



**Retail
technology
in every shopping
experience for a
smarter and
better life**

Annual report 2021

35+
years

Oldest and largest retail
technology company in the
Nordics. Founded in 1985
- over 35 years experience

20+
countries

Provided retail technology
solutions to grocery
companies in over 20
countries worldwide

400
employees

400 full-time
employees globally
including support staff in
multiple countries

2003
Stock listed

Listed on the Oslo
Stock Exchange
in 2003



About StrongPoint

StrongPoint is a retail technology company that provides solutions and services to make shops smarter, shopping experiences better and online grocery shopping more efficient. For over 35 years we have been listening to grocery retailers, understanding their problems, and devising innovative technology solutions to help them become more productive, cut costs and create efficiency gains.

Today the retail world has been transformed. First digital disruption and secondly, the new normal of online grocery shopping following the COVID-19 global pandemic.

These are the new pain points that the grocery retail world is facing and we believe that technology is the key to overcome these obstacles and the key to long-term sustainable profitability, both in-store and online.

Today StrongPoint provides world-leading technology solutions, products and services to make stores more efficient and online grocery shopping efficient, flexible and scalable.

With 400 employees in Norway, Sweden, the Baltics and Spain, and together with a wide partner network, we support businesses in more than 20 countries.

We provide automated and secured Cash Management and Payment Solutions, Self-Checkout systems, Click & Collect Temperature- Controlled Grocery Lockers, Self- Checkouts, Electronic Shelf Labels, In-Store and Warehouse Grocery Picking Solutions, automated fulfillment (with AutoStore) and a humanoid in-store robot (with Halodi Robotics).



Retail technology in every shopping experience for a smarter and better life



Our WHY statement builds on the following logic:

We are a retail technology company and believe that retail technology should be integrated into every shopping experience - in-store and online.

We know that technology is the key to making shops smarter, shopping experiences better and online grocery shopping more efficient.

This will give more time, lower prices, better service, fresher products, and ultimately, we all get a better and smarter life.

Key figures 2019-2021

	2021	2020	2019	
Operating revenue from continued operations	981 339	941 706	824 434	KNOK
Annual growth continued operations	4.21	14.22	9.23	%
EBITDA continued operations	53 625	68 650	62 914	KNOK
EBT continued operations	25 899	36 908	33 994	KNOK
Total assets	846 533	786 132	690 542	KNOK
Equity	498 190	366 059	263 904	KNOK
Equity ratio ¹	58.85	46.56	38.22	%
Current ratio ²	1.96	1.25	1.07	
Earnings per share incl. discontinued operations ³	4.32	2.21	0.72	NOK
Number of shares (average for year)	44 191	44 287	44 223	T
Number of shares 31.12	44 376	44 376	44 376	T
Share price (Oslo Børs) 31.12	25.80	19.40	12.00	NOK
Number of employees 31.12 continued operations	400	390	390	

1) Equity ratio

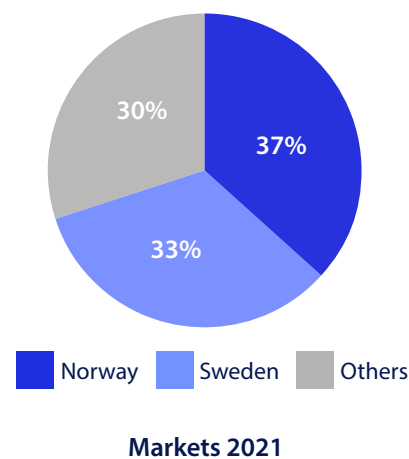
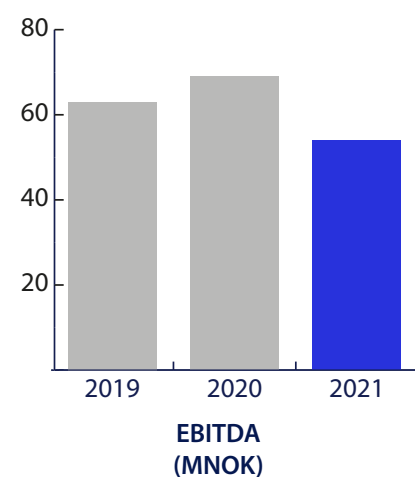
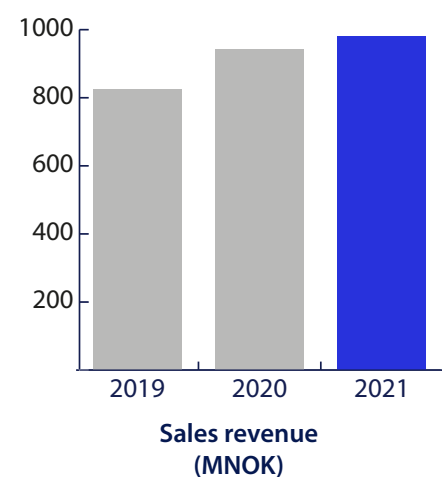
$$\frac{\text{Equity 31 December} \times 100}{\text{Total assets 31 December}}$$

2) Current ratio

$$\frac{\text{Current assets 31 December}}{\text{Current liabilities 31 December}}$$

3) Earnings per share

$$\frac{\text{Annual profit after tax}}{\text{Average no. of shares}}$$



CEO statement

COVID-19 continued to influence 2021, although in a different manner than the year before. In 2021, operations were, overall, almost back to normal, although the impact of component shortages was felt in the latter part of the year. However, the pandemic seems to have made significant and lasting impact on consumer behavior, in particular within grocery e-commerce. For StrongPoint, the impact on consumer behavior will continue to drive our 'double opportunity' – that is, the need for technology solutions to drive in-store efficiency and world-class e-commerce technology for online order picking and last mile solutions.

At the start of 2020, we unveiled StrongPoint's 2025 Strategy. In that respect, we set forth NOK 2.5 billion and an EBITDA-margin of 13-15% as financial ambitions. The path to achieving such ambitions is rarely linear, and that is certainly not the case for StrongPoint either. With the pandemic raging in 2021, a larger-than-originally expected portion of the financial contribution is coming from e-commerce solutions, although the majority is

still expected to come from in-store operations. Most importantly, I would like to reiterate our confidence in achieving the stated overall financial ambitions.

We focus on serving the grocery retail sector. Whereas resilient, the grocery retail sector is experiencing substantial demands to cope with consumer behavior shifts and the evermore demand for efficiency-savings to boost profitability.

In 2021, we took giant leaps in expanding our platform for the future. In February, StrongPoint announced its strategic partnership with one of Europe's leading delivery platforms, Glovo, delivering our in-store picking solution to Glovo and its grocery retail customers. In September, we announced that StrongPoint was awarded the distribution rights for AutoStore, the world's leading automated storage and retrieval system, in the Nordics and the Baltics. StrongPoint is AutoStore's first ever grocery specific distributor, underpinning the expected growth in this retail vertical as well as the importance of having grocery specific expertise to succeed with Micro Fulfilment Centers (MFCs). To achieve instant expertise and credibility, StrongPoint partnered a few months later with Hörmann Logistics GmbH for MFC and AutoStore projects.

Pushing the boundaries of in-store efficiency solutions, StrongPoint invested in and partnered with Halodi Robotics, a Norwegian based humanoid robotics company, in March. The partnership is a long-term strategic partnership which involves joint research and development to make the humanoid robots work in real store environments, conducting

repetitive, labor-intensive tasks. Hence, creating value for grocery retailers, employees and consumers.

After many years of under-performance, an action-oriented plan for restructuring Spain was carried out after the appointment of our new MD for Spain at the beginning of the year. Following significant write-offs, our business in Spain is slowly picking up and is on a path to become a true positive contributor to StrongPoint's business.

Throughout the year, we have invested in attracting top executives as well as in people training and human resource competence. We are dependent on a knowledgeable, skilled and motivated workforce, and hence people development is high on the agenda of everything we do. I am immensely proud of the people at StrongPoint and the ever growing talents amongst our entire organization to provide our customers with the best solutions.

In 2021, StrongPoint became a pure retail technology company following its divestment of the Labels business unit. The proceeds from this successful divestment, along with the proceeds from the divestment of the Cash Security business unit from the previous year, has put StrongPoint in a favorable position of potential M&A opportunities to strengthen its retail technology base.

Despite a record delivery at the end of 2020 and global component shortages end of 2021, StrongPoint achieved a 4% topline growth in 2021 as a whole to 981 MNOK (continued operations). Adjusting for currency effects, our revenues actually grew 7% in 2021. As for



Jacob Tveraabak
CEO of StrongPoint

profitability, or EBITDA was 54 MNOK, or 5.5%, reflecting the increased investments in product development, marketing and sales – all of which are being expensed.

The consumer behavior accelerated by the pandemic will provide expanded opportunities for us going forward. With our broad suite of world-class E-Commerce Logistics 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!

Jacob Tveraabak
CEO

Company Strategy

We unveiled our new strategy early in 2020 and refreshed it at the start of 2021 due to the impact of the COVID-19 pandemic. Our overall strategy has not changed but we have added additional products and services to our overall offer, in particular following our distribution agreement with AutoStore.

Our financial ambition for organic growth, that we set in 2020, remains the same as before – NOK 2.5 billion in 2025 with an EBITDA in the range of 13-15%.

As we iterated perviously, we strongly believe in the importance of focus. As part of the strategy we decided to focus on the grocery retail sector and continue to do so. This was done for two reasons, firstly this is a highly resilient sector and secondly this has natural spill-over effects to other retail verticals.

The COVID-19 pandemic has accelerated the two megatrends that are facing the grocery retail sector: pressure on store margins because of the growth of online groceries, and pressure to develop an online presence and grow and keep that market share.

We know that technology is the solution to both of these challenges and StrongPoint is well positioned to meet these twin growing demands as we provide both the in-store and e-commerce technology that grocery retailers need. We call this our "double opportunity".

Firstly, StrongPoint provides multiple in-store technology solutions to make shops smarter, drive productivity and achieve efficiency gains. Secondly, we provide a world-class end-to-end grocery e-commerce suite, including in-store and dark store picking solution and multiple last-mile options from instore pickup to home deliveries. We are also the world's first provider of mobile Click & Collect Grocery Lockers. And

as of 2021, a distribution partner for AutoStore micro-fulfilment for the grocery industry.

In February we unveiled a new T-shaped approach to geographical expansion and growth to fulfil our 2025 ambitions. This has not changed.

At the top bar of the T, we are rolling-out our world-class solutions, in particular end-to-end grocery E-commerce Logistics Suite, Self-Checkout and Cash Management Solutions, in selected key markets. In 2021 we have added our humanoid robot, developed with Halodi Robotics, to this product line up.

When it comes to the stem of the T, we are leveraging the deep relations in our key markets, including Norway, Sweden, the Baltics and Spain. We will both continue to roll-out a full portfolio of retail technology solutions and be a market access platform for global retail technology providers. In 2021 we have added grocery micro-fulfilment using AutoStore's technology.

Our strategy is to fulfil our purpose of making retail technology an integral part of every shopping experience for a smarter and better life. We believe that technology is the key to efficiency, productivity, and profitability – both in-store and online. The last year has seen additional unprecedented market turbulence but when it comes to grocery retail – the only way is up.

T-shaped strategy

Go **wide** with world-class solutions to selected markets

- E-Commerce Order Fulfillment platform
 - Order Picking
 - Micro fulfilment centers
 - Last Mile Solutions
- Self Checkout
- Cash Management
- Halodi Humanoid Robot

Go **deep** in core markets with solutions that cover in-store, e-commerce solutions and AutoStore grocery micro-fulfilment

- Norway
- Sweden
- Baltics
- Spain

NOK 2.5 bn in 2025

EBITDA 13-15%

Q&A on people & organization

From a people & organization perspective, what has happened since the start of the new strategy launched in 2020?

In the past years we have restructured the company with a clear vision to becoming a leading grocery retail technology company, exiting non-core units such as Labels and Cash Security. We have grown an organization that now has international ambitions and can address the biggest grocery chains in Europe. At the same time we have continued to build strong operational business units in our home markets with both in-store and e-commerce world class capabilities.

Which teams have been strengthened/prioritised in terms of recruitment?

We have attracted very skilled resources to our software development teams in Sweden and the Baltics. We now cover all parts of the development process inhouse, and we have the needed capabilities to develop and deliver world class SaaS solutions to the market.

In our core markets we have built up a lean and productive workforce to handle installation, service maintenance and support to all our customers. As the company grows in new markets we have chosen to strengthen our sales and revenue generating capabilities, together with stronger group support functions.

What are the biggest organization priorities going forward?

We have extended our product portfolio to automation and robotics and need to grow in this area.

As a thriving tech company, we are always looking for the best programmers and solution designers. We need to build stronger teams in customer experience and data science to be able to deliver on our customer promises, and to keep up a strong growth momentum we will need to hire key account managers and sales representatives with international experience, covering multiple geographies.

We deliver the tools for the grocers to become more efficient and customer friendly, our employees should reflect those values and be efficiency obsessed and always put the customers experience at the forefront of everything we do.



Knut Olav Nyhus Olsen
*SVP People & Organization,
Marketing and
Communication*



2021 Highlights

StrongPoint invests in and partners with Halodi Robotics

In March 2021 StrongPoint announced an investment and partnership with Halodi Robotics, a Norwegian-based leader in humanoid robotics. The partnership is a combination of research and development and direct investment in the company. The aim of the partnership is to develop a robotic solution for the grocery retail sector and StrongPoint will become the exclusive distributor in key areas of Europe of the jointly developed solutions. As part of the project StrongPoint will help Halodi to partner with selected leading grocery retailers to pilot and collaborate on the project.



Bernt Børnich
CEO of
Halodi Robotics

"We are extremely proud to be partnering with StrongPoint on this project. Their team brings decades of experience and knowledge of the grocery retail sector which is where we see huge opportunities for the use of robotics in stores, supporting staff."

Bernt Børnich, CEO of Halodi Robotics



Q1

In February, StrongPoint announced that the technology unicorn Glovo had chosen StrongPoint as their preferred supplier for grocery picking technology. Glovo is an on-demand meal and grocery delivery platform, is available in over 20 countries and a leading European technology company.

Also in February, StrongPoint announced a Pricer Electronic Shelf Labels (ESL) contract with NorgesGruppen worth 110 MNOK excluding installation and support. The installation started slightly in Q1 2021, and it is expected that the rollout will last until Q4 2023.

The global interest for e-commerce solutions reached new heights in the quarter when Click & Collect grocery locker pilots were installed in both the US and UK. The customers are now evaluating the lockers in terms of locker and software quality, customer utilization and food safety.

Q2

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.

2021 Highlights

StrongPoint becomes distributor of AutoStore and partnering with Hörmann Logistik

In September 2021, StrongPoint became the Nordic and Baltic regional distributor of AutoStore, bringing their Micro-Fulfillment solutions to more grocery retailers. The partnership is focused on the grocery retail sector where automation through micro-fulfillment, often known as MFCs, is today a part of grocery retailers' long-term e-commerce strategy.

AutoStore, founded in 1996, is a robot technology company that invented, and continues to pioneer, Cube Storage Automation – the densest storage and order fulfillment solution in existence. The company's focus is to blend software and hardware with human abilities to create the future of warehousing. This partnership means that we can provide a fully end-to-end grocery e-commerce solution. A product development project has been initiated to develop the optimal fulfillment strategies and create an integration between AutoStore, warehouse management systems, StrongPoint's Order Picking software and various types of last mile solutions.

Following the distribution agreement with the warehouse robotic technology company AutoStore, StrongPoint strengthened the delivery competence and capacity by partnering with the German company Hörmann Logistik. The agreement will mean that StrongPoint's grocery retail customers in the Nordics and Baltics will access additional implementation support from Hörmann Logistik, and StrongPoint will provide Hörmann Logistik with grocery retail expertise for their micro-fulfillment implementations in the DACH region.

Q3

The increased marketing activities during the past 6 months, in addition to the announced Glovo contract, have led to increased customer attention especially for StrongPoint's Order Picking solution. The Order Picking contract with one of the top 10 grocery chains in Spain proves that the software is highly competitive and will enable groceries chains to leverage their stores to capture and grow online sales. Despite a lower e-commerce delivery in Q3, the interest of both Order Picking and Click & Collect lockers remains high and more than 10 pilots with large grocery retail chains are ongoing.

The first pilots for StrongPoint's Self-Checkout (SCO) solution were installed during the quarter at multiple stores within the GM Food retail chain in Spain. Some of the pilots included SCO with the ability to receive cash, as well as card, as payment method.

StrongPoint's partner Bullion IT continues their success with the StrongPoint CashGuard solution with their sale to one of the largest banks in South Africa of 250 units to be delivered during first half of 2022. In addition, REMA 1000 in Norway signed a long-term framework agreement ensuring that StrongPoint will be the main supplier of Cash Management solutions going forward.

Q4

Swedish retailers have been using StrongPoint's Order Picking solution for many years. In Q4, COOP Sweden, one of the leading Swedish grocery retailers, renewed and expanded its e-commerce technology contract. Based on this contract, StrongPoint will provide software, service and support for the next 5 years. The contract also underlines that StrongPoint has 100% retention rate on the software, confirming that the solution meets the retailers' efficiency requirements.

In Q1 2021, StrongPoint announced a partnership agreement with Glovo, one of Europe's largest "quick commerce" players. During 2021, development of necessary integration with Glovo was completed, and in Q4 the final testing which also included the third-party retailer Carrefour was finalized with success.

Gordon Delivery, a leading refrigerated last mile delivery provider, is now expanding their delivery offer with Pick-up-stations for groceries with temperature controlled grocery lockers from StrongPoint. In the first stage, Gordon is launching their Pickup stations in collaboration with grocery retailer Coop Sweden. Coop's customers can already choose Gordon's Pickup as a delivery option in the webshop.

Q&A on the future of grocery retail

What has happened in the last year?

Overall, the trends have been similar to the year before. Demand is up almost everywhere. However, although the demand is up it hasn't necessarily translated into immediate large-scale investments but rather a change of overall direction.

Firstly, we are seeing pilots being extended. This to me says that grocery retailers are pausing their strategic investments whilst they wait to see what the state of the market is after the impacts of Covid have been removed.

Secondly, we have seen a massive uptick in click & collect vs home delivery. Both segments have grown but it's the pickup options that have grown faster and in some markets, overtaken home delivery as the overall preferred choice.

Thirdly, the market for automation has been completely transformed. Previous to the pandemic the trend was towards large-scale automated warehouse solutions to serve many people in a highly concentrated area. Now that model is largely been replaced with 'micro-fulfillment'. These are smaller-scale automation that allows grocery retailers to leverage their current store or warehouse infrastructure and build more automated solutions across a larger swathe of the population. Essentially automation has gone smaller and closer to the end consumer.

What are your predictions as Covid-restrictions are gradually lifted?

We will definitely see a reduction in overall e-commerce spend, as has been seen in many markets already. However, overall the people that have gone online are going to go online for good. Driven by the pandemic, they will remain e-grocery customers due to the convenience.

This means that grocery retailers will be looking at ways to capture this demand and make it as profitable as possible. We have already seen a mega-trend towards click & collect but not all click & collect solutions are equal. Sweden has been a global outlier in terms of grocery locker penetration. We still believe that other markets will follow this trend once they fully understand the potential of efficiency savings the lockers provide.



What does the online trend mean for brick and mortar stores in the future?

Last year I said efficiency, efficiency and more efficiency and I stand by this. The pressure on retailers' store margins before the pandemic was high and the pressure has only continued. The demand for contactless – or as contactless as possible – solutions in-store also are increasing. Similar to the e-commerce trend, it may have been initially driven by health and safety concerns but consumers are increasingly appreciating the convenience. Contactless solutions mean automation and through automation comes efficiency savings for the customers too.

The pandemic has also driven people to appreciate the role that stores play in their local community. We believe that in-store solutions are not limited to customer-facing solutions but increasingly automated back office or repetitive work. This is what drove us to partner with Halodi Robotics and have seen significant interest from retailers to trail the solution.

Jacob Tveraabak
CEO

We improve the shopping experience in stores and online



1 Self-Checkout



2 Electronic Shelf Labels



3 Vensafe



4 Task & Workforce Management



5 Cash Management



6 Halodi Robot



7 Fixed Grocery Lockers



8 Online Order Picking Solution



In-Store solutions



Self-Checkout

StrongPoint's Self-Checkout solutions improves the customer experience and helps to reduce costs. StrongPoint offers hardware and software solutions, which can be used independently or together. We also use advanced AI solutions for fraud prevention, item recognition and age verification for restricted items.



Halodi Robot

StrongPoint and Halodi Robotics are working together to commercialize a humanoid grocery retail robot with the primary function of reshelving in-store, an operation which currently requires 30% of all labor hours in a grocery store. By allowing the reshelving robot to perform mundane and repetitive tasks, more time can be spent with helping the customers and improving the value proposition of the store.



Vensafe

StrongPoint's Vensafe automates in-store sales of restricted and theft-prone products, such as tobacco, pharmaceuticals, and other high-value items. It allows stores to sell these products safely and responsibly in both traditional checkouts and in unmanned environments, like self-checkout lanes or checkout-free stores. Vensafe increases store productivity, enhances the customer experience, and eliminates shrinkage.



Cash Management

StrongPoint's CashGuard is the fastest and most reliable Cash Management system on the market. It both secures cash and automates cash handling at checkout, so retailers can stay in control and eliminate shrinkage. Lower-priced solutions including Compact and Unico are also available. The user-friendly back office software helps keep track of all cash movements within the store.



Task & Workforce Management

Reflexis' Workforce Management Tool and Task Manager are the industry's leading store operations solutions. The comprehensive solutions simplify workflows by enabling retailers to manage by exception and execute tasks and checklists in real-time.



Electronic Shelf Labels

Pricer's Electronic Shelf Labels (ESL) ensure the same price is always displayed on the shelf and at checkout. ESL enable the retailer to save time and improves customer experience through accurate and reliable pricing. Pricer ESL shelf-edge communication platform offers much more than price automation, and includes powerful tools for geolocation positioning, in-store navigation and flash for promotions and tasks.

Note: StrongPoint delivers also in-store solutions such as DIGI scales and wrapping systems.





E-commerce solutions



Automated Fulfilment

As a partner of AutoStore, StrongPoint offers hyper-efficient micro-fulfillment solutions tailor-made and purpose-built for grocery retailers. Combining micro-fulfillment with StrongPoint's best in-class Order Picking solution, all online grocery orders can be processed at world-class levels of efficiency.



Order Picking

StrongPoint Order Picking allows retailers to pick more items in less time, cutting costs, boosting profitability for grocery e-commerce. The solution can be used in stores and dark stores and allows for hands-free picking of multiple orders.



Grocery Lockers

StrongPoint's Click & Collect Lockers offer a more convenient way for customers to pick up online orders. They cut the cost of last mile deliveries by automating the delivery process and turning stores into distribution points. Click & Collect Lockers can be mobile or stationary and can be set to one of three temperature zones: ambient, chilled and frozen.



Home Delivery

StrongPoint's Home Delivery solution optimizes the home delivery of groceries to the customer. The solution offers support to the grocery retailer in handling multiple delivery slots, vehicles and pickup points and optimizes the driver routes. The system includes two-way communication allowing the customer to communicate to the driver any change of details regarding how or where to deliver the order and support with retaining the cold chain throughout the delivery.



In-store Pickup

StrongPoint's In-Store Pickup solution allows any store anywhere to automate its instore pickup operations for fast, seamless, and efficient service and maximum customer experience. The system includes two-way customer communication allowing the customer to alert the grocery retailer when they are about to come to pick up their order.



Drive-Thru

StrongPoint's Drive-Thru solution allows grocery retailers to provide a completely contactless and automated solution for customers to pickup their groceries at their store. The system uses AI image recognition, so the store is automatically alerted the moment the customer enters the pickup zone.

Three dominating grocery retail e-commerce trends

Challenge / Opportunity	Recommended Strategies	StrongPoint's Value
 Retailer  Quick Commerce		
Trend #1 – A focus on operational efficiency and profitability		
 Retailer - Grocery e-commerce challenges the profitability of traditional retailers' - Industry faces many labour, cost and price pressures  Quick Commerce - High customer acquisition costs and high capex - Inefficient and costly processes	- Optimise and simplify - Review processes - Automate - Mitigate costs - Incentivise consumer behaviour	- Mitigate costs - Simplify onboarding - MFC process and layout - Automate - Innovate and incentivise consumer behaviour
		 Order Picking - SaaS  Q Com Order Picking - SaaS  Grocery Lockers - LaaS  MFC (AutoStore Micro-Fulfillment)  Workforce management
Trend #2 – Quick Commerce continues to grow		
 Retailer - Access new customers and the convenience market - As it becomes more widespread shopper missions are diversifying - Protect your high margin sales  Quick Commerce - Highly competitive - A need to rapidly and cost effectively expand and gain market share - Onboarding challenges - A need to differentiate	- Playbook - Market Analysis - Partner - Launch - Invest / Acquire - Constant re-evaluation	- Establish partnerships for the building blocks required to: - accelerate your offer - reduce onboarding time and cost - Enable your riders
		 Order Picking - SaaS  Q Com Order Picking - SaaS  Grocery Lockers - LaaS  MFC (AutoStore Micro-Fulfillment)
Trend #3 – Sustainability in the last mile		
 Retailer - Grocery retailers are under pressure to reduce their environmental impact - A need to align with more environmentally conscious consumers	- Localise - Incentivise - Delivery Methods - Share - Test	 Mobile lockers  Grocery Lockers - LaaS  MFC (AutoStore Micro-Fulfillment)  StrongPoint Route Manager

E-Commerce Logistics

The market today

The demand for online order fulfilment of groceries and non-food retail continued to increase during 2021.

Earlier worries in the market that the online order trend was a fluke has in 2021 once and for all been removed, as online sales continued to reach all time high on a global level and exceeding all previous levels of penetration.

With the high levels of stickiness associated with buying online, grocery retailers and Q-commerce (ultra fast delivery) players alike needed to find ways to ensure profitable online fulfilment in the fastest, most efficient and sustainable way.

In the wake of this we have seen an increased global interest for our solutions for online fulfilment – both the hyper efficient Order Picking solution and the StrongPoint Grocery Lockers. And with customers such as Axfood (Willys AB) in Sweden referring to the lockers as THE reason for a profitable e-grocery operation we expect an even higher interest in the market in the coming months.



Amanda Cremon Lundblad
SVP International Expansion

Future outlook

In the future we foresee that, if not all then many, of the worlds largest retailers (grocery/non-food) will be required to step up their game even further to meet the growing demand for online orders to be delivered in a customer friendly, sustainable and speedy way – all the while ensuring profitability.

Not an easy equation, however we believe that our full E-Commerce offering is really positioning us as a fantastic partner for many of these retailers globally as we can today cater for almost any e-fulfilment needs; from automated MFCs with our new partners Autostore and Hörmann Logistics to our hyper efficient “best-in-class” instore order picking solution – and in combination with our innovative last mile offering with mobile and fixed grocery lockers, automated drive-thru and smooth instore pickup.



About our E-Commerce Logistics Solutions

StrongPoint provides an end-to-end e-commerce order fulfillment solution, purpose-built for grocery retailers fulfilling online orders. This includes a solution for in-store and dark store picking of online orders, multiple store pickup solutions including Temperature-Controlled Grocery Lockers, In-Store Pick Up and Drive-Thru, and a Home Delivery Solution. The suite is fully modular so retailers can choose to implement a single, multiple or the full range of solutions.

The suite is furthermore completely cloud-based and can easily be integrated into any grocery retailer's existing e-commerce infrastructure. Our Order Picking Solution is truly world-class and is designed for maximum efficiency.

It cuts costs by reducing the labour needed to fulfil orders, helping retailers achieve profitability in the online space.

In addition, StrongPoint offers multiple last mile options and is one of the world's first producers of a Click & Collect Locker Solution purpose-built for grocery retailers. StrongPoint is also the world's first provider of mobile grocery lockers. All StrongPoint lockers are built to withstand the most extreme temperatures and have been deployed in some of the most unforgiving of weather conditions – including in countries touching the arctic circle, and the heat of southern Europe. The solution has been developed to maximise efficiency savings for grocery retailers, whilst providing an unbeatable customer experience.

StrongPoint is also a Nordic and Baltic regional distributor of AutoStore, a Micro-Fulfillment solution.



About our Self-Checkout Solutions

StrongPoint provides Self-Checkout tills under the StrongPoint brand, and self-dispensing machines under the brand name Vensafe for selling tobacco and high theft risk or restricted items.

In response to the global COVID-19 pandemic, we expanded our Self-Checkout proposition in 2020. Our AI-driven computer vision solutions offer both age verification and non-barcoded item recognition, making grocery shopping safer and faster.

One of the main product differentiators is our proprietary fraud prevention algorithm. It identifies and learns scanned product weight, and alerts shop

attendants only in high-risk situations, making the customer experience as efficient and fast as possible. Another point is our new generation Self-Checkout software, optimised for faster item scanning or product selection from picklist process. This allows 3x faster shopper throughput than our competitors.

Our Self-Checkout tills are integrated into our Vensafe dispensers which, with the use of age verification technology, allows stores to be even more productive and move tobacco and other age restricted items from a manned counter to self-service. This also helps to create a low-contact shopping trip for consumers.

Checkout Efficiency

The market today

During the COVID-19 pandemic, many customers shifted their preference to low contact self-service checkout options – if they were available. Some even changed their shopping trip destination, as self-service solutions became a deciding factor when choosing a shopping location. Another trend we have observed is that a larger share of shoppers use self-service even for larger baskets with over 20 items.

To meet this demand, we have continued improving the speed of our solutions taking advantage of computer vision and AI technology to create a more seamless and lower contact shopping experience. This also includes looking to deliver smart carts or smart trolleys and, as our north star, fully autonomous checkout free installations.

As self-checkout becomes more and more popular, the ability to access age-restricted items becomes more important. Our Vensafe Collection Points we see as an ideal addition to a self-checkout as well as an option to integrate with staffed till as it simplifies and speeds up the overall process.



Julius Stulpinas
SVP Technology and
Supply Chain

Future outlook

Firstly, the seismic changes in labour market in post-Covid era and rising shortages of staff members and thus increasing costs will mean that retailers need to improve in-store efficiencies to keep EBITDA levels acceptable. Self-checkout solutions are an obvious step that helps by both reducing in-store costs, relieving the need for additional labour and provides a solution that customers love while maintaining high level of shopper throughput. These are crucial ideas driving our development roadmap.

As Scan & Pay mobile shopping is getting more popular as the technology matures, the need to offer age restricted items without manual intervention which have a negative impact on both shoppers and store efficiency. To offer Vensafe Collection Points through the Scan & Pay app in the same way as in traditional stores is an idea for the future.

Whilst there is a lot of buzz around fully autonomous stores, the technology is still quite expensive for large scale rollouts or is limited to small store sizes. But rapid developments and increasing count installations will improve the technology and drive costs down, making it a viable alternative.

In-Store Productivity

The market today

In-store productivity solutions, that previously required local installed software, are now increasingly Cloud-based. Large customers have lately been migrated from OnPrem to the Cloud, and new installations are primarily delivered as a Cloud service. There are multiple Cloud benefits including faster rollout, no need of local hardware and central operation that provides full control of upgrades and security.

Electronic Shelf Labels (ESLs) from our partner Pricer are used by most grocery retailers in Norway and Sweden, and we see a growing market also in the Baltics and Spain. Grocery retailers have achieved cost-savings and improved customer experience by benefiting from more accurate and reliable pricing, and we see spillover effect to other retailers. Do-it-yourself (DIY), Electronics, Pharmacy and Convenience are now starting to use Pricer ESL for price automation.

Scales & Wrapping systems from Digi are increasing due to higher demand for self-service, grab-and-go and prepared meals in-store.

Task & Labour Management is based on Reflexis, a cloud based software, from Zebra. StrongPoint experience a growing interest from grocery especially for Task Management.

Shopflow logistics offers retail chains brand new ways of greeting and assisting customers in-store. Staff can view the stock balance for every variation of a product in their store, nearby stores or online – all in one mobile device. Customers' web orders for in-store retrieval can be managed as well. Omnichannel all the way to the shop floor!

Future outlook

Grocery has extensive experience with ESL and are now looking to gain further operational efficiency by using more of Pricer for Dynamic product positioning and flash for product promotions, shelf replenishment and online order fulfillment. Pricer shelf-edge communication platform can also be used to reduce food waste. Markdown products can easily be found by combining expiration date with dynamic pricing, product positioning and instant flash.

StrongPoint experience that existing products reaching maturity has gained extended product life cycle through innovation. In-store scales installed with camera, AI-product recognition and self-learning software, automatically identifies the fruits and vegetables on the scale. This optimizes the process and makes self-service frictionless, faster, secure and improve customer satisfaction. The same solution may be used at picking for eCom fulfillment, manned and self-service checkouts as well as unmanned 24/7 stores.



Gisle Elvebakken
SVP Norway



About our In-Store Productivity Solutions

StrongPoint sells and implements In-Store Productivity Solutions that enable stores to be more efficient and provide better customer experiences. This includes Electronic Shelf Labels (ESL) from Pricer, in real-time store operations and workforce management solutions from Reflexis and weighing scales and wrapping solutions from DIGI.

Pricer ESLs enables retailers to have full control over pricing and help them save time with automatic price updates and faster stock replenishment. This also improves the customer experience through more accurate and reliable pricing. ESLs are also an integral part of our Order Picking Solution as they support a flashing function which helps store workers locate items when picking online orders.

Reflexis Real-Time Task Manager is the leading task management solution designed to simplify work, enhance frontline communication, and empower productivity for retailers. The solution helps to streamline communications, improves task execution, tracks compliance, and delivers insightful analytics for the store management.

DIGI scales and wrapping solutions help to make stores more efficient by making the weighing and wrapping of fresh items easier, faster and in a more sustainable manner. In addition, their scales are an integral part of Self-Checkout Solutions and StrongPoint's E-Commerce Click & Collect Locker Solution.

Payment Solutions

The market today

We are seeing demand for customer-facing cash management solutions, which we are serving with two different models: Unico and Compact.

To meet market demand, we are also introducing a more modern touch solution with bulk coin feeder, CashGuard Core. This solution inherits the best features of our CashGuard Premium, like exceptional speed and time proven reliability. The system's footprint has been reduced to better fit into a larger variety of shops and stores.



Julius Stulpinas
SVP Technology and Supply Chain

Future outlook

Our next generation cloud-based software Suite will enable retailers to get real-time information about cash levels and manage cash management related operations at a checkout, store or chain level. It will also monitor CashGuard systems at stores and provide automatic alerts to the user when preventative maintenance is needed, providing better service to our retail customers.

CashGuard Core has been released for the Swedish market and can be seen in supermarkets all over the country. Next up is the release for our Spanish market.

About our Payment Solutions

StrongPoint provides a Payment Solution under the brand name CashGuard, which helps retailers focus on their business – not the cash handling. There are many vulnerabilities when handling cash including errors, shrinkage and robberies, and our CashGuard helps minimise or eliminate those issues. With CashGuard, the cash is secured and put through an automated process, with no human involvement at the checkout.

Since every transaction is automated, the owner gets real-time information about cash levels. Our back-office software Store Manager shows an overview of cash levels at a checkout, store or chain level. With CashGuard, cash-handling operations are cut by 50%, and every banknote is counted once automatically.

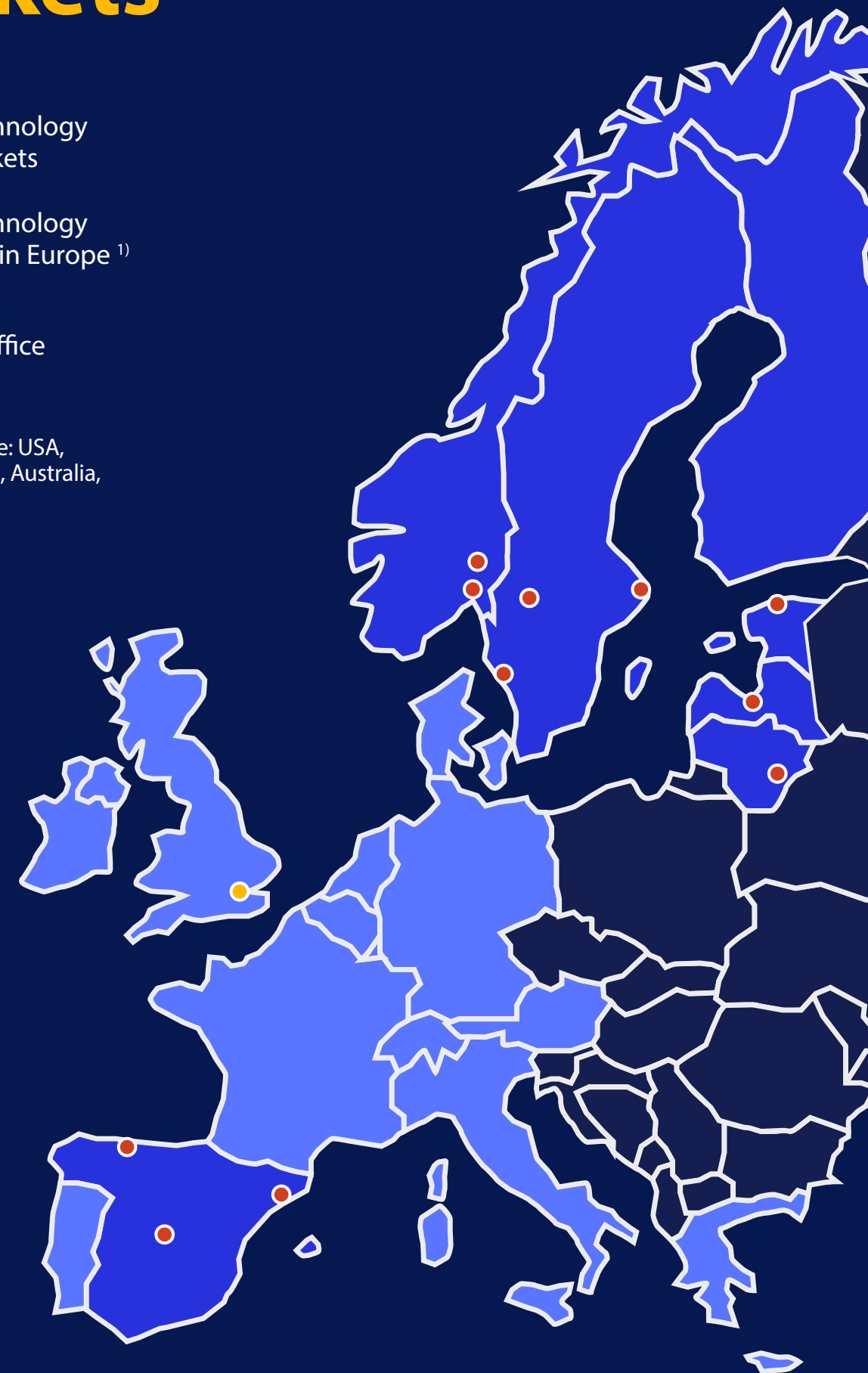
The system is the fastest and most reliable in the market, reducing cash handling by up to 30% compared to a manual cash drawer. This also helps to reduce waiting time for end customers.

We provide numerous variations of the CashGuard solution, purpose-made for specific retail sectors. This includes CashGuard Core, CashGuard Premium (for supermarkets), CashGuard Unico (for “over-the-counter checkouts” such as in restaurants, pharmacies, bakeries and petrol stations), and CashGuard Compact (for stores with limited space and need for high transaction speed). CashGuard Premium is the fastest and most robust solution in the market.

Markets

- Retail Technology - Key markets
- Retail Technology - Partners in Europe ¹⁾
- Offices
- Satellite office

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



Norway

What do you see as the key trends facing the grocery retail sector in Norway?

The key trends we are seeing in Norway are:

- Further development of self-service
- eCommerce of grocery will gradually gain more market share
- Cash is far from dead

Self-service checkouts (SCO) have until now primarily been present in larger grocery stores, but will increasingly be used in smaller stores, convenience, discount and specialized trade. Customers are getting used to self-service and expects a faster checkout process with fewer staff interventions. StrongPoint uses machine learning and AI product recognition to optimize the checkout. The increase in self-service also drives the demand for in-store scales and Vensafe.

eCommerce of grocery will gradually gain more market share as established grocery retailers (brick-and-mortar) will have to step up not to lose further market share to pure-players (ODA), meal kits (HelloFresh, GodtLevert) and quick commerce (Foodora, Wolt). Established players have been hesitant to fully embrace e-commerce, however StrongPoint believe this is changing and expect increased deliveries of order picking and last mile solutions in 2022.

Even though most prefer to use card and mobile payment, cash is far from dead. StrongPoint Norway is experiencing a stable demand for cash management solutions largely driven by in-store banking and self-service. In-store banking allows customers to make a deposit or withdraw cash at a store. Cash handling and cash-in-transit (CIT) is expensive, and retailers limits the need for such services through CashGuard automatic handling and securing of cash. Customers using cash wish to do so also at SCO, which also drives the need for self-service cash management.

What kind of solutions do you think grocery retailers are going to be in most need of in the future?

StrongPoint expect the in-store shopping and checkout process will change quite a lot in the years to come. Shop & Go is a self-service concept that allows customers to scan and pay using their smartphone, or even having cameras detecting automatically what you put in your bag. We see that there is a growing market for more self-service, unmanned and 24/7 grocery stores also in Norway, where camera and sensor-based AI-based product recognition and machine learning technology is used to make the checkout process frictionless, faster and secure.

As the grocery eCommerce market grows, we expect increased demand for picking in dark stores as well as Micro-fulfillment Centers (MFCs) solutions such as AutoStore.

Sustainability solution is a trend that is growing quickly. One solution to reduce packaging waste that is expected to grow is frictionless bulk sales with "bring your own container" of detergents, soap or products like grain. Several Food Waste initiatives has been launched and we expect that AI-based algorithms to optimize the purchasing and pricing of products with short shelf life will help retailers to reduce food waste even more.



Gisle Elvebakken
SVP Norway

Sweden

What do you see as the key trends facing the grocery retail sector in Sweden and what kind of solutions do you think grocery retailers are going to be in most need of in the future?

Retail is facing major structural change, new technologies and solutions will create opportunities and at the same time put pressure on retailers to adapt and develop their business' to customers' expectations and new behaviors.

Online continues to grow

Entering year three of the pandemic, Online share of retail sales continue to soar and retailers that have invested in attractive and efficient end-to-end customer journeys have generally been more successful than pure brick and mortar players. The pandemic has accelerated change in customer behavior and one key driver for online sales growth has been that new customer segments have become heavy users of retailers' e-commerce offering.

Q-commerce and grocery retail

Urbanization and lifestyle changes is driving customer demand for ultra-fast, local and super-convenient last mile solutions. The last few years Q-commerce, or 3rd generation e-commerce, have be exploding with covid further accelerating customer demand. Q-commerce can be defined as a customer centric, fast delivery of on-demand orders, satisfying the here-and-now need of customers. It started with Food & Beverage, but it is growing to into other categories such as Convenience, Grocery, Pharma and Non-food. Typically, orders are significantly smaller compared to traditional e-commerce and they are delivered within an hour or less after ordering.

Note: Göran Thörn retired March 1 2022, and he was replaced by Magnus Rosén.

Sustainable Last mile options

Lower CO2 emissions with eco-friendly delivery distribution across fleets. Optimise by vehicle type, coverage area, cost and more. These are all issues retailers are facing when addressing the last mile of their steadily growing online business. Among Swedish grocery customer we can see that more and more online orders are being picked up, and delivery slots are often given in a two hour span leading customers, that don't want to wait at home, to select the pickup option. A clear trend is that pick-up stations, such as lockers, are now not only found in direct proximity to grocery stores. Lockers are now being installed where people live, in shopping malls, at an office complex or on the way home from work.

Frictionless check-out and fully automated stores

Fully automated and unmanned supermarkets is a concept that is here to stay. All the major grocery retailers are today testing and running unmanned concept stores. There are different levels of automation, there are stores where everything is controlled and monitored by sensors, cameras and scales so that whatever a customer picks up is automatically added to the shopping basket.



Göran Thörn
SVP Sweden





The Baltics

What do you see as the key trends facing the grocery retail sector in the Baltics?

A receding pandemic is, step by step, leaving its challenges behind. A new e-commerce reality has pushed the retail sector to look for ways how to improve customer experience, optimize the processes and accelerated the direction toward innovations.

E-commerce customers are becoming more demanding, and retailers have no other choice but to meet their needs. Therefore, larger options and points were introduced for the e-shoppers to receive their orders: home delivery, lockers, pick-up without stepping out from the car and others. Here we still see an untapped potential for grocery lockers in the market to meet the groceries e-shoppers' demands. New established dark stores and dark kitchens lead to a new expectation – q-commerce. To receive the orders quickly within hours or even less.

What kind of solutions do you think grocery retailers are going to be in most need of in the future?

Challenges demand solutions to solve them. Therefore, we are almost certain that this year will be a breaking point for electronic shelf labels in the Baltics. We have seen various chains and retail segments piloting Pricer ESLs at some stores or departments and proving its benefit. Therefore, bearing in mind the challenges in sourcing employees for stores, seeking to be more efficient and sustainable, retailers should move to the broader rollouts of electronic shelf labels.

Tobacco sales automation with Vensafe in front is another direction that should be very relevant in retailers' in-store development. Having a dedicated department for tobacco products sales, managing the stock and creating additional lines is an inconvenience both for shoppers and retailers. And some glimpse to the future. Stores customers very quickly

get used to seamless shopping processes. It becomes more and more frictionless with many innovations being introduced. The natural next step is unmanned stores. What seemed like a futuristic vision that might come to the Baltics only years later, suddenly is knocking on the door. We are seeing first attempts to test one or another cashier-less store concept. Therefore, I am certain that we will be able to shop in more different unmanned stores here in the Baltics soon.



Rimantas Mažulis
SVP Baltics



Spain

What do you see as the key trends facing the grocery retail sector in Spain?

Most of the efforts to transform the sales floor and the shopping experience considering an omnichannel perspective in Spain are evolving around 'ultra-fast' 10 - 15 minutes deliveries – where the original 'ultra-fast' during 2020 was the two-hour from Amazon Fresh - and the elimination or simplification of the checkout process.

The emergence of Q-commerce players like Gorillas or Getir in the grocery retail industry is transforming the consumer expectations and behavior rapidly. When analyzing the online shopping process, there are some key friction points for the consumers: they do not like to pay shipping costs nor do they to wait at home to receive their purchase, and delivery times are still too slow. Queues for payment and the process of scanning and bagging products are the instore obstacles that consumers are currently rating most annoying.

In both types of shopping, there is a common factor which is that consumers want to choose among different delivery options and type of checkout process as their needs are changing constantly. At the same time, we see that traditional grocery retailers are no longer hesitating to start on the e-commerce adoption and as they are already aware of the low profitability, they are looking for ways to optimize it from the beginning.

One last trend is the increasing closure of bank branches which prevents retailers from carrying their cash to banks quickly and safely. Until now, mainly the large chains have opted for cash in transit companies' services and mostly only the restaurant chains have opted for the automation of

cash management. This is changing because although the volume of cash has decreased with the pandemic, it is still a major issue to be solved.



Lorena Gómez
SVP Spain

What kind of solutions do you think grocery retailers are going to be in most need of in the future?

I believe there is going to be an alignment between consumer and retailers needs where Last mile solutions like click & collect lockers will help both improve customer experience and start making e-commerce more profitable while reducing delivery times.

The uncertainty about the duration of the pandemic will most likely also spur demand for self-checkout solutions in which the customer performs the scanning and bagging of products, avoiding contact with employees and speeding up queuing time.

Lastly, I think there is still an opportunity to implement solutions around cash management which includes services that help retailers, not only to control the whole cash flow of their stores network but also to optimize operations around cash and offer a more secure working environment to their employees.

Retail technology with responsibility

StrongPoint is a retail technology company. Our purpose is “Retail technology in every shopping experience for a better and smarter life”. We provide solutions for retailers that simplify the way they do business, make day-to-day work for their employees easier, and in with regards to certain products, safer. With a revenue of 1.0bn NOK and 400 employees across more than 10 locations we have a responsibility as an employer and contributor to local value creation in the societies where we operate.

ESG is an acronym for Environmental (E), Social (S) and Governance (G) factors. Our corporate purpose has a strong link to both E, S and G. We can only be successful if we act responsibly and in accordance with our customers, the society, and other stakeholders’ values and best interests.

Finding creative technology solutions that help retailers in a wide range of areas, including supporting basic needs like access to food, drinks and other essentials is part of this responsibility. When a global pandemic disrupts business and society, developing new solutions to increase customer safety and provide access to essentials is more important than ever.

In StrongPoint we see a growing interest in ESG from stakeholders. Increased awareness of the UN SDG’s, WEF’s report on stakeholder capitalism, the EU taxonomy as well as our recent commitment to the UN Global Compact has increased the internal focus on ESG across our business activities. The Covid-19 pandemic has also affected how we as a company view and act on our responsibility to society and has particularly challenged our approach to our working environment.

Sustainability is an integrated part of our core business. This means that both economic, social and environmental aspects are considered before decisions are made. To make sure we live up to our commitments, the Board of Directors keeps an annual plan for its work. This includes recurring topics such as compensation and benefits, diversity and inclusiveness, health and safety, people strategy, and environmental impact.

This report has been prepared according to the GRI Standards and the Euronext (Oslo Børs) ESG Guidelines and covers sustainability topics that are of importance to StrongPoint and the company’s stakeholders, based on insights from our systematic stakeholder dialogue and the materiality assessment originally carried out in January 2021.

These topics are summarised into the following overarching material themes for StrongPoint’s sustainability report:

- **Employee workin environment**, including health and safety
- **Product innovation**, quality and safety
- **Corporate governance**, including ethics and anti-corruption
- **Environment and climate**, including emissions and waste management

Setting priorities is at the heart of building a better future and we have set goals and targets for each of the above-mentioned material themes that are a balance of realistic and ambitious. Key examples from this year’s report are our ambitions for environmental and climate impact, starting by improving how we monitor and report on these aspects. Another key aspect for us is maintaining a good working environment. After a challenging 2019/2020 with major change happening within the StrongPoint organisation, we are particularly proud to see lower levels of employee turnover and absence due to illness in 2021. In addition we have added automated fulfilment solutions to our product offer, which has an overall net positive impact as it helps to reuse dead space rather than the need to build new facilities. Our ambition is to maintain a low employee absence rate and to increase the level of employee engagement going forward.

For many of our targets we have already started our improvement journey, but we do recognise that this is an ongoing commitment where all parts of StrongPoint are responsible for integrating sustainability in their daily work.

This report is our public commitment to continuously improving our business, while remaining true to our purpose of simplifying and improving the way retailers do business.



Jacob Tveraabak
CEO of StrongPoint

Jacob Tveraabak
StrongPoint CEO

About the ESG report

This is StrongPoint ASA's (StrongPoint) third sustainability report and applies to the reporting period 1st January to 31st December 2021. This report is prepared in accordance with the Global Reporting Initiative's (GRI) Standards Core version. The report also adheres to the Oslo Stock Exchange's Euronext Guidelines. For GRI index, please visit the GRI database or see the end of this report.

StrongPoint's sustainability report has been reviewed and approved by the Board of Directors together with the annual report. The claims and data in this report has not been audited by a third party.

For information about this report and its content please contact StrongPoint ASA and CEO Jakob Tveraabak or SVP People and Organization, Knut Olav Nyhus Olsen. Both their contact details can be found on the StrongPoint website.



Knut Olav Nyhus Olsen
SVP People & Organization,
Marketing and Communication



Euronext

Euronext has established the Euronext guidance on ESG reporting of January 2020 which we follow. Investors increasingly expect companies to recognize and address, in a responsible way, short- and long-term risks and opportunities in relation to environmental, social and governance factors that impact long-term value creation, and the stock exchange therefor have established guidelines for listed companies.

Read more: euronext.com



GRI – The Global Reporting Initiative

GRI – The Global Reporting Initiative maintain the world's most comprehensive sustainability reporting standards. It is used by approximately 75 percent of all Global Fortune 250 (G250) companies and was also the first global standards for sustainability reporting. The GRI standard follow an independent, multi-stakeholder process.

Read more: globalreporting.org



United Nations Global Compact (UNGC)

United Nations Global Compact (UNGC) aims to mobilise a global movement of sustainable companies and stakeholders to create the world we want. To make this happen, the UN Global Compact supports companies to: Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption, and take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

Read more: unglobalcompact.org



ISO - The International Organization for Standardization

ISO - The International Organization for Standardization develop and publish International Standards in various fields. The ISO 9000 standard is the world's best-known quality management standard for companies and organizations and ISO14000 improve companies' environmental management.

Read more: iso.org

About StrongPoint

StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient. StrongPoint provides a world-class end-to-end grocery e-commerce suite, including in-store and dark store picking solution and multiple last-mile options from instore pickup to home deliveries. The company is also the world's first provider of mobile Click & Collect Grocery Lockers.

With 400 employees in Norway, Sweden, the Baltics and Spain and a wide partner network, StrongPoint supports businesses in more than 20 different countries. StrongPoint is listed on Oslo Stock Exchange with a revenue of 1.0bn NOK [ticker: STRO].

About StrongPoint's solutions

StrongPoint provides in-store cash management and payment solutions, self-checkouts, task and labor management software, click & collect temperature-controlled grocery lockers, in-store and drive-thru grocery pickup solutions and, grocery order picking solutions and automated fulfillment.

Locations

StrongPoint is headquartered in Rælingen, Norway, with offices in 6 countries (although we have solutions in approximately 20 countries in total – these however are managed via partners). In the smaller European markets, StrongPoint is represented by local agents and partners. For larger customers and in the Nordic countries, StrongPoint is the main point of contact for customers.

The company's employees are primarily located in Norway, Sweden, the Baltics, and Spain. At the end of 2021, StrongPoint had 400 employees, with 79% men and 21% women.

Locations	Number of employees		
	2019	2020	2021
Norway	82	81	59
Sweden	222	168	122
Baltics	183	179	191
Spain	44	34	28
Group total continued operations	531	471	400

Revenue 2021

- Operating revenue: KNOK 981,339
- EBITDA: KNOK 53,625
- Equity ratio: 58.9%

Economic impact and tax information

StrongPoint's economic impact is covered in the company's annual report. Payroll and social security expenses is covered in Note 9 of StrongPoint's annual report 2021. Tax information can be found in Note 26 in the annual report.

Supply chain and markets served

StrongPoint serves the retail and e-commerce sector. The company produces a wide range of services to different lines of business including food and beverage, beauty and health, sports and the manufacturing industry. StrongPoint's supply chain starts with the sourcing of materials and extends to the distribution of StrongPoint's products to customers throughout Europe. StrongPoint's key markets are Norway, Sweden, the Baltics and Spain.

Corporate governance

Good corporate governance is vital to the success of StrongPoint and as a listed company, StrongPoint has the responsibility to follow all relevant legislation, regulations and standards. In 2021, the Board of Directors (the Board) has reviewed and updated the company's corporate governance practice, which is in line with the Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (NUES recommendations), except where deviations are noted.

StrongPoint's corporate governance principles are determined by the Board and are set forth in the company's management documents. The Board annually adopts a plan for its work, emphasising goals, strategies, and implementation, including the company's ESG approach. Sustainability is an integrated part of StrongPoint's core business and Executive Management are responsible for the follow-up of the company's sustainability efforts on a day-to-day basis. StrongPoint's sustainability approach is also covered in the company's Code of Conduct.

More information about the company's corporate governance strategy, can be found at StrongPoint's website: www.strongpoint.com

StrongPoint's approach to sustainability

StrongPoint's approach to sustainability and ESG reporting is based on the process outlined in the GRI Standards and Euronext Guidelines for ESG reporting – both with emphasis on systematic stakeholder dialogue and reporting topics based on materiality.

Coming from mainly reporting on emissions in 2019, StrongPoint has in 2020-2021 become a signatory of the UN Global Compact (UNGC). The company has focused on involving our stakeholders to discuss our impact and assess our corporate footprint and plan to update our materiality assessment in 2022/2023.

UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development (SDGs) was established by the United Nations in 2015 as a plan of action for people, planet and prosperity and is a commitment to achieve sustainable development globally. From the 17 SDGs, 8 have been identified that best correspond with StrongPoint's business. The company's choice of SDGs is based on an assessment of the underlying targets for each SDG and their link to StrongPoint's identified material topics.

StrongPoint's systematic stakeholder dialogue process

The prioritisation of StrongPoint's stakeholders was done by an interdisciplinary working group composed by StrongPoint employees representing finance, HR, marketing, communication and operations.

Employees. StrongPoint's employees are primary stakeholders that directly affect and are also affected by StrongPoint's internal policies and activities.

Investors/shareholders. StrongPoint's investors are primarily stakeholders and directly affect the company's priorities and strategic direction.

Customers. StrongPoint's customers directly affect the company economically, and customer expectations contribute to setting StrongPoint's sustainability priorities.

Suppliers. Suppliers are directly economically affected by StrongPoint and indirectly affected by the company's focus on responsible business practices and the expectations placed on them.

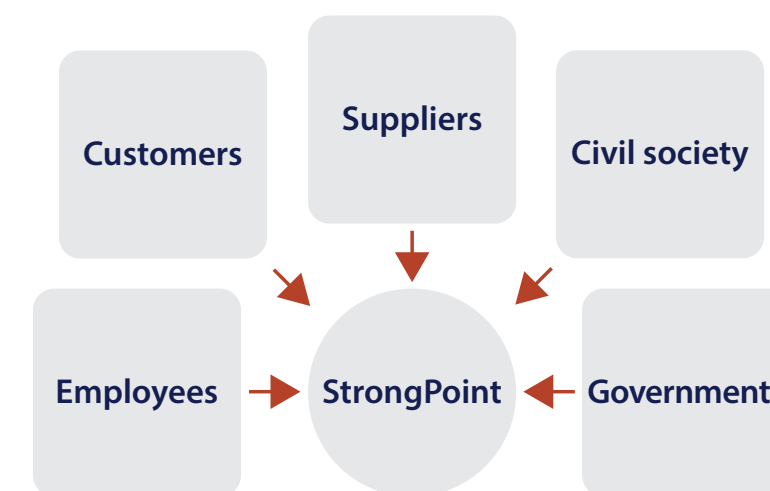
Governments. StrongPoint's operating conditions is directly and indirectly impacted by governments and regulatory authorities through laws and regulations on corporate governance, data privacy, worker's rights and health and safety.

Civil society. Local communities are indirectly affected by the company's activities in job creation, tax payment, and environmental impact.

StrongPoint aims to maintain an active dialogue with the company's stakeholders, as it strengthens the company's relationship with and understanding of the society in which it operates. Stakeholder dialogue is also beneficial as it allows the company to detect, investigate and manage potential risks and opportunities in its immediate surroundings. By sharing experiences and setting priorities together with the company's key stakeholders in the area of sustainability, StrongPoint has set the stage for an inclusive, continuous process for growth and learning.

To ensure a strategic approach to sustainability reporting and to adhere to the intent of the GRI Standards Management Approach, StrongPoint has undertaken systematic stakeholder dialogue in January 2021, speaking to representatives from key stakeholder groups, including employees, customers, shareholders and suppliers, and interviewing them through semi structured phone / video interviews.

The company has also received valuable feedback through customer meetings, partner dialogues, employee surveys and customer feedback, as well as at company events and job fairs, audits and on social media. As collaborating with others provides us with a better understanding of this area, StrongPoint has also connected with industry peers, along with the UN Global Compact Network.



	Expected of StrongPoint	Arena for dialogue
Investors/owners	• Ensure an engaging, healthy and safe working environment for employees to prevent sick leave and high turnover. • Follow laws and regulations in terms of ethical business operations, human rights and anti-corruption. • Continuously work to reduce the environmental footprint of the products and in own operation.	• Sustainability report • Quarterly reports/presentations • Annual reports • Teams/phone meeting • Roadshows
Customers	• Ensure high quality product that are safe for end-user (e.g., food safety, chemical use). • Follow laws and regulations in terms of ethical business operations, human rights and anti-corruption. • Correct waste management (reduce, reuse, recycle).	• RFIs, documentation/ requisitions • Visits (during installation) • Through partnership projects • Ratings, risk assessment • Marketing / communications • Meetings • Website • Newsletters
Suppliers	• Contribute to a sustainable industry. • Work to ensure long lifetime of products. • Correct waste management (reduce, reuse, recycle).	• Supplier audits • Quarterly meetings / audits • Newsletters • Customer meetings / projects
Employees	• Ensure an engaging, safe and inclusive working environment. • Focus on employee training and development. • Follow laws and regulations in terms of ethical business operations, human rights and anti-corruption.	• Townhall meetings • Information from management • AGM • Website • Intranet • Newsletters • Online trainings • Information posters / leaflets
Government/ civil society	• Follow laws and regulations in terms of ethical business operations, human rights and anti-corruption. • Comply with regulations for data privacy (e.g., GDPR). • Ensure safe products.	

StrongPoint's materiality assessment guides the company's ESG priorities

Setting priorities is at the heart of building a better future. Thus, StrongPoint's materiality assessment helps the company set priorities for building a sustainable future. It is a systems-based method that helps organisations identify, prioritise and validate their most significant sustainability impacts, risks and opportunities. Environmental, Social and Governance factors are at StrongPoint treated with equal importance, given the fundamental belief that smaller actions also contribute to the greater good and drive society towards a more sustainable future.

The company is guided by and prioritise in line with the findings from the materiality assessment. This ensures focus on areas that StrongPoint's stakeholders find most relevant and important. By sharing experiences and setting priorities together with stakeholders in the area of corporate social responsibility, the company set the stage for an inclusive, continuous process for growth and learning.

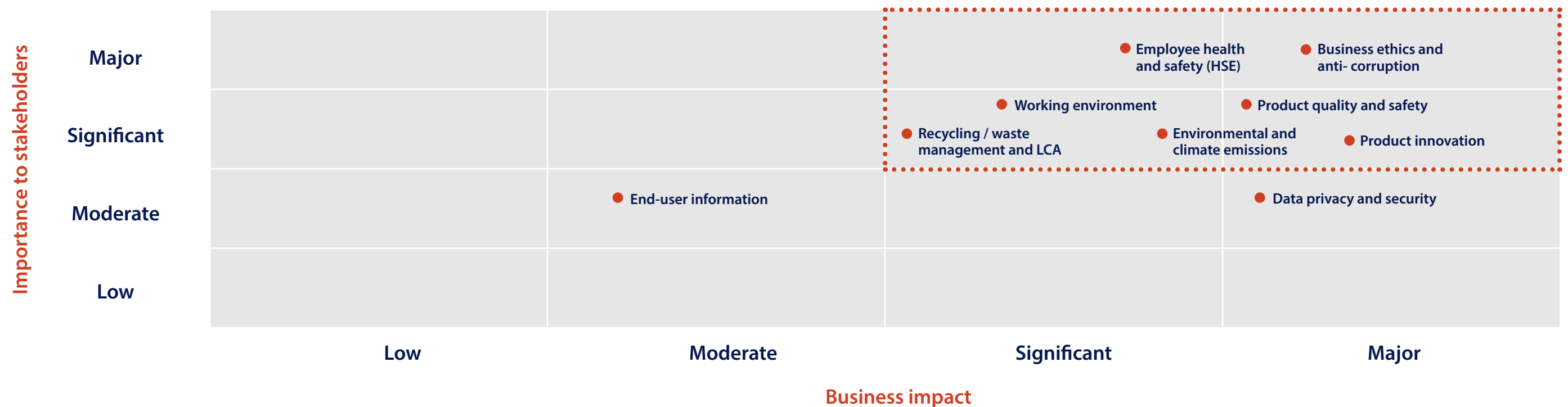
The materiality assessment was carried out in a workshop in January 2021. The aim of the assessment was to establish key reporting themes for StrongPoint that reflect the sustainability topics that matter most to StrongPoint and the company's internal and external stakeholders. The findings from the stakeholder dialogue have guided the discussion and materiality assessment. Multiple interviews have been conducted with stakeholders and the Executive Management Team been heavily involved in making the company's first full materiality assessment.

Based on the stakeholder input and priorities, as well as an assessment of the company's business impact, the materiality assessment concluded with the following overarching topics for StrongPoint's sustainability report:

- **Environment and climate**, including emissions and waste management
- **Corporate governance**, including ethics and anti-corruption
- **Working environment**, including employee health and safety
- **Product innovation**, quality and safety

These topics will be the focus of StrongPoint's sustainability report, describing how StrongPoint considers these topics in overall risk management and strategy processes, the measures taken by StrongPoint to reduce the risks associated with the material issues and how these are integrated in StrongPoint's operational management and corporate governance.

The overall findings from the materiality assessment are presented in the below materiality matrix, with topics considered material for StrongPoint in the upper right section.



Reporting on material topics

The following chapter will discuss each of the overarching sustainability topics and their relevance to StrongPoint, including an explanation of why the topic is considered material, as well as the company's performance today and future goals and KPIs. The chapter includes reporting according to GRI 205 Anti-corruption, GRI 305 Emissions (2016), GRI 403 Occupational Health and Safety, GRI 405 Diversity and Equal Opportunity, GRI 406 Non-Discrimination and GRI 416 Customer Health and Safety.

Environment and climate

StrongPoint's business activities are directly and indirectly affected by and can also affect the natural environment and climate. The need for technological solutions that lower the company's own as well as its stakeholders' environmental footprint represent a business opportunity for StrongPoint but also a challenge. The company's ambition is to reduce direct and indirect negative influences of its business activities on the external environment and continuously seek new ways to minimise negative environmental impact.

StrongPoint's direct and indirect environmental impacts relate to the production, shipment and transportation of products, employee business travel, waste management and the end-of-life treatment of products. StrongPoint's most important indirect environmental impacts in the value chain come from transportation and the end-of-life treatment for some of StrongPoint's products. Combustion of fossil fuels from company vehicles and on-site combustion are the second largest source of emissions.

StrongPoint should at all times act responsibly and adhere to relevant laws and standards relating to the environment. The company will work systematically to ensure that the products StrongPoint manufacture or resell are made by leading suppliers with a clear policy for sustainability in their own organisation and supply chain. Environmental criteria are always considered when selecting partners. StrongPoint has included environmental accountability in the company's SLA/supplier Code of Conduct to reduce the indirect carbon emissions caused by suppliers.

StrongPoint has the ambition to make all of StrongPoint's production facilities ISO certified. StrongPoint does not itself own any production facilities but is dependent on this service from suppliers that source and assemble raw material and components into StrongPoint products. Although StrongPoint does not itself own these production facilities, the company accepts an indirect responsibility in the manufacturing process. For example, StrongPoint can

choose which materials are used to produce their products already at the drawing board / in the engineering phase, and also have influence over how residues are being managed and disposed of, as well as arranging for the reuse or recycling of products once no longer in use.

Climate emissions

The most significant sources of indirect emissions are from purchased electricity and district heating (scope 2). GHG emissions are calculated according to the GHG protocol published by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute. Scope 1 emissions are calculated using emission factors for fuel combustion from DEFRA UK. Scope 2 emissions are calculated using market-based emission factors from the RE-DISS Project, assuming a European (2018) residual mix.

	Tonnes CO ₂ equivalents											
	2019				2020				2021			
GHG emissions	Scope1	Scope2	Scope3	Total	Scope1	Scope2	Scope3	Total	Scope1	Scope2	Scope3	Total
Actual	912	1 350	NA	2 262	638	945	1 305	2 888	197	505	1 295	1 998
M&A Adjusted*	454	699	NA	1 153	131	351	780	1 262	116	297	762	1 175

* Adjusted for divestment of Cash Security (2020) and Labels (2021)

www.klimahub.no

StrongPoint's activities in this area focus on reducing the carbon footprint in the company's own operations. To further reduce emissions across the whole value chain requires close collaboration with partners, suppliers and customers to minimise the impact of the company's products on the environment, and more on this topic can be found in the chapter on product innovation, quality and safety. StrongPoint has the intention to provide a full climate accounting in the 2022 ESG report.

Waste management

Ink and battery waste stemming from the Cash Management production are sent to destruction in Scandinavia by a certified supplier (Stena: www.stenarecycling.no). Scales and wrapping machines are made by a world leading supplier (DIGI), who has a policy to systematically undertake environmentally friendly business activities.

ESL tags have the longest battery lifespan in the industry, approximately 7 years. Customers are also provided with information on the best possible way to dispose of the refrigeration modules in some of StrongPoint's products and how to return or dispose of batteries.

Goals and targets:

2021 goals	Status	2022 goals
Start quarterly reporting on Scope 1 and 2.	Started: The company has continued a limited reporting in 2021, using Fjordkraft's calculation tool (www.klimahub.no)	StrongPoint will start reporting on scope 3 in 2022.
Start reporting on waste generation and waste management for all production sites and warehouses.	Not started: No relevant production sites are left in StrongPoint (due to divestments of the Cash Security and Labels businesses). Warehouses in Sweden follow ISO incl waste management protocol.	StrongPoint intends to implement similar in other office locations.
	New	Start mapping eligible activities as described in the EU taxonomy.
	New	StrongPoint will review its environmental policies with a view to make updates where we can improve and strengthen including: • Selling or giving away used equipment and furniture for reuse • Providing the option to charge private electric cars at the workplace • Preference to purchase electric cars • Avoid using promotional materials and giveaways that are made of plastic, non-recyclable, or are single usage items
	New	Evaluate off-setting or buying climate quotas.
	New	Make local plans and product reports on sustainability impact.

Business ethics

Working with employees, customers and suppliers in more than 20 different countries, StrongPoint is directly and indirectly exposed to ethical risks throughout the company's value chain. The company has a direct and indirect responsibility to make sure that it maintains a proactive approach to ethics, including screening suppliers or assessing operations for risks related to corruption, provide awareness training for employees, implement good governance mechanisms and a system for employees to raise concerns and report irregularities.

Responsible business conduct is crucial to earn the trust of stakeholders and the company is dedicated to ensuring ethical business practices throughout its operations and value chain. For StrongPoint this means respecting recognised international human and labour rights, such as the Human Rights Act and OECD Guidelines for multinational enterprises and respecting all national laws and regulations in the countries where the company is present, including the Norwegian Companies Act, the Norwegian Penal Code and the Norwegian Code of Practice for listed companies (NUES). In 2020, StrongPoint became a UN Global Compact Signatory.

The company's ethical guidelines are outlined in the Code of Conduct, which can be found in full on StrongPoint's website. The StrongPoint Code of Conduct is the overarching document describing the standards and expectations regarding business ethics for all who work for StrongPoint, its subsidiaries and entities under the company's control. The Code of Conduct clearly states StrongPoint's expectations for personal conduct and business practice, and covers matters such as information security, policies in relation to anti-corruption and how to deal with conflicts of interest.

The Code of Conduct applies to all StrongPoint employees as well as the Board of Directors. Executive Management are responsible for the implementation and follow-up of the principles in the Code of Conduct and signing the Code of Conduct is a part of the onboarding process for new employees. Supervisors are responsible for both promoting and monitoring compliance with the Code of Conduct within their respective area of responsibility.

In 2019/2020, StrongPoint carried out a process to define the Why (purpose), What (strategy) and How (behaviours) of StrongPoint. A simplified roadmap from having mission, vision, values, attitudes, narrative, etc. to talk about "the triangle". This process included input collection from country teams from all the business units, including an all-employee workshop, and a board and executive management team discussions.

A strong company culture and a continued focus on business ethics is a prerequisite for risk management and a strong business performance. Risk is initially assessed at the business unit side then discussed at the board level to mitigate any risks flagged.

StrongPoint makes a quarterly risk assessment for all StrongPoint's operations with the aim to identify, evaluate and manage risks. The Code of Conduct has been updated to include supplier guidelines for anti-corruption and business ethics, and this is now included in contracts with new suppliers.

StrongPoint has identified the key risk of human rights breaches to be related to having third-party suppliers in China. StrongPoint carries out regular site visits and audits at the outsourced production facility in China, however this was not possible in 2020/21 due to Covid-19.

In 2021 there has been no indication of violations to the StrongPoint Code of Conduct and the company will continue to monitor its supply chain and perform site visits to the relevant factories in 2022 if possible.

Anti-corruption

StrongPoint has a zero tolerance for corruption. This includes all directors and employees of the Group and companies and persons acting on behalf of the Group. Donations, sponsorships and irregular gifts need approval according to the 'grandfather principle'. Also, as a stock listed company, StrongPoint has to abide by strict regulations on conflict of interest, which is regulated in employee contracts. Employees receive awareness training as and when appropriate according to the business unit in which they work. Each business unit has gifts and hospitality guidelines.

Whistleblowing and reporting of potential misconduct

If an employee or external party comes across a possible breach of laws, regulations or StrongPoint's Code of Conduct, or any other possible unethical business practice, this should be reported either in person or through the company's whistleblowing programme. Concerns can also be raised by reporting to an immediate superior or directly to anyone in the management team. Reports can also be made directly to the Audit Committee at StrongPoint. A message of concern cannot and will not be used against the reporting employee in any way.

Examples of issues that should be reported includes:

- Breach of the StrongPoint Code of Conduct
- Breach of local labour laws, discrimination, harassment or conditions that impose a threat to the health and safety for employees, customers, partners or other stakeholders
- Environmental crime
- Financial crime, such as fraud, corruption or theft
- Activities that might damage property or infrastructure

StrongPoint has not taken part in any legal proceedings related to business ethics in 2021, nor has there been any confirmed cases of corruption.

Number of reported potential corruption or business ethics cases and number of sanctioned cases	2019	2020	2021
Reported	0	0	0
Sanctioned	0	0	0

Working environment

StrongPoint's working environment is key to delivering results, and employees are a key stakeholder group directly and indirectly affecting the company and its results. Ensuring that good health and safety routines are in place, maintaining and increasing employee engagement and promoting a good working environment will improve the company's overall business performance. StrongPoint can affect the working environment through agreements

and active dialogue with employees, as well as informing and training them on health and safety risks associated with their work.

As stated in the company Code of Conduct, StrongPoint will conduct its business in a manner designed to protect the interests of its employees including their health and safety. The company expects employees to exercise the highest standards of professional integrity.

Goals and targets:

2021 goals	Status	2022 goals
Review and update the Code of Conduct according to the UN Global Compact principles as well as the new company core values.	Completed: In compliance with the relevant guidelines.	There are no next steps as this has been completed.
Number of (new) employees who has signed Code of Conduct as part of employment contract.	Completed: Now part of our standard employment agreements.	Provide training to employees in the Code of Conduct. KPI: 95% of employees should have undergone such training at the end of 2022.
Undertake risk assessment screening of suppliers and partners for corruption risk (KPI: share of suppliers and partners per risk category).	In progress: Risk assessment is part of the procurement process which is still an ongoing project.	KPI still to be monitored and agreed upon.
Develop supplier guidelines for anti-corruption and business ethics (KPI: Share of suppliers who has signed anti-corruption guidelines).	Completed: Now part of StrongPoint Code of Conduct that all suppliers accept as part of the contract signing.	KPI: Share of suppliers who has signed anti-corruption guidelines 90% at the end of 2022.
Implement an external whistleblowing channel.	Not started: Internal implementation has been rolled out and due to lack of issues external roll-out has been postponed to 2022.	Planned for 2022.
	New	Implement new systems for stock controls and relevant audit and monitoring.

StrongPoint abides by all local laws and regulations in the countries where the company operates. The overall responsibility of employment, including anti-discrimination and equality process lies with the line manager, and is overlooked by HR, with input from employee representatives, and reviewed by the Board of Directors.

StrongPoint aims to provide a workplace with a good working environment. The Group is implementing measures to promote the employees' professional development, prevent illness and accidents, and improve the overall work environment. The employee turnover rate in 2021 was 9.0%, down from 10.5% in 2020.

All employees in the Group shall have standardised employment contracts and are free to organise themselves in labour unions and organisations promoting employee welfare. Employees working in StrongPoint Sweden are members of labour unions (the most common is Tekniktjänstestavtalet Unionen/Sveriges Ingenjörer).

In addition StrongPoint undertook two recent divestments: Cash Security and Labels. This has contributed to significantly reducing the risks to employees (e.g. safety issues related to handling explosives) as well as business risk due to operations in Russia. Before the divestments these would have been our two biggest risk factors related to ESG issues. When these businesses were part of the StrongPoint portfolio the intention was to report on waste generation and waste management for all their production sites and warehouses.

Diversity, inclusion and anti-discrimination

All recruitments in StrongPoint are based on the candidates' competence and track record, and how that fits with the company's needs. All senior recruitments have been approved by the CEO.

The company's ambition is to have a high-performing and sustainable working environment, based on diversity and inclusion and the company regularly assess the status of its improved effort with regards to diversity. The company strive to improve the representation of women at all levels in the organisation through recruiting strategies and efforts to create a workplace with opportunities that appeal to all genders. To date, the organisation comprises of 79% men and 21% women.

StrongPoint is an equal opportunity employer, and diversity and inclusion are imperative to the way StrongPoint does business. StrongPoint has taken measures aimed at promoting employee professional development, preventing sick leave, and improving the overall working environment. StrongPoint has a strong learning culture, and employees are regularly offered training in management and IT infrastructure topics. An introduction to the company is held locally to integrate new employees faster.

StrongPoint follows EU Article 141 EC, the EU Directive on Equal Pay for Men and Women, the EU Pregnant Workers Directive, the EU Parental Leave Directive, the EU Directive on Equal Treatment of Men and Women in Employment, the EU Recast Directive (76/207). Discrimination is against StrongPoint's Code of Conduct, and the company has a zero tolerance for discrimination whether this is based on race, colour, gender, sexual orientation, age, disability, language, religion, employee representation, political or other opinions, national or social origin, property, birth or any other basis prohibited by law. The company does not tolerate harassment or degrading treatments in any form by or towards employees. There were no equality or anti-discrimination cases reported through the corporate whistleblowing program in 2020 or in 2021.

Number of reported and sanctioned discrimination and harassment cases	2019	2020	2021
Number of reported discrimination and harassment cases	0	0	0
Number of sanctioned discrimination and harassment cases	0	0	0

The overall trend has been positive regarding the gender balance, and the company has above benchmark results on the employee survey on questions related to diversity and inclusion.

At year end, the average age of employees were 43 years (men 42 and women 43). The share of women was 33.3% in StrongPoint's Corporate Management in 2021. The mix of nationalities of individuals that make up StrongPoint's senior leadership today: Norwegians (4), Swedish (1), from the Baltic countries (2), British (1) and Spanish (1). With two women among the five shareholder-elected members on the Board of Directors, StrongPoint complies with the Norwegian legal requirements on female board representation. Parental leave is granted according to local laws.

All employees shall receive a total compensation that is competitive and aligned with local industry standards. The compensation should also be performance-oriented, transparent, fair and objective. Salaries in the organisation are reviewed regularly, and in 2020 the company undertook its first full compensation and benefit survey in all business units. The survey was facilitated by an external partner. Positions and pay grades were established and compared both on a group and individual level. When setting up and comparing pay groups the company looked at and compared the need for knowledge, problem-solving, accountability, and the overall working conditions for every position. Each employee's base salary, benefits, pension cost, short and long-term incentives were assessed (total remuneration). No significant gender-pay differentials were found, and this corresponded with the general assessment of the previous year. As a result of the process, StrongPoint adjusted the salaries of approximately 10 employees to ensure alignment with relevant pay groups. Employees earning collective negotiated wages in Norway and Sweden had no significant gender-pay differentials.

The company has a share program for the Board of Directors, the Group executive management and the employees. 166,157 shares was distributed in 2021.

Share of Strongpoint's workforce by age and gender	Men	Women	<30 years of age	30-50 years of age	>50 years of age
Organisation	313 (78%)	86 (22%)	76 (19%)	211 (53%)	114 (28%)
Board of directors	3 (60%)	2 (40%)	0 (0%)	2 (40%)	3 (60%)
Corporate Management team	6 (66.7%)	3 (33.3%)	0 (0%)	7 (78%)	2 (12%)

Pay grades	Female	Male	Employees	Female average total remuneration in percent of median	Male average total remuneration in percent of the median
10-12	11	19	30	104%	99%
13	10	55	65	93%	102%
14	30	74	104	95%	101%
15	24	77	101	97%	100%
16	14	63	77	105%	102%
17	10	18	28	100%	107%
18-25	6	57	63	92%	102%

Note: As per 2020/2021 payroll survey inclusive discontinued operations

In 2021, StrongPoint has continued the use of Employee Engagement Tool Peakon which was introduced in 2019. The tool allows us to measure the employee experience for all employees and managers in StrongPoint. The survey is run every two months where all employees record their feedback on 56 questions that cover 15 dimensions of their employment. The employee Net Promoter Score in Peakon show very good results when benchmarked against other companies (the list of indicators are based on loyalty and satisfaction). At the end of 2021 StrongPoint score 29 base points better than the benchmark companies. The score is above the mid-range of technology companies, and well above service companies. Approximately 61% of all employees score the company at 9 or 10 on a scale from 1 to 10.

End of Year Peakon Employee Net Promoter Score	2019	2020	2021
eNPS	31	54	61

Employee health and safety

Ensuring a safe and secure working environment is StrongPoint's number one priority. The company has implemented an occupational health and safety management system that builds upon the Norwegian Working Environment Act and ISO 45001 – Occupational Health and Safety, especially in regard to Leadership and Worker Participation, Corporate Risk Assessment, General Performance Evaluation and Supply Chain Engagement. All employees are required to follow the company's health and safety guidelines as well as applicable laws to prevent harm to people and the surrounding environment.

StrongPoint encourages its employees to participate in activities related to health and wellbeing. Working conditions within the organisation shall meet or exceed legal requirements

in every country in which StrongPoint operates and the company shall comply with the conventions of the UN Global Compact and the International Labour Organization.

Employee development and awareness training is essential to ensure a safe and secure working environment. Communication and training on health and safety is always tailored to the specific role of the employee. All employees receive training in fire safety, and fire drills are conducted on a regular basis. Parts of the organisation undergo annual training in first aid, which includes training on how to use heart defibrillators. Other departments undergo training related to safe driving. Warehouse employees are required to undergo necessary certifications to use forklifts.

Hazards are identified and monitored to prevent accidents and occupational illness and workplace guidelines are monitored to ensure a healthy, safe environment. Local management conduct regular safety rounds at the production facility in Sweden and although all other physical production is outsourced, StrongPoint believes it is the company's moral obligation to ensure the health and safety of its employees. HSSE visits are usually conducted at the company's production facility in China every year. However, this was not possible in 2020-2021 due to the Covid-19 pandemic, and the follow-up was done remotely. StrongPoint plans to visit the production facility in China in 2022.

StrongPoint is mainly a sales and marketing organisation with a low risk for injuries and business units where StrongPoint has physical production are related to low-risk areas (warehouse). In 2020-2021, the company has closely monitored the development of Covid-19 and assessed the current and potential impact the pandemic has on employees. The company has implemented several measures to avoid contamination, such as reduced travel and work from home, and increased cleaning of StrongPoint production facilities.

The company's ambition is to have zero injuries or incidents. However, it is crucial that the company monitor potential breaches and health and safety incidents that occur at StrongPoint sites in order to implement preventive measures. Employees are encouraged to report health and safety breaches and any work-related incidents that happen on StrongPoint's sites to the nearest line manager and he/she is responsible for the investigation. No employees were injured at work and there were no major occupational accidents and no work-related fatalities in 2021. Total sick leave in the company was at 1.9% in 2021, compared to 2.0% the previous year.

Absence and work-related injuries	2017	2018	2019	2020	2021
Absence due to illness	2.5%	1.5%	2.7%	2.0%	1.9%
Number of fatal occupational injuries	0	0	0	0	0
Number of occupational injuries causing permanent incapacity to work	0	0	0	0	0

The company provides a range of healthy lunch choices for its employees in its largest offices. All employees, except employees in Spain, have access to health insurance, and in most business units, StrongPoint subsidises the cost of physical exercise. The company encourages participation in athletics through StrongPoint sponsored fitness membership program.

Goals and targets:

2021 goals	Status	2022 goals
Measuring and improving employee engagement (KPI: average employee engagement/employee satisfaction score).	Completed: Employee engagement has increased steadily in the past two years and is now among top 25% of technology companies.	Continue the positive trend with a long term ambition to be among the top 15% of technology companies.
Reduce employee turnover rate (KPI: employee turnover rate).	In progress: The employee turnover rate in 2021 was 9.0%, down from 10.5% in 2020.	Continue focusing on software developers and tech employees in the Baltics due to relatively high turnover.
Maintain a low employee absence rate (KPI: employee absence rate below 3%).	In progress: Total sick leave in the company was at 1.9% in 2021, compared to 2.0% the previous year.	
Develop a Health and Safety documentation.	Completed: Established documentation in all business units.	
Establish common training and reporting standards across all business units.	In progress: searching for a platform.	Establish a employee e-learning/training portal in 2022.
Implement health insurance for employees in Spain.	In progress: Assessed but postponed because of business challenges in Spain.	Implement health insurance for employees in Spain.
Upgrade or move several office spaces to more appropriate locations.	In progress: Completed in Sweden (Taby), Spain (Barcelona) and ongoing in Riga.	Upgrade office in Norway, Move office in Madrid. Find new office locations in Mölndal.
Systematic tracking of salary to ensure equal pay for men and women.	Completed: Done on an annual basis in the business units.	Undertaking a new compensation and benefits survey in 2022.

Product innovation, quality and safety

StrongPoint has a direct ability and responsibility to ensure that the company's products maintain the highest quality and that they are safe and secure for customers to use. This

can be done through testing, reviewing and cleaning of products and by keeping an active dialogue with customers on their needs, as well as implementing a system for them to report irregularities or concerns. As a company providing retail technology, StrongPoint also has the ability to develop and offer new technical solutions to the market which are more environmentally sound, simplifying and improving the way retailers do business.

To ensure safe and good quality products, StrongPoint has a dedicated Product Director of each product category. The SVP Technology has the overall responsibility to ensure the quality and safety of StrongPoint's products.

All of StrongPoint's products and services have been assessed for potential health and safety risks throughout the lifecycle through rigorous technical and commercial assessment before becoming part of the StrongPoint product portfolio. In the development of new products, StrongPoint establishes MVP's, pilots and tests to control the product features. Product quality and safety standards are part of the written agreements with suppliers and suppliers deliver parts or solutions according to pre-agreed specifications and quality assurance.

StrongPoint products have the potential to have a positive impact on the risk mitigation and infection control during the Covid-19 pandemic. The product features on the Click & Collect lockers have been updated to become contactless, which helps customers to get access to groceries without having to enter stores. The payment solutions are customised to handle notes and coins in a way that limits the spread of the virus when compared to handling with hands as well as reducing the chances of theft, thus increasing employee safety. StrongPoint's last mile solutions has the potential to lead to less movement in society and one can avoid crowded places.

Many of StrongPoint's products are software-based solutions, meaning that there is little physical risk to the end-user. The most likely health and safety hazards to occur when using StrongPoint's products are related to electrical failures, overturned equipment in extreme weather conditions, crash injuries, small cuts from metal on the machines and low voltage shocks. Ensuring customers are fully aware of the safe handling and safe use of StrongPoint products are key priorities for StrongPoint. The company communicates the potential hazards associated with the products and provides information on the safe use of the products. All StrongPoint customers receive information on the content of the products, particularly with regards to substances that might have a social or environmental impact, as part of the product documentation.

Customers are encouraged to report quality and safety issues related to use of the company's products through customer support. It is also a part of the general terms in the contracts that all customers have a contact person to report service or important issues with the product.

In 2021, StrongPoint registered no significant incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products.

Working together to increase positive impact

Transformative change happens step by step in the daily choices made. StrongPoint achieves this by finding bold new ways to build customer experience based on new technology. The company's goal is that its products and solutions should promote sustainability and a circular economy.

StrongPoint work with its customers and partners to help them make more sustainable choices and advocate for ways to use technology in an efficient, greener way. In 2022 the company will pay special attention to:

- Reduce stress and muscle injuries, related to handling groceries, by introducing new robotic solutions
- Promote route optimization and last-mile solutions to reduce transportation of groceries
- Increased food safety by the introduction of temperature-controlled Click & Collect Grocery Lockers
- Better child protection with the usage of age verification technology and tobacco vending machines
- Develop touchless solutions to protect against the spread of viruses and other contaminations.





SDG 2, 9, 11 and 12: Product innovation, quality and safety in the food chain

Ensuring safe and fresh groceries. With innovative labelling and minimal wastage of food. Develop and offer new technical solutions to the market which are more environmentally sound, simplifying and improving the way retailers and communities do business.



SDG 5 and 8: Working environment

Ensuring a healthy, fair workplace that creates good opportunities for all. Protecting labor rights for all workers.



SDG 13: Environment

Promoting a more circular economy and working with suppliers on joint strategies to reduce our CO2 footprint.



SDG 16: Governance

Setting and enforcing appropriate rules of behavior for employees and suppliers, along with reporting mechanism.

Goals and targets:

2021 goals	Status	2022 goals
Maintain zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products.	Completed: No incidents on non-compliance were registered in 2021.	Maintain zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products.
Obtain ISO certification for StrongPoint Sweden's Grums facility.	Completed: ISO certification achieved.	Maintain ISO certification achieved.
	New	Make a risk matrix and HSE guide on our AutoStore automation solution.

How StrongPoint's goals relate to the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development was established by the United Nations in 2015 as a plan of action for people, planet and prosperity and is a commitment to achieve sustainable development globally.

As a part of the 2030 Agenda, seventeen Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and protect the planet were developed. The seventeen SDGs and the underlying 169 targets have been adopted by all UN member states. Read more at 17goals.org.

From the SDGs, 8 have been identified that best correspond with StrongPoint's business. Our choice of SDGs is based on an assessment of the underlying targets for each SDG and their link to our identified material topics.



GRI Content Index: General disclosures

GRI Standard	Disclosure	In report yes/no
GRI 101: Foundation 2016 General Disclosures	Organisational profile	
	102-1: Name of the organisation	Yes
	102-2 Activities, brands, products, and services	Yes
	102-3 Location of headquarters	Yes
	102-4 Location of operations	Yes
	102-5 Ownership and legal form	Yes
	102-6 Markets served	Yes
	102-7 Scale of the organization	Yes
	102-8 Information on employees and other workers	Yes
	102-9 Supply chain	Yes
	102-10 Significant changes to the organization and its supply chain	Yes
	102-11 Precautionary Principle or approach	Yes
	102-12 External initiatives	Yes
	102-13 Membership of associations	Yes
	Strategy	
	102-14 Statement from senior decision-maker	Yes
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behaviour	Yes
	102-17 Mechanisms for advice and concerns about ethics	Yes
	Governance	
	102-18 Governance structure	Yes
	102-20 Executive-level responsibility for economic, environmental, and social topics	Yes
	102-21 Consulting stakeholders on economic, environmental, and social topics	Yes
	102-22 Composition of the highest governance body and its committees	Yes
	102-29 Identifying and managing economic, environmental, and social impacts	Yes
	Stakeholder engagement	
	102-40 List of stakeholder groups	Yes
	102-41 Collective bargaining agreements	No
	102-42 Identifying and selecting stakeholders	Yes
	102-43 Approach to stakeholder engagement	Yes
	102-44 Key topics and concerns raised	Yes
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	Yes
	102-46 Defining report content and topic Boundaries	Yes
	102-47 List of material topics	Yes
	102-48 Restatements of information	Yes
	102-49 Changes in reporting	Yes
	102-49 Changes in reporting	Yes
	102-50 Reporting period	Yes
	102-51 Date of most recent report	Yes
	102-52 Reporting cycle	Yes
	102-53 Contact point for questions regarding the report	Yes
	102-54 Claims of reporting in accordance with the GRI Standards	Yes
	102-55 GRI content index	Yes
	102-56 External assurance	Yes
GRI 102: General Disclosures 2016	Governance	
	102-18 Governance structure	Yes
	102-20 Executive-level responsibility for economic, environmental, and social topics	Yes
	102-21 Consulting stakeholders on economic, environmental, and social topics	Yes
	102-22 Composition of the highest governance body and its committees	Yes
	102-29 Identifying and managing economic, environmental, and social impacts	Yes
	Stakeholder engagement	
	102-40 List of stakeholder groups	Yes
	102-41 Collective bargaining agreements	No
	102-42 Identifying and selecting stakeholders	Yes

GRI Content Index: Selected standards

GRI Standard	Disclosure	In report yes/no
GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	Yes
	103-2 The management approach and its components	Yes
	103-3 Evaluation of the management approach	Yes
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Yes
	205-2 Communication and training about anti-corruption policies and procedures	Yes
	205-3 Confirmed incidents of corruption and actions taken	Yes
GRI 401: Employment	401-1 New employee hires and employee turnover	Yes
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes
	401-3 Parental leave	Yes
GRI 403: Occupational health and safety	403-1 Occupational health and safety management system	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	Yes
	403-3 Occupational health services	Yes
	403-4 Worker participation, consultation, and communication on occupational health and safety	Yes
	403-5 Worker training on occupational health and safety	Yes
	403-6 Promotion of worker health	Yes
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Yes
	403-8 Workers covered by an occupational health and safety management system	Yes
	403-9 Work-related injuries	Yes
	403-10 Work-related ill health	Yes
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Yes
	405-2 Ratio of basic salary and remuneration of women to men	Yes
	405-3 Diversity of governance bodies and employees	Yes
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Yes
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	Yes
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Yes

StrongPoint Executive Management



Jacob Tveraabak
CEO

Jacob Tveraabak was previously the CEO of Miklagruppen (Bavaria Nordic), director of business development at Rema 1000 and with McKinsey & Company for 12 years. He is also the co-founder of Nabobil.no, and now sits in the GetAround/Nabobil advisory board. Tveraabak has MSc degrees from the Norwegian School of Economics and Bocconi University. He holds 206 000 shares in StrongPoint through a privately owned company.



Hilde Gilen
CFO

Hilde Gilen was previously CFO in both Ahlsell Norway and the oil and gas division of Kongsberg Group, where she in addition to financial responsibilities was heavily involved in M&As. Before that she worked 10 years in PricewaterhouseCoopers. Gilen holds a MSc degree (Siviløkonom) from Nord University. She holds 49 573 shares in StrongPoint.



Knut Olav Nyhus Olsen
SVP People & Organization,
Marketing and Communication

Knut Olav N. Olsen comes from the position as Chief People Officer in Canal Digital, Telenor Satellite and Telenor Pakistan. Previously also working as CHRO in Skanska and EVP in ISS Facility Services. Olsen holds a master's degree in law and a finance degree from the University of Bergen, with additional management training from IMD and INSEAD. He is the co-founder and board member of Terrosa Consulting. He holds 10 839 shares in StrongPoint.



Julius Stulpinas
SVP Technology and Supply Chain

Julius Stulpinas has 14 years of experience within StrongPoint related companies, leading and transforming sales, service, product development organizations and teams. He has MSc degree of Engineering from Kaunas University of Technology and MBA from a consortium of Baltic Management Institute, HEC Paris, NHH Norwegian School of Economics and Copenhagen Business School. He holds 25 296 shares in StrongPoint.



Amanda Cremon Lundblad
SVP International Expansion

Amanda Cremon was previously the CEO and owner of Datafångst AB and held the position of General Manager for Zetes AB before joining StrongPoint. She has also had positions within the PCO world with companies such as Congrex and Göteborg Convention Bureau. Cremon has a BSc in Marketing & Business administration from the European Business Administration program at Halmstad Högskola, Sweden. She holds 8 353 shares in StrongPoint.



Gisle Elvebakken
SVP Norway

Gisle Elvebakken has worked in sales and management for large Nordic IT-companies such as Visma, Atea and Visolit for over 20 years. Elvebakken holds BSc International Marketing from BI Norwegian Business School. He holds 26 032 shares in StrongPoint.



Göran Thörn
SVP Sweden

Göran Thörn was one of the founders of Cub Business Systems AB and acted as the company's CEO. Cub Business Systems is today a part of StrongPoint. Göran has held management positions in different IT and manufacturing companies such as Victor Micronic AB, Minec Systems AB, Minec Production AB and BrooksTodo SA Nordic. He holds 13 083 shares in StrongPoint.



Rimantas Mažulis
SVP Baltics

Rimantas Mažulis has 15 years of experience in retail technologies within StrongPoint. During that time, he held various positions in retail solution design & development area. Rimantas Mažulis holds a degree of Engineering Informatics from Kaunas University of Technology (2004) and currently in progress with Executive MBA (2022) master's degree by a consortium of Baltic Management Institute, HEC Paris. He holds 19 034 shares in StrongPoint.



Lorena Gómez
SVP Spain

Lorena Gomez has extensive experience in managing and scaling sales in the retail sector across Europe and has been sales director for the retail technology division at HMY Group, a company she has been with since 2006. Since 2014 she was responsible for the newly formed Retail Technology division at the Group level. Lorena Gomez holds a degree in Industrial Design Engineering from the University of Zaragoza and a Master's degree in Innovation Management. She holds 2 139 shares in StrongPoint.

Note: Chris Mackie started as SVP for e-commerce globally in January 2022 and Magnus Rosén became SVP for StrongPoint Sweden in February 2022.

2021 Board of Directors' report

StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient. With 400 employees in Norway, Sweden, the Baltics and Spain and together with a wide partner network, StrongPoint supports businesses in more than 20 countries. StrongPoint provides in-store cash management- and payment solutions, electronic shelf labels, self-checkouts, task- and labor management software, click & collect temperature-controlled grocery lockers, in-store and drive-thru grocery pickup solutions, grocery order picking solutions and automated fulfillment (AutoStore distributor). StrongPoint is headquartered in Norway and is listed on the Oslo Stock Exchange [ticker: STRO].

2021 financial review

- Operating revenues for continued operations in the Group increased by 4.2% to 981.3 MNOK (941.7).
- Earnings before interest, tax, depreciation and amortisation (EBITDA) from continued operations amounted to 53.6 MNOK (68.7), and profit after tax from continued operations was 22.4 MNOK (26.4). Profit after tax including discontinued operations was 190.8 MNOK (97.7).
- Total Group capital per 31 December 2021 was 846.5 MNOK (786.1), and equity was 498.2 MNOK. This resulted in an equity ratio of 58.9 per cent.
- Interest bearing liabilities, reduced by bank deposits, amounted to positive cash of 116.1 MNOK at the end of 2021.
- The Group has a cash pool arrangement allowing for a more efficient utilisation of group liquidity and cash flow. Group liquidity end of year was 174.2 MNOK, in addition to an unused credit facility of 100.0 MNOK.
- Cash flow from operational activities including divestments was 225.5 MNOK (131.8), and working capital increased by 5.9 MNOK in 2021.
- Investments in tangible assets of 8.8 MNOK were capitalised during the year.

Events after the balance sheet date

14 February 2022, StrongPoint ASA agreed and announced an exclusive, non-binding term sheet to acquire 100% of the shares in Air Link Group Limited (Air Link), www.als.global. Air Link is a retail solutions company that provides construction services, grocery lockers, self-checkouts, vending systems and queue management systems to grocery retailers in UK and Ireland. It is widely seen as the partner of choice for installation and service for some of the UK's leading grocery retailers and had a revenue of approx. 21 MGBP in 2021.

On 24 February 2022, Russia began a military invasion of Ukraine in a major escalation of the Russian-Ukrainian conflict that had begun in 2014. It is the largest military attack in Europe since World War II. StrongPoint monitors the situation closely for customers,

employees and partners. At the time of the annual reporting the situation has not had negative influence on the business, but further escalation can indirectly affect StrongPoint's operation, supply chain and sales.

Retail Technology

MNOK	Year	
	2021	2020
Product Sales	638.2	631.4
Service	350.3	325.8
Revenue	988.5	957.2
EBITDA	91.6	95.5
EBITDA-margin	9.3%	10.0%
EBT	64.1	65.9

Retail Technology includes the sale and service for grocery retailers in Europe. The business is operated by its own employees located in Norway, Sweden, the Baltics and Spain, while other geographic areas are covered by partners. StrongPoint offers its own proprietary solutions as well as solutions from selected third party technology providers.

Divestment

The divestment of Labels business unit was announced in June 2021. The business unit represented a revenue of approx. 175 MNOK and had 75 employees. The transaction was closed in two stages during Q3, and the total gain of the divestment was 163 MNOK.

Employees and organization

StrongPoint aims to be a workplace with a safe and positive working environment. All employees receive a competitive total compensation aligned with local industry standards. The Group has taken active measures aimed at promoting employees' professional development, preventing sick leave and improving the overall working environment. All employees in the Group have employment contracts that comply with local market standards and legislation.

The Group had 400 employees as of 31 December 2021. Total sick leave in the company were estimated at 1.8% in 2021 compared to 2.0% the previous year. No employees were reported injured and there were no reported occupational accidents during the year.

The company has share incentive programs for the executive management and the company's employees. 166,157 shares were distributed in 2021.

The Group aims to be an inclusive workplace with equality between women and men, based on qualifications, without regard to age, religion or origin. The Group's Board of Directors comprises 40% women.

There were 83 women among the Group's 400 employees at the end of the year. StrongPoint is an equal opportunity employer, and diversity and inclusion are imperative to the way StrongPoint does business. More information on the status of gender equality and how we comply with section 26 of the Equality and Anti-Discrimination Act can be found under the ESG section on page 24 of the annual report.

Product development

The Group owns intellectual property within cash management, checkout efficiency and e-commerce. StrongPoint continues to invest in and maintain the current solutions, as well as developing and funding new solutions. No development costs were capitalized in 2021.

Risk

Historically, the Group's key markets have been robust and stable, as investments in the retail grocery sector has not been significantly affected by financial and macroeconomic changes. Despite this, 2021 was affected by global shortage of some production components, leading to a delay and a potential competitive risk. Global supply issues and transportation impacted the gross profit negatively as cost increased. The Group managed the risk by close dialogue with key suppliers and also used the strong liquidity situation to increase inventory in order to reduce the risk of delay in future deliveries.

The Group's operations are exposed to currency risk. Currency risk is managed operationally in customer contracts. Receivables and liabilities are exposed to financial risk, which is reduced by a thorough, action-based follow-up on an ongoing basis. These matters also have implications for liquidity risk. The Group has managed liquidity risk by closely monitoring anticipated future operational cash flow, as well as available cash and credit facilities.

StrongPoint has a worldwide Directors' and Officer's liability insurance with a limit of approx. 5% of revenue.

From an overall assessment of customer satisfaction, market position, market demand and financial position, the Board of Directors considers that there is a solid basis for continued operations, and the annual financial statements were prepared with the assumption of a going concern.

In the opinion of the Board, the income statement, balance sheet and notes presented are a true and fair view of the company's position and profit from activities in 2021. The Board of Directors are not aware of any other matters relevant for assessing the company beside what is stated in the annual report.

Ownership and corporate governance

StrongPoint's policy on corporate governance is presented in Group's annual report and on the corporate website.

The policy contains information pursuant to Section 3-3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance except some noted deviations.

The Group's long term strategy, ongoing business performance, organizational competence and capacity and capital structure were the main focus of Board meetings in 2021. The Board has three subcommittees: an audit committee, a nomination committee and a compensation committee. The audit committee comprises two Board members. The committee reviewed quarterly and annual financial statements, as well as the Group's main risk categories. The committee also assessed its internal controls, including internal controls related to financial reporting, as well as the quality of risk management systems and audit work. The nomination committee consists of three external members, whereof two members are shareholders in the Group. The compensation committee consists of two Board members and proposed in 2020 a new long term incentive program for executive management and key employees. This programme was extended in 2021. The compensation committee continues to evaluate and benchmark the total remuneration program every year.

The Board held 9 scheduled board meetings and 3 extraordinary meetings in 2021. All board members participated in all meetings except some few sick leave absences. The Board performs every year a board evaluation survey, which is discussed and acted upon to constantly improve the work of the Board of Directors. Parts of StrongPoints Group management team are also invited to participate in the survey, and the results are also shared with the nomination committee.

Ethics, environment and corporate social responsibility

Corporate social responsibility and sustainability are integral to StrongPoint's operations. This means economic, social and environmental aspects are considered before making decisions. Broad confidence and credibility are essential for StrongPoint to meet its business objectives. The Group has achieved this by creating and maintaining a culture built on high ethical standards and integrity. The policy includes information pursuant to Section 3-3c of the Accounting Act.

StrongPoint's operations follow established public procedures to prevent pollution of the external environment and comply with relevant international and local legislation and standards. Some subsidiaries sell and store products classified as environmentally hazardous if the waste is not managed in accordance with applicable regulations.

Subsidiaries have contracts with authorised return and recycling organizations. There were no emissions of environmentally harmful substances in 2021. StrongPoint's customers have the option to return products at the end of their life to ensure they are handled in an environmentally responsible manner. StrongPoint's focus on environment, social and governance, ESG, are reported separately in the annual report. In 2021, the main topics were Employee working environment, health and safety, Product innovation, quality and safety, Corporate governance including ethics and anti corruption and Environment and climate, including emissions and waste management. During the year, the Group experienced delays in deliveries to customers due to the global shortage of components. There are multiple reasons for the component situation, but it is evidence that extreme weather conditions impacted some of the production facilities. These events came on top of the challenges already caused by the pandemic. StrongPoint works actively with suppliers to understand how climate changes

can influence the business and try to reduce the risk by identifying and implementing alternative components, reduced production redundancy and reduce emission by searching for more optimal transportation routes.

Corruption and whistleblowing

StrongPoint has zero tolerance for corruption. This applies to all employees, companies and persons acting on behalf of the Group. StrongPoint's zero tolerance means, among other things, that no gratuities may be offered or received, beyond a symbolic value, and no benefits may be received on behalf of either the Group or any employee personally.

The Group has whistleblowing procedures in place. It is important to report policy violations or inappropriate conduct in a responsible manner. The audit committee is responsible to handle whistleblowing incidents reported directly to the Board.

Shareholder relations

As of 31 December 2021, StrongPoint had a share capital of NOK 27.513.145 allocated to 44.376.040 shares with a face value of NOK 0.62. At the end of 2021, the Group held 587,628 treasury shares at an average price of NOK 27.28.

There were 2.640 shareholders in the company at the end of 2021. The 20 largest shareholders represented 55.3 per cent of total share capital. At the end of 2021, 276 shareholders owned 10,000 shares or more. StrongPoint's articles of association do not contain any provisions restricting rights to convert Group shares.

StrongPoint is not aware of any agreement between shareholders limiting the ability to trade shares or exercising voting rights represented by shares in the Group.

Outlook

StrongPoint's E-Commerce and In-Store solutions and services are well positioned at the crossroads of multi-channel retailing: online growth and cost-cutting in retail stores.

From a North European and grocery focused starting point, StrongPoint will pursue a three-step approach to geographical expansion and growth:

- Roll-out of the full portfolio of solutions in key markets, including Norway, Sweden, the Baltics and Spain, utilizing our strong sales, service and support organization and model, applying innovative tools and sharing of best practices.
- Selling a select number of solutions in a select number of countries. The list of solutions includes: grocery e-commerce, self-checkout and cash management solutions.

- Utilizing StrongPoint's market access platform for global retail technology providers targeting leading retailers in the key markets, leveraging StrongPoint's strong market and one-stop-shop position.

As a foundation for creating shareholder value, StrongPoint growth strategy is based on profitable and organic growth, M&A initiatives, cost control and a solid balance sheet, targeting revenues of NOK 2.5 billion and EBITDA margins of 13-15% in 2025.

The 2025 revenue ambition of NOK 2,5 billion demonstrates the significant opportunities in the key markets. However, the Board of Directors underlines that this growth is not expected to be linear, and investments in products and sales resources will influence the EBITDA especially in the first part of the strategic periode. The overall growth ambitions can further be influenced by global component shortages, supply chain delays, pandemic restrictions and other international instabilities. The Board also acknowledge that the time from pilots to roll-outs and scale-up for new solutions is difficult to predict, and this might sometimes be reflected in rather significant variations in the reported numbers between the quarters.

Parent company - StrongPoint ASA

StrongPoint ASA is the holding company for the Group's legal entities. The company is listed on the Oslo Stock Exchange under the ticker "STRO".

The parent company, StrongPoint ASA, has four employees.

StrongPoint ASA's profit for the year was 186.3 MNOK compared to 20.7 MNOK in 2020. Net financial result for the year was 206.9 MNOK in 2021 (41.6).

Proposal for allocation of profit for the year:

The Board of Directors will propose to the general meeting the following allocation of profit for the year in the parent company StrongPoint ASA for 2021:

Profit for the year:

NOK 186,287,295.45

Proposed ordinary dividend:

NOK 35,030,729.60, equivalent to NOK 0.80 per share.

Transferred to other equity:

NOK 151,256,565.85

Rælingen, 16 March 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Board of Directors of StrongPoint



Morthen Johannessen
Chairman

Morthen Johannessen has more than 20 years experience as CEO of international businesses. He served as President for Tomra Europe, followed by the position as Group COO & head of Global Business Development. In Pepsico Johannessen was President for the beverage business in Western-Europe. He currently works as industrial advisor and professional board member. Johannessen holds an MBA (HD) from CBS, Copenhagen. He has been on StrongPoints Board since April 2016, and Chair since 2018. He holds 101318 shares in StrongPoint through a privately owned company.



Klaus De Vibe
Director

Klaus De Vibe has more than 20 years' experience from finance and investment operations, including with IK Investment Partners and Morgan Stanley. Since 2009, he has been managing director of the investment company Strømtangen AS. De Vibe has a MSc specialising in finance and financial economics from the Norwegian School of Economics. He has been a member of the Board of StrongPoint since October 2011. He holds 90 319 shares in StrongPoint through a privately owned company.



Camilla AC Tepfers
Director

Camilla AC Tepfers has more than 20 years' experience including with DnB NOR and NTNU, and she has been working with innovation since 2001. She is co-founder and partner of the analysis and consultancy firm inFuture. She has written a number of professional books, and she is a graduate engineer with an MSc in computer technology from NTNU. She has been a member of the Board of StrongPoint since April 2013. She holds 11 659 shares in StrongPoint.



Peter Wirén
Director

Peter Wirén has 20 years' experience from the payments industry as CEO and executive vice president of Teller, Nets and Bambora. He has extensive experience of managing change processes, preparing and implementing growth strategies and handling acquisitions and mergers in international markets. Wiren currently works as a consultant and he is a board member of a number of companies. He has been a member of the board of StrongPoint since April 2018. He holds 28 254 shares in StrongPoint.



Ingeborg Molden Hegstad
Director

Ingeborg Hegstad has 20 years of experience from management consulting, including McKinsey & Company and Egon Zehnder. Since 2015 Hegstad has been a partner in Imsight AS, offering strategy and leadership advisory to executives, teams and organizations. She has experience from the Board Directors of Cxense ASA, Q-Free ASA and Cyviz ASA (present). Hegstad holds a Master of Business and Administration from Norwegian Business School BI (2000). She has been a Board member in StrongPoint ASA since April 2020. She holds 20 193 shares in StrongPoint through a privately owned company.

Corporate Governance

Good corporate governance is vital to the success of StrongPoint ASA. Thus, corporate governance is a key concern for StrongPoint's Board and employees, and in StrongPoint ASA's relations with its subsidiaries. The Board has reviewed and updated the company's corporate governance practice. It is in line with the Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance, except where deviations from the Code are noted. The presentation adheres to the same order of topics as the fifteen items in the Code.

Deviations from Code recommendations are listed in the table to the right and discussed under the item in question.

1. Implementation and reporting on corporate governance

StrongPoint ASA's corporate governance principles are determined by the Board of Directors and are set forth in the company's management documents. The Board's role is based on the principle of independence from the executive management and the principle of equality and responsibility towards the company's shareholders. The company's shares are freely tradable and the Board/executive management considers it a priority to focus on activities that strengthen the liquidity of its shares. The company's shareholder policy is based on the principle of one share – one vote. Related to potential acquisitions and restructuring situations, the Board will exercise particular concern so that all shareholders' investments and interests are considered closely. One of the Board's main tasks is to ensure that the company is based on an optimized capital structure. Equity transactions, including authorizations for share capital increases, are to be justified in terms of extent, form and timing. The Board and executive management must ensure that the company's information policies ensure that information regarding the company is published correctly, comprehensively and timely, contributing to a correct valuation of the company's shares. Further, the information policy should give shareholders the best possible foundation for decisions related to investments and voting at general meetings.

Values, ethical guidelines and guidelines for corporate social responsibility

The group's operations shall be conducted in accordance with the company's values, ethical guidelines and guidelines for social responsibility determined by the Board and Executive Management. In addition we shall through our activities contribute to a responsible business conduct. StrongPoint ASA's guidelines are presented on the company's website.

Chapters in the recommendation	Comment	Comments
1. Implementation and reporting on corporate governance		Compliant
2. Business		Compliant
3. Equity and dividends		Compliant, with the exception: The board has an authorization to make an overall capital increase of up to 9 000 000 shares that is not limited to a defined purpose. The shareholders' preferential rights according to cf. section 10-14 of the Public Limited Liability Companies Act can be disregarded. The board has authorization to acquire up to 4 400 000 own shares that is not limited to a defined purpose.
4. Equal treatment of shareholders and transactions with close associates		Compliant
5. Freely negotiable shares		Compliant
6. General meetings		Compliant
7. Nomination committee		Compliant
8. Corporate assembly and board of directors: composition and independence		Compliant
9. The work of the board of directors		Compliant
10. Risk management and internal control		Compliant
11. Remuneration the board of directors		Compliant
12. Remuneration of executive personnel		Compliant
13. Information and communication		Compliant
14. Take-overs		Compliant
15. Auditor		Compliant

2. Business

The company's business objective is described in the company's articles of association. StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient. The business objective ensures that shareholders have control of the business and its risk profile, without limiting the Board or management's ability to carry out strategic and commercially appropriate decisions within the defined purpose. The articles of association of StrongPoint ASA are presented on the group's website: strongpoint.com. The company's objectives and main strategies are presented in the annual report.

3. Equity and dividends

Equity

The group's equity as of 31 December 2021 amounted to 498.2 MNOK corresponding to an equity ratio of 58.9 per cent.

The company's share capital is NOK 27 513 145, divided into 44 376 040 shares with a nominal value of NOK 0.62.

Dividends

StrongPoint's shareholders should over time get a competitive return on their investment through a combination of cash dividends and increased value of their shares.

When deciding the annual dividend level, the Board of directors will take into consideration expected cash flows, investments in organic growth, plans for growth through mergers and acquisitions, and needs for appropriate financial flexibility. In addition to cash dividends, StrongPoint ASA may buy back shares as part of its total distribution of capital to the shareholders.

Board authorizations

The Board's proposals for future Board authorizations accord with the recommendations with two exceptions. The first concerns the Board's authorization to increase share capital by up to 9 000 000 shares, which is not limited to a defined purpose.

Secondly, the Board has an authorization to acquire treasury shares at par value of up to NOK 2 728 000 and an overall capital increase of up to 4 400 000 shares. The authorization is not limited to a defined purpose.

The Board has asked the General Meeting for these authorizations to increase the group's maneuverability.

Both authorizations are valid until the next general meeting or 30 June 2022, whichever comes first.

4. Equal treatment of shareholders and transactions with close associates

The company has a single class of shares, and all shares carry the same rights related to the company. Equal treatment of all shareholders is crucial. Transactions involving the company's own shares are executed on the Oslo Stock Exchange, except for the repurchase of minor shareholdings from shareholders with 500 or fewer shares. In the event of material transactions between the company and a shareholder, Board member, member of executive management, or a party closely related to any of the beforementioned, the Board will ensure that independent valuations are made available.

Board members and members of executive management shall report to the Chairman of the Board and the group CEO if they directly or indirectly have significant interests in agreements entered into by StrongPoint ASA or companies in which StrongPoint ASA has significant interests. Additional information on transactions with related parties appears in note 18 in the consolidated accounts. Existing shareholders shall have pre-emptive rights to subscribe for shares in the event of share capital increases, unless otherwise indicated by special circumstances. If the pre-emptive rights of existing shareholders are waived in a share capital increase, the reasons for this waiver shall be explained by the Board of directors and be published through the Oslo Stock Exchange distribution system and on the company website.

5. Freely negotiable shares

StrongPoint ASA's shares are freely negotiable. There are no restrictions on transferability in the company's articles of association.

6. General meetings

Meeting notification, registration, and participation

The company encourages all shareholders to participate at general meetings. Notices of general meetings and comprehensive accompanying information are made available to shareholders on the company's website and sent to shareholders within the deadlines stated in the Norwegian Public Limited Liability Companies Act. The deadline for shareholders to register to attend a general meeting is set as close to the date of the meeting as possible, normally two or three days prior to the meeting. The company is of the opinion that no adequate systems for handling electronic participation at general meetings are currently available. Thus, the Board has decided not to allow such participation at StrongPoint ASA's general meetings. From 2020, the articles of association allows for digital execution of general meetings, and regulates that votes in advance can be registered. This allows for improved shareholder engagement cross borders.

Proxy and votes in advance

When the general meeting is held digitally, the shareholders can send in votes in advance. Shareholders who are unable to attend a meeting may vote by proxy.

The company has prepared forms that enable shareholders to vote on individual issues. Procedures for using such forms are available on the company's website. The company does not appoint an independent proxy to vote on behalf of shareholders. The company considers that shareholders' interests are adequately safeguarded by the option to participate through an appointed proxy or voiting in advance. Procedures for attendance registration and granting proxy are presented in the notice, on the attendance and proxy form and on the company website.

Meeting chair, voting, etc.

Board members, the chairman of the nomination committee, and the company's auditor are encouraged to attend general meetings. The general meeting is led by the Chairman of the Board or someone elected by the general meeting.

The nomination committee focuses on composing a board that works as a team, that meets legally established regulations as to equal gender representation on boards of directors, and whose members' experience and qualifications complement each other. Minutes of general meetings are published as soon as practical via the Oslo Stock Exchange distribution system and on the company website.

7. Nomination committee

The company has a nomination committee, as stated in the articles of associations, which consists of: Svein Jacobsen (Chairman), Oskar Bakkevig and Inger Johanne Solhaug. The nomination committee consists of no fewer than three members. Each member is normally elected for a two-year period. The composition of the nomination committee should ensure the interests of shareholders and independence from the Board and executive management.

Nomination committee members and its chairman are elected by the company's general meeting, which also determines remuneration payable to committee members.

In accordance with StrongPoint ASA's articles of association, the nomination committee recommends candidates for election to the Board of Directors. In addition, the nomination committee recommends a candidate for Chairman. The nomination committee also makes recommendations on remuneration of Board members. The nomination committee is to justify its recommendations, how it takes care of the shareholders' and the company's need for expertise, capacity and diversity. Care should be taken that the Board functions effectively as a cooperative body. Proposals for Board candidates are to be submitted in reasonable time before the general meeting.

The annual general meeting will, in accordance with the Code of Practice, be presented with the guidelines governing the duties of the nomination committee for approval. The duties of the nomination committee are found on the company website.

8. Corporate assembly and Board of Directors, composition and independence

In accordance with the company's articles of association, the Board comprises between 5 and 11 members. Board members are elected for a period of one year. The Board members are independent of the company's executive management and its significant business associates. No member of the company's executive management is a Board member. CEO Jacob Tveraabak has ownership interests in StrongPoint ASA privately and through his family owned company Juce Holding AS. The current composition of the Board is presented on the company website. The Board members' expertise is also presented. In 2021, the Board of Directors had 12 meetings.

Board members' shareholdings are presented in note 9 to the consolidated accounts. Board members are encouraged to invest in the company's shares, and also receive shares as part of the remuneration. The Board members represent a combination of expertise and experience from finance, industry and organizations. The nomination committee's reasoned proposal for candidates will be presented on the company website.

9. The work of the Board of Directors

The Board of StrongPoint ASA annually adopts a plan for its work, emphasizing goals, strategies, and implementation. Also, the Board has adopted board instructions that regulate areas of responsibility, tasks and division of roles of the Board, the Chairman of the Board and the Chief Executive Officer. The Board instructions also feature rules governing Board schedules, notice and chairing of Board meetings, decision-making, the Chief Executive Officer's duty and right to disclose information to the Board, professional secrecy, impartiality and other issues. The Board evaluates its own performance and expertise once a year through a survey. The Board has an audit committee, which consists of Chairman of the Board Morthen Johannessen and the Board member Klaus de Vibe. The Board evaluates the competence of the audit committee members to be sufficient. The audit committee sets the agenda according to the tasks set in Allmennaksjelovens §6-43.

10. Risk management and internal control

The Board of Directors of StrongPoint ASA is ultimately responsible for the group's business operations and is to ensure that the company maintains solid in-house control practices and appropriate risk management systems tailored to the company's business activities.

StrongPoint ASA is exposed to currency and interest risk, market risk, credit risk and operational risk at its underlying companies. Management of operational risk primarily takes place at each underlying operating company.

Nevertheless, StrongPoint takes an active role on Boards of Directors in subsidiaries. As a rule, all companies have established effective risk management procedures. Management of financial market exposure, including currency, interest and counterparty risk, is presented in greater detail in note 17 to the parent company accounts. StrongPoint has adopted a series of policies to support this, including:

- Financial reporting, financial and risk management.
- Ethics and social responsibility.
- Authorization conditions, including instructions for the Board and CEO, as well as certification authority.
- Audit committee.
- Accounting manual regulating group accounting policies, risk accruals and internal control.

The Audit committee and the Board annually reviews the company's most important risk areas and internal control systems and procedures, and the main elements of these assessments are presented in the Board of Directors' report. The audit committee also serves as a preparatory group in connection with the quarterly report and reviews the major events, the directors' report, balance sheet, income statement items and notes to the interim financial statements together with the administration before the report is presented to the Board.

11. Remuneration of the Board

Board remuneration reflects the Board's responsibility, expertise, time spent and the complexity of the business. Remuneration does not depend on StrongPoint's financial performance. There are no option programs for any Board members. 20% of gross remuneration to the Board shall be used for share purchases until the value of the shares corresponds to a minimum of one year's gross remuneration. The annual general meeting determines Board remuneration following recommendations by the company's nomination committee.

Board members are elected because of their expertise and knowledge. Directors or their related companies should not undertake special assignments for the company in addition

to their Board appointments. However, if they do, the whole Board should be informed. Fees for such assignments must be approved by the Board. All remunerations are specified in the financial statement. Additional information on remuneration paid to Board members for 2021 is presented in note 9 to the consolidated accounts.

12. Remuneration of executive personnel

The Board has adopted guidelines for remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The Board of Directors determines the remuneration of the CEO. StrongPoint ASA implemented a Long Term Incentive Program in 2020 represented as a Stock Option program. The program has ambition to both motivate and retain executive management and key personnel to achieve the overall strategic ambitions. The company's guidelines and further information on remuneration for 2021 for members of StrongPoint's executive management is presented in note 9 to the consolidated accounts. Additional information will be also be shared in a remuneration report to be presented to the General meeting in 2022. Some members of StrongPoint's executive management maintain the company's interests as board members of other StrongPoint companies. They do not personally receive board remuneration for this. StrongPoint has a worldwide Directors' and Officer's liability insurance with a limit of approx. 5% of revenue.

13. Information and communications

The company has prepared a policy for investor relations (IR), which determines guidelines for contact with shareholders apart from the general meeting. The company's reporting of financial and other information is based on transparency and equal treatment of interested parties.

The long-term purpose of StrongPoint's IR activities is to ensure access to capital at competitive terms for the company and correct pricing of shares for shareholders. These goals are to be accomplished through accurate and timely distribution of information that can affect the company's share price; the company is also to comply with current rules, regulations, and market practices, including the requirement of equal treatment.

All stock exchange notices and press releases are published on the company's website. Stock exchange notices are also available at: [newsweb.oslobors.no](https://www.newsweb.oslobors.no). All information that is distributed to shareholders is published through the Oslo Stock Exchange distribution system and on the company website.

The company intends to host public presentations of its financial reporting and these meetings are webcasted simultaneously. The company's financial calendar is found on the company website.

14. Take-overs

In a bid situation, StrongPoint's Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer. The Board of Directors will not seek to hinder or obstruct take-over bids for the company's activities or shares unless there are particular reasons for this. An agreement with the bidder to limit the company's ability to obtain other offerings on the company's shares will only be entered into when it clearly can be attributed to the company and shareholders' common interest. The same applies to an agreement to compensate the bidder if the offer is not completed. Any compensation shall be limited to the cost the bidder has incurred in making the bid.

Agreements between the company and provider of importance for the market's assessment of the offer should be made public no later than the alert that the offer is made. In the event of a take-over bid for the company's shares, the company's Board of Directors will not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid. If an offer is made for the company's shares, the company's Board of Directors will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's statement on the offer will make it clear whether the views expressed are unanimous, and if this is not the case it should explain the basis on which specific members of the board have excluded themselves from the Board's statement. The Board will arrange a valuation from an independent expert. The valuation will include an explanation, and will be made public no later than at the time of the public disclosure of the Board's statement.

15. Auditor

The auditor participates in the Board meeting that decides the annual accounts. The auditor audit material changes in the company's accounting principles and assessments of material accounting estimates with the Board.

Further, the auditor has provided the Board with written confirmation that the requirement of independence is met. The Board and the audit committee meet with the auditor without the presence of representatives of executive management. The audit committee determines guidelines for executive management's access to use the auditor for services other than auditing and receives an overview of services rendered by the auditor to the company.

Remuneration for auditing and other services are presented in note 5 to the StrongPoint ASA accounts. Such details are presented to the annual general meeting.

Rælingen, 16 March 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Statement on equality and non-discrimination

This report describes the diversity and inclusion status of StrongPoint ASA and how we are working to ensure equal opportunities for all employees and prevent discrimination on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression or combinations of these grounds globally, and shall seek to prevent harassment, sexual harassment and gender-based violence.

All figures are for the Norwegian company StrongPoint ASA, including all subsidiaries.

Our identified risks of discrimination or other obstacles for equality and diversity and potential causes:

Our ability to drive people's development is critical to delivering on our strategy. We acknowledge that our people are a key asset, and we strive to create an environment that fosters excellence, promotes our values, and encourages diversity. Based on feedback from employees globally via engagement surveys, discussions with employee representatives we have identified the following key risk areas/obstacles for equality, diversity and discrimination.

- Recruitment
- Culture
- Leadership
- Work-life balance

In the case of recruitment, we see that recruiting employees from a variety of countries, backgrounds and cultures may challenge the way we communicate and follow up employees. When it comes to leadership, poor gender balance can create a perception of unequal career development opportunities and represent a talent retention risk. We also see that StrongPoint's growth strategy combined with a performance driven culture might create high expectations and workloads for employees making work-life balance for some a challenge.

Our measures to prevent discrimination and increase diversity and equality:

On recruitment we should work actively to improve gender balance on all levels/departments/countries, and promote recruitment of qualified individuals with disabilities or special needs requirements.

On Culture we should follow up on culture awareness trainings locally based on feedback given from the employees in the Peakon employee engagement survey.

On Leadership we should ensure gender balance in leadership development programs. Improve diverse leadership teams through systematic succession planning.

On Work-life balance we should promote and evolve a culture of flexibility in the workplace including giving guidelines on Working from Home (WfH).

Our assessment of progress and results:

During the past two years we have had a focus on aligning our policies cross the different business units and within the countries of operation. We now track recruitment of all senior positions and have aligned our practices.

We are continuously tracking our population with regards to work-life balance and our 2021 engagement survey showed increased scores in this area.

We assess the compensation and benefit equality as part of the yearly salary review and conduct a broad benchmark survey every second year (next time in 2022). We found only minor disparities in 2021, and have adjusted them on individual levels. We still have a business unit with low or none-existing pension and insurance coverage and in 2022 it is our goal to cover this gap. In 2021 StrongPoint announced its first Executive Remuneration Policy, that also got approved by the annual general meeting on 28.04 2021 (can be found on StrongPoint.com).

In 2021 we have moved to new offices in Täby that is much more adapted for disabled employees. We will in 2022 move our offices in several other locations and will focus on making them equally accessible.

Additional description of goals and achievements can be found under the ESG section of this Annual Report.

Based on the Norwegian Activity Duty for employers (Aktivitets- og redegjørelsesplikten, ARP), the company is reporting the following employee data:

Permanent employees by region, gender, and payroll:

Location	No. of employees 2020	Payroll (NOK million) 2020	No. of employees 2021	Payroll (NOK million) 2021*
Norway	57	46 116	60	48 016
Women	17%	8 075	18%	8 900
Men	83%	38 041	82%	39 116
Sweden	168	89 812	124	94 443
Women	19%	16 720	20%	18 500
Men	79%	73 092	80%	75 943
Baltics	179	70 273	188	14 920
Women	21%	14 160	21%	3 039
Men	79%	56 113	79%	11 881
Spain	34	22 496	28	19 730
Women	22%	5 000	25%	5 031
Men	78%	17 496	75%	14 699

* Adjusted based on 2020/2021 payroll survey with KornFerry (including discontinued operations in 2020)

Part-time employees, turnover, and parental leave:

Organisation	2020 (as per 31.12)			2021 (as per 31.12)		
	Men	Women	Total	Men	Women	Total
Number of permanent employees	357 (77%)	105 (23%)	462	317 (79%)	83 (21%)	400
Temporarily hired	0	0	0	0	0	0
Part time employees	9 (75%)	3 (25%)	12	10 (77%)	3 (23%)	13
Newly hired						
Total number of newly hired employees in 2020/2021	34	7	41	36	16	52
Employee turnover						
Number of employees who have left the company (incl M&A)	79	33	112	75	39	114
Parental leave						
Number of employees on parental leave/average weeks	6/10	9/40	15/28	3/5	5/34	8/23

Breakdown of employees and board members by gender:

	2020		2021	
	Men	Women	Men	Women
Organisation total	357 (77%)	105 (23%)	318 (78%)	82 (22%)
Board of Directors	3	2	3	2
Executive level management	7	3	6	3
Non-executive level management	36	10	31	8

Breakdown of employees and board members by age:

	2020			2021		
	Under 30	30-49	50+	Under 30	30-49	50+
Organisation total	63 (13%)	262 (56%)	137 (29%)	76 (19%)	210 (53%)	114 (28%)
Board of Directors	0	2	3	0	2	3
Executive level management	0	7	3	0	7	2
Non-executive level management	4	23	19	4	18	17

Average age of employees in StrongPoint is 41.9 years in 2021 (43 years in 2020). With female average age of 42.4 years old and males 41.7.

The share and financial calendar

StrongPoint ASA strives to have an open IR policy towards its shareholders and the market in general. The most important event for shareholder information is the Annual Strategy Update Session during Q1. In addition the group uses its website, meetings and direct communication to provide investors and analysts with relevant information.

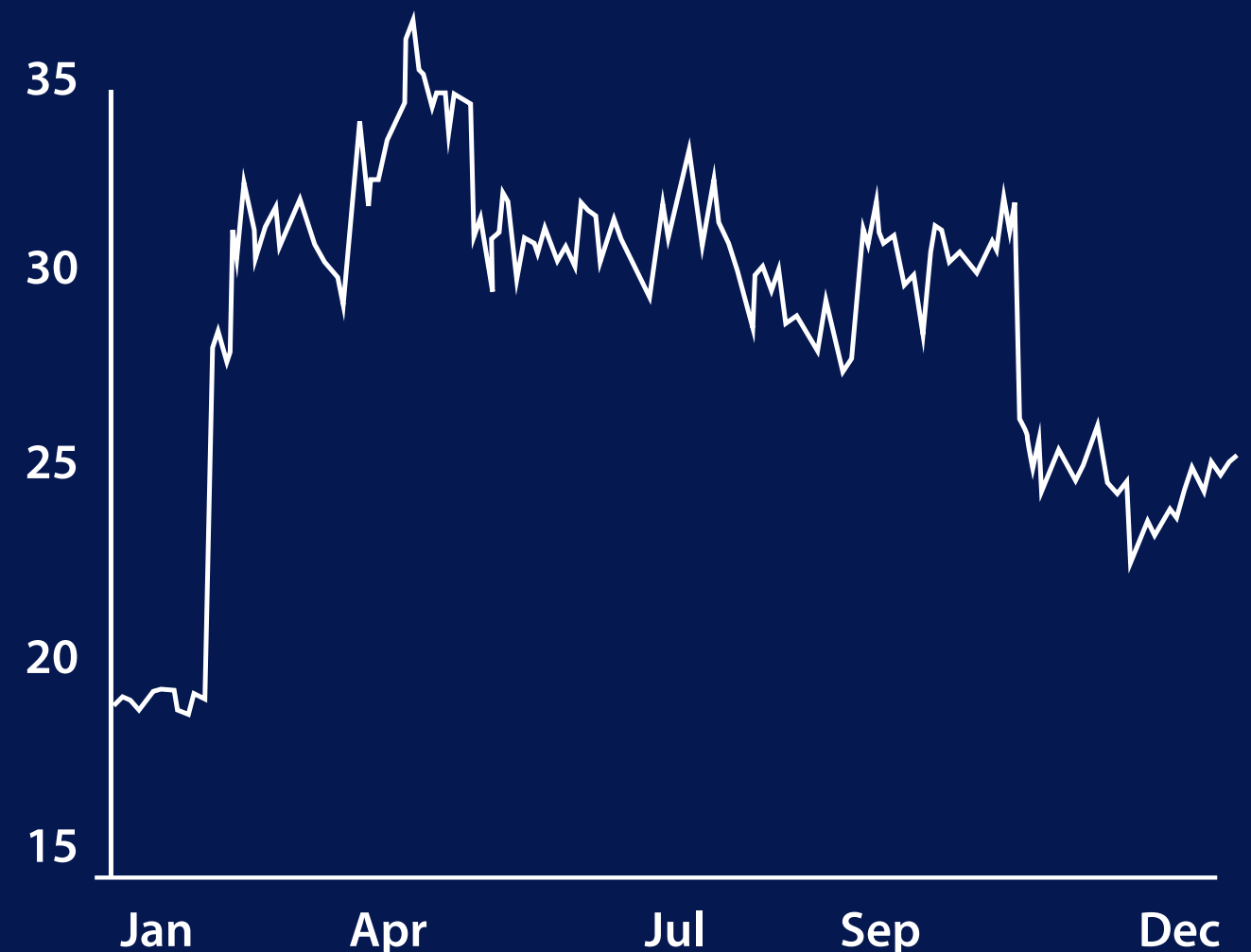
Information for shareholders is available at strongpoint.com and ose.no (ticker STRO). StrongPoint ASA has frequent contact with investors and analysts to provide the best possible information regarding the group's financial situation and development. The market is informed of orders/contracts worth 10 MNOK or more, as well as orders that are considered strategically important.



Hilde Gilen
CFO

StrongPoint ASA is a public limited company and is established under Norwegian law. The company is listed on the Oslo Stock Exchange. The Group's issued share capital is NOK 27.513.145 allocated as 44.376.040 shares, each with a nominal value of NOK 0.62, all fully paid and issued in accordance with Norwegian law. The company has one class of shares.

The Share 2021



Financial Calendar 2022

Q1 – 28.04
Q2 – 13.07
Q3 – 26.10
Annual General Meeting – 28.04

Webcast will be available at our website strongpoint.com from CET 08.15, the same time as the presentation starts.

For more information:

Hilde Horn Gilen
CFO
Tel: +47 920 60 158
E-mail: hilde.gilen@strongpoint.com

Consolidated Income Statement of comprehensive income

KNOK	Note	2021	2020
Operating revenue	3	981 339	941 706
Cost of goods sold	12	560 104	552 603
Payroll	9	255 147	240 735
Share based compensation	9	6 178	476
Other operating expenses	5, 16, 27	106 285	79 241
Total operating expenses		927 714	873 056
EBITDA		53 625	68 650
Depreciation tangible assets	10	18 718	17 920
Depreciation intangible assets	11	7 403	8 897
Total depreciations		26 120	26 817
Operating profit		27 504	41 834
Financial items	6, 8	-1 605	-4 926
Profit before tax		25 899	36 908
Income tax expense	26	3 542	10 471
Net income from continued operations		22 357	26 438
Profit after tax from discontinued operations	4	168 418	71 220
Profit/loss after tax		190 775	97 658

KNOK	Note	2021	2020
Other comprehensive income			
Items that may be reclassified through profit or loss in later periods			
Currency translation differences		-19 400	29 245
Total comprehensive income		171 375	126 903
Earnings per share			
Earnings per share	23	4.32	2.21
Diluted earnings per share	23	4.12	2.15
Earnings per share from continued operations	23	0.51	0.60
Diluted earnings per share from continued operations	23	0.48	0.58

Consolidated balance sheet

KNOK	Note	31.12.2021	31.12.2020
ASSETS			
Intangible assets	11	30 371	42 010
Goodwill	11	124 641	151 566
Tangible assets	10	19 031	24 030
Right-of-use assets	10	43 241	67 744
Associated companies	6	774	700
Other long-term investments	7	4 001	1 000
Other long-term receivables	13	15 622	23 435
Deferred tax assets	26	17 240	11 560
Total fixed assets		254 921	322 045
Inventories	12	211 256	144 973
Accounts receivables	13, 17	175 627	217 212
Prepaid expenses	13	16 646	12 129
Other current receivables	13	13 885	14 765
Bank deposits etc.	14	174 198	75 007
Total current assets		591 612	464 087
TOTAL ASSETS		846 533	786 132

KNOK	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Share capital	24	27 513	27 513
Treasury shares	24	-364	-52
Other equity		471 041	338 597
Total equity		498 190	366 059
Long term interest bearing liabilities	15	11 236	374
Long term lease liabilities	15	25 972	39 565
Deferred tax liabilities	26	8 720	7 547
Total long term liabilities		45 928	47 486
Current interest bearing liabilities	15	4 768	41 974
Short term lease liabilities	15	16 086	27 238
Accounts payable		101 969	83 141
Tax payable	26	11 717	16 552
Public duties payable		40 954	42 917
Other short term liabilities	22,27	126 920	160 765
Total short term liabilities		302 415	372 587
Total liabilities		348 343	420 073
TOTAL EQUITY AND LIABILITIES		846 533	786 132

Rælingen, 16 March 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Consolidated cash flow statement

KNOK	Note	2021	2020
Ordinary profit before tax continued operations		25 899	36 908
Ordinary profit before tax discontinued operations		169 755	80 437
Net interest		1 935	4 021
Tax paid		-17 856	-4 000
Share of profit, associated companies	6	-175	-147
Ordinary depreciation	10, 11	33 431	67 843
Impairments	10	-	2 841
Gain/-loss on sale of tangible assets	10	-793	313
Change in inventories		-74 046	3 165
Change in accounts receivables		34 601	-26 279
Change in accounts payable		22 673	6 989
Change in other accrued items		30 057	-40 294
Net cash flow from operational activities		225 483	131 799
Payments for fixed assets	10	-8 794	-6 526
Payments for long term shares	7	-3 001	-
Sale of tangible assets (sales proceeds)	10	738	92
Net effect acquisitions previous years	22	-4 200	-17 433
Net effect divestment	4	199 888	17 397
Interest income	8	300	96
Dividends received from associated companies	6	100	-
Net cash flow from investment activities		185 033	-6 374

KNOK	Note	2021	2020
Purchase of own shares	24	-16 431	-1 027
Sale of own shares	24	2 796	2 407
Payment long and short term debt	15	-38 331	-40 359
Payment of leasing commitments	15	-17 267	-36 374
New long and short term debt	15	-	33 611
Change in overdraft		-208 080	-16 983
Interest expenses	8	-2 235	-4 117
Dividends paid		-31 050	-26 568
Net cash flow from financing activities		-310 598	-89 409
Net change in liquid assets		99 917	36 016
Cash and cash equivalents at the start of the period		75 007	39 498
Effect of exchange rate fluctuations on foreign currency deposits		-727	-507
Cash and cash equivalents at the end of the period	14	174 198	75 007
Cash and cash equivalents from discontinued operations		-	29 251
Cash and cash equivalents from continued operations		174 198	45 756

Consolidated statement of changes in equity

KNOK	Share capital	Treasury shares	Other equity			Other equity	Total equity
			Other paid-in equity	Translation variances	Share Option Program		
Equity at 31.12.2019	27 513	-107	351 262	37 007	-	-151 770	263 904
Profit for the year after tax						97 658	97 658
Other comprehensive income and expenses 1)				29 245			29 245
Purchase/sale of own shares		55				1 325	1 380
Dividend 2019 paid in 2020						-26 568	-26 568
Share Option Program					440		440
Equity at 31.12.2020	27 513	-52	351 262	66 252	440	-79 356	366 059
Profit for the year after tax						190 775	190 775
Other comprehensive income and expenses 1)				-19 400			-19 400
Purchase/sale of own shares		-313				-13 322	-13 635
Dividend 2020 paid in 2021						-31 050	-31 050
Share Option Program					5 441		5 441
Reclassification discontinued operations				-11 028		11 028	-
Equity at 31.12.2021	27 513	-364	351 262	35 824	5 881	78 076	498 190

Other paid in equity are funds which can be allocated by the General Meeting.

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. See exchange rates in note 21.

Note 1: General information

StrongPoint ASA is based in Norway with registered office at Slynga 10 in the municipality of Rælingen. The company is listed at the Oslo Stock Exchange with the ticker STRO. The group's main business is the development, sale and implementation of innovative, integrated technology solutions to stores and e-commerce solutions. The company has reported only one business area in 2021, Retail Technologies, this will be changed in 2022 reporting following the divestment of the Labels business area in 2021. See note 4 for more information.

The proposed annual financial statements are prepared with the assumption of a going concern and were adopted by the board and CEO on the date shown on the signed balance sheet. The annual financial statements will be approved by the ordinary general meeting 28 April 2022. See note 28 for the effect of COVID-19 in 2021.

Note 2: Accounting principles

Basic Principles

The consolidated financial statements have been prepared in accordance with the EU approved International Financial Reporting Standards (IFRS) and associated interpretations and with additional Norwegian disclosure requirements pursuant to the Accounting Act, Stock Exchange Regulations and stock exchange rules applicable to financial statements completed by 31.12.2021. The consolidated financial statements have been produced based on historical costs with the exception of certain financial instruments, which have been disclosed at fair value.

The group has incorporated all standards and interpretation applying to the financial statements prepared at 31.12.2021.

The consolidated financial statements are presented in thousand Norwegian kroner unless otherwise stated.

Estimates and judgements

Estimates and underlying assumptions for valuation are reviewed and evaluated continually. Changes in accounting estimates are accounted in the period the estimates are changed and in any future periods that are affected. Recognition of intangible assets, goodwill, deferred tax assets, deferred tax liabilities, obsolete stock and warranty provisions are areas particularly affected by judgements and estimates. The judgements made are detailed in Note 25.

Consolidation principles

The consolidated financial statements have been prepared to show StrongPoint Group as

a unit. This involves consolidating all companies where StrongPoint has direct or indirect control and elimination of internal transactions and balances. An entity is consolidated from the date when the Group achieve control.

Associated companies are accounted for using the equity method in the consolidated financial statements. Associated companies are entities where the group has significant influence but no control (normally in the case of stakes between 20% and 50%) over financial and operational management. Shares held for sale in associated companies, are valued at fair value, and unrealised increase or decrease in value which earlier have been recognized directly as income and costs in the statement of other comprehensive income, will be reversed. Share of profit after tax in associated companies are recognized included in financial items in the P&L. Investments in associated companies are tested for impairment indicators based on the principles in IFRS 9. If there are objective indications of impairment, impairment tests are conducted in accordance with IAS 28.40.

Any other investments are considered to be investments held for sale and are recognized at their fair value and with any change in value through other comprehensive income.

Translation of foreign currency

The accounts of individual entities within the group are measured in the local currency in each country (functional currencies). The functional currencies mainly consist of NOK, SEK and EUR. The consolidated financial statements have been prepared in NOK, which is both the functional currency and the reporting currency of the parent company and the Norwegian subsidiary.

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.

Loans from an entity within the group to subsidiaries where repayment has not been planned or is not likely in the foreseeable future, are considered as part of the net investment in subsidiaries, while foreign exchange gains or losses linked to such loans are recognized as translation differences in the statement of other comprehensive income.

Tangible assets

Tangible assets are recognized at acquisition cost less any accumulated impairments and depreciation. Upgrades on fixed assets is capitalised. Maintenance is expensed.

The acquisition cost of fixed assets are depreciated linearly according to the expected useful life of the assets, which is:

- Fixtures and equipment 3–5 years
- Machinery 3-10 years
- Plant and property (production and warehouse facilities) 20 years
- Land values are not depreciated

The useful life of the assets, depreciation method and their residual value are revalued on each balance sheet date and adjusted if necessary. When the balance sheet value of a fixed asset is higher than the estimated recoverable amount, the value is reduced to the recoverable amount. Any profit and loss on disposal of the asset is recorded as the difference between sale price and balance sheet value.

Any fixed assets hired on terms that predominantly sees the transfer risk and rewards to StrongPoint (operational leasing agreements with a lifetime of more than one year and a value of more than NOK 100 and financial leasing) are activated as fixed assets at the current value of the minimum leasing amount, alternatively at their fair value if this is lower. The commitment is recognized as a short-term and long-term liability.

In the case of any other leasing agreements the hire amount is carried as an operating cost and distributed systematically throughout the leasing period (operational leasing).

Intangible assets

Intangible assets are recognized at their cost price, less any accumulated write-downs and amortisation, and are considered periodically for impairment in the case of a fall in value. Any losses in relation to fall in value are recognized as operating costs.

Economic life is either specific or indefinite. Intangible assets with specific lives are amortized over economic life and tested for impairment when there are indications on this. The depreciation method and -period are considered at least yearly. Changes in depreciation method and -period are treated as changes in estimates.

Intangible assets with indefinite lives are impairment tested at least yearly, either individually or as part of a cash-generating unit. Intangible assets with indefinite lives are not amortized. The lifetime is considered yearly with regard to whether the assumption of an indefinite useful life can be defended.

Goodwill and other intangible assets from acquisitions

Any differences between the acquisition compensation and the fair value of net identifiable acquired assets are classified as goodwill. In the case of gradual acquisitions made in stages, former assets are valued at fair value at the time of acquisition. Any alterations related to booked value on former assets are recognized in the statement of other comprehensive income.

On the balance sheet date, or when there are indications of impairment, the group evaluates the book value of the goodwill. Expensing of loss due to fall in value is recognized if the recoverable amount related to the entity in question falls below book value of the entity included goodwill.

Negative goodwill related to acquisitions is realized immediately as income on the date of acquisition.

Goodwill is not depreciated but evaluated through impairment tests.

Identifiable intangible assets from acquisitions are booked at fair value at the time of acquisition. This includes items such as technology, brand and customer relationships. Brand value/trademarks are not depreciated, but they are tested annually for impairment along with goodwill. The other items are depreciated throughout their estimated life cycle.

Development costs

Product development costs and research into new products and maintenance of existing products are expensed as costs. The expenses include in-house payroll costs and outsourced services. The expenses are reduced with any government grants received related to this development.

Inventories

Inventories are measured at its acquisition cost or net realizable value, whichever is lower. The acquisition cost of inventories is based on the "first in, first out method" (FIFO) and includes costs in relation to the acquisition, the cost of production or reworking, as well as any other cost of bringing the inventories to its present location and condition.

The net realizable value is the estimated sale price under ordinary condition less the estimated cost of preparation and completion at the transfer date.

Provisions for obsolescence are, where possible, made on an individual basis. If it is not possible to carry out an individual assessment, provisions for obsolescence are made based on the current inventory turnover rate.

Accounts receivables

Accounts receivable is measured in line with the classification and measurement regulations of IFRS 9 for loans and receivables at amortized cost. Provisions are made for expected losses. Provisions are made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified. It should, in minimum, be made provisions for: 50% of the amounts ex VAT that has been due for 3 months or more, 80% of the amounts ex VAT that has been due for 6 months or more, 100% of the amounts ex VAT that has been due for 12 months or more. Changes in provision are booked as other operating expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Pension commitments, bonus schemes and other staff compensation schemes

(a) Pension commitments

The employees in StrongPoint have pension schemes in line with local statutory and obligatory company pension schemes, and are in general recognized as a defined contribution plan. The Swedish subsidiaries have defined benefit schemes in place for their employees. Due to the lack of data available and the structure of the plan it is considered a multi-employer plan in accordance with IFRS and is recognized as a contribution-based plan.

(b) Bonus schemes

The group recognizes a provision and a cost for bonus schemes. The group recognizes a provision where there are contractual obligations or a precedent that generates a self-imposed obligation.

(c) Share program

The Group has a share program for the executive management where the CEO has the opportunity to buy shares for up to NOK 1,000,000 with 20% discount and the other members have the opportunity to buy shares for up to NOK 500,000 per year with 20% discount. In addition, all permanent employees in a StrongPoint legal entity, are offered to buy shares for up to NOK 35,000 per year with a 20% discount. The employees can choose to participate in the share program where shares will be allocated 4 times per year and the discount is deducted in the monthly salary deduction, or the employee can buy the shares themselves and get 20% of the amount refunded on their next salary. The discount is recognized as a personnel cost.

Revenue recognition

Income from the sale of products and services is stated at its fair value, net after deductions for value added tax, returns, reductions and discounts. Intercompany sales are eliminated. Revenue from the sale of products is recorded when an entity within the group has delivered the products to the customer, the customer has accepted the product and the customer's ability to settle the account has been satisfactorily confirmed. Services are recorded as income based on the number of hours supplied.

Long-term service and license agreements are recognized linearly over the contracted period.

The Group's sales of products and services are considered to be separate performance obligations according to IFRS 15. The assessment is supported by independence between product sales and sales of services and that both types of sales are based on market prices

without cross-subsidisation. The performance obligation related to the sale of products is fulfilled upon installation by the customer (at a point in time) and the performance obligation related to service agreements is fulfilled on a linear basis over the contract period (over time).

Tax

Tax expenses are linked to the recorded profit and comprise tax payable and changes in deferred tax.

Deferred tax is calculated on temporary differences between the taxable value and consolidated accounting value of assets and debts, with the exception of goodwill, which is not tax deductible. Deferred tax is calculated by applying tax according to local tax legislation, on the balance sheet date and that are expected to be applied when the deferred tax asset is realized or when the deferred tax is settled. Positive and negative differences are offset against each other. Deferred tax assets are recognized on the balance sheet to the extent that it is likely that future taxable earnings will be present and the temporary differences can be deducted from these earnings.

Equity and cost of equity

Debts and equity

Financial instruments are classified as debt or equity in accordance with the signed agreement.

Interest, dividends, profits and losses related to a financial instrument classified as debts are reported as costs or income. Dividend to StrongPoint shareholders classified as equity will be recognized directly against the equity.

Cost of equity transactions

Transaction costs directly linked to an equity transaction are recognized directly through equity after the deduction of tax.

Share option program

IFRS cost related to share options are booked against equity and social security expenses related to the options are booked as provisions.

Provisions

A provision is recognized when the group has an obligation (legal or constructive) resulting from a previous event if it is likely that there will be a financial settlement as a result of this obligation, and if the size of the amount can be reliably measured. If the effect is significant

the provision is calculated by expected future cash flows and, if relevant, any risks specifically linked to the obligation. Provisions for warranties are recognized when the underlying products and services are sold. The provisions are based on historic warranty cost weighted with probability.

Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group has classified its financial assets and liabilities in the following categories: accounts receivables and other financial assets and current assets, held for sale (shares), cash and cash equivalents, accounts payable and other non-interest bearing financial liabilities and interest bearing liabilities. The categorization of the financial assets and liabilities for measurement purposes is done based on the nature and purpose of the financial instrument and is determined at initial recognition. The group does not use fair value options.

The Group has financial assets classified in the following categories: loans, receivables and held for sale. Loans and receivables comprise unlisted assets with payments that are fixed or determinable and which are not derivatives. Financial assets held for sale consist of assets that are not derivatives designated as held for sale or classified in any of the other categories. The Group has financial liabilities classified in the following categories: financial liabilities at amortized cost. Financial liabilities at amortized cost consist of liabilities that do not fall under the category of fair value through profit and loss.

The financial instruments are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions, through the recognition of the contract date. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Group has a legally enforceable right and intention to settle the contracts net, otherwise the financial assets and liabilities are presented gross.

Gains and losses on derecognition of financial assets and financial liabilities are classified by type of financial instrument and by accounting portfolio. For each item, realized net gain or loss attributable to the transaction is deducted. The net amount represents the difference between realized gains and realized losses.

Borrowing costs

Borrowing costs are recorded when the borrowing costs occurs. Borrowing costs are capitalized when directly related to the purchase or manufacture of a qualifying asset.

Government grants

Government grants are recognized if there are reasonable grounds to believe that the company will meet the criteria of the grant and the grant will be awarded. The recognition of operating grants shall be recognized systematically during the grant period.

Fixed assets held for sale and discontinued operations

Fixed assets and groups of fixed assets and debts are classified as held for sale if the carrying amount primarily can be recovered through a sales transaction rather than continued use.

Cash flow statement

The cash flow statement is presented using the indirect method. The Group's activities are divided into operational, financing and investment activities.

New standards and interpretations

The company has not implemented new principles for 2021 that have had a significant effect on the accounts. There are no new standards not yet taken into use that is expected to materially impact the financial statements for StrongPoint.

Note 3: Segment information

The segment information is based on reported revenues, EBITDA, EBT and assets for the legal entities included in the segment, with eliminations of internal items within the segment. Intra-group items are included in the column Eliminations. Eliminations consists of internal sales with associated costs, intercompany balances, goodwill, intangible assets and other group postings. Internal sales are based on market prices.

Management fee invoiced from StrongPoint ASA to subsidiaries are not included in the segment statements.

Business area

Due to sale of the Cash Security business area in December 2020 and the Label business area in 2021, the Group need to identify new reporting segments according to the IFRS 8 standard. The Group have an ongoing process of deciding new operating units that will be identified as the baseline of new reporting segments in the financial reporting. This will be

effective from the 1st quarter 2022. The financial statement include revenue information for both geographic and product information in the current reporting.

The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Checkout Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including Pricer Electronic Shelf Labels (ESL), POS, ERP and Digi scales and wrapping systems. The group management has in the fiscal year 2021 governed the business based on reported sales revenues, EBITDA and EBIT for the two business areas Retail Technology and Labels.

a) Business segment

KNOK	Retail Technology		StrongPoint ASA		Eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
Sale of products, external customers	638 167	631 368	-	-	-7 170	-15 445	630 997	615 922
Sale of installation and service, external customers	350 342	325 784	-	-	-	-	350 342	325 783
Total sales revenue	988 509	957 151	-	-	-7 170	-15 445	981 339	941 706
EBITDA	91 626	95 502	-38 001	-27 693	-	842	53 625	68 650
EBT	64 079	65 932	168 541	13 619	-206 721	-42 643	25 899	36 908
Assets	576 316	333 142	444 656	527 249	-174 438	-74 259	846 533	786 132
Liabilities	371 536	304 994	-5 815	223 822	-17 378	-108 743	348 343	420 073
Working capital	301 516	240 510	-4 344	-7 711	-12 259	46 245	284 913	279 043
Investment in fixed assets	7 171	6 337	31	15	1 592	174	8 794	6 526

EBITDA is operating profit before depreciation, amortization interest and tax.

EBT is profit before tax.

Working capital is inventory plus accounts receivables minus accounts payables.

b) Geographical information

The group focus on international growth and specify revenue based on geographical location determined by the customers location.

KNOK	Norway		Sweden		Other markets		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
Total revenue:								
Retail Technology	361 630	362 000	333 862	294 120	293 016	301 031	988 509	957 151
StrongPoint ASA	-	-	-	-	-	-	-	-
Elimination	-	-2	-7 169	-15 242	-1	-201	-7 170	-15 445
Total sales revenue	361 630	361 998	326 693	278 878	293 015	300 830	981 339	941 706
Fixed assets	30 381	48 453	169 581	230 935	54 960	42 656	254 921	322 045
Book value associated companies	774	700	-	-	-	-	774	700
This year investments in fixed assets	169	297	2 458	1 005	6 167	5 223	8 794	6 526

There are no customers that represent 10% or more of revenues in the individual business areas in 2021 and 2020.
Revenue per customer is based on sales per legal entities.

Note 4: Changes in the group structure

Discontinued operations

StrongPoint Labels business area was divested in June 2021 through an acquisition done by the Swedish company Volati Tryck Holding AB. The business area constituted of StrongPoint Labels AB in Malmö, Sweden, and parts of the Norwegian legal entity StrongPoint AS which was demerged into StrongPoint Labels AS in Q3 2021. The Swedish part of the transaction was closed July 1 and the Norwegian part was closed September 1. The transaction led to a net gain of 163.4 MNOK included in the line Profit after tax from discontinued operations in the P&L.

In June 2019, StrongPoint agreed with BaneNor to relocate the Labels business from Tangen facilities in Norway. The responsibility to fulfill the relocation obligation was included in the demerge and later the divestment transaction.

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 P&L tables.

Calculation of profit Labels business area	2021
Payment	226 576
Sales costs / advisors	-4 485
Book value equity	-58 703
Profit	163 389

The Cash Security business was divested in 2020.

Calculation of profit Cash Security business area	2020
Payment 2020	27 635
Earn-out	23 372
Sales costs / advisors	-4 684
Book value equity	-7 163
Profit	39 161

The numbers regarding 2020 below includes both the Cash Security business area and the Labels business area.

Profit from discontinued operations

KNOK	2021	2020
Operating revenue	110 144	322 674
Cost of goods sold	53 177	112 795
Payroll	31 766	90 150
Other operating expenses	9 690	26 720
Total operating expenses	94 633	229 666
EBITDA	15 512	93 008
Depreciation tangible assets	7 090	43 220
Depreciation intangible assets	221	646
EBIT	8 201	49 141
Interest expenses	339	1 016
Other financial expenses/currency differences	1 495	6 849
Profit on sale of discontinued operations	163 389	39 161
EBT	169 755	80 437
Taxes	1 337	9 217
Profit from discontinued operations	168 418	71 220

Cash Flow from discontinued operations

KNOK	2021	2020
Cash flow from operational activities	5 487	81 123
Cash flow from investment activities	-1 895	-1 604
Cash flow from financing activities	-6 156	-56 081
Net Change in liquid assets	-2 563	23 438
Cash and cash equivalents at the start of the period	29 251	5 813
Cash and cash equivalents at the end of the period	26 687	29 251

Note 5: Other operating expenses

KNOK	2021	2020
Rent, electricity, cleaning	7 251	13 997
Vehicles	8 677	7 264
Other consultancy fees	35 131	20 193
IT	22 311	12 500
Travel	4 138	4 504
Marketing	8 763	5 275
Other costs	20 014	15 509
Total	106 285	79 241

KNOK	2021	2020
Specification of recognized auditors fee:		
Fee for auditing services	2 211	1 476
Fee for tax advise	12	-
Fee for other services	40	222
Total	2 263	1 698

Auditors fee are exclusive of VAT, with the exception of transaction expenses.

Note 6: Investment in associated companies

StrongPoint ASA owns 49,9997% of the shares in Spok AS. The company performs services on behalf of StrongPoint AS.

StrongPoint ASA had the following investments in associated companies as at 31 December 2021:

KNOK			Stake	Cost price	Book value	Dividend	Share of	Book
Entity	Country	Industry	31.12.2021	31.12.2021	31.12.2020	paid in	net profit	value
						2021	2021	31.12.2021
Spok AS	Norway	Service company	50,0 %	1 700	700	-100	175	774

An overview of financial information about the associated company, based on 100%

KNOK	2021					
Entity	Current assets	Fixed assets	Debt	Equity	Turnover	Profit for year
Spok AS	3 747	796	3 000	1 543	14 430	343

Note 7: Shares in other companies

KNOK	2021		2020	
Company	Cost price	Market value	Cost price	Market value
Other long-term investments:				
Settle Group AS	476	-	476	-
Masterkett AS (Liquidated in 2021)	-	-	1 000	1 000
Halodi Robotics AS	4 001	4 001	-	-
Total	4 477	4 001	1 476	1 000

The shares are booked at fair value with level 3 in the fair value hierarchy. Any changes in the value will be booked through the P&L.

The shares in Halodi Robotics AS is of strategic importance for the Group. In March 2021 StrongPoint announced a partnership with humanoid robotics company Halodi Robotics to develop an in-store grocery retail robotics solution, which in a few years' time will be seen in grocery stores conducting repetitive, labour-intensive tasks which will drive in-store efficiencies.

Note 8: Financial items

KNOK	2021	2020
Interest income	300	95
Currency adjustment bank and unpaid receivables and liabilities	4 765	3 947
Profit from associated companies	175	147
Other financial income	2 331	5 229
Total financial income	7 571	9 417
Interest expense	-1 112	-2 040
Interest expenses leasing IFRS 16	-784	-1 060
Currency adjustment bank and unpaid receivables and liabilities	-6 897	-10 659
Other financial expenses 1)	-382	-584
Total financial expenses	-9 176	-14 343
Net financial items	-1 605	-4 926

1) Other financial expenses are primarily related to financial liabilities.

Currency differences relating to the payment of purchases are recorded as cost of goods and constitutes a cost of KNOK 3,336 in 2021 (KNOK 2,090 in 2020). Currency differences relating to the payment of sales revenues are recorded as sales revenues and constitutes a revenue of KNOK 707 in 2021 (KNOK 2,523 in 2020).

Note 9: Payroll costs and number of employees

KNOK	2021	2020
Salaries	187 089	174 180
Severance packages	1 401	6 260
Director's fee and Nomination Committee	1 825	1 842
Social fee	37 357	32 615
Pension costs	12 917	12 738
Other payroll costs	14 558	13 100
Total payroll costs	255 147	240 735
Number of full-time employees employed during the year:	395	384
Number of full-time employees at the end of the year:	400	385

The employees in StrongPoint have pension schemes in line with local statutory and obligatory company pension schemes, and are in general recognized as a defined contribution plan. The Swedish subsidiaries have defined benefit schemes in place for their employees. Due to the lack of data available and the structure of the plan it is considered a multi-employer plan in accordance with IFRS and is recognized as a contribution-based plan.

Salaries and remuneration for Executive Management Team and Directors

Pursuant to the changes in the Public Limited Liability Companies Act, i.e. addition of a new section 6-16 (b), and associated new regulations, StrongPoint will publish a separate management remuneration report containing detailed information on remuneration to Executive Management Team (EMT) for the reporting year 2021. The remuneration report will be published together with the notice of Annual General Meeting, and will include detailed information on EMT's remuneration complementing the numbers presented below. This includes an overview of the operational, financial, environmental, social and governance targets that form basis for the short-term incentives.

KNOK	2021 Director's fee	2020 Director's fee
Board of Directors at StrongPoint ASA		
Morthen Johannessen, Chairman	568	561
Camilla Tepfers, Director	270	270
Klaus de Vibe, Director	326	312
Inger J. Solhaug, former Director	-	96
Ingeborg Hegstad	295	201
Peter Wirén, Director	319	330
Total Board of Directors	1 777	1 770

1) 20% of gross remuneration shall be used for share purchases until the value of the shares corresponds to a minimum of one year's gross remuneration.

Transactions with close associates are described in note 18.

KNOK	2021					2020				
	Salary	Bonus	Company car	Other remuneration	Pension expenses	Salary	Bonus	Company car	Other remuneration	Pension expenses
Executive Management Team										
Jacob Tveraabak CEO	2 841	392	193	10	161	2 784	938	197	10	158
Hilde Gilen CFO	2 013	267	-	10	160	1 943	665	-	9	156
Knut Olav Nyhus Olsen, SVP People & Organisation ¹⁾	1547	187	107	9	161	893	311	39	7	104
Gisle Elvebakken, SVP Norway ¹⁾	1401	364	158	9	88	807	360	-	47	58
Göran Thörn, SVP Sweden (incl E-com)	1108	252	120	-	233	1 025	441	84	-	193
Amanda Cremon Lundblad, SVP International Expansion	1159	65	54	-	234	1 114	310	53	-	204
Julius Stulpinas, SVP Technology & supply chain	1246	364	-	-	-	1 262	313	-	-	-
Rimantas Mažulis, SVP Baltic	947	237	-	-	-	934	326	-	-	-
Lorena Gómez, SVP Spain	978	121	78	18	5	-	-	-	-	-
Total Group management	13 241	2 249	709	56	1 044	10 763	3 665	373	73	874

Bonus to Executive Management in 2021 is based on the achieved revenue and EBITDA compared to budget in 2021, growth ambitions and qualitative performance, and will be paid in 2022. The bonus is not related to the development in the stock-price.

As at 31 December 2021, no loans have been given or security put up on behalf of members of the management team or board of directors.

The Norwegian Executive Management have a pension scheme in line with the collective and obligatory company pension scheme.

1) Employed from May 1, 2020.

The following members of the Executive Management Team and Board of Directors own shares or share options in the company as at 31.12:

Name, position	Shares per 31.12.21	Shares per 31.12.20	Options per 31.12.21	Options per 31.12.20	Name, position	Shares per 31.12.21	Shares per 31.12.20	Options per 31.12.21	Options per 31.12.20
Board of Directors					Executive Management Team				
Morthen Johannessen, Chairman ¹⁾	100 047	48 450	-	-	Jacob Tveraabak, CEO ¹⁾	206 000	194 400	450 000	300 000
Klaus de Vibe, Director ²⁾	89 683	87 885	-	-	Hilde Gilen, CFO	49 573	41 347	225 000	150 000
Camilla Tepfers, Director	11 023	9 225	-	-	Knut Olav Nyhus Olsen, SVP People & Organisation	10 839	7 000	150 000	100 000
Peter Wirén, Director	26 666	22 170	-	-	Gisle Elvebakken, SVP Norway	26 032	18 433	150 000	100 000
Ingeborg Molden Hegstad, Director ³⁾	19 557	10 159	-	-	Göran Thörn, SVP Sweden (incl E-com)	13 083	7 626	150 000	100 000
Total	246 976	177 889	-	-	Amanda Cremon Lundblad, SVP International Expansion	8 353	3 400	150 000	100 000
					Julius Stulpinas, SVP Technology & supply chain	25 296	20 078	150 000	100 000
					Rimantas Mažulis, SVP Baltic	19 034	13 658	150 000	100 000
					Lorena Gómez, SVP Spain	2 139	-	50 000	-
					Total	360 349	305 942	1 625 000	1 050 000

1) Morthen Johannessen owns the shares privately and through the company Motri AS.

2) Klaus de Vibe owns the shares privately and through the company De Vibe AS.

3) Ingeborg Molden Hegstad owns the shares privately and through the company Imsight AS.

1) Jacob Tveraabak owns the shares through the company Juce Holding AS.

Members of the Group management team and key employees have stock options:

Total costs and Social Security Provisions (KNOK)	2021	2020
Total IFRS cost	5 441	440
Total Social security provisions	737	36
Share based compensation	6 178	476

Granted instruments	2021	2020
Instrument	Option	Option
Quantity 31.12 (instruments)	1 075 000	1 150 000
Quantity 31.12 (shares)	1 075 000	1 150 000
Contractual life*	5.00	5.00
Strike price*	31.13	17.31
Share price*	31.40	17.15
Expected lifetime*	3.25	3.25
Volatility*	40.55%	38.45%
Interest rate*	0.71%	0.27%
Dividend*	0.00	0.00
FV per instrument*	9.21	4.60

* Weighted average parameters at grant of instrument

Valuation method:

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.

Outstanding instruments Year 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
Terminated	- 150 000	21.92
Outstanding CB (31.12.2021)	2 075 000	24.14
Vested CB	262 500	17.31

Outstanding Instruments Overview					
Strike price	Number of instruments	Weighted Average remaining contractual life	Weighted Average Strike Price	Vested instruments 31.12.2021	Weighted Average Strike Price
Outstanding Instruments				Vested Instruments	
17.31	1 050 000	3.84	17.31	262 500	17.31
31.13	1 025 000	4.35	31.13	0	0,00
	2 075 000			262 500	

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 $\frac{1}{4}$ vesting after one year, $\frac{1}{4}$ after two years, and the remaining $\frac{2}{4}$ after three years. The split in vesting underpins the retention ambition of the program. Any non-exercised options expire five years after grant.

Note 10: Tangible assets

Tangible assets, company owned

KNOK	Land	Buildings	Equipment owned	2021 Total	Land	Buildings	Equipment owned	2020 Total
Acquisition costs 01.01	825	8 731	82 503	92 059	825	8 731	79 336	88 892
Discontinued operations			-26 711	-26 711			-7 520	-7 520
Addition			7 202	7 202			6 065	6 065
Divestment			-3 798	-3 798			-268	-268
Currency exchange differences			-2 264	-2 264			4 891	4 891
Acquisition costs 31.12	825	8 731	56 931	66 487	825	8 731	82 503	92 059
Accumulated depreciations 01.01	-825	-8 731	-58 473	-68 029		-6 356	-50 788	-57 144
Discontinued operations			23 691	23 691			5 492	5 492
Depreciations			-2 517	-2 517		-351	-6 595	-6 946
Depreciations of the year regarding rental machines is booked as cost of goods sold			-4 246	-4 246			-3 390	-3 390
Impairment				-	-825	-2 016		-2 841
Divestment			4 232	4 232				-
Currency exchange differences			-588	-588		-8	-3 193	-3 201
Accumulated depreciations 31.12	-825	-8 731	-37 901	-47 457	-825	-8 731	-58 473	-68 029
Book value 31.12	-	-	19 031	19 031	-	-	24 030	24 030
			-				-	
Depreciation ratio	0%	5%	10-33%		0%	5%	10-33%	
Depreciation method		Linear	Linear			Linear	Linear	

Some equipment has been fully depreciated per 31 December 2021 but is still in use.
StrongPoint has no contractual purchasing obligations.

Tangible assets, right-of-use assets

KNOK	Right-of-use rent	Right-of-use equipment	2021 total	Right-of-use rent	Right-of-use equipment	2020 total
Acquisition costs 01.01	90 874	64 251	155 125	68 434	71 619	140 053
Discontinued operations	-41 994	-41 965	-83 959	-11 477	-1 058	-12 535
Addition	15 220	6 226	21 446	29 189	5 211	34 400
Divestment	-	-1 502	-1 502	-	-14 647	-14 647
Currency exchange differences	-2 407	486	- 1 921	4 727	3 125	7 852
Acquisition costs 31.12	61 694	27 496	89 190	90 874	64 251	155 125
Accumulated depreciations 01.01	-48 760	-38 623	-87 383	-17 586	-41 293	-58 878
Discontinued operations	27 717	29 232	56 950	3 820	452	4 272
Depreciations	-9 968	-6 233	-16 201	-34 993	-11 705	-46 998
Divestment	-	-	-	-	13 923	13 923
Currency exchange differences	744	-58	686	-	-	-
Accumulated depreciations 31.12	-30 266	-15 682	-45 948	-48 760	-38 623	-87 381
Book value 31.12	31 428	11 814	43 241	42 115	25 628	67 744
Depreciation ratio	10-33%	10-33%		10-33%	10-33%	
Depreciation method	Linear	Linear		Linear	Linear	

See note 16 for information about the commitments related to the financial leasing.

Note 11: Intangible assets

Other intangible assets (KNOK)	2021						2020					
	Technology	Brand	Customer	Software	Other	Total	Technology	Brand	Customer	Software	Other	Total
Acquisition costs 01.01	107 510	21 502	57 643	14 387	764	201 807	141 614	36 353	80 432	14 387	328	273 115
Divestment	-	-	-	-	-764	-764	-	-	-	-	436	436
Discontinued operations	-	-	-21 218	-5 115	-	-26 333	-34 104	-14 851	-22 789	-	-	-71 744
Acquisition costs 31.12	107 510	21 502	36 425	9 272	-	174 709	107 510	21 502	57 643	14 387	764	201 807
Accumulated impairments and depreciations 01.01	-96 644	-	-54 539	-10 893	-115	-162 191	-125 118	-15 678	-74 938	-11 104	-54	-226 891
Divestment	-	-	-	-	115	115	-	-	-	-	-	-
Discontinued operations	-	-	21 970	2 512	-	24 482	34 104	14 851	22 789	-	-	71 744
Accumulated impairments and depreciations 31.12	-101 268	-	-35 344	-8 382	-	-144 994	-96 644	-	-54 539	-10 893	-115	-162 191
Translation differences	-1 744	1 672	1 617	-890	-	654	-1 234	3 313	2 676	-2 394	34	2 394
Book value 31.12	4 498	23 174	2 699	-	-	30 371	9 632	24 814	5 779	1 101	684	42 010
Depreciations of the year	-4 624	-	-2 774	-2	-2	-7 403	-4 720	-	-3 341	-1 224	-74	-9 358
This year change in translation differences	-510	-1 641	-1 058	1 503	-34	-1 740	2 690	5 091	-141	2 324	322	10 285
Depreciation schedule	10 og 15 år	Impairment test	1-7 år	4-7 år	3 år		10 og 15 år	Impairment test	1-7 år	4-7 år	3 år	
Depreciation ratio	7-10%		14-100%	14-25%	33%		7-10%		14-100%	14-25%	33%	

In 2021 there have been expensed KNOK 32,763 (KNOK 46,003 in 2020) in research and development costs. Intangible assets regarding brand are related to CashGuard.

Goodwill (KNOK)	StrongPoint AS	StrongPoint AB	StrongPoint Labels AB	StrongPoint Technology AB	StrongPoint Baltic	StrongPoint S.L.U	StrongPoint E-com AB	Total 2021	Total 2020
Acquisition costs 01.01	17 416	2 612	14 850	81 127	23 318	4 431	25 889	169 643	169 643
Discontinued operations	-1 440		-14 850					-16 290	-
Acquisition costs 31.12	15 976	2 612	-	81 127	23 318	4 431	25 889	153 352	169 643
Accumulated impairment and depreciations 01.01	-14 689	-229	-	-	-23 345	-	-	-38 263	-38 263
Accumulated impairment and depreciations 31.12	-14 689	-229	-	-	-23 345	-	-	-38 263	-38 263
Translation differences	-	-	-	6 548	2 760	514	-269	9 552	20 186
Book value 31.12	1 286	2 383	-	87 675	2 733	4 945	25 620	124 641	151 566
This year change in translation differences	-	-	-2 242	-6 208	-132	-238	-1 814	-10 635	13 637
Depreciation schedule	Impairment test	Impairment test	Impairment test	Impairment test	Impairment test	Impairment test	Impairment test		

Goodwill is not depreciated. Impairment tests are carried out every year. Due to sale of the Label business area in 2021, the group has only one business area in 2021. The group are working to identify new segments that will be effective from the 1st quarter 2022. The impairment test per 31 December 2021 has been carried out with the whole group as the cash generating unit.

Acquired company	Cash generating unit	Goodwill (NOK)	
		31.12.2021	31.12.2020
StrongPoint AS	StrongPoint Group	1 286	2 726
StrongPoint AB	StrongPoint Group	2 383	2 383
StrongPoint Labels AB	Discontinued operations	-	17 093
StrongPoint Technology AB	StrongPoint Group	87 675	93 883
StrongPoint UAB	StrongPoint Group	2 733	2 865
StrongPoint S.L.U	StrongPoint Group	4 945	5 183
StrongPoint E-com AB	StrongPoint Group	25 620	27 434
Total goodwill		124 641	151 566

Impairment test of goodwill and intangible assets with indefinite useful life

Impairment tests are carried out in order to assess the prospects of each cash flow-generating unit based on value in use. Value in use is measured against net book value for the cash flow-generating entity. Due to sale of the Label business area in 2021, the group has only one business area in 2021. The group are working to identify new segments that will be effective from the 1st quarter 2022. The impairment test per 31 December 2021 has been carried out with the whole group as the cash generating unit.

The brands are considered to be indefinite due to the Groups strategy for 2025 which contains a growth path for the brands, and confirms the value of the IP in the balance sheet, as long term future cashflow is expected.

The Group has used value in use to determine recoverable amounts for the cash flow-generating entities. Value in use is determined by using the discounted cash flow method. The expected cash flow is based on the business areas' budgets and long term plans, which are approved by StrongPoint's executive management and the Board. Budgets and long-term plans cover a five-year period (explicit prognosis period). Approved budgets and long-term plans are adjusted for cash flows related to investments, future product improvements and new development, if the elements are considered significant for the impairment test. After the five years of explicit plans, the units' cash flows are stipulated by extrapolation. At the beginning of the extrapolation period, the entity is assumed to be in a stable phase. To calculate value in use, the Group has used anticipated cash flows after tax and, correspondingly, discount rates after tax. The recoverable amount would not have been significantly different if cash flows before tax and the discount rate before tax had been used. The discount rate after tax has been stipulated using an iterative method and is shown in a separate table. The assumptions are based on historical results and observable market data.

Key assumptions

Discount rate

The discount rates are based on a weighted average cost of capital (WACC) method, whereby the cost of equity and the cost of liabilities are weighted according to an estimated capital structure. The discount rates reflect the market's required return on investment at the time of the test and in the industry to which the cash-generating unit belongs. The estimated capital structure is based on the average capital structure in the industry in which the cash generating unit operates and an assessment of what is a reasonable and prudent long-term capital structure. The CAPM model is used to estimate the cost of equity. In accordance with the CAPM model, the cost of equity consists of risk-free interest as well as an individual risk premium. The risk premium is the entity's systematic risk (beta), multiplied by the market's risk premium. The risk-free interest is estimated on a 10-year Norwegian government bond interest rate and is based on all cash flows being translated to NOK. The cost of liabilities represents an expected long-term after-tax interest rate for comparable liabilities and consists of risk-free interest and an interest spread.

Profit margin (EBITDA)

The profit margin is reviewed based on expectations of future development. This gives the Group good prospects for order intake and is a solid basis for long-term growth.

Growth rate

Growth rates in the explicit prognosis period are based on management's expectations of market trends. The Group uses stable growth rates to extrapolate cash flows in excess of five years. The long-term growth rate beyond five years is not higher than the expected long-term growth rate in the industry in which the undertaking operates within.

Market shares and macro trends

Group entities monitors competition environment and market shares on a detailed level, both in the local geography and from a product point of view. StrongPoint is a retail technology company and exposed to global changes within technology development, international competition, supply change and raw material distribution following political, climate or international trading challenges etc. Expected changes in market shares or new competitive solutions that can influence future cash flow from the business units are taken into account in the impairment test.

Risk

Group management and Board of directors monitors and acts upon risk within the following areas: Strategic, operational, financial and sustainability/climate. Main assumptions in the impairment test are adjusted to reflect the risk environment that the Group operates within.

Sensitivity analysis

In connection with impairment tests of goodwill and intangible assets, sensitivity analyses are carried out. There will not be an impairment situation before relatively large changes in the key assumptions, and these changes are considered to be outside the reasonable outcome.

Estimation uncertainty

There will always be uncertainty related to the estimate of value in use. The assessments are based on key assumptions as described above, and are to a large degree influenced by market data for comparable companies, interest rates and other risk conditions. These calculations are based on discounted future cash flows, in which judgement was used as regards future profit and operation. Significant changes in the cash flows may affect the value of goodwill.

Note 12: Inventories

Inventories (KNOK)	2021	2020
Inventories	222 582	157 885
Provision for obsolete stock	-11 326	-12 912
Total	211 256	144 973

Inventories are measured at the lower of cost and net realisable value. The stock is pledged as security for loans, see note 15.

Provision for obsolete stock (KNOK)	2021	2020
Provision for obsolete stock, opening balance	-12 912	-23 079
Taken to income/charged to expense (-) change in provision	1 586	10 167
Provision for obsolete stock, closing balance	-11 326	-12 912

The cost of goods sold of KNOK 560,104 includes direct costs of goods with KNOK 485,654.

Note 13: Other receivables

Short term receivables (KNOK)	2021	2020
Accounts receivables	175 627	217 212
Prepaid expenses	16 646	12 129
Other receivables	13 885	14 765
Total short term receivables 31.12	206 158	244 107

Other receivables included MNOK 2.5 in expected government grants (skattefunn) refunds for development costs in 2020. This was booked as reduction of other operating expenses.

Changes in provision for bad debts (KNOK)	2021	2020
01.01	5 251	2 290
Discontinued operations	-16	-846
Applied provisions	27	-240
Reversed provisions	-1 325	-350
New provision for bad debt	3 044	4 398
Total 31.12	6 981	5 251

The provisions per 31.12.2021 are not directly related to individual customers. The increased provision in 2021 is partly due to COVID-19. Losses on bad debts are classified as other operating expenses in the income statement.

Aging of accounts receivables (KNOK)	2021	2020
Not due	158 854	175 058
0-3 months	16 197	40 008
3-6 months	556	2 145
6-12 months	21	-
Older than 12 months	-	-
Total 31.12	175 627	217 212

Long term receivables (KNOK)	2021	2020
Earn-out Cash Security 1)	14 650	23 435
Deposit rented offices	972	-
Total long term receivables 31.12	15 622	23 435

1) Total Earn-out Cash Security included short term receivables is MNOK 22 per 31.12.2021.

Note 14: Cash and cash equivalents

KNOK	2021	2020
Cash and bank deposits	174 198	75 007
Overdraft	-	-
Unused overdraft facilities	100 000	100 000

The Group had liquid assets (bank deposits and unused overdraft facilities) of MNOK 274.2 per 31.12.2021 (2020: MNOK 175.0). KNOK 0 are restricted funds pr. 31.12.2021 (2020: KNOK 0).

The Group has a cash pool arrangement allowing efficient distribution of cash between the different business units, and can withdraw up to MNOK 100 from the Group's overdraft facility if necessary to cover short term liquidity needs.

Note 15: Interest-bearing debt and secured debt

Debt per 31.12. and specification of terms. Figures in KNOK

Type of loan	2021	2020	Borrowing terms	Average nominal interest for 2021
Multi-currency, group credit account ¹	-	-	Overdraft limit MNOK 100, not time limited	1.74%
Financial leasing, Printing presses	-	12 037	Monthly repayments	
Repayment loan	-	22 667	Quarterly repayments	
Long term loan	12 985	13 611	Quarterly repayments	1.72%
Short term debt	3 068	6 069	Repayment in 2022	2.6% - 3.6%
Leasing liabilities	42 009	54 766	Monthly and quarterly payments	
Total interest bearing debt	58 062	109 151		

1) The Groups' main bank connection has loan covenants in relation to the ratio between NIBD/EBITDA. The loan agreements are measured on a quarterly basis. See note 17 for more information. All loans are secured.

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

KNOK	2021	2020
Bank overdraft	-	-
Current interest-bearing liabilities	20 854	69 211
Due after one year	37 208	39 939
Total interest-bearing debt	58 062	109 151

Pledged assets per 31.12. and book value:

Asset	Book value / nominal security (KNOK)	
	31.12.2021	31.12.2020
Operating equipment and inventories for StrongPoint AS	147 375	75 000
Lien over Företagsinnteckning StrongPoint AB ¹	113 237	0
Co-surety Norway, StrongPoint AB, StrongPoint UAB and Strong-Point E-com AB.*	135 000	135 000

* The foreign companies liabilities are limited to the amount the guarantor at any time has drawn.

1) Företagsinnteckning is equivalent to a priority lien over the company's assets.

Change in liabilities arising from financing activities:

(KNOK)	01.01.2021	Cashflow	New contracts	31.12.2021
Interest bearing liabilities	54 385	-38 331	-	16 054
Lease liabilities	54 766	-17 267	4 510	42 008
Total	109 151	-55 598	4 510	58 062

(KNOK)	01.01.2020	Cashflow	New contracts	31.12.2020
Interest bearing liabilities	61 133	-6 747	-	54 385
Lease liabilities	81 176	-36 374	9 963	54 766
Total	142 308	-43 121	9 963	109 151

Note 16: Leasing commitments

Tenancy agreements on premises has a lease-term of 0.5-7.5 years. Annual liability for these premises is approx. KNOK 12,506.

Leasing contracts on vehicles has a lease-term of 1-6 years. Annual liability is approx. KNOK 5,379.

Leasing contracts on inventory (copy machines, coffe machines etc.) has a lease-term of 1-3 years. Annual liability is approx. KNOK 266.

Future minimum rent for the leasing contracts per 31.12 is as follows:		The present value of future payments	
KNOK	2021	2020	2021
Within one year	18 180	29 319	16 603
After one year, but within five years	35 191	39 593	26 689
After more than five years	1 076	1 636	624
Total	54 448	70 547	43 916

At the commencement date the present value of the lease payments has been calculated based on the lessee's incremental borrowing rate. The discount rate is 9.5%, included an interest rate of 7.5% business risk and 2.0% risk free.

The carrying value of financial leasing and IFRS16 leasing are included in note 10.

Note 17: Financial instruments

Financial risks

StrongPoint's activities expose the group to exchange rate-, interest-, credit- and liquidity risks.

(i) Credit risks

The Group's credit risk is related to the sale of goods and services on credit.

The Group has established guidelines to ensure that sales are only made to customers who have not had significant payment problems earlier and that the outstanding amount do not exceed credit limits. Guidelines are implemented to prevent the company's risk associated with loans and guarantees related to employees and customers.

Per 31.12.2021 the Group had KNOK 175,627 in outstanding accounts receivables. Of this KNOK 16,773 were overdue, traditionally most of the overdue amount are paid a few days after period end. The Group has historically had a low rate of loss on receivables. This year's expenses in relation to bad debts amounting to a cost of KNOK 2,052, including realized losses and changes in the provision for bad debts.

KNOK	2021	2020
Total interest-bearing debt	58 062	109 151
Cash	174 198	75 007
Net interest-bearing debt	-116 136	34 144
Total capital adjusted for Goodwill	721 891	634 566
Debt ratio	-16%	5%

(ii) Interest rate risk

The company's interest-bearing debt decreased in 2021.

The interest risk is measured by the group treasury department by simulating the effect of a change in interest rates. The simulation illustrates the cash effect of a change in interest rates given the loan size and the level of any existing interest rate hedging. The results from the simulation are used to support decisions concerning the possible conclusion of fixed-rate contracts. In addition, the fact that interest rates usually move opposite to the general economic development, and that floating rates within certain limits can help to stabilize the group's results.

As a result of this the group's interest-bearing debt has a floating interest rate at year-end. It has not been used fixed rate contracts or other hedging instruments in 2021 or 2020.

Based on the financial instruments in existence as of 31 December 2021, a general increase in interest rates of two per cent will reduce pre-tax profits by KNOK 383.

The average effective rate of interest on financial instruments was as follows:

	2021	2020
Bank overdraft	1.74%	2.10%
Financial leasing contracts	1.88%	2.12%
Long term loans	1.72%	2.20%

The interest rate on overdraft are based on 1 month NIBOR for the draft in NOK, and 1 month DANBOR SEK and 1 month DANBOR EUR for the other currencies. The interest rate on the largest long-term loan are fixed until 2026. The interest rate on the smaler loans is determined quarterly.

See note 15 for information about long-term loans and note 16 for information about liabilities in relation to financial leasing agreements.

(iii) Liquidity risk

The Group manages liquidity risk by monitoring the expected future cash from operations and available cash and credit facilities are adequate to serve the operational and financial obligations. This is done by preparing cash flow forecasts 12 months ahead, and detailed monthly cash monitoring, based on different outcomes in turnover and productmix. Capital tied up in the individual business units are supervised, focusing on inventory, accounts receivable, financing and accounts payable.

The group's strategy is to have sufficient cash, cash equivalents or credit facilities available at any time to be able to finance operations and investments for the next 6 months. Excess liquidity is mainly located in the Groups Cash Pool which is netted against overdraft. Unused credit facilities are described in note 14.

The loan agreement with the main financial institution has a claim (covenant) in which the ratio of net interest bearing debt and moving 12-month earnings before depreciation (EBITDA) shall not exceed 3.5. This is measured quarterly. The company met this requirement in 2021 and 2020. Interest bearing debt was totally decreased by MNOK 51.1 during 2021, of which MNOK 12.9 was related to IFRS 16 liabilities. This combined with the EBITDA of MNOK 53.6 (MNOK 68.7 in 2020) resulted in net debt divided by 12 month rolling income before depreciation (EBITDA) per 31.12.2021 was -2.17. Per 31.12.2020 it was measured 0.50.

Overview of maturity structures of financial liabilities:

KNOK	Balance sheet amount	0-6 months	6-12 months	1-2 year	2-3 year	more than 3 years	Undefined
Secured loans (long and short term interest bearing debt)	15 651	3 189	1 579	3 200	3 255	4 428	-
Secured loans, interest	IA	120	100	159	104	IA	-
Overdraft (short-term interest bearing debt) ¹	-	-	-	-	-	-	-
Overdraft, interest	IA	-	-	-	-	IA	-
Financial leasing (long-term and short-term interest bearing debt)	3 493	690	442	1 167	649	544	-
Financial leasing, interest	IA	28	23	33	18	IA	-
IFRS16 leasing (long-term and short-term interest bearing debt)	38 919	5 753	5 753	10 152	5 777	7 682	-
IFRS16 leasing, interest	IA	305	305	349	196	IA	-
Other long term debt	-	-	-	-	-	-	-
Accounts payable	101 969	101 969	-	-	-	-	-
Net liabilities financial instruments	160 032	112 055	8 203	15 061	9 999	12 654	-

1) The overdraft contract with Danske Bank runs until renegotiated by either party.

The payment of financial obligations is intended to be covered by the payment of accounts receivable, sale of goods and services, and available cash and available credit facilities.

(iv) Currency risks

The Company has no material debt or bank deposits in foreign currency, except Euro, Norwegian and Swedish kroner. The main exposure to foreign currency derived from accounts payable and accounts receivable in connection with the purchase and sale of goods in foreign currency, and contracts where the sales price is determined in a currency other than the cost of goods sold. The Group is mainly exposed to fluctuations in the price of goods bought in foreign currencies, primarily in SEK, USD, EUR and GBP, and sale of goods in EUR.

The company do not normally use forward contracts to hedge this exposure. Large currency fluctuations are compensated by contracted agreement allowing adjusted sales prices accordingly.

(v) Financial investments

Excess liquidity is placed in the Group's cashpool to reduce its short-term interest-bearing debt. The company uses a small degree of financial investments.

A change of 5% exchange rate as at 31 December 2021 would have resulted in the following effects on the profit in the group;**Sensitivity currency exposure;**

SEK weakened by 5% against EUR	-69
SEK weakened by 5% against GBP	3
SEK weakened by 5% against USD	491
NOK weakened by 5% against SEK	181
NOK weakened by 5% against EUR	16
NOK weakened by 5% against GBP	3
NOK weakened by 5% against USD	854

(vi) Capital structure

The Board aims to maintain a strong capital base in order to retain the trust of shareholders, creditors and the market in order to continually develop the company. The Board want to create a balance between higher return, which is made possible by higher borrowing levels, and the benefits and security provided by a solid equity. The Board aims to ensure that StrongPoint shareholders will over time gain a competitive return on their investment through a combination of cash dividends and increased value of their shares. In determining the annual dividend, the Board will take into account the expected cash flow, investments in organic growth, plans for growth through mergers and acquisitions, and the need for adequate financial flexibility.

The level of net debt is measured in terms of cash flow. The company is comfortable with the level of debt per 31.12.21.

(viii) Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Date of valuation	Fair value measurement using	
		Total	Significant unob- servable inputs (Level 3)
Assets measured at fair value:			
Financial assets			
Cash	31 December 2021	174 198	174 198
Accounts receivable	31 December 2021	175 627	175 627
Other long-term investments	31 December 2021	4 001	4 001
Financial debts			
Accounts payable	31 December 2021	-101 969	-101 969
Bank loans	31 December 2021	-16 053	-16 053
Financial leasing liabilities	31 December 2021	-3 090	-3 090

Based on characteristics of the financial instruments recognized in the consolidated financial statements, these have been grouped in classes and categories as described below. The estimated fair value corresponds substantially carrying value.

Other long term investments are classified as equity instruments designated at fair value, according to IFRS 9.

The balance sheet value of cash and cash equivalents and overdrafts is approximate to the fair value as these instruments have a short expiry period. Similarly, the balance sheet value of accounts receivables and accounts payable is approximate to the fair value as they are agreed on "ordinary" terms.

Book value of debt is deemed to be equivalent to market value, since the company should be able to refinance the loan at the same rate in the market.

Note 18: Transactions with related parties

There have been no transactions with Board members and employees in 2021.

Transactions with associated companies

The group carried out a number of transactions with Spok AS in 2020 and 2021. All transactions were carried out as part of its ordinary activities and at ordinary business conditions.

KNOK	2021		2020	
	Sale	Purchase	Sale	Purchase
Spok AS	609	3 657	569	3 651

The balance includes the following amounts resulting from transactions with the associated company:

KNOK	2021		2020	
	Receivables	Debt	Receivables	Debt
Spok AS	-	26	-	11

The Group has no binding future transactions with related parties.

Note 19: Post balance sheet events

14 February 2022, StrongPoint ASA agreed on an exclusive, non-binding term sheet to acquire 100% of the shares in Air Link Group Limited (Air Link), www.als.global. Air Link is a retail solutions company that provides construction services, grocery lockers, self-checkouts, vending systems and queue management systems to grocery retailers. It is widely seen as the partner of choice for installation and service for some of the UK's leading grocery retailers and has worked for Tesco, Sainsbury's and Asda.

On 24 February 2022, Russia began a military invasion of Ukraine in a major escalation of the Russian-Ukrainian conflict that had begun in 2014. It is the largest military attack in Europe since World War II. The invasion was met with financial sanctions towards Russia from European and American companies. In total, the situation has led to a high degree of financial instability and higher uncertainty for the future. StrongPoint monitors the situation closely for customers, employees and partners. At the time of the annual reporting the situation has not had negative influence on the business, but further escalation can lead to challenges in operation, supply chain and sales.

Note 20: Overview of subsidiaries

The following subsidiaries are included in the consolidated accounts:

Company	Address	Main area of business	Share of votes	Stake
StrongPoint AS 1)	Rælingen	Service and product provider	100%	100%
StrongPoint AB	Göteborg (Sweden)	Service and product provider	100%	100%
StrongPoint Retail Solutions Sdn Bhd	Malaysia	Under liquidation	100%	100%
StrongPoint UAB 2)	Vilnius (Lithuania)	Service and product provider	100%	100%
StrongPoint S.L.U	Spain	Service and product provider	100%	100%
StrongPoint Cub AB	Täby (Sweden)	Production and sales	100%	100%
StrongPoint Retail Ltd	Manchester (UK)	Start up	100%	100%

1) StrongPoint AS owns 100% of its company in Germany.

2) StrongPoint UAB owns 100% of its sales companies in Latvia and Estonia.

Note 21: Exchange rates

	2021												2020		
	Average exchange rate												Exchange rate	Exchange rate	
	January	February	March	April	May	June	July	August	September	October	November	December	31.12.	Average	31.12.
SEK	1.03	1.02	1.00	0.99	0.99	1.00	1.02	1.02	1.00	0.98	0.99	0.99	0.97	1.02	1.04
Euro	10.37	10.28	10.15	10.04	10.09	10.14	10.38	10.42	10.19	9.81	9.97	10.14	9.99	10.73	10.47

Profit or loss items in the subsidiaries are converted to NOK monthly, based on the average exchange rate of that month.

Balance sheet items for the subsidiaries are converted to NOK, based on the exchange rate as at 31.12.2021.

Note 22: Short and long term provisions

(KNOK)	2021	2020
Balance 01.01	5 254	20 755
Currency differences	-115	1 932
Payment earn-out 2020 Cub Business Systems AB	-4 200	-16 425
Payment / reversed earn-out PYD Seguridad S.L.	-939	-1 008
Balance 31.12	-	5 254
Of which provisions due within 1 year	-	5 254

Note 23: Earnings per share

KNOK	2021	2020
Profit for the year	190 775	97 658
Profit for the year continued operations	22 357	26 438
Weighted average number of shares during the year		
Basic	44 190 919	44 286 867
Effect of dilutive share based incentive plans	2 075 000	1 150 000
Diluted	46 265 919	45 436 867
Earnings per share (NOK)		
Basic	4.32	2.21
Diluted	4.12	2.15
Earnings per share continued operations (NOK)		
Basic	0.51	0.60
Diluted	0.48	0.58

Number of outstanding shares (numbers in thousand)	2021	2020
01.01: Number of shares (after deductions for own shares)	44 293	44 204
Sale of own shares during the year	96	189
Purchase of own shares during the year	-600	-100
31.12: Number of shares (after deductions for 587.6 thousand own shares)	43 788	44 293

Note 24: Shareholder information

Overview of shareholders per 31.12.2021

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8.86
2	SOLE ACTIVE AS	2 221 717	5.01
3	HSBC BANK PLC	1 976 000	4.45
4	V. EIENDOM HOLDING AS	1 835 009	4.14
5	PERSHING LLC	1 796 777	4.05
6	PICTET & CIE (EUROPE) S.A.	1 441 821	3.25
7	NORDNET BANK AB	1 405 389	3.17
8	AVANZA BANK AB	1 269 517	2.86
9	ZETTERBERG, GEORG (incl. fully owned companies)	1 202 663	2.71
10	RING, JAN	1 021 803	2.30
11	VERDIPAPIRFONDET DNB SMB	954 787	2.15
12	EVENSEN, TOR COLKA	808 000	1.82
13	WAALER AS	780 000	1.76
14	HAUSTA INVESTOR AS	700 000	1.58
15	STRONGPOINT ASA	587 628	1.32
16	VERDADERO AS	585 859	1.32
17	MP PENSJON PK	561 402	1.27
18	JOHANSEN, STEIN	550 000	1.24
19	NORDA ASA	471 379	1.06
20	FRANKMO, ÅGE	433 500	0.98
Sum 20 largest shareholders		24 536 343	55.29
Sum 2 620 other shareholders		19 839 697	44.71
Sum all 2 640 shareholders		44 376 040	100.00

1) Board member Klaus De Vibe is CEO of Strømstangen AS.

StrongPoint ASA had per 31.12.2021 a share capital of NOK 27 513 145 spread over 44 376 040 shares with a nominal value of NOK 0,62.

All shares have equal voting rights.

Changes in share capital:

KNOK	Number of shares		Share capital	
	2021	2020	2021	2020
Ordinary shares 01.01	44 376	44 376	27 513	27 513
Ordinary shares 31.12	44 376	44 376	27 513	27 513
Own shares:				
Numbers in 1000			2021	2020
01.01			83	172
Purchase of own shares			600	100
Sales of own shares			-96	-189
31.12			588	83
Nominal value			0.62	0.62
Own shares specified in equity (KNOK):			364	52

As at 31.12.2021 the Group owned 567,628 own shares. Cost price of these was KNOK 16,028, giving an average share price of NOK 27.28.

In 2021 it was paid KNOK 31,050 in dividend, which was NOK 0.70 per share.

The Board has proposed a dividend of NOK 0,80 per share in 2022. Total dividends to external shareholders will be KNOK 35,031.

Members of the Group Management Team have stock options.
See note 9 for more information.

Note 25: Estimation uncertainties

When preparing the annual accounts in accordance with IFRS the company management has used estimates based on best judgement and assumptions that are considered to be realistic. Situations or changes in market conditions may occur that may lead to estimates being adjusted, thus affecting the company's assets, debts, equity and profit.

The company's most significant accounting estimates are linked to the following items:

- Depreciation and impairment of intangible assets.
- Impairment assessment of goodwill
- Recognition of deferred tax on balance sheet
- Obsolete stock and warranty provisions
- Earn-out connected to discontinued operations

StrongPoint must allocate the cost price of acquired entities to acquired assets and transferred debts based on estimated fair value. Significant intangible assets that StrongPoint has recognized includes customer contracts, customer base, brands, own technology and commitments in relation to any royalty agreements entered into. Assumptions taken into account when valuing assets include, but are not limited to, the replacement cost of fixed assets and fair value. The management's estimates of fair value are based on assumptions that are considered to be reasonable, but that are by nature uncertain. As a result the actual results may differ from the estimates. Depreciation periods and amounts are given in note 11.

Goodwill and brands as stated on the balance sheet are evaluated for impairment whenever there are indications of impairment, at least annually.

Value in use is determined by using the discounted cash flow method. The expected cash flow is based on the business areas' budgets and long term plans, which are approved by StrongPoint's executive management and the Board. Budgets and long-term plans cover a five-year period (explicit prognosis period). Approved budgets and long-term plans are adjusted for cash flows related to investments, future product improvements and new development, if the elements are considered significant for the impairment test. After the five years of explicit plans, the units' cash flows are stipulated by extrapolation. The most sensitive assumption used in the estimates is that of future turnover growth, but EBITDA and discount rate are also important. The assumptions and sensitivity analysis are detailed in note 11.

The company recognize deferred tax on the balance sheet. At the end of 2021 deferred tax assets of MNOK 17.2 and deferred tax liability of MNOK 8.7 have been recognized. When assessing the recognition of deferred tax assets on the balance sheet, the reversal of deferred tax liabilities has been taken into account, as has their utilization in relation to future profit and the utilisation of tax planning opportunities. Further details are provided in note 26.

The management has used estimates and assessments when making provisions for obsolete stock and future warranty costs. The provisions have been made with basis in a historical assessment of provision requirements, past figures for returns and under-warranty repairs and the age distribution of stock. Further details are provided in note 12 for stock and note 27 for warranty provisions.

The purchase price for the Cash Security business was EUR 7.3 million and was settled with approximately EUR 2.6 million paid in cash December 23 2020 and the remaining in an earn-out arrangement tied to Cennox' sales of cash security products in 2021 through 2023. In case of certain overperformance targets being reached, StrongPoint will also be entitled to certain further bonus payments. A risk accrual of 2.5 MEUR has been done in the calculation of financial gain from the transaction as there is always risk related to earn-out.

Note 26: Tax

Tax expense:

KNOK	2021	2020
Tax payable	12 983	13 592
Tax items relating to previous years 1)	-	-3 430
Change in deferred tax	-9 441	309
Tax expense	3 542	10 471
Included as tax expense in the financial statements	3 542	10 471
Reconciliation of the nominal tax rate	22%	22%
KNOK	2021	2020
Profit before tax	25 899	36 908
Tax calculated at a rate of 22%	5 698	8 120
Taxing related to companies in other countries with other tax rate	-2 771	-1 400
Change in tax rate in Sweden	-88	-
Non-taxable items (22% of permanent differences)	-651	5 768
Unrecognised deferred tax asset	1 355	1 412
Effect corrections previous years 1)	-	-3 430
Tax expense	3 542	10 471

1) Reversal of provision for tax previous years.

Deferred tax assets and deferred tax liabilities:

KNOK	Deferred tax assets		Deferred tax liabilities		Consolidated income statement 1)	
	2021	2020	2021	2020	2021	2020
Current assets	665	837	2 657	2 867	455	951
Liabilities	1 992	5 038	-2 727	1 853	1 368	-4 222
Fixed assets	367	958	-4 963	-8 985	-2 180	-2 521
Losses carried forward	14 216	4 728	-3 686	-3 282	-9 084	6 100
Deferred tax	17 240	11 560	-8 720	-7 547	-9 442	309

1) Exchange rates differences and opening balance in discontinued operations are not booked over the consolidated income statement for continued operations.

The Company has no liabilities / deferred tax assets that effect Total comprehensive income.

Per 31.12.2021 the group has losses carried forward of MNOK 56.9 in the Spanish entity. Deferred tax assets of MNOK 14.2 (MNOK 4.7) associated with this is included in the balance sheet.

The group has not recognized losses to be carried forward in relation to other overseas sales entities that are in their start-up phase.

Note 27: Other short term debt

KNOK	2021	2020
Holiday pay owed	16 853	19 815
Accrued expenses 1)	22 603	48 726
Contracts liabilities	69 495	68 277
Warranty provisions	1 883	1 681
Other short term debt	16 087	22 266
Total other short term debt	126 920	160 765

1) Reduced with KNOK 21,892 regarding discontinued operations.

Warranty provisions (KNOK)	2021	2020
Balance 01.01	1 681	12 931
Discontinued operations	-	-9 240
Provision	-	978
Currency differences	-111	336
Reversed	-1 573	-1 256
Used	1 886	-2 069
Balance 31.12	1 883	1 681
Of which warranties due within 1 year	1 883	1 681

Note 28: Macro perspectives influencing the business

COVID 19 Pandemic

The COVID 19 pandemic had limited effect on the business in 2021. The Spanish operation experienced lower sale in months where the mobility measures was high, but the other operating units managed to have almost normal activities. To some extent, some areas even experienced higher demand, especially within e-commerce. The Group has operated within the restrictions established by governments in the different markets, with home office, personal protection equipment and low mobility. The Group did not receive any specific governmental assistance during the pandemic. The effect of "general" assistance measures, like reduced employer's tax, amounted to 3 MNOK for the year 2020.

Global supply chain and component shortages

The Group was influenced by the global shortage of some components especially for the production of CashGuard. The shortage can be explained by the COVID 19 pandemic and various severe weather incidents affecting production facilities. StrongPoint works closely with suppliers to ensure as little effect on customer deliveries as possible, but experienced delay in installation during 2021. In addition, the increased e-commerce trend put large challenges on the global transportation routes leading to increased freight cost.

Income statement StrongPoint ASA

KNOK	Note	2021	2020
Other operating income	3	16 374	14 508
Payroll	2	24 273	14 209
Depreciation	5	144	152
Other operating expenses	2	13 916	13 633
Total operating expenses		38 332	27 994
Operating profit		-21 958	-13 486
Financial items	6	206 874	41 613
Profit before tax		184 916	28 127
Income tax expense	12	-1 372	7 463
Net income		186 287	20 664
DISTRIBUTIONS			
Transfer to / from other equity	8	151 257	-10 342
Proposed dividend	8	35 031	31 005
Total distributions		186 287	20 664

Balance sheet

KNOK	Note	31.12.2021	31.12.2020
ASSETS			
Tangible assets	5	39	152
Investments in subsidiaries	10	290 450	308 219
Loans to group companies		74 916	68 057
Other long term investments	11	5 701	1 700
Other long term receivables		14 650	23 035
Deferred tax	12	1 497	126
Total fixed assets		387 253	401 288
Accounts receivables		34	435
Group receivables		42 176	120 261
Prepaid expenses		6 493	4 996
Other short term receivables		7 325	-
Bank deposits	13	21 337	-
Total current assets		77 365	125 692
TOTAL ASSETS		464 617	526 981

KNOK	Note	31.12.2021	31.12.2020
EQUITY AND LIABILITIES			
Share capital	7,8	27 513	27 513
Treasury shares	8	-364	-52
Other equity	8	388 291	244 960
Total equity		415 440	272 422
Current liabilities to credit institutions	9	-	204 453
Short term liabilities to group companies		721	667
Accounts payable		3 656	8 146
Tax payable		-	105
Public duties payable		1 075	1 143
Proposed dividend		35 031	31 005
Other short term liabilities	4	8 695	9 041
Total short term liabilities		49 178	254 559
Total liabilities		49 178	254 559
TOTAL EQUITY AND LIABILITIES		464 617	526 981

Rælingen, 16 March 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Cash flow statement

KNOK	Note	2021	2020
Cash flow from operational activities			
Ordinary profit before tax		184 916	28 127
Ordinary depreciation	5	144	152
Tax paid		-105	-
Share Option Program		6 178	476
Profit/loss from divestments		- 177 758	2 417
Change in accounts receivables		401	-435
Change in accounts payable		-4 491	8 009
Change in short term group accounts		89 051	19 321
Change in other accrued items		-46 205	-56 101
Net cash flow from operational activities		52 130	1 966
Cash flow from investment activities			
Payments for fixed assets	5	-31	-15
Payment shares in Haldodi Robotics AS		-4 001	-
Net effect divestment		226 576	27 635
Net effect acquisitions previous years		- 4 200	- 17 433
Net cash flow from investment activities		218 345	10 187
Cash flow from financing activities			
Purchase / Sale of treasury shares	8	-13 635	1 380
Change in interestbearing debt		-22 667	-7 304
Dividend paid		-31 050	-26 568
Change in overdraft		-181 786	20 340
Net cash flow from financing activities		-249 138	-12 153
Net change in liquid assets		21 337	-
Cash and cash equivalents at 01.01		-	-
Cash and cash equivalents at 31.12		21 337	-

Note 1: Accounting principles

The financial statements, prepared by the company's Board and management, should be interpreted in light of the Directors' report. The financial statements comprise income statement, balance sheet, cash flow statement and notes and have been prepared in accordance with laws and generally accepted accounting principles in Norway.

Basic Principles

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Similar criteria are applied when classifying short-term and long term liabilities.

Fixed assets are valued at the acquisition cost less accumulated depreciation. If the fair value of fixed assets is lower than the carrying amount and the reduction is not expected to be temporary, it is written down to fair value. Fixed assets with limited useful lives are depreciated using the straight line method over their economic life.

Shares in other companies are recorded using the cost method. Dividends and group contributions from subsidiaries are recognized in the year the amount is set aside as a liability in the paying companies. Dividends from other companies are recognized in the year it is paid.

Tangible assets are capitalized and depreciated over the useful life if they have a useful life of more than 3 years. Maintenance costs are expensed as incurred, while improvements are added to the tangible assets and depreciated over the remaining useful life.

Current assets are valued at lower of cost or fair value.

Other long-term liabilities and short-term liabilities are valued at nominal value.

Subsidiaries / associated companies

Subsidiaries and associated companies are valued at cost in the financial statements. The investments are valued at acquisition cost for the shares unless impairment has been required. It is written down to fair value if impairment is not considered to be temporary and it is deemed necessary by generally accepted accounting principles. Impairment losses are reversed when the reasons for the impairment no longer exists.

Dividends, group contributions and other distributions from subsidiaries are recognized in the same year as it is booked in the subsidiary's accounts.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate on the transaction date. Monetary items in foreign currencies are translated into Norwegian kroner by using the exchange rate at the balance sheet date. Non-monetary items measured at historical cost in a foreign currency are translated into Norwegian kroner at the exchange rate on the

transaction date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the time of measurement. Changes in foreign currency exchange rates are recorded in the accounting period under other financial items.

Intangible assets

Intangible assets purchased individually are capitalized at cost. Intangible assets obtained through acquisitions are capitalized at cost when the criteria for capitalization are met.

Intangible assets with a limited useful life are depreciated according to a schedule. Intangible assets are written down to fair value if the expected economic benefits do not cover the carrying value and any remaining production expenses.

Pensions

The company has a statutory obligatory company pension scheme for its employees. The company pension scheme meets the requirements of the law, and is based on the principle of a defined compensation.

Receivables

Accounts receivables and other receivables are stated at nominal value less provisions for expected losses. Provisions for losses are based on an individual assessment of each receivable. For others receivables, a general provision is made to cover any expected losses.

Bank deposits, cash etc.

Cash and cash equivalents include cash, bank deposits and other forms of payment that become due within three months of acquisition.

Tax

Tax related to equity transactions are recorded in equity. Tax expensed comprises tax payable (tax on the taxable income for the year) and changes in net deferred tax. Deferred tax is calculated at 22% on the basis of temporary differences between accounting and tax values and tax losses carried forward at year end. Taxable and deductible temporary differences that reverse or may reverse in the same period are netted. Other deductible temporary differences is not assessed, but recognized on the balance sheet if it is likely that the company can utilize them and net recorded if appropriate. Deferred tax and deferred tax assets are presented at net value in the balance sheet.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short term liquid investments.

Note 2: Employee costs, auditor fees etc.

With regard to salary and remuneration to the Executive Management Team and Board members, reference is made to Note 9 Salaries and remuneration for Executive Management Team and Directors in the consolidated financial statements.

Payroll (KNOK)	2021	2020
Salaries	14 328	11 163
Social fee	2 472	1 599
Pension costs	620	642
Options	5 441	440
Other benefits	1 412	365
Total	24 273	14 209
Number of full-time equivalents employed during the year:	4	4
Number of employees at the end of the year:	4	4

Remuneration to Ernst & Young for audit and audit-related services in 2021 was KNOK 381 (KNOK 430 in 2020). Remuneration for other services was KNOK 0 (against KNOK 221.7 in 2020).

Note 3: Operating income

KNOK	2021	2020
Received management fee from Norwegian subsidiaries	5 000	3 000
Received management fee from Swedish subsidiaries	6 380	8 377
Received management fee from other subsidiaries	4 994	3 131
Total operating income	16 374	14 508

Note 4: Other short and long term debt

KNOK	2021	2020
Holiday pay owed	1 022	889
Accrued expenses	7 673	2 897
Other short term debt 1)	-	5 254
Total other short term debt	8 695	9 041

1) Earn-out CUB Business Systems AB KNOK 4 315 and Earn-out PYD Seguridad S.L.U. KNOK 939 in 2020.

Note 5: Tangible assets

KNOK	2021	2020
Acquisition costs 01.01	1 926	1 910
Acquired	31	15
Acquisition costs 31.12	1 957	1 926
Accumulated depreciations 01.01	1 774	1 622
Depreciations of the year	144	152
Accumulated depreciations 31.12	1 917	1 774
Book value as at 31.12	39	152
Useful economic life	3 years	
Depreciation method	Linear	

Note 6: Other financial items

KNOK	2021	2020
Interest income from group companies	427	585
Other interest income	292	67
Group contributions received from subsidiaries	17 403	40 757
Dividend received from associated companies	100	-
Currency gains	4 495	17 572
Dividend from subsidiaries	12 377	-
Profit on sale of subsidiaries	177 758	-
Other	939	-
Total financial income	213 791	58 980
Other interest expenses	684	2 283
Currency loss	6 189	10 059
Loss on investment in subsidiaries	-	4 847
Other financial expenses	45	178
Total financial expenses	6 918	17 367
Net financial items	206 874	41 613

Note 7: Share capital and shareholder information

The company's share capital per 31.12.2021 comprises the following share classes:

	Number	Nominal value	Book value
Shares	44 376 040	0.62	27 513 145
Total	44 376 040		27 513 145

Overview of shareholders per 31.12.2021

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8.9
2	SOLE ACTIVE AS	2 221 717	5.0
3	HSBC BANK PLC	1 976 000	4.5
4	V. EIENDOM HOLDING AS	1 835 009	4.1
5	PERSHING LLC	1 796 777	4.0
6	PICTET & CIE (EUROPE) S.A.	1 441 821	3.2
7	NORDNET BANK AB	1 405 389	3.2
8	AVANZA BANK AB	1 269 517	2.9
9	ZETTERBERG, GEORG (incl. fully owned companies)	1 202 663	2.7
10	RING, JAN	1 021 803	2.3
11	VERDIPAPIRFONDET DNB SMB	954 787	2.2
12	EVENSEN, TOR COLKA	808 000	1.8
13	WAALER AS	780 000	1.8
14	HAUSTA INVESTOR AS	700 000	1.6
15	STRONGPOINT ASA	587 628	1.3
16	VERDADERO AS	585 859	1.3
17	MP PENSJON PK	561 402	1.3
18	JOHANSEN, STEIN	550 000	1.2
19	NORDA ASA	471 379	1.1
20	FRANKMO, ÅGE	433 500	1.0
Sum 20 largest shareholders		24 536 343	55.3
Sum 2 620 other shareholders		19 839 697	44.7
Sum all 2 640 shareholders		44 376 040	100.0

1) Board member Klaus De Vibe is CEO of Strømstangen AS

Note 8: Equity

KNOK	Share capital	Treasury shares	Share Option program	Other equity	Total 2021
Equity per 01.01	27 513	-52	440	244 519	272 422
Change of equity for the year:					
Proposed dividend				-35 031	-35 031
Change in dividend 2020 paid in 2021				-45	-45
Sale of own shares		59		2 737	2 796
Purchase of own shares		-372		-16 059	-16 431
Share Option Program			5 441		5 441
Profit for the year				186 287	186 287
Equity per 31.12	27 513	-364	5 881	382 408	415 440

Own shares:

Numbers in thousand	2021	2020
01.01	83	172
Sale of own shares	-96	-189
Purchase of own shares	600	100
31.12	588	83
Nominal value	0.62	0.62
Treasury shares specified in equity (KNOK)	364	52

Per 31.12.2021 the company owned 587,628 own shares. Cost price of these was KNOK 16,028, giving an average share price of NOK 27.28.

It was paid KNOK 31,050 in dividend in 2021, which was NOK 0.70 per share.

The Board has proposed a dividend of NOK 0,80 per share in 2022. Total dividends to external shareholders will be KNOK 35,031. The tax effect of dividends does not affect the company's current or deferred tax.

Note 9: Interest bearing debt

Distribution repayment loans (KNOK)	2021	2020
Due within one year	-	22 667
Debt, not time-restricted (group credit account)	-	181 786
Total short term liabilities to credit institutions	-	204 453

Debts and terms of borrowing

Lender (KNOK)	2021	2020	Borrowing terms	Interest terms
Multi-currency, group credit account	-	181 786	Overdraft limit MNOK 100, not time limited	1.74 %
Repayment business loan	-	22 667	Quarterly term loans, last payment 08.03.2021	
Total interest bearing debt	-	204 453		

The group's main bank has covenants on the relationship between EBITDA and net interest bearing debt. The group is not in breach of the terms pr. 31.12.21.
The loans are secured.

Loan security per 31.12.2021

Asset (KNOK)	Book value / nominal security
Co-surety Norway, StrongPoint AB, StrongPoint UAB and StrongPoint E-com AB.*	135 000

*The foreign companies liabilities are limited to the amount the guarantor at any time has drawn.

Note 10: Shares in subsidiaries

Company	Address	Main area of business	Stake	Book Value
StrongPoint AS	Rælingen	Service and product provider	100%	37 942
StrongPoint AB	Malmö (Sweden)	Service and product provider	100%	139 224
StrongPoint UAB	Vilnius (Lithuania)	Service and product provider	100%	20 348
StrongPoint Retail Solutions Sdn Bhd	Kualalumpur (Malaysia)	Under liquidation	100%	-
StrongPoint S.L.U.	Madrid (Spain)	Service and product provider	100%	34 072
StrongPoint E-com AB	Täby (Sweden)	Service and product provider	100%	58 864
StrongPoint Retail Ltd.	UK	Start up	100%	-
Total				290 450

Note 11: Other long term investment

Company	Main area of business	Stake	Book Value
Spok AS	Service company	50%	1 700
Halodi Robotics AS	Development	1%	4 001
Total			5 701

Note 12: Tax expense

Tax expenses for the year are as follows (KNOK):	2021	2020
Change in deferred tax	-1 372	7 463
Tax expense	-1 372	7 463
Reconciliation from nominal to actual tax rate:		
KNOK	2021	2020
Ordinary profit before tax	184 916	28 127
Expected income tax based on nominal rate of tax 22%	40 681	6 188
Permanent differences	-42 053	1 275
Tax expense	-1 372	7 463
Effective tax rate	-0.7 %	26.5 %
Overview of deferred tax assets (KNOK):	2021	2020
Fixed assets	-255	-224
Liabilities	-6 654	-476
Profit and loss account	103	129
Net negative differences	-6 805	-571
Deferred tax assets	1 497	126

Deferred tax assets are recognized on the balance sheet, as they are expected to be utilised through future group contribution from subsidiaries in Norway.

Note 13: Cash and cash equivalents

KNOK	2021	2020
Cash and bank deposit	21 337	-
Unused overdraft facility	100 000	100 000
Cash and cash flow in the cash flow statement	21 337	0

The parent company shares an overdraft facility with the rest of the group. The group as whole may withdraw up to KNOK 100 000 from the group's overdraft facility.

Note 14: Macro perspectives influencing the business

COVID 19 Pandemic

The COVID 19 pandemic had limited effect on the business in 2021. The Spanish operation experienced lower sale in months where the mobility measures was high, but the other operating units managed to have almost normal activities. To some extent, some areas even experienced higher demand, especially within e-commerce. The Group has operated within the restrictions established by governments in the different markets, with home office, personal protection equipment and low mobility. The Group did not receive any specific governmental assistance during the pandemic. The effect of "general" assistance measures, like reduced employer's tax, amounted to 3 MNOK for the year 2020.

Global supply chain and component shortages

The Group was influenced by the global shortage of some components especially for the production of CashGuard. The shortage can be explained by the COVID 19 pandemic and various severe weather incidents affecting production facilities. StrongPoint works closely with suppliers to ensure as little effect on customer deliveries as possible, but experienced delay in installation during 2021. In addition, the increased e-commerce trend put large challenges on the global transportation routes leading to increased freight cost.

Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2021 have been prepared in accordance with the Norwegian Accounting Act, that they give a true and fair view of the Company's and Group's assets, liabilities, financial

position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance and financial position of the Company and the Group and includes a description of the principle risks and uncertainties that they face.

Rælingen, 16 March 2022

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tepfers
Director

Peter Wirén
Director

Ingeborg Molden Hegstad
Director

Jacob Tveraabak
CEO

Auditor's report



Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

www.ey.no
Medlemmer av Den norske Revisorforening

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Strongpoint ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Strongpoint ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2021 and the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the balance sheet as at 31 December 2021, statements of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 21 years from the election by the general meeting of the shareholders in 2000.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

A member firm of Ernst & Young Global Limited



Building a better working world

2

opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment of goodwill, brands and shares in subsidiaries

Basis for the key audit matter

Total goodwill and intangible assets in the consolidated financial statement amounts to MNOK 155 in 2021, where goodwill and brands represents MNOK 147,8. Shares in subsidiaries in the financial statement of the parent company amounts to MNOK 290,5 which is 62,5% of total assets. Management performs an annual impairment test of goodwill and brands with indefinite useful life. Impairment loss is recognized if the carrying value exceeds the recoverable amount. Recoverable amount is measured as value in use calculated based on discounted future cash flows. The estimates require considerable insight and judgement from management and uncertainty will exist with respect to technological development and market conditions. The impairment of goodwill, brands and shares in subsidiaries was a key audit matter due to the size of the items and the judgment involved in the estimated future cash flows.

Our audit response

We evaluated the impairment model used and checked the calculation for mathematically accuracy. We assessed management's assumptions used in the calculations, including discount rate and predicted cash flows used in the model. Management's assumptions regarding future cash flows were compared to historical actual numbers. The weighted average cost of capital used as discount rate in the impairment assessment was compared to external data on beta and capital structure in comparable entities. Sensitivity in changes in main assumptions are analyzed and reviewed.

We refer to note 11 and note 25 in the consolidated financial statement and note 10 in the separate financial statement.

.....

Divestment of Cash Security business presented as Discontinued Operations

Basis for the key audit matter

In June 2021 Strongpoint ASA divested the Labels business to Volati Tryck Holding AB. The Labels business was reported as Discontinued Operations in the financial statements. The calculated gain on the sale is significant for the financial statement, the assessment of the discontinued operations, and further the transaction price and its accounting are non-routine and involves management judgements. The judgements include, amongst others, the identification of the divested business, measurement of the consideration received and the presentation of its results as discontinued operations. We considered the accounting and presentation of the divestment a key audit matter.

Our audit response

We assessed the calculation of the gain. We obtained and reviewed the sales contract. We evaluated the classification of the Labels business as discontinued operations and the adequacy of the disclosure in the financial statements. In addition, we evaluated the presentation of the results of the Labels business as discontinued operations, the allocated income and expenses including assumptions and estimates made with regards to the allocation of central cost allocations.

We refer to note 4 in the consolidated financial statement.

Independent auditor's report - Strongpoint ASA 2021

A member firm of Ernst & Young Global Limited



Building a better working world

3

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by applicable legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report - Strongpoint ASA 2021

A member firm of Ernst & Young Global Limited

Auditor's report



Building a better working world

4

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of our audit of the financial statements of Strongpoint ASA we have performed an assurance engagement to obtain reasonable assurance whether the financial statements included in the annual report, with the file name «strongpoint-2021-12-31-en», has been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation given with legal basis in Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements included in the annual report have been prepared, in all material respects, in compliance with the ESEF Regulation.

Independent auditor's report - Strongpoint ASA 2021

A member firm of Ernst & Young Global Limited



Building a better working world

5

Management's responsibilities

Management is responsible for the preparation of an annual report and iXBRL tagging of the consolidated financial statements that complies with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary to enable the preparation of an annual report and iXBRL tagging of the consolidated financial statements that is compliant with the ESEF Regulation.

Auditor's responsibilities

Our responsibility is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation based on the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its annual report in XHTML format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 21 March 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Finn Espen Sellæg
State Authorised Public Accountant (Norway)

Independent auditor's report - Strongpoint ASA 2021

A member firm of Ernst & Young Global Limited



StrongPoint ASA | Slynga 10, 2005 Rælingen | Tel: +47 03254 | strongpoint.com