciation intangible assets	34	67	185	289
EBIT	2 900	9 691	4 581	8 485
Interest expenses	13	198	239	518
Other financial expenses/currency differences	340	3 371	3 717	3 044
Profit on sale of discontinued operations	39 161		39 161	
EBT	41 707	6 123	39 786	4 922
Taxes	283	-42	931	-131
Profit from discontinued operations	41 424	6 165	38 855	5 053

Cash Flow from discontinued operations

KNOK	2020	2019
Cash flow from operational activities	-21 044	36 214
Cash flow from investment activities	-159	-442
Cash flow from financing activities	2 389	-10 032
Net Change in liquid assets	-18 814	25 740
Cash and cash equivalents at the start of the period	29 052	3 312
Cash and cash equivalents at the end of the period	10 238	29 052

Cash flow and equity

Cash flow from operational activities in the fourth quarter was 112.3 MNOK (23.3). The positive cash flow from operations stems primarily from ordinary profit and one-time items in the quarter.

Disposable funds were 175.0 MNOK per December 31, 2020. The net interest-bearing debt decreased by 79.4 MNOK compared with the end of the last quarter and totaled 34.1 MNOK. The compensation for relocation of the Labels business in Norway and divestment of Cash Security reduced the net debt. The net leverage ended at 0.28 per year end 2020.

The Group's holding of own shares amounted to 83,166, which represents 0.2 per cent of the outstanding shares. The Group has shareholder programs for the board of directors, the Group executive management and the employees. Through these programs a total of 89,706 shares were bought in 2019 and 274,022 shares have been subscribed in 2020. StrongPoint has a long term incentive program implemented in November 2020.

A dividend of NOK 0.60 per share was paid in November 2020. The Board will propose a dividend of NOK 0.70 per share at the Annual General Meeting in April 2021.

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the fourth quarter and the year 2020, including comparative consolidated figures for the fourth quarter and the year 2019. 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 the year 2020 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 at 31 December 2020 and 31 December 2019. 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

Rælingen 10 February 2021

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Consolidated income statement

KNOK	Q4 2020	Q4 2019	Chg. %	Year 2020	Year 2019	Chg. %	Compensation effect in Q4 2020
Operating revenue	338 409	252 262	34.1%	1 127 101	988 252	14.0%	
Profit from AC. Service companies	35	6		147	-71		
Other income	55 672			55 672			55 672
Total revenue	394 116	252 269	56.2%	1 182 920	988 181	19.7%	55 672
Cost of goods sold	200 026	136 613	46.4%	638 899	530 560	20.4%	
Payroll	86 120	74 210	16.0%	295 681	280 573	5.4%	
Other operating expenses	26 494	22 162	19.5%	95 956	92 296	4.0%	2 500
Total operating expenses	312 639	232 984	34.2%	1 030 536	903 429	14.1%	2 500
EBITDA	81 477	19 284	322.5%	152 383	84 752	79.8%	53 172
Depreciation tangible assets	28 850	8 979	221.3%	53 644	34 442	55.7%	20 400
Depreciation intangible assets	2 274	2 523	-9.9%	9 358	13 412	-30.2%	
Write down tangible assets	2 841	-	-	2 841	-	-	2 841
EBIT	47 512	7 782	510.5%	86 540	36 898	134.5%	29 931
Interest expenses	951	563	69.1%	3 781	3 039	24.4%	
Other financial expenses/currency differences	4 099	-318	1388.0%	5 200	-4 328	220.1%	
EBT	42 462	7 538	463.3%	77 559	38 187	103.1%	29 931
Taxes	10 047	5 097	97.1%	18 756	11 370	65.0%	6 285
Profit from continued operations	32 414	2 441	1227.8%	58 802	26 817	119.3%	23 645
Profit after tax from discontinued operations	41 424	6 165	572.0%	38 855	5 053	668.9%	
Profit/loss after tax	73 839	8 606	758.0%	97 658	31 870	206.4%	
Earnings per share (EPS)							
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040		
Av. number of shares - own shares	44 289 092	44 196 649		44 286 883	44 231 636		
EPS from continued operations	0.73	0.06		1.33	0.61		0.53
EPS included discontinued operations	1.67	0.19		2.21	0.72		
EBITDA per share from continued operations	1.84	0.44		3.44	1.92		1.20
EBITDA per share included discontinued operations	1.93	0.69		3.65	2.22		
Total earnings							
Profit/loss after tax	73 839	8 606	758.0%	97 658	31 870	206.4%	
Exchange differences on foreign operations	-7 396	5 785	-227.8%	29 245	-8 123	460.0%	
Total earnings	66 443	14 391	361.7%	126 903	23 748	434.4%	

Consolidated balance sheet

KNOK	31.12.2020	31.12.2019	30.09.2020
ASSETS			
Intangible assets	42 010	46 747	44 916
Goodwill	151 566	137 929	152 926
Tangible assets	24 030	32 267	33 826
Right-of-use assets	67 744	81 175	73 966
Long term investments	1 700	1 553	1 664
Other long term receivables	23 435	-	-
Deferred tax	11 560	5 859	-
Non-current assets	322 045	305 530	307 299
Inventory	144 973	138 366	188 304
Accounts receivable	217 212	180 412	235 853
Prepaid expenses	12 129	12 781	16 662
Other receivables	14 765	13 954	15 688
Bank deposits	75 007	39 498	27 787
Current assets	464 087	385 011	484 295
TOTAL ASSETS	786 132	690 542	791 594
EQUITY AND LIABILITIES			
Share capital	27 513	27 513	27 513
Holding of own shares	-52	-107	-59
Other equity	338 597	236 498	298 066
Total equity	366 059	263 904	325 520
Long term interest bearing liabilities	374	10 715	17 397
Lease liabilities	39 565	51 131	45 058
Other long term liabilities	-	3 904	-
Deferred tax liabilities	7 547	-	3 682
Total long term liabilities	47 486	65 751	66 136
Short term interest bearing liabilities	41 974	50 418	49 994
Short term lease liabilities	27 238	30 044	28 908
Accounts payable	83 141	70 799	114 901
Taxes payable	16 552	1 091	307
Other short term liabilities	203 682	208 535	205 828
Total short term liabilities	372 587	360 887	399 938
TOTAL EQUITY AND LIABILITIES	786 132	690 542	791 594

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Share Option Program	Other equity	Total equity
Equity 31.12.2018	27 513	-65	351 262	45 130	-	-158 703	265 137
Sale of own shares		-42				-583	-625
Dividend 2018						-24 355	-24 355
Profit this year after tax						31 870	31 870
Other comprehensive income and expenses				-8 123			-8 123
Equity 31.12.2019	27 513	-107	351 262	37 007	-	-151 770	263 904
Purchase/sale of own shares		55				1 325	1 380
Dividend 2019						-26 568	-26 568
Share Option Program					440		440
Profit this year after tax						97 658	97 658
Other comprehensive income and expenses				29 245			29 245
Equity 31.12.2020	27 513	-52	351 262	66 252	440	-79 355	366 059

Statement of cash flow

KNOK	Q4 2020	Q4 2019	Year 2020	Year 2019
Ordinary profit before tax continued operations	42 462	7 538	77 559	38 187
Ordinary profit before tax discontinued operations	41 707	6 123	39 786	4 922
Net interest	965	760	4 021	3 558
Tax paid	-1 285	3 012	-4 000	799
Share of profit, associated companies	-35	-6	-147	71
Ordinary depreciation	32 008	13 136	67 843	52 837
Write-downs	2 841	-	2 841	-
Profit / loss on sale of fixed assets	288	-298	313	-298
Change in inventories	39 734	-10 335	3 165	-12 384
Change in receivables	15 217	4 944	-26 279	17 024
Change in accounts payable	-30 327	-11 914	6 989	-9 274
Change in other accrued items	-31 271	10 387	-40 294	-14 806
Cash flow from operational activities	112 305	23 345	131 799	80 636
Payments for fixed assets	1 945	-1 777	-6 526	-14 544
Net payments for long term shares	-	-1 000	-	-1 000
Payment from sale of fixed assets	-1	344	92	344
Net effect acquisitions	-	-	-17 433	-
Net effect divestment	17 397	-	17 397	-
Dividends received from associated companies	-	-77	-	225
Interest income	167	-91	96	43
Cash flow from investment activities	19 509	-2 602	-6 374	-14 932
Purchase/sale of own shares	224	225	1 380	-625
Change in long-term debt	-42 144	-10 146	-43 121	-48 984
Change in overdraft	-12 354	-20 201	-16 983	24 875
Interest expenses	-1 953	-669	-4 117	-3 600
Dividend paid	-26 568	-	-26 568	-24 355
Cash flow from financing activities	-82 795	-30 791	-89 409	-52 689
Net change in liquid assets	49 018	-10 048	36 016	13 015
Cash and cash equivalents at the start of the period	27 787	49 618	39 498	26 985
Effect of foreign exchange rate fluctuations on foreign currency deposits	-1 797	-72	-507	-502
Cash and cash equivalents at the end of the period	75 007	39 498	75 007	39 498

Key figures

KNOK	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Year 2020	Year 2019
Income statement							
Operating revenue continued operations	394 116	256 872	273 343	258 589	252 269	1 182 920	988 181
EBITDA continued operations	81 477	28 411	26 026	16 469	19 284	152 383	84 752
EBITA continued operations	49 786	20 147	17 742	8 224	10 305	95 898	50 310
Operating profit EBIT continued operations	47 512	17 921	15 251	5 857	7 782	86 540	36 898
Profit before tax (EBT) continued operations	42 462	19 330	11 682	4 086	7 538	77 559	38 187
Profit/loss after tax continued operations	32 414	13 897	9 301	3 191	2 441	58 802	26 817
EBITDA-margin continued operations	20.7%	11.1%	9.5%	6.4%	7.6%	12.9%	8.6%
EBT-margin continued operations	10.8%	7.5%	4.3%	1.6%	3.0%	6.6%	3.9%
Balance sheet							
Non-current assets	322 045	307 299	311 604	329 625	305 530	322 045	305 530
Current assets	464 087	484 295	437 114	456 233	385 011	464 087	385 011
Total assets	786 132	791 594	748 717	785 858	690 542	786 132	690 542
Total equity	366 059	325 520	305 775	301 995	263 904	366 059	263 904
Total long term liabilities	47 486	66 136	72 123	68 468	65 751	47 486	65 751
Total short term liabilities	372 587	399 938	370 819	415 395	360 887	372 587	360 887
Working capital	279 043	309 257	314 058	276 217	247 979	279 043	247 979
Equity ratio	46.6%	41.1%	40.8%	38.4%	38.2%	46.6%	38.2%
Liquidity ratio	124.6%	121.1%	117.9%	115.9%	113.5%	124.6%	113.5%
Net interest bearing debt	34 144	113 570	142 139	127 539	102 810	34 144	102 810
Net leverage multiples	0.28	1.06	1.57	1.47	1.05	0.28	1.05
Cash Flow							
Cash flow from operational activities	112 305	35 393	-10 962	-4 937	23 345	131 799	80 636
Net change in liquid assets	49 018	-2 311	4 482	-15 173	-10 048	36 016	13 015
Share information							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	44 289 092	44 277 179	44 306 354	44 274 990	44 196 649	44 286 883	44 231 636
EBT per shares continued operations	0.96	0.44	0.26	0.09	0.17	1.75	0.86
Earnings per share continued operations	0.73	0.31	0.21	0.07	0.06	1.33	0.61
Earnings per share, adjusted *	0.78	0.36	0.27	0.13	0.11	1.54	0.91
Equity per share	8.3	7.4	6.9	6.8	6.0	8.3	6.0
Dividend per share	0.60					0.60	0.55
Employees							
Number of employees (end of period)	462	521	512	519	531	462	531
Average number of employees	492	517	516	525	525	498	528
IFRS 16 effects							
Reduced OPEX	25 564	4 744	4 353	4 696	5 034	39 358	19 467
Increased depreciation	25 246	4 501	4 115	4 436	4 703	38 298	18 377
Increased interest expenses	318	243	238	260	332	1 060	1 089
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	25 564	5 839	5 464	5 777	6 317	39 358	19 467
Cash flow from financing activities	-25 564	-5 839	-5 464	-5 777	-6 317	-39 358	-19 467

*) Earnings per share, adjusted for depreciation of intangible assets, mainly from M&A

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 2019.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2019. The Group financial statements for 2019 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 31.12.2019. The quarterly report and the interim financial statements have not been revised by auditor.

Note 3 Segment information

Business areas

MNOK	Q4 2020			Q4 2019			Year 2020			Year 2019		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Retail Tech	292.3	24.5	15.0	218.2	21.9	15.6	957.3	95.6	65.9	843.5	96.3	66.1
Labels	104.6	61.6	34.2	38.6	5.8	1.6	241.1	83.6	43.8	163.8	21.9	4.2
Elim / ASA	-2.8	-4.6	-4.6	-4.5	-8.4	-9.7	-15.4	-26.9	-32.1	-19.1	-33.4	-32.1
Total	394.1	81.5	42.5	252.3	19.3	7.5	1 182.9	152.4	77.6	988.2	84.8	38.2

Operating revenue by geographical market

MNOK	Q4 2020			Q4 2019			Year 2020			Year 2019		
	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other
Retail Tech	131.8	81.2	79.3	76.2	72.7	69.3	362.1	294.1	301.0	285.4	252.3	305.8
Labels	63.4	41.2	-	12.4	26.1	-	114.1	127.0	-	54.7	109.2	-
Elim / ASA	-	-2.6	-0.2	-1.1	-3.3	-	-	-15.2	-0.2	-2.5	-16.7	-
Total	195.3	119.7	79.1	87.5	95.5	69.3	476.3	405.8	300.8	337.6	344.8	305.8

Operating revenue by product and service

MNOK	Q4 2020		Q4 2019		Year 2020		Year 2019	
	New sales	Service *	New sales	Service *	New sales	Service *	New sales	Service *
Retail Tech	203.3	89.0	140.8	77.4	637.9	319.4	547.8	295.7
Labels	104.6	-	38.6	-	241.1	-	163.8	-
Elim / ASA	-2.8	-	-4.5	-	-15.4	-	-19.1	-
Total	305.1	89.0	174.9	77.4	863.5	319.4	692.5	295.7

*) Service and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 31 December 2020.

Note 5 Financial information

The net interest-bearing debt decreased at the end of 2020 mainly due to changes in working capital, divestment of Cash Security business area and paid compensation for the relocation of Labels production facilities in Norway.

The majority of the receivables are not due, and are related to customers within the grocery segment.

Interest-bearing debt

KNOK	31.12.2020	31.12.2019
Bank overdraft CashPool	-	25 285
Financial leasing	14 965	20 365
Repayment loan	42 348	31 186
Short term debt	-	5 689
Liabilities leasing IFRS 16	51 838	59 784
Interest-bearing debt	109 151	142 309
Cash and bank deposits	75 007	39 498
Net interest-bearing debt	34 144	102 810
Total capital adjusted for goodwill	634 566	552 613
Debt ratio	5%	19%

Distribution of long-term and short-term interest-bearing debts:

KNOK	31.12.2020	31.12.2019
Bank overdraft	-	25 285
Due within one year	69 211	55 177
Current interest-bearing liabilities	69 211	80 462
Due after one year	39 939	61 847
Total interest-bearing debts	109 151	142 309

Disposal funds

KNOK	31.12.2020	31.12.2019
Cash and bank deposits	75 007	39 498
Unused overdraft facilities	100 000	34 715
Disposal funds	175 007	74 213
Increased disposal funds	100 794	-

Accounts receivables

Aging of accounts receivables (KNOK)	31.12.2020	31.12.2019
Not due	175 058	139 478
0-3 months	40 008	40 413
3-6 months	2 145	460
6-12 months	-	61
Older than 12 months	-	-
Total	217 212	180 412

Note 6 Top 20 shareholders as at 31 December 2020

No.	Name	No. of shares	%
1	HOLMEN SPESIALFOND	4 200 000	9.46
2	STRØMSTANGEN AS	3 933 092	8.86
3	HSBC Bank Plc	1 976 000	4.45
4	V. EIENDOM HOLDING AS	1 835 009	4.14
5	SOLE ACTIVE AS	1 819 831	4.10
6	NORDNET BANK AB	1 349 220	3.04
7	ZETTERBERG. GEORG (incl. fully owned companies)	1 320 437	2.98
8	AVANZA BANK AB	1 313 553	2.96
9	VERDADERO AS	1 136 633	2.56
10	VERDIPAPIRFONDET DNB SMB	1 047 452	2.36
11	RING. JAN	909 372	2.05
12	WAALER. JØRGEN (incl. fully owned companies)	900 000	2.03
13	MP PENSJON PK	777 402	1.75
14	HAUSTA INVESTOR AS	700 000	1.58
15	EVENSEN. TOR COLKA	650 000	1.46
16	NORDNET LIVSFORSIKRING AS	545 869	1.23
17	JOHANSEN. STEIN	500 000	1.13
18	MORGAN STANLEY & CO. INTERNATIONAL	454 928	1.03
19	NÆRINGSLIVETS HOVEDORGANISASJON	445 669	1.00
20	SKANDINAVISKA ENSKILDA BANKEN AB	423 537	0.95
Sum 20 largest shareholders		26 238 004	59.13
Sum 2 024 other shareholders		18 138 036	40.87
Sum all 2 044 shareholders		44 376 040	100.00

Definitions

Working capital	Inventories + accounts receivables – accounts payable
Equity per share	Book value equity / number of shares
Operating revenue	Sales revenue and profit from AC, Service companies
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
Earnings per share adjusted	Profit after tax + amortization of intangible assets / number of shares
Net leverage multiple	Net Debt / 12 months rolling operating revenue
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Discontinued operations	Divested Cash Security business area December 2020.





StrongPoint

StrongPoint ASA | Slynga 10, 2005 Rælingen | strongpoint.com