



# Q2 and 1st half 2021

**Financial report and status**



## CEO's perspective

As societies prepare for a relatively more 'normal' summer, the grocery retail megatrends continue to impact the industry. This includes grocery e-commerce growing across the board and higher customer expectations for in-store experiences, frictionless shopping and food safety. All these trends – and more – are resulting in an increased margin pressure on grocery retailers' stores and consequently, additional technology solutions are needed to drive efficiency gains. Our announcements and deliveries in the second quarter of 2021 – and the first half of 2021 – underlines StrongPoint's "double opportunity": capitalizing on the opportunities arising from the increased demand for e-groceries and in-store efficiency gains. As such, I believe we continue to be on track to achieving our 2.5 BNOK 2025 ambitions.



**Jacob Tveraabak**  
CEO of StrongPoint

In our second quarter this year, we achieved a solid 13% organic topline growth in our continued operations (i.e., excluding the divested Labels and Cash Security businesses) resulting in a revenue of 252 MNOK. Our EBITDA was 12 MNOK (4.8% EBITDA margin) which would have been significantly higher if not for the required one-off write down of inventory in Spain. If the Spanish operations had only broken even and after taking into consideration the impact of the 14 MNOK one-off write down, our EBITDA would have been 20 MNOK higher at 32 MNOK (12.8% EBITDA margin). As has been previously reported the Spanish operations have been hampering our overall financial results but I am extremely confident that under the leadership of our newly appointed SVP for Spain we are on the right path to achieving growth and a thriving local business. We have already seen new opportunities in the market as the Spanish operations grew by 17% compared to the same quarter last year, and this is expected to increase as the Covid-19 restrictions are lifted and the economy goes back to some kind of 'normal'.

At the end of June, we announced the divestment of our Labels business, and completed our strategy to becoming a pure Retail Technology company. I am very pleased to see our Labels business become part of a larger industrial conglomerate that has the potential to develop this business further. And I am very pleased with the price that our Labels business achieved which we will invest into our core focus and business of Retail Technology.

On the customer side I am very satisfied about the announcements in the quarter, including the large-scale rollout of Electronic Shelf Labels (ESL) to Coop Norway and the roll-out of Cash Management solutions to NorgesGruppen in Norway. In addition, we have started a Click & Collect grocery locker pilot in Denmark, whilst following-up on numerous pilots elsewhere to be considered into rollouts. Furthermore, although it has taken longer than desired, we are running the first orders

with our E-commerce Order Picking solution in partnership with Glovo to Carrefour Spain. Although we do not report on order intake and order backlog, I can say that with all of the successes outlined here we are confident they will constitute important contributions for the months, quarters and even years to come. This is important to us as lead times for many of the solutions we provide can be significant.

We continue our investment and recruitment in E-commerce. Investments are in continuous product development, integrations, and IT-security. IT security is increasingly an issue at the top of the agenda with our customers, and we have significantly invested over the past year to ensure the highest standard of IT security for our customers and ourselves. With growing international attention for our E-commerce solutions, we are also recruiting a base of seasoned E-commerce resources both in the markets where we have our own office representation as well as in other markets where we see major growth opportunities. I am very proud to see how StrongPoint is increasingly emerging as an employer of choice for top candidates, which will be important for the continuous growth in this business area.

Having completed the second quarter and first half year of 2021, I am proud of the results the organization has delivered thus far. At the same time, I am excited for what is to come. Our team is growing stronger day-by-day, our solutions are constantly improving, and we are becoming increasingly relevant for grocery retailers all over. In addition, we are experiencing an increased level of media attention on StrongPoint's solutions which opens new doors. With all this, I continue to believe we have all the reasons to be optimistic about achieving our 2025 strategic ambitions.

Stay safe and strong!

## Highlights 2nd quarter

### Solid revenue growth. EBITDA negatively impacted by Spain

- Revenue growth 13% to 252 MNOK (222) in the quarter, 15% growth year to date
- EBITDA was 12 MNOK (17) in the quarter including the impact of 20 MNOK in write down of inventory and operational losses in Spain
- Strong balance sheet. Positive cash flow from operations of 16 MNOK (-11) and the disposable cash amount is 124 MNOK

### Continued customer success in priority areas

- Multiple sales orders announced in Norway for electronic shelf labels and payment solutions
- Substantial increase in media coverage on StrongPoint's e-commerce solutions
- Glovo partnership continues with a signed agreement with Carrefour Spain using StrongPoint's Order Picking solution

### Steady progress on 2025 strategic ambitions

- Divestment of Labels business area, financial gain of 165 MNOK to be accounted in Q3
- Reiterated our strategic ambition of 2.5 BNOK with 13-15% EBITDA margin
- Continued investment in technology, sales and marketing resources

## Key figures (MNOK)

	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Year 2020
Revenue	251.5	222.4	500.8	437.0	941.7
EBITDA	12.0	16.9	25.6	27.4	68.7
EBITDA margin	4.8 %	7.6 %	5.1 %	6.3 %	7.3 %
Operating profit (EBIT)	5.9	10.1	13.3	13.9	41.8
Ordinary profit before tax (EBT)	6.9	7.1	15.5	9.1	36.9
Cash flow from operational activities	16.3	-11.0	37.9	-15.9	131.8
Disposable funds	123.6	54.0	123.6	54.0	175.0
Earnings per share from continued operations (NOK)	0.11	0.12	0.30	0.14	0.60
Earnings per share from continued operations, adjusted	0.15	0.27	0.38	0.25	0.80

## StrongPoint Group

StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient. The two non-core business areas Cash Security and Labels have been divested in December 2020 and June 2021 respectively. Historic contribution from the divested units is presented as “discontinued operations”.

Revenue	Q2		YTD		Year
	2021	2020	2021	2020	2020
<b>MNOK</b>					
Retail Technology	254.5	226.5	507.0	446.8	957.2
Elim / ASA	-3.0	-4.0	-6.2	-9.9	-15.4
<b>Total</b>	<b>251.5</b>	<b>222.4</b>	<b>500.8</b>	<b>437.0</b>	<b>941.7</b>
<b>EBITDA</b>					
<b>MNOK</b>					
Retail Technology	21.1	24.3	45.0	41.9	95.5
Elim / ASA	-9.1	-7.4	-19.3	-14.5	-26.9
<b>Total</b>	<b>12.0</b>	<b>16.9</b>	<b>25.6</b>	<b>27.4</b>	<b>68.7</b>
Number of employees	399	372	399	372	385

### Solid revenue growth. EBITDA negatively impacted by Spain

The revenue grew by 13%<sup>1</sup> in the quarter, driven by a good momentum in the Norwegian and Swedish markets. Year to date, the growth was 15%<sup>1</sup>. The EBITDA was significantly impacted by the negative profit from operational activities and the required one-off write down in Spain (see section for Spain/Partners for more information). Adjusting for the total operational losses and write down of 20 MNOK in the quarter, the EBITDA margin would have been 12.8% in the quarter. The increased cost at ASA level consists of investments in IT Security and costs related to the long term incentive share option program.

1) Foreign exchange rates affected the growth negatively by 4% in the quarter and 2% YTD.

### Continued customer success in priority areas

In the quarter, several new large orders with a total value of around 300 MNOK have been announced in Norway. The orders were mainly signed with large grocery chains, but one announced order was signed for the supplying and installing of electronic shelf labels to a do-it-yourself-chain. The orders will be delivered and installed over the next 2-5 years.

Marketing activities, primarily focusing on e-commerce, created high visibility with significant coverage and opinion editorials in key retail and general business focused media.

Following the announcement of our Order Picking technology partnership with Glovo, it has been confirmed that their first customer to be onboarded is Carrefour Spain.

### Steady progress on 2025 strategic ambitions

The strategic ambitions for 2025 clearly identified retail technology as the core focus. On June 28, StrongPoint announced the divestment of the Labels business unit to the Swedish company Volati Tryck Holding AB. The transaction includes both the Swedish legal entity StrongPoint Labels AB and the Norwegian business which is currently a part of StrongPoint AS. Closing for the Swedish operation was completed on July 1 2021, while closing on the Norwegian part of the transaction is dependent on a demerger process. The final cash payment for the sale is expected during Q3 and will generate an accounting gain of approximately 165 MNOK.

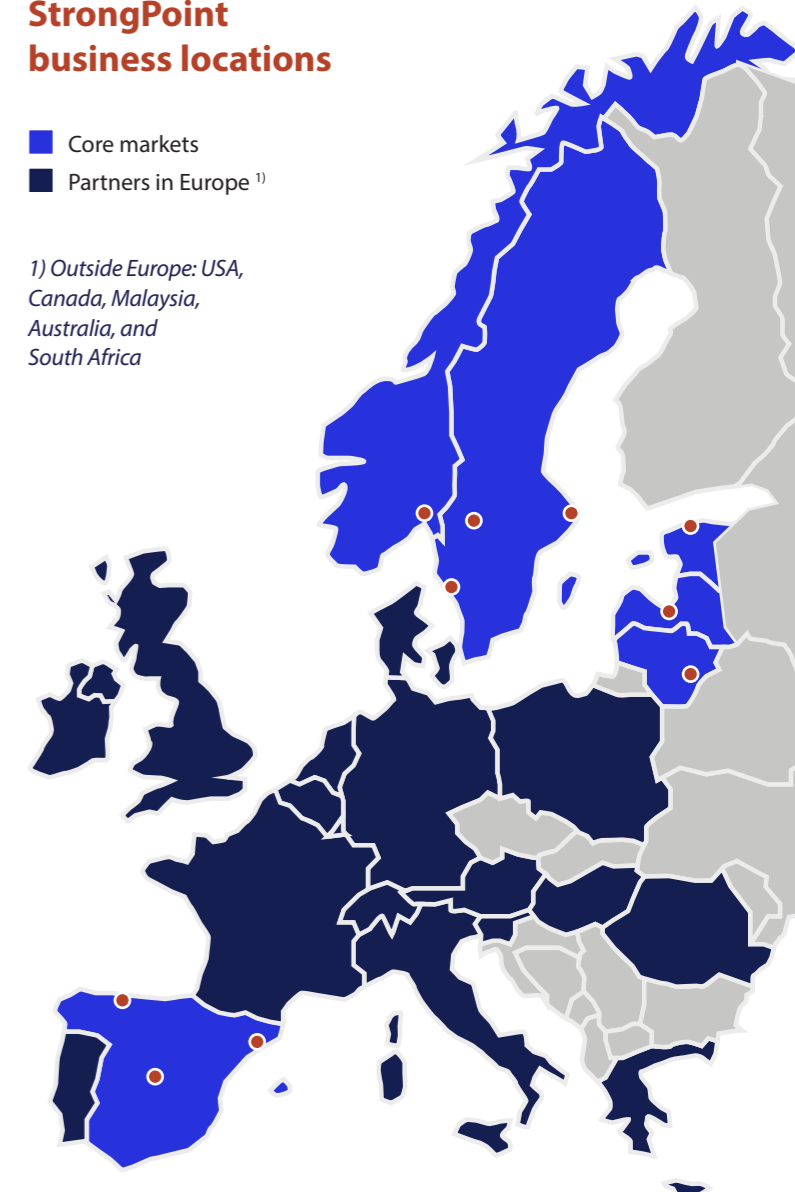
StrongPoint held a webcast on June 30, restating the strategic ambitions for 2025 at 2.5 BNOK as well as the 13-15% EBITDA margin.

StrongPoint has continuously invested in technology, sales and marketing resources. Compared with Q2 last year, the organization has increased by 27 employees, shared between R&D, Production and Sales & Marketing. All core markets have increased sales resources, while R&D resources mainly relates to e-commerce. The increased “other operating costs” stems primarily from the increased hire of software development resources for the Order Picking solution.

### StrongPoint business locations

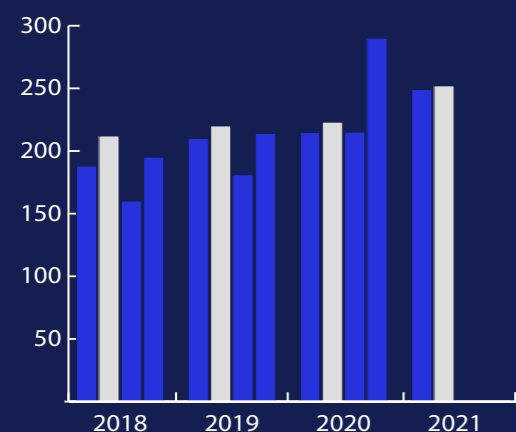
- Core markets
- Partners in Europe <sup>1)</sup>

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

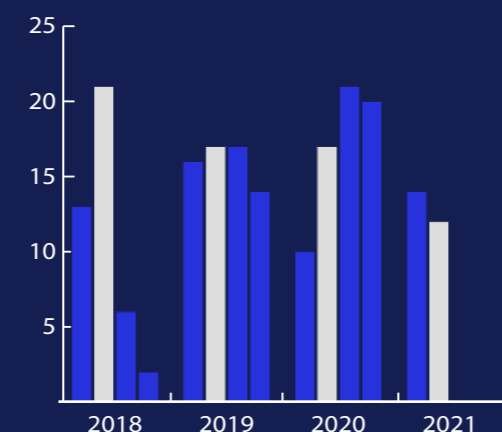


### StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)





## 2025 Strategic ambition

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

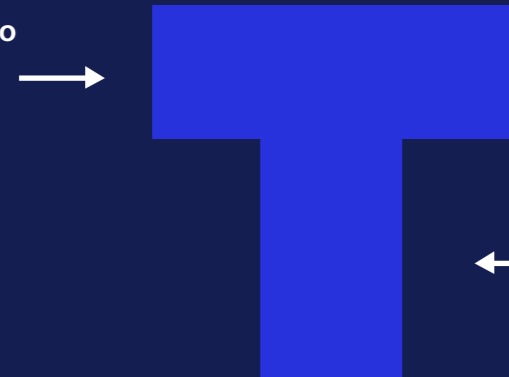
StrongPoint's world class retail technology solutions for increasing in-store efficiency and e-commerce technology for online order picking and last mile solutions have a double opportunity to meet two key global trends affecting grocery retailers. Firstly, the pressure on brick and mortar retailers' 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 T-shaped strategy to create a BNOK 2.5 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  
**BNOK 2.5 in 2025**  
**EBITDA 13-15%**

## StrongPoint Solutions

### 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 \*

#### Retail Management

- POS Systems
- Commerce Management System



### Online

**Grocery Picking**  
 Order Picking solution \*

**Last mile**  
 Click & Collect lockers \*  
 Drive-through \*  
 Pick-up in-store \*  
 Home delivery with route optimization

\* Proprietary technologies





## Results per core geographic market

Please note that StrongPoint reports its financial results broken in two ways: results per core geographic market and per technology segment. The reason for this is that we have core geographical markets where we have established offices but also sell some selected solutions and services outside those countries, hence the need for the two separate reporting formats.

### Norway

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	68.2	48.8	119.9	96.3	248.8
Service	28.5	25.5	55.0	54.0	113.2
Revenue	96.7	74.3	174.9	150.3	362.0

During the quarter, StrongPoint Norway signed several large contracts within Electronic Shelf Labels (ESL) and payment solutions. In April, an agreement was signed with NorgesGruppen for the supply and installation of cash management solutions, and in May two ESL agreements for COOP Norge and Bygger'n. In total, the contracts are worth almost 300 MNOK, excluding installation, service and support. It is expected that the orders will be delivered as announced, mainly during the next 2-5 years. In Q2, the growth in Norway ended at 30% compared to the same quarter last year. The main contributors to the growth were the installation of ESL and Vensafe.

After the first half of 2021, the growth was 16%, mainly driven by delivery and installation of ESL.

### Sweden

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	54.7	42.3	113.4	75.4	165.5
Service	33.6	33.0	69.0	63.0	128.6
Revenue	88.2	75.4	182.4	138.4	294.1

The Swedish organization delivered another good quarter and grew by 17% compared to the same quarter last year. The main contributors to the growth in the quarter were ESL, scales and wrapping machines. The increased growth in e-commerce in Sweden in Q2 can be attributed to the increased demand for online groceries due to the pandemic. In past quarters the e-commerce represents around 30% of the total revenue in this market.

Year to date the business grew almost 32%, with deliveries and installations of ESL and Click & Collect grocery lockers as the main drivers.

### Baltics

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	24.8	32.8	68.1	52.6	108.8
Service	16.3	13.9	30.6	28.9	61.5
Revenue	41.1	46.7	98.7	81.5	170.3

The business in the Baltics is somewhat volatile to project deliveries in the quarterly comparisons. The last part of the SCO contract announced in December 2020 was delivered this quarter. Year to date, the business had a growth of more than 20%. Service revenue had solid growth in the quarter, influenced by development work for Gebr. Heineman, POS/ERP services and installation of SCOs.

However, despite the positive trends the Baltic markets experienced a decline in revenue compared to last year, primarily linked to product sales within self-checkout (SCO).

### Spain/Partners

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	25.5	27.4	45.8	67.9	114.8
Service	3.1	2.7	5.2	8.7	15.9
Revenue	28.5	30.1	51.0	76.6	130.8

### Spain

The pandemic measures continues to influence the financial figures in Q2. The current cash management market, mainly within hospitality, has still not recovered but there has been a slightly positive trend towards the end of this quarter. The revenue and additional gross margins did not cover the operational costs and so the operation delivered a negative EBITDA of 6 MNOK in the quarter. In addition a required one-off write down of 14 MNOK was accounted in the quarter related to our Cash Management inventory. The write down is the result of recently uncovered inventory discrepancies. The newly appointed SVP has initiated numerous restructuring activities to align costs with income and to ensure operational control. In addition the Glovo partnership has already opened the door for new customer opportunities in e-commerce and we expect the cash management market to pick up as and when the country recovers from the pandemic. StrongPoint continues to believe that there is significant potential in the Spanish operations and is positive about future growth potential.

### Partners

Partner sales declined in Q2 and second half due to the large delivery of more than 500 Cash Management systems through the partner Bullion IT to the First National Bank in South Africa last year.



## Results per technology segment

### In-store Productivity

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	73.9	52.9	141.7	109.3	291.1
Service	19.6	17.9	38.5	34.9	78.7
Revenue	93.4	70.9	180.3	144.2	369.8

The In-store Productivity segment held its position as the largest segment with a relative share of 37%, with Norway and Sweden as the most important contributors. Growth in the segment ended at 32% in the quarter and 25% for the first half of 2021. Delivery and installations for the large orders announced in Norway in 2021 has started but will mainly impact the Q3 and Q4 figures. The ESL business in Sweden grew by almost 70% first half of 2021 compared to last year.

### Payment Solutions

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	25.4	33.3	46.5	63.3	100.0
Service	30.2	28.6	59.1	58.0	115.0
Revenue	55.6	61.9	105.6	121.3	215.0

Payment Solutions declined by 6 MNOK in the quarter and 16 MNOK YTD, compared to last year. There was an increase of sales in Spain but also a relatively low volume of partner sales in South Africa. Service revenue from the Payment Solutions segment is relatively stable quarter by quarter. As outlined in the 2025 strategy, this was expected to decline in step with the decrease of cash-based transactions in our core markets of Norway and Spain. However, the two recent orders for CashGuards in Norway demonstrates that retailers continue to see value in solutions that ensure cash is managed in a safe and efficient manner.

### E-commerce logistics

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	22.3	21.9	42.8	32.1	69.7
Service	11.1	7.9	21.7	14.3	35.2
Revenue	33.4	29.8	64.5	46.4	104.9

E-commerce logistics consists of Order Picking and multiple last mile solutions including home delivery, in-store pickup, drive-thru pickup and temperature-controlled grocery lockers. The growth in the quarter came to 12%, primarily driven by the delivery and installation of Click & Collect grocery lockers. Of the lockers installed during the quarter, most were in Sweden, but a new pilot locker was installed in Denmark as well. The previously announced pilots in the US and UK are still ongoing.

In June 2021 it was announced in the media that StrongPoint's Order Picking solution is achieving world-leading productivity rates of 240 items picked per labor hour amongst top quartile customers compared to industry standards of 60-90.

### Check Out Efficiency

MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	31.8	29.7	77.0	47.9	99.4
Service	8.4	9.7	15.6	22.8	39.6
Revenue	40.1	39.5	92.6	70.7	139.0

Check Out Efficiency increased by 2% compared to the same quarter last year. Of the overall sales and installations of Self-Checkouts, a high percentage continues to come from the Baltics, but multiple international partners have also seen growth in the quarter. Sales of Vensafe, which is mainly in Norway, was at the same level in Q2 compared to last year. The segment ended at a relative share of 16% compared to 18% last year.

### Other retail technology

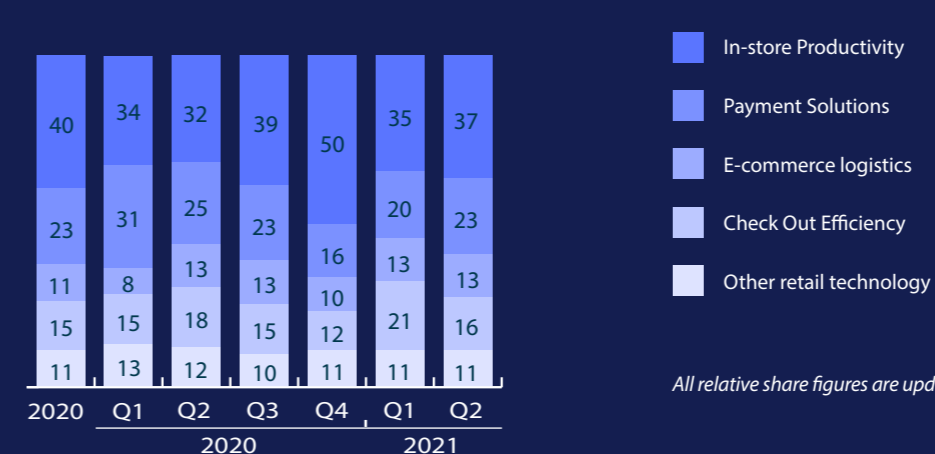
MNOK	Q2		YTD		Year
	2021	2020	2021	2020	2020
Product Sales	16.9	9.5	33.0	29.8	62.2
Service	12.2	10.9	24.9	24.6	51.0
Revenue	29.0	20.4	57.9	54.3	113.2

Other retail technology, mainly software projects in the Baltics, represents a rather stable revenue and constitute around 11% of the total revenue in the Group.



### StrongPoint Group

Relative share of revenue per segment (%)



All relative share figures are updated after the divestment of Labels



## Cash flow and equity

Cash flow from operational activities in the second quarter was 16.3 MNOK (-11.0). The positive cash flow from operations stems primarily from operating activities.

Disposable funds were 123.6 MNOK per June 30, 2021. The net interest-bearing debt increased by 26.1 MNOK compared to the end of the last quarter and totaled 49.3 MNOK. The net leverage ended at 0.74 per June 30, 2021, increased due to payment of dividend and reduced R12 EBITDA following the divestment of Labels. The divestment is expected to be fully paid during Q3.

The Group's holding of own shares amounted to 209,554, which represents 0.5 per cent of the outstanding shares.

The Group has shareholder programs for the board of directors, the Group executive management and the employees. Through these programs a total of 274,022 shares were bought in 2020 and 104,145 shares have been subscribed so far in 2021.

StrongPoint has a long-term incentive program for management and key employees. More information on the program can be found in in note 8.

Accounting year	General meeting	Dividend per share
2020	28.04.2021	0.70
2019	22.10.2020	0.60
2018	26.04.2019	0.55
2017	24.04.2018	0.50
2016	20.04.2017	0.50
2016	05.01.2017	Extraordinary 1.00
2015	28.04.2016	0.45
2014	30.04.2015	0.35
2013	25.04.2014	0.30
2012	26.04.2013	0.25
2011	08.05.2012	0.25

## Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the second quarter and first half 2021, including comparative consolidated figures for the second quarter and first half 2020. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act. The Board and CEO hereby declare, to the best of their knowledge, that the financial statements for the second quarter and first half 2021 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 30 June 2021 and 30 June 2020. 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 13 July 2021

**Morthen Johannessen**  
Chairman

**Klaus de Vibe**  
Director

**Camilla AC Tefpers**  
Director

**Peter Wirén**  
Director

**Ingeborg Molden Hegstad**  
Director

**Jacob Tveraabak**  
CEO

## Consolidated income statement

KNOK	Q2 2021	Q2 2020	Chg. %	YTD 2021	YTD 2020	Chg. %	Year 2020
Operating revenue	251 539	222 409	13.1 %	500 794	436 986	14.6 %	941 706
Cost of goods sold	149 392	129 856	15.0 %	294 367	250 533	17.5 %	552 603
Payroll	65 027	56 470	15.2 %	130 756	118 324	10.5 %	240 735
Share based compensation	1 776	-		3 082	-		476
Other operating expenses	23 341	19 202	21.6 %	46 980	40 754	15.3 %	79 241
Total operating expenses	239 536	205 527	16.5 %	475 185	409 610	16.0 %	873 056
EBITDA	12 003	16 882	-28.9 %	25 609	27 375	-6.5 %	68 650
Depreciation tangible assets	4 276	4 372	-2.2 %	8 517	8 848	-3.7 %	17 920
Depreciation intangible assets	1 872	2 376	-21.2 %	3 778	4 624	-18.3 %	8 897
EBIT	5 856	10 133	-42.2 %	13 314	13 903	-4.2 %	41 834
Interest expenses	403	829	-51.5 %	916	1 525	-39.9 %	3 005
Other financial expenses/currency differences	-1 388	2 373	-158.5 %	-2 941	3 420	-186.0 %	2 068
Profit from AC. Service companies	45	186	-75.6 %	123	169	-27.0 %	147
EBT	6 887	7 117	-3.2 %	15 462	9 127	69.4 %	36 908
Taxes	1 991	1 821	9.3 %	2 273	2 732	-16.8 %	10 471
Profit from continued operations	4 895	5 295	-7.6 %	13 189	6 395	106.2 %	26 438
Profit after tax from discontinued operations	1 517	2 206		3 305	2 203		71 220
Profit/loss after tax	6 413	7 502	-14.5 %	16 494	8 598	91.8 %	97 658
Earnings per share							
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040		44 376 040
Av. number of shares - own shares	44 270 702	44 274 990		44 288 810	44 274 990		44 286 883
Av. number of shares diluted- own shares	46 495 702	44 274 990		46 513 810	44 274 990		45 436 883
EPS from continued operations	0.11	0.12		0.30	0.14		0.60
EPS included discontinued operations	0.14	0.17		0.37	0.19		2.21
Diluted EPS from continued operations	0.11	0.12		0.28	0.14		0.58
Diluted EPS incl. discontinued operations	0.14	0.17		0.35	0.19		2.15
EBITDA per share from continued operations	0.27	0.38		0.58	0.62		1.55
EBITDA per share incl. discontinued operations	0.43	0.57		0.87	0.95		3.65
Diluted EBITDA per share from continued operations	0.26	0.38		0.55	0.62		1.51
Diluted EBITDA per share incl. discontinued operations	0.43	0.57		0.83	0.95		3.56
Total earnings							
Profit/loss after tax	6 413	7 502	-14.5 %	16 494	8 598	91.8 %	97 658
Exchange differences on foreign operations	9 422	-2 916	423.1 %	-13 259	32 335	-141.0 %	29 245
Total earnings	15 835	4 585	245.3 %	3 235	40 933	-92.1 %	126 903

## Consolidated balance sheet

KNOK	30.06.2021	30.06.2020	31.03.2021	31.12.2020
<b>ASSETS</b>				
Intangible assets	35 664	46 511	37 376	42 010
Goodwill	128 444	151 415	142 288	151 566
Tangible assets	24 688	32 494	26 094	24 030
Right-of-use assets	28 196	79 235	52 956	67 744
Long term investments	4 794	1 722	5 779	1 700
Other long term receivables	15 307	-	22 372	23 435
Deferred tax	6 222	227	11 339	11 560
Non-current assets	243 316	311 604	298 205	322 045
Inventories	160 583	159 885	138 838	144 973
Accounts receivables	184 907	211 196	196 324	217 212
Prepaid expenses	22 948	22 861	20 950	12 129
Other receivables	18 187	12 012	10 078	14 765
Bank deposits	23 589	31 159	49 432	75 007
Current assets	410 213	437 114	415 622	464 087
Assets discontinued operations	96 044			
<b>TOTAL ASSETS</b>	<b>749 573</b>	<b>748 717</b>	<b>713 827</b>	<b>786 132</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	27 513	27 513	27 513	27 513
Holding of own shares	-52	-67	-52	-52
Other equity	308 731	278 329	328 521	338 597
<b>Total equity</b>	<b>336 192</b>	<b>305 775</b>	<b>355 983</b>	<b>366 059</b>
Long term interest bearing liabilities	11 445	22 192	11 247	374
Long term lease liabilities	16 555	49 931	30 063	39 565
Deferred tax liabilities	10 312	-	7 843	7 547
<b>Total long term liabilities</b>	<b>38 313</b>	<b>72 123</b>	<b>49 153</b>	<b>47 486</b>
Short term interest bearing liabilities	31 980	71 872	6 661	41 974
Short term lease liabilities	12 954	29 304	24 747	27 238
Accounts payable	101 347	57 023	62 423	83 141
Taxes payable	14 854	372	15 112	16 552
Other short term liabilities	173 797	212 249	199 749	203 682
<b>Total short term liabilities</b>	<b>334 932</b>	<b>370 819</b>	<b>308 692</b>	<b>372 587</b>
Liabilities discontinued operations	40 136			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>749 573</b>	<b>748 717</b>	<b>713 827</b>	<b>786 132</b>

## 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 31.12.2019	27 513	-107	351 262	37 007		-151 770	263 905
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
Purchase/sale of own shares						-4 171	-4 171
Dividend 2020						-31 050	-31 050
Share Option Program					2 120		2 120
Profit this year after tax						16 494	16 494
Other comprehensive income and expenses				-13 259			-13 259
Equity 30.06.2021	27 513	-52	351 262	52 992	2 560	-98 083	336 192



## Statement of cash flow

KNOK	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Year 2020
Ordinary profit before tax continued operations	6 887	7 117	15 462	9 127	77 559
Ordinary profit before tax discontinued operations	1 906	2 814	4 152	2 810	39 786
Net interest	573	1 047	1 235	2 120	4 021
Tax paid	-619	24	-1 708	-453	-4 000
Share of profit, associated companies	-45	-186	-123	-169	-147
Ordinary depreciation	9 474	12 109	19 125	24 033	67 843
Impairments	-	-	-	-	2 841
Profit / loss on sale of fixed assets	-50	80	-793	88	313
Change in inventories	-30 895	19 483	-32 355	-8 904	3 165
Change in receivables	-11 877	-6 384	2 187	-18 488	-26 279
Change in accounts payable	43 112	-56 621	26 188	-19 819	6 989
Change in other accrued items	-2 138	9 555	4 533	-6 245	-40 294
Cash flow from operational activities	16 327	-10 962	37 903	-15 899	131 799
Payments for fixed assets	-5 202	-1 403	-7 669	-4 702	-6 526
Investments in other companies	-71	-	-4 071	-	-
Payment from sale of fixed assets	22	29	762	91	92
Net effect acquisitions	-	-	-	-17 433	-17 433
Net effect divestment	-	-	-	-	17 397
Dividends received from associated companies	100	-	100	-	-
Interest income	13	11	49	-102	96
Cash flow from investment activities	-5 137	-1 363	-10 830	-22 146	-6 374
Purchase/sale of own shares	-6 035	-805	-4 171	938	1 380
Change in long-term debt	-3 102	18 743	-37 014	11 130	-43 121
Change in overdraft	3 467	-337	-4 522	16 750	-16 983
Interest expenses	-585	-793	-1 284	-1 463	-4 117
Dividend paid	-31 050	-	-31 050	-	-26 568
Cash flow from financing activities	-37 305	16 807	-78 040	27 355	-89 409
Net change in liquid assets	-26 115	4 482	-50 968	-10 691	36 016
Cash and cash equivalents at the start of the period	49 432	27 479	75 007	39 498	39 498
Effect of foreign exchange rate fluctuations on foreign currency deposits	271	-802	-451	2 352	-507
Cash and cash equivalents at the end of the period	23 588	31 159	23 588	31 159	75 007
Cash and cash equivalents at the end of the period discontinued operations	-	-	-	-	-
Cash and cash equivalents at the end of the period continued operations	23 589	31 159	23 589	31 159	75 007

## Key figures

KNOK	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	YTD 2021	YTD 2020
<b>Income statement</b>							
Operating revenue continued operations	251 539	249 255	289 495	215 225	222 409	500 794	436 986
EBITDA continued operations	12 003	13 606	19 875	21 400	16 882	25 609	27 375
EBITA continued operations	7 728	9 364	15 244	16 959	12 509	17 092	18 527
Operating profit EBIT continued operations	5 856	7 458	13 085	14 845	10 133	13 314	13 903
Ordinary profit before tax (EBT) continued operations	6 887	8 575	11 420	16 360	7 117	15 462	9 127
Profit/loss after tax continued operations	4 895	8 294	7 584	12 459	5 295	13 189	6 395
EBITDA-margin	4.8 %	5.5 %	6.9 %	9.9 %	7.6 %	5.1 %	6.3 %
EBT-margin	2.7 %	3.4 %	3.9 %	7.6 %	3.2 %	3.1 %	2.1 %
<b>Balance sheet</b>							
Non-current assets	243 316	298 205	322 045	307 299	311 604	243 316	311 604
Current assets	506 258	415 622	464 087	484 295	437 114	506 258	437 114
Total assets	749 573	713 827	786 132	791 594	748 717	749 573	748 717
Total equity	336 192	355 983	366 059	325 520	305 775	336 192	305 775
Total long term liabilities	38 313	49 153	47 486	66 136	72 123	38 313	72 123
Total short term liabilities	375 068	308 692	372 587	399 938	370 819	375 068	370 819
Working capital	244 143	272 739	279 043	309 257	314 058	244 143	314 058
Equity ratio	44.9 %	49.9 %	46.6 %	41.1 %	40.8 %	44.9 %	40.8 %
Liquidity ratio	135.0 %	134.6 %	124.6 %	121.1 %	117.9 %	135.0 %	117.9 %
Net interest bearing debt	49 346	23 285	34 144	113 570	142 139	49 346	142 139
Net leverage multiples	0.74	0.15	0.22	1.06	1.57	0.74	1.57
<b>Cash Flow</b>							
Cash flow from operational activities	16 327	21 575	112 305	35 393	-10 962	37 903	-15 899
Net change in liquid assets	-26 115	-24 853	49 018	-2 311	4 482	-50 968	-10 691
<b>Share information</b>							
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	44 270 702	44 307 119	44 289 092	44 277 179	44 306 354	44 288 810	44 290 692
EBT per shares continued operations	0.16	0.19	0.26	0.37	0.16	0.35	0.21
Earnings per share continued operations	0.11	0.19	0.17	0.28	0.12	0.30	0.14
Earnings per share, adjusted *	0.15	0.27	0.78	0.36	0.27	0.38	0.25
Equity per share	7.59	8.03	8.27	7.35	6.90	7.59	6.90
Dividend per share	0.70	-	0.60	-	-	0.70	-
<b>Employees</b>							
Number of employees (end of period)	399	460	462	521	512	399	512
Average number of employees	393	461	492	517	516	440	520
<b>IFRS 16 effects continued operations</b>							
Reduced OPEX	3 254	3 344	3 751	3 363	2 951	6 598	6 296
Increased depreciation	3 095	3 183	3 509	3 200	2 801	6 278	5 974
Increased interest expenses	158	161	241	163	151	319	322
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	3 254	3 344	3 751	3 363	2 951	6 598	6 296
Cash flow from financing activities	-3 254	-3 344	-3 751	-3 363	-2 951	-6 598	-6 296



## 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 2020.

## Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2020. The Group financial statements for 2020 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 31.12.2020. The quarterly report and the interim financial statements have not been revised by auditor.

## Note 3 Segment information

### Business areas

MNOK	Q2 2021			Q2 2020			YTD 2021			YTD 2020			Year 2020		
	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT
Retail Tech	254.5	21.1	15.2	226.5	24.3	14.9	507.0	45.0	32.3	446.8	41.9	28.0	957.2	95.5	65.9
Elim / ASA	-3.0	-9.1	-8.3	-4.0	-7.4	-7.8	-6.2	-19.3	-16.9	-9.9	-14.5	-18.9	-15.4	-26.9	-29.0
Total	251.5	12.0	6.9	222.4	16.9	7.1	500.8	25.6	15.5	437.0	27.4	9.1	941.7	68.7	36.9

### Operating revenue by geographical market

MNOK	Q2 2021			Q2 2020			YTD 2021			YTD 2020			Year 2020		
	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other
Retail Tech	96.7	88.2	69.6	74.3	75.4	76.8	174.9	182.4	149.7	150.3	138.4	158.1	362.1	294.1	301.0
Elim / ASA	-	-3.0	-	0.8	-4.9	-	-	-6.2	-	-	-9.9	-	-	-15.2	-0.2
Total	96.7	85.3	69.6	75.1	70.5	76.8	174.9	176.1	149.7	150.3	128.5	158.1	362.1	278.9	300.8

### Operating revenue by product and service

MNOK	Q2 2021		Q2 2020		YTD 2021		YTD 2020		Year 2020	
	New sales	Service *	New sales	Service *	New sales	Service *	New sales	Service *	New sales	Service *
Retail Tech	173.2	81.3	151.4	75.1	347.2	159.8	292.2	154.6	637.9	319.3
Elim / ASA	-3.0	-	-4.0	-	-6.2	-	-9.9	-	-15.4	-
Total	170.2	81.3	147.3	75.1	341.0	159.8	282.4	154.6	622.4	319.3

\*) Service and licenses

## Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 30 June 2021.

## Note 5 Financial information

The net interest-bearing debt increased in the first half 2021 mainly due to changes in working capital. The majority of the receivables are not due and are related to customers within the grocery segment.

### Interest-bearing debt

KNOK	30.06.2021	31.12.2020
Financial leasing	3 534	14 965
Repayment loan	43 425	42 348
Liabilities leasing IFRS 16	25 975	51 838
Interest-bearing debt	72 935	109 151
Cash and bank deposits	23 589	75 007
Net interest-bearing debt	49 346	34 144
Total capital adjusted for goodwill	621 129	634 566
Debt ratio	8%	5%

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

KNOK	30.06.2021	31.12.2020
Current interest-bearing liabilities	44 934	69 211
Due after one year	28 001	39 939
Total interest-bearing debts	72 935	109 151

### Disposal funds

KNOK	30.06.2021	31.12.2020
Cash and bank deposits	23 589	75 007
Unused overdraft facilities	100 000	100 000
Disposal funds	123 589	175 007
Decreased disposal funds	-51 419	

### Accounts receivables

Aging of accounts receivables (KNOK)	30.06.2021	31.12.2020
Not due	174 763	175 058
0-3 months	10 143	40 008
3-6 months	-	2 145
Total	184 907	217 212



## Note 6 Discontinued operations

StrongPoint Labels business area was divested in June 2021. The Swedish part of the transaction was closed July 1, and closing of the Norwegian part is expected later in Q3 2021. The net gain of approximately 165 MNOK will be accounted in Q3 report. Cash Security business area was divested in December 2020. Following IFRS, the financial figures for the business areas are reported as "Profit from discontinued operations" below tax in the financial statement and removed from the comparison figures in other tables.

### P&L discontinued operations

KNOK	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Year 2020
Operating revenue	52 984	65 282	99 821	130 500	322 674
Cost of goods sold	26 609	29 069	48 542	57 074	112 795
Payroll	15 257	22 356	29 723	46 516	90 150
Other operating expenses	4 221	5 368	8 761	12 428	26 720
Total operating expenses	46 087	56 793	87 026	116 018	229 666
EBITDA	6 897	8 489	12 795	14 482	93 008
Depreciation tangible assets	3 217	5 194	6 609	10 227	43 220
Depreciation intangible assets	109	167	221	334	646
EBIT	3 570	3 128	5 966	3 921	49 141
Interest expenses	170	218	319	595	1 016
Other financial expenses/currency differences	1 494	96	1 495	516	6 849
Profit on sale of discontinued operations	-	-	-	-	39 161
EBT	1 906	2 814	4 152	2 810	80 437
Taxes	388	608	847	607	9 217
Profit from discontinued operations	1 517	2 206	3 305	2 203	71 220

### Cash Flow discontinued operations

KNOK	1st half 2021	1st half 2020	2020
Cash flow from operational activities	1 902	179	81 125
Cash flow from investment activities	-1 870	-1 482	-1 606
Cash flow from financing activities	-32	1 303	-79 520
Net Change in liquid assets	-	-	-
Cash and cash equivalents at the start of the period	-	-	-
Cash and cash equivalents at the end of the period	-	-	-

### Assets discontinued operations

KNOK	30.06.2021
Intangible assets	838
Goodwill	17 918
Tangible assets	3 096
Right-of-use assets	24 204
Long term investments	1 000
Deferred tax	5 200
Non-current assets	52 256
Inventories	12 311
Accounts receivables	26 186
Prepaid expenses	3 499
Other receivables	1 792
Bank deposits	-
Current assets	43 788
TOTAL ASSETS	96 044

### Liabilities discontinued operations

KNOK	30.06.2021
Long term lease liabilities	14 418
Total long term liabilities	14 418
Short term interest bearing liabilities	-23 421
Short term lease liabilities	9 786
Accounts payable	5 778
Other short term liabilities	33 575
Total short term liabilities	25 718
TOTAL LIABILITIES	40 136



**Note 7 Top 20 shareholders as at 30 June 2021**

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8.86
2	HSBC BANK PLC	1 976 000	4.45
3	SOLE ACTIVE AS	1 839 831	4.15
4	V. EIENDOM HOLDING AS	1 835 009	4.14
5	PERSHING LLC	1 771 128	3.99
6	NORDNET BANK AB	1 400 219	3.16
7	AVANZA BANK AB	1 309 928	2.95
8	ZETTERBERG, GEORG (incl. fully owned companies)	1 247 684	2.81
9	VERDADERO AS	1 240 517	2.80
10	VERDIPAPIRFONDET DNB SMB	1 173 462	2.64
11	HOLMEN SPESIALFOND	1 075 000	2.42
12	RING, JAN	1 021 803	2.30
13	WAALER AS	800 000	1.80
14	EVENSEN, TOR COLKA	760 000	1.71
15	HAUSTA INVESTOR AS	700 000	1.58
16	PICTET & CIE (EUROPE) S.A.	605 000	1.36
17	MP PENSJON PK	561 402	1.27
18	JOHANSEN, STEIN	500 000	1.13
19	MORGAN STANLEY & CO. INTERNATIONAL	493 239	1.11
20	NÆRINGSLIVETS HOVEDORGANISASJON	445 669	1.00
<b>Sum 20 largest shareholders</b>		<b>24 688 983</b>	<b>55.64</b>
<b>Sum 2 575 other shareholders</b>		<b>19 687 057</b>	<b>44.36</b>
<b>Sum all 2 595 shareholders</b>		<b>44 376 040</b>	<b>100.00</b>

**Note 8 Share option program**

Total costs and Social Security Provisions	2020	YTD 2021	Total
Total IFRS cost	440	2 120	2 560
Total Social security provisions	36	962	998
<b>Granted instruments:</b>			
Quantity (instruments)	1 150 000	1 075 000	2 225 000
Quantity (shares)	1 150 000	1 075 000	2 225 000
Contractual life*	5,00	5,00	
Strike price*	17,31	31,13	

**Outstanding instruments Period End – Option**

Quantity and weighted average prices		
Activity	Number of instruments	Weighted Average Strike Price
Outstanding OB (01.01.2021)	1 150 000	17,31
Granted	1 075 000	31,13
Outstanding CB (30.06.2021)	2 225 000	23,99
Vested CB	0	0,00

**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 in the event that the Company is not capable of delivering Shares following an exercise of Options, the Company shall fulfil its obligations under this Agreement through a cash-out.

**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 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
Diluted	Number of shares minus own shares plus shares granted in share option program
Earnings per share adjusted	Profit after tax + amortization of intangible assets / number of shares
Net leverage multiple	Net Debt / 12 months rolling operating revenue
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Discontinued operations	Divested Cash Security business area December 2020.



**StrongPoint**

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